

COURT FILE NUMBER Q.B. 1401 of 2019

COURT COURT OF QUEEN'S BENCH FOR
SASKATCHEWAN IN BANKRUPTCY AND
INSOLVENCY

JUDICIAL CENTRE SASKATOON

APPLICANT PILLAR CAPITAL CORP.

RESPONDENT HARMON INTERNATIONAL INDUSTRIES INC.

DOCUMENT **FIRST REPORT OF THE RECEIVER
HARDIE & KELLY INC.
MAY 27, 2020**

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I N D E X

INTRODUCTION.....	3
TERMS OF REFERENCE.....	7
CORPORATE STRUCTURE.....	7
OPERATIONS AND FINANCIAL POSITION.....	7
ACTIVITIES OF THE RECEIVER.....	11
THIRD PARTY PROPERTY.....	13
PROPOSED PROPERTY CLAIMS PROCESS.....	17
PROPOSED MARKETING PROCESS.....	20
INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS.....	25
PROFESSIONAL FEES.....	26
SEALING ORDER APPLICATION.....	26
RECOMMENDATIONS.....	27

A P P E N D I X

PILLAR INFORMATION STATEMENT.....	A
PROPOSED PROPERTY CLAIMS PROCESS.....	B
PROPOSED LISTING AGREEMENTS.....	C

INTRODUCTION

1. On September 30, 2019, Pillar Capital Corp. (“**Pillar**”) applied to the Court of Queen’s Bench for Saskatchewan (the “**Court**”) for an Order of this Honourable Court appointing a Receiver of the assets, undertakings and properties (the “**Property**”) of Harmon International Industries Inc. (“**Harmon**” or the “**Company**”). Pillar’s application was adjourned from the original hearing date on October 3, 2019 and a Receivership Order appointing Hardie & Kelly Inc. as Receiver of the Property of Harmon was ultimately granted by the Honourable Mr. Justice R.W. Elson on January 17, 2020.
2. Extensive materials have been filed with the Court in relation to the application described above, certain of which are defined below and referred to in either this First Report of the Receiver (the “**First Report**”) or the Confidential Supplement to the First Report of the Receiver filed concurrently (the “**Confidential Supplement**”) with such materials as defined and discussed below:
 - (a) the Affidavit of Steve Dizep sworn on September 30, 2019 (the “**Initial Dizep Affidavit**”) and filed in support of Pillar’s application for the Receivership Order;
 - (b) the Affidavit of Calvin Moneo sworn on October 3, 2019 (the “**Initial Moneo Affidavit**”) and filed in response to Pillar’s application for a Receivership Order;
 - (c) the affidavit of Calvin Moneo sworn on October 8, 2019 (the “**Second Moneo Affidavit**”) filed in response to Pillar’s application for a Receivership Order, which affidavit appended two valuations of the Harmon Property (as defined below), including:
 - i. an appraisal as of August 28, 2017; and
 - ii. an opinion of value as of September 4, 2018 (the “**Initial Kreutzwieser Value**”), the contents of which are addressed in the Kreutzwieser Affidavit (as defined below);

- (d) the affidavit of Steve Dizep sworn on January 7, 2020 (the “**Second Dizep Affidavit**”) and filed in support of Pillar’s application for the Receivership Order;
- (e) the affidavit of Keaton O’Brien sworn on January 7, 2020 (the “**O’Brien Affidavit**”) and filed in support of Pillar’s application for the Receivership Order, including particulars with respect to Mr. O’Brien’s assessment of the Harmon Property arising from his attendance and, specifically, the extensive amount of equipment, scrap metal and miscellaneous items in or around the buildings on the Harmon Property;
- (f) the affidavit of Ken Kreutzwieser of ICR Commercial Real Estate (“**ICR**”) sworn on January 8, 2020 (the “**Kreutzwieser Affidavit**”) and filed by Pillar; which Affidavit provides additional context surrounding the preparation of the Initial Kreutzwieser Value and Mr. Kreutzwieser’s updated comments on potential list and transaction value subsequent to his touring and marketing the Harmon Property;
- (g) the affidavit of Kevin Hoy sworn on January 8, 2020 (the “**Hoy Affidavit**”) and filed by Pillar, appending an appraisal of the Harmon Property commissioned by Pillar’s legal counsel;
- (h) the affidavit of Andrew Maynard of ICR sworn on January 8, 2020 (the “**Maynard Affidavit**”) and filed by Pillar, providing details of Mr. Maynard’s communications with the Company relating to the marketing of the Harmon Property;
- (i) the affidavit of Calvin Moneo sworn on January 10, 2020 (the “**Third Moneo Affidavit**”) and filed in response to Pillar’s application for a Receivership Order.

3. Paragraph 3 of the Receivership Order empowers and authorizes the Receiver, *inter alia*, to:

- (a) 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) receive, preserve, protect and maintain control of the Property including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it and the engaging of independent security personnel;
- (c) 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;
- (d) 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 the Court in respect of any transaction not exceeding \$50,000, provided that the aggregate consideration for all such transactions does not exceed \$250,000; and
 - ii. with the approval of the Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amounts set out in the preceding clause.

4. The purpose of this First Report is to provide information to the Court in respect of:

- (a) the corporate structure of the Company;
- (b) the operations and financial position of the Company;
- (c) the activities of the Receiver since the date of the Receivership Order;
- (d) the Receiver's efforts to implement a process to identify and authenticate claims of third parties with property situated at the Harmon Property and to facilitate a process to have such property removed on a timely basis, with such efforts leading to the proposed Property Claims Process as discussed and defined herein;

- (e) a listing proposal process administered by the Receiver to select a sales agent and the proposed framework of a sales process for the purpose of soliciting interest in, and ultimately effecting a sale (subject to Court approval) of the Harmon Property;
 - (f) the Receiver's receipts and disbursements, including accruals to May 22, 2020;
 - (g) the professional fees incurred by the Receiver and its independent legal counsel to date; and
 - (h) the Receiver's recommendations respecting the foregoing.
5. Concurrent with the filing of this First Report, the Receiver will be filing a Confidential Supplement hereto containing confidential and commercially sensitive information with respect to proposals received leading to the Proposed Listing Agreement (as defined below), together with property-specific comments regarding the Receiver's expectations regarding the realizable value of the Harmon Property.
 6. The Receiver is of the view that disclosure of the information contained in the Confidential Supplement would cause irreparable prejudice to the creditors and other stakeholders, as the release of such information into the public domain prior to the sale of the Harmon Property would compromise the Receiver's ability to obtain the highest and best price for those assets. As a result, the Receiver will be seeking an order sealing the Confidential Supplement for 30 days following the closing of any ultimate transaction for the Harmon Property.
 7. Capitalized terms not defined in this First Report shall bear the meanings ascribed to them in the Receivership Order, the proposed Property Claims Process Order (as defined and discussed herein) or the Initial Dizep Affidavit.
 8. All references to currency are in Canadian dollars unless otherwise noted.
 9. This document, together with other information regarding these proceedings, has been posted by the Receiver to its website at www.relieffromdebt.ca/harmon-international.

TERMS OF REFERENCE

10. In preparing this First Report, the Receiver has relied upon unaudited financial information obtained from discussions with certain of the directors of the Company, primarily Calvin and Victor Moneo, as well as representatives of Pillar. The Receiver has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of such information and accordingly, the Receiver expresses no opinion or other form of assurance in respect of such information contained in this report.

CORPORATE STRUCTURE

11. Based on a corporate search dated September 30, 2019, the Company was incorporated on January 5, 1989. The listed directors of the Company are Calvin Moneo (“**Cal**”), Victor Moneo (“**Vic**”) and Denis Bergeron, and the Company’s shareholdings are as follows: Calvin Moneo (35%), Judith Moneo (10%), Victor Moneo (45%), Denis Bergeron (10%).
12. Vic and Cal are referred to herein collectively as “**Management**”.

OPERATIONS AND FINANCIAL POSITION

Operations

13. Harmon previously operated as a manufacturer of equipment, including agricultural equipment. The Initial Moneo Affidavit states that the Company has not manufactured equipment since early 2018 and that the primary business activity in the past few years has been the refurbishment of used equipment for resale.

Books and Records

14. The Receiver has been unable to obtain any detailed books and records for the Company. Management has advised that the Harmon computers, which contained the substantial majority of such records, were stolen during a break-in that occurred in July 2019.

Assets

15. The substantial asset of the Company is an approximately seven acre parcel of land located at the civic addresses of 821 – 47th Street East and 2401 Millar Avenue, Saskatoon, Saskatchewan (collectively, the “**Harmon Property**”), legally described as follows:

- (a) Surface Parcel#118989714
Lot 5 Blk/Par 466 Plan No 61S20645 Extension 0
As described on Certificate of Title 00SA22947;
- (b) Surface Parcel#135721728
Lot L Blk/Par 466 Plan No 61S20645 Extension 5
As described on Certificate of Title 00SA22947, description 5;
- (c) Surface Parcel#118989499
Lot 14 Blk/Par 377 Plan No 59S01097 Extension 0
As described on Certificate of Title 91S19691;
- (d) Surface Parcel#118989501
Lot 13 Blk/Par 377 Plan No 59S01097 Extension 0
As described on Certificate of Title 91S19691;
- (e) Surface Parcel#118989512
Lot 12 Blk/Par 377 Plan No 59S01097 Extension 0
As described on Certificate of Title 91S19691; and
- (f) Surface Parcel#118989567
Lot 15 Blk/Par 377 Plan No 59S01097 Extension 0
As described on Certificate of Title 91S19691.

