

Court File No. CV-22-00674717-00CL & CV-21-00668821-00CL

Court File No. CV-21-00668821-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE

)

FRIDAY, THE 11TH

JUSTICE CONWAY

)

DAY OF FEBRUARY, 2022

)

BETWEEN:

**BERKID INVESTMENTS LIMITED, ROBERT BARRON, THORNBRIDGE CAPITAL
INC., LUCY BER, SUSAN LATREMOILLE, JAMES MACDONALD, SCOTT
TUPLING, NADA TUPLING, TMP INVESTMENTS INC., MARK PIEROG, TARA
PIEROG, RON LAPSKER, 1392530 ONTARIO INC., LANGFORD GRAIN INC., FORE
BEARS FORENSIC SCIENCE INC., FESTIVUS HOLDINGS INC., STEVEN FREIMAN
AND GREGORY IP**

Plaintiffs

- and -

**HUNTER MILBORNE, GREGORY MARCHANT, MM REALTY PARTNERS
INTERNATIONAL, MM REALTY PARTNERS INTERNATIONAL INC., LEGACY
LIFESTYLE DESTIN LIMITED PARTNERSHIP, LEGACY LIFESTYLE DESTIN GP
INC., LEGACY LIFESTYLE SUMMERLIN LIMITED PARTNERSHIP, LEGACY
LIFESTYLE SUMMERLIN GP INC. LEGACY LIFESTYLE TRAILWINDS LIMITED
PARTNERSHIP, LEGACY LIFESTYLE TRAILWINDS GP INC., WAVERLEY
CORPORATE FINANCE SERVICES LTD. and MORGAN MARCHANT**

Defendants



ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

**LEGACY LIFESTYLES DESTIN LP, LEGACY LIFESTYLES TRAILWINDS LP,
LEGACY LIFESTYLES SUMMERLIN LP, LEGACY LIFESTYLES OCOEE LP,
LEGACY LIFESTYLES LONGLEAF LP**

Applicants

- and -

**LEGACY LIFESTYLES DESTIN PROPERTY LLC, LEGACY LIFESTYLES
TRAILWINDS PROPERTY LLC, LEGACY LIFESTYLES FORT MYERS PROPERTY
LLC, LEGACY LIFESTYLES OCOEE PROPERTY LLC, , LEGACY LIFESTYLES
LONGLEAF PROPERTY LLC**

Respondents

APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C., C. B-3, as amended, and section 101 of the *Courts of Justice Act*, R.S.O. 1990, C. C-43, as amended

AMENDED ORDER
(appointing Receiver)

THIS MOTION made by the Plaintiffs in Court File No. CV-21-00668821-00CL (the “**Action**”) and **THIS APPLICATION** made by the Applicants in Court File No. CV-22-00674717-00CL (the “**Application**”) for an Order pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”) and section 243(1) of the *Bankruptcy and Insolvency Act* R.S.C., 1985, c. B-3 (“**BIA**”) appointing Zeifman Partners Inc. as receiver (the “**Receiver**”) without security, of all of the assets, undertakings and properties of Legacy Lifestyles Destin LP, Legacy Lifestyles Destin GP Inc., Legacy Lifestyles Summerlin LP, Legacy Lifestyles Summerlin GP Inc., Legacy Lifestyles Trailwinds LP, Legacy Lifestyles Trailwinds GP Inc., Legacy Lifestyles Ocoee LP, Legacy Lifestyles Ocoee GP Inc., Legacy Lifestyles Longleaf LP, Legacy Lifestyles Longleaf GP Inc., Legacy Lifestyles Destin Property LLC, Legacy Lifestyles Trailwinds Property LLC, Legacy Lifestyles Ft. Myers Property LLC, Legacy Lifestyles Ocoee Property LLC and Legacy Lifestyles Longleaf Property LLC (collectively, the “**Debtors**”)

