

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)

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

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

**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

**MOTION RECORD
(returnable June 26, 2024)**

June 17, 2024

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Tab 1

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LEGACY LIFESTYLES LONGLEAF LP**

Applicants

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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

NOTICE OF MOTION
(returnable June 26, 2024)

Zeifman Partners Inc., in its capacity as the court-appointed receiver (the “**Receiver**”) of the assets, undertakings and properties (the “**Property**”) 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 (“**Trailwinds Property LLC**”), Legacy Lifestyles Ft. Myers Property LLC (“**Ft. Myers Property LLC**”), Legacy Lifestyles Ocoee Property LLC and Legacy Lifestyles Longleaf Property LLC (collectively, the “**Debtors**”), appointed pursuant to the Amended Order of this Honourable Court, dated February 11, 2022 (the “**Receivership Order**”), as amended, will make a motion to a judge presiding over the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) on June 26, 2024, at 10:00 a.m., or as soon after that time as the motion can be heard.

THE 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);
- ☐ In person;
- ☐ By telephone conference;
- ☒ By video conference.

at the following location

330 University Ave, Toronto, Ontario, via Zoom (the details of which will be provided by the Court at a later date).

THE MOTION IS FOR:

1. An Order substantially in the form attached as **TAB 3** to the Motion Record of the Receiver dated June 17, 2024 (the “**Motion Record**”), for the following relief:
 - (a) if necessary, abridging the time for service of the Notice of Motion and Motion Record and validating service thereof;
 - (b) approving the Real Estate Purchase and Sale Agreement, dated May 9, 2024 (the “**Fort Myers Purchase Agreement**”), between the Receiver and Summerlin Landings, LLC (the “**Fort Myers Purchaser**”) and the transaction contemplated therein (the “**Fort Myers Transaction**”), and vesting the right, title and interest of Fort Myers Property LLC in and to the Fort Myers Property (defined below) in and to the Fort Myers Purchaser;
 - (c) authorizing the Receiver to take such steps and execute such additional documents as may be necessary or desirable for the completion of the Fort Myers Transaction and for the conveyance of the Fort Myers Property to the Fort Myers Purchaser, including the discharge of all mortgages registered on title to the Fort Myers Property; and

- (d) authorizing the Receiver to pay out the Hillmount Fort Myers Mortgage (defined below) on the closing of the Fort Myers Transaction;
- 2. An Order substantially in the form attached as **TAB 5** to the Motion Record, for the following relief:
 - (a) if necessary, abridging the time for service of the Notice of Motion and Motion Record and validating service thereof;
 - (b) approving the Real Estate Purchase and Sale Agreement, dated June 12, 2023 (the “**Trailwinds Purchase Agreement**”), between the Receiver and Cameron General Contractors, Incorporated (the “**Trailwinds Purchaser**”) and the transaction contemplated therein (the “**Trailwinds Transaction**”), and vesting the right, title and interest of Trailwinds Property LLC in and to the Trailwinds Property (defined below) in and to the Trailwinds Purchaser;
 - (c) authorizing the Receiver to take such steps and execute such additional documents as may be necessary or desirable for the completion of the Trailwinds Transaction and for the conveyance of the Trailwinds Property to the Trailwinds Purchaser, including the discharge of all mortgages registered on title to the Trailwinds Property; and
 - (d) authorizing the Receiver to pay out the Hillmount Trailwinds Mortgage (defined below) on the closing of the Transaction;
- 3. An Order substantially in the form attached as **TAB 7** to the Motion Record, for the following relief:
 - (a) if necessary, abridging the time for service of the Motion Record and validating service thereof;
 - (b) approving a claims procedure (the “**Claims Procedure**”) in respect of claims against each of the Trailwinds Debtors (defined below) and authorizing and directing the Receiver to carry out the Claims Procedure; and

- (c) establishing August 16, 2024 as the claims bar date for all claims against the Trailwinds Debtors;
4. An Order substantially in the form attached as **TAB 8** to the Motion Record, for the following relief:
- (a) if necessary, abridging the time for service of the Notice of Motion and Motion Record and validating service thereof;
 - (b) approving the Fifth Report to the Court of the Receiver, dated June 17, 2024 (the “**Fifth Report**”), and the activities and conduct of the Receiver described therein;
 - (c) approving the Receiver’s interim statement of receipts and disbursements, as of June 3, 2024 (the “**R&D**”);
 - (d) approving the fees and disbursements of the Receiver for the period from April 1, 2024, to May 31, 2024, and its counsel Dentons Canada LLP for the period from March 1, 2024, to May 31, 2024; and
 - (e) sealing the Confidential Appendices to the Fifth Report until the closing of the Fort Myers Transaction and the Trailwinds Transaction, as applicable, or further order of the Court;
5. Such further and other relief that the Receiver may request and this Honourable Court may consider just.

THE GROUNDS FOR THE MOTION ARE:

Background

6. The Debtors’ Property is primarily comprised of five real properties in Florida (collectively, the “**Real Properties**”):
- (a) 401 Beach Drive, Destin, Florida;
 - (b) 5578 County Road, 466A, Wildwood, Florida (“**Trailwinds Property**”);

- (c) 10653 Marsha Drive, New Port Richey, Florida;
 - (d) 20161 Summerlin Road, Fort Myers, Florida (“**Fort Myers Property**”); and
 - (e) 934 Roberson Road, Ocoee, Florida.
7. The parties to this proceeding include various creditors who loaned funds on an unsecured basis to the Debtors for the purposes of developing senior care facilities (the “**Projects**”) on each of the Real Properties.
 8. The Receiver was appointed pursuant to the Receivership Order, on the consent of the parties.
 9. At the time of the Receiver’s appointment, the Projects were in various stages of pre-development and construction had not commenced.
 10. On May 9, 2022, pursuant to the Order Granting Foreign Representative’s Motion for Order Granting Recognition of Foreign Main Proceeding pursuant to §§ 1517 and 1520 of the Bankruptcy Code and Related Relief, issued by the U.S. Bankruptcy Court for the Middle District of Florida (the “**U.S. Court**”), the Canadian receivership proceedings were recognized in the United States.
 11. Pursuant to the Order of the Honourable Justice Steele, dated May 23, 2023, the Court approved a sale process in respect of the Real Properties and authorized and directed the Receiver to carry out the sale process and engage CBRE Group, Inc. to list the Real Properties for sale.

Fort Myers Purchase Agreement

12. The marketing process in respect of the Fort Myers Property officially launched on July 18, 2023. It resulted in two offers, and one improved offer, but unfortunately did not result in the execution of a definitive purchase agreement. The Receiver retained a new local broker, Eshenbaugh Land Company LLC, and on January 29, 2024, the marketing of the Fort Myers Property officially relaunched.

13. On April 2, 2024, the Receiver a letter of intent from a prospective purchaser setting out the terms of a conditional offer for the Fort Myers Property. After negotiations the Receiver entered into the Fort Myers Purchase Agreement with the Fort Myers Purchaser.
14. The Fort Myers Purchase Agreement remains subject to the completion of due diligence, however, for the reasons set forth in the Fifth Report, the Receiver recommends approval of the Fort Myers Purchase Agreement at this time.
15. In the event that this Honourable Court approves the Fort Myers Purchase Agreement and the Fort Myers Transaction contemplated therein, the Receiver intends to seek approval of the Fort Myers Transaction from the U.S. Court and an order vesting clear title to the Fort Myers Property in the Fort Myers Purchaser.

Trailwinds Purchase Agreement

16. Prior to the commencement of the Sale Process, the Receiver was in receipt of an unsolicited offer in respect of the Trailwinds Property. After negotiations, the Receiver entered into the Trailwinds Purchase Agreement with the Trailwinds Purchaser, a local developer.
17. The Trailwinds Purchase Agreement, as amended, provided for an initial due diligence period and a series of extensions on terms. By email, dated May 30, 2024, the Trailwinds Purchaser advised the Receiver that its due diligence is now complete and it is prepared to close the transaction.
18. In light of its experience marketing the other Real Properties and the softening of the market for seniors housing development properties in recent times, the Receiver is of the view that formally marketing the Trailwinds Property will not result in a higher or better offer. As set forth in the Fifth Report, the Receiver recommends approval of the Trailwinds Purchase Agreement.
19. In the event that this Honourable Court approves the Trailwinds Purchase Agreement and the Trailwinds Transaction contemplated therein, the Receiver intends to seek approval of the Trailwinds Transaction from the U.S. Court and an order vesting clear title to the

Trailwinds Property in the Trailwinds Purchaser. The Receiver expects to close the Trailwinds Transaction shortly after approval from the U.S. Court, if granted.

Hillmount Mortgages

20. The Receiver's financing throughout these proceedings has been provided by Hillmount Capital Inc. ("**Hillmount**"). The Receiver executed and delivered to Hillmount, among other things:
 - (a) a mortgage in the principal amount of \$818,125, as amended, registered against the Fort Myers Property (the "**Hillmount Fort Myers Mortgage**"); and
 - (b) a mortgage in the principal amount of \$925,425, as amended, registered against the Trailwinds Property (the "**Hillmount Trailwinds Mortgage**").
21. The Hillmount Fort Myers Mortgage and Hillmount Trailwinds Mortgage will be repaid out of the sale proceeds of the applicable transaction, stopping the accrual of interest which is for the benefit of the Investors.

Trailwinds Claims Process

22. Upon the closing of the Trailwinds Transaction, the Receiver will be holding net sale proceeds of the Trailwinds Property. In order to efficiently distribute the proceeds the Receiver has determined that a short claims process is required to identify all creditors with claims against the proceeds of sale.
23. Pursuant to a series of unsecured promissory notes (the "**Trailwinds Promissory Notes**"), the Trailwinds Property Investors advanced loans in varying amounts to Legacy Lifestyles Trailwinds LP ("**Trailwinds Manitoba LP**"), a Manitoba limited partnership. According to the Debtors' books and records, the principal amount of the Trailwinds Promissory Notes total approximately US\$10,099,999.91.
24. Trailwinds Manitoba LP loaned funds to Legacy Lifestyles Trailwinds Project LP and Trailwinds Property LLC, the owner of the Trailwinds Property. The loan was secured by

a mortgage in the principal amount of US\$3,612,050 registered against the Trailwinds Property on May 23, 2017.