16. The Initial Dizep Affidavit describes that the Harmon Property contains the following buildings:

- (a) An approximately 18,000 square foot commercial building (the “**821 Building**”) located on the lands listed at subparagraphs (a) and (b) in the preceding paragraph, whose civic address is 821 – 47th Street East, Saskatoon, Saskatchewan; and

- (b) An approximately 62,000 square foot commercial building (the “**Millar Avenue Building**”) located primarily on the lands listed at subparagraphs (b) through (f) in the preceding paragraph, whose civic address is 2401 Millar Avenue, Saskatoon, Saskatchewan.
- 17. As discussed more fully below, in addition to inventory and other parts formerly used in the Harmon business, a significant amount of machinery, equipment, scrap metal, parts and other items are stored on the Harmon Property. Management advises that the items of personal property stored upon the Harmon Property are owned by various persons including, in addition to Harmon, Cal, Vic, members of their immediate and extended families, former businesses operated by family members, and arms-length, non-related third parties (collectively, the “**Third Parties**”).

Liabilities

Creditors claiming a security interest in the assets of the Company

Pillar Capital Corp.

- 18. According to the Initial Dizep Affidavit, pursuant to a loan agreement dated July 10, 2018 (the “**Loan Agreement**”), Pillar made available to Harmon a twelve-month facility in the maximum principal amount of \$3,300,000, and in support of such loan, Harmon executed a promissory note (the “**Promissory Note**”) in favour of Pillar in the principal amount under the loan agreement, plus interest and other amounts owing thereunder from time to time.
- 19. The Initial Dizep Affidavit describes that as security for the obligations of Harmon to Pillar under the Loan Agreement and the Promissory Note, Harmon executed, delivered and granted to Pillar, *inter alia*, the following security (the “**Security**”):
 - (a) A general security agreement dated July 26, 2018 over all of the present and after-acquired personal property of Harmon (the “**Harmon GSA**”);
 - (b) A collateral mortgage dated July 26, 2018 over the Harmon Property (the “**Harmon Mortgage**”); and

- (c) a General Assignment of Rents dated July 26, 2018, in regard to the Harmon Property (the **Assignment of Rents**).
- 20. For clarity, the Receiver has not yet conducted an independent review of the validity and enforceability of the Security, but intends to conduct such a review and to report to the Court on the outcome of same in due course.
- 21. In addition to the above Security, guarantees and further security were executed, delivered and granted to Pillar as follows:
 - (a) Vic and Cal each executed guarantees dated July 26, 2018, and general security agreements dated July 26, 2018 covering all of their respective present and after-acquired personal property;
 - (b) Vic executed a collateral mortgage and assignment of rents, each dated July 26, 2018, over various lands located in the Province of Saskatchewan; and
 - (c) Amber Hill Farms Ltd., a Saskatchewan farming corporation of which Vic is a director and principal shareholder, executed a guarantee, a general security agreement over all of its present and after-acquired property and a collateral mortgage and assignment of rents over various lands located in the Province of Saskatchewan, each dated July 26, 2018.
- 22. Pillar has provided an updated information statement, noting that such statement is for informational purposes only and is not an official payout statement, illustrating that, as of May 21, 2020 and inclusive of costs, Pillar is owed approximately \$4,501,644 by Harmon, with interest accruing at approximately \$3,616 per day. A copy of this information statement is attached as Appendix “A”.
- 23. Based on a search of the Saskatchewan Personal Property Registry system, Pillar holds the only registered security interest naming the Company as a debtor party, which registration claims a security interest over all of Harmon’s present and after-acquired personal property.

24. A Saskatchewan Land Titles Registry search discloses that the Mortgage and the Assignment of Rents are the only financial charges registered against title to the Harmon Property.

Employees / Wage Earner Protection Program

25. The Receiver understands from Management that the Company did not have employees as of the date of Receivership, nor in the six months preceding, that would trigger a potential liability under the *Wage Earner Protection Program Act* and that there are no amounts outstanding to former employees.

Canada Revenue Agency - Deemed Trust for Source Deductions and GST

26. As a result of the COVID-19 pandemic and staffing limitations within the Canada Revenue Agency (“CRA”), the Receiver has been unable to confirm the existence of any existing CRA deemed trusts through coordinating trust audits. The Receiver will continue its efforts to have CRA confirm whether or not any such claim exists or may exist.

Property taxes

27. The Receiver understands from a recent property tax reminder notice that there is an aggregate of approximately \$106,894 due in outstanding property taxes consisting of \$94,515 on 2401 Millar Avenue and \$12,379 on 821 – 47th Street East.

Unsecured creditors

28. In addition to the above noted creditors, based on discussions and correspondence with Cal, the Receiver understands that Harmon owes certain amounts to its providers of utilities and that the only other material creditors are Cal and Vic pursuant to shareholder loans owing to them by Harmon, which loans Cal advises are in the approximate amount of \$1,500,000.

ACTIVITIES OF THE RECEIVER

29. Subsequent to the granting of the Receivership Order, the Receiver has, *inter alia*:

- (a) Attended at the Harmon Property to meet with Management, change the locks, secure the premises and obtain a general understanding of the state of the Harmon Property;
- (b) Completed statutory notifications to known creditors pursuant to Section 245(1) and 246(1) of the *Bankruptcy and Insolvency Act*;
- (c) Commenced the process to facilitate trust examinations as it relates to potential unpaid source deductions and GST;
- (d) Placed a general liability insurance policy on the Harmon Property as the Company did not have such coverage as at the date of Receivership;
- (e) Held extensive discussions with Cal and Vic in attempts to obtain details and ownership status of the Third Party-owned goods located on the Harmon Property;
- (f) Engaged Mr. Hickman Parker (“**Mr. Parker**”), a former Harmon contractor, as the Receiver’s representative to periodically check on the Harmon Property, to provide access to Harmon Property where authorized by the Receiver, and to assist the Receiver with other tasks as required, including responding to the numerous break-ins at the Harmon Property;
- (g) Administered a Request for Proposals process regarding the marketing of the Harmon Property as described herein;
- (h) Considered various matters with respect to the Harmon Property, as summarized in the Confidential Supplement to the First Report, as such matters may impact any ultimate sales process conducted by the Receiver;
- (i) Commenced the collection of due diligence materials anticipated to be required for the ultimate sales process, including an updated Phase 1 Environmental Report and an updated real property report;
- (j) Provided updates to stakeholders as required; and
- (k) Attended to various other administrative matters pertaining to the Receivership.

THIRD PARTY PROPERTY

30. As indicated above, in addition to inventory and other parts formerly used in the Harmon business, a significant amount of machinery, equipment, scrap metal, parts and other items is stored on the Harmon Property. Management alleges that a significant portion of this property belongs or may belong to Third Parties.
31. The Initial Dizep Affidavit states that based on discussions with Mr. Kelly Minisofer of Grasswood Auctions, the personal property located at the Harmon Property may be worth between \$400,000 and \$600,000.
32. However, it is the Receiver's understanding that the above estimated value is an estimate for all of the personal property located at the Harmon Property, and would therefore include not only the personal property owned by Harmon, but also assets owned or potentially owned by Third Parties.
33. For example, Cal has advised the Receiver that he and/or Harmon sold a significant amount of personal property in, or around, October 2019 to a family member with the proceeds to Pillar, but that these assets remain at the Harmon Property. The Receiver has requested from Cal, but has not received, documentation with respect to this transaction.
34. In Paragraph 15 of the Initial Moneo Affidavit, Cal makes, *inter alia*, the following comments regarding the Third Party-owned assets:
 - (a) "There are also a number of items and equipment on the yard side that belong to others (i.e. not myself, Victor or Harmon), which are also not related to Harmon's business."

(b) “Given how long Harmon operated, it would be a significant undertaking to review each item of personal property located on the Harmon Property. Although I am personally able to do this inventory, as I already have a good idea as to which property is owned by Harmon, as opposed to myself, Victor or some other third party, I believe that it would be very time consuming, given the sheer number of items in issue, for a third party to perform this inventory. This is something that I previously discussed with Mr. Minisofer and is another reason that I would prefer to proceed with some type of auction process.”

35. Upon its attendance at the Harmon Property on January 21 and 22, 2020, the Receiver requested that Cal provide a detailed listing of all Third Party-owned assets, located on the exterior of the building and the adjacent empty lot, together with contact information for the applicable third party.
36. In light of the apparent magnitude of the task of identifying third party goods at the Harmon Property, the Receiver subsequently requested, through Harmon’s counsel, an estimate of the time Cal anticipated that it would take to identify and describe to the Receiver the Third Party-owned assets. In response, the Receiver was advised that Cal anticipated that it would take three days, plus the weekend for such identification.
37. On the basis of the above estimate, the Receiver made arrangements to provide Cal access to the Harmon Property on February 1, 2020 for the purposes of compiling a listing of assets identified as belonging to Third Parties, together with contact information for such third parties. The Receiver again noted that prior to the assets being removed by Third Parties, the Receiver would require appropriate documentation to be submitted to allow the Receiver to review the claim to ownership of such items.
38. In order to facilitate the above procedures, the Receiver arranged for access to the Harmon Property to be coordinated through Mr. Parker. The Receiver understands from Mr. Parker that he was generally available to provide such access upon request, notwithstanding certain other minimal personal engagements.

