

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**BETWEEN:**

**ROYAL BANK OF CANADA**

Applicant

and

**MARA TECH AVIATION FUELS LTD.,  
MARA TECH AVIATION SERVICES LTD.,  
MARA TECH AVIATION FUELS (THOMPSON) LTD., and  
MARA TECH AVIATION FUELS (SUDBURY) LTD.**

Respondent

**MOTION RECORD**

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## SERVICE LIST

### ROYAL BANK OF CANADA V. MARA TECH AVIATION FUELS LTD. ET AL COURT FILE NO. 56184/15

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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**BETWEEN:**

**ROYAL BANK OF CANADA**

Applicant

and

**MARA TECH AVIATION FUELS LTD.,  
MARA TECH AVIATION SERVICES LTD.,  
MARA TECH AVIATION FUELS (THOMPSON) LTD., and  
MARA TECH AVIATION FUELS (SUDBURY) LTD.**

Respondent

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**TAB 1**

**NOTICE OF MOTION**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**BETWEEN:**

**ROYAL BANK OF CANADA**

Applicant

and

**MARA TECH AVIATION FUELS LTD.,  
MARA-TECH AVIATION SERVICES LTD.,  
MARA TECH AVIATION FUELS (THOMPSON) LTD., and  
MARA TECH AVIATION FUELS (SUDBURY) LTD.**

Respondents

**NOTICE OF MOTION**

BDO Canada Limited (“the Receiver”), in its capacity as Court-Appointed Receiver, without security, of all the assets, undertakings and properties (the “Property”) of Mara Tech Aviation Fuels Ltd., Mara-Tech Aviation Services Ltd., Mara Tech Aviation Fuels (Thompson) Ltd., and Mara Tech Aviation Fuels (Sudbury) Ltd. (the “Debtors” or “Mara Tech”), will make a Motion before the presiding Judge on Thursday, January 19, 2017 at 10:00 a.m., or as soon after that time as the Motion can be heard at the Courthouse, 59 Church Street, St. Catharines, Ontario.

**PROPOSED METHOD OF HEARING:** The Motion is to be heard:

- in writing under subrule 37.12.1(1);
- in writing as an opposed motion under subrule 37.12.1(4);
- orally.

**THE MOTION IS FOR**

- (1) An order abridging and validating the time for and manner of service of this Notice of Motion, the Third Report of the Receiver dated January 16, 2017 (the "Third Report"), the Confidential Supplement to the Third Report dated January 16, 2017 (the "Confidential Supplement to the Third Report") and the Motion Record herein and directing any further service of this Notice of Motion, Third Report, the Confidential Supplement to the Third Report and Motion Record be dispensed with such that this motion is properly returnable on January 19, 2017.
- (2) An order approving the Third Report of the Receiver and the activities and conduct of the Receiver detailed therein.
- (3) An order approving the sale of certain property pursuant to an Agreement of Purchase and Sale dated December 29, 2016 executed by the Receiver and Your Quick Gateway (Windsor) Inc. (the "Windsor APS") (the aforesaid Property as described in the Windsor APS is sometimes hereinafter referred to as the "Purchased Assets").
- (4) A vesting order in connection with the sale of the Purchased Assets to Your Quick Gateway (Windsor) Inc.
- (5) An order that the Receiver is empowered and authorized to assign or terminate any and all leases and occupancy agreement between Mara Tech and Your Quick Gateway (Windsor) Inc.
- (6) An order that immediately upon the completion of the Windsor APS that the Debtors deliver possession of the Purchased Assets to Your Quick Gateway (Windsor) Inc.
- (7) An Order that in conjunction with the completion of the Windsor APS that the Receiver be at liberty to terminate all of the employees of Mara Tech that work at the Windsor International Airport.



- (8) A sealing order with respect to the Receiver's Confidential Supplement to the Third Report.
- (9) An order substantially in the form of the draft Order contained at Tab 3 of the Motion Record.
- (10) Such further and other Relief as counsel may advise and this Honourable Court may permit.

## THE GROUNDS FOR THE MOTION ARE

### Background

- (1) On August 4, 2016, and pursuant to section 243(1) of the Bankruptcy and Insolvency Act and section 101 of the Courts of Justice Act, by way of the Order of the Honourable Mr. Justice Lococo, BDO Canada Limited ("**BDO**") was appointed as Receiver (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of Mara Tech Aviation Fuels Ltd., Mara Tech Aviation Services Ltd., Mara Tech Aviation Fuels (Thompson) Ltd., and Mara Tech Aviation Fuels (Sudbury) Ltd. (collectively "**Mara Tech**" or the "**Debtors**") acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (the "**Property**").
- (2) Mara Tech provided fueling and ground support services to various airlines. Airlines serviced include Air Canada/Jazz, Porter Airlines, SunWing Airlines, and Bearskin Airlines. Other customers are private aircrafts and charters, including: Canada Post, Ministry of Natural Resources, and the Canadian Department of National Defense. Mara Tech maintained fixed base operations at public airports located in Sault Ste. Marie, Sudbury, North Bay, and Windsor. Mara Tech had approximately 95 employees (the "**Services**").
- (3) Pursuant to the Approval and Vesting Order of the Honourable Justice Lococo dated Friday, December 16, 2016, the equipment and inventory of Mara Tech

located at the Sault Ste. Marie, North Bay and Sudbury Airports were duly sold and transferred to Executive Aviation Fuels Ltd. and to Executive Aviation Fuels (Sudbury) Ltd.

- (4) By way of Agreement of Purchase and Sale dated December 29, 2016, the Receiver has received an offer from Your Quick Gateway (Windsor) Inc. with respect to it purchasing from the Receiver the equipment of Mara Tech that is located at the Windsor International Airport.
- (5) The accounts receivable of Mara Tech and the equipment of Mara Tech that is located at the Windsor International Airport are the remaining assets and property of Mara Tech that have not been realized upon by the Receiver.
- (6) Mara Tech takes the position that the Receiver should not realize upon any further assets of Mara Tech on the basis that the Receiver has sufficient proceeds of realization to pay all of Mara Tech's liabilities and obligations.
- (7) The offer of Your Quick Gateway (Windsor) Inc. provides for greater proceeds of realization from the sale of the equipment of Mara Tech which is located at the Windsor International Airport than if such equipment was sold by the Receiver on a liquidation basis.
- (8) Based upon the financial information provided by Mara Tech to the Receiver, the Receiver has determined that even with the completion of the Windsor APS and the sale of the equipment to Your Quick Gateway (Windsor) Inc. that there would be a substantial shortfall of approximately \$60,000.00 to the unsecured creditors of Mara Tech.

#### **Termination of the Receiver's Duties at the Windsor International Airport**

- (9) Mara Tech presently carries on business at the Windsor International Airport by providing ground handling services to certain airlines who operate from the Windsor International Airport and Mara Tech employs approximately 11 employees with respect to the same.

- (10) Your Quick Gateway (Windsor) Inc. which owns and operates the Windsor International Airport has advised the Receiver that it intends to take Mara Tech's ground handling services in house and directly service the relevant airlines.
- (11) Your Quick Gateway (Windsor) Inc. intends itself to provide the ground handling services to the relevant airlines and if it is unable to acquire the equipment of Mara Tech located at the Windsor International Airport then it will source alternative equipment in order that Your Quick Gateway (Windsor) Inc. provide the ground handling services that have heretofore been supplied by Mara Tech.
- (12) Your Quick Gateway (Windsor) Inc. has, without commitment or obligation and for information purposes only, advised the Receiver that with respect to it providing the ground handling services heretofore provided by Mara Tech that it would likely retain five or six of Mara Tech's employees.
- (13) Your Quick Gateway (Windsor) Inc. has indicated that it is not prepared to enter into any long-term arrangement with Mara Tech to allow Mara Tech to have occupation and access to the Windsor International Airport relative to it providing continued ground handling services at the Windsor International Airport.
- (14) If the Windsor APS is not approved by the Honourable Court or completed then it is not in the interest of the creditors of Mara Tech that the Receiver take further steps, actions or proceedings to realize on the equipment of Mara Tech that is located at the Windsor International Airport as the expense of the same would be greater than gross proceeds of realization.
- (15) Rules 2.03, 3.02 and 27 of the *Rules of Civil Procedure*.
- (16) Section 47 of the *Bankruptcy and Insolvency Act*.
- (17) Such further and other grounds as counsel may advise and this Honourable Court permit.

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

- (1) The First Report of the Receiver, dated November 14, 2016;
- (2) The Second Report of the Receiver, dated December 5, 2016;
- (3) The Confidential Supplement to the Second Report, dated December 7, 2016;
- (4) The Third Report of the Receiver, dated January 16, 2017;
- (5) The Confidential Supplement to the Third Report, dated January 16, 2017;  
and
- (6) Such further and other evidence as counsel may advise and this Honourable Court may permit.

DATED: January 16, 2017

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TO: THE SERVICE LIST

# **TAB 2**

**THIRD REPORT OF THE  
RECEIVER DATED  
January 16, 2017**

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**B E T W E E N:**

**ROYAL BANK OF CANADA**

**Applicant**

**- and -**

**MARA TECH AVIATION FUELS LTD.,  
MARA TECH AVIATION SERVICES LTD.,  
MARA TECH AVIATION FUELS (THOMPSON) LTD., and  
MARA TECH AVIATION FUELS (SUDBURY) LTD.**

**Respondents**

**THIRD REPORT TO THE COURT  
SUBMITTED BY BDO CANADA LIMITED  
AS RECEIVER**

January 16, 2017

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### **APPENDICES:**

- Appendix A** - Initial Order, dated August 4, 2016
- Appendix B** - Receiver’s First Report (Without Exhibits), dated November 14, 2016
- Appendix C** - Receiver’s Second Report (Without Exhibits), dated December 5, 2016
- Appendix D** - Agreement of Purchase and Sale with Your Quick Gateway (Windsor) Inc., dated December 29, 2016 (Price Redacted)
- Appendix E** - Receiver’s Schedule of Estimated Net Realization, dated January 13, 2017
- Appendix F** - Accounts Receivable Listing provided by Mara Tech, as at January 13, 2017
- Appendix G** - Accounts Payable Listing provided by Mara Tech, as at January 10, 2017
- Appendix H** - Schedule of Receipts and Disbursements, dated January 13, 2017

## 1.0

## ***Introduction and Purpose of Report***

### **1.1 Introduction**

**1.1.1** On August 4, 2016, by way of the Order of the Honourable Mr. Justice Lococo, BDO Canada Limited was appointed as Receiver (in such capacities, the “**Receiver**”) without security, of all of the assets, undertakings and properties of Mara Tech Aviation Fuels Ltd., Mara Tech Aviation Services Ltd., Mara Tech Aviation Fuels (Thompson) Ltd., and Mara Tech Aviation Fuels (Sudbury) Ltd. (collectively “**Mara Tech**” or the “**Debtors**”) acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (the “**Property**”). A copy of the August 4, 2016 Order (the “**Initial Order**”) is attached as **Appendix A**.

### **1.2 Purpose of this Report**

**1.2.1** This constitutes the Receiver’s **Third Report** to the Court in this matter and it is filed to:

- supplement the Receiver’s First and Second Reports dated November 14, 2016 and December 5, 2016, attached as **Appendix B** and **Appendix C** respectively, without Exhibits;
- report on the Receiver’s activities since its’ Second Report and seek this Honourable Court’s approval of the conduct of the Receiver and its agents as outlined in this Third Report;
- support the Receiver’s Motion for an Order approving the Agreement of Purchase and Sale between the Receiver, as vendor, and Your Quick Gateway (Windsor) Inc., dated December 29, 2016, (the “Windsor APS”) and authorizing the Receiver to complete the transaction contemplated thereby;
- support the Receiver’s Motion for an Order that with respect to the completion of the Windsor APS that the Purchased Assets, as defined in the Windsor APS (primarily equipment) be vested in the Purchaser, Your Quick Gateway (Windsor) Inc.;
- support the Receiver’s Motion for an Order that in conjunction with the completion of the Windsor APS that the Receiver be at liberty to terminate all of the employees of Mara Tech that work at the Windsor International Airport; and
- respond to the Respondents’ Motion for, *inter alia*, injunctive relief returnable before the Court on Thursday, January 19, 2017.

**1.2.2** Should this Court not approve the Windsor APS and it not be completed, then this Report is to support the Receiver’s Motion for an Order, **in the alternative**:

- i. directing the Receiver to discontinue any further steps, actions or proceedings with respect to it realizing on the equipment of Mara Tech that



is located at the Windsor International Airport and directing that the Receiver not have any involvement with respect to the operation or with respect to future operations of Mara Tech at the Windsor International Airport;

- ii. that the Receiver shall be entitled to collect or enforce payment of only those accounts of Mara Tech generated with respect to services provided by Mara Tech at the Windsor International Airport to and including January 13, 2017; and
- iii. that subject to further order of the Court, directing that for the purposes of the distribution of proceeds of realization to unsecured creditors of Mara Tech, that liabilities and obligations of Mara Tech shall not include those incurred post January 13, 2017.

## 2.0

## *Marketing and Sale of the Property*

---

### 2.1 Agreement of Purchase and Sale

2.1.1 Pursuant to the Initial Order, the Receiver is authorized, among other things, to do the following:

- 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;
- sell, convey, transfer, lease or assign the Property or any part or parts thereof with the approval of the Court; and
- 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.

2.1.2 Pursuant to the terms and conditions of the APS (as hereinafter defined) dated November 4, 2016, and the Approval and Vesting Order of the Honourable Justice Lococo dated December 16, 2016 (the “**Executive Order**”), the Property of Mara Tech located at the North Bay, Sudbury, and Sault Ste. Marie airports was duly sold and transferred to Executive Aviation Fuels Ltd. and to Executive Aviation Fuels (Sudbury) Ltd. (collectively “**Executive Aviation**”) for proceeds of \$1,000,000 (plus an additional \$300,000, subject to adjustment, with respect to existing fuel reserves on hand). Closing of the sale transaction was completed on December 17, 2016.

2.1.3 The Agreement of Purchase and Sale entered into between the Receiver and Executive Aviation, dated November 4, 2016, (the “**APS**”) originally envisioned that Executive Aviation would also acquire the Property of Mara Tech located at the Windsor International Airport, which is owned by Your Quick Gateway (Windsor) Inc. (“**Your Quick Gateway**”). As detailed in the Receiver’s Confidential Supplement to its Second Report, Your Quick Gateway was not supportive of the sale to Executive Aviation on the basis of its intention to provide ground handling services itself. As a result, pursuant to the Executive Order, the Property of Mara Tech located at the Windsor International Airport was carved out from the APS resulting in a purchase price reduction of \$200,000.

2.1.4 At present, Mara Tech continues to operate from the Windsor International Airport where the balance of Mara Tech’s equipment assets are located. The Receiver understands that the operation of Mara Tech at the Windsor International Airport is the provision of ground handling services to primarily Jazz Airline which includes such services by way of sub contract to Sunwing Airlines.

- 2.1.5 In order to realize on the balance of Mara Tech's equipment assets located in Windsor the Receiver canvassed both John Marandola (Mara Tech's principal) and Your Quick Gateway to assess interest.
- 2.1.6 The aforesaid operation of Mara Tech at the Windsor International Airport requires Mara Tech, by way of agreement between the owner of the Windsor International Airport, Your Quick Gateway (Windsor) Inc. ("Your Quick") and Mara Tech, to have access or occupancy of certain facilities at the Windsor International Airport.
- 2.1.7 The Receiver understands that the agreement between Mara Tech and Your Quick which provides Mara Tech with access and occupancy to the requisite facilities at the Windsor International Airport is presently on a month-to-month basis.
- 2.1.8 On December 23, 2016, the Receiver (via counsel) wrote to both John Marandola and Your Quick Getaway, provided the Receiver's form of Agreement of Purchase and Sale and accompanying Terms and Conditions of Sale, and invited both parties to make an offer with respect to the remaining equipment of Mara Tech that is located at the Windsor International Airport.
- 2.1.9 Your Quick Gateway advised the Receiver that it intends to take Mara Tech's ground handling services in house and directly service the relevant airlines. Further, Your Quick Gateway has indicated that it is not prepared to enter into any long term arrangement with Mara Tech to permit Mara Tech to have occupation and access to the Windsor International Airport relative to it providing continued ground handling services.
- 2.1.10 By way of Agreement of Purchase and Sale dated December 29, 2016 (the "**Windsor APS**"), the Receiver has received an offer from Your Quick Gateway with respect to it purchasing from the Receiver the remaining equipment of Mara Tech that is located at the Windsor International Airport. A copy of the Windsor APS is attached as **Appendix D**.
- 2.1.11 By way of Court Order dated January 5, 2017 (the "**Windsor Order**"), Justice Arrell authorized that the Receiver accept the Windsor APS, subject to further Court approval.
- 2.1.12 The offer received from Your Quick Gateway provides for greater proceeds of realization from the sale of the remaining equipment of Mara Tech than if such equipment was sold by the Receiver on a liquidation basis, as evidenced by the appraisal dated August 26, 2016 that is set out in the Confidential Supplement to the Second Report, dated December 7, 2016.
- 2.1.13 Mara Tech has taken the position that the Receiver should not realize upon any further assets of Mara Tech on the basis that the Receiver has generated sufficient proceeds of realization to pay all of Mara Tech's liabilities and obligations.
- 2.1.14 Mara Tech has further requested the Receiver to make payment of certain liabilities and obligations of Mara Tech relative to its continued operation at the Windsor International Airport. In the absence of proceeds of realization sufficient to pay all of the obligations and liabilities of Mara Tech, payment to an unsecured creditor of Mara Tech may be preferential.

