

COURT FILE NUMBER QBG-SA-00399-2020

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

JUDICIAL CENTRE SASKATOON

APPLICANT CANADIAN MORTGAGE SERVICING CORPORATION

RESPONDENTS 101118672 SASKATCHEWAN LTD (Formerly Korf Properties Ltd.).

IN THE MATTER OF THE RECEIVERSHIP OF

101118672 SASKATCHEWAN LTD (Formerly Korf Properties Ltd.)

FIFTH REPORT OF THE RECEIVER, MNP LTD.

Appointment

1. MNP Ltd. was appointed as Receiver of **101118672 SASKATCHEWAN LTD (Formerly Korf Properties Ltd.)** (the "Debtor") pursuant to an order of Justice B.J. Scherman of the Court of Queen's Bench for Saskatchewan in Bankruptcy and Insolvency, issued on March 17, 2020 (the "Receivership Order"). The assets of the Debtor included 12 parcels of real property as discussed in our previous reports.

Limitation

2. The information provided in this report is believed to be correct but the Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information in a manner that would wholly or partially comply with generally accepted assurance standards or other standards established by the Chartered Professional Accountants of Canada.

Activities of the Receiver since the Fourth Report

3. Since the Fourth Report of the Receiver dated June 29, 2021 (the "Receiver's Fourth Report") and the First Supplemental to the Fourth Report of the Receiver dated July 2, 2021 the Receiver has:
 - a. Attended at the Court Hearing to approve the sale of the six properties in Estevan and has closed these sales;
 - b. Consulted with stakeholders including the secured creditor;

- c. Worked with Legal Counsel to obtain agreements of purchase and sale (“PSA”) with respect to the bare land located at 260/270 Kensington Avenue in Estevan as well as an assignment agreement with respect to the PSA;
- d. Maintained the Receiver’s website;
- e. Prepared and filed Goods and Services Tax (“GST”) returns and other statutory returns on behalf of the Company and corresponded and exchanged information with the Canada Revenue Agency (“CRA”) and other regulatory agencies in relation to amounts owed by Debtor; and
- f. Prepared and filed statutory reports as required pursuant to subsection 246(2) of the Bankruptcy and Insolvency Act.

Statement of Receipts and Disbursements

4. A Statement of Receipts and Disbursements to January 31, 2023 is attached as Appendix 1.

Real Property

5. The Debtor owned twelve parcels of Real Property as follows:
 - a. A larger Industrial Property, with a tenant, located just outside Regina (“Industrial Drive”) – Now Sold and Closed;
 - b. An Industrial Property, with a tenant, located in Vermillion Alberta (“Vermillion”) – Now Sold and Closed;
 - c. Five Industrial Properties located in Estevan Saskatchewan, all vacant, one of which is undeveloped (“Estevan Industrial”) – four of which are now Sold and Closed.
 - d. Three larger apartment buildings in Estevan (“Large Estevan Apartments”) – Now Sold and Closed;
 - e. Two small apartment buildings in Estevan, one with six and one with eight units (“Small Estevan Apartments”) – Now Sold and Closed.

Sale of Large Estevan Apartments

6. This sale has now closed.

Sale of Industrial Drive Property

7. This sale has now closed.

Sale of Vermillion Property

8. This sale has now closed.

Sale by “Auction”

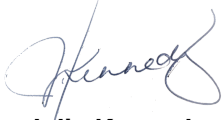
9. The “Auction” sale conducted by Grasswood Auctions, as detailed in the Receiver’s Fourth Report, produced offers on six of the seven properties – the two Small Estevan Apartments and the five Estevan Industrial Properties. The Receiver executed agreements of purchase and sale and obtained court approval in respect to those six properties. The Receiver has since received an Auction Proposal for the remaining property detailed below:
 - a. 260 Kensington Avenue, Estevan, Saskatchewan and legally described as Surface Parcel No. 107417965, Reference land description Lot 19, Blk/Par 2, Plan 89R21476 Extension 0 as described on Certificate of Title 89R21476B; and

