

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

**ELLIOT LAKE AND NORTH SHORE CORPORATION FOR BUSINESS
DEVELOPMENT and EAST ALGOMA COMMUNITY FUTURES
DEVELOPMENT CORPORATION/ALGOMA EST SOCIETE D'AIDE AU
DEVELOPPEMENT DES COLLECTIVITES**

Applicants

-and-

ALMENARA EN EL RIO INC.

Respondent

**MOTION RECORD OF THE RECEIVER,
BDO CANADA LIMITED**

July 24, 2023

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TAB 1

Court File No.: CV-23-00011162-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

**ELLIOT LAKE AND NORTH SHORE CORPORATION FOR BUSINESS
DEVELOPMENT and EAST ALGOMA COMMUNITY FUTURES
DEVELOPMENT CORPORATION/ALGOMA EST SOCIETE D'AIDE AU
DEVELOPPEMENT DES COLLECTIVITES**

Applicants

-and-

ALMENARA EN EL RIO INC.

Respondent

NOTICE OF MOTION

BDO Canada Limited ("**BDO**"), in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of the assets, undertakings and properties of Almenara En El Rio Inc. ("**Almenara**") will make a motion to a Judge presiding over the Ontario Superior Court located at 155 Elm Street, Sudbury, Ontario, P3C 1T9 on July 28, 2022 at 10:00 a.m., or as soon after that time as the motion can be heard.

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

- in writing under subrule 37.12.1(1) because it is *(insert one of on consent, unopposed or made without notice)*;
- in writing as an opposed motion under subrule 37.12.1(4);
- by videoconference;
- orally.

THE MOTION IS FOR:

1. An Order, substantially in the form at Tab 3 of the Motion Record for the following relief:
 - (a) the abridgement of the time for service of the Notice of Motion and Motion Record herein and dispensing of service thereof;
 - (b) the approval of the sale transaction contemplated by an accepted offer between the Receiver and Renee Dubois (the "**Purchaser**") made as of June 16, 2023 (the "**Sale Agreement**"), in respect of the sale of the Purchased Assets (as defined in the Sale Agreement) (the "**Transaction**"); and
 - (c) vesting in the Purchaser, Almenara's right, title and interest in and to the Purchased Assets.

2. An Order, substantially in the form attached at Tab 4 of the Motion Record, for the following relief:
 - (a) the approval of the Receiver's activities described in the First Report of the Receiver dated July 24, 2023 (the "**Receiver's Report**");
 - (b) an Order sealing the Confidential Supplemental Report of the Receiver dated July 24, 2023 (the "**Confidential Supplemental Report**");
 - (c) the approval of the Receiver's fees and disbursements, and those of its counsel as set forth in the Receiver's Report;
 - (d) the approval of the proposed distributions as set out in the Receiver's Report (the "**Proposed Distribution**"); and
 - (e) such further and other relief as this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:**Background**

3. Pursuant to the terms of the Order of Justice R.D. Gordon dated April 28, 2023 (the "**Receivership Order**"), BDO was appointed as Receiver over the assets, undertakings and properties of Almenara pursuant to section 243 of the *Bankruptcy and Insolvency Act* ("**BIA**") and section 101 of the *Courts of Justice Act* ("**CJA**").

4. Almenara is an Ontario corporation. Almenara is the registered owner of the Property and

operates a marina and campground at the property municipally known as 57 Spanish Street, Spanish, Ontario (the “**Property**”). Russell Christensen and Jean Kirkland, who are not parties to this application, were directors and officers of Almenara but have passed away on March 20, 2023 and August 20, 2021, respectively. The estate trustee of Mr. Christensen’s estate, Kimberly Brush, renounced her right to a certificate of appointment of estate trustee with a Will, on or about March 28, 2023.

5. Elliot Lake and North Shore Corporation For Business Development (“**Elliot Lake Corp.**”) is an Ontario not-for-profit corporation with its registered head office located in Elliot Lake, Ontario. Elliot Lake Corp. was one of the lenders for Almenara.

6. East Algoma Community Futures Development Corporation/Algoma Est Societe D'aide Au Developpement Des Collectivites (“**East Algoma Corp.**”) is an Ontario not-for-profit corporation with its registered head office located in Blind River, Ontario. East Algoma Corp. was one of the lenders for Almenara.

7. Pursuant to the Receivership Order, the Receiver was authorized and directed to market and sell the Property in accordance with an approved sales process, including advertising and soliciting offers in respect of the Property and negotiating terms and conditions of sale as the Receiver determined to be appropriate.

The Approval of the Transaction

8. As a result of a robust sales process, the Receiver received an offer to purchase the Property from the Purchaser at arm's length which the Receiver has accepted subject to the approval of this Honorable Court.

9. The Receiver recommends the approval of the Sale Agreement for, *inter alia*, the following

reasons:

- (a) the Property has been fully exposed to the market;
- (b) it is the Receiver's view that the purchase price under the Sale Agreement is commercially reasonable and represents the maximum possible price in these circumstances;
- (c) the mortgagees on the Property, Elliot Lake Corp. and East Algoma Corp. support the Transaction.

10. For the additional reasons set out in the Receiver's Report, the Receiver recommends that the acceptance of the Sale Agreement be approved as it represents the best recovery possible in the circumstances.

Sealing of the Confidential Supplemental Report

1. The Receiver is requesting that the Court seal the Confidential Supplemental Report pending the completion of the Transaction or further order of this Honourable Court.
2. The Confidential Supplemental Report should be sealed as its contents contain commercially sensitive financial information which could have a negative impact on the market for the Property should the sale of the Property to the Purchaser not close.
3. The salutary effects of sealing the Confidential Supplemental Report outweighs any deleterious effects.

The Proposed Distributions

4. The Receiver's independent counsel has provided to the Receiver a security opinion regarding the security of the following mortgagees with registered security against the Property (the "**Mortgagees**"):

- (a) Elliot Lake Corp.; and
- (b) East Algoma Corp.

5. The Receiver's counsel is of the view that, subject to certain standard assumptions and qualifications, the Elliot Lake Corp. mortgage and the East Algoma Corp. mortgages are valid and enforceable in accordance with its terms and rank on a *pari passu* basis. These mortgages have priority to the net sale proceeds of the Property ahead of any unsecured creditors.

6. After repayment of the Receiver's Borrowings, payment of commissions, property tax arrears, and payment of the Receiver's fees and expenses to date plus a reserve for the Receiver's anticipated fees and expenses to complete the administration of the receivership (collectively, the "**Priority Payments**"), there will be sufficient funds to fully repay the Elliot Lake Corp. and East Algoma Corp.

7. Accordingly, the Receiver recommends that the Court authorize the Receiver to make the Proposed Distributions.

Approval of Activities and Fees

8. In the Receiver's Report, the Receiver has included a detailed description of its activities, its fees and disbursements, and the fees and disbursements of its lawyers, Robins Appleby LLP and Lipman Zener & Waxman PC.

9. The Receivership Order provides that the Receiver and its legal counsel are entitled to be paid their reasonable fees and disbursements at their standard rates and charges, and are required to pass their accounts from time to time.

10. The Receiver's activities, statement of receipts and disbursements including the fees and

disbursements of its legal counsel, Robins Appleby LLP and Lipman Zener & Waxman PC, as set out in the Receiver's Report are fair and reasonable and should to be approved.

Other Grounds

11. Rules 1.04, 2.03, 3.02 and 37 of the *Rules of Civil Procedure*.
12. Such further and other grounds as the lawyers may advise.

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

- (a) The Receiver's Report;
- (b) The Confidential Supplemental Report;
- (c) The Affidavit of Dominique Michaud sworn July 24, 2023 (the "**Robins Appleby LLP Fee Affidavit**");
- (d) The Affidavit of Ian Klaiman sworn July 20, 2023 (the "**LZW Fee Affidavit**");
- (e) The Affidavit of Gary Cerrato sworn July 20, 2023 (the "**BDO Fee Affidavit**"); and
- (f) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

July 24, 2023

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**ELLIOT LAKE AND NORTH - and - ALMENARA EN EL RIO INC.
SHORE CORPORATION FOR
BUSINESS DEVELOPMENT
et al.**

Applicants

Respondent

Court File No.: CV-23-00011162-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT SUDBURY

NOTICE OF MOTION

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TAB 2

Court File No. CV-23-00011162-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

**ELLIOT LAKE AND NORTH SHORE CORPORATION FOR BUSINESS DEVELOPMENT and
EAST ALGOMA COMMUNITY FUTURES DEVELOPMENT CORPORATION/ALGOMA EST SOCIETE
D'AIDE AU DEVELOPPEMENT DES COLLECTIVITES**

Applicants

- and -

ALMENARA EN EL RIO INC.

Respondent

**FIRST REPORT OF BDO CANADA LIMITED, IN ITS CAPACITY
AS COURT APPOINTED RECEIVER**

July 24, 2023

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Affidavit of Ian Klaiman sworn July 24, 2023	H

INTRODUCTION AND PURPOSE OF THIS REPORT

Introduction

1. By Order of the Honourable R. D. Gordon of the Ontario Superior Court of Justice (the "**Court**") dated April 28, 2023 (the "**Receivership Order**"), BDO Canada Limited ("**BDO**") was appointed as the Court-appointed receiver (in such capacity, the "**Receiver**") over Almenara En El Rio Inc. ("**Almenara**" or the "**Debtor**"), and all of the assets, undertakings and properties of the Debtor, including the real property known municipally as 57 Spanish Street, Spanish, ON (the "**Property**"). A copy of the Receivership Order is attached hereto as **Appendix "A"**. The within proceeding is referred to herein as the "**Receivership Proceeding**".

Purpose of this Report

2. The purpose of the Receiver's Report to Court dated July 24, 2023 (the "**First Report**") is to provide information to the Court with respect to:
 - a) background information in respect of the Debtor and the Property;
 - b) the Receiver's activities since its appointment, for which the Receiver seeks approval;
 - c) the sale process ("**Sale Process**") conducted by the Receiver with respect to the Property;
 - d) the agreement of purchase sale dated June 16, 2023 (the "**Dubois APS**") entered into by Renee Dubois ("**Dubois**" or the "**Purchaser**") and the Receiver with respect to the Real Property and Marina Chattels (defined below) subject to the approval of this Court;
 - e) the Receiver's motion for an Order(s) of this Court:
 - i. approving and authorizing the Dubois APS, and approving the transaction set out therein (the "**Transaction**");
 - ii. vesting the Debtor's right, title and interest, if any, in and to the Property free and clear of all encumbrances, except any permitted encumbrances, subject to the terms of the Dubois APS;
 - iii. sealing the Receiver's Confidential Supplement to the First Report dated July 24, 2023 (the "**Confidential Supplement**") including the Dubois APS, real estate opinions of value and other commercially sensitive information, which will be filed with the Court in support of this motion;
 - iv. approving a distribution of the net proceeds of sale from the Real Property to Elliott Lake and North Shore Corporation ("**Elliott Lake Corp.**") and East Algoma Community Futures Development Corporation/Algoma Est Societe D'aide Au

Development Des Collectivities ("**East Algoma Corp.**") the mortgagees, as set out herein;

- v. approving the activities of the Receiver, as described in this First Report; and
 - vi. approving the fees and disbursements of the Receiver and its legal counsel, Robins Appleby LLP ("**Robins Appleby**") and Lipman, Zener & Waxman PC ("**LZW**") as set out in this First Report, and authorizing the Receiver to pay all approved and unpaid fees and disbursements.
3. This First Report, and other all court materials and orders issued and filed in these receivership proceedings are or will be made available on the Receiver's case website at: <https://www.bdo.ca/en-ca/extranets/AlmenaraEnElRiolnc> and will remain available on the website for a period of six (6) months following the Receiver's discharge.

DISCLAIMER

4. This First Report is prepared solely for the use of the Court for the purpose of assisting it in making a determination whether to: (i) approve and authorize the Dubois APS and the Transaction, (ii) vest the Debtor's right, title and interest, if any, in and to the Property free and clear of all encumbrances, except permitted encumbrances, to the Purchaser (iii) approve a distribution of funds from the proceeds of sale from the Transaction to the mortgagees, (iii) approve the actions and conduct of the Receiver and the accounts of the Receiver and its legal counsel as set out in this First Report, and (iv) approve other ancillary relief being sought.
5. Except as otherwise described in this First 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.
6. Unless otherwise stated, all monetary amounts contained in this First Report are expressed in Canadian dollars.

