

-2-

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;

-5-

- (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;

-6-

- (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;

-7-

- (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

-10-

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.

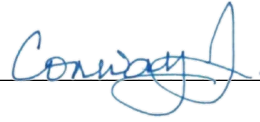
41. **THIS COURT ORDERS** that the Plaintiffs shall have their costs of this motion, up to and including entry and service of this Order, in the sum of CA\$100,000.00 and the Intervening Investors shall have their costs of this motion, up to and including entry and service of this Order, in the sum of 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

-17-

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 ¼ 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.

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

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

HUNTER MILBORNE et al.
Defendants

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

LEGACY LIFESTYLES DESTIN PROPERTY LLC, et al.
Respondents

BERKID INVESTMENTS LIMITED
Plaintiff

and

LEGACY LIFESTYLES DESTIN LP, et al.
Applicants

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 “G”
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)

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

SECOND REPORT OF THE RECEIVER
May 10, 2023

TABLE OF CONTENTS

Introduction.....	- 1 -
Purpose of the Report.....	- 2 -
Terms of Reference.....	- 3 -
Background.....	- 3 -
Receiver’s Activities.....	- 5 -
Project Agreements and Phase 1 Work.....	- 6 -
Investment Solicitation process	- 10 -
Sale Process	- 12 -
Trailwinds/Wildwood	- 16 -
Receipts & Disbursements.....	- 16 -
Professional Fees	- 17 -
Sealing.....	- 18 -
Recommendations of the Receiver	- 18 -

APPENDICES

- A Amended Order of Justice Conway dated February 11, 2022
- B Endorsement of Justice Conway dated February 11, 2022
- C Corporate structure charts prepared by the Debtors
- D Chart of jurisdictions of the various entities prepared by the Debtors
- E First Report of the Inspector, dated September 8, 2022
- F Term Sheet, dated May 9, 2022
- G U.S. Order granting provisional relief, dated April 14, 2022
- H U.S. Recognition Order, dated May 9, 2022
- I Third Report to Creditors, dated February 7, 2023 (without appendices)
- J Fourth Report to Creditors, dated April 3, 2023 (without appendices)
- K Amendment to Term Sheet between Hillmount and the Receiver
- L Orders, dated September 20, 2022, and Endorsement, dated September 30, 2022
- M Receiver's First Report to the Court, dated September 9, 2022 (without appendices)
- N Receiver's Supplemental Report to the First Report, dated September 16, 2022 (without appendices)
- O Receiver's Second Supplemental Report to the First Report, dated September 19, 2022 (without appendices)
- P N21 Development Agreements
- Q Receiver's R&D, as of May 9, 2023
- R Affidavit of Allan Rutman, affirmed May 9, 2023
- S Affidavit of Sara-Ann Wilson, sworn May 9, 2023

CONFIDENTIAL APPENDICES

- 1 Summary of Realtor Opinions of Value and Marketing Strategy
- 2 CBRE Proposal, dated April 21, 2023

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, Legacy Lifestyles 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. The Property is 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**”);
 - (b) 5578 County Road, 466A, Wildwood, Florida (“**Trailwinds/Wildwood**”);
 - (c) 10653 Marsha Drive, New Port Richey, Florida (“**Longleaf**”);
 - (d) 20161 Summerlin Road, Fort Myers, Florida (“**Summerlin**”); and
 - (e) 934 Roberson Road, Ocoee, Florida (“**Ocoee**”).
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 separately owned by each of the LLCs.

PURPOSE OF THE REPORT

4. The purpose of this Second Report of the Receiver (the “**Second Report**”) is to report to the Court on the Receiver’s activities since the date of its appointment and request the following relief:
- (a) if necessary, abridging the time for service of the Motion Record and validating service thereof;
 - (b) approving the Second Report and the activities and conduct of the Receiver described therein;
 - (c) approving the Receiver’s interim statement of receipts and disbursements, as of May 9, 2023 (the “**R&D**”);
 - (d) approving the fees and disbursements of the Receiver and its counsel for the period from September 1, 2022, to April 30, 2023;
 - (e) approving the Sale Process (defined below) in respect of the Real Properties and authorizing the Receiver to take such steps as it deems necessary or advisable to carry out and perform its obligations under the Sale Process, including engaging CBRE Group, Inc. (“**CBRE**”) to list the Real Properties for sale;
 - (f) directing that the Receiver and its respective affiliates, partners, employees, representatives and agents shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of the Sale Process, except to the extent such losses, claims, damages or liabilities result from the gross negligence or willful misconduct of the Receiver; and
 - (g) authorizing the Receiver, *nunc pro tunc*, to redact the Confidential Appendices from the Second Report and sealing the Confidential Appendices until the closing of sale transactions in respect of the Real Properties (defined below) or further order of the Court.

TERMS OF REFERENCE

5. In preparing this Second 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 Second 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 Second 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 Second 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 Second 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 by the Debtors 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 is attached hereto as **Appendix "E"**.
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, between Hillmount Capital Inc. ("**Hillmount**") and the Receiver (the "**Term Sheet**"), Hillmount committed to provided the necessary funding to the Receiver, subject to certain conditions including the registration of first-ranking mortgages against the Real Properties and the provision of title insurance. A copy of the Term Sheet is attached hereto as **Appendix "F"**.
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 “G”**.

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 “H”**.

RECEIVER’S ACTIVITIES

16. The activities of the Receiver since the Receiver’s First Report, include:
 - (a) instructing local counsel with respect to amending the mortgage loan documentation in favour of the Receiver’s lender, Hillmount, to increase the charges on the Real Properties;
 - (b) engaging N21 Group, LLC (“**N21**”) to undertake the Phase 1 work in respect of the Projects (described in more detail below);
 - (c) instructing N21 and reviewing updating marketing studies, engineering reports and other project related documentation;
 - (d) engaging N21 and Twisted Rock LLC (“**Twisted Rock**”) to undertake an investment solicitation process in respect of the Projects;
 - (e) corresponding with Hillmount with respect to the status of the Phase 1 work and investment proposals;
 - (f) reviewing letters of intent and proposals submitted by prospective lenders/investors;
 - (g) responding to inquiries from Investors;
 - (h) requesting proposals for marketing the Real Properties from realtors;

- (i) answering calls and corresponding with realtors and analysing proposals in respect of marketing the Real Properties for sale;
- (j) setting up a data room for realtors and others;
- (k) attending to the execution of non-disclosure agreements;
- (l) drafting and sending out the Receiver's Third Report to Creditors, dated February 7, 2023, and Fourth Report to Creditors, dated April 3, 2023, which are attached hereto as **Appendices "I"** and **"J"** (without schedules);
- (m) analyzing various cash flow projections and funding models in respect of funding rates and potential internal rates of return expected by new equity investors;
- (n) reviewing and discussing with N21 cash flow projections prepared on a property by property basis which also included discussions around underlying assumptions regarding construction and development costs as well as expected facilities operating revenue and cost to reach stabilization;
- (o) receiving calls from interested parties;
- (p) discussing with governmental authorities questions relating to status of properties, permits requiring renewal; and
- (q) drafting this Second Report.

PROJECT AGREEMENTS AND PHASE 1 WORK

17. Pursuant to the Receivership Order, the Receiver was authorized to, among other things:
- (a) request proposals with respect to refinancing, investments or joint ventures in respect of the Projects and negotiate such terms and conditions thereof that the Receiver in its discretion may deem appropriate; and

- (b) 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 the Receivership Order.
18. At the time of the Receiver's appointment, as stated by the Honourable Justice Conway in her endorsement, dated February 11, 2022, it was "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."
19. Before the receivership the Debtors engaged N21 and the related firm, Lawson Group Architects, to provide various services in respect of the Projects including preparing architectural drawings, developing projections in respect of feasibility, development costs, and senior care operations once completed, and creating marketing materials. N21 and its principal, Donald Lawson ("**Lawson**"), have significant experience in the development and construction of senior living facilities and Florida real estate.
20. In addition, the Debtors engaged both N21 and Twisted Rock to market the Projects to investors/financiers. That financing was never completed as a result of the litigation in respect of the Debtors and their inability to meet pre-conditions to funding. Upon its appointment, the Receiver entered into discussions with both parties with respect to the potential development and refinancing of the Projects.
21. Lawson advised the Receiver that a considerable amount of work was required to prepare the Projects to be marketed to potential financiers and secure construction financing. The scope of work was significantly more than the Receiver originally understood, i.e.. refreshing term sheets with prospective investors/financiers and expending limited funds to satisfy the preconditions to funding. Instead, funds must be expended to advance the Projects to a "shovel ready" condition in order to show commitment to the Projects, gain credibility with financiers and be marketed to lenders/investors. At this stage, the Projects are far more attractive to investors/lenders as there is significantly reduced uncertainty with respect to the Projects' ultimate construction.

22. The cost of this additional work were significantly higher than anticipated and exceeded the budgeted sums that formed the basis of the Receiver's initial loan request of CA \$3.6 million (US \$2.75 million).
23. Hillmount agreed to provide additional required funding, up to the maximum principal amount of US\$4,231,845; provided, however it was not prepared to advance any further funds against the Trailwinds/Wildwood Project. The terms of the increased loan are set out in the Amendment to Term Sheet between Hillmount and the Receiver dated September, 2022 (the "**Amendment to Term Sheet**"), attached hereto as **Appendix "K"**.
24. Pursuant to the Orders of the Honourable Justice Kimmel, dated September 20, 2022 (the "**September 20 Orders**"), this Honourable Court, among other things:
 - (a) approved the Amendment to Term Sheet;
 - (b) approved an increase in the Receiver's borrowing capacity to US \$4,231,845; and
 - (c) authorized the Receiver to enter into development services agreements (the "**Development Agreements**") with N21, engagement agreement with N21, and financial broker services agreement with Twisted Rock LLC ("**Twisted Rock**").
25. Copies of the September 20 Orders and Her Honour's Endorsement, dated September 30, 2022, are attached hereto as **Appendix "L"**.
26. Copies of the Receiver's First Report to the Court, dated September 9, 2022 (the "**First Report**"), Supplemental Report to the First Report, dated September 16, 2022, and Second Supplemental Report to the First Report, dated September 19, 2022, each without appendices, filed in respect of the Receiver's motion returnable September 20, 2022, are attached hereto as **Appendices "M" to "O"**.
27. Pursuant to the September 20 Orders, the Receiver entered into the Development Agreements in respect of each of the Projects with N21. Copies of the Development Agreements are attached hereto as **Appendix "P"**.

28. The work undertaken by N21 pursuant to the Development Agreements is broken into two phases – Phase 1 is the work required to prepare the Projects to be marketed to potential financiers and Phase 2 is the construction of the Projects and turnover to a designated operator.
29. Phase 1 involves bringing the Projects to a “shovel ready” condition, including engaging an architect to update architectural plans to comply with revised Florida building code requirements, engaging building and civil/site engineers to update engineering reports, updating market feasibility studies and paying governmental fees. It also entailed the identification of a general contractor to construct the projects and an operator to manage the facility when built, and updating cash flow projections based on updated construction costs, operator input on facility revenue and expense modelling. Phase 1 work is highlighted in Exhibit “A” of the Development Services Agreements.
30. The commencement of Phase 2 work, and the ultimate construction of the Projects, is conditional upon the receipt of a debt/equity funding proposal satisfactory to the Receiver in its sole discretion and the closing of such financing.
31. As each Project was at a different stage of development as of the date of the Receivership Order, the work required, and timeline for completion of Phase 1 work was different for each Project and ranged between 60-120 days, with the exception of Trailwinds/Wildwood which was significantly longer at 150-180 days due to the lack of prior development work. The Trailwinds/Wildwood Project, which was the last Project acquired pre-receivership, requires a substantial amount of Phase 1 work. This is reflected in the longer timeline and the higher cost of the Phase 1 work. As noted above, Hillmount was not prepared to advance additional funds against the Trailwinds/Wildwood Project at this time and, accordingly, no Phase 1 work was undertaken in respect of that Project.
32. The terms of the Development Agreements and Term Sheet, as amended, provide that the Projects are to be site plan approved and building permit ready within 150 days from execution of the Development Agreements and the provision of funding to N21. The deadline for this milestone was April 7, 2023.

33. Upon its engagement, N21 commenced the Phase 1 work in respect of the Projects, with the exception of Trailwinds/Wildwood. The Phase 1 work was completed over several months and included the following:
- (a) updated marketing studies;
 - (b) receipt of operator information;
 - (c) updated architectural and engineering plans (with the exception of Ocoee, as described in more detail below);
 - (d) plans filed with the relevant jurisdiction and discussions are currently taking place with the relevant governmental bodies to obtain approvals in respect of project development; and
 - (e) general contractor proposals for construction of facilities were requested.
34. With respect to the Ocoee Project, the original architecture and engineering work was done by a third party firm, Bessolo Design Group Inc. (“**Bessolo**”). After substantial delay in responding to N21, Bessolo quoted a fee of US\$166,000, plus 15% admin charge and hourly charges for various services not included in the fixed fee. Bessolo advised that they required a three to five month timeline to complete the work. The quoted amount was materially higher than the budgeted amount for these services and the timeline would substantially delay the completion of the Phase 1 work on the Ocoee Project.
35. In the circumstances, and in consultation with N21, the Receiver determined it would not be practical to expend the funds needed to complete the Ocoee Phase 1 work. Ocoee was packaged in its present condition with the other three shovel ready Projects and marketed to lenders/investors.