acquired for, or used in relation to a business carried on by the Debtors, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavits of Mark Ber affirmed on July 21, 2021 and the Exhibits thereto, the affidavit of Joel Ross affirmed on July 20, 2021 and the Exhibits thereto, the affidavit of Greg Marchant sworn December 20, 2021 and the Exhibits thereto and the affidavit of Allan Rutman affirmed December 14, 2021 and the Exhibits thereto and on hearing the submissions of counsel for Legacy Lifestyles Destin LP, Legacy Lifestyles Destin GP Inc., Legacy Lifestyles Summerlin LP, Legacy Lifestyles Summerlin GP Inc., Legacy Lifestyles Trailwinds LP, Legacy Lifestyles Trailwinds GP Inc., Legacy Lifestyles Longleaf LP, Legacy Lifestyles Longleaf GP Inc., Legacy Lifestyles Ocoee LP and Legacy Lifestyles Ocoee GP Inc. (collectively, the “**Partnerships**”), the investors listed in Schedule “C” hereto (collectively, the “**Intervening Investors**”), the Plaintiffs, Gregory Marchant and Morgan Marchant and on reading the consent of the Receiver to act as the Receiver and on being advised by counsel that Cohen Hamilton Steger & Co. Inc. consents to act as the Inspector (defined below) and that each of the Intervening Investors, the Plaintiffs and the Partnerships consent to the relief herein,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion in Court File Number CV-21-00668821-00CL and the Notice of Application and Application in Court File Number CV-22-00674717-00CL is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

INVESTORS

2. **THIS COURT ORDERS** that, on consent of the parties and the Intervening Investors, the Intervening Investors be and are hereby granted intervenor status with respect to the within proceedings and with respect to the Motion and Application herein.

3. **THIS COURT ORDERS AND DECLARES** that, on consent of the parties and the Intervening Investors, any claims of investors (the “**Investors**”) who invested in the Partnerships as against the Debtors and in any way related to the Partnerships are, as of the date of this Order, not extinguished by the expiration of a limitations period or otherwise.

APPOINTMENT

4. **THIS COURT ORDERS** that pursuant to section 101 of the CJA and section 243(1) of the BIA, Zeifman Partners Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to a business carried on by the Debtors, including, without limitation, the real properties described in Schedule “A” hereto (collectively, the “**Real Properties**” and each a “**Real Property**”) and all proceeds thereof (the “**Property**”).

RECEIVER’S POWERS

5. **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 Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

- (e) to engage Cohen Hamilton Steger & Co. Inc. as inspector (the “**Inspector**”) to investigate the affairs, business and financial dealings of the Debtors and their affiliates, any entities controlled by the Debtors and any other entities that control the Real Properties on such terms, including with respect to the payment of the Inspector’s fees and those of its counsel, as the Receiver may agree to in its discretion;
- (f) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors or any part or parts thereof;
- (g) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (h) to settle, extend or compromise any indebtedness owing to the Debtors;
- (i) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
- (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 Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (k) to commission appraisals in respect of the Real Properties;
- (l) to request proposals with respect to refinancing, investments or joint ventures in respect of the Property or any part or parts thereof and negotiate such terms and conditions of refinancing, investments or joint ventures that the Receiver in its discretion may deem appropriate;

- (m) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (n) to sell, convey, transfer, 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 \$25,000.00 CAD, provided that the aggregate consideration for all such transactions does not exceed \$250,000.00 CAD; 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;
- (o) 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;
- (p) 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;
- (q) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (r) 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 Debtors;
- (s) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;

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

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

INSPECTOR'S POWERS

6. **THIS COURT ORDERS AND DIRECTS** the Inspector to (a) investigate the affairs, business and financial dealings of the Debtors and their affiliates, any entities controlled by the Debtors and any other entities that control the Real Properties, (b) provide regular updates to the Receiver on the status of the investigation, (c) prepare a report with respect to the findings of its investigation, and (d) deliver its report to the Receiver and file its report with this Court.

7. **THIS COURT ORDERS AND AUTHORIZES** the Inspector to, (a) conduct hearings, administer oaths and examine any director, officer, employee or agent of the Debtors upon oath, and, if necessary in the opinion of the Inspector, seek an order of this Court prescribing rules for the conduct of the hearing, and (b) engage consultants, agents, experts and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Inspector's powers and duties, including without limitation those conferred by this Order.

8. **THIS COURT ORDERS** Gregory Marchant, and any other person directed to attend an examination by the Inspector, to attend such hearing or examination and give evidence upon oath.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER AND INSPECTOR

9. **THIS COURT ORDERS AND DIRECTS** that (i) the Debtors, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, including Gregory Marchant, and all other persons acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having

notice of this Order including any financial institution (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.

10. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver and the Inspector of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, bank statements and cancelled cheques, and any other papers, records and information of any kind related to the business or affairs of the Debtors, including all "due diligence" materials related to the Property, including consulting reports and drawings (such as engineering, environment soils, traffic studies, archaeological reports, marketing reports) and architectural drawings, 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 and the Inspector or permit the Receiver and the Inspector to make, retain and take away copies thereof and grant to the Receiver and the Inspector unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 10 or in paragraph 11 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 or the Inspector due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

11. **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 and the Inspector for the purpose of allowing the Receiver and the Inspector 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 or the Inspector in their discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver and the Inspector. Further, for the purposes of this paragraph, all Persons shall provide the Receiver and the Inspector with all such assistance in gaining immediate access to the

information in the Records as the Receiver or the Inspector may in their discretion require including providing the Receiver or the Inspector with instructions on the use of any computer or other system and providing the Receiver or the Inspector with any and all access codes, account names and account numbers that may be required to gain access to the information.

12. **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 OR INSPECTOR

13. **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 or Inspector except with the written consent of the Receiver or the Inspector, as the case maybe, or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

15. **THIS COURT ORDERS** that all rights and remedies against the Debtors, the Receiver, the Inspector, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided

that nothing in this paragraph shall (i) empower the Receiver or the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

16. **THIS COURT ORDERS** that the action bearing Court File No. CV-21-00668821-00CL shall be stayed pending further order of this Court.

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

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

RECEIVER TO HOLD FUNDS

19. **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

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

PIPEDA

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

22. **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 or similar legislation in the state of Florida (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 LIABILITY OF RECEIVER AND INSPECTOR

23. **THIS COURT ORDERS** that neither the Receiver nor the Inspector shall incur liability or obligation as a result of their appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or the Receiver 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 afforded the Receiver and the Inspector by any other applicable legislation.

ACCOUNTS OF RECEIVER AND INSPECTOR

24. **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 (including, subject to paragraph 27 of this Order, the fees

and disbursements of the Inspector and its counsel), 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 or similar legislation.

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

26. **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.

27. **THIS COURT ORDERS** that the fees and disbursements of the Inspector and its counsel shall be paid in the first instance by the Plaintiffs in Commercial List File Number CV-21-00668821-00CL without prejudice to any party's position in respect of whether or not the fees and disbursements incurred by the Inspector are to be paid from the Debtors' estate.

28. **THIS COURT ORDERS** that the Plaintiffs and any Investor that pays any accounts of either the Receiver or the Inspector shall be entitled to seek an order of the Court providing for reimbursement of such payments out the Debtors' estate with such priority and at such time as this Court may determine.

FUNDING OF THE RECEIVERSHIP

29. **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 \$3,600,000.00 CAD in the aggregate (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 Property of the Debtor(s) set out in the Receiver's Certificate (defined below), including the Real Property identified in Schedule "1" thereto, 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 or such similar legislation.

30. **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.

31. **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.

32. **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.

33. **THIS COURT ORDERS** that the Receiver is hereby authorized to execute on behalf of the Debtors any documents or instruments that may be necessary or desirable to register this Order on title to the Property and give effect to the Receiver's Charge and Receiver's Borrowings Charge and the priority of such charges, including the subordination of any existing security, charges or mortgages registered on title to the Property. If for any reason such authority is not recognized in the State of Florida the Debtors are hereby directed to execute any such documents to give effect to the priorities provided hereunder to the extent requested by counsel to the Receiver.

SERVICE AND NOTICE

34. **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.zeifmans.ca/current-insolvency-files/legacy-lifestyle/>>.

35. **THIS COURT ORDERS AND DIRECTS** Gregory Marchant to provide a complete list of all of the Investors and their contact information including email addresses to the Receiver.

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

GENERAL

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

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

39. **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 the Inspector and their 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 and the Inspector, as officers of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver or the Inspector and their agents in carrying out the terms of this Order. For greater certainty, the Receiver is hereby appointed as foreign representative of the Debtors in order to commence an application pursuant to Chapter 15 of the United States Bankruptcy Code should such application be required.