BACKGROUND

7. Almenara is an Ontario corporation with a registered head office located at 57 Spanish Street, PO Box 118, Spanish, ON. Almenara is the registered owner of 57 Spanish Street, Spanish, ON (the “**Real Property**”) and operates a marina and campground from the Real Property. The Debtor was incorporated on March 14, 2011. Jean Kirkland (“**Kirkland**”) and Russell Christensen (“**Christensen**”) were the owners, directors and officers of Almenara but passed away on August 20, 2021 and March 20, 2023, respectively. The estate trustee of Christensen’s estate, Kimberly Brush (Christensen’s stepdaughter), renounced her right to a certificate of appointment of estate trustee with a Will, on or about March 28, 2023. The death certificates of Christensen and Kirkland and Kimberly Brush’s Renunciation of the Estate of Russell Christensen were included as Exhibits C5 and C6 to the Affidavit of Shawn Heard, sworn April 24, 2023 included in the Application Record of the Applicants dated April 24, 2023 seeking this Receivership Proceeding.
8. The Real Property used to operate the marina and campground is approximately 3.65 acres in size and contains multiple storage sheds and outbuildings. The Real Property has an office/general store that is approximately 1,100 square feet and there are two storage sheds of approximately 6,000 and 3,800 square feet respectively, where boats were being stored for patrons of the marina.
9. Additionally, there are the following marina chattels (the “**Marina Chattels**”):
 - (i) 6 rental campers/trailers;
 - (ii) A 35 to 45 ton boat lift used to move large yachts and sailboats in and out of the water;
 - (iii) A 1972 John Deere backhoe used primarily to maneuver the boat lift;
 - (iv) 1995 Freightliner truck (unplated and only used on the marina to maneuver trailers);
 - (v) Two ATV’s; and
 - (vi) various boat trailers.
10. In addition to the Real Property and Marina Chattels, the Receiver understands that the Debtor owned a Regency Sun Tracker 22-foot pontoon boat with a 90 HP Mercury 4 stroke engine and a Carver 29-foot boat with twin 220 HP Chrysler engines (the “**Marina Boats**”). The interior of the Carver boat is in very poor condition as it has been severely damaged by raccoons. A search conducted on the Transport Canada Canadian Register of Vessels website does not disclose any ownership information with regard to the Marina Boats. The Marina Boats appear to be unregistered and the Receiver has been unable to locate any purchase and sale documents for the Marina Boats. The Marina Boats are excluded from the Transaction.

11. The Receiver is advised that Christensen closed a general outdoor store which was located at 117 Front Street in Spanish, ON (the "**General Store**") and moved the merchandise from the General Store to the office/general store at the marina. Excess inventory was stored in an owned rental camper at the marina. The inventory was "hand-bombed" to the ceiling of the camper in a haphazard way. The Receiver has made arrangements with a liquidator to transport, itemize and liquidate the inventory as it is excluded from the Transaction.
12. At the onset of the Receivership Proceeding, the marina yard had a multitude of potholes making it completely unsafe to move boats around the marina. The Receiver made arrangements to purchase gravel fill to regrade the yard so that heavy equipment could be used to move boats in a safe manner. Additionally, the docks at the marina were in very poor physical condition and in most cases submerged in the water. Docking companies contacted by the Receiver advised that the docks could not be repaired, should be condemned and represented a significant liability issue for the Receiver. After consulting with Almenara's insurer and lenders, the Receiver notified patrons of the marina on May 18, 2023 that the Receiver was closing the marina and campground effective immediately given the safety concerns surrounding the docks and the lack of funding to purchase new docks.
13. The marina and campground had 26 third-party owned campers on-site and 61 third-party owned boats being stored for the winter. The Receiver had virtually no information to identify the campers or boat owners. Additionally, all of the third-party owned boats were shrink wrapped for winter storage. In most cases, the third-party owned boats were not registered on the Transport Canada Canadian Register of Vessels website. The majority of the boats stored at the marina were either 30 to 50 foot yachts or sailboats that required use of the boat lift and backhoe to move them out of the storage sheds and/or launch them into the water.
14. Prior to the Receivership Proceeding, Christensen traveled to New Brunswick where he unexpectedly passed away from a heart attack leaving the business without any management. The Receiver understands that Christensen took his personal laptop computer with him to New Brunswick. Christensen's laptop computer contained all of the electronic books and records of Almenara stored in an accounting software package. The Receiver also understands that Ms. Brush now has custody of Christensen's laptop computer but does not have the passwords to access it. Consequently, the Receiver has had limited information to administer the Receivership Proceeding. In the circumstances, the Receiver has spent considerable time and effort in identifying and confirming third-party property and investigating and devising a plan to assist boat owners with getting their boats out of the storage sheds and launched into the water or removed from the marina.

ACTIVITIES OF THE RECEIVER

15. The Receiver's more salient activities since its appointment include:

- a. attending at the Real Property and inventorying and photographing the campers and boats;
- b. seizing the Debtor's bank accounts held with Bank of Nova Scotia;
- c. arranging to continue with the existing marina insurance with First Insurance through Almenara's Insurance Agent, HUB International HKMB (the "**Insurance Agent**"), and corresponding with the Insurance Agent on various insurance matters, including moving boats, the condition of the marina docks and boat lift as well as and other insurance liability issues;
- d. liaising with the Insurance Agent with regard to an insurance claim lodged by one of the sailboat owners;
- e. communicating with The Corporation of the Town of Spanish ("**Spanish**") with respect to outstanding property taxes levied against the Real Property and arranging for utility billings to be directed to the Receiver;
- f. investigating whether the boat lift required certification so the Receiver would be covered by the existing marina insurance if moving and launching boats at the marina;
- g. arranging for the boat lift to be inspected and a condition report to be prepared to determine whether the boat lift could be repaired at a reasonable cost and used to assist boat owners with moving and launching their boats;
- h. contacting various marinas in the surrounding areas to find an experienced boat lift operator to assist the Receiver with launching patrons' boats in the water;
- i. contacting utility companies to transfer utility accounts to the Receiver;
- j. numerous meetings with campers and boat owners to arrange for their removal of third-party owned boats, trailers and other personal items;
- k. arranging for the inventory to be picked up by a liquidator;
- l. implementing the Sale Process (as outlined below);
- m. communication with Mallette-Goring Real Estate Brokerage ("**Mallette-Goring**"), the realtor engaged to sell the Real Property, throughout the Sale Process (as outlined below);

- n. ongoing communications and correspondence with the mortgagees and other stakeholders with regard to the Receivership Proceeding, claims and progress of the Sale Process;
- o. reviewing offers received with the Mallette-Goring, counsel and the mortgagees;
- p. negotiating offers for the Real Property; and
- q. preparing the First Report and Confidential Supplement.

CREDITOR CLAIMS/DEEMED TRUST CLAIMS

16. Set out below is a summary of the encumbrances that are registered against the Real Property:

Chargor	Encumbrance	Amount	Instrument	Registration Date
Elliot Lake and North Shore Corporation for Business Development	Mortgage	\$122,000	AL85551	May 4, 2011
East Algoma Community Futures Development Corporation	Mortgage	\$122,000	AL85552	May 4, 2011
The Corporation of the Town of Spanish	Tax Certificate	\$31,506	AL209889	February 26, 2020

17. Elliott Lake Corp. is an Ontario not-for-profit corporation operating in Elliott Lake, Ontario. The charge in favour of Elliott Lake Corp. relates to a secured loan advanced to Almenara in the principal amount of \$122,000 pursuant to a loan agreement dated March 22, 2011 (the “**Elliott Lake Corp. Loan**”).
18. East Algoma Corp. is an Ontario not-for-profit corporation operating in Blind River, Ontario. The charge in favour of East Algoma Corp. relates to a secured loan advanced to Almenara in the principal amount of \$122,000, which was subsequently increased to \$144,000, pursuant to the terms of loan agreements dated May 1, 2011 and November 28, 2011, respectively (the “**East Algoma Corp. Loan**”).
19. The purpose of the Elliott Lake Corp. Loan and the East Algoma Corp. Loan was for Almenara to purchase the Real Property and chattels known as “Vance’s Marina”. Elliott Lake Corp. and East Algoma Corp. executed a pari passu agreement dated May 3, 2011 (the “**Pari Passu Agreement**”) in respect of the above-noted loans and security described below. The Pari Passu Agreement provides that, *inter alia*, each of the lenders security shall rank pari-passu with the other. The only exception was over the proceeds from Christensen’s life insurance policy which was granted as security solely to Elliott Lake Corp. Elliott Lake Corp. was paid life insurance proceeds totaling

\$111,551.90 just prior to the Receivership Proceeding which is reflected in the payout statement provided to the Receiver by Elliott Lake Corp.

20. As security for its indebtedness and obligations to Elliott Lake Corp. and East Algoma Corp. under their respective loans, Almenara provided the charges against the Real Property described above and executed general security agreements in favour of Elliott Lake Corp. and East Algoma Corp. dated May 3, 2011. Elliott Lake Corp. and East Algoma Corp. each made registrations against Almenara under the Personal Property Security Act Registry System in Ontario. To the Receiver's knowledge, there are no other *Personal Property Security Act* registrations registered against Almenara other than the aforementioned registrations in favour of the lenders.
21. The certificate registered by Spanish represents outstanding property taxes owing as at December 31, 2019 (the "**Tax Arrears**"). Spanish has provided the Receiver with a current statement disclosing Tax Arrears as of June 20, 2023 of \$23,717.13. A copy of the property tax statement is included hereto as **Appendix "B"**. The Tax Arrears will be paid out from the sale proceeds from the Transaction.
22. As of the date of the Notice of Application, the Debtor did not have any execution creditors nor were there any construction liens registered against the Real Property.
23. The Receiver has received claims from the Canada Revenue Agency ("**CRA**") in respect of unremitted employee payroll source deductions and HST totaling \$22,574.66 and \$2,102.65, respectively. CRA's combined claims total \$24,677.31. The deemed trust amounts identified in CRA's claims in respect of payroll deductions and HST are \$12,262.34 and \$1,071.18 respectively, totaling \$13,333.52 (together the "**CRA Deemed Trust Claims**"). The balance of CRA's claims totaling \$11,343.79 represent unsecured claims against Almenara. Copies of CRA's claims are attached as **Appendix "C"**.
24. The mortgages registered by Elliott Lake Corp. and East Algoma Corp. appear to represent "*prescribed security interests*" under Section 227 (4.2) of the *Income Tax Act* and Section 222 (4) of the *Excise Tax Act* as the mortgages were registered against the Real Property before the time the payroll deductions and HST amounts were deemed to be held in trust by Almenara. Since the mortgages were registered against the Real Property prior to the Debtor incurring the CRA obligations, the mortgagees appear to have priority over the CRA to the net sale proceeds from the Real Property.

APPRAISALS

25. The Receiver commissioned an appraisal of the Marina Chattels, Marina Boats and Inventory from Canam Apprais Inc. ("**Canam**"). Attached as **Confidential Appendix "A"** is Canam's appraisal.

The appraised value of the Marina Chattels, excluding the Marina Boats, is disclosed in Paragraph 25 of the Confidential Supplement.

SALE PROCESS

Review and Summary of the Sale Process

26. Among the powers set out in the Receivership Order, the Receiver is empowered and authorized in Paragraph 3(k) to market the Property, including advertising and soliciting offers in respect of the Property and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate.
27. Pursuant to its powers under the Receivership Order, the Receiver obtained three listing proposals to list the Real Property for sale from the following real estate brokers:
 - i. Mallette-Goring;
 - ii. Oak Realty Ltd. Brokerage; and
 - iii. Royal Lepage Mid North Realty, Brokerage.
28. Each of the above listing proposals contained a suggested list price based on a comparable analysis, sale commission structure, proposed marketing efforts and relevant experience. A summary of the listing proposals is included hereto as **Confidential Appendix "B"**.
29. The Receiver selected Mallette-Goring's listing proposal and engaged Mallette-Goring to list the Property for sale. The Mallette-Goring team had experience and knowledge with marina properties. Additionally, the Mallette-Goring proposal contained a robust marketing campaign and Mallette-Goring reduced its commission structure to 5% or 4% if representing both sides of the sale transaction which was comparable to the other competing brokers' commission structures. The mortgagees were contacted by the Receiver and supported the Receiver's recommendation to engage Mallette-Goring as the listing agent. The Receiver executed the listing agreement with Mallette-Goring on June 6, 2023.
30. The Receiver was contacted by a number of parties interested in purchasing the Real Property and those parties were contacted by Mallette-Goring. Mallette-Goring also received numerous inquiries about the Real Property after listing the Real Property for sale on MLS ultimately leading to a number of offers for the Receiver to consider.
31. The Receiver received an unconditional cash offer from Wendy and Tim Yorke (the "**Yorke Offer**"). The Yorke Offer was later withdrawn after the Receiver suggested that the offer needed to be

improved based on information provided to the Receiver by the real estate brokers. The amount of the offer is included as Paragraph 31 of the Confidential Supplement.

32. Mallette-Goring presented the Receiver with one offer from Julien Marleau dated June 14, 2023 (the “**Marleau Offer**”) which included the following terms and conditions:

- i. a purchase price solely for the Real Property as disclosed in Paragraph 32 of the Confidential Supplement;
- ii. an initial deposit of \$10,000 upon acceptance of the offer; and
- iii. conditional for a period of 7 business days for the buyer to secure a mortgage.

33. The Receiver signed back the Marleau Offer after amending the following:

- i. increasing the purchase price by \$65,000 as set out in Paragraph 33 of the Confidential Supplement;
- ii. addition of a second deposit of an additional \$25,000 after conditions were waived;
- iii. closing to be the later of July 14, 2023 or 10 days after court approval; and
- iv. any title search to be completed 3 calendar days before completion of the Transaction.

34. Julien Marleau never counter offered the Receiver’s sign back by the irrevocable date and then discovered he was in a competitive bid situation with other buyers.

35. Mallette-Goring provided the Receiver with an offer from Christine and Raul Kamal dated June 20, 2023 (the “**Kamal Offer**”) which included the following terms and conditions:

- i. a purchase price for the Real Property, Marina Chattels and inventory as disclosed in Paragraph 36 of the Confidential Supplement;
- ii. a deposit of \$5,000 upon acceptance of the offer,
- iii. conditional on 30 days to: (i) arrange a first mortgage; (ii) arrange for insurance; (iii) the Receiver providing a Phase 1 Environmental Study; and (iv) overall acceptance of the terms and conditions of the offer by the buyer’s solicitor;
- iv. an irrevocable date of June 20, 2023 at 6:00 PM (the same day the offer was received).