INVESTMENT SOLICITATION PROCESS

36. The Amendment to Term Sheet requires receipt of letters of intent for project financing in respect of the Projects within five months from Court approval of the Amendment. The five month deadline expired on February 20, 2023, however certain information required

for the lenders/investors solicitation package and projected cashflows remained outstanding at that time.

37. At the Receiver's request, Hillmount agreed to extend the deadline for receipt of letters of intent for project financing to March 31, 2023.
38. Pursuant to the September 20 Orders, the Receiver was authorized to engage N21 and Twisted Rock to undertake an investment solicitation process in respect of the Projects. In this respect, the Receiver entered into the engagement agreement with N21, dated September 12, 2022, and the financial broker services agreement with Twisted Rock. Copies of these agreements were attached to the First Report as Confidential Appendices "1" and "2" and sealed pursuant to the September 20 Orders.
39. Prior to the receivership proceedings the Debtors engaged N21 and Twisted Rock to market the Projects to potential financiers. Letters of intent received pre-receivership and reviewed by the Receiver contemplated a partial payout of existing creditor loans (ie. "**old equity**") and a residual interest for old equity should the Projects be built and leased out thereby providing for stability of cash flow and potential refinancing and/or sale. The Receiver understands, based on its discussions with Greg Marchant and Lawson, that term sheets originally submitted in respect of the Projects for project financing provided a return to Investors of approximately 85% of principal paid on closing with a remaining carried interest in the Projects.
40. Financial modelling and the offering memorandum were completed on or about February 20, 2023 and the investment solicitation process commenced immediately thereafter. A data site was constructed to provide information for due diligence purposes.
41. A significant number of presentations to interested parties took place, both by zoom conference, telephone and physical attendance. In addition, the information was made available at the National Investment Centre for Senior Housing and Care's annual conference held in San Diego at the beginning of March. Thirty family offices, financial firms and intermediaries were contacted and eleven expressed interest.

42. Four initial term sheets were received. None of the term sheets provided a partial return of monies to old equity as well as sufficient funding to develop the Projects. The Receiver recently received a fifth expression of interest, however minimal due diligence has been undertaken at this point and the nature of the debt/equity financing is unclear with no certainty that it would contemplate a payout of old equity. The Receiver is not prepared to recommend pursuing any of the investment/financing proposals received. Although certain parties continue to do due diligence, the Receiver is not aware of any additional imminent letter(s) of intent.
43. In the Receiver's view, after consultation with N21, there are a number of factors that impacted the viability of the Projects which were not present in 2021 when the previous investment solicitation process took place. These include:
- (a) a significant increase in construction costs of approximately 30% on average;
 - (b) reduction in percentage of total cost lenders are willing to finance as a result of tightened credit conditions and lesser availability; and
 - (c) a substantial increase in the cost of financing and expected return by preferred equity investors.
44. The combination of these factors required significantly more new preferred equity investment to fund deficiencies in cash flow and provide for capitalized interest cost. Additionally, the within receivership proceedings caused some concern for the investment community.

SALE PROCESS

45. In light of the conditions of the Receiver's financing, as set out in the Term Sheet and the Amendment to Term Sheet, the Receiver is now obligated to engage a realtor to sell the Real Properties in their current condition. In the view of the Receiver, the development work undertaken by N21 is expected to add value to the sites including the shovel ready condition of three of the five Projects.

46. Pursuant to paragraph 5 of the Receivership Order, the Receiver is authorized to, among other things:
- (a) 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.
47. Upon its appointment, the Receiver obtained appraisals from CBRE in respect of the Real Properties. Copies of the appraisals, dated March 1-9, 2022 (the “**Appraisals**”), were attached to the First Report as Confidential Appendices “4” to “8” and sealed pursuant to the September 20 Orders.
48. The Receiver reached out to various real estate brokerages and requested proposals in respect of the marketing and sale of the Real Properties. Three brokerages submitted proposals to the Receiver, with varying formality. A summary of the proposals and the realtor’s estimated land values prepared by the Receiver is attached hereto as **Confidential Appendix “1”**.
49. The Receiver reviewed the proposals and, after discussions, recommends it be authorized to engage CBRE to market the Real Properties for sale. A copy of the CBRE proposal, dated April 21, 2023 (the “**CBRE Proposal**”) which sets out valuations, a proposed marketing plan for the Real Properties and sale commission, is attached hereto as **Confidential Appendix “2”**.
50. The CBRE Proposal was determined by the Receiver to be the superior proposal for the following reasons:
- (a) the CBRE Proposal seeks to maximize value and provides for higher expected sale prices than other proposals;
 - (b) the 6 month listing term is a reasonable time period for the marketing and sale of assets of this nature;
 - (c) CBRE is familiar with the Projects as they previously provided estimated sale values in order to support the Receiver’s request for additional funding;

- (d) all marketing costs will be borne by CBRE;
- (e) the commission fee is typical for commercial real property in Florida;
- (f) the modified tender process, which does not require a list price for the Real Properties is expected to maximize value;
- (g) the team includes CBRE's top advisors in the sale of development land and local Florida representatives with significant experience selling Florida commercial real estate;
- (h) CBRE is an internationally recognized brokerage with a global platform to ensure maximum exposure; and
- (i) Hillmount supports the hiring of CBRE.

51. The Receiver seeks approval of the below sale process (the "**Sale Process**") in respect of the Real Properties:

Sale Process			
	Phase	Timeline¹	Description
1	Underwriting and Pre-Marketing	Weeks 1 -2	Engage CBRE. Preparation of marketing materials and data room by CBRE.
2	Marketing Process	Weeks 3-8	National marketing campaign undertaken by CBRE. Teaser distributed to broad buyers list. Calling campaign and meetings and presentations with purchasers. Real Properties marketed on "as is, where is" basis.
3	Offers and Negotiations	Weeks 9-10	Bids due 30-45 days from marketing launch (" Bid Deadline "). Bids accepted for all Real Properties <i>en bloc</i> or separately.

			<p>All bids must be submitted in form of agreement of purchase and sale (“APS”) and accompanied by evidence of financing and/or financial ability to close.</p> <p>Negotiations with bidders and short-listed prospective bidders invited to make best and final offers.</p>
4	Execution and Transaction Management	Week 11	<p>Selection of winning bidder(s).²</p> <p>Finalize and execute APS.</p> <p>Receipt of deposit(s) in amount(s) determined by Receiver.</p> <p>APS subject to approval by Canadian Court and U.S. Court.³</p>
5	Purchaser Due Diligence	Weeks 12-23	Obtain any further due diligence required.
6	Approval by Canadian Court and U.S. Court and close transaction	Weeks 24-26	Subject to court availability.
<p>Notes to Sale Process:</p> <p>1. The Receiver reserves the right, in consultation with CBRE and Hillmount, to extend or abridge any of the Sale Process timelines and waive strict compliance with any timelines, deadlines or formal requirements with respect to any one or more of the Real Properties.</p> <p>2. The Receiver reserves the right to reject any and all offers for the Real Properties and is under no obligation to accept any offer.</p> <p>3. The acceptance of any offer by the Receiver is strictly subject to approval of the APS and the sale transaction contemplated therein by the Canadian Court and the U.S. Court.</p>			

52. The Receiver recommends approval of the Sale Process for the following reasons:

- (a) it was developed in consultation with CBRE and will broadly canvas the market in an effort to obtain the highest and best price for the Real Properties;

- (b) in order to maximize value, the Real Properties will not be marketed with a set list price as prospective purchasers will likely put varying values on the project development work completed to date;
- (c) it contemplates an approximately 10 week process from the date of Court approval to the Bid Deadline and this timeline should provide sufficient time for prospective purchasers to conduct due diligence prior to submitting an offer;
- (d) the Real Properties will be marketed and sold on an “as is, where is” basis and offers will be considered for the Real Properties *en bloc* or separately;
- (e) due to the nature of the assets for sale, the timeline contemplates purchasers requiring additional due diligence post-execution of an APS;
- (f) the Receiver will seek approval of any definitive APS and the transaction contemplated therein by the Canadian Court and also the U.S. Court; and
- (g) prospective purchasers will have access to the data site information including updated architectural and engineering plans as well as status reports of discussions with municipalities.

TRAILWINDS/WILDWOOD

53. The Receiver is receipt of an offer in respect of the Trailwinds/Wildwood Property. The Receiver intends to negotiate the terms of sale with the offeror and, if such negotiations do not result in a definitive purchase agreement on terms the Receiver is prepared to recommend to the Court, the Trailwinds/Wildwood Property will be marketed for sale along with the other Real Properties.

RECEIPTS & DISBURSEMENTS

54. Attached hereto as **Appendix “Q”** is a copy of the Receiver’s R&D, as of May 9, 2023.

PROFESSIONAL FEES

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

Receiver’s Fees

57. Below is a summary of the Receiver’s fees and disbursements for the period from September 1, 2022, to April 30, 2023:

Property	Fees	Disbursements	HST	Total
Longleaf Property	\$47,453.75	\$174.69	\$6,191.70	\$53,820.14
Summerlin Property	\$47,155.00	\$174.68	\$6,152.86	\$53,482.54
Destin Property	\$47,266.25	\$174.69	\$6,167.32	\$53,608.26
Ocoee Property	\$48,423.75	\$174.66	\$6,317.79	\$54,916.20
Trailwinds/Wildwood Property	\$47,237.50	\$174.67	\$6,163.58	\$53,575.75
Total:	\$237,536.25	\$873.39	\$30,993.25	\$269,402.89

58. The fees and disbursements of the Receiver are more particularly described in the Affidavit of Allan Rutman, affirmed May 9, 2023, attached hereto as **Appendix “R”**.

Dentons’ Fees

59. Dentons has acted as counsel to the Receiver since its appointment. Below is a summary of Dentons’ fees and disbursements for the period from September 1, 2022, to April 30, 2023:

Property	Fees	Disbursements	HST	Total
Longleaf Property	\$21,923.00	\$734.70	\$2,937.19	\$25,594.89

Summerlin Property	\$21,923.00	\$734.70	\$2,937.19	\$25,594.89
Destin Property	\$21,923.00	\$734.70	\$2,937.19	\$25,594.89
Ocoee Property	\$21,923.00	\$734.70	\$2,937.19	\$25,594.89
Trailwinds/Wildwood Property	\$24,310.50	\$ 806.33	\$3,256.89	\$28,373.72
Total:	\$112,002.50	\$3,745.13	\$15,005.65	\$130,753.28

60. The fees and disbursements of Dentons are more particularly described in the Affidavit of Sara-Ann Wilson, sworn May 9, 2023, attached hereto as **Appendix “S”**.
61. 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

62. The Confidential Appendices to this Second Report contain commercially sensitive information, including estimated sale values for each of the Real Properties. If this information is publicly disclosed, it could negatively affect the Receiver’s ability to market the Real Properties and obtain the highest and best price. Accordingly, the Receiver requests an order that the Confidential Appendices be sealed until the closing of a sale transaction in respect of the Real Properties or further order of this Honourable Court.

RECOMMENDATIONS OF THE RECEIVER

63. 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 May 11, 2023.

- 19 -

All of the foregoing is respectfully submitted this 10th day of May, 2023.

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

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

SECOND REPORT OF THE RECEIVER

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Lawyers for Zeifman Partners Inc., in its capacity as Court-appointed Receiver

Appendix “H”
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)

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

THIRD REPORT OF THE RECEIVER
January 12, 2024

TABLE OF CONTENTS

Introduction..... - 1 -

Purpose of the Report..... - 2 -

Terms of Reference..... - 3 -

Background..... - 4 -

Receiver’s Activities..... - 5 -

Sale Process - 6 -

Destin Property - 10 -

Hillmount Loan..... - 12 -

Receipts & Disbursements..... - 15 -

Professional Fees - 15 -

Sealing..... - 16 -

Recommendations of the Receiver - 17 -

APPENDICES

- A Amended Order of Justice Conway dated February 11, 2022
- B Endorsement of Justice Conway dated February 11, 2022
- C Corporate structure charts prepared by the Debtors
- D Jurisdictions of the various entities chart prepared by the Debtors
- E Second Report of the Receiver, dated May 10, 2023 (without appendices)
- F Hillmount Term Sheet, dated May 9, 2022
- G Order granting provisional relief, dated April 14, 2022
- H Recognition Order dated May 9, 2022
- I Receiver's Fifth Report to Creditors, dated June 21, 2023 (without Schedules)
- J Orders of Justice Kimmel dated September 20, 2022 and Her Honour's Endorsement, dated September 30, 2022
- K Sale Process Order, dated May 23, 2023
- L Real Estate Purchase and Sale Agreement, dated October 9, 2023 (redacted)
- M Amendment to Hillmount Term Sheet, dated September, 2022
- N Term Sheet Renewal and Amendment, dated January 9, 2024
- O Receiver's Statement of Receipts and Disbursements, as of January 4, 2024
- P Affidavit of Allan Rutman, affirmed January 8, 2024
- Q Affidavit of Kenneth Kraft, affirmed January 9, 2024

CONFIDENTIAL APPENDICES

- 1 Summary of Offers for the Destin Property
- 2 Summary of Appraised Values and Realtor Opinions of Value of the Destin Property
- 3 Unredacted Real Estate Purchase and Sale Agreement, dated October 9, 2023

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 (“**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**”). 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. The Property is 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/Wildwood**”);
 - (c) 10653 Marsha Drive, New Port Richey, Florida (“**Longleaf**”);
 - (d) 20161 Summerlin Road, Fort Myers, Florida (“**Fort Myers**”); and
 - (e) 934 Roberson Road, Ocoee, Florida (“**Ocoee**”).
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 separately owned by each of the LLCs.