- 2.1.15** Pursuant to the Windsor Order, Justice Arrell authorized that the Receiver pay for certain liabilities relating to the continued operations at the Windsor International Airport, to a cumulative maximum of \$15,000. These liabilities related to fuel purchases, rent, vehicle leases, insurance, and miscellaneous office expenses. In January 2017, the Receiver made a payment of \$12,029.40 to Your Quick Gateway with respect to rent at the Windsor International Airport.
- 2.1.16** In addition, pursuant to the Windsor Order, John Marandola was to provide the following books and records of Mara Tech by the following dates:
- (i) Complete and final customer invoicing and copies of all invoices and supporting documentation – by January 13, 2017;
  - (ii) Current accounts receivable listing – by January 13, 2017; and
  - (iii) Current accounts payable listing – by January 10, 2017.
- 2.1.17** As of the date of this report, the Receiver has received all of the above-noted items. The Receiver has used this financial information to prepare a Schedule of Estimated Net Realization, which is attached as **Appendix E**, to determine whether realizing upon Mara Tech's assets at the Windsor International Airport would allow for a surplus of funds after the payment of the liabilities of all of Mara Tech's creditors and related receivership costs.
- 2.1.18** The accounts receivable listing provided by Mara Tech on January 13, 2017, a copy of which is attached as **Appendix F**, showed total receivables of \$358,917.03. The Receiver noted that the accounts receivable listing included receivables from October and November 2016. As the Receiver was advised by Rita Fish (Mara Tech's bookkeeper) that essentially without exception customers typically pay within 30 days, the Receiver has excluded these receivables (totaling \$4,562.15 and \$120,042.68, respectively) in its analysis, as it is likely that related payment has been deposited in Mara Tech's bank account which has been frozen upon the Receiver's request. As of the date of this report, the Receiver was unable to obtain bank statements for the account to verify the collections. In addition, the accounts receivable listing provided by Mara Tech included a receivable of \$60,000 from World Fuel Services Corporation ("WFS"). The Receiver has confirmed with WFS that the amount is actually \$55,587.99. As Mara Tech owes \$183,161.98 to WFS, the Receiver has excluded this receivable in its analysis, and off-set the payable to WFS in its analysis by \$55,587.99. Accordingly, the total accounts receivable number used by the Receiver in its analysis was \$174,312.20.
- 2.1.19** The accounts payable listing provided by Mara Tech on January 10, 2017, a copy of which is attached as **Appendix G**, showed total payables of \$311,234.05. The Receiver noted that the accounts payable listing included amounts owing to Canada Revenue Agency with respect to source deductions and Harmonized Sales tax. The Receiver has deducted these amounts in calculating the amount of Mara Tech's unsecured creditors. In addition, as discussed in the next section of this report, the Receiver has been in direct contact with the airports from which Mara Tech operated/operates, and requested the amounts owed by the Mara Tech. Mara Tech has advised they do not agree with some of the amounts; however,

the Receiver has used the amount confirmed by the airports in its analysis. Accordingly, the total unsecured creditors number used by the Receiver in its analysis was \$209,299.02.

**2.1.20** The quantum of Mara Tech's secured and priority liabilities are discussed in the subsequent section of this report.

**2.1.21** As shown in the analysis in **Appendix E**, the Receiver estimates that there would be a short-fall of \$60,572 to the unsecured creditors of Mara Tech if the Receiver were to realize upon the remaining assets of Mara Tech which are located in Windsor by way of the completion of the Windsor APS. Accordingly, the Receiver recommends that the Court authorize the Receiver to complete its mandate to realize upon all of the remaining assets of Mara Tech, approve the Windsor APS, and authorize the Receiver to complete the transaction contemplated thereby.

**2.1.22** In the opinion of the Receiver, if the Windsor APS is not approved by this Court or completed then it is not in the best interest of the creditors that the Receiver take any further steps, actions or proceedings to realize upon the equipment of Mara Tech that is located at the Windsor International Airport as the expense of the same would exceed gross proceeds of realization.

## **2.2 Termination of the Receiver's Duties at Windsor International Airport**

**2.2.1** The Receiver has been advised by Your Quick Gateway that if the Windsor APS is not approved or completed it will make other arrangements to acquire the requisite equipment and will in any event take the ground handling services in house and provide the ground handling services directly to the subject airlines (primarily Jazz Airline).

**2.2.2** The Receiver has been advised by Your Quick Gateway that it has made exigency plans to immediately take over ground handling services should Mara Tech discontinue same.

**2.2.3** Upon completion of the Windsor APS by the Receiver and Your Quick Gateway, the Receiver intends to immediately terminate the Mara Tech employees at the Windsor International Airport, as the ground handling service is the sole business of Mara Tech at the Windsor International Airport.

**2.2.4** Mara Tech has approximately 11 employees at the Windsor International Airport operations, and the Receiver has been advised by Your Quick Gateway that its intention is to hire 5 or 6 employees relative to taking the ground handling services in house.

**2.2.5** Upon termination by the Receiver, it is contemplated that Mara Tech may have additional obligations to terminated employees relating to severance and termination pay.

**2.2.6** If the Windsor APS is not approved or completed, then the Receiver would intent to discontinue any services relative to a sale of the equipment at the Windsor International Airport, and seeks the Court's approval in that regard.

**2.2.7** Additionally, if the Windsor APS is not approved or completed, it is the Receiver's understanding that John Marandola intends to continue ground handling services at the Windsor International Airport. Accordingly, the Receiver requests an Order that the Receiver shall not have any duty or obligation relative to the equipment (including its sale and realization), employees, and operations

of the business of Mara Tech at the Windsor International Airport, save and except for the collection of accounts receivables of Mara Tech owing with respect to the operation of business at the Windsor International Airport up to and including January 13, 2017.

**2.2.8** Further, for the purposes of distribution, in the event that the Court does not approve the Windsor APS or if it is not completed, the Receiver requests an Order that the Receiver shall not consider any accounts payables of Mara Tech relating to the Windsor International Airport operation for the period subsequent to January 13, 2017, provided the Receiver, in such circumstance, will pay the payroll of Mara Tech to and including January 13, 2017. Regarding the period of January 1 to 13, 2017, Rita Fish has advised the following:

- a) It is estimated that \$25,000 in sales (before HST) was generated;
- b) It is estimated that \$1,847 in expenses were incurred, excluding any payrolls costs; and
- c) The total receipts collected during the period is unknown as she does not have copies of Mara Tech's bank statements for the period.

### **3.0**

### ***Creditor Obligations***

#### **3.1 Indebtedness**

**3.1.2** The following table sets out the approximate amounts owing to Mara Tech's secured creditors, by respective entity:

	<b>Operating Location</b>	<b>Royal Bank of Canada</b> <b>(as at January 12, 2017)</b>	<b>LAKES Leasing</b> <b>(as at January 12, 2017)</b>	<b>Kubota Canada</b> <b>(as at January 12, 2017)</b>
Mara Tech Aviation Fuels Ltd.	Sault Ste. Marie, ON	\$ 92,382.74	\$ 78,081.16	N/A
Mara Tech Aviation Services Ltd.	Sault Ste. Marie, Sudbury, North Bay, & Windsor, ON	\$ 268,578.13	As above	\$ 62,125.92
Mara Tech Aviation Fuels (Thompson) Ltd.	Operations Ceased September 2015	\$ 90,149.77	N/A	N/A
Mara Tech Aviation Fuels (Sudbury) Ltd.	Sudbury, ON	\$ 197,233.08	As above	N/A
<b>Totals</b>		<b>\$ 648,343.72</b>	<b>\$ 78,081.16</b>	<b>\$ 62,125.92</b>

**3.1.3** The following table sets out the approximate amounts owing to Canada Revenue Agency (“CRA”), by respective entity (based on verbal communication with CRA held on January 11, 2017, and based on discussions with Mara Tech):

Company	Source Deductions			HST
	Balance per CRA	Unreported Amounts	Total	Total
Mara Tech Aviation Fuels Ltd.	-	5,595.88	5,595.88	-
Mara Tech Aviation Services Ltd.	99,226.28	51,575.83	150,802.11	35,719.40
Mara Tech Aviation Fuels (Thompson) Ltd.	7,192.30	-	7,192.30	-
Mara Tech Aviation Fuels (Sudbury) Ltd.	319.17	6,795.21	7,114.38	78.96
	\$ 106,737.75	\$ 63,966.92	\$ 170,704.67	\$ 35,798.36

**3.1.4** It is noted that management of Mara Tech has advised that they do not agree that Mara Tech Aviation Fuels (Thompson) Ltd. owes \$7,192.30 in source deductions, as stated by CRA.

**3.1.5** The Receiver has requested a final trust examinations of Mara Tech from CRA.

**3.1.6** As discussed in the previous section of this report, based on the information provided by Mara Tech, the unsecured liabilities of Mara Tech total \$209,299.02. A summary of this amount is attached as Schedule A in **Appendix H**.

**3.1.7** As previously discussed, the Receiver has been in direct contact with the airports from which Mara Tech operated/operates and understands there are unpaid rents in North Bay totaling \$1,128.62 (as of December 19, 2016), in Sudbury totaling \$12,315.79 (as of January 10, 2017), and in Sault Ste. Marie totaling approximately \$1,781.95 (as of January 3, 2017). These amounts are included in the unsecured liabilities amount of \$209,299.02 noted above.

## **4.0**

## ***Receipts and Disbursements***

### **4.1 Receipts and Disbursements**

**4.1.1** As of the date of this report, the Receiver has obtained receipts of \$1,103,485, with additional funds of \$310,947 to be received from Mara Tech’s bank account which has been frozen. Additional funds are also expected to be collected in relation to Mara Tech’s accounts receivables.

- 4.1.2 The Receiver has paid for \$221,712 in disbursements, and has incurred an additional \$335,246 in expenses which have yet to be paid.
- 4.1.3 A Schedule of Receipts and Disbursements, dated January 13, 2017, is attached as **Appendix H** hereto.

## **5.0**

## ***Professional Fees***

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### **5.1 Fees of the Receiver and the Receiver's Independent Legal Counsel**

- 5.1.1 Pursuant to Paragraph 18 of the Initial Order, any expenditure or liability which shall properly be made or incurred by the Receiver, including the fees and disbursements of the Receiver and those of its legal counsel, shall be allowed on a passing of accounts and constitute the Receiver's Charge.
- 5.1.2 For the period ended December 31, 2016, the Receiver has incurred fees and disbursements of \$194,068.27, inclusive of disbursements and HST.
- 5.1.3 For the period ended January 11, 2017, the Receiver's counsel, SimpsonWigle LAW LLP, has incurred fees and disbursements of \$92,276.06, inclusive of disbursements and HST.

## **6.0**

## ***Order Sought***

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- 6.1 The Receiver submits this Third Report to this Honourable Court in support of its motion requesting, *inter alia*, this Honourable Court to grant:
- a) an Order approving the Third Report of the Receiver and the conduct of the Receiver and its agents as outlined in this Third Report;
  - b) an Order approving the Agreement of Purchase and Sale between the Receiver, as vendor, and Your Quick Gateway (Windsor) Inc., dated December 29, 2016, and authorizing the Receiver to complete the transaction contemplated thereby;
  - c) an Order that with respect to the completion of the Windsor APS that the Purchased Assets, as defined in the Windsor APS (primarily equipment) be vested in the Purchaser, Your Quick Gateway (Windsor) Inc.;
  - d) an Order that in conjunction with the completion of the Windsor APS that the Receiver be at liberty to terminate all of the employees of Mara Tech that work at the Windsor International Airport;



**6.2 Should this Court not approve the Windsor APS or it not be completed, then, the Receiver requests this Honourable Court to grant, in the alternative to an Order described in paragraph 6.1 (d) that it grant:**

- i. an order directing the Receiver to discontinue any further steps, actions or proceedings with respect to it realizing on the equipment of Mara Tech that is located at the Windsor International Airport and directing that the Receiver not have any involvement with respect to the operation or with respect to future operations of Mara Tech at the Windsor International Airport;
- ii. an order that the Receiver shall be entitled to collect or enforce payment of only those accounts of Mara Tech generated with respect to services provided by Mara Tech at the Windsor International Airport to and including January 13, 2017; and
- iii. an order, subject to further order of the Court, directing that for the purposes of the distribution of proceeds of realization to unsecured creditors of Mara Tech, that liabilities and obligations of Mara Tech shall not include those incurred post January 13, 2017.

All of which is respectfully submitted this 16<sup>th</sup> day of January, 2017.

**BDO CANADA LIMITED  
COURT APPOINTED RECEIVER OF THE PROPERTY OF  
MARA TECH AVIATION FUELS LTD.,  
MARA TECH AVIATION SERVICES LTD.,  
MARA TECH AVIATION FUELS (THOMPSON) LTD., and  
MARA TECH AVIATION FUELS (SUDBURY) LTD.**



Per: Christopher Mazur, CIRP, LIT  
Partner/Senior Vice President

# **TAB A**

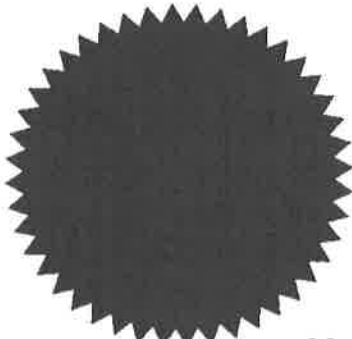
## **APPENDIX "A" TO THE RECEIVER'S THIRD REPORT**

Court File No. 56184/15

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE )  
JUSTICE *LOCOCO* )

THURSDAY, THE 4<sup>TH</sup>  
DAY OF AUGUST, 2016



**ROYAL BANK OF CANADA**

Applicant

- and -

**MARA TECH AVIATION FUELS LTD.,  
MARA-TECH AVIATION SERVICES LTD.,  
MARA TECH AVIATION FUELS (THOMPSON) LTD., and  
MARA TECH AVIATION FUELS (SUDBURY) LTD.**

Respondents

**ORDER  
(appointing Receiver)**

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing BDO CANADA LIMITED as receiver [and manager] (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of MARA TECH AVIATION FUELS LTD., MARA-TECH AVIATION SERVICES LTD., MARA TECH AVIATION FUELS (THOMPSON) LTD., and MARA TECH AVIATION FUELS (SUDBURY) LTD. (the "Debtors") acquired for, or used in relation to a business carried on by the Debtors, was heard this day at 59 Church Street, St. Catharines, Ontario.

ON READING the affidavit of JASON ZOMOK sworn October 22, 2015 and the Exhibits thereto and on hearing the submissions of counsel for ROYAL BANK OF CANADA, no one

appearing for the debtors although duly served as appears from the affidavits of service of CASSANDRA OSBORNE sworn October 28, 2015 and July 19, 2016 and on reading the consent of BDO CANADA LIMITED to act as the Receiver,

### **SERVICE**

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

### **APPOINTMENT**

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, BDO CANADA LIMITED 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 all proceeds thereof (the "Property").

### **RECEIVER'S POWERS**

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act 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 monitor the Property and business of the Debtor;

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- (d) 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;
- (e) 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;
- (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;

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- (k) 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;
  - (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business.
    - (i) without the approval of this Court in respect of any transaction not exceeding \$50,000.00, provided that the aggregate consideration for all such transactions does not exceed \$100,000.00; and
    - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;
- and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*. [or section 31 of the Ontario *Mortgages Act*, as the case may be,] shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.
- (m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
  - (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
  - (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
  - (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and

on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;

- (q) 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;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have; and
- (s) 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.