36. This offer was not taken seriously by the Receiver given its conditions especially given that neither the Receiver nor the lenders had a Phase 1 Environmental Study for the Real Property. The Kamal Offer was submitted in a competitive bid situation and was crafted to include an attractive purchase price while being highly conditional thereby providing the prospective buyers with additional time to consider their options with regard to the Real Property to the exclusion of other buyers if accepted.

37. The Receiver also received an offer through Mallette-Goring from the Purchaser (the “**Dubois Offer**”) on the same day the Receiver received the Kamal Offer.

Proposed Transaction

38. The Dubois Offer contained the following conditions:

- i. a purchase price for the Real Property and Marina Chattels as disclosed in Paragraph 38 of the Confidential Supplement;
- ii. a deposit of \$25,000 upon acceptance of the offer,
- iii. conditional on a site inspection within 7 days.

39. The Receiver signed back the Dubois Offer at a purchase price \$45,000 higher than offered as set out in Paragraph 39 of the Confidential Supplement, increased the deposit by \$10,000 to \$35,000 and amended the closing date to be the later of July 14, 2023 or 10 days after Court approval of the sale transaction.

40. The Receiver received a sign-back from Dubois with the only change to the Receiver’s counter-offer being a reduction of \$39,000 from the Receiver’s amended price. Dubois waived his site inspection condition on June 29, 2023.

41. After consulting with the lenders with regard to the multiple offers received, the Receiver accepted and executed the Dubois APS. The Dubois APS has a final purchase price as disclosed in Paragraph 41 of the Confidential Supplement and is expected to close the later of July 14, 2023 or 10 days after Court approval of the Transaction. The Dubois APS is included as **Appendix “C” to the Confidential Supplement**.

42. The Receiver has received the \$35,000 deposit as set out in the Dubois APS.

43. The Receiver is of the view that the Sale Process was conducted in a commercially reasonable manner and the Real Property was widely exposed to the market. Mallette-Goring listed the Real Property for sale on MLS, marketed the Real Property on its website and contacted multiple interested parties.

44. The sale price received for the Real Property is commercially reasonable when compared to the phased in value of the Real Property disclosed on the property tax statement and the indications of value contained in the listing proposals received from the brokers. Additionally, the mortgagees support the Receiver’s recommendation to the Court to accept the Dubois APS.

45. Accordingly, for the reasons set out above, the Receiver recommends that the Court approve the Dubois APS and authorize the Receiver to close the Transaction as contemplated under the Dubois APS.

DISTRIBUTION OF NET SALE PROCEEDS

The Proposed Distributions

46. The Receiver's independent counsel LZW has provided the Receiver with a security opinion, attached hereto as **Appendix "D"**, regarding the security of the mortgagees with registered security against the Real Property and personal property assets (the "**Mortgagees**"):
- i. East Algoma Corp; and
 - ii. Elliott Lake Corp.
47. The Receiver's counsel is of the view that, subject to certain standard assumptions and qualifications, the mortgages are valid and enforceable in accordance with their terms. Furthermore, the Receiver's counsel has provided an opinion that the mortgages rank in priority to the CRA Deemed Trust Claims as "*prescribed security interests*" in accordance with Section 227(4.2) of the *Income Tax Act* and Section 222(4) of the *Excise Tax Act*. Additionally, the Receiver's counsel is of the view that, subject to certain standard assumptions and qualifications, that the General Security Agreements granted by the Debtor in favour of the Mortgagees are valid and enforceable in accordance with their terms.
48. The Receiver has received a payout statement dated July 11, 2023 from Elliott Lake Corp. totaling \$57,364.73, excluding per diem interest up to the date of repayment. Additionally, the Receiver has received a payout statement from East Algoma Corp. dated July 18, 2023 totaling \$142,262.88, excluding per diem interest up to the date of repayment. The Elliott Lake Corp. and East Algoma payout statements are attached hereto as **Appendix "E"**.
49. The Receiver therefore recommends making a final distribution to Elliott Lake Corp. based on the payout statement provided to the Receiver after being brought current to the date of the proposed distribution. The Receiver also recommends making a final distribution to East Algoma Corp. based on the payout statement provided to the Receiver, after being brought current to the date of the proposed distribution. The proposed distributions to Elliott Lake Corp. and East Algoma Corp. are referred to herein as the "**Proposed Distributions**".
50. The Receiver is seeking approval of the Proposed Distributions from the Court so that it can make final distributions to Elliott Lake Corp. and East Algoma Corp. following the receipt of the

Transaction sale proceeds. The Receiver considers it prudent to repay the borrowings to these Mortgagees in order eliminate the ongoing interest and other costs being incurred.

SEALING ORDER

51. In the event that the Court does not grant the Approval and Vesting Order or the Transaction does not close, the Receiver is of the view that efforts to re-market the Real Property would be impaired if the contents of the Confidential Supplement were to be made public at this time. Accordingly, the Receiver believes that it is appropriate for the Confidential Supplement to remain confidential until such time as the Transaction closes. Accordingly, the Receiver requests and order sealing the Confidential Supplement.

FEES AND DISBURSEMENTS

52. Pursuant to the Receivership Order, any expenditure or liability which shall properly be made or incurred by the Receiver, including the fees and disbursements of the Receiver and the fees and disbursements of the Receiver's legal counsel, constitute part of the "**Receiver's Charge**".

53. The Receiver's fees and disbursements for the period of April 28, 2023 to July 14, 2023, were \$78,285.50 plus disbursements of \$4,772.07 and HST of \$10,177.12, for a total of \$93,234.69, which are described in the Affidavit of Gary Cerrato sworn July 20, 2023, a copy of which is attached hereto as **Appendix "F"**.

54. Robins Appleby's fees and disbursements for the period of April 28, 2023 to June 30, 2023 were \$12,419.50 plus disbursements of \$13.40 and HST of \$1,616.28 for an aggregate amount of \$14,049.18, as set out in the affidavit of Dominique Michaud sworn July 24, 2023, a copy of which is attached hereto as **Appendix "G"**.

55. LZW fees and disbursements for the period of July 18, 2023 to July 24, 2023 were \$3,650.00 plus disbursements of \$162.50 and HST of \$495.63 for an aggregate amount of \$4,308.13, as set out in the affidavit of Ian Klaiman sworn July 24, 2023, a copy of which is attached hereto as **Appendix "H"**.

56. The Receiver respectfully submits that the Receiver's fees and disbursements and those of Robins Appleby and LZW are reasonable in the circumstances and have been validly incurred in accordance with the provisions of the Receivership Order.

SUMMARY AND RECOMMENDATIONS

57. Based on the foregoing, the Receiver respectfully requests that this Court grant Order(s):

- a. approving and authorizing the Dubois APS and approving the Transaction;

- b. vesting Debtor's right, title and interest, if any, in and to the Property free and clear of all encumbrances, except permitted encumbrances, subject to the terms of the Dubois APS;
- c. sealing the Confidential Supplement;
- d. approving the Proposed Distributions to the Mortgagees as set out herein;
- e. approving the activities of the Receiver, as described in this First Report; and
- f. approving the fees and disbursements of the Receiver and its legal counsel, Robins Appleby and LZW as set out in this First Report, and to authorize the Receiver to pay all approved and unpaid fees and disbursements.

All of which is respectfully submitted this 24th day of July 2023.

**BDO CANADA LIMITED,
in its capacity as the Court-appointed Receiver of
Almenara En El Rio Inc.**

Per:



Name: Gary Cerrato, CIRP, LIT
Title: Senior Vice-President

APPENDIX A

undertakings relating thereto, acquired for, or used in relation to a business carried on by the Debtor, and for other relief, was heard this day by way of video-conference.

ON READING the affidavit of Shawn Heard sworn April 24, 2023 and the Exhibits thereto, the affidavit of William Elliott sworn April 24, 2023 and the Exhibits thereto, and the factum of the Applicants on hearing the submissions of counsel acting for the Applicants and such other parties as were present, and on reading the consent of BDO Canada Limited to act as the Receiver,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application, the Application Record, and the factum of the Applicants 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, BDO is hereby appointed Receiver, without security, over the Debtor and 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, and including the property set out in Schedule "A".

RECEIVER'S POWERS

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

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to

safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to undertake environmental assessments of the Property;
- (j) 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;

- (k) to market any or all of the Debtor's assets, including 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;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
- (i) without the approval of this Court in respect of any transaction not exceeding \$50,000.00, provided that the aggregate consideration for all such transactions does not exceed \$250,000.00; 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;
- (m) 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;
- (n) 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;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) 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;

- (q) 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;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,
- (t) 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, limited partners and all other persons acting on its instructions or behalf, and (iii) all other individuals, executors, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records,

or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

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

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

9. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor 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 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 said one or more of the Property and Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE RECEIVER'S LIABILITY

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

this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

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

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

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

FUNDING OF THE RECEIVERSHIP

21. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed ~~\$500,000.00~~ ^{RDG \$100,000.00} (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and

is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

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

SERVICE AND NOTICE

25. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <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.bdo.ca/en-ca/extranets/AlmenaraEnElRioInc/>

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.

RETENTION OF LAWYERS

27. **THIS COURT ORDERS** that the Receiver may retain lawyers, including the Applicant's lawyers, to represent and advise the Receiver in connection with the exercise of the Receiver's powers and duties, including without limitation, those conferred by this Order. Such lawyers may be the lawyers for the Applicant herein, in respect of any aspect, where the Receiver is satisfied that there is no actual or potential conflict of interest.

GENERAL

28. **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.

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

30. **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.

31. **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,

ENTERED AT SUDBURY

This day
Of 20

Court No: 7712

BY:

SCHEDULE "A" THE PROPERTY

PIN: 31421-0488 (LT)

DESCRIPTION: PCL 7624 SEC AES; PT SEC 38 SHEDDEN PT 5 1R4319; PT 1 1R4013; PT 4 1R8873 EXCEPT PT 2 1R8995; LT 14 PL M17 SHEDDEN EXCEPT PT 11 1R7944 & PT 1 1R8995;
SPANISH

Address: 57 Spanish Street, Spanish, Ontario

SCHEDULE "B"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that BDO Canada Limited, the receiver (the "**Receiver**") over Almenara En El Rio Inc. (the "**Debtor**") and all of the assets, undertakings and Property of the Debtor municipally known as 57 Spanish Street, Spanish, Ontario (collectively the "**Property**"), appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the _____ (the "**Order**") made in an action having Court file number CV-_____, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

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

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

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

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

DATED the ____ day of _____, 20__.

BDO Canada Limited, solely in its capacity
as Receiver of the Debtor, and not in its
personal capacity

Per: _____

Name: Gary Cerrato

Title: Senior Vice-President

**ELLIOT LAKE AND NORTH - and - ALMENARA EN EL RIO INC.
SHORE CORPORATION FOR
BUSINESS DEVELOPMENT et
al.**

Applicants

Respondent

Court File No.: CV-23-00011162-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT SUDBURY**

**ORDER
(Appointing Receiver)**

ROBINS APPLEBY LLP
Barristers + Solicitors
2600 - 120 Adelaide Street West
Toronto, ON M5H 1T1

Dominique Michaud LSO No. 56871V
Email: dmichaud@robapp.com
Tel: (416) 360-3795

Joey Jamil LSO No. 74614L
Email: jjamil@robapp.com
Tel: (416) 360-3783

Lawyers for the Applicants

APPENDIX B

**The Corporation of the Town of Spanish
TAX ACCOUNT HARDCOPY**

PT4510 50
Page : 1

Date : 20-Jun-2023 Time : 3:18 pm

Roll : 5739 000 00304901.0000

57 SPANISH ST

Balance as of : 20-Jun-2023

TAX SALE

ALMENARA EN EL RIO INC.