- b. 270 Kensington Avenue, Estevan, Saskatchewan and legally described as Surface Parcel No. 135928705, Reference land description Lot 18, Blk/Par 2, Plan 89R21476 Extension 0 as described on Certificate of Title 89R21476A.
10. The Auction Proposal for the remaining property was subsequently assigned and the Assignment Agreement is attached as Appendix 2.
11. The executed Purchase and Sale Agreement for the sale of 260-270 Kensington Ave for the purchase price of \$75,000 is attached as Appendix 3.
12. The purchase price is allocated \$37,500 to each parcel. A deposit of \$7,500.00 is being held in trust with Grasswood Auctions.
13. On closing, the Receiver seeks to pay the property tax arrears of approximately \$32,500 for 260-270 Kensington Avenue to the City of Estevan.
14. The Receiver recommends that the Court approve the sale for 260-270 Kensington Ave, Estevan for the following reasons:
 - a. The properties were listed for sale with Colliers for approximately six months, no offers were received on any property;
 - b. Grasswood made extensive marketing efforts and there were no bidders in the Auction on the property (as detailed in the Receiver's Fourth Report);
 - c. While the offer is lower than the appraised value, the Receiver is of the view that commercial real estate prices in the area have generally dropped since the appraisal was done;
 - d. The Receiver has made a sufficient effort in listing the properties and subsequently arranging for the auction to get the best price and has not acted improvidently;
 - e. Canadian Mortgage Servicing Corporation ("CMSC") who were identified in the previous report as the only party with a financial interest in the various properties, is satisfied that the offer is reasonable; and
 - f. The sales process was marked by both efficacy and integrity and there has been no unfairness in the working out of the process.

Observations and Recommendations

15. The Receiver seeks the approval of the court in respect to the following:
 - a. To complete the sales of the property noted above in accordance with the Purchase and Sale Agreement attached as Appendix 3.
 - b. To pay the property tax arrears of approximately \$32,500 for 260-270 Kensington Avenue to the City of Estevan.
 - c. Approval of the Receiver's actions to date, including its fees and disbursements and that of its legal counsel.

MNP Ltd.



Per: Julie Kennedy, CIRP, LIT

February 10, 2023

This **Fifth Report of The Receiver** was delivered by:

Kanuka Thuringer
1400-2500 Victoria Ave
Regina, SK S4P 3X2

Address for service: as above
Lawyer in charge of file: Warren Sproule

Telephone (306) 525-7208
Facsimile: (306) 359-0590
Email wsproule@kanuka.ca

Appendix 1

Statement of Receipts and Disbursements

101118672 Saskatchewan Ltd. in Receivership
Statement of Receipts and Disbursements
March 17, 2020 to January 31, 2023

Receipts

Advance from Secured Creditor	\$94,938
Sale of Real Property Assets	\$7,228,000
Received from Property Managers	316,044
Pre-receivership GST Refund	36,801
Miscellaneous Receipts	8,145
	<u>7,683,928</u>

Disbursements

Appraisal Fees	26,000
Receiver Fees	227,327
Real Estate Commission	233,370
Credit to Purchasers for Rent and Rental Deposits	57,644
Property Taxes	59,885
Legal Fees & Disbursements	182,162
Imperial Properties (Repairs and Maintenance etc.)	72,688
Miscellaneous Expenses	345
PST Paid on Disbursements	14,002
GST Paid on Disbursements	33,225
	<u>906,649</u>

Excess of Receipts over Disbursements	<u>\$6,777,279</u>
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Less: Payment to Secured Creditor	6,634,168
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Balance in Receiver's Account	<u><u>\$143,111</u></u>
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Note: This Statement includes only funds that have flowed through the Receiver's Trust Account and that of its legal counsel. It does not include amounts that have flowed through the Property Managers' accounts.

Appendix 2

Assignment Agreement

ASSIGNMENT AGREEMENT

THIS ASSIGNMENT AGREEMENT made as of the 31st day of January, 2023.

BETWEEN:

LAUREEN PRICE,
an individual residing in the City of Estevan,
in the Province of Saskatchewan
(the "**Assignor**")

AND:

KEITH EUGENE HESKETH AND RHONDA MARIE HESKETH
individuals residing in the City of Estevan,
in the Province of Saskatchewan
(the "**Assignee**")

WHEREAS:

- A. An Order of the Saskatchewan Court of Queen's Bench granted March 17, 2020, (the "**Receivership Order**") appointed MNP Ltd. as receiver (the "**Receiver**") of 101118672 Saskatchewan Ltd. (formerly "Korf Properties Ltd.") (the "**Company**") with respect to all assets, undertakings and properties of the Company, including all proceeds thereof;
- B. The Assignor executed an Auction Bid Summary Proposal attached to this Agreement as Schedule "A" (the "**Auction Proposal**") for the proposed purchase of the real property located at:
 - (i) 270 Kensington Avenue, Estevan, Saskatchewan and legally described as Surface Parcel No. 135928705, Reference land description Lot 18, Blk/Par 2, Plan 89R21476 Extension 0 as described on Certificate of Title 89R21476A; and
 - (ii) 260 Kensington Avenue, Estevan, Saskatchewan and legally described as Surface Parcel No. 107417965, Reference land description Lot 19, Blk/Par 2, Plan 89R21476 Extension 0 as described on Certificate of Title 89R21476B,from the Receiver subject to negotiating and executing a Definitive Agreement (as defined in the Auction Proposal); and
- C. The Assignor has agreed to assign, transfer and set over until the Assignee all of the Assignor's right, obligation and interest in and to the Auction Proposal, and the Assignee has agreed to consent to such assignment, on the terms and conditions more particularly set forth in this Agreement.

NOW THEREFORE in consideration of the mutual covenants and agreements hereinafter provided, the parties covenant and agree as follows:

1. **Recitals:** The definitions contained in the preamble shall form an integral part of this Agreement.
2. **Assignment by Assignor:** Effective as of and from the date of this Agreement, the Assignor hereby assigns, grants, transfers and sets over unto the Assignee, for the Assignee's sole use and benefit all of the Assignor's right, title and interest in, to and under the Auction Proposal including the Deposit (as defined in the Auction Proposal) and all unperformed past obligations of the Assignor under same, together with any and all rights, income, benefits and advantages to be derived therefrom or in respect thereof arising from and after the date of this Agreement.
3. **Assumption by Assignee:** The Assignee hereby accepts the assignment contained in Section 2 hereof and the terms of the Auction Proposal, and agrees that it will assume and observe all of the covenants and obligations of the Assignor to be performed under the Auction Proposal from and after the date of this Agreement and the benefit of any prior unperformed obligations under the Auction Proposal.
4. **Indemnity by Assignee:** The Assignee covenants and agrees with the Assignor that it will indemnify and save harmless the Assignor from and against any and all claims, suits, proceedings, liabilities, obligations, losses, damages, penalties, judgments, costs and expenses of any nature or kind whatsoever ("**Claims**"), arising pursuant to or in connection with the Auction Proposal to the extent that such Claims relate to the period from and after the date hereof.
5. **Indemnity by Assignor:** The Assignor covenants and agrees with the Assignee that it will indemnify and save harmless the Assignee from and against any Claims arising pursuant to or in connection with any of the Auction Proposal to the extent that such Claims relate to the period prior to the date hereof.
6. **Release of Receiver:** The Assignor agrees that the Receiver shall be released and discharged from, any and all causes of actions, claims and rights that the Assignor or any successor or assignee may have or which may arise in connection with the Auction Proposal and Deposit (as defined in the Auction Proposal).
7. **Successor and Assigns:** This Assignment Agreement shall enure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns.
8. **Governing Law:** This Assignment Agreement shall be construed and enforced in accordance with the laws of the Province of Saskatchewan and the laws of Canada applicable therein and shall be treated in all respects as a Saskatchewan contract.
9. **Execution by Counterparts:** This Assignment Agreement may be executed by the parties to this Assignment Agreement in counterparts and may be executed and delivered by facsimile or PDF and all such counterparts shall together constitute one and the same agreement.

10. **Further Assurances:** Each of the parties hereto shall promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as the other party hereto may reasonably require from time to time for the purpose of giving effect to this assignment and shall use its best efforts and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this Assignment Agreement.

11. **Receiver:** With respect to this Agreement and all matters pertaining hereto, the parties acknowledge that the Receiver is acting solely in its capacity as court-appointed receiver and manager of the Company, and as such, its liability as a consequence of this Agreement or anything done by it pursuant hereto shall be in its capacity as receiver only, and it shall have no personal liability or corporate liability of any kind, whether in contract or in tort or otherwise.

[Signature page to follow]

IN WITNESS WHEREOF the parties have executed this Assignment Agreement as of the date first mentioned.