39. On February 10, 2020, the Receiver determined through discussions with Cal that the identification and communication of Third Party goods that was to take place in accordance with the original timeline provided by Cal was not feasible. As a result, the Receiver responded on the same date requesting an updated timeline and arranged for Cal to be provided continued access through Mr. Parker.
40. On February 17, 2020, based on the Receiver's discussion with Mr. Parker, the Receiver corresponded with Cal advising that it was the Receiver's understanding that Cal's initial list of Third Party property should be complete, and requesting a copy of such list.
41. As the Receiver understood that Cal was about to leave the country, the Receiver sent a subsequent voicemail on, or around, February 19, 2020, requesting that any completed list be sent via email or fax.
42. The Receiver understands that Cal was away from the country for approximately 6 weeks on vacation, starting on or around February 21st.
43. During this intervening period, the Receiver had discussions with Vic and provided him with access to the Harmon Property to locate and identify any goods owned by Vic in his personal capacity, but no such listing was provided by Vic to the Receiver.
44. On or around April 20, 2020 Cal made contact with the Receiver and advised that he needed access to the Harmon Property in order to isolate the non-Harmon assets. The Receiver reiterated its willingness to facilitate a process to identify, authenticate and have the Third Party property removed, but given the lack of cooperation or any substantial deliverable arising from the previous access provided as summarized above, the Receiver advised that it would be seeking Court approval for a process which would lead to definitive determinations as to the ownership of the Third Party property on definitive timelines.

45. Following continued discussions and correspondence with the Receiver, on, or around, May 20, 2020, Cal stated that he personally owned minimal assets on site at the Harmon Property, claiming that a significant amount of property inside and outside of the premises belong to his wife. The Receiver reiterated that it would ultimately seek to have any items claimed by Third Parties specifically identified, and any resulting claim to such items authenticated, through the proposed property claims process.
46. As the Receiver is of the opinion that the cluttered state of the Harmon Property will be detrimental to an ultimate sale of the Harmon Property, the Receiver is seeking the Court's approval for a formal process to identify Third Party claims to property located at the Harmon Property, together with a means of authenticating and adjudicating claims to ownership of such property, and ultimately facilitating the timely removal of Third Party property within a definitive time frame, all with a view to effecting the ultimate sale of the Harmon Property for its maximum realizable value in the circumstances.

Potential consensual joint sale of personal property

47. The Receiver has received interest from auction firms in assisting with auctioning and monetizing the personal property currently located upon the Harmon Property. However, because the Receiver is unable at this time to determine which assets may be the subject of Third Party claims (valid or otherwise), the Receiver has not been able to take steps to enter into any auction or sale agreement respecting the aggregate personal property.
48. The Receiver understands from the Initial Dizep Affidavit that each of Cal and Vic have guaranteed Harmon's indebtedness to Pillar and have each executed general security agreements over all of their personal property.

49. As a result, the Receiver has held discussions with Cal regarding the potential for a joint consensual sale of all the personal property located on at the Harmon Property (including property owned by Cal and/or Vic as well as property owned by Harmon) in an effort to expedite the sale of this property and with a view to mitigate the professional costs of the Property Claims Process and the administrative burden upon Cal, Vic, and/or related Third Parties of substantiating the Third Party ownership claims.
50. Due to the sheer number of potential third party-owned items, the Receiver understands that the cost of the relocation and storage of such assets may not be commensurate with the potential value of such assets. The Receiver had therefore been of the view that a consensual joint sale of the assets of Harmon, Cal, and Vic, with the proceeds to be segregated in trust and/or applied to the Pillar indebtedness of which Cal and Vic are personal guarantors could have been a positive development.
51. During discussions with the Receiver, Management had appeared to consider a joint sale approach, but has expressed concerns with respect to the realization process to be used by the Receiver, to which the Receiver has advised that it would be agreeable to using a mutually agreeable auctioneer to facilitate an auction and a clean-up of the remainder of the yard through the use of salvage dealers.
52. As of the date of this First Report, the Receiver has been unable to formalize any potential agreement for a joint auction. Nevertheless, the Property Claims Process defined and described below preserves this option.

PROPOSED PROPERTY CLAIMS PROCESS

53. In order to facilitate the identification and review of claims made by third parties to property located at the Harmon Property, the Receiver is seeking court approval of a Property Claims Process Order (the “**PCP Order**”) approving a property claims process substantially in the form attached as Appendix “B” (the “**Property Claims Process**”) with, *inter alia*, the following material terms (on the respectful assumption that the Court grants such requested relief):

- (a) Cal and Vic to be provided limited and prescribed access to the Harmon Property for the purpose of identifying potential Claims for a period of twenty-one (21) days following the date of any PCP Order;
- (b) Within five (5) days of the PCP Order, Harmon, Cal and Vic shall provide the Receiver with the names, addresses and telephone numbers for all persons known or suspected of having a Claim or a potential Claim;
- (c) Within three (3) days of the PCP Order, the Receiver shall post the Claims Package on the Case Website;
- (d) Within fourteen (14) days of the PCP Order, the Receiver shall send the Claims Package to all persons known or suspected by the Receiver to have a Claim or potential Claim;
- (e) Within fourteen days of the PCP Order, the Receiver shall cause to be published an advertisement in the Saskatoon *Star-Phoenix* and in *The Western Producer* advising of the PCP Order;
- (f) Any person asserting a Claim in accordance with the Property Claims Process must file a Proof of Claim, substantially in the form contained within the Claims Package by the Claims Bar Date, being the date that is thirty (30) days after the date of the PCP Order.
- (g) Any person with a Claim who fails to deliver a Proof of Claim to the Receiver in accordance with the PCP Order shall be forever barred, estopped and enjoined from asserting any Claim against the Debtor, the Receiver or the Property, and all such Claims shall be forever extinguished.
- (h) The Receiver shall review all proof of claims and shall accept, revise or reject each claim and advise each Claimant as to its determination of the validity of the Claimant's Claim.

- (i) If a Claimant, having received a Proof of Claim Response, wishes to challenge or contest a Proof of Claim response, then that party must, within fourteen (14) days after the sending of the Proof of Claim Response, complete and cause to be served upon counsel to the Receiver a Notice of Application returnable in the Receivership Proceedings along with supporting affidavit materials seeking to determine the validity of that portion of the Claimant's Claim that was disallowed by the Receiver.
- (j) Any person who, having been sent a Proof of Claim Response, fails within the time specified above to serve a Notice of Application as set out, shall conclusively be deemed to have accepted the decision set out in such Proof of Claim Response.
- (k) A Claimant whose Proof of Claim is accepted by the Receiver shall remove the Property from the Premises, at the Claimant's own expense and in cooperation with the Receiver, no later than twenty-eight (28) days after the Receiver's Delivery of the Proof of Claim Response accepting a Claimant's Claim (the "**Property Removal Date**").
- (l) All right, title and interest in and to any and all Property which is:
 - i. the subject of an approved Proof of Claim; and
 - ii. not removed from the Premises on before the Property Removal Date;

shall be deemed to be abandoned and forever forfeited in favour of Harmon as at the Property Removal Date and shall form part of the "**Property**" (as that term is defined in the Receivership Order).

54. The Receiver has provided Cal and counsel to Harmon a preliminary draft of the PCP Order in an effort to proceed on a consensual basis, primarily given the restrictions on Court hearings in respect of non-urgent civil matters during the COVID-19 pandemic; however, Cal confirmed that he and Harmon will not consent to such a process.

55. In response to such opposition, the Receiver requested Cal provide specific questions or concerns on the proposed process or form of Order, but other than concerns with respect to the proposed timeline, the Receiver has not received additional specific concerns.
56. In response to concerns with respect to the proposed timeline, the Receiver has increased the period for which Cal and/or Vic will be provided access to the Harmon Property to twenty-one (21) days (from fourteen (14) as originally contemplated).
57. The Receiver notes that the access period contemplated to be provided to Cal and Vic through the Property Claims Process is in addition to the previous access as outlined above which was provided by the Receiver, with such previous access being provided for the express purpose of identifying and communicating Third Party property and documentation required to substantiate Third Party ownership of such property.

PROPOSED MARKETING PROCESS

Request for Proposal Process

58. As described in the Kreutzwieser Affidavit, the Harmon Property was listed for sale prior to the Receivership with ICR. The Receiver understands that the Harmon Property was also previously listed for sale with Colliers International (“**Colliers**”) in 2018.
59. In selecting a firm to act as listing agent, the Receiver sought proposals from three individual sales agents, with two from ICR and one from Colliers. All three individuals are familiar with the Harmon Property. A summary of the proposals received is contained in the Confidential Supplement.
60. Cal has advised the Receiver that he would oppose the use of either Colliers or ICR. The Receiver advised that it would ensure that Cal was provided notice of the Receiver’s application to have the listing agreement approved.

61. Colliers and ICR are two of the most prominent commercial real estate brokerages in Saskatchewan. The Receiver is duty-bound to sell the Harmon property in a commercially reasonable manner and in a manner which is transparent and justifiable to the Court. Both firms have a depth of expertise in the Saskatoon market for commercial real estate. The Harmon Property is a unique piece of real property which has recently been listed for sale without success. Effecting a successful sale may be challenging, and the Receiver requires the assistance of an experienced, competent, and qualified real estate agent in order to maximize the realizable value of the Harmon Property in the circumstances. Certain comments with respect to the Harmon Property as it pertains to the sales process are provided in more detail in the Confidential Supplement.