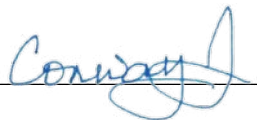
40. **THIS COURT ORDERS** that the Receiver or the Inspector be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that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

41. **THIS COURT ORDERS** that the Plaintiffs shall have their costs of this motion, up to and including entry and service of this Order, in the sum of CA\$100,000.00 and the Intervening Investors shall have their costs of this motion, up to and including entry and service of this Order, in the sum of CA\$50,000.00 on a substantial indemnity basis to be paid by the Receiver from the Debtors' estate with such priority and at such time as this Court may determine, provided that neither costs award referenced herein shall have priority over the other.

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

43. **THIS COURT ORDERS** that a copy of this Order be filed in Court File No. CV-21-00668821-00CL and Court File No. CV-22-00674717-00CL and that these matters shall be consolidated and proceed under Court File No. CV-22-00674717-00CL. All future materials filed

shall use the style of cause set out in this Order and include the following file numbers: Court File No. CV-22-00674717-00CL and CV-21-00668821-00CL.

A handwritten signature in blue ink, appearing to read "Conway J.", is written over a horizontal line.

SCHEDULE "A"

DESCRIPTION OF THE REAL PROPERTIES

Destin Property

Commencing at the Northwest corner of Sea Hills Third Addition as Recorded in Plat Book 5, Page 104 of the Public Records of Okaloosa County, Florida; Thence north 01 degrees, 00 Minutes 51 Seconds East A Distance of 432.05 feet to a point, said Point being the point of beginning; thence continue north 01 degrees 00 minutes 51 seconds east a distance of 364.01 feet to a point; thence North 88° 08 minutes 45 seconds east a distance of 1074.81 feet to a point on the western right away of Beach Drive; thence South 10 degrees 14 minutes 19 seconds west along said Western right of way a distance of 20.77 feet to a point; thence South 03 degrees 56 minutes 40 seconds east along said western rate of way a distance of 199.31 feet to a point; thence departing said Western right of way south 86 degrees 33 minutes 59 seconds west a distance of 542.58 feet to a point; thence South 01 degrees 42 minutes 23 seconds east a distance of 158.38 feet to a point; thence North 88 degrees 59 minutes 09 seconds west a distance of 573.88 feet to a point, said point being the point of beginning.

Trailwinds Property

In the County of Sumter, State of Florida:

Parcel R1-1, TRAILWINDS VILLAGE, as per plat thereof recorded in Plat Book 16, Pages 21, 21-A through 21-I, of the Public Records of SUMTER County, Florida; LESS AND EXCEPT THE FOLLOWING: Begin at the Southeast corner of Parcel RI-1; run thence N.00°27'18"E. along the East line of Parcel RI-1, a distance of 135.20 feet, thence departing East line run S.89°59'36"W. a distance of 416.06 feet; thence S.00°00'06"E. a distance of 131.76 feet to a point on the South line of Parcel RI-1, thence along said South line run S.89°32'10"E. a distance of 415.00 feet to the point of beginning.

TOGETHER With Utility Easements and Access Areas Easements set forth in the Declaration of Covenants, Conditions and Restrictions recorded in Book 3205, Page 698 and as Amended and Restated in Book 3258, Page 326 of the Public Records of SUMTER County, Florida and Signage Easement as set forth in Section 2.10 of said Amended and Restated Declaration of Covenants, Conditions and Restrictions.

Summerlin Property

Lots 2 and 3, Sanibel Promenade, according to the map or plat thereof, as recorded in Plat Book 79, Pages 11 and 12, Public Records Lee County, Florida.