25. The proposed Claims Procedure will call for all claims against Trailwinds Manitoba LP, Legacy Lifestyles Trailwinds GP Inc. and Trailwinds Property LLC (collectively, the “**Trailwinds Debtors**”), other than certain Excluded Claims.
26. In order to simplify the Claims Procedure for the Investors, it contemplates the Receiver delivering a Claim Statement to certain known creditors which attaches a schedule setting out the amount of the known claims, as set out in the books and records of the Debtors.
27. If the Claim Statement is correct, such creditors do not have to take any further action in the Claims Procedure. If the amount is incorrect, or if they wish to file an additional claim, then such creditors will be required to deliver a Notice of Dispute to the Receiver.
28. Any creditors who do not receive a Claim Statement will be required to file a proof of claim before the Claims Bar Date.
29. The proposed Claims Bar Date is August 16, 2024. Any creditors who do not file a proof of claim or deliver a Notice of Dispute prior to the Claims Bar Date will have their claim extinguished and will not be entitled to participate in any distribution of the proceeds from the Trailwinds Property.
30. The Receiver will return to Court to seek approval of a distribution of the Trailwinds Property proceeds.

Sealing

31. The Confidential Appendices to the Fifth Report contain commercially sensitive information. If this information is publicly disclosed, it could negatively affect the Receiver’s ability to market the Fort Myers Property and the Trailwinds Property and obtain the highest and best price if the transactions do not close. The sealing of the Confidential Appendices is the least restrictive means to maintain the confidentiality of this commercially sensitive, confidential information.

32. Accordingly, the Receiver requests an order that the Confidential Appendices be sealed until the closing of the Fort Myers Transaction and the Trailwinds Transaction, as applicable, or further order of this Honourable Court.

Approval of R&D and Fees

33. The R&D is appended to the Fifth Report.
34. The Receiver has provided services and incurred disbursements during the period of April 1, 2024 to May 31, 2024, which are described in the Fifth Report and affidavit of Allan Rutman affirmed June 4, 2024.
35. The Receiver has incurred legal fees of its Canadian legal counsel, Dentons Canada LLP (“**Dentons Canada**”), in respect of these proceedings during the period of March 1, 2024 to May 31, 2024, as more particularly set out in the Fifth Report and the affidavit of Kenneth Kraft affirmed June 14, 2024.
36. The Receiver requests that this Court approve the following fees and disbursements (collectively, the “**Professional Fees**”):
- (a) the accounts of the Receiver for the period of April 1, 2024 to May 31, 2024, in the amount of \$40,978.35, inclusive of disbursements and HST; and
 - (b) the accounts of Dentons Canada for the period of March 1, 2024 to May 31, 2024, in the amount of \$83,447.67 inclusive of disbursements and HST.
37. The Receiver submits that the Professional Fees are reasonable in the circumstances and have been validly incurred in accordance with the provisions of the Receivership Order.

Other Grounds

38. Rules 1.04, 2.03, 3.02, 16.08 and 37 of the *Rules of Civil Procedure* (Ontario).
39. Section 243 of the *Bankruptcy and Insolvency Act* (Canada).
40. Section 100 of the *Courts of Justice* (Ontario).

41. Such further and other grounds as counsel may advise and this Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING OF THE MOTION:

42. The Fifth Report;

43. The Affidavit of Allan Rutman affirmed June 4, 2024;

44. The Affidavit of Kenneth Kraft affirmed June 14, 2024; and

45. Such further and other material as counsel may advise and this Honourable Court may permit.

June 17, 2024

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TO: SERVICE LIST

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Plaintiff

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PROCEEDING COMMENCED AT TORONTO

NOTICE OF MOTION

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*Lawyers for Zeifman Partners Inc., in its capacity as Court-
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Tab 2

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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

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

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

FIFTH REPORT OF THE RECEIVER
June 17, 2024

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- A Amended Order of Justice Conway dated February 11, 2022
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- I Sale Process Order dated May 23, 2023
- J Fort Myers Purchase Agreement (redacted)
- K Trailwinds Purchase Agreement (redacted)
- L Trailwinds LP Mortgage
- M Receiver's R&D, as of June 3, 2024
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CONFIDENTIAL APPENDICES

- 1 Fort Myers Purchase Agreement (unredacted)
- 2 Summary of the offers received for the Fort Myers Property
- 3 Fort Myers Property summary of appraised value and realtor opinions of value
- 4 Fort Myers Property CBRE Appraisal, dated March 9, 2022
- 5 Trailwinds Purchase Agreement (unredacted)
- 6 Trailwinds Property summary of appraised value and the realtor opinions of value
- 7 Trailwinds Property CBRE Appraisal, dated March 4, 2022

INTRODUCTION

1. On the consent of the parties, pursuant to the Amended Order of the Honourable Justice Conway, dated February 11, 2022 (the “**Receivership Order**”), Zeifman Partners Inc., was appointed as receiver (the “**Receiver**”) over the assets, properties and undertakings (the “**Property**”) 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 (“**Trailwinds Property LLC**”), Legacy Lifestyles Ft. Myers Property LLC (“**Ft. Myers Property LLC**”), Legacy Lifestyles Ocoee Property LLC and Legacy Lifestyles Longleaf Property LLC (collectively, the “**Debtors**”). A copy of the Receivership Order is attached hereto as **Appendix “A”**. A copy of Her Honour’s Endorsement is attached hereto as **Appendix “B”**.

2. At the time of the Receiver’s appointment, the Property was primarily comprised of the following five real properties in Florida (collectively, the “**Real Properties**” and each a “**Real Property**”):
 - (a) 401 Beach Drive, Destin, Florida (“**Destin Property**”);
 - (b) 5578 County Road, 466A, Wildwood, Florida (“**Trailwinds Property**”);
 - (c) 10653 Marsha Drive, New Port Richey, Florida (“**Longleaf**”);
 - (d) 20161 Summerlin Road, Fort Myers, Florida (“**Fort Myers Property**”); and
 - (e) 934 Roberson Road, Ocoee, Florida (“**Ocoee Property**”).

3. Corporate structure charts prepared by the Debtors are attached hereto as **Appendix “C”**. The jurisdictions of the various entities are set out in the chart prepared by the Debtors attached hereto as **Appendix “D”**. The limited partnerships are Manitoba entities and the general partners are Ontario entities. The LLCs are incorporated in Delaware. The Real Properties are (or were) separately owned by each of the LLCs.

PURPOSE OF THE REPORT

4. The purpose of this Fifth Report of the Receiver (the “**Fifth Report**”) is to report to the Court on the Receiver’s activities since the date of the Fourth Report, dated April 19, 2024 (the “**Fourth Report**”), and to request:
 - (a) An Approval and Vesting Order (Fort Myers):
 - (i) if necessary, abridging the time for service of the Motion Record and validating service thereof;
 - (ii) approving the Real Estate Purchase and Sale Agreement, dated May 9, 2024 (the “**Fort Myers Purchase Agreement**”) between the Receiver and Summerlin Landings, LLC (“**Summerlin Landings**”) and the transaction contemplated therein (the “**Fort Myers Transaction**”) and vesting the right, title and interest of Ft. Myers Property LLC in and to the Fort Myers Property in and to Summerlin Landings;
 - (iii) authorizing the Receiver to take such steps and execute such additional documents as may be necessary or desirable for the completion of the Fort Myers Transaction and for the conveyance of the Fort Myers Property to Summerlin Landings, including the discharge of all mortgages registered on title to the Fort Myers Property; and
 - (iv) authorizing the Receiver to pay out the Hillmount Fort Myers Mortgage (defined below) on the closing of the Fort Myers Transaction;
 - (b) An Approval and Vesting Order (Trailwinds):
 - (i) if necessary, abridging the time for service of the Motion Record and validating service thereof;
 - (ii) approving the Real Estate Purchase and Sale Agreement, dated June 12, 2023 (the “**Trailwinds Purchase Agreement**”) between the Receiver and Cameron General Contractors, Incorporated (“**Cameron General**

Contractors”) and the transaction contemplated therein (the “**Trailwinds Transaction**”) and vesting the right, title and interest of Trailwinds Property LLC in and to the Trailwinds Property in and to Cameron General Contractors;

- (iii) authorizing the Receiver to take such steps and execute such additional documents as may be necessary or desirable for the completion of the Trailwinds Transaction and for the conveyance of the Trailwinds Property to Cameron General Contractors, including the discharge of all mortgages registered on title to the Trailwinds Property; and
 - (iv) authorizing the Receiver to pay out the Hillmount Trailwinds Mortgage (defined below) on the closing of the Trailwinds Transaction;
- (c) a Claims Procedure Order:
- (i) approving a claims procedure (the “**Claims Procedure**”) in respect of claims against each of the Trailwinds Debtors (defined below) and authorizing and directing the Receiver to carry out the Claims Procedure; and
 - (ii) establishing August 16, 2024 as the claims bar date for all claims against the Trailwinds Debtors;
- (d) an Ancillary Order:
- (i) if necessary, abridging the time for service of the Motion Record and validating service thereof;
 - (ii) approving this Fifth Report and the activities and conduct of the Receiver described herein;
 - (iii) approving the Receiver’s interim statement of receipts and disbursements, as of June 3, 2024 (the “**R&D**”);

- (iv) approving the fees and disbursements of the Receiver for the period from April 1, 2024, to May 31, 2024, and its counsel Dentons Canada LLP for the period from March 1, 2024, to May 31, 2024; and
- (v) sealing the Confidential Appendices to the Fifth Report until the closing of the Fort Myers Transaction and the Trailwinds Transaction, as applicable, or further order of the Court.

TERMS OF REFERENCE

5. In preparing this Fifth Report, the Receiver has been provided with, and has relied upon unaudited, draft and/or internal financial information, the Debtors' books and records, discussions with employees, principals and representatives of the Debtors and information from third-party sources (collectively, the "**Information**"). Except as described in this Fifth Report:
 - (a) the Receiver has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards ("**CAS**") pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance contemplated under CAS in respect of the Information; and
 - (b) the Receiver has prepared this Fifth Report in connection with the discharge of the Receiver's duties and responsibilities pursuant to the Receivership Order and under statute and in support of the relief described herein. Parties using the Fifth Report, other than for the purposes outlined herein, are cautioned that it may not be appropriate for their purposes.
6. Unless otherwise stated, all dollar amounts contained in the Fifth Report are expressed in Canadian dollars.