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

4. THIS COURT ORDERS that (i) the Debtors, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in

that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

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



**NO PROCEEDINGS AGAINST THE RECEIVER**

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

**NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY**

9. 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**

10. THIS COURT ORDERS that all rights and remedies against the Debtors, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtors to carry on any business which the Debtors is 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.

**NO INTERFERENCE WITH THE RECEIVER**

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

**CONTINUATION OF SERVICES**

12. THIS COURT ORDERS that all Persons having oral or written agreements with the 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**

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

#### **EMPLOYEES**

14. THIS COURT ORDERS that all employees of the 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**

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

**LIMITATION ON ENVIRONMENTAL LIABILITIES**

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

### **LIMITATION ON THE RECEIVER'S LIABILITY**

17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

### **RECEIVER'S ACCOUNTS**

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

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

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

### **FUNDING OF THE RECEIVERSHIP**

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may

consider necessary or desirable, provided that the outstanding principal amount does not exceed \$100,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

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

#### **SERVICE AND NOTICE**

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

orders that a Case Website shall be established in accordance with the Protocol with the following URL '<http://www.extranets.bdo.ca/MaraTechAviation/index.cfm>'.

26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the 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**

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

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

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

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

proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

31. THIS COURT ORDERS that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then 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.

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

*Robert*

Entered at ST. CATHARINES	
Inscrit à ST. CATHARINES	
In BOOK No.	
au REGISTRE N°	16
as Document No.	452
comme Document N°	
on / le	AUG 04 2016
By / Par	BF

**SCHEDULE "A"**  
**RECEIVER CERTIFICATE**

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that BDO CANADA LIMITED, the receiver (the "Receiver") of the assets, undertakings and properties MARA TECH AVIATION FUELS LTD., MARA-TECH AVIATION SERVICES LTD., MARA TECH AVIATION FUELS (THOMPSON) LTD., and MARA TECH AVIATION FUELS (SUDBURY) LTD. acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the \_\_\_ day of \_\_\_\_\_, 20\_\_ (the "Order") made in an 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, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

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

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver



to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

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

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

DATED the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**BDO CANADA LIMITED, solely in its capacity  
as Receiver of the Property, and not in its  
personal capacity**

Per: \_\_\_\_\_

Name:

Title:

**ROYAL BANK OF CANADA**  
Applicant

-and-

**MARA TECH AVIATION FUELS LTD., ET AL.**  
Respondents

Court File No. 56184/15

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**

Proceeding commenced at  
ST. CATHARINES

**ORDER**

**CLARK PEDDLE**  
**FLETT BECCARIO**  
Barristers & Solicitors  
190 Division Street, Box 340  
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Lawyers for the Applicant

LSUC #32002M  
CP\*CO

# **TAB B**

## **APPENDIX "B" TO THE RECEIVER'S THIRD REPORT**

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**BETWEEN:**

**ROYAL BANK OF CANADA**

**Applicant**

**- and -**

**MARA TECH AVIATION FUELS LTD.,  
MARA TECH AVIATION SERVICES LTD.,  
MARA TECH AVIATION FUELS (THOMPSON) LTD., and  
MARA TECH AVIATION FUELS (SUDBURY) LTD.**

**Respondents**

**FIRST REPORT TO THE COURT  
SUBMITTED BY BDO CANADA LIMITED  
AS RECEIVER**

November 14, 2016

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- Appendix D - Receiver's Information Requirements, August 5, 2016
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- Appendix J - Receiver's Information Requirements, October 31, 2016
- Appendix K - Letter to Mara Tech and Mara Tech's Counsel, October 13, 2016
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## ***1.0 Introduction and Purpose of Report***

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### **1.1 Introduction**

**1.1.1** On August 4, 2016, and pursuant to section 243(1) of the Bankruptcy and Insolvency Act and section 101 of the Courts of Justice Act, by way of the Order of the Honourable Mr. Justice Lococo, BDO Canada Limited (“**BDO**”) was appointed as Receiver (in such capacities, the “**Receiver**”) without security, of all of the assets, undertakings and properties of Mara Tech Aviation Fuels Ltd., Mara Tech Aviation Services Ltd., Mara Tech Aviation Fuels (Thompson) Ltd., and Mara Tech Aviation Fuels (Sudbury) Ltd. (collectively “**Mara Tech**” or the “**Debtors**”) acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (the “**Property**”). A copy of the August 4, 2016 Order (the “**Initial Order**”) is attached as **Appendix A**.

**1.1.2** Without obligating the Receiver, the Initial Order authorized the Receiver to, among other things, do the following:

- take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- monitor the Property and business of the Debtors;
- 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;
- sell, convey, transfer, lease or assign the Property or any part or parts thereof with the approval of the Court; and
- 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.

### **1.2 Purpose of Receiver’s First Report**

**1.2.1** This constitutes the Receiver’s **First Report** to the Court in this matter and it is filed to:

- report on the Receiver’s activities since its appointment and seek this Honourable Court’s approval of the conduct of the Receiver and its agents as outlined in this First Report; and
- to provide information to the Court relevant to the Debtor’s motion to, among other things, seek an Order rescinding and/or discharging the appointment of the Receiver.

## **2.0 Initial Receiver Activities**

### **2.1 Background**

- 2.1.1** Mara Tech provides fueling and ground support services to various airlines. Airlines serviced include Air Canada/Jazz, Porter Airlines, SunWing Airlines, and Bearskin Airlines. Other customers are private aircrafts and charters, including: Canada Post, Ministry of Natural Resources, and the Canadian Department of National Defense. At present, Mara Tech maintains fixed base operations at public airports located in Sault Ste. Marie, Sudbury, North Bay, and Windsor.
- 2.1.2** Services provided include baggage handling, de-icing of aircraft with glycol, heating and cooling of airplane cabins when parked, supply of electricity to aircraft while parked, and local deliveries of air freight. Mara Tech is also a World Fuel Services Canada, ULC (formerly Imperial Oil) aviation fuel dealer servicing airlines in Sault Ste. Marie and Sudbury.
- 2.1.3** Following its' appointment, the Receiver was advised that the operations of Mara Tech Aviation Fuels (Thompson) Ltd. had ceased during September 2015 (with no remaining assets).
- 2.1.4** The Receiver has obtained an independent legal opinion regarding the Royal Bank of Canada ("**RBC**"), L.A.K.E.S. Leasing Corporation ("**LAKES**"), and Kubota Canada Ltd. ("**Kubota**") security registered in Ontario. It confirms that corresponding Loan Agreements, Security Agreements, Postponement and Assignment of Claim Agreements, and Guarantee and Postponement of Claims are properly executed and good and enforceable in accordance with their terms and that the security interests provided therein were perfected by registration pursuant to the provisions of the PPSA. Attached as **Appendix B** is a true copy of the independent legal opinion dated September 16, 2016.
- 2.1.5** In reference to the RBC security, there are cross guarantees amongst certain of the Mara Tech entities in favour of Mara Tech Aviation Fuels (Sudbury) Ltd. and Mara Tech Aviation Fuels Ltd. (as further detailed in Appendix B).
- 2.1.6** The following table sets out the approximate amounts owing to RBC (inclusive of professional costs incurred by RBC to November 3, 2016), LAKES, and Kubota, by respective entity:

	<b>Operating Location</b>	<b>RBC</b>	<b>LAKES</b>	<b>Kubota</b>
Mara Tech Aviation Fuels Ltd.	Sault Ste. Marie, ON	\$84,168.63	\$78,081.15	N/A
Mara Tech Aviation	Sault Ste. Marie, Sudbury, North	\$258,199.09	As above	\$66,136.80



Services Ltd.	Bay, & Windsor, ON			
Mara Tech Aviation Fuels (Thompson) Ltd.	Operations Ceased September 2015	\$82,048.30	N/A	N/A
Mara Tech Aviation Fuels (Sudbury) Ltd.	Sudbury, ON	\$188,074.77	As above	N/A
Totals		\$612,490.79	\$78,081.15	\$66,136.80

## 2.2 Initial Activities

- 2.2.1 Immediately following its' appointment, the Receiver attended the personal residence of John and Sheila Marandola, Principals of Mara Tech (the "**Principals**"), and served them with a copy of the Initial Order (the "**Initial Meeting**"). Given the nature of Mara Tech's operations (fueling and servicing of commercial airlines), and its' inherent risks, the Receiver had predetermined that it would not operate the business.
- 2.2.2 During the Initial Meeting, the Receiver was presented with a Commitment Letter dated June 24, 2016 (the "**Commitment Letter**") from a private lender Baron Finance ("**Baron**") indicating that Mara Tech was on the cusp of completing a refinancing (envisioned in the amount of up to \$850,000) with such financing reportedly sufficient to satisfy all creditors, as advised by John Marandola. A copy of the Commitment Letter dated June 24, 2016 is attached as **Appendix C**.
- 2.2.3 Based on the content of the Commitment Letter, and representations made by John Marandola in terms of the quantum of envisioned financing vs. creditor obligations, and by reason of the inherent operating risks noted above, the Receiver elected to not take possession or exercise control over the Property, thereby permitting the Debtors to remain in possession and control of their respective businesses and day to day operations.
- 2.2.4 Given its' mandate pursuant to the Initial Order, to evaluate both liquidation value and the refinancing as envisioned by the Commitment Letter (in particular the quantum of envisioned financing vs. creditor obligations), the Receiver supplied Mara Tech with a list of Information Requirements on August 5, 2016. A copy of the Receiver's list of Information Requirements is attached as **Appendix D**.
- 2.2.5 On August 15, 2016, the Receiver issued its' Notice and Statement of Receiver (each respective entity) as required under the Bankruptcy and Insolvency Act. Consolidated trade creditor exposure (as advised by the Debtors) totaled \$8,267.94. Copies of the respective Notices are attached as **Appendix E**.

## **2.3 Refinancing Initiative**

- 2.3.1** Following its' appointment, with the consent of Mara Tech, the Receiver initiated contact with Baron to discuss the terms and quantum of available financing (originally envisioned in the amount of up to \$850,000 supported by a combination of an accounts receivable factoring facility, an inventory facility, and an equipment facility). Baron advised the Receiver that it was in the process of completing associated due diligence and that a further Commitment Letter would follow.
- 2.3.2** On August 9, 2016, a revised proposal was received from Baron envisioning financing of up to \$1,150,000 (combination of an accounts receivable factoring facility, an equipment facility, and a real estate facility). A copy of the Commitment Letter dated August 9, 2016 is attached as **Appendix F**.
- 2.3.3** On August 30, 2016, a further revised proposal was received from Baron envisioning financing of up to \$812,000 (limited to an accounts receivable factoring facility and a real estate facility). The primary form of security required by Baron was in the form of mortgages over real estate owned by the Principals' personally. A copy of the Commitment Letter dated August 30, 2016 is attached as **Appendix G**.
- 2.3.4** In connection with the Commitment Letter dated August 30, 2016, and through subsequent discussion with Baron and Mara Tech, the Receiver was advised that Baron were prepared to provide an initial advance of \$512,000 given collateral limitations (in particular accounts receivable in support of the factoring facility). Based on the foregoing, the quantum of available financing was insufficient to satisfy Mara Tech's creditors.
- 2.3.5** As noted above, the primary form of security required by Baron was in the form of mortgages over real estate owned by the Principals' personally. On September 14, 2016, RBC obtained Summary Judgment against Mara Tech and the Principals' personally (with Writs subsequently filed) effectively encumbering the properties over which Baron intended to take as security. The quantum of the Judgment's (on a consolidated basis) approximated \$494,000 plus interest. As a result, the Baron financing proposal did not move forward on the terms envisioned.

## **2.4 Monitoring of Operations**

- 2.4.1** Paragraph 3 (c) of the Initial Order empowers and authorizes the Receiver to monitor the Property and business of Debtors. The Receiver, to a large extent, has been unable to effectively monitor the business and in particular cash flow from operations.
- 2.4.2** As noted above, the Receiver supplied Mara Tech with a list of Information Requirements on August 5, 2016. Despite repeated follow up, much of this information remains outstanding. In particular, the Debtors have not provided forecasted cash flows or otherwise produced current financial reporting following the Receiver's appointment.
- 2.4.3** Given the lack of cooperation, or otherwise the inability to produce the requested financial information, the Receiver attended Mara Tech's accounting office in St. Catharines on August 31, 2016 and provided the Debtor's bookkeeper with a cash flow

template for monitoring purposes (to be populated by Mara Tech). To date, the Receiver has not been provided with a populated cash flow template.

- 2.4.4** By letter dated September 27, 2016, the Receiver's counsel wrote to Mara Tech's counsel regarding the outstanding Information Requirements. A copy of this letter, along with the response of Mara Tech's counsel, are attached as **Appendices H** and **I** respectively.
- 2.4.5** At present, Mara Tech remain in possession and control of their respective businesses and day to day operations (including the accounting function). On October 18, 2016, the Receiver was advised by Mara Tech's bookkeeper that there had been no bookkeeping completed since July 31, 2016 and that the May 31, 2016 bank reconciliation was still in process.
- 2.4.6** Following the appointment of the Receiver, on or about August 30, 2016, Imperial Oil switched to a prepayment system whereby Mara Tech was required to prepay for fuel deliveries. Based on the Receiver's communications with John Marandola and Mara Tech's bookkeeper, this has severely constricted cash flow to the point where Mara Tech are struggling to fund current obligations including payroll.
- 2.4.7** The Receiver understands that Mara Tech maintains a single operating bank account with TD Bank resulting in comingling of receipts and disbursements for each respective entity (making a determination of respective cash flow and profitability difficult). The Receiver is aware that on at least one occasion the Principals' injected (and subsequently withdrew) personal funds to cover payroll. Further, the Receiver has received several notifications from Canada Revenue Agency ("**CRA**") of returned (NSF) cheques intended as payment towards GST/HST and employee source deduction obligations.
- 2.4.8** The Receiver understands that the Debtors have not made any principal or interest payments to RBC (the primary secured creditor) for a period of 12 months or more.
- 2.4.9** The Receiver has not been provided with any updated financial information or bank account activity since October 12, 2016. A copy of the Receiver's most recent information request, dated October 31, 2016, is attached as **Appendix J** (which remains outstanding).
- 2.4.10** Based on the foregoing, the Receiver has been unable to determine with certainty the current financial position, cash flow from operations, or financial viability of Mara Tech. Based on known information, the Receiver is concerned regarding Mara Tech's ability to fund its' current obligations or otherwise continue operating given cash flow constraints (with creditor exposure increasing in the interim).

## **2.5 Appraisals**

- 2.5.1** To evaluate prospects of realization in a liquidation scenario, with the consent of Mara Tech, the Receiver commissioned an appraisal of equipment and operating assets located at each of the four airport facilities. The appraised value of equipment and operating assets is not sufficient to satisfy Mara Tech's outstanding creditor obligations and liabilities.

## 2.6 Independent Counsel

2.6.1 The Receiver has retained SimpsonWigle LAW LLP as independent counsel to provide advice and assistance with respect to receivership matters.

## 2.7 Potential Priority Claims

2.7.1 The following table summarizes reported priority payable exposure as at August 9, 2016 (based upon online CRA statements supplied by Mara Tech's bookkeeper):

Company:	Source Deductions:	GST/HST:
MARA TECH AVIATION FUELS LTD.	\$25.59	NIL
MARA-TECH AVIATION SERVICES LTD.	\$100,760.11	\$235.45
MARA TECH AVIATION FUELS (THOMPSON) LTD.	\$6,340.41 (cheque previously issued to CRA which remains outstanding)	NIL
MARA TECH AVIATION FUELS (SUDBURY) LTD.	\$117.74	\$124.76
Totals	\$107,243.85	\$360.21

2.7.2 On or about September 7, 2016, the Receiver was provided with CRA Notices of Assessment with respect to GST/HST totaling \$79,656.78 indicating a significant deterioration to amounts outstanding as of August 9, 2016.

2.7.3 Further, on October 24, 2016, the Receiver received notification from CRA of returned payments from Mara Tech totaling \$32,448.95 (GST/HST) and \$15,045.00 (employee source deductions) indicating a further deterioration.

2.7.4 Following its appointment, the Receiver coordinated scheduling of trust examinations with CRA and Mara Tech with such examinations being conducted on or about September 27, 2016. At present, the Receiver awaits results of the aforementioned trust examinations to confirm priority payable obligations.