ALMENARA EN EL RIO INC.
57 SPANISH ST.
P.O. BOX 118
SPANISH ON P0P 2A0

Phase in Value : 241000
Calculate Penalty : Y
Cur Val Assmnt Portn : 0
Cur Val Assmnt Total : 241000
Property Code : 492
LOT SIZE KEY : AC
LOT SIZE : 3.65
High School : 00
Public School : 01
Seperate School : 01

French Public : 01
French Seperate : 01

Legal Description

PLAN M17 LT 14PT PCL 7624AES 1R4013 PARTS 1PT
2PT 1R4319 PT 5 1R8873 PT 4

2,886.13 Total 2023 Levy

TAXES ON ACCOUNT					
	Current	Arrears Yr 1	Arrears Yr2	Tax Reg.	Total
Amount	5,058.03	6,792.51	5,682.11	3,392.01	20,924.66
Interest	216.84	987.61	994.42	593.60	2,792.47
Total	5,274.87	7,780.12	6,676.53	3,985.61	23,717.13
				Un-Applied:	0.00
				Balance:	23,717.13

ASSESSMENT YEAR 2023

Class Description	Category Description	Src	Effective Date	End Date	Gross Value
COM TX: FULL	No Support	O	01-Jan-2023	31-Dec-2023	220,669
RESFARM TX: FULL	English - Public	O	01-Jan-2023	31-Dec-2023	20,331

NO LOCAL IMPROVEMENTS

HISTORY AS OF JUN. 20, 2023

Date	Description	Amount
Dec. 31, 2022	Balance Forward	17,252.22
Jan. 06, 2023	Interest to bucket (ie current, arrears,	113.43
Jan. 06, 2023	Penalty to bucket (current, arrears, del	84.91
Feb. 01, 2023	Interest to bucket (ie current, arrears,	198.34
Feb. 01, 2023	Payment Transfer	2,171.90
Feb. 02, 2023	Tax Levies will be to bucket 1 (current)	2,886.13
Mar. 07, 2023	Interest to bucket (ie current, arrears,	198.34
Mar. 07, 2023	Penalty to bucket (current, arrears, del	45.19
Apr. 03, 2023	Interest to bucket (ie current, arrears,	198.34
Apr. 03, 2023	Penalty to bucket (current, arrears, del	45.19
May. 02, 2023	Interest to bucket (ie current, arrears,	198.34
May. 02, 2023	Penalty to bucket (current, arrears, del	63.23
Jun. 01, 2023	Interest to bucket (ie current, arrears,	198.34
Jun. 01, 2023	Penalty to bucket (current, arrears, del	63.23

The Corporation of the Town of Spanish
Customer Inquiry

Account No. : 000-00304901-000 **Property Folio No.** 000.00304901.0000
Client : ALMEN001 - ALMENARA EN EL RIO INC.
Address : 57 SPANISH STREET
Legal Ref. : : PLAN M17 LT 14PT PCL 7624AES; : 1R4013 PARTS 1PT 2PT 1R4319; : PT 5 1R8873 PT 4
Balance As Of : 20 Jun 2023 **Customer Account Status** : A-Active

CURRENT	:	1,238.67	Account Balance	:	3,121.75
30 DAYS	:	21.86	Un-Applied	:	0.00
60 DAYS	:	21.86	Total Discount Available	:	0.00
90+ DAYS	:	1,839.36	Net Owing	:	3,121.75

Deposit Status : N - Not Applicable
Deposit Amount : 0.00

20 Jun 2023 15:22

APPENDIX C



Canada Revenue Agency
Agence du revenu
du Canada

53

Tax Centre
Hamilton ON L8R 3P7

July 19, 2023

ALMENARA EN EL RIO INC.
C/O BDO CANADA LIMITED
500 - 20 WELLINGTON ST E
TORONTO ON M5E 1C5

Account Number
82671 7910 RP0001

Dear Tony Montesano:

Subject: ALMENARA EN EL RIO INC.
Account number: 82671 7910 RP0001

We were told that you have been appointed as receiver for the above-named. There is a debt owed to the Canada Revenue Agency for source deductions amounting to \$22,574.66 for income tax and Canada Pension Plan (CPP) contributions, as well as employment insurance (EI) premiums.

Details of the debt are as follows:

Tax deductions:	\$7,709.59
CPP:	\$5,912.24
EI:	\$2,471.91
Penalties and interest:	\$7,692.89
Total:	\$23,786.63

Further to the Income Tax Act, the Canada Pension Plan, and the Employment Insurance Act, the following amounts, which are included in the above totals, are trust funds and form no part of the property, business, or estate of ALMENARA EN EL RIO INC. in receivership.

Federal income tax:	\$5,753.46
Provincial income tax:	\$1,956.13
CPP employee part:	\$3,522.79
EI employee part:	\$1,029.97
Total:	\$12,262.34

Payment for the total amount of this trust, namely \$12,262.34, must be made to the Receiver General for Canada out of the realization of any property that is subject to these statutory trusts in priority to all other creditors.

.../2

Canada

National Insolvency Office
55 Bay Street North
Hamilton ON L8R 3P7

Local: 416-997-1102
Toll Free: 1-833-540-3352
Fax: 833-540-3352
Web site: canada.ca/taxes

Please let us know when payment of this trust amount and the remaining balance of \$10,312.32 will be made.

This letter also serves as notice that should payment be made for any amount described in subsection 153(1) of the Income Tax Act for periods before or after your appointment, you must withhold tax deductions and remit payments in accordance with that subsection and sections 101 and 108 of the Income Tax Regulations.

Also, see section 5 of the Employment Insurance Act and section 8 of the Canada Pension Plan Regulations.

For more information or clarification, please call me at 416-997-1102.

Yours truly,



Kamila Figaszewska
Complex Case Officer



Canada Revenue Agency
Agence du revenu
du Canada

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Tax Centre
Hamilton ON L8R 3P7

July 19, 2023

ALMENARA EN EL RIO INC.
C/O BDO CANADA LIMITED
500 - 20 WELLINGTON ST E
TORONTO ON M5E 1C5

Account Number
82671 7910 RT0001

Dear Tony Montesano;

Subject: ALMENARA EN EL RIO INC.

We understand that you have been appointed receiver or receiver-manager (receiver) for the above GST/HST registrant. Currently, the registrant owes goods and services tax / harmonized sales tax (GST/HST) of \$2,102.65.

Period outstanding -----	GST/HST payable -----	Penalty & interest -----	Total -----
2021-08-31	\$1,071.18	\$1,031.47	\$2,102.65

Under the Excise Tax Act, \$1,071.18 of the above totals represents property of the Crown held in trust and does not form part of ALMENARA EN EL RIO INC.'s property, business, or estate. This is the case whether or not those funds are kept separate and apart from the registrant's own money or from the estate's assets.

You must pay the Receiver General for Canada \$1,071.18 out of the realization of any property subject to the trust created by subsection 222(3) of the Act before paying any other creditor. Please send us your payment right away. If this is not possible, please tell us when you will make the payment. Also, please tell us when you will pay the remaining balance of \$1,031.47.

As a receiver, you must collect and remit the registrant's

.../2

Canada

National Insolvency Office
55 Bay Street North
Hamilton ON L8R 3P7

Local: 416-997-1102
Toll Free: 1-833-540-3352
Fax: 833-540-3352
Web site: canada.ca/taxes

- 2 - Acct No: 82671 7910 RT000⁵⁶1

GST/HST for the period you are acting as a receiver. You also must file the registrant's returns for any periods ending while you were acting as receiver. This includes any returns the registrant did not file for a period ending in or immediately before the fiscal year you became receiver.

For more information or clarification, please call us at 416-997-1102.

Yours truly,



Kamila Figaszewska
Complex Case Officer

APPENDIX D



Ian Klaiman | B.A. (Hons), LL.B.

iklaiman@lzwlaw.com
T. 416-789-0658

Our File No. 69886

July 24, 2023

VIA ELECTRONIC MAIL

BDO Canada Limited

20 Wellington Street E., Suite 500
Toronto, Ontario M5E 1C5

Attention: Gary Cerrato and Josie Parisi

Dear Mr. Cerrato and Ms. Parisi,

Re: In the matter of the receivership of Almenara En El Rio Inc. (the “Debtor”)

You have requested our opinion as to the validity and enforceability of certain security interests granted by the Debtor to and in favour of Elliot Lake and North Shore Corporation for Business Development (“Elliot Lake”) and East Algoma Community Futures Development Corporation/Algoma Est Societe D’Aide Au Development Des Collectivites (“East Algoma”) upon the assets and undertakings of the Debtor.

In forming the opinions expressed below, we have examined the following documentation:

1. Search obtained under the *Personal Property Security Act* (the “PPSA”) dated July 18, 2023, with a file currency of July 17, 2023;
2. Corporation Profile Report issued by Ministry of Public and Business Service Delivery with respect to the Debtor dated July 19, 2023;
3. Subsearch of title current as of April 18, 2023 of the property owned by the Debtor, municipally known as 57 Spanish Street, Spanish, Ontario and bearing the legal description: PCL 7624 SEC AES; PT SEC 38 SHEDDEN PT 5 1R4319; PT 4 1R8873 EXCEPT PT 2 1R8995; LT 14 PL M17 SHEDDEN EXCEPT PT 11 1R7944 & PT 1 1R8995; SPANISH (the “Property”);
4. Instrument No. AL85551 registered against the Property on May 4, 2011, being a charge registered in favour of Elliot Lake in the original principal amount of \$122,000.00;
5. Instrument No. AL85551 registered against the Property on May 4, 2011, being a charge registered in favour of East Algoma in the original principal amount of \$122,000.00;

6. Copy of a Loan Agreement between Elliot Lake and the Debtor dated March 22, 2011 and signed on June 3, 2011 in connection with a credit facility in the principal sum of \$122,000.00;
7. Copy of a Promissory Note dated May 3, 2011 in the principal sum of \$122,000.00 signed by the Debtor in favour of Elliot Lake;
8. Copy of a Loan Agreement between East Algoma and the Debtor dated May 1, 2011 in connection with a credit facility in the principal sum of \$122,000.00;
9. Copy of a Promissory Note dated May 3, 2011 in the principal sum of \$122,000.00 signed by the Debtor in favour of East Algoma;
10. Copy of a Loan Agreement between East Algoma and the Debtor dated November 17, 2011 in connection with a credit facility in the principal sum of \$144,000.00;
11. Copy of a Promissory Note dated November 18, 2011 in the principal sum of \$144,000.00 signed by the Debtor in favour of East Algoma;
12. Copy of an undated Amending Agreement between East Algoma and the Debtor;
13. Copy of an Amending Agreement between East Algoma and the Debtor dated February 5, 2016;
14. Copy of a Pari Passu Agreement dated May 1, 2011 between East Algoma, Elliot Lake, and the Debtor;
15. Copy of a General Security Agreement as between Elliot Lake and the Debtor dated May 3, 2011;
16. Copy of a General Security Agreement as between Elliot Lake and the Debtor dated May 3, 2011;
17. Copy of a General Security Agreement as between East Algoma and the Debtor dated May 3, 2011;
18. Canada Revenue Agency (“CRA”) claims dated July 19, 2023 for account number 82671 7910 RP0001 indicating debts owed to CRA from the Debtor for: (i) source deductions in the amount of \$22,574.66, inclusive of penalties and interest (including a deemed trust claim in the sum of \$12,262.34) (the “Source Deductions Claim”), and (ii) GST/HST in the amount of \$2,102.65, inclusive of penalties and interest (including a deemed trust claim in the amount of \$1,071.18) (the “HST Claim” and together with the Source Deduction Claim, the “CRA Claims”);

19. CRA account balance for account number 826717910RP0001 of the Debtor dated May 15, 2023, indicating the HST Claim is outstanding for the period August 31, 2021; and
20. CRA account balance for account number 826717910RP0001 of the Debtor dated May 15, 2023, indicating the Source Deduction Claim is outstanding for the period 2019 to 2022.

The documents referred to in paragraphs 4 - 17 will hereinafter be called the “Security Documents” and the documents referred to in paragraphs 1-3, 18, 19 and 20 as the “Other Documents”.

In forming the opinions expressed below, we have:

- (a) assumed that the Security Documents were executed on the dates indicated thereon and were delivered by the Debtor to Elliot Lake and East Algoma as security for advances to be made or that were made by Elliot Lake and East Algoma to the Debtor, as applicable;
- (b) assumed that monies were in fact advanced by Elliot Lake and East Algoma and that monies are owing by the Debtor to Elliot Lake and East Algoma with respect to those advances;
- (c) assumed the genuineness of signatures, the legal capacity of natural persons whose signatures appear on the Security Documents and the Other Documents, the conformity to the original documents of all documents submitted to us as photocopies or facsimiles of such documents;
- (d) assumed that the Security Documents were duly authorized, executed and delivered by the parties thereto and that each of the parties thereto were duly organized and subsisting corporations when the documentation was executed and delivered;
- (e) assumed that the security interests created by the Security Documents, subject to the PPSA, have attached in accordance with Section II of the PPSA;
- (f) relied upon certificates of public officials as to the matters of fact not stated herein to have been assumed or independently verified or established by us;
- (g) assumed the accuracy and currency of the indices and filing systems maintained at the public offices where we have searched or inquired or have caused such searches or inquiries to be conducted, as set forth herein;
- (h) assumed that the Debtor has no legal defence against Elliot Lake or East Algoma for, without limitation, absence of legal capacity, fraud by or to the knowledge of Elliot Lake or East Algoma, misrepresentation, undue influence or duress;
- (i) not conducted any searches as against V.I.N. numbers related to motor vehicles owned by the Debtor;

- (j) value for each of the Security Documents has been given by Elliot Lake and East Algoma, as applicable, and each of the Security Documents was delivered by the Debtor free from any subsisting condition(s);
- (k) assumed the accuracy and currency of the information as contained in Other Documents 18, 19 and 20, as set forth herein; and
- (l) confirmed there is an agreement effecting the ranking of the Security Documents as stipulated herein.

With respect to our assumptions referred to above, we would suggest at the very least that BDO Canada Limited in its capacity as the court appointed receiver of the assets, property and undertakings of the Debtor should satisfy itself that the monies referred to in subparagraph (b) above were actually advanced to the Debtor and that the Debtor is still indebted to Elliot Lake and East Algoma.

The opinions set forth in this letter are subject to the following qualifications and limitations:

- (a) we are qualified to render opinions only as to the laws in force in the Province of Ontario and the applicable Federal laws of Canada as currently applied and enforced in Ontario;
- (b) the enforceability of the Security Documents and any other documents held by Elliot Lake and East Algoma, or any judgment arising out of or in connection therewith may be limited by bankruptcy, insolvency, winding-up, reorganization, limitation of action, moratorium, fraudulent conveyance, assignments and preferences, or other laws affecting creditors' rights generally;
- (c) to the extent that the PPSA and the *Mortgages Act* apply to the Security Documents;
- (d) there is no perfected security interest in proceeds that are not identifiable or traceable;
- (e) this opinion is confined to statements of fact or other matters set forth herein as existing as of the date of this opinion;
- (f) we express no opinion as to the title of the Debtor to any collateral subject to the security interest of Elliot Lake or East Algoma;
- (g) we express no opinion as to the rank or the priority of Elliot Lake or East Algoma's security interests vis-à-vis each other or other creditors of the Debtor, save and except as provided for below;
- (h) we express no opinion as to whether or not there are any perfected security interests registered against motor vehicles of the Debtor pursuant to the PPSA which make reference to the V.I.N. number of such motor vehicles but do not properly refer to the name of the Debtor;
- (i) that we have not received or reviewed a copy of a Resolution from the Debtor approving the issuance of the General Security Agreement in favour of Elliot Lake dated May 3, 2011;

- (j) that we have not received or reviewed copies of Resolutions from the Debtor approving the issuance of the Security Documents; and
- (k) that we have not conducted a search pursuant to section 427 of the *Bank Act*.