4. For reference, a copy of the Second Report of the Receiver, dated May 10, 2023 (the “**Second Report**”), previously filed, is attached hereto as **Appendix “E”**, without appendices.

PURPOSE OF THE REPORT

5. The purpose of this Third Report of the Receiver (the “**Third Report**”) is to report to the Court on the Receiver’s activities since the date of the Second Report and to request the following relief:
 - (a) if necessary, abridging the time for service of the Motion Record and validating service thereof;
 - (b) approving the Real Estate Purchase and Sale Agreement, dated October 9, 2023 (the “**Destin Purchase Agreement**”) between the Receiver and The School Board of Okaloosa County, Florida (the “**Purchaser**”) and the transaction contemplated therein (the “**Transaction**”) and vesting the right, title and interest of Destin Property LLC in and to the Destin Property in and to the 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 Transaction and for the conveyance of the Destin Property to the Purchaser, including the discharge of all mortgages registered on title to the Destin Property;
 - (d) authorizing the Receiver to pay out the Hillmount Destin Mortgage (defined below) on the closing of the Transaction;
 - (e) authorizing the Receiver, *nunc pro tunc*, to redact the Confidential Appendices from the Third Report and sealing the Confidential Appendices until the closing of the Transaction in respect of the Destin Property or further order of the Court;
 - (f) approving the Third Report and the activities and conduct of the Receiver described therein;

- (g) approving the Receiver's interim statement of receipts and disbursements, as of January 4, 2024 (the "**R&D**");
- (h) approving the fees and disbursements of the Receiver and its counsel for the period from May 1, 2023, to December 31, 2023; and
- (i) increasing the Receiver's borrowing capacity to US\$4,531,845, approving the Term Sheet Renewal and Amendment, dated January 9, 2024 (the "**Term Sheet Renewal**"), and authorizing the Receiver to execute the Term Sheet Renewal and such additional documents as may be necessary or desirable to amend the related loan and mortgage documentation.

TERMS OF REFERENCE

6. In preparing this Third 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 Third 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 Third 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 Third Report, other than for the purposes outlined herein, are cautioned that it may not be appropriate for their purposes.

7. Unless otherwise stated, all dollar amounts contained in the Third Report are expressed in Canadian dollars.

BACKGROUND

8. 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.
9. 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.
10. Based on its review of the Debtors’ books and records, the Receiver understands that approximately US\$33.7 million (plus interest) is owed by the Debtors 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).
11. 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.
12. The Inspector issued its First Report, dated September 8, 2022, a copy of which was attached to the Second Report.
13. 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. A copy of the Term Sheet is attached hereto as **Appendix “F”**.

14. 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**").
15. 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 "G"**.
16. 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 "H"**.

RECEIVER'S ACTIVITIES

17. The activities of the Receiver since the date of the Second Report, include:
 - (a) negotiating the terms of the sale of the Trailwinds/Wildwood Property and entering into an agreement of sale in respect of such property;
 - (b) entering into listing agreements with CBRE with respect to each of the Real Properties with the exception of Trailwinds/Wildwood;
 - (c) answering calls and corresponding with realtors and with respect to marketing the Real Properties for sale;
 - (d) 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;

- (e) ongoing calls and correspondence with CBRE with respect to interest in the Real Properties;
- (f) reviewing letters of intent and offers submitted by prospective purchasers and negotiating the terms of same;
- (g) responding to inquiries from Investors;
- (h) setting up a data room in respect of the Real Properties;
- (i) drafting and sending out the Receiver's Fifth Report to Creditors, dated June 21, 2023, which is attached hereto as **Appendix "I"** (without schedules);
- (j) receiving calls from interested parties and creditors;
- (k) negotiating an extension of the Hillmount Term Sheet including additional funding and terms and conditions with respect thereto;
- (l) discussing with governmental authorities questions relating to status of Real Properties and permits requiring renewal; and
- (m) drafting this Third Report.

SALE PROCESS

18. At the time of the Receiver's appointment, as stated by the Honourable Justice Conway in her endorsement, dated February 11, 2022, it was "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."
19. Pursuant to the Orders of the Honourable Justice Kimmel, dated September 20, 2022 (the "**September 20 Orders**"), this Honourable Court, the Receiver entered into development services agreements (the "**Development Agreements**") with N21 in respect of each of the Real Properties (with the exception of Trailwinds/Wildwood¹) and engaged a financial

¹ Hillmount was not prepared to advance any further funds against the Trailwinds/Wildwood Project.

services broker to solicit project financing/investments. Copies of the September 20 Orders and Her Honour's Endorsement, dated September 30, 2022, are attached hereto as **Appendix "J"**.

20. The work undertaken on the Real Properties pursuant to the Development Agreements was broken into two phases – Phase 1 was the work required to prepare the Projects to be marketed to potential financiers (ie. bringing the Projects to “shovel ready” condition”) and Phase 2 was the construction of the Projects and turnover to a designated operator.
21. Upon its engagement, N21 commenced the Phase 1 work in respect of the Projects, with the exception of Trailwinds/Wildwood. The Phase 1 work was completed over several months, with the exception of updating the architectural drawings and engineering work on the Ocoee Project as the costs and timeline of doing were materially higher and longer than the budgeted amount and expected timelines.
22. At present N21 is continuing to work on the entitlements on each of Longleaf, Fort Myers and Ocoee. This work was contracted as part of the Phase 1 work under the Development Agreements at a fixed cost. No additional costs are being incurred by the Receiver to complete this work. The entitlements, including in respect of services to the sites for water and sanitary sewers, will be of value to any prospective purchaser that seeks to develop the properties.
23. Pursuant to the September 20 Orders, the Receiver also engaged N21 and Twisted Rock LLC to undertake an investment solicitation process in respect of the Projects upon completion of the Phase 1 work. Unfortunately, as reported in the Second Report, the Receiver was not prepared to recommend pursuing any of the investment/financing proposals received.
24. In light of the conditions of the Receiver's financing, the Receiver was obligated to engage a realtor to sell the Real Properties in their current condition. Accordingly, the Receiver brought a motion seeking approval of a sale process (the “**Sale Process**”) in respect of the Real Properties. The Sale Process is detailed in the Second Report.

25. Pursuant to the Order of the Honourable Justice Steele, dated May 23, 2023 (the “**Sale Process Order**”), the Sale Process was approved and the Receiver was authorized and directed 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 “K”**.
26. 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 Trailwinds/Wildwood).
27. The Sale Process in respect of Longleaf, Ocoee and Fort Myers has taken longer than originally anticipated. The market in Florida for development property has faced challenges due to higher interest rates, higher construction costs and a general slow down of construction related activity in respect of all development including seniors’ housing.
28. 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.
29. The original listing agreements with CBRE expired on December 13, 2023 and the Receiver anticipates entering into an agreement providing for an extension of the listing periods to April 30, 2024. As part of the conditions to the extension, the Receiver agreed to an increased commission structure.
30. Below are summaries of the current status of the Sale Process in respect of each of the Real Properties.

(A) Ocoee

31. The marketing process is continuing and the Receiver is in receipt of offers to purchase the Ocoee Property. The Receiver is currently negotiating the terms of sale with one prospective purchaser and determining the feasibility of certain requested conditions. A revised offer is expected to be received shortly.

(B) Fort Myers

32. The marketing process is continuing. Offers were received in respect of the Fort Myers Property and the Receiver entered into negotiations with one prospective purchaser, however a revised offer has not been submitted at this time. At present the Receiver is not prepared to recommend any of the offers for approval by this Honourable Court. The Receiver has been advised by CBRE that the economy of Fort Myers is recovering from the impacts of Hurricane Ian in September 2022. The Receiver expects to be in contact with other interested parties who expressed interest to determine whether any parties are interested in submitting offers the Receiver would be prepared to accept. At the recommendation of CBRE, the marketing of the Fort Myers Property will be relaunched in January, 2024.

(C) Longleaf

33. The marketing process is continuing. Offers were received in respect of the Longleaf Property, however the Receiver is not prepared to recommend any of the offers for approval by this Honourable Court. The Receiver has sent a counter-offer to one prospective purchaser and is awaiting a response. At the recommendation of CBRE, the marketing of the Longleaf Property will be relaunched in January, 2024.

(D) Trailwinds/Wildwood

34. As disclosed in the Second Report, prior to the commencement of the Sale Process, the Receiver was in receipt of an unsolicited offer in respect of the Trailwinds/Wildwood Property. After negotiations, the Receiver entered into a Real Estate Purchase and Sale Agreement, dated June 12, 2023, as amended (the “**Trailwinds Purchase Agreement**”), with a prospective purchaser, a local developer, providing for the sale of the Trailwinds/Wildwood Property.

35. The Trailwinds Purchase Agreement provided for an initial due diligence period of 90 days with the option to extend conditional on deposit funds becoming non-refundable. The purchaser exercised its option to extend and due diligence is continuing. The current due diligence period expires on March 17, 2024 and may be subject to further conditional extensions.

DESTIN PROPERTY

36. The marketing process in respect of the Destin Property officially launched on July 18, 2022. 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 twelve (12) parties executed confidentiality agreements.
37. The first round offer submission date was September 12, 2023. Three (3) offers were submitted as part of round one and the deadline for the second round of offers was September 19, 2023. Four (4) offers were submitted in round two and a deadline for best and final offers was set for October 4, 2023. Three (3) offers were received for the Destin Property on the final offer date.
38. A summary of the best and final offers received is attached hereto as **Confidential Appendix "1"**. A summary of the appraised value for the Destin Property and the realtor opinions of value is attached hereto as **Confidential Appendix "2"**.
39. The Receiver reviewed the offers received and determined that the offer received from the Purchaser was the superior offer.
40. After negotiations with the Purchaser, the Receiver entered into the Destin Purchase Agreement with respect to the purchase and sale of the Destin Property. A copy of the Destin Purchase Agreement with the confidential terms redacted is attached hereto as **Appendix "L"**. A copy of the unredacted Destin Purchase Agreement is attached hereto as **Confidential Appendix "3"**.

41. The salient provisions of the Destin Purchase Agreement are as follows (all capitalized terms not otherwise defined have the meanings ascribed to them in the Destin Purchase Agreement):
- (a) Real Property: Destin Property;
 - (b) Purchase Price: All cash;
 - (c) Deposit: 10% of Purchase Price;
 - (d) Due Diligence Period: Initial 60 day period, followed by 30 day extension upon deposit of non-refundable Additional Earnest Money. Purchaser advised on January 2, 2024 that it completed its due diligence and is prepared to proceed with closing the Transaction;
 - (e) Public Hearing Condition: Due to Purchaser being local school board, the offer was conditional pending a public hearing on 30 days notice. This condition was satisfied;
 - (f) “As is, where is”: Transaction is on an “as is, where is” basis with limited representations and warranties;
 - (g) Court Approval: Subject to issuance of Court Approval Orders by the Canadian Court and the U.S. Court conveying clear title;
 - (h) Closing Date: No later than 15 days following the expiration of Due Diligence Period and issuance of Court Approval Orders.
42. The Receiver recommends approval of the Destin Purchase Agreement for the following reasons:
- (a) as described above, the Destin Property was widely marketed in accordance with the Sale Process by CBRE, an internationally recognized brokerage;
 - (b) the marketing process resulted in three (3) best and final offers for the Destin Property and the Destin Purchase Agreement is the superior offer;

- (c) the consideration is all cash and exceeds the appraised value for the Destin Property and three out of four real estate brokerage opinions as to value;
 - (d) the Purchaser, which is the local school board, required minimal due diligence (which is now complete) and can close the Transaction on an expedited basis;
 - (e) due to the rise of interest rates and construction costs, the market for seniors housing development properties has softened in recent times and the Receiver is of the view that the consideration in the Destin Purchase Agreement is the highest and best offer that could be obtained for the Destin Property;
 - (f) Hillmount supports the Transaction; and
 - (g) the Hillmount Destin Mortgage 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 Destin Property.
43. In the event that this Honourable Court approves the Destin Purchase Agreement and the Transaction contemplated therein, the Receiver intends to seek approval of the Transaction from the U.S. Court and an order vesting clear title to the Destin Property in the Purchaser. The Receiver expects to close the Transaction shortly after approval from the U.S. Court, if granted.
44. 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 Destin Property and/or, if necessary, an order approving a short claims process.