2.7.5 Any possible claim by CRA for unpaid GST/HST or unpaid employee source deductions would be deemed to be held in trust for the Crown separate and apart from the property of the Debtors and from property held by any secured creditor of the Debtors that, but for a security interest, would be property of the Debtors, pursuant to section 227(4) of the Income Tax Act (Canada) and section 221(1) of the Excise Tax Act (Canada).

2.7.6 Mara Tech employs approximately 95 employees. Certain of these employees are party to a collective bargaining agreement. In the event operations cease, Mara Tech's employees may be entitled to make claims under the Wage Earner Protection Program for

wages, salaries, commissions or compensation for services rendered during the six month period prior to the date of receivership. Such claims are secured to the extent of \$2,000 per employee over Mara Tech's current assets. Service Canada, as the administrator of the Wage Earner Protection Program, are included on the service list for this motion.

### ***3.0 Marketing and Sale of the Property***

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#### **3.1 Unsolicited Expression of Interest**

- 3.1.1** Following its' appointment, the Receiver was contacted by a competitor in the industry who expressed an interest in acquiring Mara Tech as a going concern (the "**Prospective Purchaser**") including the re-hiring of most if not all of the Debtors' current employees. On September 2, 2016, the Prospective Purchaser entered into a "Confidentiality and Non-Disclosure Agreement" with the Receiver and was provided with certain historical financial information obtained from Mara Tech in order to complete due diligence.
- 3.1.2** On September 12, 2016, by way of e-mail, the Prospective Purchaser submitted a written "Expression of Interest" in an amount greatly exceeding liquidation value. The "Expression of Interest" was communicated to Mara Tech and their counsel (in general terms) who were not receptive to a going concern sale of the business.
- 3.1.3** Given the status of the Baron financing proposal (effectively no longer an option), in the interest of maximizing realization for the stakeholders (the alternative being liquidation), the Receiver was of the view that a going concern sale of the business would generate the best possible recovery. In order to further canvass the market, the Receiver implemented the following marketing strategy.

#### **3.2 The Receiver's Marketing Strategy**

- 3.2.1** Pursuant to the Initial Order, the Receiver is authorized to market for sale any or all of the Property and negotiate such terms and conditions of sale as the Receiver in its discretion may deem appropriate.
- 3.2.2** In recognition that the Property is a unique asset, with a specific and limited pool of potential purchasers, the Receiver concluded that it would undertake a focused marketing program targeting the existing Imperial Oil dealer network (consisting of 15 targets).
- 3.2.3** In connection with its marketing strategy, to assist potential purchasers in their evaluation of the purchase opportunity, the Receiver implemented an online data room providing particulars of the Property, operations, and historical financial information.
- 3.2.4** Commencement of the Receiver's marketing program (and further negotiation with the Prospective Purchaser) was delayed due to the timing of receipt of certain contracts from Mara Tech (originally requested on August 5, 2016). Specifically, fuel contracts, airline contracts, and the union contract were not received until September 28, 2016. The

Receiver was ultimately required to contact the various airport facilities directly to obtain occupancy lease agreements (received throughout the month of October 2016).

- 3.2.5** On October 13, 2016, the Receiver wrote to Mara Tech and Mara Tech's counsel providing notification of its' intention to market the Property of Mara Tech for sale effective immediately. Mara Tech was invited to participate in the sales process and was also asked to provide the names and contact information for anyone who may have an interest in the property of Mara Tech. Mara Tech elected not to participate in the sales process or otherwise identify any potential purchasers. A copy of the Receiver's letter is attached as **Appendix K**.
- 3.2.6** The Receiver's focused marketing program commenced October 13, 2016 and concluded on November 4, 2016. Potential purchasers were contacted by way of an e-mail teaser and were invited to contact the Receiver in order to be provided with access to the online data room to evaluate the opportunity. A copy of the Receiver's e-mail teaser is attached as **Appendix L**.

## ***4.0 Offer Received***

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### **4.1 Marketing Results**

- 4.1.1** As a result of its marketing efforts, the Receiver was contacted by a total of 4 potential purchasers. Signed confidentiality agreements were received from each of these potential purchasers who were then provided with access to the Receiver's online data room.
- 4.1.2** A single offer with deposit was received on November 4, 2016 utilizing the Receiver's form of Agreement of Purchase and Sale ("APS"). The offer contains certain terms and conditions and the Receiver is presently in negotiation with the potential purchaser in order to establish terms and conditions agreeable to both parties. Based on negotiations to date, the Receiver contemplates that the Receiver and potential purchaser will reach agreement with respect to an APS. The APS will be conditional on court approval. Once the terms and conditions of the APS are finalized, and prior to court approval, the Receiver independently, or in conjunction with the potential purchaser, will communicate with Mara Tech's customers, suppliers, landlords, and employees with a view to furthering the transaction which is the subject of the APS.
- 4.1.3** The offer provides a purchase price which greatly exceeds liquidation value, envisions the re-hiring of most if not all of the Debtor's current employees, and is the best prospect of realization for the stakeholders.

## ***5.0 Professional Fees***

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### **5.1 Fees of the Receiver and the Receiver's Independent Legal Counsel**

- 5.1.1** Pursuant to Paragraph 18 of the Initial Order, any expenditure or liability which shall properly be made or incurred by the Receiver, including the fees and disbursements of the Receiver and those of its legal counsel, shall be allowed on a passing of accounts and constitute the Receiver's Charge.
- 5.1.2** For the period ended November 4, 2016, the Receiver has incurred fees and disbursements of \$93,698.21, inclusive of disbursements and HST.
- 5.1.3** For the period ended November 4, 2016, the Receiver's counsel, SimpsonWigle LAW LLP, has incurred fees and disbursements of \$29,780.00, inclusive of disbursements and HST.

## ***6.0 Order Sought***

---

- 6.1** The Receiver submits this First Report to this Honourable Court in support of its motion requesting this Honourable Court to grant:
- a) an Order approving the First Report of the Receiver and the conduct of the Receiver and its agents as outlined in this First Report.

All of which is respectfully submitted this 14<sup>th</sup> day of November, 2016.

**BDO CANADA LIMITED  
COURT APPOINTED RECEIVER OF THE PROPERTY OF  
MARA TECH AVIATION FUELS LTD.,  
MARA TECH AVIATION SERVICES LTD.,  
MARA TECH AVIATION FUELS (THOMPSON) LTD., and  
MARA TECH AVIATION FUELS (SUDBURY) LTD.**

  
Per: Christopher Mazur, CIRP, LIT  
Partner/Senior Vice President

# **TAB C**

## **APPENDIX "C" TO THE RECEIVER'S THIRD REPORT**



**ONTARIO  
SUPERIOR COURT OF JUSTICE**

BETWEEN:

ROYAL BANK OF CANADA

Applicant

- and -

MARA TECH AVIATION FUELS LTD.,  
MARA TECH AVIATION SERVICES LTD.,  
MARA TECH AVIATION FUELS (THOMPSON) LTD., and  
MARA TECH AVIATION FUELS (SUDBURY) LTD.

Respondents

**SECOND REPORT TO THE COURT  
SUBMITTED BY BDO CANADA LIMITED  
AS RECEIVER**

December 5, 2016

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- Appendix B - Receiver's First Report (Without Exhibits), dated November 14, 2016
- Appendix C - Baron Finance Commitment Letter, dated November 7, 2016
- Appendix D - Corporate search with respect to Marandola Holdings Ltd. dated October 18, 2016

## ***1.0 Introduction and Purpose of Report***

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### **1.1 Introduction**

**1.1.1** On August 4, 2016, by way of the Order of the Honourable Mr. Justice Lococo, BDO Canada Limited was appointed as Receiver (in such capacities, the “**Receiver**”) without security, of all of the assets, undertakings and properties of Mara Tech Aviation Fuels Ltd., Mara Tech Aviation Services Ltd., Mara Tech Aviation Fuels (Thompson) Ltd., and Mara Tech Aviation Fuels (Sudbury) Ltd. (collectively “**Mara Tech**” or the “**Debtors**”) acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (the “**Property**”). A copy of the August 4, 2016 Order (the “**Initial Order**”) is attached as **Appendix A**.

### **1.2 Purpose of this Report**

**1.2.1** This constitutes the Receiver’s **Second Report** to the Court in this matter and it is filed to:

- supplement the Receiver’s First Report dated November 14, 2016, attached as **Appendix B** without Exhibits;
- report on the Receiver’s activities since its’ First Report and seek this Honourable Court’s approval of the conduct of the Receiver and its agents as outlined in this Second Report; and
- provide background in support of the Receiver’s recommendation that the Agreement of Purchase and Sale entered into between the Receiver and Executive Aviation Fuels Ltd. (“**Executive Aviation**”) be approved as further detailed in the Receiver’s Confidential Supplement to this Second Report.

## ***2.0 Marketing and Sale of the Property***

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### **2.1 Agreement of Purchase and Sale**

**2.1.1** Pursuant to the Initial Order, the Receiver is authorized, among other things, to do the following:

- 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;
- sell, convey, transfer, lease or assign the Property or any part or parts thereof with the approval of the Court; and
- 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.

**2.1.2** The Receiver's focused marketing program (detailed in the Receiver's First Report) concluded on November 4, 2016 resulting in a single offer with deposit utilizing the Receiver's form of Agreement of Purchase and Sale ("**APS**"), subject to certain conditions requested by the offeror, namely Executive Aviation.

**2.1.3** Executive Aviation presently carries on a business from the London airport that is similar to that of Mara Tech. The APS envisions that Executive Aviation will acquire the Property of Mara Tech that is located at the Windsor, North Bay, Sudbury, and Sault Ste. Marie airports on a going concern basis and for it to continue to carry on the business of Mara Tech from each of the respective airports. The APS further envisions the re-hiring of most if not all of Mara Tech's employees.

**2.1.4** Through subsequent negotiation, the APS was finalized on November 18, 2016 on terms and conditions agreeable to the Receiver and Executive Aviation. The APS is conditional upon, among other things, Court approval. At present, the principals of Mara Tech, John and Sheila Marandola (the "**Principals**"), continue to operate the business of Mara Tech and do not support a going concern sale of the business. Details of the APS are included in the Receiver's Confidential Supplement to this Second Report.

**2.1.5** The Receiver is of the opinion that it is in the best interest of the stakeholders of Mara Tech that the APS with Executive Aviation be approved and completed and will be strongly recommending the same to the presiding judge.

### ***3.0 Existing Refinancing Efforts***

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#### **3.1 Baron Finance**

- 3.1.1** Details of Mara Tech's efforts to refinance post receivership are set out in the Receiver's First Report.
- 3.1.2** Mara Tech continues its efforts to refinance as evidenced by an updated Commitment Letter advanced by Baron Finance ("**Baron**") dated November 7, 2016 (supplied to the Receiver by John Marandola on November 17, 2016).
- 3.1.3** The updated Commitment Letter is on the same terms as the August 30, 2016 Commitment Letter envisioning financing of up to \$812,000 (secured by an accounts receivable factoring facility of up to \$500,000 and a real estate facility of up to \$312,000). The primary form of security required by Baron with respect to the real estate facility is again in the form of mortgages over real estate owned by the Principals' personally. A copy of the Commitment Letter dated November 7, 2016 is attached as **Appendix C**.
- 3.1.4** At present, to the Receiver's knowledge, the quantum of available financing envisioned by the updated Commitment Letter is unknown (initial advance presumably contingent on the level of eligible accounts receivable in support of the factoring facility). Further, as noted above and in the Receiver's First Report, the primary form of security required by Baron is in the form of mortgages over real estate owned by the Principals' personally. The Receiver understands the subject real estate is encumbered by way of existing mortgages and subsequent Writs registered on title in favour of the Royal Bank of Canada ("**RBC**").
- 3.1.5** Given the existing real estate encumbrances, the quantum of available financing envisioned by the updated Commitment Letter may be limited to an accounts receivable factoring facility of up to \$500,000 (presumably requiring the consent of RBC given its' existing security over Mara Tech's accounts receivable by way of General Security Agreement). At present, the Receiver has no information pertaining to the level of accounts receivable which may be available to support the envisioned factoring facility.
- 3.1.6** The Receiver is aware that John Marandola, through legal counsel, is in direct contact with RBC regarding a possible assignment of security in connection with the updated Commitment Letter. At present, the Receiver is not aware of the status of these negotiations or Mara Tech's intentions regarding Mara Tech's additional creditors.

## 4.0 Creditor Obligations

### 4.1 Indebtedness

4.1.1 The following table sets out the approximate amounts owing to Mara Tech's secured creditors, by respective entity:

	Operating Location	Royal Bank (December 1, 2016)	LAKES Leasing (December 5, 2016)	Kubota Canada (December 5, 2016)
Mara Tech Aviation Fuels Ltd.	Sault Ste. Marie, ON	\$85,102.63	\$78,081.15	N/A
Mara Tech Aviation Services Ltd.	Sault Ste. Marie, Sudbury, North Bay, & Windsor, ON	\$259,889.75	As above	\$62,677.54
Mara Tech Aviation Fuels (Thompson) Ltd.	Operations Ceased September 2015	\$82,936.98	N/A	N/A
Mara Tech Aviation Fuels (Sudbury) Ltd.	Sudbury, ON	\$189,391.12	As above	N/A
Totals		\$617,320.48	\$78,081.15	\$62,677.54

4.1.2 The following table sets out the approximate amounts owing to Canada Revenue Agency ("CRA"), by respective entity (based on verbal communication with CRA held on December 5, 2016):

Company:	Source Deductions:	GST/HST:
MARA TECH AVIATION FUELS LTD.	NIL	NIL
MARA-TECH AVIATION SERVICES LTD.	\$147,414.07	\$28,707.43
MARA TECH AVIATION FUELS (THOMPSON) LTD.	\$6,537.42	NIL
MARA TECH AVIATION FUELS (SUDBURY) LTD.	\$119.57	\$12,204.91
Totals	\$154,071.06	\$40,912.34

- 4.1.3 Current amounts owing to CRA, as presented in the above table, have increased by approximately \$87,379 when compared to amounts owing as of August 9, 2016 as detailed in the Receiver's First Report (\$194,983 vs. \$107,604).
- 4.1.4 The Receiver has been in direct contact with the airports from which Mara Tech operates and understands there are rent arrears in Sudbury totaling \$14,406.39 (as of November 1, 2016) and in Windsor totaling \$13,503.64 (as of October 31, 2016). Through discussion with the Windsor airport, the Receiver understands that Mara Tech has not paid any rent since prior to the receivership and as a result the Windsor airport is considering bringing a Motion to have the receivership Stay of Proceedings lifted so it may terminate Mara Tech's existing month to month occupancy leases.
- 4.1.5 As noted in the Receiver's First Report, the Receiver has not been provided with any updated financial information or bank account activity since October 12, 2016. On October 18, 2016, the Receiver was advised by Mara Tech's bookkeeper that there had been no bookkeeping completed since July 31, 2016 and that the May 31, 2016 bank reconciliation was still in process. Accordingly, the Receiver is unable to quantify amounts which may be outstanding to unsecured creditors.
- 4.1.6 Based on the foregoing, Mara Tech's known creditor exposure exceeds \$980,000 before costs of the receivership. The maximum borrowing availability envisioned by Baron's updated Commitment Letter, in the event such financing is available, will be insufficient to satisfy Mara Tech's outstanding creditor obligations.
- 4.1.7 As detailed in the Receiver's First Report, the Receiver remains concerned regarding Mara Tech's ability to fund its' current obligations or otherwise continue operating given cash flow constraints (with creditor exposure increasing in the interim).
- 4.1.8 The APS entered into between the Receiver and Executive Aviation provides a purchase price which greatly exceeds liquidation value, exceeds the maximum borrowing availability envisioned by Baron's updated Commitment Letter, envisions the re-hiring of most if not all of Mara Tech's current employees, and is the best prospect of realization for the stakeholders.

## ***5.0 Professional Fees***

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### **5.1 Fees of the Receiver and the Receiver's Independent Legal Counsel**

- 5.1.1 Pursuant to Paragraph 18 of the Initial Order, any expenditure or liability which shall properly be made or incurred by the Receiver, including the fees and disbursements of the Receiver and those of its legal counsel, shall be allowed on a passing of accounts and constitute the Receiver's Charge.
- 5.1.2 For the period ended November 30, 2016, the Receiver has incurred fees and disbursements of \$124,351.19, inclusive of disbursements and HST.