BACKGROUND

7. The parties to this proceeding include various creditors (the “**Investors**”) who loaned funds to the Debtors for the purposes of developing senior care facilities (the “**Projects**”) on each of the Real Properties.
8. At the time of the Receiver’s appointment the Projects were in various stages of pre-development and the subject of litigation amongst the parties. No construction activities had commenced.
9. Based on its review of the Debtors’ books and records, the Receiver understands that approximately US\$33.7 million (plus interest) is owed to the Investors on an unsecured basis. The Investors loaned funds to the Manitoba limited partnerships, who in turn loaned funds on a secured basis to the project limited partnerships and the Delaware LLCs (the title holders to the Real Properties).
10. Pursuant to the Receivership Order, the Receiver engaged 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.
11. The Inspector issued its First Report, dated September 8, 2022, a copy of which was attached to the Second Report of the Receiver, dated May 10, 2023.
12. Upon its appointment, the Receiver arranged for financing to fund the costs and expenses of the within receivership proceedings. Pursuant to the Term Sheet, dated May 9, 2022 (the “**Term Sheet**”), between Hillmount Capital Inc. (“**Hillmount**”) and the Receiver, Hillmount committed to providing a loan (the “**Hillmount Loan**”) to the Receiver, subject to certain conditions including the registration of first-ranking mortgages against the Real Properties and the provision of title insurance.
13. After its appointment the Receiver was advised by the Florida taxing authorities that significant realty arrears were owing in respect of the Real Properties and tax sales in respect of certain of the Real Properties could be commenced imminently. Furthermore,

the title insurer in respect of the Receiver's financing required the issuance of a formal recognition order. Accordingly, the Receiver, in its capacity as Foreign Representation of the Debtors, brought an urgent motion before the U.S. Bankruptcy Court for the Middle District of Florida (the "**U.S. Court**") for recognition of the Receivership Order under Chapter 15 of the United States Bankruptcy Code (the "**Bankruptcy Code**").

14. The preliminary hearing was held on an expedited basis on April 13, 2022, before the U.S. Court. The U.S. Court granted provisional relief and set May 9, 2022, as the date for the final hearing. A copy of the Order granting provisional relief, dated April 14, 2022, is attached hereto as **Appendix "E"**.
15. On May 9, 2022, pursuant to the Order Granting Foreign Representative's Motion for Order Granting Recognition of Foreign Main Proceeding pursuant to §§ 1517 and 1520 of the Bankruptcy Code and Related Relief issued by the U.S. Court (the "**Recognition Order**"), the Canadian receivership proceedings were recognized in the United States. A copy of the Recognition Order is attached hereto as **Appendix "F"**.
16. Additional background in respect of this proceeding including the Receiver's efforts to refinance the Real Properties are detailed in the Receiver's Second Report to the Court, dated May 10, 2023 (the "**Second Report**") and the Third Report. Copies of the Second Report and Third Report, without appendices, are attached hereto as **Appendices "G" and "H"**.

RECEIVER'S ACTIVITIES

17. The activities of the Receiver since the date of the Fourth Report, include:
 - (a) calls and correspondence with N21 Group, LLC ("**N21**") in respect to the status of entitlements (including water and sewage) in respect of the Real Properties;
 - (b) ongoing calls and correspondence with CBRE and Eshenbaugh Land Company LLC with respect to the Sale Process (defined below) and efforts to sell the remaining Real Properties;

- (c) reviewing letters of intent and offers submitted by prospective purchasers and negotiating the terms of same;
- (d) negotiating the terms of the Fort Myers Purchase Agreement;
- (e) responding to inquiries from Investors and interested parties;
- (f) detailed discussions with interested parties and realtors;
- (g) discussions with Hillmount with respect to the status of the Sale Process;
- (h) discussing with governmental authorities questions relating to status of Real Properties and permits requiring renewal;
- (i) meeting with consulting firm, Willis Construction Consulting Inc., retained to review and report on accounting of shared services pursuant to easement agreement and restrictive covenant provided by Vivek Investment Corporation, the owner of the property adjacent to the Ocoee Property, forwarding report to counsel for Vivek Investment Corporation and disputing the quantum of shared services claim;
- (j) advertising Destin claims procedure and sending out claim statements pursuant to the Claims Procedure Order (Destin), dated May 6, 2024, and responding to queries regarding the Destin claims procedure; and
- (k) drafting this Fifth Report.

SALE PROCESS

18. Pursuant to the Order of the Honourable Justice Steele, dated May 23, 2023 (the “**Sale Process Order**”), the Court approved a sale process (the “**Sale Process**”) in respect of the Real Properties and authorized and directed the Receiver to carry out the Sale Process and engage CBRE Group, Inc. (“**CBRE**”) to list the Real Properties for sale. A copy of the Sale Process Order is attached hereto as **Appendix “I”**.
19. Following the issuance of the Sale Process Order, the Receiver engaged CBRE to market and list the Real Properties for sale (with the exception of the Trailwinds Property).

20. The market in Florida for development property has faced challenges due to higher interest rates, restrictive credit and equity markets, higher construction costs and a general slow down of construction related activity in respect of all development including seniors' housing.
21. Due to the nature of the Real Properties as development properties, it was expected that prospective purchasers would require additional due diligence periods subsequent to the execution of an agreement of purchase and sale. In addition, the Real Properties are located in various municipalities and the local review and approvals processes, which can be lengthy, are outside the control of the Receiver and purchasers.
22. The original listing agreements with CBRE expired on December 13, 2023 and the Receiver entered into agreements providing for an extension of the listing periods to April 30, 2024. As part of the conditions to the extension, Eshenbaugh Land Company LLC ("**Eshenbaugh**") was added to the listing agreements on Fort Myers and Longleaf. Eshenbaugh is a Tampa based realty firm with knowledge of the Florida Gulf Coast and land development. The listing agreements were subsequently further extended to July 3, 2024.
23. The Receiver has entered into the Fort Myers Purchase Agreement and the Trailwinds Purchase Agreement and is seeking Court approval of the sale of the Fort Myers Property and Trailwinds Property.
24. As previously reported, the sale of the Destin Property closed on March 1, 2024. Pursuant to the Claims Procedure Order (Destin), the Court approved a claims procedure in respect of claims against Legacy Lifestyles Destin LP, Legacy Lifestyles Destin GP Inc. and Legacy Lifestyles Destin Property LLC. The claims bar date is June 14, 2024. The Receiver will report on the results of the claims procedure and any distribution recommendations in a future report.
25. Set out below is an update on the status of the Sale Process in respect of the remaining two Real Properties.

(A) Ocoee Property

26. The Sale Process in respect of the Ocoee Property has taken longer than originally anticipated and remains ongoing. At the recommendation of CBRE, the marketing of the Ocoee Property was relaunched in January, 2024. Prospective purchasers have expressed interest in making an offer, however no offers have been received since the marketing relaunch.

(B) Longleaf Property

27. Similar to Ocoee, the Sale Process in respect of the Longleaf Property has taken longer than originally anticipated and remains ongoing. Interest in the property has been underwhelming due to the high tax levy and the small size of the lot. It is expected that any purchaser will be seeking a longer due diligence and closing period given the cumbersome local approval processes and restrictions on use.
28. The Receiver accepted a letter of intent, dated April 19, 2024, in respect of the purchase and sale of the Longleaf Property, which terms include a lengthy due diligence period. A condition of the letter of intent is that the parties enter into an agreement of purchase and sale by June 15, 2024 (or the first business day thereafter), failing which the letter of intent terminates. The Receiver executed the purchase agreement on June 14, 2024, and the purchaser is expected to execute the agreement before end of day on June 17, 2024.
29. The Receiver will return to Court to seek approval of the sale of the Longleaf Property in the event that the purchaser completes its due diligence to its satisfaction or waives the condition and the parties enter into a formal agreement of purchase and sale.

FORT MYERS PROPERTY

30. The marketing process in respect of the Fort Myers Property launched on July 18, 2023. During the first round of marketing, the site was marketed by CBRE's Land Services Group out of Florida and Toronto.

31. The Fort Myers Property was marketed as part of a portfolio with three of the other Real Properties with buyers able to bid on the sites together or separately. No bids were received on the entire portfolio.
32. Marketing emails were sent by CBRE to their list of over 1,241 contacts weekly, including to over 500 brokers. The Property was listed on MLS, promoted on CBRE's Land Services Group website and a custom website was set up to provide details of the opportunity. A comprehensive data room was set up and parties who executed confidentiality agreements were provided access. A total of 8 parties executed confidentiality agreements.
33. The Property was originally launched without an asking price and first round offers were received on Tuesday, September 12, 2023. As part of the first round, 2 offers/letters of intents were submitted. During round two, one of the offerors submitted an improved offer. The Receiver rejected the lower offer, as it was substantially below the appraised value of the Fort Myers Property, and delivered a form of agreement of purchase and sale to the other offeror. Unfortunately the higher offeror did not respond to the Receiver's requests and all efforts to reach them were unsuccessful.
34. The listing for the Property with the CBRE Florida team expired on December 5, 2023 and the Eshenbaugh, led by a team out of Tampa Bay, was engaged to list the Fort Myers Property. CBRE's Land Services Group out of Toronto remained part of the marketing efforts
35. The marketing of the Fort Myers Property was officially relaunched on January 29, 2024 and the property was relisted with an asking price of US\$3,000,000.
36. Targeted email campaigns were sent out to each listing team's list of contacts. The email campaign was blasted to 385 targeted brokers and prospects by the Eshenbaugh. The email blast continues to go out monthly. The property was posted and promoted on the agent's LinkedIn and marketed on Loopnet. The property was also promoted in the agent's Available Properties section on the Land Services Group website. A total of 6 parties executed confidentiality agreements during the second round of marketing.