D Jones
WITNESS

Lauren Price
LAUREEN PRICE

D Jones
WITNESS

Keith Eugene Hesketh
KEITH EUGENE HESKETH

John G. Billesberger
WITNESS

Rhonda Marie Hesketh
RHONDA MARIE HESKETH

This Assignment Agreement is accepted by the Receiver as of the date first mentioned above.

MNP Ltd., in its capacity as court-appointed receiver of 101118672 Saskatchewan Ltd. (formerly "Korf Properties Ltd.") and not in its personal capacity

Per: _____
Name: Julie Kennedy
Title: Vice President

IN WITNESS WHEREOF the parties have executed this Assignment Agreement as of the date first mentioned.

WITNESS

LAUREEN PRICE

WITNESS

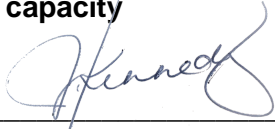
KEITH EUGENE HESKETH

WITNESS

RHONDA MARIE HESKETH

This Assignment Agreement is accepted by the Receiver as of the date first mentioned above.

MNP Ltd., in its capacity as court-appointed receiver of 101118672 Saskatchewan Ltd. (formerly "Korf Properties Ltd.") and not in its personal capacity

Per: 

Name: Julie Kennedy
Title: Vice President

**Schedule "A"
Auction Proposal**

See attached.

Grasswood Auctions
AUCTION BID SUMMARY PROPOSAL
Surface Parcel No.: 135928705 and 107417965

TO: MNP LTD., IN ITS CAPACITY AS COURT APPOINTED RECEIVER OF 101118672
SASKATCHEWAN LTD. (formerly "Korf Properties Ltd.")

The undersigned acknowledges:

- A. The property that is listed for sale and described in paragraph 3 below is being offered for sale by MNP Ltd. (the "Receiver") in its capacity as Court Appointed Receiver of 101118672 Saskatchewan Ltd. (formerly "Korf Properties Ltd."). This property is listed and is to be sold on an "as is where is" basis.
- B. the Receiver has not set a minimum acceptable price for this property. As such, all bids will be reviewed and evaluated, both by the Receiver and the principal secured creditor and the Receiver may select a proposed purchaser to negotiate a binding agreement with (the "Definitive Agreement") after completing such review.
- C. Any agreement is subject to the approval of the Receiver and the Court of Queen's Bench of Saskatchewan (the "Court"), and the highest offer will not necessarily be accepted, and the Receiver also reserves the right to reject all offers and negotiate directly with any party, whether or not they property complete an Auction Bid Summary Proposal.
- D. Any acceptable offer will require the execution of a formal agreement in the form and substance deemed acceptable by the Receiver for presentation to the Court for approval.
- E. The Receiver anticipates that a Court application can be made by _____ and expects that any prospective sale will close by _____ or as soon thereafter as can be accomplished.

Terms of Proposal

The undersigned confirms that, subject to negotiation and execution of a Definitive Agreement, that it is prepared to purchase the Property on the following terms:

1. _____
Legal Name of Prospective Purchaser ("Purchaser")

2. Laureen F. Price
2046 Nicholson Rd
Estevan, Sask S4A 2Y3. 306 421 3585

Address, Phone, Fax and E-mail of Purchaser

3. **Purchase:** The Purchaser, having inspected the property listed below, is prepared as part of the auction process, to purchase from the Vendor the land and premises, on an "as-is where is" basis, and described below as follows, including all buildings thereon (hereinafter the "Property"), subject to the reservations and exemptions appearing in the existing Certificate of Title and free and clear of all financial encumbrances, except such encumbrances as are hereafter expressly excepted:

Address: 260 – 270 Kensington Avenue S., Estevan, SK, S4A 3A1
(number, street, city, province, postal code)

Land Description: Lots 18 & 19, Blk/Par 2 Plan 89R21476 Extension 0, Parcel Nos.: 135928705 and 107417965 respectively

(lot, block, plan number, Surface parcel number)

Exceptions to title to the Property

Any registered easements, public utilities, municipal government registrations and similar registrations, all encumbrances implied under *The Land Titles Act, 2000* (Saskatchewan) and any existing tenancies whether registered or not.