Proposed Listing Agreement

62. Following its review of the proposals received and discussions with Pillar, the Receiver has entered into a listing agreement with Todd Butler of ICR (the “**Proposed Listing Agreement**”) with, *inter alia*, the following material terms:

- (a) Exclusivity period of 180 days;
- (b) Commission of 5% of first million and 3% of the remainder of the sales price (plus applicable taxes) (“**5% & 3%**”) for the Millar Avenue Building, and 5% of the sale price, for the 821 Building with the commission to be shared equally with a successful buyer’s brokerage;
- (c) Proposed list price of \$3,800,000 for the Millar Avenue Building and \$740,000 for the 821 Building; and
- (d) Conditional upon the approval of the Court.

63. Copies of the proposed listing agreements are attached as Appendix “C”.

64. While the Receiver understands that Cal is opposed to the Receiver listing the property with ICR (or perhaps with any brokerage firm), in the professional judgment of the Receiver, it is commercially reasonable to proceed with such a listing in the circumstances for the reasons outlined herein and in the Confidential Supplement. The Harmon Property is a unique property with a number of characteristics that support having an experienced real estate broker who is familiar with the Saskatoon commercial real estate market leading the negotiations and interacting with potential purchasers.
65. With respect to Cal's objection to ICR specifically, the Receiver makes the following comments:
- (a) It appears that the Harmon Property had been previously listed for sale through ICR under the direction of Mr. Kreutzwieser. It further appears that there was some sort of misunderstanding between ICR and Harmon as to whether or not the property remained listed for sale after April 30, 2019.
 - (b) Given the involvement of the Receiver, including its clear authority and mandate pursuant to the Receivership Order to market and sell the Harmon Property, combined with the proposed Property Claims Process to facilitate the removal of Third Party-owned assets and, in turn, the ultimate clean-up of the Harmon Property, the Receiver is cautiously optimistic that an ultimate transaction for the Harmon Property will be able to be brought forward for approval to this Honourable Court in accordance with the Receivership Order.
 - (c) The Receiver notes the previous listing agreement between Harmon and ICR contemplated a commission rate of 3% versus the 5% & 3% contemplated by the Receiver's proposed listing agreement to which the Receiver would provide the following comments:
 - i. The Receiver understands that the 3% flat rate commission in the previous agreement was due to the list price in the previous listing agreement being in excess of \$5 million; and

- ii. The proposed interest rate structure of 5% and 3% was consistent amongst the Colliers and ICR proposals.
- (d) Lastly, the Receiver notes that it is seeking the approval of a listing agreement, not of a final purchase and sale agreement for the Harmon Property. Harmon will receive notice of any ultimate application to Court to approve the sale of the Harmon Property.

Timing of proposed marketing process concurrent with proposed property claims process

66. In consultation with ICR and Pillar, the Receiver proposes that the marketing of the Harmon Property commence as soon as possible, with the option of purchasers submitting either an “as is” bid or a bid based on a condition that the Third Party assets be removed from the premises as a potential condition of any ultimate sale.
67. As a result, subject to the Court’s approval of the requested relief, it is the Receiver’s intention to administer the Property Claims Process and the sales process concurrently. Certain of the Receiver’s considerations in the above determination include, *inter alia*;
- (a) the Receiver and ICR are aware of certain parties potentially interested in purchasing some or all of the Harmon Property, together with those parties that may be identified and provided by Management;
 - (b) the previous marketing conducted by Harmon was conducted with the Harmon Property in a similar condition, but without the involvement of a Court officer to facilitate an orderly clean-up of the property and appropriate process to deal with Third Party property as proposed herein;
 - (c) the continuing costs associated with this matter, including both the interest accruing on the Pillar indebtedness and the professional fees of the Receiver, legal counsel to the Receiver, Pillar, and Harmon;

- (d) Harmon's and Cal's failure to assist the Receiver in identifying and providing details of the Third Party-owned assets, prolonging the time required in order to facilitate a process to identify and authenticate claims to, and facilitate the return of, Third Party-owned assets (including the potential for a prolonged process in the event of a required court application for the adjudication of any Third Party property claims); and
- (e) the benefit of (and ICR's recommendation regarding) commencing the marketing of the Harmon Property immediately noting that the Receiver expects there would be an increase in property holding costs during the winter months, together with a potential drop in marketability.

Involvement of Cal subsequent to the Receivership Order

- 68. Cal has been in frequent discussions with the Receiver throughout these proceedings with respect to his attempts to obtain refinancing which would permit Harmon to retire its indebtedness to Pillar, exit receivership, and avoid a sale of the Harmon Property.
- 69. The Receiver has provided access to the Harmon Properties, upon suitable arrangements, for Cal to tour interested parties and representatives through the Harmon Property, noting to Cal that the Receiver intends to continue to carry out its mandate prescribed by the Receivership Order, including the authority to market and sell the Harmon Property.
- 70. As of the date of this First Report, the Receiver is unaware of any definitive arrangements that have been made to refinance the Pillar Indebtedness.
- 71. In order to provide clarity to the market and interested parties that the Receiver has the sole and exclusive authority to market the Harmon Property, upon the approval of the listing agreement, the Receiver will no longer provide access to the Harmon Property for the purpose of having Cal or others not associated with ICR tour interested parties through the Property. However, Management will still be provided access for the purposes of the Proposed Claims Process as outlined above.

INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

72. The Receiver has provided below an interim statement of receipts and disbursements (the “**Interim SRD**”) for the Company for the period of its appointment to May 22, 2020, including accruals for invoices received but not yet paid, with some brief commentary:

RECEIPTS	
Receiver's Borrowings	\$ 137,500
Miscellaneous	14
	<hr/>
	137,514
DISBURSEMENTS	
Receiver's fees and disbursements	37,940
Utilities	15,722
Legal fees and disbursements	12,849
Outside consulting/security	9,160
Insurance	7,796
Sales process diligence materials	3,400
GST (net)	3,220
Facility fee	3,438
Interest	740
Ascend fee	275
WCB	140
Filing fee	70
Bank charges	15
	<hr/>
	94,766
NET CASH ON HAND, after accruals	<hr/>
	\$ 42,748

- (a) Receiver’s Borrowings - The Receiver has received borrowings from Pillar in the approximate amount of \$137,500 of the \$250,000 authorized by this Honourable Court, with, *inter alia*, the following material borrowing terms:
- i. Amounts to be drawn down by the Receiver through individual draws as required by the Receiver;
 - ii. Interest rate of 1.5% per month on daily balance, noting that such rate is consistent with the existing rate of the loan agreement as between Pillar and the Company;

- iii. 12 month facility with a minimum term of 3 months. Open facility after 3 months;
 - iv. Facility fee of 2.5% of each draw deducted at every advance; and
 - v. Monthly interest only payments with a balloon payment end of term.
- (b) Receiver's fees and legal fees and disbursements relate to professional fees incurred to April 30, 2020, as discussed more fully below.

PROFESSIONAL FEES

73. As described above, the Receiver and its independent legal counsel have incurred professional fees to April 30, 2020 in the respective amounts of \$37,940 and \$12,849 (the "**Professional Fees**") with respect to the activities substantially described herein.
74. Copies of the respective accounts will be made available upon request, pending redaction of any items considered to be subject to solicitor-client privilege.
75. It is the Receiver's position that its counsel's services have been duly authorized and rendered and that the charges are, in the Receiver's opinion, fair and reasonable in the circumstances.

SEALING ORDER APPLICATION

76. As the Confidential Supplement contains sensitive commercial information on the Receiver's ultimate expectation of value which in the Receiver's view may seriously prejudice any the results of such sales process, in order to protect the integrity of the such process, the Receiver is requesting that this Honourable Court make an order sealing the Confidential Supplement for a period of 30 days from the closing of an ultimate transaction for the sale of all or part of Harmon Property.
77. Counsel to the Receiver has completed or will duly complete the required online application for a publication ban or sealing order pursuant to the Court's General Application Practice Directive #3.

RECOMMENDATIONS

78. The Receiver respectfully recommends that this Honourable Court:

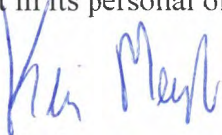
- (a) Approve the Property Claims Process;
- (b) Approve the terms of the listing agreement with Todd Butler of ICR;
- (c) Approve the activities of the Receiver as described in the First Report and the Confidential Supplement;
- (d) Approve the Interim SRD and the Professional Fees; and
- (e) Direct that the Confidential Supplement be ordered sealed for a period of 30 days from the date of closing of an ultimate sale of the Harmon Property.

All of which is respectfully submitted this 27th day of May, 2020.

Hardie & Kelly Inc.

In its capacity as Receiver of Harmon International Industries Inc.
and not in its personal or corporate capacity.

Per:



Kevin Meyler, CA•CIRP
President

APPENDIX A



Pillar Capital Corp. Facility with Harmon International Industries Inc.

Information Statement
Prepared: May 21, 2020

Information Date :		May 21, 2020
Loan Balance	\$	4,400,022.13
Interest to May 21, 2020	\$	75,938.47
Outstanding Legal Invoices	\$	25,684.06
Amount Outstanding	\$	4,501,644.66
Per Diem (valid until May 31, 2020)	\$	3,616.46

*Information statement only and not an official payout.

APPENDIX B

COURT FILE NUMBER Q.B. 1401 of 2019

COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE SASKATOON

APPLICANT PILLAR CAPITAL CORP.

RESPONDENT HARMON INTERNATIONAL INDUSTRIES INC.