37. On April 2, 2024, the Receiver a letter of intent from a prospective purchaser setting out the terms of a conditional offer for the Fort Myers Property. After negotiations a revised letter of intent (the “**LOI**”) was received on April 22, 2024. The revised LOI and the proposed terms of purchase and sale set out therein were acceptable to the Receiver and the Receiver executed the LOI on April 22, 2024.
38. Subsequent to the execution of the letter of intent by the Receiver, a second prospective purchaser submitted an offer to purchase the Fort Myers Property. The Receiver reviewed the second offer and, in the circumstances, determined it was bound by the original letter of intent and, accordingly, it was prudent to continue negotiating the terms of a purchase agreement with the original offeror.
39. Ultimately the terms of sale were agreed to with the first offeror and the Receiver and Summerlin Landings entered into the Fort Myers Purchase Agreement. A copy of the Fort Myers Purchase Agreement with the confidential terms redacted is attached hereto as **Appendix “J”**. A copy of the unredacted Fort Myers Purchase Agreement is attached hereto as **Confidential Appendix “1”**.
40. A summary of the offers received for the Fort Myers Property is attached hereto as **Confidential Appendix “2”**. A summary of the appraised value and the realtor opinions of value for the Fort Myers Property is attached hereto as **Confidential Appendix “3”**. A copy of the CBRE appraisal in respect of the Fort Myers Property, dated March 9, 2022, is attached hereto as **Confidential Appendix “4”**.
41. The salient provisions of the Fort Myers Purchase Agreement are as follows (all capitalized terms not otherwise defined have the meanings ascribe to them in the Fort Myers Purchase Agreement):
- (a) Real Property: Fort Myers Property;
 - (b) Purchase Price: All cash;

- (c) Deposit: Totaling 8.7% of Purchase Price, with a portion payable on execution with remaining deposit payable upon completion of due diligence. Deposit is non-refundable upon completion of Due Diligence Period;
 - (d) Due Diligence Period: 90 days from execution of Fort Myers Purchase Agreement;
 - (e) “As is, where is”: Transaction is on an “as is, where is” basis with limited representations and warranties;
 - (f) Court Approval: Subject to issuance of Court Approval Orders by the Canadian Court and the U.S. Court, no later than July 9, 2024, approving the Fort Myers Purchase Agreement and Fort Myers Transaction;
 - (g) Free and Clear: Property to be conveyed free and clear of all liens and encumbrances;
 - (h) Government Approvals/Contingencies: Summerlin Landings will initiate government approval and permitting process for development of multifamily residential housing, and will apply for an award of federal low-income housing credits from Florida Housing Finance Corporation. If Summerlin Landings has not received final approval for the award of Tax Credits by September 23, 2024, then Summerlin Landings has the right to terminate the Fort Myers Purchase Agreement.
 - (i) Closing Date: On or before December 31, 2024.
42. Summerlin Landings is an affiliate of a Florida real estate development and construction company that focuses on building affordable housing in Florida. It requires certain governmental grants to finance the acquisition of the Fort Myers Property. Summerlin Landings advised the Receiver that the deadline to apply for such grants is July 10, 2024 and its application cannot reasonably be in respect of a transaction that remains subject to approval of the Canadian and U.S. Court. The terms of the Fort Myers Purchase Agreement require Court approval be obtained before July 9, 2024. Accordingly, in the circumstances, the Receiver is seeking approval of the Fort Myers Purchase Agreement on an expedited basis and in advance of the completion of the Purchaser’s due diligence.

43. The Receiver recommends approval of the Fort Myers Purchase Agreement for the following reasons:
- (a) as described above, the Fort Myers Property was widely marketed for over 9 months and two rounds of marketing in accordance with the Sale Process by CBRE, an internationally recognized brokerage and, during the second round of marketing, by Eshenbaugh, experts in Florida Gulf Coast real estate and land development;
 - (b) the consideration is all cash and exceeds the appraised value for the Fort Myers Property;
 - (c) the Fort Myers Property was difficult to market due to, among other things, the rise of interest rates and construction costs, the softening of the market for seniors housing development properties and the effects on the Fort Myers economy caused by the impacts of Hurricane Ian in September 2022;
 - (d) although the Fort Myers Purchase Agreement is subject to certain financing conditions, the Receiver is of the view that Summerlin Landings is a serious and *bona fide* purchaser and the developer has demonstrated a track record of successful developments in Florida;
 - (e) the Receiver does not recommend further marketing the Fort Myers Property in an effort to obtain a higher price as the Receiver's financing on the property is almost fully drawn, negotiations with other prospective purchasers will result in the ongoing accrual of interest and carrying costs and any other offers for the property are expected to be subject to lengthy due diligence periods;
 - (f) as described above, the Receiver was in receipt of a slightly higher conditional offer for the Fort Myers Property after it entered into the LOI with the Summerlin Landings group; however, the Receiver determined that it was prudent to continue negotiations with Summerlin Landings for the following reasons:
 - (i) the Receiver's U.S. counsel advised the Receiver that it was bound by the LOI;

- (ii) based on due diligence undertaken in respect of the second offeror, the listing broker, Eshenbaugh, recommended that the Receiver proceed with Summerlin Landings; and
 - (iii) the second purchaser had sufficient time during the 9 month marketing process and 2 year receivership proceeding to put in an earlier offer for the property;
 - (g) the Receiver, with the assistance of CBRE and Eshenbaugh, has made sufficient efforts to obtain the highest and best price for the Fort Myers Property;
 - (h) Hillmount supports the Fort Myers Transaction; and
 - (i) the Hillmount Fort Myers Mortgage (described below) will be paid out of the sale proceeds thereby stopping the continued accrual of interest, which is for the benefit of the estate and each of the Investors in the Fort Myers Property.
44. In the event that this Honourable Court approves the Fort Myers Purchase Agreement and the transaction contemplated therein, the Receiver will seek approval of the Fort Myers Transaction from the U.S. Court and an order vesting clear title to the Fort Myers Property in Summerlin Landings.
45. Subsequent to the closing of the Transaction, the Receiver will return before this Honourable Court to seek an order authorizing the distribution of the net proceeds of sale from the Fort Myers Property and/or, if necessary, an order approving a short claims process.

TRAILWINDS PROPERTY

46. As previously reported, prior to the commencement of the Sale Process, the Receiver was in receipt of an unsolicited offer in respect of the Trailwinds Property. After negotiations, the Receiver entered into the Trailwinds Purchase Agreement with Cameron General Contractors, a local developer, providing for the sale of the Trailwinds Property.

47. The Trailwinds Purchase Agreement was subsequently amended pursuant to the First Amendment to Purchase Agreement, dated September 11, 2023 and the Second Amendment to Purchase Agreement, dated September 18, 2023 (the “**Second Amendment**”). Copies of the Trailwinds Purchase Agreement and the amending agreements with the confidential terms redacted are attached hereto as **Appendix “K”**. Copies of the unredacted Trailwinds Purchase Agreement and the Second Amendment are attached hereto as **Confidential Appendix “5”**.
48. A summary of the appraised value and the realtor opinions of value for the Trailwinds Property is attached hereto as **Confidential Appendix “6”**. A copy of the CBRE appraisal in respect of the Trailwinds Property, dated March 4, 2022, is attached hereto as **Confidential Appendix “7”**.
49. The Trailwinds Purchase Agreement, as amended, provided for an initial due diligence period of 90 days with the option to extend conditional on deposit funds becoming non-refundable. The final due diligence period extension expired on June 3, 2024 and by email, dated May 30, 2024, Cameron General Contractors advised the Receiver that its due diligence is now complete and it is prepared to close the transaction.
50. The salient provisions of the Trailwinds Purchase Agreement are as follows (all capitalized terms not otherwise defined have the meanings ascribe to them in the Fort Myers Purchase Agreement):
- (a) Real Property: Trailwinds Property;
 - (b) Purchase Price: All cash;
 - (c) Deposit: Initial Earnest Money totaling 5% of Purchase Price, and Additional Earnest Money payable upon extensions of Due Diligence Period, which additional amounts are non-refundable (subject to limited exceptions);
 - (d) Due Diligence Period: Initial period of 60 days, subject to a series of extensions with last Due Diligence Period expiring on June 3, 2024;

- (e) “As is, where is”: Transaction is on an “as is, where is” basis with limited representations and warranties;
 - (f) Court Approval: Subject to issuance of Court Orders by the Canadian Court and the U.S. Court approving the Trailwinds Transaction;
 - (g) Free and Clear: Property to be conveyed free and clear of all liens and encumbrances;
 - (a) Closing Date: no later than fifteen (15) calendar days following the later to occur of the expiration of the Due Diligence Period and the issuance of all Court Approvals.
51. The Receiver recommends approval of the Trailwinds Purchase Agreement for the following reasons:
- (a) the consideration is all cash, exceeds the appraised value for the Trailwinds Property and exceeds all except one of the realtors’ estimated opinions of value;
 - (b) although the Trailwinds Property was not marketed, in light of its experience marketing the other Real Properties and the softening of the market for seniors housing development properties in recent times, the Receiver is of the view that formally marketing the property will not result in a higher or better offer;
 - (c) listing the Trailwinds Property for sale and formally marketing it will require the payment of commissions to the realtor, which will materially reduce the proceeds available for distribution;
 - (d) Cameron General Contractors has completed its due diligence and is prepared to close;
 - (e) the Receiver has not received any other offers for the Trailwinds Property during the course of the receivership, which has been ongoing for over 2 years and, in any event, any other prospective purchaser will likely require a lengthy due diligence period to complete permitting and approval processes;

- (f) the Receiver negotiated the terms of the Trailwinds Purchase Price, including the consideration, and has make sufficient efforts to obtain the highest and best price for the Trailwinds Property;
 - (g) Hillmount supports the Trailwinds Transaction; and
 - (h) the Hillmount Trailwinds Mortgage (described below) will be paid out of the sale proceeds thereby stopping the continued accrual of interest, which is for the benefit of the estate and each of the Investors in the Trailwinds Property.
52. In the event that this Honourable Court approves the Trailwinds Purchase Agreement and the transaction contemplated therein, the Receiver will seek approval of the Transaction from the U.S. Court and an order vesting clear title to the Fort Myers Property in Cameron General Contractors. The Receiver expects to close the Trailwinds Transaction shortly after approval from the U.S. Court, if granted.