Based upon and subject to the foregoing and subject also to the qualifications set forth herein, we are of the opinion that:

1. The Debtor is a corporation validly incorporated pursuant to the laws of Ontario by articles of incorporation certified by the Ministry of Public and Business Delivery on March 14, 2011.
2. Our search pursuant to the PPSA confirmed that there are two (2) registrations affecting the Debtor as follows:
 - (i) a financing statement registered by Elliot Lake on May 4, 2011 for a period of 12 years confirming a security interest in equipment, and other (File No. 669589731), renewed for 1 year by a financing change statement on March 22, 2023; and
 - (ii) a financing statement registered by East Algoma on May 4, 2011 for a period of 10 years confirming a security interest in equipment, and other (File No. 669589902), a financing change statement registered by East Algoma on May 5, 2011 indicating an other change reason: “TO PROVIDE NOTICE OF AGREEMENT CONFIRMING SECURITY REGISTERED UNDER REFERENCE FILE #669589902 AND REFERENCE FILE #669589731 RANK PARI PASSU. SEE SECURED PARTIES FOR INFORMATION”, renewed for a period of 3 years by financing change statement on April 12, 2021.
3. The General Security Agreement granted by the Debtor in favour of Elliot Lake constitutes legal, valid and binding obligations of the Debtor and is enforceable in accordance with its terms, subject to the qualifications as hereinbefore indicated and subject to any valid equipment leases, Consignment Agreement and/or purchase money security interests.
4. The General Security Agreement granted by the Debtor in favour of East Algoma constitutes legal, valid and binding obligations of the Debtor and is enforceable in accordance with its terms, subject to the qualifications as hereinbefore indicated and subject to any valid equipment leases, Consignment Agreement and/or purchase money security interests.
5. Elliot lake is a mortgagee registered against the Property. The mortgage registered against title to the Property in favour of Elliot Lake is valid and enforceable as of the date hereof in accordance with its terms, and ranks in priority to the CRA Claims as “prescribed security interests” in accordance with s. 227(4.2) of the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.), as amended, the *Income Tax Regulations*, C.R.C., c. 945, s. 2201(1), s. 222(4) of the *Excise Tax Act*, R.S.C. 1985, c. E-15, as amended, and Security Interest (GST/HST) Regulations – Can. Reg. 2011-55 (Excise Tact Act), as applicable, subject to the qualifications as hereinbefore indicated.

6. East Algoma is a mortgagee registered against the Property. The mortgage registered against title to the Property in favour of East Algoma is valid and enforceable as of the date hereof in accordance with its terms, and ranks in priority to the CRA Claims as “prescribed security interests” in accordance with s. 227(4.2) of the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.), as amended, the *Income Tax Regulations*, C.R.C., c. 945, s. 2201(1), s. 222(4) of the *Excise Tax Act*, R.S.C. 1985, c. E-15, as amended, and Security Interest (GST/HST) Regulations – Can. Reg. 2011-55 (Excise Tact Act), as applicable, subject to the qualifications as hereinbefore indicated.

The foregoing opinions are provided solely for your use in your capacity as the court appointed receiver of the assets, property and undertakings of the Debtor and may not be used or relied upon by any other person in connection with the receivership or the Debtor or for any other matter or purpose whatsoever absent the express written consent of the undersigned.

Yours very truly,

LIPMAN, ZENER & WAXMAN PC



Per: Ian Klaiman

IJK/

Encl.

APPENDIX E

Cerrato, Gary

From: cjaggarnath@eastalgomacfdc.ca
 Sent: Tuesday, July 18, 2023 3:06 PM
 To: Cerrato, Gary
 Cc: 'Shawn Heard'; 'William Elliott'; rha@aubalex.ca; 'Dominique Michaud'; 'Joey Jamil'
 Subject: [EXT] RE: Almenara Court Approval of Sale - Payout Statements

Hi All,

Please see the table below for the total payout amount owed to EACFDC.

Party	Amount Owed	Notes
Roland H. Aube , LL.B.	\$ 7,180.34	
Almenara En El Rio (Principal)	\$ 121,738.59	As of December 1, 2022
Almenara En El Rio (Interest)	\$ 5,604.81	Interest Accumulation (December 1, 2022 - July 18, 2023)
Robins Appleby Barristers + Solicitors	\$ 7,739.14	
Total owed to EACFDC	\$ 142,262.88	

Please let me know if you have any questions,

Chris

--

Chris Jaggarnath (he/him)
Loans Manager



East Algoma Community Futures Development Corporation
 PO Box 398, Blind River, Ontario, P0R 1B0
 705-356-1152, ext. 24
 Cell: (647) 210 7242



Follow us on facebook at [East Algoma Est](#)
cjaggarnath@eastalgomacfdc.ca www.eastalgomacfdc.ca

Chris Jaggarnath

Gestionnaire de Prêts



Société d'aide des développement des collectivités

C.P. 398 Blind River, ON P0R 1B0

705-356-1152, poste 24

Cell: (705) 849-9837



Suivez-nous sur facebook à [East Algoma Est](#)

cjaggarnath@eastalgomacfdc.ca www.eastalgomacfdc.ca

From: Shawn Heard <sheard@eastalgomacfdc.ca>

Sent: July 18, 2023 9:54 AM

To: cjaggarnath@eastalgomacfdc.ca

Subject: FW: Almenara Court Approval of Sale - Payout Statements

From: Cerrato, Gary <gcerrato@bdo.ca>

Sent: July-17-23 9:46 AM

To: Roland Aube <rha@abelex.ca>; welliott <welliott@elno.com>; sheard@eastalgomacfdc.ca

Cc: Dominique Michaud <dmichaud@robapp.com>; Joey Jamil <jjamil@robapp.com>

Subject: Almenara Court Approval of Sale - Payout Statements

All, I will be drafting a court report this week to seek approval of the sale transaction and approval of a distribution from the net sale proceeds from the marina to the mortgagees. Can you please provide me with current payout statements for each of the outstanding mortgages by the end of day tomorrow. Also, it would be helpful to have the details of the payout figure from the life insurance as well.

Thanks

Gary

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July 11, 2023

Mr. Gary Cerrato
BDO Canada LLP
Business Restructuring and Turnaround Service
60 Columbia Way
Suite 300
Markham, ON
L3R 0C9

Sent via email: gcerrato@bdo.ca

Dear Mr. Cerrato:

RE: ALMENARA EN EL RIO – OUR FILE #11-231

Further to your recent request please find below the detailed information on the subject account:

Balance Outstanding as of April 25, 2023:	\$153,512.21	
Life Insurance received April 25, 2023:	<u>(\$111,551.90)</u>	
New Balance outstanding April 26, 2023:	\$ 41,960.31	
Per Diem interest (April 26, 2023, balance):	\$ 724.08	(84 days @ \$8.62 per)
Working capital advance to Receiver:	\$ 7,500.00	
Legal fees payable (R Aube Law Offices):	<u>\$ 7,180.34</u>	
CURRENT BALANCE OUTSTANDING:	\$ 57,364.73	

Please let me know if you require any additional information or clarification.

Sincerely,



William Elliott
General Manager

Copy to: *Joey Jamil, Robins Appleby* jjamil@robapp.com
Roland Aube, Aube Law Offices rha@aubalex.ca

ELNOS Building
31 Nova Scotia Walk, Suite 306
Elliot Lake, ON P5A 1Y9
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Toll Free: 1-800-256-7299
Fax: 705-848-1539
www.elnos.com

APPENDIX F

Court File No. CV-23-00011162-0000

ONTARIO SUPERIOR COURT OF JUSTICE

BETWEEN:

ELLIOT LAKE AND NORTH SHORE CORPORATION FOR BUSINESS DEVELOPMENT and EAST ALGOMA
COMMUNITY FUTURES DEVELOPMENT CORPORATION/ALGOMA EST SOCIETE D'AIDE AU
DEVELOPPEMENT DES COLLECTIVITIES

Applicants

- and-

ALMENARA EN EL RIO INC.

Respondent

AFFIDAVIT OF GARY CERRATO

I, GARY CERRATO, of the Town of Newmarket, in the Province of Ontario, **MAKE OATH AND SAY** that:

1. I am a Senior Vice President of BDO Canada Limited, and as such have personal knowledge of the matters referred to herein.
2. By Order of the Honourable R.D. Gordon, dated April 28, 2023 (the "Order"), BDO Canada Limited was appointed as Receiver (the "Receiver") over the real property owned by Almenara En El Rio Inc.
3. Pursuant to the Order, the Receiver has provided services and incurred disbursements which are more particularly described in the detailed accounts attached hereto and marked as **Exhibit "A"**.

- 4. The time shown in the detailed accounts attached as **Exhibit "A"** are a fair and accurate description of the services provided and the amounts charged by the Receiver, which reflect the Receiver's time as billed at its standard billing rates.
- 5. The Receiver requests that the Court approve its interim accounts for the period from April 28, 2023 to July 14, 2023 in the amount of \$93,234.69 inclusive of HST of \$10,177.12, for the services set out in **Exhibit "A"**.
- 6. This affidavit is sworn in support of the Receiver's motion for, among other things, approval of its fees and disbursements and those of its legal representatives and for no other or improper purpose.

SWORN BEFORE ME at the City of Toronto,)
 in the Province of Ontario, this)
 20th day of July 2023.)


 _____)
 Commissioner for Taking Affidavits, etc)


 _____)
 Gary Cerrato, CIRP, LIT)

Antonio Montesano, a Commissioner, etc.,
 Province of Ontario, for BDO Canada LLP
 and BDO Canada Limited, and
 their subsidiaries, associates and affiliates
 Expires December 21, 2023

This is Exhibit "A" referred to in the affidavit of

Gary Cerrato

Sworn before me this 20th day of July 2023



A COMMISSIONER FOR TAKING AFFIDAVITS

Antonio Montesano, a Commissioner, etc.,
Province of Ontario, for BDO Canada LLP
and BDO Canada Limited, and
their subsidiaries, associates and affiliates
Expires December 21, 2023



Tel: 416 865 0210
 Fax: 416 865 0904
 www.bdo.ca

BDO Canada Limited
 20 Wellington Street E, Suite 500
 Toronto ON M5E 1C5 Canada

Strictly Private & Confidential

Ontario Superior Court of Justice

Date	Invoice
July 19, 2023	CINV

RE: *Almenara En Elk Rio Inc. - Receivership*

TO OUR FEE FOR PROFESSIONAL SERVICES rendered in connection with our engagement as Court Appointed Receiver for the period April 28, 2023 to July 14, 2023 as described below.

Our Fee	\$ 78,285.50
Disbursements:	
Mileage, meals, office supplies	1,874.57
Hydro	897.50
Hite Boat Lift Services	2,000.00
Sub Total	<u>83,057.57</u>
HST - 13.00% (#R101518124)	<u>10,177.12</u>
TOTAL	<u><u>93,234.69</u></u>

Summary of Time Charges:

	Hours	Rate	Amount
J. Parisi, Partner	32.10	500.00	16,050.00
G. Cerrato, Sr. Manager	118.20	495.00	58,509.00
E. Klein, Manager	4.70	295.00	1,386.50
T. Montesano, Sr. Administrator	11.00	200.00	2,200.00
J. Hue, Sr. Administrator	0.70	200.00	140.00
Total	<u>166.70</u>		<u><u>\$ 78,285.50</u></u>

Staff	Date	Comments	Hours
Cerrato, G	5-Apr-23	Call with R. Aube to discuss potential receivership engagement; review of financials.	1.5
Cerrato, G	13-Apr-23	Call to C. Tammi from Mallette Goring brokerage to obtain listing proposal for marina.	0.5
Cerrato, G	14-Apr-23	Review of materials in support of receivership application; call with R. Aube; call with counsel.	2.5
Cerrato, G	17-Apr-23	Review of information on website; call with R. Aube re issues with boats falling over in Marina.	1.0
Cerrato, G	18-Apr-23	Call with J. Jamil re receivership engagement.	1.2
Parisi, J	21-Apr-23	Planning Call with G. Cerrato.	1.0
Cerrato, G	21-Apr-23	Call with R. Aube to discuss issues with Marina.	1.0
Cerrato, G	25-Apr-23	Review of information received from R. Aube re easement on property and issues with using lift; review of the documents received; call with R. Aube same; call with J. Parisi re same.	2.2
Parisi, J	25-Apr-23	Call with G. Cerrato regarding boat lift and property lines on the marina.	0.6
Parisi, J	27-Apr-23	Correspondence with G. Cerrato re taking possession and logistics. Discussing strategy. Review email from realtor regarding state of the property.	0.9
Cerrato, G	27-Apr-23	Research requirements to have the boat lift inspected before usage; call and email to TSSA; research to determine Travelift dealer to inquire regarding boat lift inspection and required operating licenses; calls to real estate brokers to obtain listing proposals; discussion with Catherine Green re issues with water lot and the existing structures built over the water; review of the insurance; call with J. Parisi; call with M. Hayes from Bank of Nova Scotia re receivership and possibly appointing BDO as receiver over 59 Spanish Street so that we can sell the house together with the marina.	4.0
Cerrato, G	28-Apr-23	Attendance in court for receivership hearing; call with J. Jamil re various issues with water lot, insurance and strategize re dealing with third party boats; calls with J. Parisi; calls with counsels.	2.3
Parisi, J	28-Apr-23	Call with G. Cerrato re plan to take possession.	0.5
Parisi, J	1-May-23	Call with G. Cerrato regarding state of facility and strategy.	0.7
Montesano, T	1-May-23	Send request to IT to create extranet site; send copy of documents to upload to extranet site.	0.4
Cerrato, G	1-May-23	Attendance at premises; meeting with B. Marchande and C. Stone; tour premises.	2.5
Parisi, J	2-May-23	Discussions with G. Cerrato regarding issues and strategy.	0.6