IN THE MATTER OF THE RECEIVERSHIP OF HARMON INTERNATIONAL INDUSTRIES INC.

ORDER

(Property Claims Process)

Before the Honourable Mr. Justice R.W. Elson in Chambers the 5th day of June, 2020.

Upon the application of Jeffrey M. Lee., Q.C. and Paul Olfert, counsel on behalf of Hardie & Kelly Inc. (the "**Receiver**"), the Receiver of the assets, properties and undertakings of Harmon International Industries Inc. (the "**Debtor**"), and on hearing from counsel on behalf of the Receiver, and on reading the Notice of Application on behalf of the Receiver dated May 29, 2020, the First Report of the Receiver dated May 27, 2020 (the "**First Report**"), the Brief of Law of the Receiver, proof of substantial compliance with General Application Practice Directive #3, and a draft Order, all filed; and the pleadings and proceedings herein;

The Court Orders:

DEFINITIONS

1. All capitalized terms used and not otherwise defined herein shall have the same meanings as defined in the Receivership Order pronounced herein on January 10, 2020, by the Honourable Mr. Justice R.W. Elson (the "**Receivership Order**").
2. For the purposes of this Order the following terms shall have the following meanings:
 - (a) "**Claim**" means any right or claim of any person, whether or not asserted, to ownership of or title to any of the Property, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature.
 - (b) "**Claimant**" means a person asserting a Claim in accordance with the Property Claims Process.
 - (c) "**Claims Bar Date**" means the date that is thirty (30) days after the date of this Order.

- (d) **"Claims Package"** means the package of documents appended to this Order as **Schedule "A"**, comprising a Notice to Claimant, Proof of Claim form and Proof of Claim Response form.
- (e) **"Court"** means the Court of Queen's Bench for Saskatchewan.
- (f) **"Debtor"** has the meaning set forth in the preamble hereto.
- (g) **"Premises"** means those lands civically described as 2401 Millar Avenue and 821 - 47th Street East, Saskatoon, Saskatchewan, and legally described as:
 - (i) Surface Parcel #118989714, Lot 5-Blk/Par 466-Plan 61S20645 Ext 0;
 - (ii) Surface Parcel # 135721728, Lot L-Blk/Par 466-Plan 61S20645 Ext 5;
 - (iii) Surface Parcel # 118989512, Lot 12-Blk/Par 377-Plan 59S01097 Ext 0;
 - (iv) Surface Parcel # 118989501, Lot 13-Blk/Par 377-Plan 59S01097 Ext 0;
 - (v) Surface Parcel # 118989499, Lot 14-Blk/Par 377-Plan 59S01097 Ext 0; and
 - (vi) Surface Parcel # 118989567, Lot 15-Blk/Par 377-Plan 59S01097 Ext 0.
- (h) **"Proof of Claim"** means a Proof of Claim referred to herein filed by a Claimant, in substantially the form contained within the Claims Package.
- (i) **"Proof of Claim Response"** means a Proof of Claim Response referred to herein and delivered by the Receiver, in substantially the form contained within the Claims Package.
- (j) **"Property"** means any and all personal property located in, on, or upon the Premises as at the date of the Receivership Order.
- (k) **"Property Claims Process"** means the process outlined in this Order in connection with the assertion of a Claim to any Property.
- (l) **"Property Removal Date"** means the date that is twenty-eight (28) days after the Receiver's Delivery of the Proof of Claim Response accepting a Claimant's Claim.
- (m) **"Receivership Order"** has the meaning set forth in paragraph 1 hereof.

PROPERTY CLAIMS PROCESS

3. The Property Claims Process is hereby approved.
4. Calvin Moneo and Victor Moneo, having consented to this Order, are bound by this Order and the Property Claims Process without requirement for further proof of service upon either of them of either this Order or (notwithstanding paragraph 6 hereof) the Claims Package.

5. The Receiver may, during the twenty-one (21) days following the date of this Order, grant to certain persons, including, without limitation, Calvin Moneo and/or Victor Moneo, limited and prescribed access to the Premises for the purpose of inspecting the Property and identifying potential Claims (the “**Permitted Access**”), subject to the following:
 - (a) the person(s) receiving the Permitted Access and the time, place and manner of the Permitted Access shall be specified in a written notice from the Receiver to such person(s) and counsel for Calvin Moneo and Victor Moneo (each, a “**Permitted Access Notice**”), a copy of which Permitted Access Notice shall be sent contemporaneously to counsel to Pillar Capital Corp.; and
 - (b) no person, including, without limitation, Calvin Moneo and Victor Moneo, shall enter upon or access the Premises in any manner whatsoever except as specifically provided in this Order or in a Permitted Access Notice.

NOTICE OF CLAIMS PROCESS

6. Within three (3) days after the date of this Order, the Receiver shall post the Claims Package on the Case Website.
7. Within fourteen (14) days of the date of this Order, the Receiver shall send the Claims Package to all persons known or suspected by the Receiver to have a Claim or potential Claim.
8. Within five (5) days of the date of this Order, each of the Debtor, Calvin Moneo and Victor Moneo shall provide the Receiver with names, addresses, e-mail addresses and telephone numbers for all persons known or suspected by any of them to have a Claim or a potential Claim.
9. On or before the date that is fourteen (14) days after the date of this Order, the Receiver shall cause to be published in *The Saskatoon Star-Phoenix* and *The Western Producer* an advertisement in a format which, in the professional judgment of the Receiver, will adequately bring notice to the attention of persons reading such newspaper that anyone asserting a claim to ownership of any Property must file a Proof of Claim to that Property with the Receiver at or before 5:00 Saskatchewan time on the Claims Bar Date.
10. The forms of Notice to Claimant, Proof of Claim form and Proof of Claim Response, comprising the Claims Package, are hereby approved. Despite the foregoing, the Receiver may, from time to time, make non-substantive changes to these forms as the Receiver considers necessary or desirable.
11. The sending and posting of the Claims Package in accordance with paragraphs 6-9 of this Order shall constitute good and sufficient service and delivery of notice of this Order and the Claims Bar Date on all persons who may be entitled to receive notice and who may wish to assert a Claim, and

no other notice or service need be given or made and no other document or materials need be sent to or served upon any person in respect of this Order.

FILING PROOFS OF CLAIM

12. Any person with a Claim must deliver a Proof of Claim to the Receiver on or before the Claims Bar Date or such later date as the Receiver may agree in writing or the Court may otherwise direct. Any person with a Claim who fails to deliver a Proof of Claim to the Receiver in the aforesaid manner shall be and is hereby forever barred, estopped and enjoined from asserting or enforcing any Claim against the Debtor, the Receiver or the Property, and all such Claims shall be forever extinguished.
13. A Proof of Claim must be filed in respect of every Claim, regardless of whether or not a legal proceeding in respect of a Claim has been previously commenced.
14. Each Claimant shall include any and all Claims in a single Proof of Claim.

ADJUDICATION OF CLAIMS

15. The Receiver shall review all Proofs of Claim received on or before the Claims Bar Date and shall accept, revise or reject each Claim. Following its review of each Proof of Claim, the Receiver shall advise each Claimant as to its determination of the validity of the Claimant's Claim by delivering to the Claimant a Proof of Claim Response indicating whether the claim of the Claimant set out in the Proof of Claim is accepted, denied or revised by the Receiver.
16. If a Claimant, having received a Proof of Claim Response, wishes to challenge or contest a Proof of Claim Response, then that party must, within fourteen (14) days after the sending of the Proof of Claim Response, complete and cause to be served upon counsel to the Receiver a Notice of Application returnable in the Receivership Proceedings along with supporting affidavit materials seeking to determine the validity of that portion of the Claimant's Claim that was disallowed by the Receiver, the hearing of such application to be on a date agreed upon by the parties to the application and subject to the Court's availability. For greater certainty, if such an application cannot be set down for a hearing due to restrictions on Court operations during the COVID-19 pandemic, it shall be sufficient for a Claimant to serve its application materials with a hearing date to be determined.
17. Any person who, having been sent a Proof of Claim Response, fails within the time specified above in paragraph 16 hereof to serve a Notice of Application as set out in paragraph 16 hereof, shall conclusively be deemed to have accepted the decision set out in such Proof of Claim Response.

REMOVAL OF PROPERTY

18. A Claimant whose Proof of Claim is accepted by the Receiver shall remove the Property from the Premises, at the Claimant's own expense and in cooperation with the Receiver, no later than the Property Removal Date.
19. All right, title and interest in and to any and all Property which is:
- (a) the subject of an approved Proof of Claim; and
 - (b) not removed from the Premises on or before the Property Removal Date,
- shall be deemed to be abandoned and forever forfeited in favour of the Debtor as at the Property Removal Date and shall form part of the "Property" (as that term is defined in the Receivership Order).
20. Notwithstanding paragraphs 18 and 19 hereof, a Claimant who challenges a Proof of Claim Response in Court and is successful shall have fourteen (14) days after the date of the Court Order in their favour to remove their Property from the Premises, failing which ownership of such Property shall be deemed to be abandoned and forever forfeited in favour of the Debtor and shall form part of the "Property" (as that term is defined in the Receivership Order).
21. Nothing in paragraphs 17, 18, and 19 hereof shall prevent the Claimant and the Receiver from entering into a written agreement as to the treatment of any Property subject to the Claim, including, without limitation, an agreement that the Receiver will effect the sale of certain Property subject to a Claim and will hold the net proceeds of such sale in trust for the Claimant.