4. **Price:** The price, in the lawful currency of Canada, for the Property under the Definitive Agreement will be is:

Property/Land (total)	\$ 75,000.00_____
Buildings	\$ _____(if applicable)
Fixtures (if applicable)	\$ _____(if applicable)
Total Purchase Price	\$ 75,000.00__

Excise taxes, to the extent applicable, are in addition to the above amounts.

5. **Deposit:** Enclosed is a bank draft or certified cheque made payable to Grasswood Auctions in Trust, in the amount of \$ 7500.00_____, in the lawful currency of Canada, representing at least Ten per cent (10%) of the total purchase price (the "Deposit") is to be held in trust by Grasswood Auctions, until a Definitive Agreement is signed with the Deposit being thereafter dealt with pursuant to the Definitive Agreement. If a Definitive Agreement is not signed within 20 days of the date the auction closes, the Deposit shall be forthwith returned in full to the Purchaser, without penalty or interest.
6. **Closing:** The Purchaser proposes a closing date of _____, 2022 on or before 12:00 noon CST, at which time the Vendor and Purchaser shall complete this transaction and the Purchaser shall have possession of the Property subject to any existing encumbrances and tenancies.
7. **Other Terms:** The Purchaser agrees that the Definitive Agreement will be subject to the terms and conditions as set out in Schedule "A" attached (including financing conditions, if any).
8. **Representation:** The undersigned hereby represents and warrants that it is not a non-Canadian as defined in the Investment Act (Canada) and that it is not a non-resident of Canada as defined in the Income Tax Act (Canada).
9. **Standard Terms:** The Purchaser acknowledges that it is relying entirely upon its own personal inspection or knowledge of the Property and agrees to purchase the Property on an "as is where is". It is understood and agreed that there are no other representations, warranties, guarantees, promises or agreements other than those contained in this agreement made by the Vendor or the Vendor's Solicitor. Normal closing adjustments will apply.

10. **Non Binding:** The Purchaser confirms and agrees that no binding agreement to purchase the Property will arise until a Definitive Agreement is signed and Court approval is obtained.

Dated at _____, this _____ day of _____, 2022.
(City, Province) (Day) (Month)

Laureen F. Price
Print Name of Purchaser

Laureen F. Price
Signature of Purchaser

Appendix 3

**Purchase and Sale Agreement for
260-270 Kensington Avenue**

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (the "Agreement") is executed and effective as of January 31, 2023.

BETWEEN:

KEITH EUGENE HESKETH AND RHONDA MARIE HESKETH
individuals residing in the City of Estevan,
in the Province of Saskatchewan
(the "Purchaser")

OF THE FIRST PART

- and -

MNP LTD.
In its capacity as court-appointed receiver of
101118672 Saskatchewan Ltd.
(Formerly "Korf Properties Ltd.")
(the "Receiver")

OF THE SECOND PART

WHEREAS:

- A. An Order of the Saskatchewan Court of Queen's Bench granted March 17, 2020 (the "Order"), pursuant to s. 243 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, appointed the Receiver as receiver of 101118672 Saskatchewan Ltd. (formerly known as "Korf Properties Ltd.") (the "Company"), with respect to all of the Company's current buildings and lands located at 260 and 270 Kensington Street Estevan, Saskatchewan including proceeds thereof; and
- B. The Receiver wishes to sell to the Purchaser and the Purchaser desires to purchase from the Receiver the Purchased Assets (as defined herein), on the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the premises and the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

ARTICLE 1 INTERPRETATION AND DEFINITIONS

1.1 Definitions

As used in this Agreement, the following terms shall have the following meanings and grammatical variations of such terms shall have corresponding meanings:

- (a) "Affiliate" shall have the meaning ascribed thereto in *The Business Corporations Act* (Saskatchewan).