Ocoee Property

A PORTION OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF SAID SECTION 5, TOWNSHIP 22 SOUTH, RANGE 28 EAST, ORIDA BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHWEST CORNER OF SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 5, TOWNSHIP 22 SOUTH, RANGE 28 EAST, ORANGE COUNTRY, FLORIDA; THENCE RUN NORTH 89°35'56" EAST, ALONG THE SOUTH LINE OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF SAID SECTION 5, A DISTANCE OF 1321.84 FEET, TO THE SOUTHEAST CORNER OF SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF SAID SECTION 5; THENCE RUN NORTH 00°09'18" WEST, ALONG THE EAST LINE OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF SAID SECTION 5, A DISTANCE OF 30.00 FEET, TO A POINT ON THE NORTH RIGHT-OF-WAY LINE OF ROBERSON ROAD; THENCE RUN SOUTH 89°35'56" WEST, ALONG THE SAID NORTH RIGHT-OF-WAY LINE, A DISTANCE OF 640.00 FEET, TO THE POINT OF BEGINNING; THENCE LEAVING SAID NORTH RIGHT-OF-WAY LINE, RUN NORTH 00°09'28" WEST, A DISTANCE OF 200.02 FEET; THENCE RUN SOUTH 89°59'28" EAST, A DISTANCE OF 368.32 FEET; THENCE RUN NORTH 09°36'00", A DISTANCE OF 15.36 FEET; THENCE RUN NORTH 00°37'13" EAST, A DISTANCE OF 727.61 FEET; THENCE RUN SOUTH 89°35'56" WEST, A DISTANCE OF 398.15 FEET; THENCE RUN SOUTH 00°09'18" EAST, A DISTANCE 1155.00 FEET, TO A POINT ON THE AFORESAID NORTH RIGHT-OF-WAY LINE; THENCE RUN NORTH 89° 35'56" EAST, ALONG THE SAID NORTH RIGHT-OF-WAY LINE, A DISTANCE OF 20.00 FEET, TO THE POINT OF BEGINNING. CONTAINING 6.76 ACRES MORE OR LESS.

Longleaf Property

Tract 39, LONGLEAF NEIGHBORHOOD THREE, according to the plat through thereof as recorded in Plat Book 56, pages 127 through 150, inclusive, of the public records of Pasco County, Florida.

SCHEDULE "B"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Zeifman Partners Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties of, *inter alios*, [DEBTOR'S NAME] (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, including the Real Property (defined in the Order) described in Schedule "1" hereto and all proceeds thereof (the "[**DEBTOR'S** **Property**"), appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the ____ day of _____, 20__ (the "**Order**") made in an action having Court file number ____-CL-_____, 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, a charge upon the whole of the [DEBTOR'S] 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 the [DEBTOR'S] 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 [DEBTOR'S] 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__.

Zeifman Partners Inc., solely in its capacity
as Receiver of the [DEBTOR'S] Property, and
not in its personal or corporate capacity

Per: _____

Name:

Title:

SCHEDULE “1”

REAL PROPERTY

[Insert description of Real Property]

SCHEDULE “C”

INTERVENING INVESTORS

2581506 Ontario Limited
2335996 Ontario Inc.
Angellotti, Ron
Daveni Investments Ltd.
Della-Maestra, Thomas Roy
Della-Maestra, Julia
Della-Maestra, Terry
Della-Maestra, Angela
Janmohamed, Nadir
Lindsay, Joan
Wall, George
MLC Financial Ltd.
Remco Holdings Inc.
Spectrum Jewellery Mfg Inc.
SRnED Limited
Stephen Kwok Professional Corporation
Suedan, Katherine Denise
Volpe, Peter G.
2480449 Ontario Inc.
Reinrichmar Holding Limited
McDonald, Don
Suchak, Mitesh
Suchak, Avni
White, Robert
Thomson, Dave
Macleod, Carylyn
Patel, Sunil
Tangri, Sabrena
Kassam, Faiza
Hallco Holdings Inc.
Woodruff, Richard
1424604 Ontario Ltd.
Marty Shankman Agency Ltd.
Yale Realty Inc.
2143700 Ontario Inc.
Christiansen Investments Inc.
Hampson Equities Inc.
Charvet, Shelle Rose
Smart Financial Consulting Corp.
19322434 Ontario Limited
9677658 Canada Inc.
John Francis Footprints Ltd.

Claremont Holdings Corporation
Mid Properties Inc.
New Gemini Inc.
2244512 Ontario Inc.
Michael Kessel
1387615 Ontario Limited

Along with any other person who Michael Katzman notifies the Receiver (via email) should be added as an Intervening Investor.

BERKID INVESTMENTS LIMITED

Plaintiff

and

Court File No. CV-21-00668821-00CL

HUNTER MILBORNE et al.

Defendants

LEGACY LIFESTYLES DESTIN LP, et al.

Applicants

and

Court File No. CV-22-00674717-00CL

LEGACY LIFESTYLES DESTIN PROPERTY LLC, et al.

Respondents

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

PROCEEDING COMMENCED AT TORONTO

AMENDED ORDER

GREG ROBERTS PC

Lawyers

202-8920 Woodbine Avenue

Markham, ON L3R 9W9

Greg Roberts (LSO No. 29644N)

Tel: 1 (866) 824-8757

greg.roberts@roblaw.ca

Lawyer for the Plaintiffs