Staff	Date	Comments	Hours
Montesano, T	2-May-23	Correspond with J. Parisi re contacting CRA re payroll account; prepare submit authorization request for on-line access to CRA.	0.6
Cerrato, G	2-May-23	Attendance at the marina; meetings with C. Stone and B. Marchande to obtain information about the marina's operations; taking possession; call with R. Aube; meeting with C. Green from Royal Lepage; meeting with Debbie from Oak Realty; various calls from people owning boats and trailers at the marina.	6.0
Parisi, J	3-May-23	Various discussions with G. Cerrato regarding property and next steps.	0.6
Cerrato, G	3-May-23	Attendance at the marina; meetings with boat owners and trailer owners; working together with J. Vance to repair backhoe; discussions with J. Vance regarding repairing the lot; inventory of boats and trailers; arrangements with Blue Heron Resort to coordinate the removal of 6 pontoon boats for storage sheds; call with R. Aube re updates; investigate making repairs to pot holes on the lot; other taking possession issues.	6.0
Montesano, T	4-May-23	Call with the Canada Revenue Agency re discuss arrears on the government accounts.	0.2
Parisi, J	4-May-23	Call with G. Cerrato. Calls to insurer.	0.4
Cerrato, G	4-May-23	Attendance at the premises; meetings with N. Mannering regarding encroachment of trailers on the Vance Resort and discussions regarding the trailer lot across the street from the Marina; meeting with the neighbour at 61 Spanish Street, re encroachment of trailers on their property; discussions with C. Stone re turning the water on; contacting the Town of Spanish re turning the water on the trailer park; contacting utility companies.	4.0
Cerrato, G	5-May-23	Attendance in Elliott Lake to meet with M. Hayes from Bank of Nova Scotia re issues with house and marina and obtain bank balance information; arrangements with C. Stone and B. Marchande to deal with marina and house security over the weekend; return various marina customer calls; calls with Hite Services to discuss boat lift certification.	4.0
Parisi, J	8-May-23	Call with insurer. Various correspondence with G. Cerrato.	0.4
Montesano, T	8-May-23	Prepare and mail Receivers notice to creditors, upload same to the OSB.	0.6
Montesano, T	8-May-23	Complete credit application form, obtain the necessary approval, send e-mail to E. Stanculeasa to complete the credit card payment authorization form for payment to Hite Services.	0.7

Staff	Date	Comments	Hours
Cerrato, G	8-May-23	Attendance at the premises; meeting with Hite Services to complete boat lift certification; meeting with prospective purchaser.	2.5
Montesano, T	9-May-23	Correspond with T. Bukhryakov and E. Stanculeasa re payment processing of invoice by credit card; complete the credit card payment authorization form and credit application; correspond with D. Hughson and N. Falcioni from Hite Services Inc. re same.	1.1
Cerrato, G	9-May-23	Attend to lot repairs; responding to calls and inquiries from boaters and campers; meeting with prospective purchasers and touring facility; dealing with other issues with docks; calls to find boat lift operator; meeting the B. Melis boat mechanic to discuss repairs to boats.	5.0
Parisi, J	10-May-23	Call with insurer.	0.8
Montesano, T	10-May-23	Discussion with G. Cerrato re wire information; send request to L. Dula to provide same.	0.2
Cerrato, G	10-May-23	Attendance at the Marina; dealing with boat removals and backhoe repairs; conference call with J. Parisi and K. Price from Hub to discuss issues with insurance; various calls with people owning boats and trailers; other operational issues.	5.0
Parisi, J	11-May-23	Call with G. Cerrato to discuss various issues.	1.4
Cerrato, G	11-May-23	Calls to various dock companies to obtain quotes on dock repairs; meeting with local handyman to discuss dock repairs; call with R. Aube to update on status of receivership; responding to calls from boaters and trailer owners; releasing boats.	2.5
Parisi, J	12-May-23	Call with D. Michaud regarding update on Almenara and strategy.	0.9
Montesano, T	12-May-23	Send e-mail to G. Cerrato re wire funds received; check CRA website for on-line authorization.	0.1
Cerrato, G	12-May-23	Call with owner of Harbor Vue Marina to discuss potential purchase of the marina; calls with boaters; setting up Facebook page to correspond with campers.	2.5
Cerrato, G	15-May-23	Responding to phone and email messages from campers and boat owners; review of real estate proposals received.	2.5
Parisi, J	16-May-23	Strategy discussions with G. Cerrato re marina, site tour, dealing with various parties and issues related to the marina.	5.0
Montesano, T	16-May-23	Prepare and process payment of invoices and bills.	0.4

Staff	Date	Comments	Hours
Cerrato, G	16-May-23	Attendance at the marina; tour facility with J. Parisi; meetings with campers and boaters; email exchanges with Hite crane repairs; meeting with Stan Ferguson to discuss boat removal; meeting with Locksmith to change locks; calls with R. Aube.	5.0
Montesano, T	17-May-23	Prepare and send request to CRA to create an RT0002 account.	0.4
Klein, E	17-May-23	Summarizing hydro one meter readings in excel.	0.5
Parisi, J	17-May-23	Call with D. Michaud, call with lenders and R&A. Discussions with potential purchasers. Call with Carol. Discussions with various parties in the campers.	4.8
Cerrato, G	17-May-23	Attendance at the marina; arranging for crane repairs; call with counsel to discuss closure of marina given the condition of the docks; conference call with lenders to discuss condition of the docks and possible closure of the marina and campground; dealing with other boat removal issues and operational items.	4.0
Klein, E	18-May-23	Correspondence with J. Parisi and G. Cerrato re: notice to campers. Correspondence with campers on Facebook re: status.	1.0
Parisi, J	18-May-23	Attend premises, finalize notice, deliver notices, speak to various campers, meet with boat owners and deal with logistics of removal. Speak with R. Aube. Various conversations with counsel. Respond to queries from Facebook page/ call with Ms. Carol St. Peter. Review books and records to find names of various boat owners.	5.8
Cerrato, G	18-May-23	Attendance at the marina; dealing with closing down the campground and marina; erecting signs, supervising boat removals.	5.0
Parisi, J	19-May-23	Receive and respond to calls from boat owners.	0.9
Parisi, J	23-May-23	Review Hite Services report and discussion with G. Cerrato re same.	0.3
Montesano, T	23-May-23	Prepare wire transfer letter; send same to G. Cerrato for approval.	0.6
Cerrato, G	23-May-23	Review of amended report on boat lift from Hite Services; call to Hite Services to discuss issues with reissuing a report.	1.0
Klein, E	24-May-23	Corresponding with creditors re: pick-up of equipment.	0.3
Montesano, T	25-May-23	Request activity of account from bank; post wire transfer.	0.3
Parisi, J	25-May-23	Call with G. Cerrato re boat lift and Hite Services.	0.4
Cerrato, G	25-May-23	Calls to Hite Services; email to insurer; calls from boat owners; draft update correspondence to patrons re	1.5

Staff	Date	Comments	Hours
		removal of boats and campers; call with Stan; coordination with S. Werner re boat removal issues.	
Klein, E	25-May-23	Summarizing listing proposals. Corresponding with campers re: status.	2.2
Parisi, J	26-May-23	Review letter to boaters and campers regarding moving from premises.	0.3
Cerrato, G	26-May-23	Review of listing proposal summary and amend; various calls and coordination of removal of boats from the marina; call with R. Aube.	4.0
Klein, E	26-May-23	Post notice for closure of campground website.	0.2
Parisi, J	29-May-23	Review listing proposal summary. Discussions with G. Cerrato re same.	0.7
Cerrato, G	29-May-23	Attendance at the marina; dealing with boat launches.	5.0
Parisi, J	30-May-23	Call with G. Cerrato regarding insurance claims on M. Audet boat. Review correspondence to the bank regarding listing agent to be selected. Call with G. Cerrato to discuss selection of a realtor.	0.9
Cerrato, G	30-May-23	Attendance at the marina; dealing with boat launches; email to lenders re recommendation on listing agent.	5.0
Parisi, J	31-May-23	Review various emails related to selection of realtor and whether to include the home.	0.2
Klein, E	31-May-23	Review creditor correspondence.	0.2
Parisi, J	1-Jun-23	Review correspondence regarding listing the property for sale.	0.1
Cerrato, G	1-Jun-23	Attendance at the marina; dealing with removal of boats; calls with insurer re damage to M. Audet's sailboat; call with T. Audet re same.	5.0
Cerrato, G	2-Jun-23	Responding to emails and calls from campers; calls with C. Stone re issues at premises; dealing with camper and boat removal issues.	4.0
Parisi, J	5-Jun-23	Call with Adam De Nora, counsel to the campers. Respond to emails and Facebook questions.	0.6
Parisi, J	6-Jun-23	Call from counsel for a boat owner regarding status of sale. Discussions with G. Cerrato re listing agreement.	0.7
Hue, J	7-Jun-23	Assist T. Montesano with the online redirection of mail.	0.7
Montesano, T	7-Jun-23	Discuss redirection of mail with G. Cerrato ; log on to Canada Post website arrange for redirection of mail.	0.8
Klein, E	7-Jun-23	Corresponding with BDO team re: next steps and sharing information to creditors.	0.3

Staff	Date	Comments	Hours
Cerrato, G	7-Jun-23	Review of listing agreement; draft Schedule A terms to listing agreement; call with C. Tami re listing; draft emails to other listing brokers advising of their proposals not being accepted; call with marine insurer to discuss damage to Monique Audet's sailboat; call with R. Aube.	3.5
Parisi, J	8-Jun-23	Correspondence with E. Klein regarding requests for information from campers.	0.2
Montesano, T	9-Jun-23	Lengthy call with CRA re request to open RT2 account. Advised that an RT2 was opened in 2017 and subsequently closed; will need to open an RT3 account; account created and HST return for the filing period was filed; access on-line services pull and save NOA for the RT1, RC and RP account; send same to G. Cerrato.	0.8
Montesano, T	12-Jun-23	Arrange for mail forwarding with Canada Post.	0.6
Cerrato, G	13-Jun-23	Drafting Schedule "B" terms and conditions to APS; calls with C. Tammi re sale of Marina and discussions re sale process.	1.7
Montesano, T	14-Jun-23	Prepare and process payment of invoice for security services.	0.3
Cerrato, G	14-Jun-23	Call from the Town of Spanish to deal with water leak on the property; calls with C. Stone re same; return call to Town of Spanish.	1.3
Parisi, J	15-Jun-23	Review listing proposal and provide comments.	0.4
Cerrato, G	16-Jun-23	Calls with broker to discuss offer; review of offer; sign back of offer; call with lenders and counsel to review offer; review of second offer; discussion with broker re same.	3.3
Montesano, T	20-Jun-23	Correspond with N. Falcioni from Hite Services re payment of invoice; request banking information to pay via EFT; process payment.	0.6
Cerrato, G	20-Jun-23	Review of offers; call with C. Tammi to discuss offers and strategize; draft email summary to lenders; calls with Town of Spanish re potential water leak at 59 Spanish Street; call with C. Stone re various issues.	1.4
Cerrato, G	21-Jun-23	Call with broker re offers; conference call with lenders to discuss offers.	1.2
Parisi, J	21-Jun-23	Review correspondence from Insurer regarding status of receivership and status of boats/campers on the premises.	0.5
Montesano, T	22-Jun-23	Review of CRA correspondence; send same to G. Cerrato.	0.3
Cerrato, G	22-Jun-23	Call with D. Michaud re offers; calls and email exchanges with C. Tammi re status of offers.	1.3
Parisi, J	23-Jun-23	Call with G. Cerrato to discuss offer on property with and without chattels.	0.9

Staff	Date	Comments	Hours
Cerrato, G	23-Jun-23	Call with C. Tammi to discuss status of securing competing offers; review and sign offer; update email to lenders; call with S. Mizrahi to discuss personal property assets and valuation of same.	1.7
Parisi, J	25-Jun-23	Review and respond to message from Tasha Becker.	0.1
Parisi, J	26-Jun-23	Call with G. Cerrato re offer.	0.2
Cerrato, G	26-Jun-23	Call with C. Stone re issues at marina; call with C. Tammi to discuss offer and meeting with purchaser at the site; emails re assets to C. Tammi.	2.1
Montesano, T	26-Jun-23	Prepare return of funds to Gerard & Gaetane Allard for pre-paid payment for stay at lodge.	0.3
Montesano, T	28-Jun-23	Process payment of invoice of Hydro One; call WSIB discuss status of account; request closure of same; prepare requisition for payment of filing fees.	1.0
Parisi, J	28-Jun-23	Review correspondence from G. Cerrato re sale of property.	0.3
Cerrato, G	30-Jun-23	Call with R. Aube; email to lenders re removal of conditions; call with broker; email exchanges with C. Stone; review of correspondence received from campers re deposit returns.	1.5
Montesano, T	5-Jul-23	Call with C. Zheng accounts payable re payment of Hydro One bill; process payment of same.	0.7
Cerrato, G	10-Jul-23	Attend to correspondence received; calls from C. Stone to discuss issues with site security; call from Town of Spanish.	1.0

APPENDIX G

Court File No.: CV-23-00011162-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

**ELLIOT LAKE AND NORTH SHORE CORPORATION FOR BUSINESS
DEVELOPMENT and EAST ALGOMA COMMUNITY FUTURES
DEVELOPMENT CORPORATION/ALGOMA EST SOCIETE D'AIDE AU
DEVELOPPEMENT DES COLLECTIVITES**

Applicants

-and-

ALMENARA EN EL RIO INC.