- (b) “**Agreement**” means this asset purchase agreement including all exhibits and schedules and all amendments or restatements, as permitted.
- (c) “**Business Day**” means any day other than a Saturday, Sunday or statutory holiday in Regina, Saskatchewan on which Canadian chartered banks are open for commercial banking business during normal banking hours.
- (d) “**Buildings**” means all buildings and improvements, which are fixtures situated on the Lands.
- (e) “**Closing**” means the closing of the transaction contemplated by this Agreement.
- (f) “**Closing Date**” has the meaning specified in Section 2.8.
- (g) “**Closing Documents**” means the documents referred to in Sections 9.2 and 9.3 hereof.
- (h) “**Conditions Precedent**” means the conditions precedent specified in Section 2.2.
- (i) “**Court**” means the Court of Queen’s Bench of Saskatchewan.
- (j) “**Deposit**” means the deposit paid pursuant to Section 2.4 (a).
- (k) “**Environmental Legislation**” means any federal, provincial or other jurisdictional legislation and regulations as enacted and amended from time to time, statute, or rule of law or equity 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 Environmental Management and Protection Act, 2010* (Saskatchewan), the *Canadian Environmental Protection Act, The Management and Reduction of Greenhouse Gases Act* (Saskatchewan) and *The Dangerous Goods Transportation Act* (Saskatchewan), or any regulations under such legislation.
- (l) “**Governmental Authority**” means any Canadian federal, provincial, municipal or local or governmental, regulatory or administrative authority, agency or commission or any court, tribunal, or judicial or arbitral body or any other public agency.
- (m) “**Lands**” means the real property located at:
 - (i) 270 Kensington Avenue, Estevan, Saskatchewan and legally described as Surface Parcel No. 135928705, Reference land description Lot 18, Blk/Par 2, Plan 89R21476 Extension 0 as described on Certificate of Title 89R21476A; and

- (ii) 260 Kensington Avenue, Estevan, Saskatchewan and legally described as Surface Parcel No. 107417965, Reference land description Lot 19, Blk/Par 2, Plan 89R21476 Extension 0 as described on Certificate of Title 89R21476B.
- (n) “**Law**” means any Canadian federal, provincial, municipal or local, act, statute, ordinance, regulation, rule, code, order, decree, judgment, policy, other requirement or rule of law, including the common law and its principles.
- (o) “**Permitted Encumbrances**” means each of:
 - (i) the registered Encumbrances listed in Schedule B;
 - (ii) any subsisting reservations or exceptions, including royalties, contained in the original grant of the Lands from the Crown;
 - (iii) any encumbrances based on the interest of the Purchaser;
 - (iv) any public highway or right-of-way or other public easement, however created, on, over or in respect of the Lands;
 - (v) any right of expropriation that may by statute be vested in any person or corporation or Her Majesty;
 - (vi) any implied encumbrances under *The Land Titles Act, 2000* (Saskatchewan) and
 - (vii) any right-of-way or other easement granted or acquired under any act or law in force in Saskatchewan.
- (p) “**Person**” means any individual, partnership, firm, corporation, association, trust, unincorporated organization or other entity.
- (q) “**Purchased Assets**” means collectively the Lands and Buildings.
- (r) “**Purchase Price**” has the meaning specified in Section 2.4.
- (s) “**Purchaser’s Solicitors**” means the firm Billesberger Law Firm.
- (t) “**Receiver’s Solicitors**” means the firm Kanuka Thuringer LLP, Barristers and Solicitors, 1400-2500 Victoria Avenue, Regina, Saskatchewan, S4P 3X2, Attention: Warren Sproule K.C.
- (u) “**Substantial Damage**” means any damage that occurs to the Purchased Assets prior to the Closing Date which exceeds One Hundred Thousand Dollars (\$100,000.00) in insured value.
- (v) “**Tax**” means any and all transfer taxes, goods and services taxes, value added taxes or license, registration and documentation fees and similar charges, but does not include:

- (i) income or disposition tax levied on the Receiver or the Company arising by reason of the sale of the Purchased Assets; or
 - (ii) Municipal real property taxes.
- (w) “**Vesting Order**” means an order approving the sale of the Lands and Buildings to the Purchaser to be granted by the Court and vesting in the name of the Purchaser, upon payment of the Purchase Price registered title to the Lands and Buildings, free and clear of all encumbrances, liens and charges, other than the Permitted Encumbrances (specifically discharging those encumbrances listed in Schedule C), and otherwise in a form reasonably acceptable to the Receiver.

1.2 **Interpretation**

In this Agreement:

- (a) Consent - Whenever a provision of this Agreement requires an approval or consent and such approval or consent is not delivered within the applicable time limit, then, unless otherwise specified, the party whose consent or approval is required shall be conclusively deemed to have withheld its approval or consent.
- (b) Currency – Unless otherwise specified all references to money amounts are to lawful currency of Canada.
- (c) Number and Gender – Unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.
- (d) Statutory References – A reference to a statute includes all regulations made pursuant to such statute and, unless otherwise specified, the provisions of any statute or regulation which amends, supplements or supersedes any such statute or any such regulation.
- (e) Time - Time is of the essence in the performance of the parties’ respective obligations.
- (f) Time Periods - Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of the period is not a Business Day.