- 5.1.3 For the period ended November 30, 2016, the Receiver's counsel, SimpsonWigle LAW LLP, has incurred fees and disbursements of \$37,717.30, inclusive of disbursements and HST.

## **6.0 Sault Ste. Marie Leased Property**

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- 6.1 The Debtors, Mara-Tech Aviation Services Ltd. ("**Aviation Services**") and Mara Tech Aviation Fuels Ltd. ("**Aviation Fuels**") are, on behalf of Mara Tech, the sole provider of the Services to the Sault Ste. Marie Airport.
- 6.2 Aviation Services and Aviation Fuels operate from premises at the Sault Ste. Marie Airport that is described in four leases between Sault Ste. Marie Airport Development Corporation ("**Sault Ste. Marie Airport**"), as landlord and Marandola Holdings Ltd., the named tenant in the four leases.
- 6.3 Marandola Holdings Ltd. is related to all of the Debtors and carries on no business.
- 6.4 Marandola Holdings Ltd. is a dissolved corporation and in fact, it was dissolved on December 22, 2008 by order of the Director under the provisions of the *Ontario Business Corporations Act* by reason of default under the *Corporation Tax Act* and Marandola Holdings Ltd.'s Articles of Incorporation have not been revived. A copy of a Corporation Search Report as at October 18, 2016 respecting Marandola Holdings Ltd. is attached as **Appendix D**.
- 6.5 The four leases predate the dissolution of Marandola Holdings Ltd. and all renewals thereof were made subsequent to the dissolution of Marandola Holdings Ltd.
- 6.6 The Receiver has been in communication with the Sault Ste. Marie Airport and is advised that Sault Ste. Marie Airport would not have entered into leases with a dissolved corporation.
- 6.7 By reason of its dissolution, any right or entitlement that Marandola Holdings Ltd. may have had in the four leases, if any, has escheated to the Crown.
- 6.8 Marandola Holdings Ltd. is not in possession of any of the lands, buildings or premises that are described in the four leases.
- 6.9 Sault Ste. Marie Airport has advised the Receiver that its rent for the premises occupied by Aviation Fuels and Aviation Services is in good standing and has historically been paid by Aviation Services and is currently being paid by Aviation Services.
- 6.10 The Receiver has been advised by Sault Ste. Marie Airport that Marandola Holdings Ltd. is not in occupation of Sault Ste. Marie Airport and Sault Ste. Marie Airport at no time

consented to Sault Ste. Marie Airport assigning or subletting the four leases to Aviation Services or Aviation Fuels or either of them.

- 6.11 Aviation Services and Aviation Fuels are in fact the de facto tenants with respect to the premises that are the subject of the four leases.
- 6.12 Sault Ste. Marie Airport agrees to the Court terminating or providing the Receiver with the right to terminate any lease rights that Marandola Holdings Ltd. might have with respect to the four leases at the Sault Ste. Marie Airport, if any, in the context of and conditional upon the completion of the APS between the Receiver and Executive Aviation and Sault Ste. Marie Airport entering into a new lease with Executive Aviation on terms and conditions satisfactory to Sault Ste. Marie Airport.

## **7.0 Order Sought**

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- 7.1 The Receiver submits this Second Report to this Honourable Court in support of its motion requesting, *inter alia*, this Honourable Court to grant:
- a) an Order approving the Second Report of the Receiver and the conduct of the Receiver and its agents as outlined in this Second Report; and
  - b) an Order approving the APS as further detailed in the Receiver's Confidential Supplement to this Second Report.

All of which is respectfully submitted this 5<sup>th</sup> day of December, 2016.

**BDO CANADA LIMITED  
 COURT APPOINTED RECEIVER OF THE PROPERTY OF  
 MARA TECH AVIATION FUELS LTD.,  
 MARA TECH AVIATION SERVICES LTD.,  
 MARA TECH AVIATION FUELS (THOMPSON) LTD., and  
 MARA TECH AVIATION FUELS (SUDBURY) LTD.**



Per: Christopher Mazur, CIRP, LIT  
 Partner/Senior Vice President

# **TAB D**

## **APPENDIX "D" TO THE RECEIVER'S THIRD REPORT**

## AGREEMENT OF PURCHASE AND SALE

**THIS AGREEMENT** dated as of the 29th day of December, 2016.

BETWEEN:

**BDO Canada Limited**, in its capacity as Court-appointed receiver of **Mara Tech Aviation Fuels Ltd., Mara-Tech Aviation Services Ltd., Mara Tech Aviation Fuels (Thompson) Ltd., and Mara Tech Aviation Fuels (Sudbury) Ltd. (collectively "Mara Tech" or the "Company")**, and not in its personal capacity or corporate capacity and without personal or corporate liability.

(the "**Vendor**")

OF THE FIRST PART

- and -

**Your Quick Gateway (Windsor) Inc.**, a corporation formed under the laws of Canada

(the "**Purchaser**")

OF THE SECOND PART

**IN CONSIDERATION** of the mutual agreements contained in this Agreement, the sufficiency of which is acknowledged by each of the Vendor and the Purchaser, the Vendor and the Purchaser agree as follows:

### 1. DEFINITIONS

In this Agreement, unless the context clearly indicates otherwise, the following terms shall have the following meanings:

- (a) "**Act**" means, for purposes of Section 17 hereof only, the *Excise Tax Act* (Canada);
- (b) "**Agreement**" means this agreement of purchase and sale executed by the Purchaser and accepted by the Vendor, together with the attached schedules;
- (c) "**Approval and Vesting Order**" and "**Vesting Order**" shall have the meaning ascribed thereto in Section 14(a) hereof;
- (d) "**Business Day**" means any day other than a Saturday or a Sunday or a statutory holiday in the Province of Ontario;
- (e) "**Closing**" shall have the meaning ascribed to it in Section 6 hereof;

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- (f) "**Court**" means the Ontario Superior Court of Justice (Commercial List);
- (g) "**Court Order**" means collectively the order of the Honourable Justice Lococo dated the 4<sup>th</sup> day of August 2016 (inadvertently described as dated August 4, 2014) whereby the Vendor was appointed receiver of Mara Tech and was given authority to sell, convey, transfer, lease or assign the Lands or any part or parts thereof, a copy of which order is attached as Schedule "A";
- (h) "**Date of Closing**" shall have the meaning ascribed to it in Section 6 hereof;
- (i) "**Deposit**" shall have the meaning ascribed to it in Section 3(a) hereof;
- (j) "**Environmental Law**" means any and all applicable international, federal, provincial, state, municipal or local laws, by-laws, statutes, regulations, treaties, orders, judgments, decrees, ordinances, official directives and all authorizations relating to the environment, occupational health and safety, health protection or any Hazardous Materials;
- (k) "**Government Authority**" means any person, body, department, bureau, agency, board, tribunal, commission, branch or office of any federal, provincial or municipal government having or claiming to have jurisdiction over part or all of the Purchased Assets, the transaction contemplated in this Agreement and/or one or both of the parties hereto and shall include a board or association of insurance underwriters;
- (l) "**Hazardous Materials**" means any contaminants, pollutants, substances or materials that, when released to the natural environment, could cause, at some immediate or future time, harm or degradation to the natural environment or risk to human health, whether or not such contaminants, pollutants, substances or materials are or shall become prohibited, controlled or regulated by any Government Authority and any "contaminants", "dangerous substances", "hazardous materials", "hazardous substances", "hazardous wastes", "industrial wastes", "liquid wastes", "pollutants" and "toxic substances", all as defined in, referred to or contemplated in federal, provincial and/or municipal legislation, regulations, orders and/or ordinances relating to environmental, health and/or safety matters and, not to limit the generality of the foregoing, includes asbestos, urea formaldehyde foam insulation and mono- or poly-chlorinated biphenyl wastes;
- (m) "**HST**" shall have the meaning ascribed thereto in Section 17(a) hereof;
- (n) "**ICA**" shall have the meaning ascribed thereto in Section 10(b) hereof;
- (o) "**Lands**" means such portion of the lands and premises at the Windsor Airport occupied by Mara Tech and from which Mara Tech carries on business;
- (p) "**Purchase Price**" shall have the meaning ascribed thereto in Section 3 hereof;
- (q) "**Purchased Assets**" means:
  - (i) the equipment of Mara Tech located at its airport location in Windsor and as more specifically described in Schedule B attached hereto;

- (ii) all of Mara Tech's right, title and interest in the Service and Supply Contracts;
- (iii) all of Mara Tech's right, title and interest in leases or contracts, if any, that may provide Mara Tech with the right to occupy any premises or facilities at the Windsor Airport.
- (r) "Purchaser" means Your Quick Gateway (Windsor) Inc.
- (s) "Purchaser's Solicitor" means Miller Thomson LLP, 2010-255 Queens Avenue, London, ON N6A 5R8 (Telephone No. 519-931-3509, Facsimile No. 519-858-8511 Attention: Tony Van Klink);
- (t) "Service and Supply Contracts" mean all and any contracts that Mara Tech has with respect to the supply of ground services and baggage handling services at its location at the Windsor Airport including with Jazz Aviation LP.
- (u) "Vendor" means BDO Canada Limited, in its capacity as Court Appointed Receiver of Mara Tech and not in its personal or corporate capacity and without personal or corporate liability; and
- (v) "Vendor's Solicitors" means the firm of Simpson Wigle LAW, LLP, 1 Hunter Street East, Suite 200, Hamilton, Ontario, L8N 3W1 (Telephone No. 905-528-8411; Facsimile No. 905-528-9008) Attention David J. H. Jackson

## 2. NATURE OF TRANSACTION

- (a) The Purchaser shall purchase and the Vendor shall sell the Purchased Assets, upon and subject to the terms of this Agreement; and
- (b) The Purchaser shall not assume and shall not be responsible or liable with respect to any liabilities or obligations of Mara Tech.

## 3. PURCHASE PRICE

The aggregate purchase price (the "**Purchase Price**") for the Purchased Assets shall be the sum of [REDACTED]. The Purchase Price shall be paid, accounted for and satisfied as follows:

- (a) **Deposit:** by the Purchaser delivering to the Vendor concurrently upon the execution of this Agreement by both parties hereto, the sum of [REDACTED] (the "**Deposit**"), by way of certified cheque or bank draft or wire transfer drawn upon one of Canada's five largest chartered banks, which sum shall be held by the Vendor, in trust, as a deposit pending Closing or termination of this Agreement. Subject only to the terms of this Agreement, the Deposit is to be credited on account of the Purchase Price upon completion of the transaction contemplated in this Agreement. In the event that this Agreement is terminated for any reason whatsoever other than the default of the

Purchaser, the Deposit shall be returned to the Purchaser forthwith, without interest or deduction; and

- (b) **Balance Due at Closing**: the balance of the Purchase Price, net of the Deposit and subject to the adjustments contained in this Agreement, by payment at Closing to the Vendor (or as the Vendor may otherwise direct in writing) by way of certified cheque, bank draft or wire transfer drawn upon one of Canada's chartered banks.
- (c) **Allocations**: The Vendor and Purchaser acknowledge and agree that they shall each make their own allocations of the Purchase Price between the Purchased Assets for the purposes of the *Income Tax Act* (Canada) and any filings in accordance with the provisions thereof.

#### 4. **CLOSING ADJUSTMENTS**

- (a) Except as otherwise provided herein, there shall be no adjustment as to the Purchase Price on closing.

#### 5. **TERMS OF PURCHASE**

- a) **"Purchaser's Acknowledgements"**: Save as otherwise provided herein, the Purchaser hereby acknowledges and agrees as follows:
  - (i) it is relying entirely upon its own investigations and inspections in entering into this Agreement and has satisfied itself with respect to such investigations and inspections.
  - (ii) there is no representation, warranty or condition, express or implied, statutory or otherwise of any kind as to the Purchased Assets including, without limitation, that the present use or future intended use by the Purchaser of the Purchased Assets is or will be lawful or permitted and/or relating in any way to the condition or state of repair of the Purchased Assets or to title, outstanding liens or charges, assignability, amount owing, description, fitness for purpose, collectability, merchantability, quantity, condition, defect (patent or latent), value, quality thereof, any requirement for licenses, permits, approvals, consents for ownership, occupation or use or in respect of any other matter or thing whatsoever;
  - (iii) it is purchasing the Purchased Assets on an "as is where is" basis including without limitation, outstanding work orders, deficiency notices, compliance requests, development fees, imposts, lot levies, sewer charges, zoning and building code violations and any outstanding requirements which have been or may be issued by any authority, the structural integrity of the Buildings;

- (iv) the Vendor shall have no liability or obligation with respect to the value, state or condition of the Purchased Assets, whether or not the matter is within the Vendor's knowledge;
- (v) the Vendor has made no representations or warranties with respect to or in any way related to the Purchased Assets including without limitation, the following:
  - a. the environmental state of the Purchased Assets or the Lands, the existence, nature, kind, state or identity of any Hazardous Materials on, under, or about the Lands, the existence, state, nature, kind identity, extent and effect of any administrative order, control order, stop order, compliance order or any other orders, proceedings or actions under any Environmental Laws, or any other statute, regulation, rule or provision of law nor the existence, state, nature, kind, identity, extent and effect of any liability to fulfil any obligation with respect to the environmental state of the Lands including, without limitation, any obligation to deal with any discharge of any Hazardous Materials on, under or about the Lands and any obligation to compensate any third party for any costs incurred in connection with or damages suffered as a result of any discharge of any Hazardous Materials whether on, under or about the Lands or elsewhere;
  - b. the existence, validity, terms and conditions of any licenses, permits, consents or other regulatory approvals relating to or in any way connected with the Purchased Assets and Lands or any matter or thing arising out of or in any way connected therewith;
  - c. the conformity of the Lands and Building to past, current or future applicable zoning or building code requirements;
  - d. the existence of soil instability, past soil repairs, soil additions or conditions of soil fill with respect to the Lands;
  - e. the sufficiency of any drainage;
  - f. whether the Lands are located wholly or partially in a flood plain or a flood hazard boundary or similar area;
  - g. the existence or non-existence of underground storage tanks;
  - h. any other matter affecting the stability or integrity of the Lands;
  - i. the availability of public utilities and services for the Lands and Purchased Assets;
  - j. the existence of zoning or building entitlements affecting the Lands;
- (vi) any information provided by the Vendor describing the Purchased Assets has been prepared solely for the convenience of prospective purchasers and is not



warranted to be complete or accurate or correct and none of such information forms a part of this Agreement;

- (vii) except with respect to any equipment that is listed on Schedule B that is missing from the Windsor Airport premises on the date of closing (in which event there shall be an adjustment to the Purchase Price commensurate with the value of the missing equipment), there shall be no adjustment to the Purchaser for changes to the Purchased Assets from the date this Agreement is executed by each of the parties hereto;
- (viii) the Vendor shall not be required to furnish or produce any document, record or evidence of title with respect to the Purchased Assets, except those in its possession, which have already been reviewed and accepted by the Purchaser; and
- (ix) The Purchaser further acknowledges that the Vendor is selling the Purchased Assets on an "as is where is" basis as they exist on the Date of Closing and that it has entered into this Agreement on the basis that the Vendor does not guarantee title to the Purchased Assets and that the Purchaser has conducted or will have conducted prior to Closing such inspections of the condition of and title to the Purchased Assets as it deemed appropriate and has satisfied itself with regard to these matters. Without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to the Sale of Goods Act (Ontario) or similar legislation do not apply to this transaction of purchase and sale and have been waived by the Purchaser.
- (x) **Title and Other Requisitions:** The Purchaser acknowledges that it shall, at its own expense, examine title to the Purchased Assets and satisfy itself as to the state thereof and shall accept title to the Purchased Assets.
- (xi) **Assignment Service and Supply Contracts and Lease:** Not to limit anything contained herein, the Purchaser further acknowledges and agrees that the Vendor has not made any representation or warranty as to any entitlement that the Vendor may have to assign the Service and Supply Contracts to the Purchaser. The Purchaser has fully satisfied itself, to the extent it might require, with respect to its entitlement to be accepted by the third party to any such contract as assignee and its entitlement, as assignee, if any, to enforce the terms and conditions of such contracts.
- (xii) **Occupation of Airport Facilities and Premises:** Not to limit anything contained herein, the Purchaser further acknowledges and agrees that the Vendor has made no representation or warranty as to the entitlement of the Purchaser to occupy any of the facilities or premises at any of the Windsor airport including any representation or warranty as to the existence of or enforceability of any lease or contract providing Mara Tech with the right to occupy any of the facilities or premises at the Windsor airport. The Purchaser has fully satisfied itself, to the extent that it may require, with respect to its entitlement to occupy any of the facilities or premises at the Windsor airport. Further, if any contract or lease

exists providing Mara Tech with the right or entitlement to occupy any of the facilities or premises at the Windsor airport, the Purchasers has satisfied itself with respect to its entitlement to be accepted by the third party to any such contract or lease as assignee and its entitlement, as assignee, if any, to enforce the terms and conditions of such contract or lease.