PROTECTIONS FOR RECEIVER

22. In carrying out the terms of this Order, the Receiver shall have all of the protections given to it by the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 and as an officer of this Court, including the stay of proceedings in its favour.
23. The Receiver shall incur no liability or obligation as a result of the carrying out of the provisions of this Order.
24. The Receiver shall be entitled to in its sole discretion, but shall not be required to, rely on the books and records of the Debtor, and any information provided by the Debtor, Calvin Moneo and/or Victor Moneo, all without independent investigation. The Receiver shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information.

SERVICE AND NOTICE

25. The Receiver may serve and deliver the Claims Package, any letters, notices or other documents to Claimants or any other interested person by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile transmission or email to such persons at the physical or electronic address, as applicable, last shown on the books and records of the Debtor (or as provided by the Debtor, Calvin Moneo or Victor Moneo) or set out in such Claimant's Proof of Claim. Any such service and delivery shall be deemed to have been received: (i) if sent by ordinary mail, the fifth business day after mailing; (ii) if sent by courier or personal delivery, on the next business day following dispatch; and (iii) if delivered by facsimile transmission or by email by 5:00 p.m. on a business day, on such business day and if delivered after by 5:00 p.m. or other than on a business day, on the following business day.
26. Any notice or communication required to be provided or delivered by a Claimant to the Receiver under this Order shall be in writing in substantially the form, if any, provided for in this Order and will be sufficiently given only if delivered by prepaid registered mail, courier, personal delivery, facsimile transmission or email addressed to:
- Hardie & Kelly Inc. – Receiver of Harmon International Industries Inc.**
110, 5800 – 2nd Street SW
Calgary, Alberta T2H 0H2
Attention: Kevin Meyler
E-mail: kmeyler@bdo.ca
27. Any such notice or communication delivered by a Creditor shall be deemed to be received upon actual receipt thereof by the Receiver during normal business hours on a business day or if delivered outside of normal business hours, the next business day.
28. If during any period during which notices or other communications are being given pursuant to this Order a postal strike or postal work stoppage of general application should occur, such notices or other communications sent by ordinary mail and then not received shall not, absent further Order of this Court, be effective and notices and other communications given hereunder during the course of any such postal strike or work stoppage of general application shall only be effective if given by courier, personal delivery, facsimile transmission or email in accordance with this Order.
29. In the event this Order is later amended by further Order of this Court, the Receiver may post such further Order on the Case Website and such posting shall constitute adequate notice to creditors of such amended Property Claims Process.

GENERAL PROVISIONS

30. The Debtor, Calvin Moneo, Victor Moneo and their respective employees, agents and representatives and any other person given notice of this Order shall fully cooperate with the Receiver in the exercise of its powers and the discharge of its duties and obligations under this Order.
31. The Receiver is hereby authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which any forms delivered hereunder are completed and executed and the time in which they are submitted, and may, where they are satisfied that a Claim has been adequately proven, waive strict compliance with the requirements of this Order, including in respect of the completion, execution and time of delivery of such forms, and may request any further documentation from a Claimant that the Receiver may require in order to enable them to determine the validity of a Claim.
32. 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:
- (a) 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;
 - (b) to grant representative status to the Receiver in any foreign proceeding; and
 - (c) to assist the Receiver and its agents in carrying out the terms of this Order.

ISSUED at Saskatoon, Saskatchewan, this ____ day of June, 2020.

(Deputy) Local Registrar

CONTACT INFORMATION AND ADDRESS FOR SERVICE:

Name of firm:	MLT Aikins LLP
Lawyer in charge of file:	Jeffrey M. Lee, Q.C. and Paul Olfert
Address of firm:	1500, 410 22nd Street E, Saskatoon SK S7K 5T6
Telephone number:	306.975.7100
Email address:	JMLee@mltaikins.com / POlfert@mltaikins.com
File No:	33124.16

SCHEDULE A
CLAIMS PACKAGE

The following attached documents comprise the Claims Package:

1. Notice to Claimant;
2. Proof of Claim form, with instructions; and
3. Proof of Claim Response form.

NOTICE TO CREDITOR FORM

[Date]

TO: [NAME AND ADDRESS OF CREDITOR OR INTERESTED PARTY]

RE: IN THE MATTER OF THE RECEIVERSHIP OF HARMON INTERNATIONAL INDUSTRIES INC.

On January 10, 2020, Hardie & Kelly Inc. (the “**Receiver**”) was appointed as Receiver of all of the assets, undertakings and properties of Harmon International Industries Inc. (the “**Debtor**”) pursuant to a Receivership Order granted by the Honourable Mr. Justice R.W. Elson of the Court of Queen’s Bench for Saskatchewan (the “**Receivership Order**”) in proceedings styled as *Re Harmon International Industries Inc.*, Q.B. 1401 of 2019, Judicial Centre of Saskatoon (the “**Receivership Proceedings**”).

As part of the Receivership Proceedings, the Court of Queen’s Bench for Saskatchewan has ordered that a “**Property Claims Process**” be initiated in order that the ownership of all personal property (the “**Property**”) located at the Debtor’s premises of 2401 Millar Avenue and 821- 47th Street East, Saskatoon (the “**Premises**”) can be determined.

All Claimants with an ownership claim to any Property must establish that claim with the Receiver as part of the Property Claims Process.

The Order establishing the Property Claims Process, granted by the Honourable _____ Justice _____ on _____, 2020, as well as all relevant instructions and documents related to the Property Claims Process, including the Proof of Claim form, can be obtained from the Receiver’s webpage located at <<https://relieffromdebt.ca/harmon-international/>> or by contacting the Receiver at the following address:

Hardie & Kelly Inc. – Receiver of Harmon International Industries Inc.
110, 5800 – 2nd Street SW
Calgary, Alberta T2H 0H2
Attention: Kevin Meyler
E-mail: kmeyler@bdo.ca

The deadline for a Claimant to submit a Proof of Claim in respect of any claim it has, or believes it has, to any Property is the ____ day of _____, 2020 (the “**Claims Bar Date**”).

Any Claim to ownership of any Property which is not submitted to the Receiver by way of Proof of Claim, or otherwise acknowledged by the Receiver, on or before the Claims Bar Date will be forever barred and Claimants holding such Claims will be forever barred from making or enforcing any Claim against the Property, the Debtor, or the Receiver. Claims which not proven to the satisfaction of, and accepted by, the Receiver will be forever released and extinguished, and title to the Property will be irrevocably vested in the Debtor.

Yours truly,

HARDIE & KELLY INC., solely in its capacity as Receiver of Harmon International Industries Inc. and not in its personal or corporate capacity.

Per: _____

PROOF OF CLAIM FORM

COURT FILE NUMBER **Q.B. 1401 of 2019**

**COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
IN BANKRUPTCY AND INSOLVENCY**

JUDICIAL CENTRE **SASKATOON**

APPLICANT **PILLAR CAPITAL CORP.**

RESPONDENT **HARMON INTERNATIONAL INDUSTRIES INC.**

IN THE MATTER OF THE RECEIVERSHIP OF HARMON INTERNATIONAL INDUSTRIES INC.

PROOF OF CLAIM

Full Name of Claimant: _____
(the "**Claimant**")

Full Mailing Address of Creditor: _____
(All notices and correspondence regarding your Claim will be forwarded to this address) _____

Fax No. _____

Telephone No. _____

Email: _____

Attention: _____

CERTIFICATION AS TO CLAIM

I do hereby certify that (*please see notes below for further instructions*):

1. The Claimant is the owner of one or more items of personal property ("**Property**") located at the premises of Harmon International Industries Inc. (the "**Debtor**"); namely, 2401 Millar Avenue and 821 - 47th Street East, Saskatoon (the "**Premises**").

2. I have knowledge of all of the circumstances connected with the claim referred to in this form.

3. A description of the property owned by the Claimant and located at the Premises is as follows (*include specifics of each item or class of property including make, model and serial number if applicable, and using additional paper if required*):

(a) _____

(b) _____

(c) _____

4. I attach the following documents which support the Claimant's ownership claim to the items of Property described above:

(a) _____

(b) _____

(c) _____

DATED THIS _____ DAY OF _____, 2020.

Signature:

(Please Print Name)

Instructions for Completion of Proof of Claim:

- Ensure that you complete the full name and delivery address, including fax number and/or email address, of the Claimant making the Claim.
- The Proof of Claim is incomplete unless you include a statement and description of the Claim and attach all supporting documents including bills of sale or other supporting documents.
- The Proof of Claim is incomplete unless it is signed and dated by the Claimant or, if the Claimant is a corporation, an officer of the Claimant with personal knowledge of the Claim.
- The signed and completed Proof of Claim, together with all supporting documents, must be returned to the Receiver, Hardie & Kelly Inc. at the following address at or before 5:00 p.m. Saskatchewan time on the ____ day of _____, 2020:

Hardie & Kelly Inc. – Receiver of Harmon International Industries Inc.

110, 5800 – 2nd Street SW
Calgary, Alberta T2H 0H2
Attention: Kevin Meyler
E-mail: kmeyler@bdo.ca

- Pursuant to the order of the Honourable _____ Justice _____, pronounced in the above noted proceedings on _____, 2020, and as may be amended, restated or supplemented from time to time (the "**Property Claims Process Order**"), the Receiver is entitled to accept your Claim or disallow your Proof of Claim in whole or in part. The Receiver will send you a Response to Proof of Claim accepting your Claim or disallowing it in whole or in part. The Response will contain particulars as to how you may dispute a disallowance of your Claim.