HILLMOUNT LOAN

45. As noted above, upon its appointment the Receiver made arrangements for the provision of the Hillmount Loan to fund the ongoing costs of the receivership. Pursuant to the Term Sheet, as security for the loans, Hillmount registered mortgages against each of the Real Properties.

46. After discussions with N21, the Receiver determined that the cost of the work to be undertaken pursuant to the Development Agreements, ie. to bring the Projects to “shovel-ready” condition, was significantly higher than anticipated and exceeded the budgeted sums that formed the basis of the Receiver’s initial loan request of CA\$3.6 million (US\$2.75 million).
47. Hillmount agreed to provide additional required funding, up to the maximum principal amount of US\$4,231,845; provided, however it was not prepared to advance any further funds against the Trailwinds/Wildwood Project. Pursuant to the Amendment to Term Sheet, dated September, 2022 (the “**First Term Sheet Amendment**”), between Hillmount and the Receiver, the principal amount of the Hillmount Loan was increased to the total aggregate maximum amount of US\$4,321,845, allocated amongst the five Real Properties. A copy of the First Term Sheet Amendment is attached hereto as **Appendix “M”**.
48. The First Term Sheet Amendment and additional loan amounts were approved by the Court pursuant to the September 20 Orders. In accordance with the First Term Sheet Amendment, the Receiver executed and delivered documentation amending the Hillmount Loan related mortgage and loan documents.
49. As security for the Destin Property loan, the Receiver executed and delivered the mortgage deed and security agreement, dated May 23, 2022 (the “**Hillmount Destin Mortgage**”) and related documentation. Pursuant to the Modification of Mortgage Agreement, dated October 19, 2022, the Hillmount Destin Mortgage was amended and the principal amount of the loan was increased to \$845,870.
50. Pursuant to the Term Sheet, the Hillmount Loan matured on November 20, 2023, being 18 months from the date of the first advance. In light of the ongoing marketing process and due diligence periods, the Receiver requested an extension of the maturity date.
51. Pursuant to the terms of the Term Sheet Renewal, Hillmount has agreed to extend the maturity date of the Hillmount Loan to August 20, 2024. The terms of the extension include a renewal fee and an increase in the interest rate (currently 12.25%) to be the greater of 12.25% per annum or the RBC Prime Lending Rate in Canada plus 6.25% per annum

(currently 13.45%). In addition, the Term Sheet Renewal obligates the Receiver to enter into firm offers for the purchase of the Real Properties by later than March 31, 2024, with closing dates no later than August 20, 2024. A copy of the Term Sheet Renewal is attached hereto as **Appendix “N”**.

52. In the Receiver’s view, the increased interest rate is commercially reasonable for mortgage lending in a receivership, especially in light of the matured status of the Hillmount Loan.
53. In December, 2023, the Receiver requested additional borrowing under the Hillmount Loan, which are included in the current approved principal amounts, on Fort Myers, totaling US\$53,125 and Destin, totaling US\$50,000. As an interim measure, due to the matured status of the Hillmount Loan, and pending approval of the Term Sheet Renewal, Hillmount agreed by way of email, dated January 10, 2024, to extend the maturity date of the Hillmount Loan to January 26, 2024 and fund the requested amounts.
54. Pursuant to the September 20 Orders, the Receiver’s current borrowing capacity is capped at US\$4,231,845. To date, the Receiver has borrowed the following amounts (all amounts in USD):

	Destin	Longleaf	Ocoee	Fort Myers	Trailwinds	Total
Authorized Amount	\$845,870	\$1,077,000	\$715,425	\$668,125	\$925,425	\$4,231,845
Advanced to Date	\$690,000	\$1,020,000	\$510,000	\$668,125	\$430,000	\$3,318,125
Remaining Loan Available	\$155,870	\$57,000	\$205,425	\$0	\$495,425	\$913,720

55. In order to fund the ongoing carrying costs and receivership expenses while the Sale Process continues, as detailed in the Term Sheet Renewal, Hillmount has agreed to provide \$150,000 additional availability on each of Fort Myers (an increase from \$668,125 to \$818,125) and on Longleaf (an increase from \$1,077,000 to \$1,227,000). The additional funding is required to pay property taxes on Longleaf totaling \$71,272 due March 31, 2024,

and ongoing monthly expenses including interest on the Hillmount Loan, carrying costs and professional fees. In addition, amounts remaining owing to N21 on all four Real Properties (not including Trailwinds/Wildwood) for the Phase 1 work as originally budgeted by the Receiver total \$42,115.

56. Accordingly, in order to ensure it has sufficient funds to pay the ongoing costs and expenses of the receivership proceeding and the carrying costs of the Real Properties, the Receiver requests approval of the Term Sheet Renewal and an increase in its borrowing capacity to US\$4,531,845.

RECEIPTS & DISBURSEMENTS

57. Attached hereto as **Appendix “O”** is a copy of the Receiver’s R&D, as of January 4, 2024.

PROFESSIONAL FEES

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

Receiver’s Fees

60. Below is a summary of the Receiver’s fees and disbursements for the period from May 1, 2023 to December 31, 2023:

Property	Fees	Disbursements	HST	Total
Longleaf	\$30,996.25	\$124.15	\$1,107.97	\$32,228.37
Summerlin	\$30,720.00	\$124.09	\$1,037.11	\$31,881.20
Destin	\$43,430.00	\$124.14	\$1,134.93	\$44,689.07
Ocoee	\$39,038.75	\$124.10	\$955.55	\$40,118.40
Trailwinds/Wildwood	\$29,773.75	\$124.10	\$971.80	\$30,869.65
Total:	\$173,958.75	\$ 620.58	\$5,207.36	\$179,786.69

61. The fees and disbursements of the Receiver are more particularly described in the Affidavit of Allan Rutman, affirmed January 8, 2024, attached hereto as **Appendix “P”**.

Dentons’ Fees

62. Dentons has acted as counsel to the Receiver since its appointment. Below is a summary of Dentons’ fees and disbursements for the period from May 1, 2023 to December 31, 2023:

Property	Fees	Disbursements	HST	Total
Longleaf	\$13,791.50	\$ 483.05	\$1,846.67	\$16,051.92
Summerlin	\$13,901.50	\$ 417.05	\$1,861.40	\$16,179.95
Destin	\$20,901.50	\$1,371.45	\$2,895.40	\$25,167.70
Ocoee	\$13,681.50	\$ 410.45	\$1,831.94	\$15,923.89
Trailwinds/Wildwood	\$22,581.50	\$1,775.37	\$3,166.40	\$27,523.27
Total:	\$84,857.50	\$4,457.37	\$11,601.81	\$100,846.73

63. The fees and disbursements of Dentons are more particularly described in the Affidavit of Kenneth Kraft, affirmed January 9, 2024, attached hereto as **Appendix “Q”**.
64. 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

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

- 17 -

RECOMMENDATIONS OF THE RECEIVER

66. 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 January 12, 2024.

All of the foregoing is respectfully submitted this 12th day of January, 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

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

HUNTER MILBORNE et al.
Defendants

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

LEGACY LIFESTYLES DESTIN PROPERTY LLC, et al.
Respondents

BERKID INVESTMENTS LIMITED
Plaintiff

LEGACY LIFESTYLES DESTIN LP, et al.
Applicants

and

and

ONTARIO

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

PROCEEDING COMMENCED AT TORONTO

THIRD REPORT OF THE RECEIVER

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*Lawyers for Zeitfman Partners Inc., in its capacity as
Court-appointed Receiver*

Appendix “I”
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

)

TUESDAY, THE 23rd

JUSTICE STEELE

)

DAY OF MAY, 2023

)

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

ORDER

THIS MOTION made by the 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, appointed pursuant to the Amended Order of the Honourable Justice Conway, dated February 11, 2022 (the “**Receivership Order**”), for an order approving the Sale Process (as defined in the Second Report) in respect of the Real Properties (as defined in the Receivership Order), authorizing and directing the Receiver to conduct the Sale Process, and granting certain other relief was heard this day by judicial videoconference via Zoom.

ON READING the Second Report of the Receiver, dated May 10, 2023 (the “**Second Report**”), the Supplemental Report to the Second Report of the Receiver, dated May 18, 2023, (the “**Supplemental Report**”), the affidavit of Allan Rutman affirmed May 9, 2023 (the “**Rutman Affidavit**”), the affidavit of Sara-Ann Wilson sworn May 9, 2023 (the “**Wilson Affidavit**”), and on hearing the submissions of counsel for the Receiver, and any such other counsel and parties as were present:

SERVICE

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

RECEIVER’S ACTIVITIES AND R&D

2. **THIS COURT ORDERS** that the Second Report and the Supplemental Report, and the activities and conduct of the Receiver as described therein, be and are hereby approved.

3. **THIS COURT ORDERS** that the Receiver’s interim statement of receipts and disbursements, as of May 9, 2023, be and is hereby approved.

FEES

4. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and its counsel for the period from September 1, 2022, to April 30, 2023, as set out in the Second Report, the Rutman Affidavit and the Wilson Affidavit, be and are hereby approved.

SALE PROCESS

5. **THIS COURT ORDERS** that the Sale Process, with such amendments as the Receiver may deem necessary in accordance with the terms of the Sale Process, be and is hereby approved.

6. **THIS COURT ORDERS** that the Receiver is authorized and directed to take such steps as it deems necessary or advisable to carry out and perform its obligations under the Sale Process, including engaging CBRE Group, Inc. to list the Real Properties for sale.

7. **THIS COURT ORDERS** that the Receiver and its respective affiliates, partners, employees, representatives and agents shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of the Sale Process, except to the extent such losses, claims, damages or liabilities result from the gross negligence or willful misconduct of the Receiver in performing its obligations under the Sale Process as determined by this Court.

SEALING

8. **THIS COURT ORDERS** that the Receiver is authorized, *nunc pro tunc*, to redact the Confidential Appendices from the Second Report and the Supplemental Report and that the Confidential Appendices be sealed from the public record until the closing of sale transactions in respect of the Real Properties or further order of this Court.

GENERAL

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

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

11. **THIS COURT ORDERS** that this Order is effective from the date that it is made and is enforceable without any need for entry and filing.



Court File No. CV-22-00674717-00CL & CV-21-00668821-00C
Court File No. CV-21-00668821-00C
HUNTER MILBORNE et al.
Defendant

and

Court File No. CV-22-00674717-00C
LEGACY LIFESTYLES DESTIN PROPERTY LLC, et al.
Responders

BERKID INVESTMENTS LIMITED
Plaintiff

and

LEGACY LIFESTYLES DESTIN LP, et al.
Applicants

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

ORDER

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Lawyers for Zeifman Partners Inc., in its capacity as Court-appointed Receiver

Appendix “J”
to the Fifth Report of the Receiver

REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS REAL ESTATE PURCHASE AND SALE AGREEMENT (“**Agreement**”) is made and entered into this 9th day of May, 2024 (“**Effective Date**”), by and between SUMMERLIN LANDINGS, LLC, a Florida limited liability company (“**Buyer**”), and ZEIFMAN PARTNERS INC. (“**Receiver**”), in its capacity as court-appointed receiver of LEGACY LIFESTYLES FT MYERS PROPERTY LLC, a Delaware limited liability company (“**Seller**”).

1. Recitals.

1.1. Seller is the lawful owner of that real property located in Lee County, Florida identified as Parcel 11-46-23-04-00000.0020 and 11-46-23-04-00000.0030, as described on Exhibit A, attached hereto and incorporated herein (the “**Property**”).

1.2. Pursuant to the Amended Order of the Ontario Superior Court of Justice (Commercial List) (the “**Canadian Court**”), dated February 11, 2022 (the “**Receivership Order**”), in the proceeding jointly administered as *In re Legacy Lifestyles Destin LP et al.*, Chapter 15 Case No. 22-01246, Receiver was appointed as Seller’s court-appointed receiver.

1.3. 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 United States Bankruptcy Court for the Middle District of Florida (the “**U.S. Bankruptcy Court**”), in the proceeding pending as *Berkid Investments Limited et al. and Hunter Milborne et al.*, Court File Nos. CV-22-00674717-00CL & CV-21-00668821-00CL, the Canadian receivership proceedings were recognized in the United States.

1.4. Receiver, on behalf of Seller, desires to sell, and Buyer desires to purchase, subject to the Permitted Encumbrances (defined below), the Property pursuant to the terms of this Agreement.

2. Purchase Price. The purchase price for the Property (the “**Purchase Price**”) shall be [REDACTED] of which [REDACTED] (“**Initial Earnest Money**”) shall be deposited, subject to Section 3 below, at the execution of this Contract. At Closing (defined below), the Earnest Money (defined below) shall be credited toward the Purchase Price, and the remainder of the Purchase Price, subject to Closing adjustments and prorations, shall be paid to Receiver.