## 6. DATE OF CLOSING

Subject to the provisions of Section 12 hereof, the transaction contemplated hereunder shall be completed (the moment of completion shall be referred to as "**Closing**") on the day which the Vendor obtains the Approval and Vesting Order or a Vesting Order (as defined in Section 12 hereof) (the "**Date of Closing**"), unless the parties hereto otherwise agree to such other date in writing. Provided further, if the Approval and Vesting Order or Vesting Order is not issued prior to 2:00 p.m. on the subject day, then the Date of Closing, shall be the next business day following the date that the Approval and Vesting Order is issued. All documents and monies shall be delivered in accordance with the provisions of this Agreement.

## 7. CLOSING

(a) The Purchaser expressly acknowledges and agrees that the Vendor will not release the Receiver's Certificate as provided for in the Approval and Vesting Order or Vesting Order described in Section 14(a) of this Agreement until the balance of funds due on Closing, in accordance with the Statement of Adjustments, are remitted by personal delivery to the Vendor's Solicitors (or in such other manner as the Vendor or Vendor's Solicitors may direct) prior to the release of the Receiver's Certificate as provided for in the Approval and Vesting Order or Vesting Order, which the Vendor's Solicitors will hold in escrow.

(b) Notwithstanding anything contained in this Agreement to the contrary, it is expressly understood and agreed by the parties hereto that an effective tender shall be deemed to have been made by the Vendor upon the Purchaser when the Vendor's Solicitors have:

- (i) delivered all Closing Documents required to be delivered by the Vendor to the Purchaser pursuant to Section 14 hereof;
- (ii) advised the Purchaser's Solicitor in writing that the Vendor is ready, willing and able to complete the transaction in accordance with the terms and provisions of this Agreement; and

without the necessity of personally attending upon the Purchaser or the Purchaser's Solicitor with the Closing Documents, and without any requirement to have an independent witness evidencing the foregoing.

(c) Notwithstanding anything contained in this Agreement to the contrary, it is expressly understood and agreed by the parties hereto that an effective tender shall be deemed to have been made by the Purchaser upon the Vendor, when the Purchaser's Solicitor has:

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- (i) delivered the balance due at Closing and all the Closing Documents required to be delivered by the Purchaser to the Vendor pursuant to Section 15 hereof;
- (ii) advised the Vendor's Solicitors in writing that the Purchaser is ready, willing and able to complete the transaction in accordance with the terms and provisions of this Agreement; and

without the necessity of personally attending upon the Vendor or the Vendor's Solicitors with the Closing Documents, and without any requirement to have an independent witness evidencing the foregoing.

#### **8. PRE-CLOSING RISK AND POST-DAMAGE ENTITLEMENTS**

The Purchased Assets are and shall remain at the Vendor's risk until Closing. In the event of material damage to the Purchased Assets prior to the Date of Closing, in excess of twenty-five thousand (\$25,000) Dollars, as determined by an independent third party expert appointed by the Vendor ("**Material Damage**"), the Purchaser may, at its option: (a) complete the transaction contemplated by this Agreement without reduction of the Purchase Price, in which event all proceeds of insurance or compensation shall be payable to the Purchaser; or (b) rescind this Agreement, and the parties hereto shall have no further rights and remedies against each other and the Deposit shall be returned to the Purchaser forthwith, without deduction. The Vendor shall use its best efforts to advise the Purchaser, in writing, within twenty-four (24) hours of the Vendor learning of any Material Damage to the Purchased Assets. The Purchaser shall have five (5) days, or such longer period as the Vendor in its sole and absolute discretion may agree to in writing, from delivery of such notice to advise the Vendor in writing as to its election, if any. In the event that the Purchaser fails to notify the Vendor in writing as to its election within the prescribed time period, the Vendor may terminate this Agreement immediately by providing written notice to the Purchaser and the parties hereto shall have no further rights and remedies against each other and the Deposit shall be returned to the Purchaser forthwith, without deduction, failing which, the Purchaser shall be deemed to have elected to complete the transaction in accordance with subparagraph (a) above. In the event that any of the Purchased Assets are damaged prior to the Closing Date and the value of such damage is less than [REDACTED], then the Purchaser shall complete the transaction and there shall be an abatement of the Purchase Price commensurate with the value of the damage, provided that there shall be no adjustment made for reasonable wear and tear to the Purchased Assets prior to the Closing Date.

#### **9. VENDOR'S REPRESENTATIONS AND WARRANTIES**

The Vendor represents and warrants to the Purchaser that, as at the date hereof:

- a) **Non-Residency:** the Vendor is not now and does not intend to become, prior to Closing, a non-resident of Canada within the meaning and purpose of Section 116 of the *Income Tax Act (Canada)*; the Vendor is not now and does not intend to become, prior to Closing, an agent or a trustee of such non-resident;

- b) **Court Order:** the Court Order remains in full force and effect, unamended; and
- c) **Authority to Sell:** BDO Canada Limited has been duly appointed as Receiver of Mara Tech by the Court Order and has full right, power and authority to market any or all of the Purchased Assets for sale and, subject to obtaining the Approval and Vesting Order prior to Closing, on the making of any Court Order subsequent hereto, shall have the power and authority to sell, convey, transfer, lease or assign the Purchased Assets as a result of the Court Order, in accordance with and subject to the terms and conditions of this Agreement and the Approval and Vesting Order.

## 10. **PURCHASER'S REPRESENTATIONS AND WARRANTIES**

The Purchaser represents and warrants to the Vendor that, as at the date hereof:

- a) **Corporate Matters Regarding Purchaser:** the Purchaser is a corporation duly incorporated, organized and validly subsisting under the laws of Canada and has all requisite corporate power, authority and capacity to execute and deliver and to perform each of its obligations pursuant to this Agreement; neither the execution of this Agreement nor the performance (such performance shall include, without limitation, the exercise of any of the Purchaser's rights and compliance with each of the Purchaser's obligations hereunder) by the Purchaser of the transaction contemplated hereunder will violate:
  - (i) the Purchaser's articles of incorporation and by-laws;
  - (ii) any agreement to which the Purchaser is bound or is a party;
  - (iii) any judgment or order of a court of competent authority or any Government Authority; or
  - (iv) any applicable law;

and the Purchaser has duly taken, or has caused to be taken, all requisite corporate action required to be taken by it to authorize the execution and delivery of this Agreement and the performance of each of its obligations hereunder; and

- b) **Investment Canada Act (Canada):** either (i) the Purchaser is not a "non-Canadian", as defined in the *Investment Canada Act (Canada)* ("ICA"); or (ii) if the Purchaser is a "non-Canadian", this transaction is not a reviewable transaction under the ICA, or, if applicable, the Purchaser is a non-Canadian for the purpose of the ICA and will within three (3) Business Days of the execution of this Agreement submit to Investment Canada a fully completed Application for Review with respect to the transaction contemplated in this Agreement and will use its best efforts to obtain Investment Canada Approval within ten (10) days thereafter.

The Purchaser shall promptly deliver to the Vendor written notice specifying the occurrence or likely occurrence of any event which may result in any of the Purchaser's representations and warranties contained in this Agreement not continuing to be true as at Closing.

**11. PURCHASER FURTHER REPRESENTATION**

- (a) **Representations and Warranties:** each of the Purchaser's representations and warranties contained in this Agreement shall be true at and as of the date hereof and each of such representations and warranties shall continue to be true as at Closing;
- (b) **Covenants/Agreements:** the Purchaser shall have complied with each and every covenant/agreement made by it herein and required to be completed at or prior to Closing;

**12. CONDITIONS OF CLOSING IN FAVOUR OF THE VENDOR**

- (a) The Vendor's obligations contained in this Agreement shall be subject to the fulfilment at or prior to Closing, of each of the following conditions:
  - (i) **Approval and Vesting Order or Vesting Order:** the Vendor shall have obtained the Approval and Vesting Order or Vesting Order and the Approval and Vesting Order or Vesting Order shall not have been stayed, varied or vacated and shall be in full force and effect and no Order restraining or prohibiting Closing shall have been made by the Court; and
  - (ii) **Restraint or prohibition:** No action or proceeding shall be pending or threatened by any person to restrain or prohibit the Closing nor any Order restraining or prohibiting Closing shall have been made by the Ontario Superior Court of Justice.
  - (iii) the appointment of BDO Canada Limited as receiver of Mara Tech has not been terminated by Court Order.

For greater certainty, each of the conditions contained in this Section 12(a), save and except the requirement for an Approval and Vesting Order or Vesting Order, have been inserted for the benefit of the Vendor and such conditions may be waived by the Vendor in its sole discretion.

- (b) The Vendor covenants to use reasonable commercial efforts to fulfil or cause to be fulfilled the condition contained in paragraph 12(a)(i). Notwithstanding anything contained herein, if the Vendor shall have not obtained the Approval and Vesting Order or Vesting Order from the Court on before the 19<sup>th</sup> day of January, 2017, this Agreement shall be terminated and neither party shall have any further obligation to the other respecting the Agreement save and except the Deposit shall be returned to the Purchaser without interest or deduction.

- (c) In the event that any of the foregoing conditions shall not be fulfilled, in whole or in part, at or prior to Closing, the Vendor may, in its absolute and unfettered discretion, terminate this Agreement by written notice to the Purchaser without penalty, liability, cost or compensation whatsoever to the Vendor and each of the Vendor and the Purchaser shall be released from their obligations and liabilities and the Deposit shall be returned to the Purchaser without interest or deduction.

### **13. CONDITIONS OF CLOSING IN FAVOUR OF THE PURCHASER**

- (a) The Purchaser's obligations contained in this Agreement shall be subject to the fulfilment, at or prior to Closing, of each of the following conditions:
- (i) **Representations and Warranties:** each of the Vendor's representations and warranties contained in this Agreement shall be true at and as of the date hereof and each of such representations and warranties shall continue to be true as at Closing;
  - (ii) **Covenants/Agreements:** the Vendor shall have complied with each and every covenant/agreement made by it herein and required to be completed at or prior to Closing;
  - (iii) **Approval and Vesting Order:** the Approval and Vesting Order or Vesting Order shall have been obtained and shall not have been stayed, varied or vacated and shall be in full force and effect and no Order restraining or prohibiting Closing shall have been made by the Court; and
  - (iv) **Title to Purchased Assets:** the Purchaser being satisfied that it will acquire title to the Purchased Assets listed on Schedule "B" to this Agreement free of any liens and encumbrances.

For greater certainty, each of the conditions contained in this Section 13(a)(i) and (ii) have been inserted for the benefit of the Purchaser.

- (b) In the event that any of the foregoing conditions shall not be fulfilled at or prior to Closing, the Purchaser may, in its absolute and unfettered discretion, terminate this Agreement by written notice to the Vendor without any penalty, liability, cost or compensation whatsoever to the Purchaser and each of the Vendor and the Purchaser shall be released from all other obligations and the Deposit shall be returned to the Purchaser without interest or deduction.

### **14. VENDOR'S CLOSING DELIVERIES**

The Vendor covenants to execute, where applicable, and deliver the following to the Purchaser at Closing or on such other date expressly provided herein:

- a) **Approval and Vesting Order or Vesting Order:** A copy of the issued and entered Approval and Vesting Order substantially in the form of the Model Approval and Vesting Order of the Court authorizing and approving this Agreement of Purchase and Sale and vesting in the Purchaser all rights, title and interest of Mara Tech, if any, in and to the Purchased Assets free and clear of all claims and encumbrances (the "Approval and Vesting Order") or alternatively a copy of the issued and entered Vesting Order substantially in the form of the Model Vesting Order of the Court vesting in the Purchaser all rights, title and interest of Mara Tech, if any, in and to the Purchased Assets free and clear of all claims and encumbrances (the "**Vesting Order**");
- b) **Direction Regarding Funds:** a direction from the Vendor designating the party or parties to which the balance of the Purchase Price described in Subsection 3(b) hereof shall be paid; in the event that the Vendor designates more than one party then it shall also designate amounts payable to each of the parties;
- (c) **Non-Residence Certificate:** the Vendor's certificate setting out that the Vendor is not a "non-resident" of Canada within the meaning and purpose of Section 116 of the *Income Tax Act* (Canada) and is not the agent nor trustee of a "non-resident"; and
- (d) **General Deliveries:** such further documentation relating to the completion of the transaction contemplated hereunder as shall be:
- (i) otherwise referred to herein; or
  - (ii) required by law and/or any Government Authority;

Provided that such further documentation is in a form satisfactory to the Vendor, taking into consideration the fact that the Vendor is selling the Purchased Assets as Receiver.

## 15. **PURCHASER'S CLOSING DELIVERIES**

The Purchaser covenants to execute, where applicable, and deliver the following to the Vendor at or prior to Closing:

- (a) **Direction Regarding Title:** a direction from the Purchaser designating the transferee(s) in the Approval and Vesting Order described in Subsection 14(a) hereof (required only in the event that the Approval and Vesting Order is to be inscribed in favour of a person/entity other than the Purchaser);
- (b) **Purchaser's Certificates:** the Purchaser's certificate setting out that each of the Purchaser's representations and warranties contained in this Agreement are true as at Closing and, if applicable, the Purchaser's certificate described in Section 17 hereof;
- (c) **Directors' Resolution:** a certified copy of a resolution of the board of directors of the Purchaser authorizing the execution of this Agreement and performance of each of the Purchaser's obligations hereunder (the "Director's Resolution");
- (d) **HST Indemnity:** the indemnity provided for under Subsection 17.c hereof;

- (e) **Certificate of Incumbency:** a certificate of incumbency for the chief executive officer of the Purchaser, who shall be authorized by the Director's Resolution to execute on behalf of the Purchaser all necessary documents to complete the transaction contemplated by this Agreement;
- (f) **Purchaser's Agents' Commissions:** evidence of payment by the Purchaser of any commission or other remuneration payable to the Purchaser's agent, if any, in connection with the purchase of the Purchased Assets, or a certificate from the Purchaser certifying that it has not retained any such agent and that no such commission or other remuneration is payable;
- (g) **Environmental Indemnity:** an environmental indemnity indemnifying and holding the Vendor harmless from any and all damages, claims, actions, losses, costs, liabilities or expenses (collectively "**Damages**") suffered or incurred by the Vendor, directly or indirectly, as a result of or in connection with any of the following and without restricting the generality of the foregoing, which include Damages incurred in addressing an administrative order by a Government Authority or in addressing a notice, investigation or other process which could reasonably be anticipated to result in such an order:
  - (i) the breach by the Purchaser or those for whom it is responsible at law of any Environmental Law applicable to the Lands; or
  - (ii) the release or threatened release of any Hazardous Materials owned, managed, generated, disposed of, controlled or transported by or on behalf of the Purchaser.
- (e) **Balance Due at Closing:** the balance of the Purchase Price described in Subsection 3(b) hereof; and
- (f) **Further Documentation:** any other documentation relative to the completion of this Agreement as may reasonably be required by the Vendor or the Vendor's Solicitors.

16. **[ Intentionally Deleted ]**

17. **HARMONIZED SALES TAX**

- a. **Application of HST to this Agreement:** If the transaction contemplated hereunder shall be subject to the Harmonized Sales Tax ("**HST**") levied pursuant to the Act, then HST shall be in addition to and not included in the Purchase Price.
- b. **Self-Assessment:** If part or all of the said transaction is subject to HST and:
  - i. the Vendor is a non-resident of Canada or the Vendor would be a non-resident of Canada but for Subsection 132(2) of the Act; and/or



- ii. the Purchaser is a "prescribed recipient" under the Act and/or is registered under the Act,

then the Purchaser shall deliver, prior to Closing, its certificate in form prescribed by the Act or, if no such form is prescribed, then in reasonable form, certifying that the Purchaser shall be liable for, shall self-assess and shall remit to the appropriate Government Authority all HST payable in respect of the transaction contemplated hereunder. If Subsection 17.b.ii hereof shall be applicable, then the Purchaser's certificate shall also include certification of the Purchaser's prescription and/or registration, as the case may be, and the Purchaser's HST registration number. If the Purchaser shall fail to deliver its certificate, then the Purchaser shall tender to the Vendor, at Closing, in addition to the balance due at Closing described in Subsection 3(b) hereof, an amount equal to the HST that the Vendor shall be obligated to collect and remit in connection with the said transaction.