HILLMOUNT FINANCING

53. The Receiver's financing throughout these proceedings has been provided by Hillmount. Pursuant to the Term Sheet between the Receiver and Hillmount, the Receiver executed and delivered, among other things:
- (a) the mortgage deed and security agreement, dated May 23, 2022 (the "**Hillmount Fort Myers Mortgage**") and related documentation, in the principal amount of \$818,125, as amended, which was registered against the Fort Myers Property on May 26, 2022; and
 - (b) the mortgage deed and security agreement, dated May 23, 2022 (the "**Hillmount Trailwinds Mortgage**") and related documentation, in the principal amount of \$925,425, as amended, which was registered against the Trailwinds Property on May 26, 2022;
54. The Hillmount Fort Myers Mortgage has been almost fully drawn down by the Receiver. As of the date of this Fifth Report, there is \$75,000 of availability remaining.

55. The Hillmount Fort Myers Mortgage will be repaid out of the sale proceeds of the Fort Myers Transaction thereby stopping the continued accrual of interest, which is for the benefit of the estate and each of the Investors in the Fort Myers Property.
56. As of the date of this Fifth Report, a total of \$454,100 has been drawn down on the Hillmount Trailwinds Mortgage.
57. The Hillmount Trailwinds Mortgage will be repaid out of the sale proceeds of the Trailwinds Transaction thereby stopping the continued accrual of interest, which is for the benefit of the estate and each of the Investors in the Trailwinds Property.

CLAIMS PROCEDURE (TRAILWINDS)

58. Upon the closing of the Trailwinds Transaction, the Receiver will be holding net sale proceeds of the Trailwinds Property. In order to efficiently distribute the proceeds the Receiver has determined that a short claims process is required to identify all creditors with claims against the proceeds of sale.
59. Pursuant to a series of unsecured promissory notes (the “**Trailwinds Promissory Notes**”), the Trailwinds Property Investors advanced loans in varying amounts to Legacy Lifestyles Trailwinds LP (“**Trailwinds Manitoba LP**”), a Manitoba limited partnership. According to the Debtors’ books and records, the principal amount of the Trailwinds Promissory Notes total approximately US\$10,099,999.91.
60. Trailwinds Manitoba LP loaned funds to Legacy Lifestyles Trailwinds Project LP and Trailwinds Property LLC, the owner of the Trailwinds Property. The loan was secured by a mortgage in the principal amount of US\$3,612,050 registered against the Trailwinds Property on May 23, 2017. A copy of the Mortgage and Security Agreement, dated May 15, 2017 and recorded on May 23, 2017, in the Public Records of Sumter County, Florida, (the “**Trailwinds LP Mortgage**”) is attached hereto as **Appendix “L”**.
61. The proposed Claims Procedure will call for all claims against Trailwinds Manitoba LP, Legacy Lifestyles Trailwinds GP Inc. and Trailwinds Property LLC (collectively, the

“Trailwinds Debtors”), other than the following claims (collectively, **“Excluded Claims”**):

- (a) any Equity Claim;
 - (b) any Claim against Trailwinds Property LLC that is subordinate to the Trailwinds LP Mortgage;
 - (c) any Claim secured by the Receivership Charges; and
 - (d) any Claims of the Debtors against any of the Trailwinds Debtors.
62. The Receiver anticipates receiving a security opinion from U.S. counsel in respect of the validity and enforceability of the Trailwinds LP Mortgage. The proposed Claims Procedure only calls for claims against Trailwinds Property LLC that would rank in priority to the Trailwinds LP Mortgage. The Receiver intends to file a short supplemental report upon receipt of the security opinion and will advise as to any issues at that time.
63. In order to simplify the Claims Procedure for the Investors, it contemplates the Receiver delivering a Claim Statement to certain known creditors which attaches a schedule setting out the amount of their claim, as set out in the books and records of the Debtors. If the amount of their claim as set out in the schedule to the Claim Statement is correct, such creditors do not have to take any further action in the Claims Procedure. If the amount is incorrect, or if they wish to file an additional claim, then such creditors will be required to deliver a Notice of Dispute to the Receiver.
64. Any creditors who do not receive a Claim Statement will be required to file a proof of claim before the Claims Bar Date.
65. The proposed Claims Bar Date is August 16, 2024. Any creditors who do not file a proof of claim or deliver a Notice of Dispute prior to the Claims Bar Date will have their claim extinguished and will not be entitled to participate in any distribution of the proceeds from the Trailwinds Property.

66. The Receiver will return to Court for directions should it be unable to resolve any issues with any particular filed claims and, in any event, to seek approval of a distribution of the Trailwinds Property proceeds.

RECEIPTS & DISBURSEMENTS

67. Attached hereto as **Appendix “M”** is a copy of the Receiver’s R&D, as of June 3, 2024.

PROFESSIONAL FEES

68. The Receiver seeks approval of its fees and disbursements and those of its legal counsel, Dentons Canada LLP (“**Dentons**”). The Receiver and Dentons have maintained separate accounts for each of the five Real Properties.

Receiver’s Fees

69. Below is a summary of the Receiver’s fees and disbursements for the period from April 1, 2024 to May 31, 2024:

Property	Fees	Disbursements	HST	Total
Longleaf	6,425.00	0.39	136.71	6,562.10
Summerlin	11,491.25	0.39	245.11	11,736.75
Destin	12,981.25	0.40	1,046.23	14,027.88
Ocoee	6,160.00	0.39	127.29	6,287.68
Trailwinds/Wildwood	2,175.00	0.39	188.55	2,363.94
Total:	\$39,232.50	\$ 1.96	\$1,743.89	\$40,978.35

70. The fees and disbursements of the Receiver are more particularly described in the Affidavit of Allan Rutman, affirmed June 4, 2024, attached hereto as **Appendix “N”**.

Dentons’ Fees

71. Dentons has acted as counsel to the Receiver since its appointment. Below is a summary of Dentons’ fees and disbursements for the period from March 1, 2024 to May 31, 2024:

Property	Fees	Disbursements	HST	Total
Longleaf	4,254.00	805.63	569.62	5,629.25
Summerlin	19,736.00	592.08	2,642.65	22,970.73
Destin	29,214.00	876.43	3,911.77	34,002.20
Ocoee	3,989.00	149.68	534.14	4,642.82
Trailwinds/Wildwood	13,921.00	417.64	1,864.03	16,202.67
Total:	\$71,114.00	\$2,841.46	\$9,522.21	\$83,447.67

72. The fees and disbursements of Dentons are more particularly described in the Affidavit of Kenneth Kraft, affirmed June 14, 2024, attached hereto as **Appendix “O”**.
73. In the Receiver’s view the professional fees are reasonable in the circumstances and have been validly incurred in accordance with the provisions of the Receivership Order.

SEALING

74. The Confidential Appendices to this Fifth Report contain commercially sensitive information, including appraised and estimated sale values for the Trailwinds Property and the Fort Myers Property and the purchase price set out in the Trailwinds Purchase Agreement and the Fort Myers Purchase Agreement. If this information is publicly disclosed, it could negatively affect the Receiver’s ability to market the Trailwinds and the Fort Myers Properties and obtain the highest and best price if the transactions do not close. Accordingly, the Receiver requests an order that the Confidential Appendices be sealed until the closing of the Fort Myers Transaction and the Trailwinds Transaction, as applicable, or further order of this Honourable Court.

RECOMMENDATIONS OF THE RECEIVER

75. Based on the foregoing, the Receiver respectfully recommends that the Court make an order granting the relief as set out in its Notice of Motion, dated June 17, 2024.

All of the foregoing is respectfully submitted this 17th day of June, 2024.

ZEIFMAN PARTNERS INC., in its capacity as Receiver and Manager 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, and not in its personal or corporate capacity

Per:

Name:  _____ Allan Rutman

Title: President

Appendix “A”
to the Fifth Report of the Receiver

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



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

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.

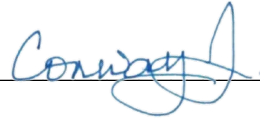
40. **THIS COURT ORDERS** that the Receiver or the Inspector be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that 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

Appendix “B”
to the Fifth Report of the Receiver

COUNSEL SLIP

COURT FILE CV-21-00668821-00CL; CV-20-

NO.: 00640893-0000

DATE: 11-FEB-2022

NO. ON LIST 2 and 3

TITLE OF
PROCEEDING

Berkid Investments Limited et al. v. Milborne et al.

COUNSEL FOR:

PLAINTIFF(S)

☒ G. Roberts

PHONE

☐ APPLICANT(S)

FAX

☐ PETITIONER(S)EMAIL Greg.roberts@roblaw.caCOUNSEL FOR:

DEFENDANT(S)

☒ A. Zweig; P. Millar; A. Habas

PHONE

OTHER PARTIES

M. Katzman, for Intervening Investors

☒ K. Kraft; A. Rutman, for proposed Receiver Zeifman
Partners Inc.

FAX

L. Silver; F. Cohen, for proposed Inspector Cohen
Hamilton Steger & Co. Inc.EMAIL arnold@azweiglaw.com;
phillip@millarslaw.com;
ahabas@bgchlaw.com;
mkatzman@katzmanlitigation.com;
Kenneth.kraft@dentons.com;
aar@zeifmans.ca;
lsilver@cassels.com;
fcohen@cohenhamiltonsteger.comJUDICIAL NOTES:Conway J. Endorsement

There are two proceedings before me – one is an action by Mr. Roberts' clients (various investors) and the other is an application by Mr. Zweig's clients (Gregory Marchant et al). Both concern the proposed development of five properties in the U.S. by Mr. Marchant. There are numerous issues in this litigation but at this point, counsel have agreed on an interim resolution on essentially the following terms:

- Zeifman Partners Inc. will be appointed as the Receiver of the properties. It is hoped and expected that the Receiver will be able to refinance the properties rather than sell them over the next six months, resulting in enhanced value to investors. The form of order contemplates the Receiver taking those steps.
- The Receiver will retain an inspector (Cohen Hamilton Steger & Co Inc.) to examine how the investors' funds have been spent. Mr. Roberts' clients will be funding the investigation in the first instance subject to their right to claim reimbursement at a later date.
- Mr. Roberts' clients' action is stayed pending further court order. While Ms. Habas and Mr. Millar (for two of the defendants in that action) are not opposing the stay, they have advised the court that it is without prejudice to their moving for a lift stay to enable them to bring summary judgment motions to dismiss the action against their clients.
- Mr. Katzman represents various other investors (who are not represented by Mr. Roberts). It is agreed that those investors will intervene in these proceedings. Schedule C of the draft order has now been amended to include additional investors who Mr. Katzman notifies the Receiver should be added as an "Intervening Investor". The updated draft order is to be uploaded to CaseLines.
- All materials will be filed under the CV-22-00674717-00CL file but will use the two style of causes (Court File No. CV-21-00668821-00CL and Court File No. CV-22-00674717-00CL). Mr. Kraft will be working on streamlining the files in CaseLines.