3. Earnest Money. The Earnest Money (defined below) shall be deposited and held by Straus & Associates, P.A. 10081 Pines Blvd., Suite C, Pembroke Pines, FL 33024 Attn: Arnold (Skip) Straus by wire transfer (“**Escrow Agent**”). The Escrow Agent shall hold the Earnest Money in escrow in an interest-bearing bank account reasonably approved by Seller and Buyer (commencing upon Buyer’s delivery to Escrow Agent of a W-9 and any other documents customarily and reasonably required by Escrow Agent’s financial institution to open interest-bearing accounts). Except as otherwise provided in this Agreement, if this Agreement is terminated according to its terms then Buyer shall be entitled to a full refund of the Earnest Money

from the Escrow Agent within five (5) business days of the terminating party providing written notice of said termination to the non-terminating party. At the end of the Due Diligence Period (defined below), Buyer shall deposit an additional [REDACTED] with Escrow Agent by wire transfer. All deposits due hereunder, together with all interest earned thereon, shall constitute “**Earnest Money**”.

4. Title Insurance; Survey.

4.1. Title Insurance; Survey. Prior to the expiration of the Due Diligence Period (defined below):

4.1.1. Title Insurance. Within thirty (30) days from Effective Date, Buyer shall obtain a commitment for an owner’s policy of title insurance in an amount not less than the Purchase Price, including copies of all special exception documents identified in the commitment (collectively, the “**Title Commitment**”), from a title insurance company through an agent selected by Buyer (the “**Title Agent**”). Subject to the terms and conditions of this Agreement, upon Closing, Buyer shall receive an owner’s policy of title insurance (“**Owner’s Policy**”) issued by the Title Agent, in the amount of the Purchase Price (or any other amount Buyer deems necessary), showing good and marketable title to the Property in Buyer, subject only to (i) current taxes and assessments not then due and payable, and (ii) Permitted Encumbrances (defined below). The cost of the Title Commitment and the Owner’s Policy shall be paid by the Buyer. Buyer acknowledges that Seller has disclosed those title matters listed in Exhibit B attached hereto (the “**Title Exceptions**”), which are anticipated to appear on the Title Commitment. Notwithstanding the foregoing, if Buyer’s title underwriter confirms that any Title Exception does not affect the Property, Seller acknowledges that the Title Exception may be removed, in Buyer’s sole discretion, and if Seller’s cooperation is required to remove any Title Exceptions, Seller will assist reasonably, but Seller does not guarantee that removal will be accomplished. Notwithstanding the foregoing, Buyer agrees that the Title Agent’s unwillingness to insure over any Title Exception shall not be a default by Seller. Title Exceptions appearing on the Title Commitment shall be subject to the procedures set forth in Section 4.2 below and shall be deemed Permitted Encumbrances in accordance with such procedures. Any Title Exceptions not appearing on the Title Commitment shall be deemed Permitted Encumbrances upon expiration of the Due Diligence Period (defined below).

4.1.2. Survey. Buyer may obtain a survey for the Property (“**Survey**”). The cost for the Survey shall be paid by the Buyer.

4.2. Objection and Cure Period. Buyer shall have ten (10) calendar days from the receipt of the Title Commitment and legible copies of instruments listed as exceptions thereto (the “**Objection Period**”) to notify Receiver of any objections to the Property disclosed by the information received by Buyer (“**Buyer’s Objection Letter**”). Receiver shall respond to Buyer’s Objection Letter within five (5) business days of Receiver’s receipt thereof denoting which objections Receiver elects to cure, and which objections Receiver declines to cure (“**Receiver’s Response Letter**”). As to the objections Receiver elects to cure, Receiver shall have a cure period not to exceed ten (10) calendar days from Receiver’s delivery to Buyer of Receiver’s Response Letter to cure or correct Buyer’s objections contained in Buyer’s Objection Letter (“**Cure Period**”). If either (i) Receiver declines to cure certain objections which, in Buyer’s discretion,

render the Property unfit for Buyer's intended use; or, (ii) Receiver is unable to cure such objections within the Cure Period; then Buyer, at its option, within five (5) business days of the expiration of the Cure Period, may elect either to accept the Property in its then existing condition or terminate this Agreement and the Earnest Money shall be returned to Buyer, after which the parties shall have no further obligations under this Agreement, except for such obligations that specifically survive termination of this Agreement. If Buyer fails to terminate this Agreement prior to the expiration of said five (5) business day period, Buyer shall be deemed to have automatically accepted the Property in its then existing condition, including, but not limited to, easements, restrictions, encumbrances, and other matters of record, or matters revealed by Buyer's Due Diligence Investigation (defined below), that existed as of the Effective Date (the "**Permitted Encumbrances**") and to have waived any further objection to the condition of the Property and shall be required to proceed to Closing, subject to the terms and conditions of this Agreement. Notwithstanding the foregoing, Receiver shall have an affirmative obligation to remove all mortgages, liens and other monetary encumbrances from title to the Property at or before the Closing, and such items shall not be considered Permitted Encumbrances; however, Receiver shall not be responsible for removing any mortgages, liens and other monetary encumbrances placed on the Property by Buyer or as a result of Buyer's activities on or investigations of the Property.

5. Due Diligence Period. Buyer shall have ninety (90) calendar days from the Effective Date to review and approve the suitability of the Property and to ensure that any conditions, limitations, requirements, rules, and regulations of any governmental agency having jurisdiction over the Property or its intended use as an age-restricted independent living facility are acceptable to the satisfaction of Buyer ("**Due Diligence Period**"). During the Due Diligence Period, Buyer and its employees and agents shall have the right, subject to Paragraph 5.2, upon not less than forty-eight (48) hours' notice to Receiver, to enter upon the Property and perform such inspections and testing as it deems necessary to determine suitability of the Property for its intended use, including, but not limited to the inspections and testing set forth in this Section (the "**Due Diligence Investigation**"). Receiver shall have the right to be present at all times while Buyer or Buyer's employees and/or agents are present on the Property. Buyer shall restore the Property to its original condition if such tests alter the grade, compaction, or vegetation. The cost of the inspections and testing described in this Section shall be paid for by Buyer. If Buyer determines, during the Due Diligence Period, the Property is not satisfactory for any reason whatsoever, then Buyer may, in its sole discretion, terminate this Agreement by sending written notice to Receiver, and Buyer shall be entitled to a full refund of the Earnest Money, subject to the terms and conditions of this Agreement. Buyer shall have until the expiration of the Due Diligence Period to complete its Due Diligence Investigation and decide, in Buyer's sole discretion, whether the Property is satisfactory to Buyer so as to proceed to Closing. Upon the expiration of the Due Diligence Period, Buyer shall have no further rights to terminate this Agreement except as expressly set forth in other sections of this Agreement. Upon completion of the Due Diligence Period, the Earnest Money shall become hard and non-refundable to Buyer, except in the event of a Seller default, in ability to deliver clean and marketable title at closing, termination under Section 8.1 hereof, or termination pursuant to the Court Approval Contingency (defined below) or Tax Credit Financing Contingency (defined below).

6. Court Approval Contingency. Seller and Receiver's obligations under this Agreement, and Closing, are strictly subject to the "**Court Approval Contingency**". For purposes

of this Agreement, the term “Court Approval Contingency” means the issuance of orders by the U.S. Bankruptcy Court and the Canadian Court, no later than July 9, 2024 (the “**Court Approval Contingency Deadline**”), approving this Agreement and the transaction contemplated herein, which orders shall provide that, on the Closing and concurrently with the Closing, all then existing or thereafter arising obligations, liabilities and encumbrances (except for any Permitted Encumbrances) of, against or created by Seller, shall be fully released from and with respect to the Property (together, the “**Court Approval Orders**”). As soon as reasonably possible following the Effective Date, Receiver shall file all necessary motions in the Canadian Court and the U.S. Bankruptcy Court seeking the Court Approval Orders. Receiver shall thereafter diligently pursue the issuance of the Court Approval Orders, and Buyer shall use good faith efforts to assist Receiver (at Receiver and/or Seller’s sole cost and expense) in its efforts to obtain the Court Approval Orders. Receiver shall provide Buyer with periodic updates regarding the status of the Court Approval Orders. Receiver, through counsel, shall submit the proposed Orders to Buyer, so that Buyer has the opportunity to approve. Notwithstanding anything in this Agreement to the contrary, if the transaction contemplated herein fails to close because the Court Approval Orders are not issued on or before the Court Approval Contingency Deadline, or because the Court Approval Orders compel a closing date earlier than December 31, 2024 or impose any other conditions to closing which are not expressly set forth herein or otherwise agreed to by Buyer, then Buyer may terminate this Agreement, within five (5) days from July 9, 2024, unless extended by mutual written agreement between the parties, and all Earnest Money shall be refunded to Buyer. If the transaction does not close by the Closing Date after issuance of the Court Approval Orders, other than as a result of a default by Seller or Receiver, or failure to satisfy the Tax Credit Contingency, Seller may seek to void the Court Approval Orders.

7. Insurance and Indemnification. Buyer or an affiliate thereof shall furnish a certificate of liability insurance to Seller and Receiver, naming both as Additional Insureds, with liability limits not less than \$1,000,000.00 prior to any entry on the Property by Buyer, their affiliates, agents, or invitees. Buyer indemnifies and holds Receiver and Seller harmless from and against any and all loss, liability, damage, injury, cost, expense (including reasonable fees and expenses of attorneys, experts and consultants) and claims of any kind or nature which may be paid, incurred, arising from Buyer’s Due Diligence Investigation, but not including the mere discovery of any existing condition on or around the Property.

8. Risk of Loss. Seller shall bear the entire risk of loss until Closing.

8.1. Eminent Domain. If, after the Effective Date and prior to Closing, Receiver receives notice of the commencement or threatened commencement of eminent domain or other like proceedings against the Property or any portion thereof, Receiver shall notify Buyer within five (5) days after Receiver’s knowledge of such proceedings, and Buyer shall elect within five (5) business days from and after such notice, by written notice to Receiver, either: (i) not to close the transaction contemplated hereby in which event (a) the Escrow Agent shall immediately return all Earnest Money to Buyer, and (b) neither party shall have further liability to the other arising out of this Agreement (except for such obligations that specifically survive termination of this Agreement); or (ii) to close the transaction contemplated hereby in accordance with its terms but subject to such proceedings, in which event Receiver shall assign its rights and Seller’s rights in any condemnation award or proceeds to Buyer. If Buyer does not make such election within the

aforesaid five (5) business day period, Buyer shall be deemed to have elected to close the transaction contemplated hereby in accordance with the terms hereof.

9. **Closing.** The transaction contemplated hereby shall be conducted remotely via escrow through the Escrow Agent and/or Title Agent, at a time acceptable to Receiver and Buyer, and in any event no later than December 31, 2024, subject to satisfaction or waiver of all closing conditions set forth in this Agreement (“**Closing**”), unless extended by agreement of both parties.

9.1. **Closing Deliverables.** At Closing, Receiver and Buyer, as applicable, agree to deliver (or cause to be delivered) to the other party, in accordance with the terms of this Agreement, the following:

9.1.1. Receiver shall deliver a special warranty deed in recordable form, conveying marketable title to the Property from Seller to Buyer, subject only to (i) current taxes and assessments not yet due and payable, and (ii) any Permitted Encumbrances (the “**Deed**”), which Deed shall contain a legal description of the Property that matches the current deed vesting title in the Property in Seller (“**Vesting Deed**”) and the legal description contained in the Survey (if the Survey provides a modernized legal description, the legal description shall include both the description contained in the Vesting Deed and the Survey) (the “**Legal Description**”);

9.1.2. Receiver shall deliver an affidavit in a form acceptable to the Title Agent and Seller’s counsel sufficient to remove all standard non-survey exceptions from the Owner’s Policy, however disclaiming all personal liability of the Receiver;

9.1.3. Receiver shall deliver an affidavit in a form acceptable to the Title Agent stating Seller is not a “foreign person”, as such term is used in §1445 of the Internal Revenue Code;

9.1.4. The Title Agent shall deliver the *pro forma* Title Policy, which Title Policy shall contain, in Schedule A, the Legal Description, however, if Title Agent refuses, based upon any action or omission by Buyer, such event shall not be considered a default by Seller or Receiver;

9.1.5. Receiver and Buyer shall deliver evidence of their respective capacity and authority for Closing if required by the Title Agent;

9.1.6. Receiver and Buyer shall deliver a closing statement to be prepared by the Title Agent (the “**Closing Statement**”) setting forth the Purchase Price and all prorations, adjustments, debits, and credits pursuant to the terms of this Agreement, including, without limitation, the Earnest Money (the “**Net Purchase Price**”);

9.1.7. Buyer shall deliver the Net Purchase Price per the Closing Statement; and

9.1.8. All other documents Buyer, Receiver, Seller’s Counsel, Buyer’s Counsel or the Title Agent reasonably deems necessary or appropriate to complete the transaction

contemplated by this Agreement.