Please contact the Receiver at the address and email set out above if you have any questions about completing your Proof of Claim. Any failure to properly complete or return your Proof of Claim to the Receiver at the above address by 5:00 p.m. on the _____ day of _____, 2020 will result in your Claim being extinguished and title to the Property vesting in the Debtor, and the Claimant will have no further rights to recover the Property.

PROOF OF CLAIM RESPONSE FORM

COURT FILE NUMBER **Q.B. 1401 of 2019**

**COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
IN BANKRUPTCY AND INSOLVENCY**

JUDICIAL CENTRE **SASKATOON**

APPLICANT **PILLAR CAPITAL CORP.**

RESPONDENT **HARMON INTERNATIONAL INDUSTRIES INC.**

IN THE MATTER OF THE RECEIVERSHIP OF HARMON INTERNATIONAL INDUSTRIES INC.

PROOF OF CLAIM RESPONSE

TO: [Claimant]

TAKE NOTICE THAT your Proof of Claim filed with Hardie & Kelly Inc. (the "**Receiver**"), Receiver of the assets, undertakings, and properties of Harmon International Industries Inc. (the "**Debtor**"), has been:

_____ allowed

_____ disallowed for the following reasons:

[insert reasons]

A copy of the order of the Honourable _____ Justice _____, pronounced in the above noted proceedings on _____, 2020 (the "**Property Claims Process Order**") is enclosed, and terms which are capitalized in this Proof of Claim Response have the same meaning given to them in the Property Claims Process Order.

If you object to the decision set out in this Proof of Claim Response you must, on or before the date that is fourteen (14) days after the sending of this Proof of Claim Response, complete and cause to be served upon counsel to the Receiver a Notice of Application returnable in the Receivership Proceedings along with supporting affidavit materials seeking to determine the validity of that portion of the Claimant's Claim that was disallowed by the Receiver, the hearing of such application to be on a date agreed upon by the parties to the application and subject to the Court's availability. For greater certainty, if such an application cannot be set down for a hearing due to restrictions on Court operations during the COVID-19 pandemic, it shall be sufficient for a Claimant to serve its application materials with a hearing date to be determined.

If you fail to file a Notice of Application within the time period set out above, you will be deemed to have conclusively accepted the decision set out in this Proof of Claim Response.

Yours truly,

**HARDIE & KELLY INC., solely in its capacity as Receiver of Harmon International Industries Inc.
and not in its personal or corporate capacity**

Per: _____

[enclose copy of Property Claims Process Order]

APPENDIX C

EXCLUSIVE LISTING AGREEMENT FOR SALE

This Exclusive Listing Agreement (the "Agreement") made the 26th day of May, 2020

Hardie & Kelly Inc.,
in its capacity as Court-appointed Receiver of Harmon International Industries Inc. and not in its personal capacity
(Hereinafter called the "Owner")

- and -

ICR Commercial Real Estate
(Hereinafter called the "Broker")

The Owner and the Broker hereby agree as follows:

The Broker Shall list and use commercially reasonable efforts to effect a sale or exchange of property known as **2401 Millar Avenue, Saskatoon**; Saskatchewan, legally described as Lots 12, 13, 14, and 15, Blk/Par 377; Plan 59S01097 Ext 0 & part of Lot L; Blk/Par 466, Plan 61S20645 Ext 5; Surface Parcels 118989512, 118989499, 118989501, 118989567, and a portion of 135721728 (herein "Property") belonging to Owner. The Broker shall appoint a salesperson(s) to be responsible for dealing with the sale or exchange of the Property.

The Owner hereby gives the Broker sole and exclusive authority, commencing upon the date of execution of this listing agreement and irrevocable for one hundred eighty (180) days thereafter, to sell or exchange the Property at a price of **\$3,800,000.00** or at other such price or terms to which the Owner may agree.

Owner agrees to pay the Broker a commission of (a) five (5%) percent on the first \$1,000,000.00 and (b) three (3%) per cent of the portion of the sale price above \$1,000,000.00, plus applicable Sales Tax (as defined below) on the base commission amount (herein together "Commission") upon any sale or exchange of Property effected during the term of this Agreement, or upon a purchaser being found ready, willing and able to purchase Property on the terms above; or upon a sale or exchange of Property within six (6) months of the expiration of this Agreement hereof in respect of which the purchaser was introduced to Property by or through the Broker during the term hereof.

Owner shall pay to the Broker, in addition to any other amounts payable hereunder, any GST, sales tax, value added tax or any similar tax ("Sales Tax") imposed against Owner by the Government of Canada, or any Provincial or Municipal Government, to the extent that Sales Tax is imposed on Owner pursuant to the terms of this Agreement, said Sales Tax to be payable by Owner at the same time that the commission in respect of those services are payable pursuant to the terms of this Agreement. The Broker will share equally with the successful buyer's brokerage, commissions earned from this trade in real estate.

Commission shall be earned by and due and payable to the Broker by Owner upon the earlier of (a) title registration at Information Services Corporation or (b) when commissions have been released to the Broker by Owner and/or the Broker receives notification to release commissions from your lawyer and the buyer has taken possession.

Deposits shall be made payable to the Broker. Owner agrees that the Broker shall hold all deposits in the Broker's trust account. Such Commission shall be deducted from the deposit. In the event the deposit is not sufficient to pay Commission, Owner agrees and promises to pay the balance of Commission forthwith and shall hereby authorize and instruct Owner's solicitor to deduct and forward the same from the proceeds of the sale or exchange. If the deposit is forfeited by the prospective purchaser, the Broker shall be entitled to an amount equal to fifty (50%) per cent of the deposit, such amount not to exceed the amount of Commission which would have been earned had the transaction been completed.

Owner and the Broker acknowledge and agree that the Broker is not required to and shall not provide legal, accounting, environmental or tax advice. Owner is advised to seek specific independent legal, accounting, environmental or tax advice with regard to this Agreement and with regard to all documents executed in connection with this Agreement and the sale or exchange contemplated herein.

Owner hereby indemnifies and saves harmless the Broker and its salesperson(s) against any and all damages, losses, costs, charges, claims, actions, liabilities and penalties whatsoever which the Broker and its salesperson(s) may sustain, incur or be liable for, or which may be made against the Broker and its salesperson(s), by reason of the Broker's agency to Owner herein, by reason of any misrepresentation or omission of a material fact by Owner to the Broker regarding Property and/or by reason of any legal, accounting,



environmental or tax issues arising from this Agreement, except in relation to the Broker's or its salesperson(s)'s gross negligence. Notwithstanding the expiration of this Agreement, this clause shall survive.

Owner further agrees to refer to the Broker all inquiries relative to the sale or exchange of Property and to communicate to the Broker all offers to purchase which may be received during the period of this Agreement or arising by reason of it. Owner agrees to allow the Broker full opportunity to show Property to prospective purchasers during reasonable hours. The Broker shall be responsible for Property specific signage and shall have the right to erect the Broker's standard site signs. The Owner grants the Broker the authority to use the Property for marketing purposes of the Owner's site and/or nearby properties. This authority is given to the Broker for promotional uses such as photography and videography. The direct costs of periodical advertising carried out for the purpose of selling or exchanging Property shall be borne by the Broker. Owner shall pay for any additional promotional expenditure which may be deemed desirable and approved by Owner.

Owner acknowledges and agrees that in carrying out the terms of this Agreement, the Broker may be required to act on behalf of both Owner and prospective purchasers. The Broker agrees that it shall not represent any other parties' interest to the detriment of Owner. Owner shall advise the Broker of that information (herein "Confidential Information") which shall not be conveyed to or discussed with any potential purchaser. The Broker hereby undertakes not to disclose such Confidential Information without written consent of Owner. Notwithstanding the foregoing, Owner acknowledges that under The Real Estate Act and related provisions, the Broker must take commercially reasonable steps to discover material facts regarding Property in order to avoid error, misrepresentation or concealment of material facts and that the Broker may not make or permit to be made a statement in any form that contains an untrue statement of a material fact or omits to state a material fact regarding Property. The Owner consents to the collection, use and disclosure of personal information for the purpose of listing and marketing the Property including, but not limited to: (i) listing and advertising the Property using any medium including the internet; (ii) disclosing Property information to prospective tenants, brokerages, salespersons and others who may assist in the sale of the Property; and (iii) such other use of the Owner's personal information as is consistent with listing and marketing the Property.

Owner acknowledges and agrees that upon expiration of this Agreement, the Broker shall no longer represent Owner with regard to a sale or exchange of Property unless otherwise mutually agreed to in writing and all obligations to Owner shall immediately cease thereafter. Notwithstanding the foregoing nor the expiration of this Agreement, all obligations of Owner to the Broker for the payment of Commission herein shall continue without interruption and the terms of this clause shall survive.

Owner hereby indemnifies and saves harmless the Broker and its salesperson(s) against any and all damages, losses, costs, claims, actions, liabilities and penalties whatsoever which the Broker and its salesperson(s) may sustain, incur or be liable for, or which may be made against the Broker and its salesperson(s) pursuant to this Agreement by reason of any cause other than negligence on the part of the Broker or its salesperson(s). Notwithstanding the expiration of this Agreement, this clause shall survive.