Counsel walked me through the receivership order today. I am satisfied with its terms and have signed it (I amended paragraph 43, last line, to correct the court file number – 22-00674717-00CL).

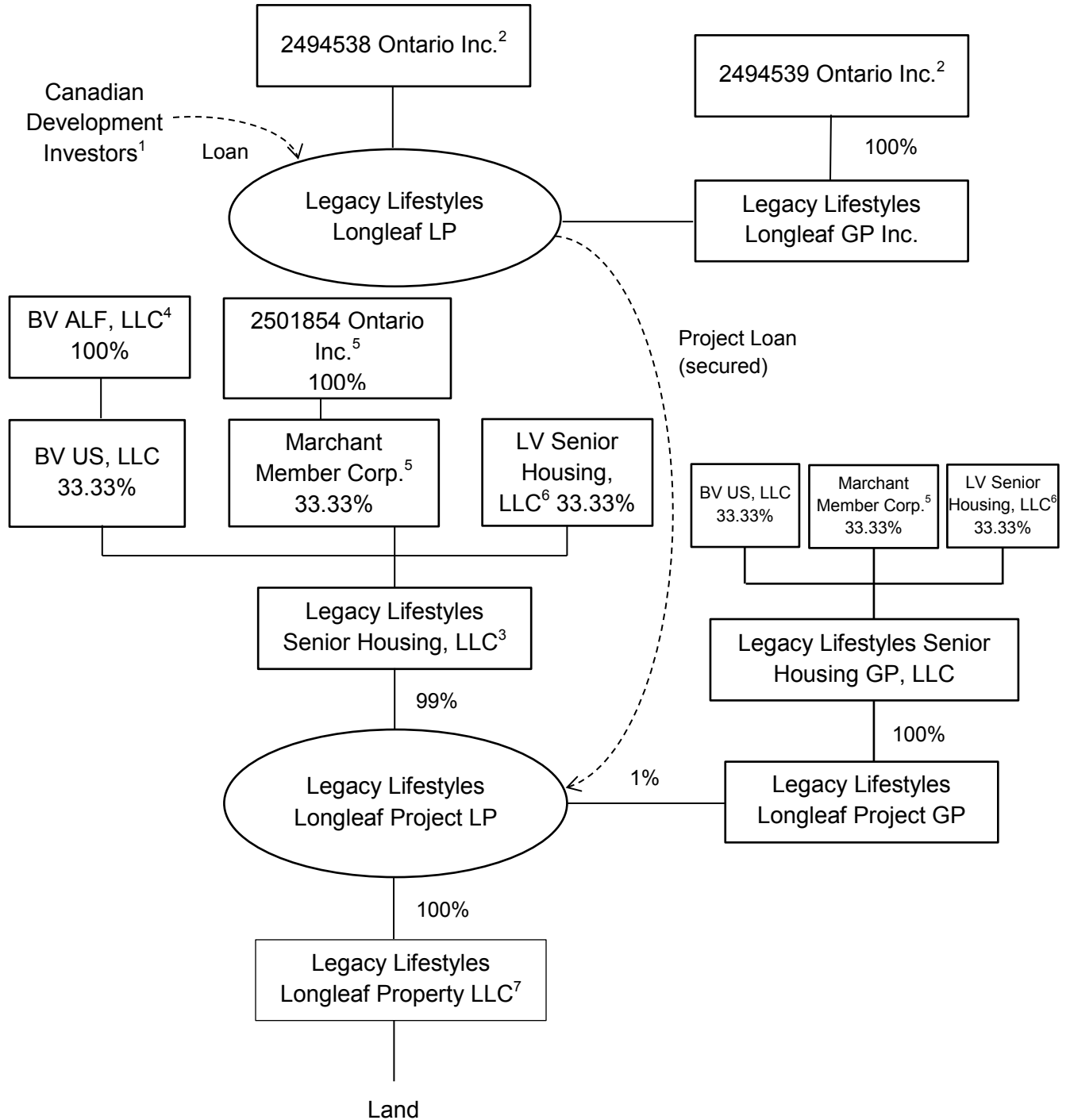
Order to go as signed by me and attached to this endorsement. This order is effective from today's date and is enforceable without the need for entry and filing.

At the appropriate time, counsel may book a scheduling appointment before me, through the Commercial List office, to schedule next steps.

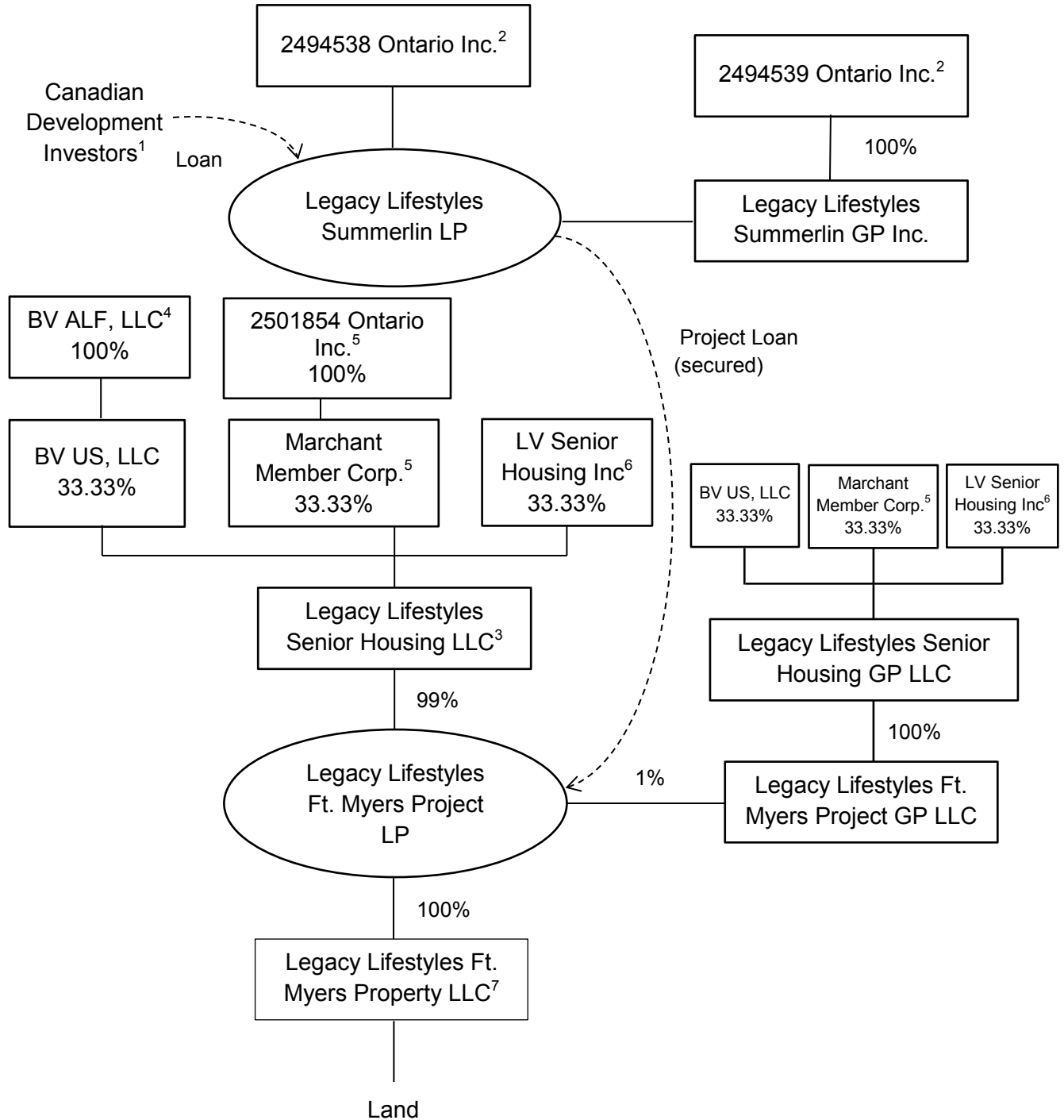


Appendix “C”
to the Fifth Report of the Receiver

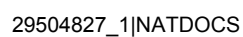
**Project Longleaf
Structure – Phase 1
(Revised June 3, 2016)**

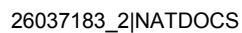


**Project Summerlin
Structure – Phase 1**



The flowchart illustrates the corporate structure of Legacy Lifestyles Destin LP and its subsidiaries. At the top, 2494538 Ontario Inc.² is connected to Legacy Lifestyles Destin LP (an oval). A dashed arrow labeled "Loan" points from Canadian Development Investors¹ to Legacy Lifestyles Destin LP. To the right, 2494539 Ontario Inc.² is connected to Legacy Lifestyles Destin GP Inc. (a rectangle), which is then connected to Legacy Lifestyles Destin LP. Below Legacy Lifestyles Destin LP, three entities are connected: BV ALF, LLC⁴ (100%), 2501854 Ontario Inc.⁵ (100%), and Marchant Member Corp.⁵ (33.33%). BV US, LLC (33.33%) is also connected to the same line. These four entities are connected to Legacy Lifestyles Senior Housing LLC³ (a rectangle), which is then connected to Legacy Lifestyles Destin Project LP (an oval) with a 99% ownership stake. To the right, a "Project Loan (secured)" is shown. Below it, BV US, LLC (33.33%), Marchant Member Corp.⁵ (33.33%), and LV Senior Housing Inc.⁶ (33.33%) are connected to Legacy Lifestyles Senior Housing GP LLC (a rectangle), which is then connected to Legacy Lifestyles Destin Project GP LLC (a rectangle) with a 100% ownership stake. Legacy Lifestyles Destin Project GP LLC is connected to Legacy Lifestyles Destin Project LP with a 1% ownership stake. Finally, Legacy Lifestyles Destin Project LP is connected to Legacy Lifestyles Destin Property LLC⁷ (a rectangle) with a 100% ownership stake. The entire structure is supported by "Land" at the bottom.