9.2. Receiver Costs at Closing. At Closing, Receiver shall be responsible for the following costs: Receiver's attorney's fees and expenses, all recording costs and filing fees in connection with the cure of any title objection which Receiver is required or elected to cure, the Broker Commissions (defined below), prorated real estate taxes through the date of Closing, lookback/rollback/lower use reduced taxes (if applicable), and any other costs and expenses actually incurred by Receiver or Seller including, without limitation, any payoffs with respect to any loans actually incurred by Receiver. Seller shall be liable for all real estate taxes for all calendar years prior to Closing. Taxes for the year of closing shall be prorated as of the date of Closing, computed on the basis of prior years' taxes unless the current year mil levy is available.

9.3. Buyer Costs at Closing. At Closing, Buyer shall be responsible for the following costs: recording cost of the special warranty deed from Seller to Buyer, Buyer's attorney's fees and expenses, state documentary stamps, the Owner's Policy, any Title costs or charges, all title examination and search fees, cost of any inspections or surveys conducted by Buyer or Buyer's agents, prorated real estate taxes excluding lookback taxes (if applicable) from the date of Closing for the balance of the calendar year the Closing occurs, and any other costs and expenses actually incurred by Buyer including, without limitation, the costs associated with any loans obtained by Buyer in connection with its purchase of the Property. Any premiums for any Lender's title policy or any endorsements to the Owner's Policy or Lender's title policy shall be at the Buyer's sole cost and expense.

10. Title and Possession. At Closing, Receiver agrees to deliver a special warranty deed to the Property conveying to Buyer fee simple title to the Property subject only to the Permitted Encumbrances. Receiver shall deliver possession of the Property to Buyer at Closing.

11. Government Approvals/Contingencies:

11.1. Buyer, at Buyer's expense, will initiate the governmental approval process for the property for its intended use and the intended use of the Applicants (defined below), as well as the permitting process for the development and multifamily residential housing, as Buyer may deem necessary and economically essential for its and Applicants' intended use (within Buyer's sole and absolute discretion) with Seller's cooperation and participation. Seller shall provide its reasonable consent for all such submittals to governmental entities having jurisdiction over the property. Should Buyer terminate the Contract, all submissions to government agencies shall be withdrawn.

11.2. Buyer, together with up to two of Buyer's affiliates, who share substantially the same ownership structure, shall apply for an award of federal low-income housing tax credits (the "Tax Credits") from Florida Housing Finance Corporation ("FHFC") in connection with the 2024-201 Request for Applications (RFA). If Buyer, either together, or in conjunction with its affiliates, has not received final approval for the award of the Tax Credits from FHFC, with all time to appeal such awards having expired and with no appeal then pending and no appeal instituted or petition filed, by 5:00 PM EDT on September 23, 2024 (the "Tax Credit Contingency Deadline"), Buyer shall have the right to terminate this Agreement upon delivering

written notice thereof to Escrow Agent and Seller within five days, and Escrow Agent shall be authorized and instructed to promptly refund to Buyer the Earnest Money. Nothing contained in this subparagraph confers any rights under this Agreement upon Buyer's affiliate(s).

12. Receiver's Disclosures. Within fifteen (15) calendar days from the Effective Date, to the extent such documentation is not available in the dataroom maintained by Receiver or its broker, Receiver shall disclose to Buyer all documentation in its possession relating to the Property including, but not limited to, previous inspection reports, soils investigation reports, environmental reports, site layouts, surveys, litigation or pending litigation, liens, zoning actions, governmental notifications, title insurance policies, and copies of all covenants, conditions and restrictions applicable to the Property ("**Receiver Deliveries**"). Any Receiver Deliveries that exist in CAD format will be furnished to Buyer in CAD format. Receiver hereby warrants that the copies delivered are complete copies of the Receiver Deliveries in its possession, but does not warrant the accuracy of the information contained in any of the documents delivered pursuant to this Section. All Receiver Deliveries shall remain confidential, and shall be returned to Receiver if transaction does not close; provided, however, Buyer may include any Receiver Deliveries in applications and submissions to FHFC (or other governmental entities) in connection with applications for debt/equity financing, and if any Receiver Deliveries become a matter of public record as a result of such application or submission, such publication shall not constitute a breach of the confidentiality requirements. In the event this Agreement is terminated, all Receiver Deliveries provided to Buyer shall be returned promptly to Receiver. Notwithstanding the foregoing, Receiver and Seller make no representations or warranties as to the truth, usefulness or accuracy of the Receiver Deliveries and Buyer is not entitled to rely upon the Receiver Deliveries.

13. Representations and Warranties.

13.1. Representations and Warranties of Receiver. Receiver represents and warrants to Buyer, to the best of Receiver's actual knowledge, as follows:

13.1.1. Organization; Power; Good Standing. Seller is a limited liability company, duly organized and in good standing under the laws of Delaware, authorized to conduct business in the State of Florida, and, subject to the Receivership Order and the powers granted to the Receiver therein, has all requisite power and authority to own and operate its property and carry on its business as now being conducted.

13.1.2. Authority Relative to Agreement. Subject to obtaining the Court Approval Orders, this Agreement has been duly executed and delivered by Receiver and constitutes a legally binding obligation of Receiver, enforceable in accordance with its terms.

13.1.3. Effect of Agreement. The execution, delivery, and performance of this Agreement by Receiver has been duly authorized by Receiver and does not require the consent, waiver, approval, license, or authorization of any person, entity, or public authority, subject to the issuance of the Approval Orders.

13.1.4. Hazardous Materials. During the time Seller has held title to the Property: (a) there has been no hazardous or toxic material, substance, pollutant, contaminant,

waste, asbestos or petroleum product released into the environment, or disposed, discharged, placed or disposed of at, or on the Property; (b) the Property has not been used by any person as a landfill or waste disposal site; (c) there has been no claim, litigation, administrative proceeding, actual or threatened, or judgment or order relating to any hazardous substance, hazardous waste, discharge, emission or other form of pollution relating in any way to the Property; and (d) there has been no hazardous substance or hazardous waste, as defined by the Resource Conservation Recovery Act, as amended (42 U.S.C. " 6901, et seq.) or the Comprehensive Environmental Response, Compensation and Liability Act, as amended (42 U.S.C. " 9601, et seq.), generated, manufactured, refined, transported, treated, stored, handled or disposed of on, at the Property.

13.1.5. Special Assignments and Liens. No costs whatsoever associated with the present or past construction of any street, public walkway, common area, parking area or utility improvement surrounding or serving the area or the Property including, without limitation, the costs and expenses attributable to paving, curbs, water wells, extension of city water, sanitary sewer, storm sewer lines, street and parking lot lighting, street signs, engineering design and city engineering or inspections have been assessed against the Property.

13.1.6. OFAC. Seller (which, for this purposes of this Section, shall include its partners, members, principal stockholders and any other constituent entities) (i) has not been designated as a "specifically designated national and blocked person" on the most current list published by the Office of Foreign Asset Control of the U.S. Department of the Treasury ("OFAC") at its official website (<http://www.treas.gov/ofac/t11sdn.pdf>) or at any replacement website or other replacement official publication of such list (collectively, the "List"); (ii) is currently in compliance with and will at all times during the term of this Agreement (including any extension thereof) remain in compliance with the regulations of OFAC and any statute, executive order (including the September 24, 2001 Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action relating thereto; and (iii) will not transfer or permit the transfer of any controlling interest in Seller to any person or entity who is, or any of whose beneficial owners are, listed on the List.

13.1.7. Changes in Conditions. Receiver shall advise Buyer of any knowledge Receiver has or comes into with respect to any material change in these representations, warranties, or covenants prior to Closing.

13.1.8. Receivership. Pursuant to the Receivership Order, Receiver was appointed as Seller's court-appointed receiver and has authority to act as receiver for the Property.

References to the "knowledge" of Receiver, "to Receiver's knowledge" or similar phrases shall refer only to the actual, current knowledge of the Designated Representative (defined below), without any investigation or review of any other materials, and shall not be construed, by imputation or otherwise, to refer to the knowledge of any other officer, director, agent, manager, member, shareholder, representative or employee of Receiver or any affiliate thereof or to impose upon the Designated Representative any duty to investigate the matter to which such actual knowledge, or the absence thereof, pertains. As used herein, the term "**Designated Representative**" shall refer to Allan Rutman, as Partner of Receiver. Receiver represents and

warrants to Buyer that the Designated Representative is the individual primarily responsible for overseeing management and operations of the Property and transactions related to the Property and is the individual to whom material notices relating to the Property would be forwarded in the ordinary course of business. Under no circumstances shall the Designated Representative have any personal obligations or liabilities under this Agreement or otherwise.

Notwithstanding anything contained herein to the contrary, there shall be no liability on the part of Receiver or Seller for any breach of a representation, warranty or covenant arising from any matter or circumstance of which Buyer had actual knowledge at Closing unless any such breach is due to Receiver's intentional withholding of information from Buyer with the intent to defraud Buyer or conceal such fact or circumstances.

If any of the foregoing representations is not true as of Closing as a result of a matter, event or circumstance beyond Receiver's reasonable control, Buyer may not consider same as an event of default hereunder; but rather, in such case, Buyer may, at Buyer's option and as Buyer's sole and exclusive remedy, terminate this Agreement and have the Earnest Money returned by the Title Agent, whereupon the parties hereto shall have no further rights, obligations or liabilities with respect to each other hereunder, except as set forth herein; provided, however, Receiver shall have a reasonable time following notice from Buyer to cure any representations that are not true as of Closing, not to be less than five (5) business days, prior to Buyer's election to terminate this Agreement. Further, notwithstanding anything contained in this Agreement to the contrary, if, prior to Closing, Buyer obtains actual knowledge that any representation and/or warranty of Receiver is inaccurate or incorrect and Buyer nonetheless proceeds with Closing, Receiver and Seller shall have no liability for any such inaccurate or incorrect representation or warranty, and the same shall not be deemed a Receiver or Seller default hereunder. Subject to the preceding terms and conditions set forth in this paragraph, Seller indemnifies and holds Buyer harmless from and against any and all loss, liability, damage, injury, cost, expense (including reasonable fees and expenses of attorneys, experts and consultants) and claims of any kind or nature which may be paid, incurred, or asserted against Buyer in connection with or in any way (whether directly or indirectly) arising out of or relating to any material, intentional, knowing misrepresentation or breach of warranty by Receiver in this Section 13, and which is not as a result of a matter, event or circumstance beyond Receiver's reasonable control, and of which Buyer did not have knowledge prior to Closing. This indemnity will survive the termination of this Agreement for a period of sixty (60) days.

13.2. Representations and Warranties of Buyer. Buyer represents and warrants to Receiver and Seller as follows:

13.2.1. Organization; Power; Good Standing. Buyer is a limited liability company duly organized and in good standing under the laws of Florida and has all requisite power and authority to own and operate its properties and carry on its business as now being conducted and to enter into and perform this Agreement.

13.2.2. Authority Relative to Agreement. This Agreement has been duly executed and delivered by Buyer and constitutes a legal, binding obligation of Buyer, enforceable against Buyer in accordance with its terms.

13.2.3. No Bankruptcy. No petition has been filed by or against Buyer under the Bankruptcy Code, and the Buyer is not subject to a receivership, assignment for the benefit of creditors, or insolvency proceeding pending under State or Federal Law.

13.2.4. OFAC. Buyer (which, for this purposes of this Section, shall include its partners, members, principal stockholders and any other constituent entities) (i) has not been designated as a “specifically designated national and blocked person” on the most current list published by the Office of Foreign Asset Control of the U.S. Department of the Treasury (“OFAC”) at its official website (<http://www.treas.gov/ofac/t11sdn.pdf>) or at any replacement website or other replacement official publication of such list (collectively, the “List”); (ii) is currently in compliance with and will at all times during the term of this Agreement (including any extension thereof) remain in compliance with the regulations of OFAC and any statute, executive order (including the September 24, 2001 Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action relating thereto; and (iii) will not transfer or permit the transfer of any controlling interest in Buyer to any person or entity who is, or any of whose beneficial owners are, listed on the List.

13.2.5. Legal Proceedings. Buyer is not aware of any current or pending or, to Buyer’s knowledge, threatened litigation against Buyer which would affect Buyer’s ability to perform its obligations hereunder.

13.2.6. Changes in Conditions. Buyer shall advise Receiver of any knowledge Buyer has or comes into with respect to any material change in these representations, warranties, or covenants prior to Closing.

Subject to the preceding terms and conditions set forth in this paragraph, Buyer indemnifies and holds Receiver and Seller harmless from and against any and all loss, liability, damage, injury, cost, expense (including reasonable fees and expenses of attorneys, experts and consultants) and claims of any kind or nature which may be paid, incurred, or asserted against Receiver or Seller in connection with or in any way (whether directly or indirectly) arising out of or relating to any material, intentional, knowing misrepresentation or breach of warranty by Buyer in this Section 13 that is not a result of a matter, event or circumstance beyond Buyer’s reasonable control. This indemnity will survive the termination of this Agreement for a period of sixty (60) days.