Owner acknowledges having read and understood this Agreement, that it accurately describes the agreement with the Broker and that Owner has received an executed copy on this date. There are no representations, warranties, guarantees, promises or agreements between the parties hereto other than those made herein. Any term, condition or provision of this Agreement which is or shall be deemed to be void, prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be severable herefrom and be ineffective to the extent of such avoidance, prohibition or unenforceability without in any way invalidating the remaining terms, conditions and provisions hereof. Owner hereby certifies that it does not have an exclusive listing agreement, as relates to Property, with any other brokerage.

Broker acknowledges and agrees that this Exclusive Listing Agreement for Sale, and the Owner's performance of its obligations hereunder, is conditional upon the Owner obtaining approval from the Court of Queen's Bench for Saskatchewan to enter into this Exclusive Listing Agreement for Sale and to perform its obligations hereunder.

(This Exclusive Listing Agreement may be accepted via email and/or fax transmission, the receipt of which shall be deemed an original for all intents and purposes. This Exclusive Listing Agreement may be signed in counterpart and the sum of all executed parts shall be deemed to be one document.)

This 26th day of May, 2020.

**Hardie & Kelly Inc., in its capacity as Court-appointed Receiver of
Harmon International Industries Inc. and not in its personal
capacity**

Per: *Kevin Maylor*

Kevin Maylor, President

(Print Name & Position)
(I/We have the authority to bind the corporation)

Witness/Seal

(Witness - Print Name)



This 26 day of May, 2020.

Alex McGree
Witness/Seal

Alex McGree
(Witness - Print Name)

ICR Commercial Real Estate

Per: *[Signature]*

Todd B. Kar
(Print Name & Position)
(I/We have the authority to bind the corporation)



EXCLUSIVE LISTING AGREEMENT FOR SALE

This Exclusive Listing Agreement (the "Agreement") made the 21st day of May, 2020.

Hardie & Kelly Inc.,
in its capacity as Court-appointed Receiver of Harmon International Industries Inc. and not in its personal
capacity
(Hereinafter called the "Owner")

- and -

ICR Commercial Real Estate
(Hereinafter called the "Broker")

The Owner and the Broker hereby agree as follows:

The Broker Shall list and use commercially reasonable efforts to effect a sale or exchange of property known as **821 47th Street East, Saskatoon**; Saskatchewan, legally described as Surface Parcel 118989714 (herein "Property") belonging to Owner. The Broker shall appoint a salesperson(s) to be responsible for dealing with the sale or exchange of the Property.

The Owner hereby gives the Broker sole and exclusive authority, commencing upon the date of execution of this listing agreement and irrevocable for one hundred eighty (180) days thereafter, to sell or exchange the Property at a price of **\$740,000.00** or at other such price or terms to which the Owner may agree.

Owner agrees to pay the Broker a commission of five (5%) per of the sale price plus applicable Sales Tax (as defined below) on the base commission amount (herein together "Commission") upon any sale or exchange of Property effected during the term of this Agreement; or upon a purchaser being found ready, willing and able to purchase Property on the terms above; or upon a sale or exchange of Property within six (6) months of the expiration of this Agreement hereof in respect of which the purchaser was introduced to Property by or through the Broker during the term hereof.

Owner shall pay to the Broker, in addition to any other amounts payable hereunder, any GST, sales tax, value added tax or any similar tax ("Sales Tax") imposed against Owner by the Government of Canada, or any Provincial or Municipal Government, to the extent that Sales Tax is imposed on Owner pursuant to the terms of this Agreement, said Sales Tax to be payable by Owner at the same time that the commission in respect of those services are payable pursuant to the terms of this Agreement. The Broker will share equally with the successful buyer's brokerage, commissions earned from this trade in real estate.

Commission shall be earned by and due and payable to the Broker by Owner upon the earlier of (a) title registration at Information Services Corporation or (b) when commissions have been released to the Broker by Owner and/or the Broker receives notification to release commissions from your lawyer and the buyer has taken possession.

Deposits shall be made payable to the Broker. Owner agrees that the Broker shall hold all deposits in the Broker's trust account. Such Commission shall be deducted from the deposit. In the event the deposit is not sufficient to pay Commission, Owner agrees and promises to pay the balance of Commission forthwith and shall hereby authorize and instruct Owner's solicitor to deduct and forward the same from the proceeds of the sale or exchange. If the deposit is forfeited by the prospective purchaser, the Broker shall be entitled to an amount equal to fifty (50%) per cent of the deposit, such amount not to exceed the amount of Commission which would have been earned had the transaction been completed.

Owner and the Broker acknowledge and agree that the Broker is not required to and shall not provide legal, accounting, environmental or tax advice. Owner is advised to seek specific independent legal, accounting, environmental or tax advice with regard to this Agreement and with regard to all documents executed in connection with this Agreement and the sale or exchange contemplated herein.

Owner hereby indemnifies and saves harmless the Broker and its salesperson(s) against any and all damages, losses, costs, charges, claims, actions, liabilities and penalties whatsoever which the Broker and its salesperson(s) may sustain, incur or be liable for, or which may be made against the Broker and its salesperson(s), by reason of the Broker's agency to Owner herein, by reason of any misrepresentation or omission of a material fact by Owner to the Broker regarding Property and/or by reason of any legal, accounting, environmental or tax issues arising rising from this Agreement except in relation to the Broker's or its salesperson(s)'s gross negligence. Notwithstanding the expiration of this Agreement, this clause shall survive.



Owner further agrees to refer to the Broker all inquiries relative to the sale or exchange of Property and to communicate to the Broker all offers to purchase which may be received during the period of this Agreement or arising by reason of it. Owner agrees to allow the Broker full opportunity to show Property to prospective purchasers during reasonable hours. The Broker shall be responsible for Property specific signage and shall have the right to erect the Broker's standard site signs. The Owner grants the Broker the authority to use the Property for marketing purposes of the Owner's site and/or nearby properties. This authority is given to the Broker for promotional uses such as photography and videography. The direct costs of periodical advertising carried out for the purpose of selling or exchanging Property shall be borne by the Broker. Owner shall pay for any additional promotional expenditure which may be deemed desirable and approved by Owner.

Owner acknowledges and agrees that in carrying out the terms of this Agreement, the Broker may be required to act on behalf of both Owner and prospective purchasers. The Broker agrees that it shall not represent any other parties' interest to the detriment of Owner. Owner shall advise the Broker of that information (herein "Confidential Information") which shall not be conveyed to or discussed with any potential purchaser. The Broker hereby undertakes not to disclose such Confidential Information without written consent of Owner. Notwithstanding the foregoing, Owner acknowledges that under The Real Estate Act and related provisions, the Broker must take commercially reasonable steps to discover material facts regarding Property in order to avoid error, misrepresentation or concealment of material facts and that the Broker may not make or permit to be made a statement in any form that contains an untrue statement of a material fact or omits to state a material fact regarding Property. The Owner consents to the collection, use and disclosure of personal information for the purpose of listing and marketing the Property including, but not limited to: (i) listing and advertising the Property using any medium including the internet; (ii) disclosing Property information to prospective tenants, brokerages, salespersons and others who may assist in the sale of the Property; and (iii) such other use of the Owner's personal information as is consistent with listing and marketing the Property.

Owner acknowledges and agrees that upon expiration of this Agreement, the Broker shall no longer represent Owner with regard to a sale or exchange of Property unless otherwise mutually agreed to in writing and all obligations to Owner shall immediately cease thereafter. Notwithstanding the foregoing nor the expiration of this Agreement, all obligations of Owner to the Broker for the payment of Commission herein shall continue without interruption and the terms of this clause shall survive.

Owner hereby indemnifies and saves harmless the Broker and its salesperson(s) against any and all damages, losses, costs, claims, actions, liabilities and penalties whatsoever which the Broker and its salesperson(s) may sustain, incur or be liable for, or which may be made against the Broker and its salesperson(s) pursuant to this Agreement by reason of any cause other than negligence on the part of the Broker or its salesperson(s). Notwithstanding the expiration of this Agreement, this clause shall survive.

Owner acknowledges having read and understood this Agreement, that it accurately describes the agreement with the Broker and that Owner has received an executed copy on this date. There are no representations, warranties, guarantees, promises or agreements between the parties hereto other than those made herein. Any term, condition or provision of this Agreement which is or shall be deemed to be void, prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be severable herefrom and be ineffective to the extent of such avoidance, prohibition or unenforceability without in any way invalidating the remaining terms, conditions and provisions hereof. Owner hereby certifies that it does not have an exclusive listing agreement, as relates to Property, with any other brokerage.

Broker acknowledges and agrees that this Exclusive Listing Agreement for Sale, and the Owner's performance of its obligations hereunder, is conditional upon the Owner obtaining approval from the Court of Queen's Bench for Saskatchewan to enter into this Exclusive Listing Agreement for Sale and to perform its obligations hereunder.

(This Exclusive Listing Agreement may be accepted via email and/or fax transmission, the receipt of which shall be deemed an original for all intents and purposes. This Exclusive Listing Agreement may be signed in counterpart and the sum of all executed parts shall be deemed to be one document.)

This 21st day of May, 2020.

**Hardie & Kelly Inc., in its capacity as Court-appointed Receiver of
Harmon International Industries Inc. and not in its personal
capacity**

Per: *Kenn Mayler*

Kenn Mayler, President

(Print Name & Position)
(I/We have the authority to bind the corporation)

Witness/Seal

(Witness - Print Name)



This 31 day of May, 2020.

Blair Marshall

Witness/Seal

Rochelle Marshall

(Witness - Print Name)

ICR Commercial Real Estate

Per: [Signature]

Todd Butler Director

(Print Name & Position)

(I/We have the authority to bind the corporation)