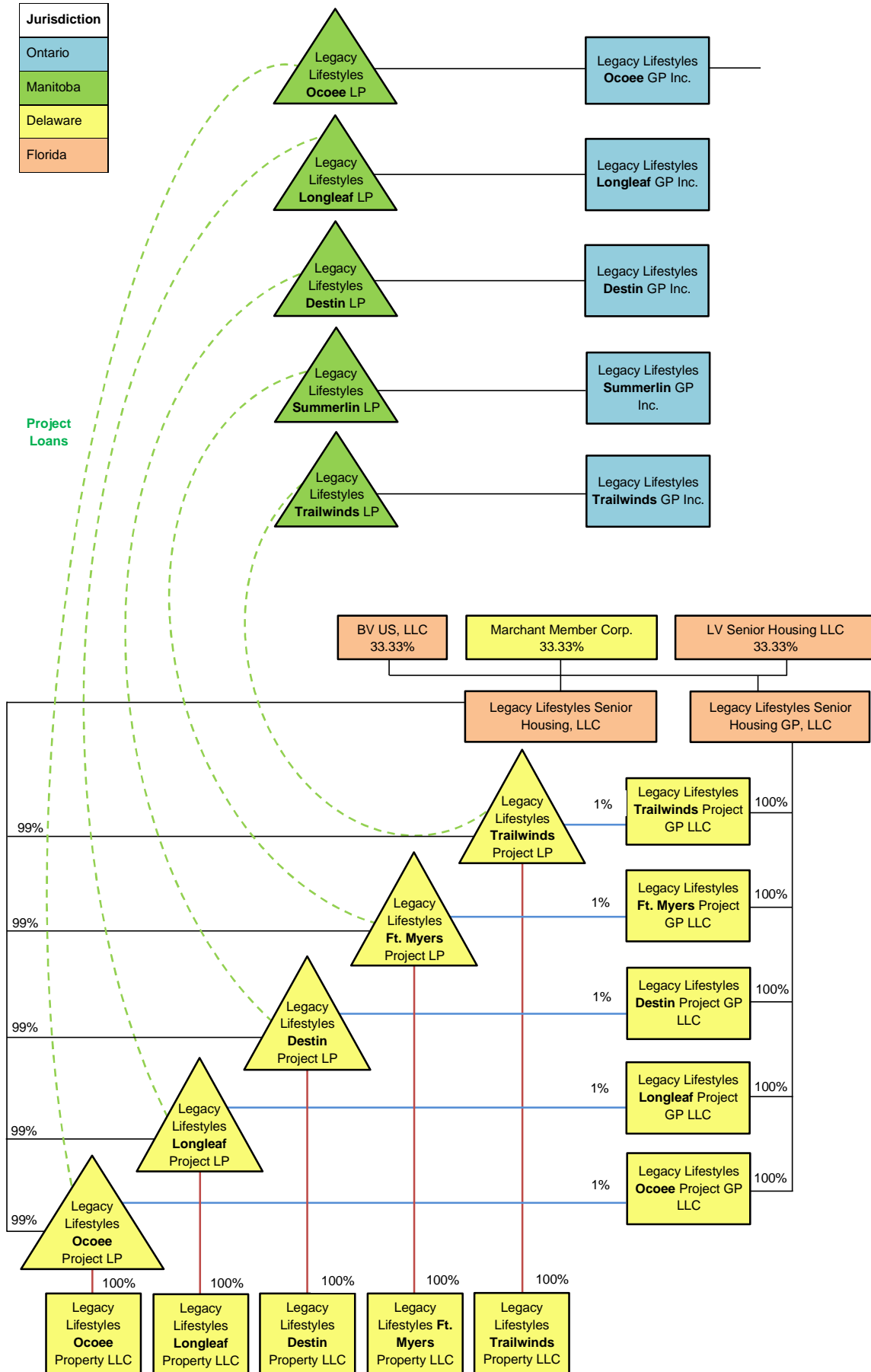




Appendix “D”
to the Fifth Report of the Receiver

Legacy Lifestyles Projects Structure Chart

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Appendix “E”
to the Fifth Report of the Receiver

ORDERED.

Dated: April 14, 2022



 Lori V. Vaughan
 United States Bankruptcy Judge

**UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION**

In re:)	Case No.: 6:22-bk-01246-LVV
)	
LEGACY LIFESTYLES DESTIN LP, <i>et al.</i> , ¹)	Chapter 15
)	
Debtor in a Foreign Proceeding)	(Joint Administration Pending)
)	

**ORDER GRANTING FOREIGN
REPRESENTATIVE'S EMERGENCY MOTION FOR ORDER GRANTING
PROVISIONAL RELIEF PENDING THE HEARING ON RECOGNITION
PURSUANT TO SECTIONS 1519 AND 1521 OF THE BANKRUPTCY CODE**

THIS CASE came on for hearing on April 13, 2022 at 1:15 p.m. (the "Hearing"), upon the Foreign Representative's Emergency Motion for Order Granting Provisional Relief Pending the Hearing on Recognition Pursuant to Sections 1519 and 1521 of the Bankruptcy (the "Emergency Motion for Provisional Relief")² [ECF No. 7], of Allan Rutman, in his capacity as the Foreign Representative of the Debtors (the "Foreign Representative"), as court-appointed receiver of the

¹ The Debtors in these Chapter 15 cases and the first four identifying digits (the last four digits are all the same for most Debtors) of the tax number in the jurisdictions in which they pay taxes are as follows: Legacy Lifestyles Destin LP (7741); Legacy Lifestyles Destin GP Inc. (7827); Legacy Lifestyles Summerlin LP (7592); Legacy Lifestyles Summerlin GP Inc. (7612); Legacy Lifestyles Trailwinds LP (7258); Legacy Lifestyles Trailwinds GP Inc. (7290); Legacy Lifestyles Ocoee LP (7931); Legacy Lifestyles Ocoee GP Inc. (7940); Legacy Lifestyles Longleaf LP (7828); Legacy Lifestyles Longleaf GP Inc. (7850); Legacy Lifestyles Destin Property LLC (N/A); Legacy Lifestyles Trailwinds Property LLC (N/A); Legacy Lifestyles Ft. Myers Property LLC (N/A); Legacy Lifestyles Ocoee Property LLC (N/A); and Legacy Lifestyles Longleaf Property LLC (N/A).

² Capitalized terms used herein but not otherwise defined shall have the meaning given to them in the Emergency Motion for Provisional Relief.

foreign bankruptcy estate of the Debtors, seeking an order granting certain provisional relief, including imposition of the stay pursuant to section 362 of the Bankruptcy Court. The Court, having considered the Emergency Motion for Provisional Relief, the argument of counsel, and being otherwise duly informed, the Court makes the following Order.

The Court finds:

A. Due and timely notice of the filing of the Chapter 15 Petition and the Hearing was given by the Foreign Representative as directed by this Court.

B. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, and 11 U.S.C. §§ 109 and 1501.

C. Venue of this proceeding is proper in this judicial district pursuant to 28 U.S.C. § 1410, because the Debtors have property in the United States within this judicial District.

D. This is a core foreign proceeding under 28 U.S.C. § 157(b)(2)(P).

E. There is substantial likelihood of success on the merits that the Foreign Representative will be able to demonstrate that the Canadian Proceeding is a foreign main proceeding entitled to recognition under 11 U.S.C. § 1517(b)(1)-(2), that the Foreign Representative is the duly appointed foreign representatives of the Debtors pursuant to 11 U.S.C. §§ 102(24) and 1509, and the Foreign Representative, in his capacity as foreign representatives of Debtors, is entitled to protections afforded by sections 1520 and 1521 of the Bankruptcy Code.

F. Issuance of this Order is necessary to preserve the status quo, as the Foreign Representative has demonstrated that unless this Order is issued, there is a risk of irreparable injury to the value of the Debtors' real property interests to the detriment of the Debtors' creditors.

G. Given there are no opposing parties and the provisional relief requested is narrowly tailored in scope and duration, the threatened injury to the Debtors' estates outweighs whatever damage the requested relief may cause an opposing party.

H. The interest of the public will be served by this Court's entry of this Order.

Accordingly, it is **ORDERED** and **ADJUDGED**:

1. The Emergency Motion for Provisional Relief is **GRANTED**.
2. Pending entry of a recognition order pursuant to section 1517, the Foreign Representative and the Debtors shall be entitled to the full protections and rights under section 1519(a)(1), which protections shall be coextensive with the provisions of section 362 of the Bankruptcy Code, and this Order shall operate as a stay of any execution against the Debtors' assets within the territorial jurisdiction of the United States. Specifically, all persons and entities are hereby enjoined from (a) continuing any action or commencing any additional action involving the Debtors, their assets or the proceeds thereof, or their former, current or future directors and officers, (b) enforcing any judicial, quasijudicial, administrative or regulatory judgment, assessment or order or arbitration award against the Debtors or their assets, (c) commencing or continuing any action to create, perfect or enforce any lien, setoff or other claim against the Debtors or any of their property, or (d) managing or exercising control over the Debtors' assets located within the territorial jurisdiction of the United States except as expressly authorized by the Debtors in writing.
3. Pursuant to sections 1519(a)(3) and 1521(a)(7) of the Bankruptcy Code, section 362 of the Bankruptcy Code is hereby made applicable in this Chapter 15 case to the Debtors and the property of the Debtors within the territorial jurisdiction of the United States.