Respondent

AFFIDAVIT OF DOMINIQUE MICHAUD

I, **DOMINIQUE MICHAUD**, of the City of Toronto, in the Province of Ontario **MAKE
OATH AND SAY:**

1. I am a partner of the law firm of Robins Appleby LLP ("**Robins**"), the lawyers for BDO Canada Limited (the "**Receiver**"), as the Court-appointed receiver of Almenara En El Rio Inc. ("**Almenara**" or the "**Debtor**"), and all of the assets, undertakings and properties of the Debtor, including the real property known municipally as 57 Spanish Street, Spanish, ON (the "**Property**") and, as such, have knowledge of the matters contained in this Affidavit.
2. Pursuant to the Order of R.D. Gordon dated April 28, 2023, the Receiver was appointed as the Receiver of the Debtor (the "**Receivership Order**").

3. This affidavit is made in connection with the Receiver's motion for, *inter alia*, the approval of the fees and disbursements of Robins with respect to legal services rendered as independent counsel to the Receiver in connection with these receivership proceedings from April 28, 2023 up to June 30, 2023 (the "**Billing Period**"). Attached as **Exhibit "A"** is a record of the legal services rendered by Robins to the Receiver and disbursements incurred during this period (the "**Robins Invoices**"). To the best of my knowledge, the Robins Invoices provides a fair and accurate description of the activities undertaken and the services rendered by Robins during this period.

4. Attached as **Exhibit "B"** is a summary of the names, year of call, hourly rates, time expended by the lawyers and other professionals at Robins whose time is reflected in the dockets recorded in Exhibit "A".

5. During the Billing Period, the total fees billed by Robins were \$12,419.50 plus disbursement of \$13.40 and applicable taxes of \$1,616.28 for an aggregate amount of \$14,049.18.

6. I have reviewed the Robins Invoices and consider the time expended for legal fees charged to be fair and reasonable for the services performed. To the best of my knowledge, the rates charges by Robins are comparable to the rates charged for legal services of a similar nature and complexity by other medium sized firms in the Toronto market.

SWORN remotely by Dominique Michaud,
of the City of Toronto, in the Province of
Ontario, before me on the 24th day of July,
2023, in accordance with *O. Reg. 431/20*,
Administering Oath or Declaration
Remotely.



DocuSigned by:
Ellad Gersh
A975F463B49D475

Commissioner for Taking Affidavits
(or as may be)

ELLAD GERSH

DocuSigned by:
Dominique Michaud
5295B6ADCEAA451

DOMINIQUE MICHAUD

THIS IS **EXHIBIT "A"** REFERRED TO IN
THE AFFIDAVIT OF **DOMINIQUE MICHAUD**
SWORN BEFORE ME BY VIDEO CONFERENCE

ON JULY 24, 2023

DocuSigned by:
Ellad Gersh
A975E463B49D475...

A Commissioner, Notary, Etc.
ELLAD GERSH



ROBINS APPLEBY
BARRISTERS + SOLICITORS

85

INVOICE

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500-20 Wellington Street East
Toronto, ON M5E 1C5

BDO Canada Limited
300-60 Columbia Way
Markham, ON L3R 0C9

DATE: May 31, 2023

CLIENT No.: 7796

FILE No.: 2300245

INVOICE No.: 178465

H.S.T. No.: 12139 1205 RT0001

Attention: Josie ParisiAttention: Gary Cerrato

	RE: Receivership - Almenara en el Rio Inc.
	FOR ALL PROFESSIONAL SERVICES RENDERED in connection with the above-noted matter, including the following:
28-Apr-23	Review Receivership Order; Draft application to register court order; receipt and review of executed Acknowledgement and Direction; electronic register of application to register court appointing receiver; Videoconference and email correspondence between Gary Cerrato and Joey Jamil regarding next steps and property issues; email correspondence with Court regarding Order and Endorsement; instruct Natalie Caprara to register Receivership Order on title; conference between Dominique Michaud and Joey Jamil regarding Application;
01-May-23	Videoconference between Joey Jamil and Ladislav Kovac regarding water lots and potential receivership issues; review documents from Gary Cerrato regarding lot drawings and surveys; research water lots and Crown land;
04-May-23	Email correspondence between Gary Cerrato and Joey Jamil regarding scheduling call;
08-May-23	Email correspondence between Gary Cerrato and Joey Jamil; Videoconference and email correspondence between Gary Cerrato and Joey Jamil regarding litigation strategy and issues with the property; email correspondence between Roland Aube and Joey Jamil regarding scheduling call; review security to determine litigation strategy for Application to Court;
09-May-23	Engage file regarding expansion of receivership to include guarantors property; Telephone conference between Gary Cerrato, Roland Aube and Joey Jamil regarding litigation strategy to sell property; conference between Dominique Michaud and Joey Jamil regarding litigation strategy;



12-May-23	Telephone conference with BDO regarding offer to buy asset and steps to secure property;
15-May-23	<p>Conduct legal research regarding Courts of Justice Act for purpose of expanding receivership;</p> <p>Research cases where receivership has been appointed with respect to personal property of principals or directors where corporation becomes insolvent;</p>
16-May-23	Conduct legal research regarding expanding scope of receivership;
17-May-23	<p>Telephone conference with BDO regarding funding of receivership and risk assessment; conference call regarding termination of receivership;</p> <p>Telephone conference between Josie Parisi, Gary Cerrato, Dominique Michaud and Joey Jamil to discuss state of property and go forward steps; email William Elliott, Shawn Heard and Roland Aube to schedule a call; conference between Dominique Michaud and Joey Jamil regarding go forward steps and litigation strategy; prepare for calls;</p> <p>Research cases of receivership proceedings under the Business and Insolvency Act;</p>
18-May-23	<p>Email correspondence between Josie Parisi and Joey Jamil regarding notice to campers and boaters; review notice to campers and boaters; telephone conference between Dominique Michaud and Joey Jamil regarding notice;</p> <p>Review closure of campground notice; engage file regarding steps to secure property and notice to tenants;</p>
23-May-23	Review notices regarding closure of marina and campground;
30-May-23	Various telephone calls from Gary Cerrato regarding Waiver and Indemnity; draft Acknowledgment and Release;
31-May-23	<p>Review listing proposals and consider adding assets to receivership; review case law regarding application of section 101 of CJA;</p> <p>Review BDO summary of listing proposals; review email correspondence between Gary Cerrato, William Elliott, Roland Aube and Shawn Heard regarding listing proposal; videoconference between Dominique Michaud and Joey Jamil regarding legal research on receivership; email memo to Dominique Michaud from Joey Jamil regarding potential strategy to include house in receivership (case law); email correspondence between Gary Cerrato and Joey Jamil;</p>
	OUR FEE

\$9,339.50



ROBINS APPLEBY
BARRISTERS + SOLICITORS

DISBURSEMENTS

** Indicates not subject to H.S.T.*

Digital Signature	3.40
Computer Search - Teraview	10.00
Total Disbursements	\$13.40

H.S.T. (13%)

on \$9,339.50 Fees	1,214.14
on \$13.40 Disbursements	1.74
Total H.S.T.	\$1,215.88

TOTAL FEES, DISBURSEMENTS and H.S.T.

\$10,568.78

ROBINS APPLEBY LLP

Per:

Dominique Michaud

E. & O.E.

AWL

Online bill payment is now available through most major banks. Please use the "Client No." located on this invoice as your online bill payment Account No., save "Robins Appleby LLP" as a "Payee" and proceed to "Pay Bills". If you require assistance, please call our office at 416-868-1080 and a member of the Robins Appleby accounting team would be pleased to help.

Account Due When Rendered. In accordance with section 33 of the *Solicitors Act*, interest will be charged at the rate of **3.00%** per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this statement is delivered.



ROBINS APPLEBY
BARRISTERS + SOLICITORS

89

INVOICE

BDO Canada Limited
500-20 Wellington Street East
Toronto, ON M5E 1C5

DATE: June 30, 2023
CLIENT No.: 7796
FILE No.: 2300245
INVOICE No.: 178889
H.S.T. No.: 12139 1205 RT0001

Attention: Josie Parisi


RE: Receivership - Almenara en el Rio Inc.	
FOR ALL PROFESSIONAL SERVICES RENDERED in connection with the above-noted matter, including the following:	
05-Jun-23	Telephone conference with Josie Parisi regarding sales process;
07-Jun-23	Review and revise listing agreement and telephone conference with BDO regarding listing agreement;
13-Jun-23	Review and revise Agreement of Purchase and Sale; telephone call and email to Gary Cerrato from Dominique Michaud regarding sale of chattels;
16-Jun-23	Engage file regarding revisions to offer to purchase marina;
19-Jun-23	Email correspondence regarding sales efforts;
20-Jun-23	Telephone conference with Gary Cerrato regarding offers received for sale of marina; review report regarding offers; email correspondence with client regarding offers;
21-Jun-23	Review offers received for sale of marina; telephone conference with BDO and lenders regarding approval process;
22-Jun-23	Review counter offer; email to Gary Cerrato regarding final offers;
23-Jun-23	Email correspondence regarding offer to purchase marina;
26-Jun-23	Review emails regarding conditional Agreement or Purchase and Sale; telephone conference with Gary Cerrato regarding sale of property;
30-Jun-23	Engage file regarding sale approval motion;



ROBINS APPLEBY
BARRISTERS + SOLICITORS

- 2 -

90

OUR FEE	\$3,080.00
<u>H.S.T. (13%)</u>	
on \$3,080.00 Fees	400.40
on \$0.00 Disbursements	0.00
Total H.S.T.	\$400.40
TOTAL FEES, DISBURSEMENTS and H.S.T.	<u>\$3,480.40</u>
Outstanding account dated: 31-May-23 Ref. No. 178465	10,568.78
TOTAL OUTSTANDING	<u>\$14,049.18</u>
ROBINS APPLEBY LLP	
Per:	
	
Dominique Michaud	
E. & O.E.	
WL	

Online bill payment is now available through most major banks. Please use the "Client No." located on this invoice as your online bill payment Account No., save "Robins Appleby LLP" as a "Payee" and proceed to "Pay Bills". If you require assistance, please call our office at 416-868-1080 and a member of the Robins Appleby accounting team would be pleased to help.

Account Due When Rendered. In accordance with section 33 of the *Solicitors Act*, interest will be charged at the rate of **3.00%** per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this statement is delivered.

robapp\8741389.1

THIS IS **EXHIBIT "B"** REFERRED TO IN
THE AFFIDAVIT OF **DOMINIQUE MICHAUD**
SWORN BEFORE ME BY VIDEO CONFERENCE
ON JULY 24, 2023

DocuSigned by:
Ellad Gersh

A075E463B49D475...

A Commissioner, Notary, Etc.
ELLAD GERSH

**Fees and Disbursement Summary of Robins Appleby LLP for the period from April 28, 2023 up to
June 30, 2022**

NAME	YEAR OF CALL	HOURLY RATE	TOTAL HOURS	TOTAL FEES BILLS
Dominique Michaud	2009	\$700	9.30	\$6,510.00
Ladislav Kovac	2014	\$575	0.60	\$345.00
Joey Jamil	2018	\$400	9.10	\$3,640.00
Rachel Puma	2019	\$400	0.40	\$160.00
Natalie Caprara (Law Clerk)		\$295	1.10	\$324.50
Thien Hoang (Articling Student)		\$240	6.00	\$1,440.00
SUBTOTAL FEES:				\$12,419.50
H.S.T. @13%				\$1,614.54
TOTAL FEES:				<u>\$14,034.04</u>
Disbursements				\$13.40
H.S.T. @13%				\$1.74
TOTAL DISBURSEMENTS:				<u>\$15.14</u>
TOTAL FEES, DISBURSEMENTS & H.ST.				<u>\$14,049.18</u>

**ELLIOT LAKE AND NORTH - and -
SHORE CORPORATION
FOR BUSINESS
DEVELOPMENT et al.**

ALMENARA EN EL RIO INC.

Applicants

Respondent

Court File No.: CV-23-00011162-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT SUDBURY

AFFIDAVIT OF DOMINIQUE MICHAUD

ROBINS APPLEBY LLP

Barristers+ Solicitors
2600 - 120 Adelaide Street West
Toronto ON M5H 1T1

Dominique Michaud LSO No.: 56871V

Email: dmichaud@robapp.com
Tel: (416) 360-3795

Joseph Jamil LSO No.: 74614L

Email: jjamil@robapp.com
Tel: (416) 360-3783

Lawyers for the Receiver, BDO Canada Limited

APPENDIX H

Court File No. CV-23-00011162-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

ELLIOT LAKE AND NORTH SHORE CORPORATION FOR BUSINESS DEVELOPMENT
and EAST ALGOMA COMMUNITY FUTURES DEVELOPMENT
CORPORATION/ALGOMA EST SOCIETE D'AIDE AU DEVELOPPEMENT DES
COLLECTIVITES

Applicants

-and-

ALMENARA EN EL RIO INC.