- c. **HST Indemnity**: The Purchaser shall indemnify and save harmless the Vendor from all claims, liabilities, penalties, interest, costs and legal and other expenses incurred, directly or indirectly, in connection with the assessment of HST payable in respect of the transaction contemplated hereunder.

## 18. **NOTICE**

Any notice given hereunder shall be in writing and delivered or communicated by facsimile or email to:

in the case of the Purchaser to:

- (a) In the case of the Purchaser:

Your Quick Gateway (Windsor) Inc.  
3200 County Road 42  
Unit #200  
Windsor, ON N8V 0A1

Attention: Carolyn Brown  
Tel.: 519-969-2430  
Fax: 519-969-6053  
Email: cbrown@citywindsor.ca

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and with a copy to the Purchaser's Solicitor:

Miller Thomson LLP  
One London Place  
2010 – 255 Queens Avenue  
London, ON N6A 5R8

Attention: Tony Van Klink  
Tel.: 519-931-3509  
Fax: 519-858-8511  
Email: tvanklink@millerthomson.com

and in the case of the Vendor to:

BDO Canada Limited, in its Capacity as  
Court-Appointed Receiver of Mara Tech  
25 Main Street West, Suite 805  
Hamilton, ON L8P 1H1

Attention: Darren Griffiths  
Email: dgriffiths@bdo.ca  
Facsimile No.: (905) 570-0249

with a copy to the Vendor's Solicitors at:

Simpson Wigle Law LLP  
1 Hunter Street East  
P.O. Box 990  
Hamilton, ON L8N 3R1

Attention: David Jackson  
Email: JacksonD@simpsonwagle.com  
Facsimile No.: 905.528.9008

Such notice shall be deemed to have been delivered upon delivery or communicated upon transmission unless such notice is delivered or transmitted outside of usual business hours, in which event the notice shall be deemed to have been delivered or transmitted on the next Business Day. A party may change its address and/or facsimile number by providing notice in accordance with this Section 18.

#### **19. WAIVER OF CONDITIONS**

Except as otherwise provided in this Agreement, all conditions contained herein have been inserted for the benefit of either the Vendor or the Purchaser, as indicated, and are conditions of the obligations of such party to complete the transaction contemplated hereunder at Closing and are not conditions precedent of this Agreement. Any one or more of the said conditions may be waived, in writing, in whole or in part, by the benefiting party without prejudice to the benefiting party's right of termination in the event of the non-fulfilment of any other condition, and, if so

waived, this Agreement shall be read exclusive of the said condition or conditions so waived. For greater certainty, the closing of the transaction contemplated hereunder by a party hereof shall be deemed to be a waiver by such party of compliance with any condition inserted for its benefit and not satisfied at Closing.

## **20. SEVERABILITY**

If any provision contained in this Agreement or the application thereof to any person/entity or circumstance is, to any extent, invalid or unenforceable, the remainder of this Agreement and the application of such provision to persons/entities or circumstances other than those to whom/which it is held invalid or unenforceable, shall not be affected thereby and each provision contained in this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.

## **21. DIVISION/HEADINGS**

The division of this Agreement into Sections, Subsections, Paragraphs and Subparagraphs and the insertion of headings or captions are for convenience of reference only and shall not affect the construction or interpretation of this Agreement or any part hereof.

## **22. ENTIRE AGREEMENT**

This Agreement and the schedules attached hereto and the Terms and Conditions of Sale dated **December 29, 2016**, constitute the entire agreement between the Vendor and the Purchaser in respect of the Purchased Assets. Each of the parties acknowledges that, except as contained in this Agreement and the said Terms and Conditions of Sale, there is no representation, warranty, collateral agreement or condition (whether a direct or collateral condition or an express or implied condition) which induced it to enter into this Agreement. In the event of conflict between the provisions of the Terms and Conditions of Sale dated December 22, 2016 and the terms and conditions of the Agreement then the terms and conditions of this Agreement shall prevail.

## **23. CUMULATIVE REMEDIES**

No remedy conferred upon or reserved to one or both of the parties hereto is intended to be exclusive of any other remedy, but each remedy shall be cumulative and in addition to every other remedy conferred upon or reserved hereunder, whether such remedy shall be existing or hereafter existing, and whether such remedy shall become available under common law, equity or statute.

**24. INTERPRETATION**

This Agreement shall be read with all changes of gender and number as required by the context.

**25. REFERENCES TO STATUTES**

Except as otherwise provided in this Agreement, references to any statute herein shall be deemed to be a reference to such statute and any and all regulations from time to time promulgated thereunder and to such statute and regulations as amended or re-enacted from time to time. Any reference herein to a specific section or sections, paragraph or paragraphs and/or clause or clauses of any statute or regulations promulgated thereunder shall be deemed to include a reference to any corresponding provision of future law.

**26. TIME OF ESSENCE**

Time shall in all respects be of the essence hereof provided that the time for the doing or completing of any matter referred to herein may be extended or abridged by an agreement, in writing, executed by the Vendor and the Purchaser or their respective solicitors who are hereby expressly appointed for that purpose.

**27. CANADIAN FUNDS**

All references to dollar amounts contained in this Agreement shall be deemed to refer to Canadian funds.

**28. TENDER**

Not to limit the provisions of paragraph 7, any tender of notices, documents and/or monies hereunder may be made upon the Vendor or the Purchaser or their respective solicitors. Monies may be tendered by a negotiable cheque certified by a Canadian chartered bank or by an official bank draft drawn upon one of Canada's five largest chartered banks.

**29. FURTHER ASSURANCES**

Except as otherwise expressed herein to the contrary, each party shall, without receiving additional consideration therefore, co-operate with and take such additional actions as may be requested by the other party, acting reasonably, in order to carry out the purpose and intent of this Agreement.

**30. CONFIDENTIALITY**

The Purchaser and its agents, advisors and authorized representatives shall maintain in strict confidence, until Closing, all information and materials delivered or made available pursuant to this Agreement, except as may reasonably be disclosed by the Purchaser:

- a. to facilitate the procurement of financing for the Purchased Assets;
- b. to enforce any of its rights/remedies hereunder;
- c. to enforce any of its other rights/remedies, if any, pursuant to common law, equity or statute; or
- d. to comply with laws requiring disclosure.

In the event that the transaction contemplated in this Agreement is, for any reason whatsoever, not completed, then the Purchaser shall, upon request from the Vendor, promptly return to the Vendor all materials delivered hereunder and deliver to the Vendor all copies of materials made available hereunder.

**31. NON-BUSINESS DAYS**

In the event that any date specified or any date contemplated in this Agreement shall fall upon a day other than a Business Day, then such date shall be deemed to be the next following Business Day.

**32. GOVERNING LAWS**

This Agreement has been executed in the Province of Ontario and, for all purposes, shall be construed in accordance with and governed by the laws in effect within the Province of Ontario.

**33. ASSIGNMENT**

The Purchaser shall not assign part or all of its interest under this Agreement without the prior written consent of the Vendor, which consent may be arbitrarily withheld.

**34. COMMISSION**

The Vendor has not retained an agent in regard to the sale of the Purchased Assets to the Purchaser. The Vendor agrees that in the event that it does hire an agent that it shall be responsible for paying any commission or other remuneration payable to any agent retained by  
{00020335}

the Vendor in connection with the sale of the Purchased Assets and the Vendor agrees to indemnify and save harmless the Purchaser from and against any claim for such commission or other remuneration.

**35. VENDOR'S CAPACITY**

It is acknowledged by the Purchaser that BDO Canada Limited is entering into this Agreement solely in its capacity as Court Appointed Receiver of Mara Tech. BDO Canada Limited shall have no personal or corporate liability under or as a result of this Agreement. Any claim against BDO Canada Limited shall be limited to and only enforceable against the property and assets then held by or available to it in its capacity as receiver Mara Tech and shall not apply to its personal property and other assets held by it in any other capacity. The term "Vendor" as used in this Agreement shall have no inference or reference to the present registered owner of the Purchased Assets.

**36. SUCCESSORS AND ASSIGNS**

This Agreement shall be binding upon and endure to the benefit of the parties hereto and their respective successors and permitted assigns.


**37. TIME FOR ACCEPTANCE**

The offer to purchase comprising this Agreement shall be irrevocable by the Purchaser and open for acceptance by the Vendor until 5:00 o'clock p.m. on Wednesday, the 4<sup>th</sup> day of January, 2017, after which time, if not accepted and notice of such acceptance communicated to the Purchaser, then the said offer to purchase shall be null and void and of no further force and effect.

**38.** This Agreement may be signed in counterparts and may be delivered by one party to the other by facsimile transmission or electronically scanned and emailed in accordance with the terms of paragraph 18 hereof. Once the agreement is so executed in counterparts and so delivered then it shall be binding. For the purposes only of certainty, the parties agree to sign and exchange original copies in a timely manner.

**DATED** at Windsor, Ontario as of the date first mentioned above.

**YOUR QUICK GATEWAY (WINDSOR) INC.**

By: 

Name: Carolyn Brown

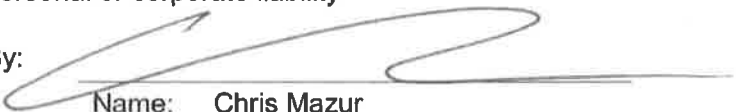
Title: Chief Executive Officer

I have authority to bind the Corporation.

The Vendor hereby accepts the foregoing offer to purchase and its terms and agrees with the Purchaser to duly complete the transaction contemplated thereunder.

**DATED** at Hamilton, Ontario this 6<sup>th</sup> day of ~~December, 2016~~ January, 2017

BDO Canada Limited, in its capacity as Court Appointed Receiver of Mara Tech, and not in its personal or corporate capacity and without personal or corporate liability

By: 

Name: Chris Mazur

Title: Principal, Trustee CIRP

I have authority to bind the Corporation.

**Schedule "A" – COURT ORDER  
OF THE HONOURABLE MR. JUSTICE LOCOCO  
August 4, 2016**



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## Schedule "B" – Purchased Assets

<u>Windsor</u>	
1	Kubota RTV500 SN# 21001 (Not on Site - Out for Repair)
3	Moody BCT501508 5'x10' Open V Luggage Cart
1	Kubota B2620 Tractor SN# 62798 280Hr
1	2011 KCI WCL-4060 Wheelchair Lift SN# WCL0019
1	Manual Hydraulic Lift 14-Step
3	4'x12' Baggage Cart
4	4'x8' Baggage Cart
1	Lavatory Cart
1	Wollard TC485GF-047 Belt Loader 449Hr
1	Custom Water Cart
1	Pro Inc - Diesel Mobile Ground Power Unit
11	Individual Locker
1	Black Leather Sofa
1	47" Samsung Wall Mounted Television
1	Lot of Office Furniture
1	HP C3180 Printer

# **TAB E**

## **APPENDIX "E" TO THE RECEIVER'S THIRD REPORT**

IN THE MATTER OF THE RECEIVERSHIP OF  
 MARA TECH AVIATION FUELS LTD.,  
 MARA-TECH AVIATION SERVICES LTD.,  
 MARA TECH AVIATION FUELS (THOMPSON) LTD., and  
 MARA TECH AVIATION FUELS (SUDBURY) LTD.

ESTIMATED NET REALIZATION  
AS AT JANUARY 13, 2017

<b>RECEIPTS:</b>	
Sale of assets	\$ 1,000,000
Fuel adjustment on sale of assets	103,461
Interest earned	24
<b>TOTAL RECEIPTS</b>	<u>1,103,485</u>
<b>DISBURSEMENTS:</b>	
Rent (Windsor Airport)	12,029
Legal fees (to Jan. 11, 2017)	92,276
Payroll (Dec. 2016)	117,406
<b>TOTAL DISBURSEMENTS</b>	<u>221,712</u>
<b>NET RECEIPTS AFTER DISBURSEMENTS</b>	881,773
<b>ADD: REALIZATION VALUE OF ADDITIONAL ASSETS</b>	
Cash in Mara Tech's bank account <sup>1</sup>	310,974
Accounts receivables <sup>2</sup>	174,312
Equipment (Windsor)	48,000
	<u>533,287</u>
<b>ADD: ADDITIONAL DISBURSEMENTS TO BE PAID</b>	
Source deductions (Dec. 25, 2016 to Jan. 7, 2017)	7,566
Payroll (Dec. 25, 2016 to Jan. 7, 2017)	17,211
Source deductions (Nov. 2016)	22,033
Source deductions (Dec. 2016)	34,368
Estimated Receiver & legal fees (to completion) <sup>3</sup>	60,000
Receiver's fees (to Dec. 28, 2016)	194,068
	<u>335,246</u>
<b>LESS: SECURED &amp; PRIORITY LIABILITIES</b>	
Royal Bank of Canada <sup>4</sup>	648,344
LAKES Leasing <sup>4</sup>	78,081
Kubota Canada <sup>4</sup>	62,126
Canada Revenue Agency - Source deductions (arrears) <sup>5</sup>	106,738
Canada Revenue Agency - HST (arrears) <sup>5</sup>	35,798
	<u>931,087</u>
<b>LESS: UNSECURED LIABILITIES<sup>6</sup></b>	<u>209,299</u>
<b>ESTIMATED NET REALIZATION</b>	<u><u>\$ (60,572)</u></u>

**NOTE 1:**

The balance of Mara Tech's bank account was provided by TD Canada Trust, as at January 10, 2017.

**NOTE 2:**

As noted in the Receiver's Third Report to Court, the accounts receivable listing provided by Mara Tech showed total receivables of \$358,917.03. The Receiver noted that the accounts receivable listing included receivables from October and November 2016. As the Receiver was advised by Rita Fish (Mara Tech's bookkeeper) that essentially without exception customers typically pay within 30 days, the Receiver has excluded these receivables (totaling \$4,562.15 and \$120,042.68, respectively) in its analysis, as it is likely that related payment has been deposited in Mara Tech's bank account which has been frozen upon the Receiver's request.

In addition, the accounts receivable listing provided by Mara Tech included a receivable of \$60,000 from World Fuel Services Corporation ("WFS"). The Receiver has confirmed with WFS that the amount is actually \$55,587.99. As Mara Tech owes \$183,161.98 to WFS, the Receiver has excluded this receivable in the above analysis, and instead has off-set the payable to WFS in its analysis by \$55,587.99.

**NOTE 3:**

This amount is the Receiver's current estimate of the receivership fees and legal fees to be incurred from January 1, 2017 until file completion.

**NOTE 4:**

The amounts due to Royal Bank of Canada, LAKES Leasing, and Kubota Canada are as at January 12, 2017.

**NOTE 5:**

The amounts due to Canada Revenue Agency are as at January 11, 2017.

**NOTE 6:**

The accounts payable listing provided by Mara Tech showed total payables of \$311,234.05. The Receiver noted that the accounts payable listing included amounts owing to Canada Revenue Agency with respect to source deductions and Harmonized Sales Tax. The Receiver has deducted these amounts in calculating the amount of Mara Tech's unsecured creditors.

In addition, the Receiver has been in direct contact with the airports from which Mara Tech operated/operates, and requested the amounts owed by the Mara Tech. Mara Tech has advised they do not agree with some of the amounts; however, the Receiver has used the amount confirmed by the airports in the above analysis.

Further, as previously mentioned, the Receiver has off-set the payable to WFS in its analysis by \$55,587.99.

A summary of the unsecured creditors is attached as Schedule A.

## SCHEDULE "A"

SUMMARY OF UNSECURED CREDITORS

<u>Creditor</u>	<u>Amount</u>
2345221 Ontario Inc.	565.00
American Express	11,257.69
Beatties	68.56
Bell Canada	5,770.89
Evans Electric	207.32
Fedex	3,268.12
Greater Sudbury Airport <sup>1</sup>	12,315.79
Heavy Equipment Technicians	8,468.45
Hydro One	863.34
Maxima Holdings	73.45
Ministry of Finance - EHT	22,947.24
National Leasing	477.95
North Bay Airport <sup>2</sup>	1,128.62
Office	114.18
OK Tire Store (Santing)	52.91
Reliance Home Comfort	47.12
Sault Ste. Marie Airport <sup>3</sup>	1,781.95
SPI Health and Safety	264.75
TD Visa	1,029.36
Telus	319.23
Topline Electric Ltd.	3,032.26
Union Dues	1,300.92
World Fuel Services	127,573.99
WSIB	5,778.94
Young Fitness	590.99
	<u>\$ 209,299.02</u>

**Note 1:**

We note that Mara Tech advised that the amount outstanding was \$2,558.14; however, the Greater Sudbury Airport advised the amount outstanding was \$12,315.79. We have used the amount provided by the Greater Subury Airport in the list above.