4. Notwithstanding anything to the contrary contained herein, this Order shall not be construed as (a) enjoining the police or regulatory act of a governmental unit, including a criminal action or proceeding, to the extent not stayed under section 362 of the Bankruptcy Code or (b) staying the exercise of any rights that section 362(o) of the Bankruptcy Code does not allow to be stayed.

5. This Order shall remain in effect pending the hearing on Foreign Representative's Motion for Order Granting Recognition of Foreign Main Proceeding Pursuant to Sections 1517 and 1520 of the Bankruptcy Code and Related Relief.

6. The Court shall retain jurisdiction with respect to the enforcement, amendment, or modification of this Order and any request by any person or entity for relief from the provisions of this Order.

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Submitted by:

Erica Baines
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Local Counsel to the Foreign Representative

Attorney Erica Baines is directed to serve a copy of this Order on interested parties who do not receive service by CM/ECF and to file a proof of service within three days of entry of this Order.

Appendix “F”
to the Fifth Report of the Receiver

ORDERED.

Dated: May 09, 2022



Lori V. Vaughan
United States Bankruptcy Judge

**UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION**

In re:)	Case No.: 22-01246
)	
LEGACY LIFESTYLES DESTIN LP, <i>et al.</i> , ¹)	Chapter 15
)	
Debtor in a Foreign Proceeding)	(Jointly Administered)
)	

**ORDER GRANTING FOREIGN REPRESENTATIVE’S MOTION FOR ORDER
GRANTING RECOGNITION OF FOREIGN MAIN PROCEEDING PURSUANT
TO §§ 1517 AND 1520 OF THE BANKRUPTCY CODE AND RELATED RELIEF**

THIS CASE came on for hearing on May 9, 2022 at 2:00 p.m. Eastern (the “Hearing”), upon the *Foreign Representative’s Motion for Order Granting Recognition of Foreign Main Proceeding Pursuant To §§ 1517 and 1520 of the Bankruptcy Code and Related Relief* (the “Motion for Recognition”)² [ECF No. 6], of Allan Rutman, in his capacity as the Foreign Representative of the Debtors (the “Foreign Representative”), as court-appointed receiver of the

¹ The Debtors in these Chapter 15 cases and the first four identifying digits (the last four digits are all the same for most Debtors) of the tax number in the jurisdictions in which they pay taxes are as follows: Legacy Lifestyles Destin LP (7741); Legacy Lifestyles Destin GP Inc. (7827); Legacy Lifestyles Summerlin LP (7592); Legacy Lifestyles Summerlin GP Inc. (7612); Legacy Lifestyles Trailwinds LP (7258); Legacy Lifestyles Trailwinds GP Inc. (7290); Legacy Lifestyles Ocoee LP (7931); Legacy Lifestyles Ocoee GP Inc. (7940); Legacy Lifestyles Longleaf LP (7828); Legacy Lifestyles Longleaf GP Inc. (7850); Legacy Lifestyles Destin Property LLC (N/A); Legacy Lifestyles Trailwinds Property LLC (N/A); Legacy Lifestyles Ft. Myers Property LLC (N/A); Legacy Lifestyles Ocoee Property LLC (N/A); and Legacy Lifestyles Longleaf Property LLC (N/A).

² Capitalized terms used herein but not otherwise defined shall have the meaning given to them in the Motion for Recognition.

foreign bankruptcy estate of the Debtors, seeking recognition and related relief pursuant to Chapter 15 of the Bankruptcy Code of the Debtors' bankruptcy proceeding under the supervision of Superior Court of Justice, Ontario, Canada (the "Canadian Bankruptcy Court"). The Court, having considered the Petition, the Motion for Recognition, the Declaration of the Foreign Representative, the argument of counsel, and being otherwise duly informed, the Court makes the following Order.

The Court finds:

- A. Due and timely notice of the filing of the Chapter 15 Petition and the Hearing was given by the Foreign Representative as directed by this Court.
- B. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334.
- C. Venue of this proceeding is proper in this judicial district pursuant to 28 U.S.C. § 1410.
- D. This is a core proceeding under 28 U.S.C. § 157(b)(2)(P).
- E. The Foreign Representative qualifies as a "foreign representative" as defined in 11 U.S.C. §101(24).
- F. This Chapter 15 case was properly commenced pursuant to 11 U.S.C. §§ 1504, 1515 and 1517.
- G. The Foreign Representative has met the requirements of 11 U.S.C. §§ 1515(b), 1515(c), 1515(d), and Rule 1007(a)(4) of the Federal Rules of Bankruptcy Procedure.
- H. The Canadian Proceeding is a foreign proceeding under 11 U.S.C. §§ 101(23) and 1502(4).
- I. The Canadian Proceeding is entitled to recognition by this Court under 11 U.S.C. § 1517.

J. The Canadian Proceeding is pending before the Superior Court of Justice, Ontario, Canada. The Debtors' center of main interests are in Canada and, accordingly, the Canadian Proceeding is a foreign main proceeding under 11 U.S.C. § 1502(4), entitled to recognition as a foreign main proceeding under 11 U.S.C. § 1517(b)(1).

K. The Foreign Representative is entitled to all relief provided under 11 U.S.C. § 1520.

L. The Foreign Representative is further entitled to the relief expressly set forth in 11 U.S.C. § 1521.

M. The relief granted by this Order is necessary and appropriate, in the interests of public and international comity, consistent with the public policy of the United States, warranted pursuant to 11 U.S.C. § 1521 and will not cause any hardship to the creditors of the Debtors or other parties that is not outweighed by the benefits of the relief being granted.

Accordingly, it is **ORDERED** and **ADJUDGED** that:

1. The Canadian Proceeding is granted recognition as a "foreign main proceeding" under 11 U.S.C. § 1517.

2. The Canadian Proceeding and the orders of the Canadian Bankruptcy Court shall be given full force and effect and be binding on and enforceable in the United States against all persons and entities. This includes without limitation, the Canadian Bankruptcy Court's February 11, 2022 order appointing the Foreign Representative as receiver for the Debtors, which is attached hereto as **Exhibit 1** (the "Receivership Order").

3. The Foreign Representative is entrusted with the full administration and realization of all or a part of the estate and assets of the Debtors within the territorial jurisdiction of the United States.

4. The Foreign Representative shall have the authority to act independently to carry out any of the duties and powers granted by this Order and the Receivership Order; including, but not limited, to the ability to borrow money on behalf of the Debtors' bankruptcy estates and pledge the Debtors' property, including the Real Properties (as defined in the Receivership Order) to secure such borrowing.

5. The provisions of 11 U.S.C. § 1520 apply to this proceeding.

6. All persons and entities are stayed from commencing or continuing any action or proceeding concerning the assets, rights, obligations or liabilities, of the Debtors or the Debtors' bankruptcy estates located in the United States territory.

7. All persons and entities are stayed from executing against the assets of the Debtors or the Debtors' bankruptcy estates located in the United States territory.

8. All persons and entities are prohibited from transferring, encumbering or otherwise disposing of, or exercising control over any assets of the Debtors or the Debtors' bankruptcy estates located in the United States territory, aside from the Receiver's power to borrow money and pledge the Real Properties.

9. All persons and entities provided notice of this Order who are in possession, custody or control of property, or the proceeds thereof, of the Debtors or the Debtors' bankruptcy estates located within the territorial jurisdiction of the United States, shall immediately advise the Foreign Representative by written notice sent to the following addresses:

Attn: Allan Rutman
Foreign Representative of Legacy Lifestyles Destin LP, et al.
c/o Zeifman Partners Inc.
North York, ON, M6A 1Y7
Canada

With a copy to:

Attn: Erica Baines
Dentons Cohen & Grigsby P.C.
Mercato – Suite 6200
9110 Strada Place
Naples, FL 34108

-and-

James R. Irving
Gina M. Young
Dentons Bingham Greenebaum LLP
3500 PNC Tower
101 South Fifth Street
Louisville, Kentucky 40202

which written notice shall set forth: (i) the nature of such property or proceeds; (ii) when and how such property or proceeds came into the custody, possession or control of such person or entity; and (iii) the full identity and contact information for such person or entity. The Foreign Representative shall file with the Court information demonstrating those persons and/or entities to whom he has provided notice of this Order.

10. The Foreign Representative is authorized to examine witnesses, take evidence or seek the delivery of information concerning the assets, affairs, rights, obligations or liabilities of the Debtors or the Debtors' bankruptcy estates pursuant to §1521(a)(4), the Federal Rules of Bankruptcy Procedure, including without limitation the procedure of Fed. R. Bankr. P. 2004, without further order of this Court.

11. The Foreign Representative is further authorized to operate and may exercise the powers of a trustee under, and to the extent provided by 11 U.S.C. §§ 363 and 552.

12. Notwithstanding any provision in the Bankruptcy Rules to the contrary, (i) this Order shall be effective immediately and enforceable upon entry and shall constitute a final order within the meaning of 28 U.S.C. § 158(a); (ii) the Foreign Representative is not subject to any stay in the implementation, enforcement, or realization of the relief granted in this Order; and (iii) the

Foreign Representative is authorized and empowered, and may in his discretion and without further delay, take any action and perform any act necessary to implement and effectuate the terms of this Order.

13. No action taken by the Foreign Representative in preparing, disseminating, applying for, implementing, or otherwise acting in furtherance of the Canadian Proceeding or any order entered in or in respect of the Chapter 15 case (including any adversary proceedings or contested matters) will be deemed to constitute a waiver of immunity afforded the Foreign Representative, including pursuant to 11 U.S.C. §§ 306 and 1510.

14. This Court shall retain jurisdiction with respect to the enforcement, amendment or modification of this Order, any requests for additional relief or any adversary proceeding brought in and through this Chapter 15 case, and any request by any person or entity for relief from the provisions of this Order.

15. This Court shall retain jurisdiction with respect to the administration, realization, and distribution of the assets of the Debtors within the territorial jurisdiction of the United States.

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Submitted by:

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Florida Bar No.: 0058121

Local Counsel to the Foreign Representative

Erica Baines shall serve a copy of this Order on all interested parties entitled to service and file a certificate of service thereafter.

Exhibit 1

(Order Appointing Receiver)

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