14. AS IS. BUYER ACKNOWLEDGES THAT EXCEPT FOR THE WARRANTIES AND REPRESENTATIONS CONTAINED IN THIS AGREEMENT AND CONTAINED IN THE DOCUMENTS EXECUTED BY RECEIVER AT CLOSING, INCLUDING, WITHOUT LIMITATION, THE DEED, BUYER IS NOT RELYING ON ANY WRITTEN, ORAL, IMPLIED OR OTHER REPRESENTATIONS, STATEMENTS OR WARRANTIES BY SELLER, RECEIVER OR ANY AGENT, REPRESENTATIVE OR CONTRACTOR OF SELLER OR RECEIVER OR ANY REAL ESTATE BROKER OR SALESMAN. ALL PREVIOUS WRITTEN, ORAL, IMPLIED OR OTHER STATEMENTS, REPRESENTATIONS, WARRANTIES OR AGREEMENTS, IF ANY, ARE MERGED IN THIS AGREEMENT. EXCEPT AS EXPRESSLY SET FORTH HEREIN, RECEIVER AND SELLER

SHALL HAVE NO LIABILITY TO BUYER, AND BUYER HEREBY RELEASES RECEIVER AND SELLER FROM ANY LIABILITY TO BUYER (INCLUDING CONTRACTUAL AND/OR STATUTORY ACTIONS FOR CONTRIBUTION OR INDEMNITY), FOR, CONCERNING OR REGARDING (1) THE NATURE AND CONDITION OF THE PROPERTY, INCLUDING THE SUITABILITY THEREOF FOR ANY ACTIVITY OR USE; (2) ANY IMPROVEMENTS OR SUBSTANCES LOCATED THEREON; OR (3) THE COMPLIANCE OF THE PROPERTY WITH ENVIRONMENTAL LAWS OR ANY OTHER LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY GOVERNMENT OR OTHER BODY. THE FOREGOING INCLUDES A RELEASE OF RECEIVER AND SELLER FROM CLAIMS BASED ON RECEIVER'S OR SELLER'S NEGLIGENCE IN WHOLE OR IN PART AND CLAIMS BASED ON STRICT LIABILITY. EXCEPT AS SPECIFICALLY OTHERWISE PROVIDED IN THIS AGREEMENT, RECEIVER AND SELLER HAVE NOT MADE, DO NOT MAKE AND EXPRESSLY DISCLAIM, ANY WARRANTIES, REPRESENTATIONS, COVENANTS OR GUARANTEES, EXPRESSED OR IMPLIED, OR ARISING BY OPERATION OF LAW, AS TO THE MERCHANTABILITY, HABITABILITY, QUANTITY, QUALITY, PHYSICAL CONDITION, HEALTH AND SAFETY CONDITION OR ENVIRONMENTAL CONDITION OF THE PROPERTY OR ITS SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR USE. BUYER AFFIRMS THAT PRIOR TO CLOSING BUYER SHALL HAVE (I) INVESTIGATED AND INSPECTED THE PROPERTY TO ITS SATISFACTION AND BECOME FAMILIAR AND SATISFIED WITH THE CONDITION OF THE PROPERTY, AND (II) SUBJECT TO THE REPRESENTATIONS AND WARRANTIES MADE BY RECEIVER HEREIN, MADE ITS OWN DETERMINATION AS TO (A) THE MERCHANTABILITY, QUANTITY, QUALITY AND CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE PHYSICAL CONDITION, HEALTH AND SAFETY CONDITION, ENVIRONMENTAL CONDITION INCLUDING THE PRESENCE, POSSIBLE PRESENCE, NATURE, AND EXTENT OF TOXIC OR HAZARDOUS SUBSTANCES, MATERIALS OR WASTES OR OTHER ACTUAL OR POTENTIAL ENVIRONMENTAL CONTAMINANTS, AND (B) THE PROPERTY'S SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR USE. EXCEPT AS SPECIFICALLY OTHERWISE PROVIDED IN THIS AGREEMENT, BUYER HEREBY ACCEPTS THE PROPERTY IN ITS PRESENT CONDITION ON AN "AS IS", "WHERE IS" AND "WITH ALL FAULTS", INCLUDING ENVIRONMENTAL, BASIS AND ACKNOWLEDGES THAT (I) WITHOUT THIS ACCEPTANCE, THIS SALE WOULD NOT BE MADE, AND (II) THAT RECEIVER AND SELLER SHALL BE UNDER NO OBLIGATION WHATSOEVER TO UNDERTAKE ANY INVESTIGATION, REPAIR, ALTERATION, REMEDIATION, ABATEMENT, MITIGATION, REMOVAL, CORRECTIVE ACTION, MONITORING, CONTROL OR OTHER WORK OF ANY KIND WITH RESPECT TO ANY PORTION OF THE PROPERTY OR ANY TOXIC OR HAZARDOUS SUBSTANCES, MATERIALS OR WASTES OR OTHER ACTUAL OR POTENTIAL ENVIRONMENTAL CONTAMINANTS AT, ON, WITHIN, ABOVE OR UNDER THE PROPERTY OR MIGRATING TO AND/OR FROM THE PROPERTY. IF THE CLOSING OCCURS, EXCEPT FOR THE WARRANTIES AND REPRESENTATIONS CONTAINED IN THIS AGREEMENT AND CONTAINED IN THE DOCUMENTS EXECUTED BY RECEIVER AT CLOSING, INCLUDING, WITHOUT LIMITATION, THE DEED, BUYER AND ITS SUCCESSORS AND ASSIGNS HAVE, AND SHALL BE DEEMED TO HAVE, ASSUMED ALL RISK AND LIABILITY WITH RESPECT TO THE PRESENCE OF TOXIC OR

HAZARDOUS SUBSTANCES, MATERIALS OR WASTES OR OTHER ACTUAL OR POTENTIAL ENVIRONMENTAL CONTAMINANTS AT, ON, WITHIN, ABOVE OR UNDER THE PROPERTY OR MIGRATING TO AND/OR FROM THE PROPERTY, WHETHER KNOWN OR UNKNOWN, APPARENT, NON-APPARENT OR LATENT, AND WHETHER EXISTING PRIOR TO, AT OR SUBSEQUENT TO TRANSFER OF THE PROPERTY TO BUYER. EXCEPT FOR THE WARRANTIES AND REPRESENTATIONS CONTAINED IN THIS AGREEMENT AND CONTAINED IN THE DOCUMENTS EXECUTED BY RECEIVER AT CLOSING, INCLUDING, WITHOUT LIMITATION, THE DEED, RECEIVER AND SELLER ARE HEREBY RELEASED BY BUYER AND ITS SUCCESSORS AND ASSIGNS OF AND FROM ANY AND ALL RESPONSIBILITY, LIABILITY, OBLIGATIONS AND CLAIMS, KNOWN OR UNKNOWN (INCLUDING (1) ANY OBLIGATION TO TAKE THE PROPERTY BACK OR REDUCE THE PURCHASE PRICE, OR (2) ACTIONS FOR CONTRIBUTION OR INDEMNITY), THAT BUYER OR ITS SUCCESSORS AND ASSIGNS MAY HAVE AGAINST RECEIVER OR SELLER OR THAT MAY ARISE IN THE FUTURE, BASED IN WHOLE OR IN PART UPON THE PRESENCE OF TOXIC OR HAZARDOUS SUBSTANCES, MATERIALS OR WASTES OR OTHER ACTUAL OR POTENTIAL ENVIRONMENTAL CONTAMINANTS AT, ON, WITHIN, ABOVE OR UNDER THE PROPERTY OR MIGRATING TO AND/OR FROM THE PROPERTY, INCLUDING WITHOUT LIMITATION ALL RESPONSIBILITY, LIABILITY, OBLIGATIONS AND CLAIMS THAT MAY ARISE UNDER THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND LIABILITY ACT, AS AMENDED 42 U.S.C. § 9601 ET SEQ. AND/OR ANY OTHER ENVIRONMENTAL LAWS. BUYER FURTHER ACKNOWLEDGES THAT THE PROVISIONS OF THIS SECTION HAVE BEEN FULLY EXPLAINED TO BUYER AND THAT BUYER FULLY UNDERSTANDS AND ACCEPTS THE SAME. THE PROVISIONS OF THIS SECTION SHALL SURVIVE CLOSING. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, THE TERMS AND PROVISIONS OF THIS SECTION SHALL IN NO MANNER AFFECT, DIMINISH, MODIFY, IMPAIR OR VITIATE ANY OF RECEIVER'S EXPRESS REPRESENTATIONS, EXPRESS WARRANTIES AND/OR EXPRESS COVENANTS CONTAINED IN THIS AGREEMENT AND/OR ANY OF THE DOCUMENTS EXECUTED BY RECEIVER AT CLOSING.

15. Conditions of Closing.

15.1. Buyer's Conditions of Closing. Unless waived by Buyer in writing, or deemed waived according to the terms of this Agreement, the obligations of Buyer under this Agreement are subject to fulfillment of the following conditions:

15.1.1. Special Warranty Deed. Buyer shall receive at closing a special warranty deed for the Property that is acceptable to Buyer.

15.1.2. Sale Free and Clear. The Court Approval Orders shall provide that all liens and mortgages upon the Property shall be released from the Property, except the Hillmount mortgage, which shall be paid in full from the closing proceeds otherwise due to Seller. Except as otherwise provided herein, on the Closing, the Property shall be transferred to Buyer free and clear of all obligations, liabilities and encumbrances, other than the Permitted

Encumbrances.

15.1.3. Representations and Warranties. There have been no material inaccuracies in the representations and warranties of Receiver and such representations and warranties shall be true as of Closing as though made on and as of such date and Buyer shall have received a certificate dated as of closing to that effect.

15.1.4. Title Commitment and Survey. Subject to the terms and conditions of this Agreement, Buyer has received a Title Commitment and Survey for the Property that are acceptable to Buyer, subject to (i) those items deemed waived by Buyer and/or (ii) the Permitted Encumbrances, and Receiver has met the obligations contained in Section 4.2 of this Agreement.

15.1.5. Court Approval. The Court Approval Contingency shall have been satisfied in accordance with Section 6 hereof.

15.1.6. Tax Credit Contingency. The Tax Credit Contingency shall have been satisfied or waived in accordance with Section 11.2 hereof.

15.2. Receiver's Conditions of Closing.

15.2.1. Payment. At Closing, Receiver shall receive from Buyer via wire transfer the amount equal to the Net Purchase Price.

15.2.2. Representations and Warranties. There have been no material inaccuracies in the representations and warranties of Buyer and such representations and warranties shall be true as of Closing as though made on and as of such date and Receiver shall have received a certificate dated as of Closing to that effect.

16. Brokers. Seller and Buyer acknowledge that no agent, broker or finder has been employed by either party, except for Seller's engagement of ESHENBAUGH LAND COMPANY. Seller and Buyer each warrant to the other that they have not entered into any other contract, arrangement or understanding with any person or firm which may result in the obligation of the other party to pay any finder's fee, brokerage or agent's commission or other like payment in connection with this Agreement (a "**Broker Commission**") and the parties are not aware of any claim or basis for any claim for payment of any finder's fee, brokerage or agent's commission or other like kind payment in connection with this Agreement other than as stated in this Section. Receiver shall pay the Broker Commission pursuant to a separate agreement.

17. Receiver's Commitment. Receiver agrees that it will not create or permit any additional encumbrances, easements, covenants, restrictions, liens, special assessments (excluding those that will be paid in full by Receiver at or before Closing) or other binding instruments against the Property on or after the Effective Date without the express written authorization of the Buyer.

18. Default. Each party agrees to use its best efforts to satisfy its respective Conditions of Closing set forth in Section 15 of this Agreement. If the Conditions of Closing for a party have not been satisfied and such noncompliance or nonperformance has not been waived by Closing,

such party may terminate this Agreement and the parties shall have no liability to the other, except that Earnest Money shall be disbursed according to the terms of this Agreement. If Buyer's Conditions of Closing have been satisfied or waived and Buyer wrongfully fails to consummate the transaction, Receiver and Seller's sole remedy shall be to retain the Earnest Money, together with any interest thereon, as liquidated damages. The parties acknowledge that the Earnest Money is a reasonable estimate of damages that are difficult to determine and that the amount of Earnest Money bears a reasonable relationship to the damages which Receiver and Seller would suffer as a result of Buyer's default under this Agreement. If Receiver's Conditions of Closing have been satisfied or waived and Receiver wrongfully fails to consummate the transaction, then the Earnest Money shall be returned to Buyer and Buyer shall be entitled to either (i) terminate this Agreement and recover from Seller an amount equal to Buyer's actual, reasonable, and substantiated out of pocket costs and expenses paid or irrevocably committed to be paid in connection with this Contract, which reimbursement amount shall in no event exceed Twenty Thousand and No/100 Dollars (\$20,000), regardless of the amount of Buyer's actual costs, or (iii) seek to exercise the right to specific performance. If Buyer elects to pursue specific performance, Buyer shall be required to replace the Earnest Money deposit with Escrow Agent and file for such cause of action within thirty (30) days of the alleged breach by Receiver.