**Note 2:**

We note that Mara Tech advised that the amount outstanding was \$NIL; however, the North Bay Airport advised the amount outstanding was \$1,128.62. We have used the amount provided by the North Bay Airport in the list above.

**Note 3:**

We note that Mara Tech advised that the amount outstanding was \$2,669.51; however, the Sault St. Marie Airport advised the amount outstanding was \$1,781.95. We have used the amount provided by the Sault Ste. Marie Airport in the list above.

**TAB F**

**APPENDIX "F" TO  
THE RECEIVER'S THIRD REPORT**

## Mara Tech Aviation Group Receivables

<u>Customer</u>	<u>Invoice</u>	<u>Amount</u>
<b>October 2016</b>		
Jazz	221066	\$ 4,336.15
Windsor Airport	221078	226.00
		<u>4,562.15</u>
<b>November 2016</b>		
Jazz	222040	23,340.06
Jazz	222047	18,293.50
Jazz	222055	5,234.27
Jazz	222025	3,175.75
Bearskin	222033	7,345.00
Bearskin	222037	6,875.49
Porter	222088	29,481.14
Porter	222079	10,366.56
Porter	222089	15,704.91
Windsor Airport	222091	226.00
		<u>120,042.68</u>
<b>December 2016</b>		
Jazz	223088	17,586.80
Jazz	223087	11,148.22
Jazz	223048	23,895.70
Jazz	223051	12,531.18
Jazz	223057	9,226.34
Jazz	223065	2,723.64
Jazz	223062	730.64
Jazz	223063	10,576.24
Jazz	109025	(13,475.48)
Jazz	109026	(33,770.36)
Air Canada Cargo	223064	80.89
Bearskin	223070	3,790.96
Bearskin	223022	7,521.28
Porter	223052	43,828.75
Porter	223080	34,096.85
Porter	223054	16,948.87
Sunwing	223041	14,125.57
Air Canada	223048	3,118.80
Windsor Airport	223077	226.00
Bearskin	223079	915.30
World Fuels		60,000.00
		<u>225,826.19</u>

**Retail Sales YAM**

Horizon Air - Dec 4/16	3,974.21
GOGC Sale (8557) Dec 8/16	733.98
FATR Sale (1204) Dec 13/16	277.89
FATR Sale (858-) Dec 14/16	114.55
	<u>5,100.63</u>

**Retail Sales YYB**

FedEx Dec 14/16	973.50
FedEx Dec 7/16	738.46
Skylink Dec 16/16	1,111.36
FedEx Dec 16/16	562.06
	<u>3,385.38</u>

**Total Receivables up to December 31/16** \$ 358,917.03



**TAB G**

**APPENDIX "G" TO  
THE RECEIVER'S THIRD REPORT**

## Payables at January 10, 2017

Bell - acct #7057793278 (396)	\$ 1,289.10
Bell - acct #251565825	182.38
Bell - acct #705 693 7029 (686)	763.50
Bell - acct #705 693 5346 (323)	445.24
Bell - acct #522 077 189	253.99
Bell - acct #506030154	394.77
Bell - acct #8455200600114770	270.21
Bell - acct #8455200600179633	116.32
Bell - acct #508667712	342.43
Bell - acct #300335960	576.58
Bell - acct #705 699 1324 (999)	815.64
Telus - acct #04119066	319.23
TD Visa - acct #4520709001814432	1,029.36
Evans Electric - Inv #3670	207.32
Sudbury Lease - December 2016	2,232.90
Sudbury Lease - December 2016	325.24
Heavy Equipment Technicians	8,468.45
Hydro One - acct #20086803045	965.29
Your Quick Getaway - inv #19187	
Windsor Lease December 2016	899.17
Your Quick Getaway - inv #19188	
Property taxes for December 2016	44.36
Your Quick Getaway - inv #19189	
employee parking	293.80
Sault Ste Marie airport - inv #7504	276.49
Sault Ste Marie airport - inv #7510	1,152.55
Sault Ste Marie airport - inv #7664	468.50
Sault Ste Marie airport - inv #7827	669.00
Sault Ste Marie airport - interest charges	102.97
Fedex - acct #309755510	3,268.12
American Express member # 3790-655403-41001	11,257.69
Bell - acct #905 682 8686 (452)	320.73
2345221 Ontario Inc - St Catharines office rent Jan 2017	565.00
Maxima Holdings - parking St Catharines office Jan 2017	73.45
Office phone - St Catharines (did not clear end of Dec/16)	114.18
Beatties	68.56
WSIB December 2016 Services	1,933.15
WSIB November 2016 Services	2,457.34
WSIB Oct/Nov/Dec Soo Fuels	600.95
WSIB Oct/Nov/Dec Sudbury Fuels	787.50
EHT Services	18,913.74
EHT Soo Fuels	788.46

EHT Sudbury Fuels	3,245.04
EDP Services Nov 16-30/16	15,413.88
EDP Services Dec 1-15/16	13,739.30
EDP Services Dec 16-31/16	14,856.64
EDP Soo Fuels November 2016	2,937.10
EDP Soo Fuels December 2016	2,658.78
EDP Sudbury Fuels November 2016	3,682.03
EDP Sudbury Fuels December 2016	3,113.18
Services HST Aug 5 - Oct 31/16	50,047.33
Soo Fuels HST Aug 5 - Oct 31/16	12,433.40
Sudbury Fuels HST Aug 5 - Oct 31/16	7,898.42
CRA Services EDP arrears from Dec 16	98,769.06
CRA Services HST arrears from Dec 16	16,800.72
CRA Soo Fuels EDP arrears	-
CRA Soo Fuels HST arrears from Dec 16	(111.25)
CRA Sudbury Fuels EDP arrears from Dec 16	316.89
CRA Sudbury Fuels HST arrears from Dec 16	78.95
World Fuels ???? No idea where this stands	
Union Dues - Sept 16	437.64
Union Dues - Oct 16	287.76
Union Dues - Nov 16	287.76
Union Dues - Dec 16	287.76
	\$ 311,234.05

Bell bills - must be prorated These bills represent amounts past Dec 16/16

Not included on this list is any debit from our bank account that did not clear in Dec/16. I am not privy to items cleared and/or still owing at this particular time.

Sudbury lease amounts included here would have to be prorated. These figures are for all of December and our expense would only be to Dec 16/16.

Previously paid bills to SSM airport and North Bay airport would also have to be prorated as we paid for the full month but should receive a credit for Dec 17-31/16

CRA arrears - numbers gathered from last communication in Dec 2016 prior to court on Dec 16/16. and interest to current as per the CRA website.

There is one Telus bill that we would likely owe at this date and it may have been received in the mail delivered to BDO. We do not have it in our possession at this time.

There may be other items that should be credited to us as we have paid for all of December 2016 and would be reimbursed for the dates of Dec 17-31/16

These numbers represent the payables we can determine to the best of our ability at the date of January 10, 2017 taking into consideration notes from above.

# **TAB H**

## **APPENDIX "H" TO THE RECEIVER'S THIRD REPORT**

IN THE MATTER OF THE RECEIVERSHIP OF  
 MARA TECH AVIATION FUELS LTD.,  
 MARA-TECH AVIATION SERVICES LTD.,  
 MARA TECH AVIATION FUELS (THOMPSON) LTD., and  
 MARA TECH AVIATION FUELS (SUDBURY) LTD.

INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS  
AS AT JANUARY 13, 2017

<b>RECEIPTS:</b>	
Sale of assets	\$ 1,000,000
Fuel adjustment on sale of assets	103,461
Interest earned	24
<b>TOTAL RECEIPTS</b>	<u>1,103,485</u>
<b>DISBURSEMENTS:</b>	
Rent (Windsor Airport)	12,029
Legal fees (to Jan. 11, 2017)	92,276
Payroll	117,406
<b>TOTAL DISBURSEMENTS</b>	<u>221,712</u>
<b>NET RECEIPTS AFTER DISBURSEMENTS</b>	881,773
<b>ADD: ADDITIONAL RECEIPTS TO BE RECEIVED</b>	
Cash in bank account	310,974
	<u>310,974</u>
<b>LESS: ADDITIONAL EXPENSES TO BE PAID</b>	
Source deductions (Dec. 25, 2016 to Jan. 7, 2017)	7,566
Payroll (Dec. 25, 2016 to Jan. 7, 2017)	17,211
Source deductions (Nov. 2016)	22,033
Source deductions (Dec. 2016)	34,368
Estimated Receiver & legal fees (to completion) <sup>4</sup>	60,000
Receiver's fees (to Dec. 28, 2016)	194,068
	<u>335,246</u>
<b>NET BALANCE</b>	<u><u>\$ 857,502</u></u>

**TAB 3**

**DRAFT**

**APPROVAL AND VESTING ORDER**

Court File No. 56184/15

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE

)

THURSDAY, THE 19<sup>TH</sup>

JUSTICE

)

DAY OF JANUARY, 2017

)

B E T W E E N:

**ROYAL BANK OF CANADA**

Applicant

and

**MARA TECH AVIATION FUELS LTD.,  
MARA-TECH AVIATION SERVICES LTD.,  
MARA TECH AVIATION FUELS (THOMPSON) LTD., and  
MARA TECH AVIATION FUELS (SUDBURY) LTD.**

Respondents

**APPROVAL AND VESTING ORDER**

THIS MOTION, made by BDO Canada Limited in its capacity as the Court-appointed receiver (the "Receiver"), without security, of all the assets, undertakings and properties (the "Property") of Mara Tech Aviation Fuels Ltd., Mara-Tech Aviation Services Ltd., Mara Tech Aviation Fuels (Thompson) Ltd., and Mara Tech Aviation Fuels (Sudbury) Ltd. (the "Debtors" or "Mara Tech") for an order approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Sale Agreement") between the Receiver and Your Quick Gateway (Windsor) Inc. (the "Purchaser") dated December 29, 2016 and appended to the Confidential Supplement to the Third Report dated January 16, 2017 (the "Confidential Supplement

to the Third Report”), and for an Order vesting in the Purchaser the Debtor’s right, title and interest in the “Purchased Assets” as described in the Sale Agreement, was heard this day at 59 Church Street, St. Catharines, Ontario.

ON READING the First Report of the Receiver dated November 14, 2016 (the “First Report”), the Second Report of the Receiver dated December 5, 2016 (the “Second Report”), the Confidential Supplement Report of the Receiver dated December 7, 2016, the Third Report of the Receiver dated January 16, 2017, the Confidential Supplement to the Third Report and the Notice of Motion herein and on hearing the submissions of counsel for the Receiver and counsel for the Respondents, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Sherine Burke affirmed January 17, 2017, filed,

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

2. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and that the Sale Agreement is commercially reasonable and in the best interests of the Debtor and its stakeholders. The execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

3. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver’s Certificate to the Purchaser substantially in the form attached as Schedule A hereto (the “Receiver’s Certificate”), all of the Debtors’ right, title and interest in and to the Purchased Assets shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens,



executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Lococo dated August 4, 2016; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; (iii) those Claims listed on Schedule B hereto (all of which are collectively referred to as the "Encumbrances"); and (iii) for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. THIS COURT ORDERS AND DECLARES that the Receiver is empowered and authorized, in conjunction with the completion of the Transaction to assign or alternatively, terminate all and any leases or occupancy agreement in the name of Mara Tech with respect to property, premises and buildings located at the Windsor International Airport.

5. THIS COURT ORDERS AND DECLARES that in conjunction with the completion of the Sale Transaction, the Receiver be at liberty to terminate all of the employees of Mara Tech that work at the Windsor International Airport.

6. THIS COURT ORDERS that immediately upon the Receiver delivering to the Debtors a duly executed copy of the Receiver's Certificate, the Debtors will deliver to the Purchaser, the Purchased Assets and particularly:

- (a) The equipment that is located at the Windsor International Airport including the equipment that is listed in Schedule "C" attached.
- (b) Possession of the premises that the Debtors lease or occupy at the Windsor International Airport.

7. THIS COURT ORDERS that the Receiver may deliver the Receiver's Certificate to the Debtors by email to John Marandola at [jmarandola@maratech.org](mailto:jmarandola@maratech.org) and to lawyer Luigi De Lisio at [delisio@bellnet.ca](mailto:delisio@bellnet.ca) and the same shall be deemed to have been validly

and effectively given on the date of transmission if such date is a business day and such transmission was made during the hours of 9:00 a.m. and 5:00 p.m. to the recipient; otherwise it shall be deemed to have been validly and effectively given on the business day next following such date of transmission.

8. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

9. THIS COURT ORDERS AND DIRECTS the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof to the Purchaser.

10. THIS COURT ORDERS that, notwithstanding:

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

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

shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

11. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

12. THIS COURT ORDERS AND DECLARES that the actions of the Receiver as set out in the Third Report and Confidential Supplement to the Third Report be and are hereby approved.

13. THIS COURT ORDERS AND DECLARES that the Agreement of Purchase and Sale dated December 29, 2016 between the Receiver and Your Quick Gateway (Windsor) Inc. and referred to in the Confidential Supplement to the Third Report is hereby sealed until such further Order of the Court.

14. THIS COURT ORDERS AND DECLARES that in conjunction with the completion of the Transaction, the Receiver is at liberty to terminate all of the employees of Mara Tech that work at the Windsor International Airport.

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

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**Schedule A – Form of Receiver’s Certificate**

Court File No. 56184/15

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**B E T W E E N:**

**ROYAL BANK OF CANADA**

Applicant

and

**MARA TECH AVIATION FUELS LTD.,  
MARA-TECH AVIATION SERVICES LTD.,  
MARA TECH AVIATION FUELS (THOMPSON) LTD., and  
MARA TECH AVIATION FUELS (SUDBURY) LTD.**

Respondents

**RECEIVER’S CERTIFICATE**

**RECITALS**

A. Pursuant to an Order of the Honourable Mr. Justice Lococo of the Ontario Superior Court of Justice (the "Court") dated August 4, 2016, BDO Canada Limited was appointed as the receiver (the "Receiver") without security, of all of the assets, undertakings and properties of Mara Tech Aviation Fuels Ltd., Mara-Tech Aviation Services Ltd., Mara Tech Aviation Fuels (Thompson) Ltd., and Mara Tech Aviation Fuels (Sudbury) Ltd. (the "Debtors").

B. Pursuant to an Order of the Court dated January 19, 2017, the Court approved the agreement of purchase and sale made as of December 29, 2016 (the "Sale Agreement") between the Receiver and Your Quick Gateway (Windsor) Inc. (the "Purchaser") and provided for the vesting in the Purchaser of the Debtors' right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate

confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

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

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at Hamilton on January ..., 2017.

**BDO Canada Limited, in its capacity as Receiver without security, of all of the assets, undertakings and properties of Mara Tech Aviation Fuels Ltd., Mara-Tech Aviation Services Ltd., Mara Tech Aviation Fuels (Thompson) Ltd., and Mara Tech Aviation Fuels (Sudbury) Ltd., and not in its personal capacity**

Per: \_\_\_\_\_

Name:

Title:

**Schedule B – Claims to be deleted and expunged**

## Schedule C – Purchased Assets

<u>Windsor</u>	
1	Kubota RTV500 SN# 21001 (Not on Site - Out for Repair)
3	Moody BCT501508 5'x10' Open V Luggage Cart
1	Kubota B2620 Tractor SN# 62798 280Hr
1	2011 KCI WCL-4060 Wheelchair Lift SN# WCL0019
1	Manual Hydraulic Lift 14-Step
3	4'x12' Baggage Cart
4	4'x8' Baggage Cart
1	Lavatory Cart
1	Wollard TC485GF-047 Belt Loader 449Hr
1	Custom Water Cart
1	Pro Inc - Diesel Mobile Ground Power Unit
11	Individual Locker
1	Black Leather Sofa
1	47" Samsung Wall Mounted Television
1	Lot of Office Furniture
1	HP C3180 Printer

**ROYAL BANK OF CANADA**  
Applicant

**-AND-**

**MARA TECH AVIATION FUELS LTD. ET AL**  
Respondents

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**

PROCEEDINGS COMMENCED AT  
ST. CATHARINES

**MOTION RECORD**

**SimpsonWigle LAW LLP**  
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Canada Limited