Respondent

AFFIDAVIT OF IAN KLAIMAN

I, **IAN KLAIMAN**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am a lawyer with the law firm Lipman, Zener & Waxman PC (“LZW”), lawyers for BDO Canada Limited (the “Receiver”) and as such have knowledge of the matters to which I hereinafter depose. I verily believe to be true all matters that I depose to which I do not have firsthand knowledge based on my review of the file.

2. Attached hereto and marked as **Exhibit “A”** to this my Affidavit is a true copy of an account issued by LZW to BDO dated July 24, 2023, in the amount of \$4,308.13 for the time period of July 2023 broken down as follows:

- a. Fees in the amount of \$3,650.00;
- b. Disbursements in the amount of \$162.50; and
- c. HST in the amount of \$495.63.

3. I confirm that the account described above accurately reflects the services provided by LZW in this matter and the fees and disbursements claimed by it during the period described above.

4. Additionally, attached hereto and marked as **Exhibit “B”** to this my Affidavit is a summary of additional information with respect to the aforementioned account indicating all members of LZW who worked on this matter during the period described above, including their year of call to the bar.

5. This Affidavit is sworn in support of the Receiver’s motion and for no other or improper purpose.

SWORN BEFORE ME:)
 by the Deponent of the City of Toronto)
 before me at the City of Vaughan,)
 in the Province of Ontario,)
 this 24th day of July 2023,)
 in accordance with [O. Reg. 431/20](#),)
 Administering Oath or Declaration Remotely.)

Tiegan Kilbride

_____)
 A Commissioner for taking oaths, etc.)
 Tiegan Kilbride (LSO #P17363))



IAN KLAIMAN

This is **Exhibit "A"** referred to
in the Affidavit of Ian Klaiman
Sworn before me this 26th
Day of July, 2023



A commissioner for taking Affidavits Virtually
Commissioned by Tiegan Kilbride
LSO#P17363, as per LSO corporate statement re COVID-19



INVOICE

BDO Canada Limited
20 Wellington Street East, Suite 500
Toronto, Ontario M5E 1C5

Invoice Date: July 24, 2023
Invoice No.: 89343
Billing Through: July 24, 2023
Matter: 69886

RE: Almenara En El Rio Inc.

Professional Fees

<u>Date</u>	<u>Description</u>	<u>Provider</u>	<u>Hours</u>
2023-07-18	To conducting Subsearch of Title	GN	1.00
2023-07-18	review relevant searches and loan and security documentation; draft security opinion	IJK	2.70
2023-07-19	edit and revise security opinion; review updated corporate search and PPSA searches; email to G. Cerrato and J. Parisi; email to J. Parisi and G Cerrato; edit draft opinion; call with J. Parisi; email from J. Parisi	IJK	1.40
2023-07-20	emails with G. Cerrato	IJK	0.10
2023-07-24	call from G. Cerrato; email from G. Cerrato; receipt and review CRA claims and balances; review relevant provisions of the Income Tax Act, Excise Tax Act and regulations; edit and revise Security Opinion; call to G. Cerrato; email to G. Cerrato	IJK	2.80
Total			8.00
			\$3,650.00

Summary by Provider

IJK	Ian Klaiman	7.00	500.00	3,500.00
GN	Gloria Nanou	1.00	150.00	150.00
		8.00		3,650.00

Total HST on Fees \$474.50

Disbursements Taxable

Go Legal Invoice 40720 - Attend at PPSA office to pick up results	75.00
Subsearch of Title	52.50
Corporate Profile Report	27.00
PPSA Search	8.00

	99
Total	\$162.50
Total HST on Disbursements	\$21.13

Total Fees and Disbursements	\$3,812.50
HST	\$495.63
Transferred from Trust	\$0.00
Amount Due on this Invoice	\$4,308.13

Unpaid Balance as of Last Invoice \$0.00

LIPMAN ZENER & WAXMAN PC

Ian Klaiman



Payment of this account is due on receipt.

Total HST: \$495.63
HST No.: 720773514



NOTE: This account bears interest from one month after delivery in accordance with the rate prescribed by Section 128 of the Courts of Justice Act.

This is **Exhibit “B”** referred to
in the Affidavit of Ian Klaiman
Sworn before me this 26th
Day of July, 2023



A commissioner for taking Affidavits Virtually
Commissioned by Tiegán Kilbride
LSO#P17363, as per LSO corporate statement re COVID-19

SUMMARY OF ADDITIONAL INFORMATION

NAME OF LAWYER	YEAR OF CALL	HOURLY RATE
Ian Klaiman	2010	\$500.00
Clerk	N/A	\$150.00

ELLIOT LAKE AND NORTH SHORE CORPORATION FOR
BUSINESS DEVELOPMENT et al.
Applicants

-and- ALMENARA EN EL RIO INC.

Respondent

Court File No. CV-23-00011162-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT
SUDBURY

AFFIDAVIT

LIPMAN, ZENER & WAXMAN PC

Barristers & Solicitors

100 Sheppard Avenue East, Suite 850

Toronto, Ontario, M2N 6N5

Tel: 416-789-0652

Fax: 416-789-9015

IAN KLAIMAN

LSO No. 58955G

Email: iklaiman@lzwlaw.com

Lawyer for the Receiver, BDO Canada Limited

TAB 3

Court File No.: CV-23-00011162-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE)	FRIDAY , THE 28th
)	
JUSTICE)	DAY OF JULY, 2023

BETWEEN:

**ELLIOT LAKE AND NORTH SHORE CORPORATION FOR BUSINESS
DEVELOPMENT and EAST ALGOMA COMMUNITY FUTURES
DEVELOPMENT CORPORATION/ALGOMA EST SOCIETE D'AIDE AU
DEVELOPPEMENT DES COLLECTIVITES**

Applicants

and

ALMENARA EN EL RIO INC.

Respondent

APPROVAL AND VESTING ORDER

THIS MOTION made by BDO Canada Limited ("**BDO**"), in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of Almenara En El Rio Inc. ("**Almenara**") for the relief set out in the Notice of Motion dated July 24, 2023, including the approval of the sale transaction (the "**Transaction**") contemplated by a Sale Agreement between the Receiver in its capacity as Receiver of Almenara and Renee Dubois (the "**Purchaser**") made as of June 16, 2023 (the "**Sale Agreement**"), vesting in the Purchaser Almenara's (the "**Debtor**") right, title, benefit and interest in the assets described in the Sale Agreement (the "**Purchased Assets**") was heard this day by videoconference.

ON READING the Motion Record of the Receiver and the First Report of the Receiver dated July 24, 2023 (the "**Receiver's Report**"), the Confidential Supplement to the Receiver's Report dated July 24, 2023, the Affidavit of Dominique Michaud sworn July 24, 2023 (the "**Robins Fee Affidavit**"), the Affidavit of Ian Klaiman sworn July 20, 2023 (the "**LZW Fee Affidavit**") and the Affidavit of Gary Cerrato sworn July 20, 2023 (the "**BDO Fee Affidavit**") and on hearing the submissions of counsel for the Receiver and any such other counsel or individual as were present, no one appearing for any other person on the service list, although properly served as evidenced by the Affidavit of Rachel Cheung sworn ●, 2023, filed.

1. **THIS COURT ORDERS** that unless otherwise defined herein or the context otherwise requires, capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Sale Agreement.

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 Almenara's right, title, benefit and interest in and to the Purchased Assets described in the Sale Agreement 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, and all purchase and sale agreements entered into by Almenara (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Receivership Order dated April 28, 2023; (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 B** 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 C**) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby terminated, expunged and discharged as against the Purchased Assets.

4. **THIS COURT ORDERS** that upon the registration in the applicable land registry office or land titles office of a Transfer/Deed of Land or equivalent document, or of an application for registration of this Order in the applicable prescribed form, the applicable land registrar or equivalent official is hereby directed to enter the Purchaser as the owner of the subject 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 B** 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, 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 102co and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of 102co;

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 Almenara and shall not be void or voidable by creditors of Almenara, 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.

8. **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from Section 6(3) of the *Retail Sales Act* (Ontario).

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

Schedule A- Form of Receiver's Certificate

Court File No.: CV-23-00011162-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

**ELLIOT LAKE AND NORTH SHORE CORPORATION FOR BUSINESS
DEVELOPMENT and EAST ALGOMA COMMUNITY FUTURES
DEVELOPMENT CORPORATION/ALGOMA EST SOCIETE D'AIDE AU
DEVELOPPEMENT DES COLLECTIVITES**

Applicants

and

ALMENARA EN EL RIO INC.

Respondent

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable R.D. Gordon of the Ontario Superior Court of Justice (the "**Court**") dated April 28, 2023, BDO Canada Limited was appointed as receiver and manager (the "**Receiver**") of the assets, undertakings and properties of Almenara En El Rio Inc. ("**Almenara**").

B. Pursuant to an Order of the Court dated July 28, 2023, the Court approved the agreement of purchase and sale made as of June 16, 2023 (the "**Sale Agreement**") between the Receiver and Renee Dubois (the "**Purchaser**") and provided for the vesting in the Purchaser of Almenara'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 the Asset Purchase 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 the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser, respectively; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

**BDO Canada Limited, in its capacity as
Receiver, and not in its personal capacity**

Per: _____

Name:

Title:

Schedule B**A. Claims to be Deleted and Expunged from Title to Real Property**

1. Instrument No. AL85550 being a Transfer.
2. Instrument No. AL85551 being a Charge in favour of Elliot Lake and North Shore Corporation for Business Development.
3. Instrument No. AL85552 being a Charge in favour of East Algoma Community Futures Development Corporation.
4. Instrument No. AL86739 being a Notice of Pari Passu Agreement registered by Elliot Lake and North Shore Corporation for Business Development and East Algoma Community Futures Development Corporation.
5. Instrument No. AL209889 being a Certificate of Tax Arrears registered by the Corporation of the Town of Spanish.
6. Instrument No. AL264114 being a Court Order.

Schedule C – Permitted Encumbrances, Easements and Restrictive Covenants
Related to the Real Property

(Unaffected by the Vesting Order)

1. Instrument No. LT47276 being an Order regarding subdivision control.
2. Instrument No. 1R4013 being a Plan Reference.
3. Instrument No. 1R4319 being a Plan Reference.
4. Instrument No.LT166906 being a Notice registered by The Corporation of the Township of Shedden.
5. Instrument No. 1R8873 being a Plan Reference.

**ELLIOT LAKE AND NORTH - and-
SHORE CORPORATION
FOR BUSINESS
DEVELOPMENT et al.**

ALMENARA EN EL RIO INC.

Applicants

Respondent

Court File No.: CV-23-00011162-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT SUDBURY

APPROVAL AND VESTING ORDER

ROBINS APPLEBY LLP

Barristers+ Solicitors
2600 - 120 Adelaide Street West
Toronto ON M5H 1T1

Dominique Michaud LSO No.: 56871V

Email: dmichaud@robapp.com
Tel: (416) 360-3795

Joseph Jamil LSO No.: 74614L

Email: jjamil@robapp.com
Tel: (416) 360-3783

Lawyers for the Receiver, BDO Canada Limited

TAB 4

Court File No.: CV-23-00011162-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE)	FRIDAY, THE 28th
)	
JUSTICE)	DAY OF JULY, 2023

BETWEEN:

**ELLIOT LAKE AND NORTH SHORE CORPORATION FOR BUSINESS
DEVELOPMENT and EAST ALGOMA COMMUNITY FUTURES
DEVELOPMENT CORPORATION/ALGOMA EST SOCIETE D'AIDE AU
DEVELOPPEMENT DES COLLECTIVITES**

Applicants

and

ALMENARA EN EL RIO INC.

Respondent

**ORDER
(Distribution and Discharge of Receiver)**

THIS MOTION made by BDO Canada Limited ("**BDO**"), in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of Almenara En El Rio Inc. ("**Almenara**") for the relief set out in the Notice of Motion dated July 24, 2023, including the approval of the proposed distributions set out in the First Report of the Receiver dated July 24, 2023 (the "**Receiver's Report**") was heard this day by videoconference.

ON READING the Motion Record of the Receiver and the First Report of the Receiver dated July 24, 2023 (the "**Receiver's Report**"), the Confidential Supplement to the Receiver's Report dated July 24, 2023, the Affidavit of Dominique Michaud sworn July 24, 2023 (the "**Robins Fee Affidavit**"), the Affidavit of Ian Klaiman sworn July 20, 2023 (the "**LZW Fee Affidavit**") and the Affidavit of Gary Cerrato sworn July 20, 2023 (the "**BDO Fee Affidavit**")

and on hearing the submissions of counsel for the Receiver and any such other counsel or individual as were present, no one appearing for any other person on the service list, although properly served as evidenced by the Affidavit of Rachel Cheung sworn ●, 2023, filed.

Service

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

Approval of Activities

2. **THIS COURT ORDERS** that the activities of the Receiver as described in the Receiver's Report are hereby approved.

Distributions

3. **THIS COURT ORDERS** that the Receiver is hereby authorized to make distributions in accordance with paragraphs 46-50 of the Receiver's Report.

Approval of Receiver's Fees And Expenses

4. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and its legal counsel as described in the Receiver's Report, the BDO Fee Affidavit, the Robins Fee Affidavit and the LZW Fee Affidavit are hereby approved.

**ELLIOT LAKE AND NORTH - and-
SHORE CORPORATION
FOR BUSINESS
DEVELOPMENT et al.**

ALMENARA EN EL RIO INC.

Applicants

Respondent

Court File No.: CV-23-00011162-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT SUDBURY

**ORDER
(Distribution and Discharge of Receiver)**

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