19. No Waiver or Modification. This Agreement may not be modified in any manner whatsoever without such waiver or modification being in writing duly executed by the parties hereto. No failure by either party to require performance by the other party of any of the terms of this Agreement shall in any way affect such party's right to enforce such terms, nor shall any waiver by either party of any term be a waiver of any other term hereof or any breach hereof.

20. Notices. Any notice, designation, consent or approval required under this Agreement shall be in writing and mailed by certified mail, return receipt requested, or sent by overnight courier, addressed to the parties, or sent by email transmission to the parties at the addresses provided below, with proof of delivery. Any notice forwarded in accordance with the terms of this Section shall be deemed to have been delivered to the other party three (3) business days following the date of mailing, one (1) business day following the deposit with an overnight courier, or on the business day during which the email notice is sent. Further, notices received by an attorney for either party or submitted to or by an attorney on behalf of either party shall be sufficient for the purposes of this Agreement.

If to Buyer:

PC GP HOLDINGS II, LLC
9100 S. Dadeland Boulevard, Suite 700
Miami, Florida 33156
Attention: David O. Deutch
Email: david@pinnaclehousing.com

With Copy to:

Robert Cheng, Esq.
Shutts and Bowen LLP
200 South Biscayne Blvd, Suite 4100
Miami, Florida 33131
Email: rcheng@shutts.com

If to Receiver or Seller: Zeifmans Partners Inc., in its capacity as receiver of Legacy Lifestyles Ft Myers Property, a Delaware limited liability company
 Attn: Allan Rutman
 201 Bridgeland Avenue
 Toronto, Ontario M6A 1Y7
 Email: aar@zeifmans.ca

With Copy To: Arnold M. Straus, Jr. Attorney
 Straus & Associates P.A.
 10081 Pines Blvd, Suite C
 Pembroke Pines, Fl 33012
 Telephone: (954) 431-2000
 Email: sstraus@strauslegal.com

21. **Assignment.** This Agreement, and the rights, interests and obligations hereunder, shall not be assigned by any Party by operation of law or otherwise without the express written consent of all of the other Parties (which consent shall not be unreasonably withheld, conditioned or delayed), however Receiver and Seller may withhold consent if the assignment affects the application for Tax Credits adversely. Any permitted assignee must sign a Joinder and Consent to this Agreement, agreeing to be bound by all covenants and obligations, and Buyer shall not be released, until closing. Any assignment in contravention of this **Section 21** shall be null and void ab initio.

22. **Right to Effect an Exchange.** At the election of either party and upon written notice to the other party, prior to the date of Closing, either party may elect to effectuate an exchange for certain selected like-kind real property or properties pursuant to I.R.C. §1031. In the event that either party elects to structure this transaction as a like-kind exchange (including, without limitation, any intermediate conveyance to the members of a party), the other party shall reasonably cooperate upon the request of the electing party, including prompt execution of such documents as may reasonably be required to effectuate such exchange, provided that: (a) the electing party shall bear all costs in connection with such exchange and shall indemnify and hold the other party harmless from and against any cost, claims, expenses, or liabilities (including reasonable attorneys' fees) incurred by the other party solely as a result of structuring the transaction as a like-kind exchange; (b) neither party shall be required to take an assignment of this Agreement for the relinquished or replacement property or be required to acquire or hold title to any real property for purposes of consummating an exchange desired by the other party; and (c) the exchange shall have no material effect on the terms of either party's rights or obligations under this Agreement. Notwithstanding any other provision of this Agreement to the contrary, Seller and Buyer agree that the other party hereto may assign its rights in this Agreement to a third party as part of any such exchange. No such assignment shall cause either party to be released from the obligations imposed upon it under this Agreement. Nothing contained herein shall prevent both parties from electing a like-kind exchange.

23. **Governing Law, Venue and Consent to Jurisdiction.** This Agreement shall be governed by, and construed in accordance with, internal laws of the State of Florida. Receiver,

Seller and Buyer irrevocably submit to the jurisdiction of the U.S. Bankruptcy Court, which shall have jurisdiction to determine all disputes which arise from the terms of this agreement. Similarly, the parties agree to waive any objection to the jurisdiction of U.S. Bankruptcy Court. Solely to the extent that the U.S. Bankruptcy Court declines to exercise its jurisdiction, then the parties may only seek redress before the United States District Court for the Middle District of Florida or the courts of Sumter County, Florida, and the parties waive any objection to the jurisdiction of such courts or arguments that such courts are inappropriate venues.

24. Legal Counsel. The parties to this Agreement acknowledge that they are commercially skilled and experienced, have studied and negotiated the terms of this Agreement, and have further had the opportunity to consult with independent legal counsel. No provision of this Agreement shall be construed in favor of, or against, either party as this Agreement has been negotiated and adopted fully and freely by both parties.

25. Entire Agreement. This document contains the entire agreement between the parties with respect to the subject matter and terms of this Agreement and supersedes all prior proposals, understandings, agreements, correspondence, arrangements, and contemporaneous oral agreements relating to subject matter of this Agreement. The parties mutually covenant and represent that there are no other agreements, promises, assurances, representations, warranties, undertakings, or understandings, either written or oral, between the parties concerning the Property other than those set forth in this Agreement. No amendment of this Agreement shall be effective or binding unless it is in writing and has been signed by both Receiver and Buyer.

26. Time is of the Essence. Time is of the essence for this Agreement, is made a material consideration thereof, and all elements of this Agreement shall be subject to commercially expedient and diligent completion expectations by the parties.

27. Miscellaneous.

27.1. Binding Effect; Benefits. This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, representatives, successors in interest, and permitted assigns. Subject to Section 21, neither party shall assign its rights or obligations under this Agreement to another individual or entity without the prior written consent of the other party.

27.2. Counterparts. This Agreement may be signed in one or more counterparts, each of which would be deemed an original and all of which, when taken together, shall constitute one and the same document. To further facilitate the execution of this Agreement, the parties agree that they will give legal effect to facsimile, electronic or PDF signatures, including through platforms like DocuSign and Digi-Ink and in a file in PDF or similar format, as if such signatures originally appeared on counterpart copies of this Agreement.

27.3. Further Assurances. Each of the parties agrees to execute and deliver such other documents and take such other action, whether prior to or subsequent to Closing, as may be necessary to more effectively consummate the intent and purpose of this Agreement.

27.4. Incorporation of Exhibits. All Exhibits referenced and attached to this

Agreement are incorporated as if fully set forth.

27.5. Severability. If for any reason whatsoever, any one or more of the provisions of this Agreement shall be held or deemed to be inoperative, unenforceable, or invalid as applied to any particular case or in all cases, such circumstances shall not have the effect of rendering such provision invalid in any other case or of rendering any of the other provisions of this Agreement inoperative, unenforceable, or invalid. The invalidation of any provision of this Agreement shall not affect the validity of the remaining provisions.

27.6. Survival and Nonmerger. All terms, conditions, representations and warranties contained in this Agreement shall survive the Closing.

27.7. Waiver. Either Buyer or Receiver may, by written notice to the other, (a) extend the time for the performance of any of the obligations of the other under this Agreement; (b) waive any inaccuracies in the representations or warranties of the other contained in this Agreement or in any document delivered pursuant to this Agreement; (c) waive compliance with any of the conditions or covenants of the other contained in this Agreement; or (d) waive performance of any of the obligations of the other under this Agreement. Except as provided in the preceding sentence, no action taken pursuant to this Agreement, including any investigation by or on behalf of any party, shall be deemed to constitute a waiver of compliance with any representations, warranties, covenants, or agreements contained in this Agreement. The waiver by a party of a breach of any provision shall not be construed as a waiver of any prior or subsequent breach of the same or any other provision.

27.8. Termination. Any termination by Receiver or Buyer as permitted by the terms of this Agreement shall result in neither party having any further liability to the other arising out of this Agreement, except for such obligations that specifically survive termination of this Agreement.

27.9. Consents. With regard to all matters in this Agreement requiring the consent or approval of a party, the parties agree that any such consent or approval shall not be unreasonably withheld, conditioned, or delayed, unless otherwise specifically provided by this Agreement.

27.10. Dates. Unless otherwise indicated, all references to “days” shall mean calendar days. Whenever the time for performance of a covenant or condition falls on a Saturday, Sunday or federal holiday, such time for performance shall be extended to the next business day. All references to “business days” shall mean any day other than a Saturday, a Sunday, or any federal holiday. Wherever any period of time is specified herein for the taking of any action or the giving of any notice, the period shall be computed by excluding the day upon which the period is specified to commence and including the last day of the period specified.

27.11. No Recording. Neither this Agreement nor any memorandum or short form thereof may be recorded by Buyer, except in connection with an action by Buyer for specific performance by Seller pursuant to the provisions of this Agreement.

27.12. Third Party Beneficiaries. This Agreement is for the benefit solely of Buyer

and Receiver. No other person or entity shall be entitled to rely hereon or to anticipate the benefits hereof or to otherwise assert or be entitled to any rights as a third-party beneficiary hereof.

27.13. Waiver of Jury Trial. RECEIVER AND BUYER WAIVE ANY RIGHT TO TRIAL BY JURY OR TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER ARISING IN CONTRACT, TORT, OR OTHERWISE, BETWEEN RECEIVER AND BUYER ARISING OUT OF THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT, OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS RELATED HERETO.

27.14. Lists. When used in this Agreement, “including” has its commonly accepted meaning associated with such word and any list of items that may follow such word are illustrative and are not be deemed to represent a complete list of the contents of the reference of the subject.

27.15. Headings; Sections. Section titles or captions in this Agreement are included for purposes of convenience only and shall not be considered a part of this Agreement in construing or interpreting any of its provisions. All references in this Agreement to Sections shall refer to Sections of this Agreement unless the context clearly otherwise requires.

27.16. Preparation of Agreement. The parties acknowledge that each has been represented by, or has had the opportunity to consult with, legal counsel of its own choosing in this matter, and this Agreement has been arrived at through arms’ length negotiation. The parties have participated jointly in the negotiation and drafting of this Agreement. If any ambiguity or question of intent or interpretation arises, no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

27.17. Numbers; Pronouns. Unless the context otherwise requires, when used in this Agreement, the singular shall include the plural, the plural shall include the singular, and all pronouns shall be deemed to refer to the masculine, feminine or neuter, as the identity of the person or persons may require.

27.18. Attorneys’ Fees. If either Receiver or Buyer shall bring an action against the other party for breach of such party’s obligations under this Agreement, the non-prevailing party shall pay the prevailing party’s costs and expenses incurred in connection with such litigation, including, without limitation, reasonable attorneys’ fees. The “prevailing party” shall be determined by the court hearing such matter. Reference in this Agreement to attorneys shall be deemed to include inside general counsel, outside special counsel, local counsel, and paralegals engaged by any such counsel. “Reasonable attorneys’ fees” means attorneys’ fees actually incurred at the normal hourly rates of commercial real estate attorneys in the Property jurisdiction and shall not mean any statutory definition of “reasonable attorneys’ fees”.

27.19. Joint and Several. If more than one person or entity has signed this Agreement as Buyer or Receiver, then all references in this Agreement to Buyer or Receiver, respectively, shall mean each and all of the persons so signing, as applicable. The liability of all persons and entities signing shall be joint and several with all others similarly liable.

27.20. Drafts Not an Offer to Enter into a Legally Binding Contract. The parties hereto agree that the submission of a draft of this Agreement by one party to another is not intended by either party to be an offer to enter into a legally binding contract with respect to the purchase and sale of the Property. The parties shall be legally bound with respect to the purchase and sale of the Property pursuant to the terms of this Agreement only if and when the parties have negotiated all of the terms and provisions of this Agreement in a manner acceptable to each of the parties in their respective sole discretion, including, without limitation, all of the exhibits, schedules and/or addenda hereto, and each of Receiver and Buyer have fully executed and delivered to each other a counterpart of this Agreement, including, without limitation, all exhibits, schedules and/or addenda hereto.

27.21. Disclosures.

27.21.1. Commercial Real Estate Sales Commission Lien Act. The Florida Commercial Real Estate Sales Commission Lien Act provides that a broker has a lien upon the owner's net proceeds from the sale of commercial real estate for any commission earned by the broker under a brokerage agreement. The lien upon the owner's net proceeds is a lien upon personal property which attaches to the owner's net proceeds and does not attach to any interest in real property. This lien right cannot be waived before the commission is earned.

27.21.2. Special Assessment Liens Imposed by Public Body. The Property may be subject to unpaid special assessment lien(s) imposed by a public body (a public body includes a Community Development District). Such liens, if any, which are due and payable as of Closing, shall be paid by Receiver at the Closing; otherwise, any unpaid assessments or assessment liens not yet due and payable shall be prorated as of the date of Closing.

27.21.3. Radon Gas. Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit.

27.21.4. Energy-Efficiency Rating Information. Buyer acknowledges receipt of the information brochure required by Section 553.996, Florida Statutes.

[SIGNATURE PAGE FOLLOWS]