1.3 **List of Schedules**

The following Schedules are incorporated in and form an integral part of this Agreement:

Schedule A	-	Purchased Assets
Schedule B	-	Permitted Encumbrances

Schedule C - Encumbrances to be Discharged

(Collectively the “Schedules”)

ARTICLE 2
PURCHASE AND SALE OF ASSETS

2.1 The Purchased Assets

Subject to the terms and conditions of this Agreement, on the Closing Date the Receiver hereby agrees to sell, assign and transfer to the Purchaser all of the rights, title and interest of the Company, in and to the Purchased Assets, which includes registered title under *The Land Titles Act, 2000 (Saskatchewan)* to the Lands and Buildings, with such title to vest free and clear of all encumbrances, other than the Permitted Encumbrances (specifically discharging those encumbrances listed in Schedule C), and the Purchaser hereby agrees to purchase such Purchased Assets from the Receiver on the Closing Date, for the Purchase Price.

The Purchaser agrees to accept such title to the Purchased Assets, subject to the Permitted Encumbrances including without limitation, building and zoning by-laws, minor easements for hydro, telephone and like services and to restrictions and covenants that run with the Lands, and the Purchaser shall assume responsibility from and after the Closing Date for compliance therewith.

The parties hereto acknowledge and agree that the Receiver shall deliver the Purchased Assets to the Purchaser effective on the Closing Date by delivering possession of any and all Lands forming part of the Purchased Assets and by permitting the Purchaser to take possession of the remainder of the Purchased Assets. The Receiver shall not be required to consolidate such assets in any one location.

2.2 Conditions Precedent

The Receiver and Purchaser agree and acknowledge that this Agreement is subject to:

- (a) the Court granting a Vesting Order on or before March 8, 2023; and
- (b) the Vesting Order not having been stayed, reversed, or dismissed on or prior to the time of closing on the Closing Date. For greater certainty, expiration of the appeal period for the Vesting Order shall not be a pre-condition of the Purchaser’s or Receiver’s obligation to complete the within transaction.

(hereafter collectively referred to as the “**Conditions Precedent**”)

2.3 Effect of Failure of Conditions Precedent

The parties acknowledge and agree that the Conditions Precedent set out in Sections 2.2(a) and 2.2(b) are for the benefit of both the Purchaser and the Receiver and may only be satisfied or waived by both the Purchaser and the Receiver.

In the event any of the Conditions Precedent are not satisfied or waived within the applicable times, by the applicable party, the parties hereto shall have no further obligations to each other pursuant to this Agreement. If the parties do not agree to a revised agreement of sale, any amounts deposited by the Purchaser pursuant to Section 2.4 below, shall be returned to the Purchaser pursuant to Section 2.5.

2.4 Purchase Price

The aggregate purchase price payable by the Purchaser to the Receiver in consideration of the sale of the Purchased Assets, which includes the Deposit, shall be Seventy Five Thousand (\$75,000.00) Dollars (the "**Purchase Price**") exclusive of Taxes, subject only to the closing adjustments contemplated hereunder. The Purchase Price will be satisfied by the Purchaser as follows:

- (a) the amount of Seven Thousand Five Hundred (\$7,500.00) Dollars, as previously provided as a deposit (the "**Deposit**") and held in trust by Grasswood Auctions ("**Grasswood**") and which shall be dealt with in accordance with Section 2.5 of this Agreement;
- (b) as to the balance of the Purchase Price, subject to adjustments as herein provided, by payment on or before the Closing Date by wire transfer, money order, certified cheque, bank draft or solicitor's trust cheque to the Receiver's solicitor under trust conditions as described herein;

The Purchase Price does not include Taxes. All Taxes payable in connection with the purchase and sale of the Purchased Assets shall be the responsibility of the Purchaser and shall be paid as and when required by Law in order to permit the consummation of the purchase and sale of the Purchased Assets as contemplated herein. The Purchaser shall remain liable for all Taxes which liability and obligation will survive any formal closing and transfer of title to the Purchaser.

2.5 Deposit

The Deposit which has been provided by the Purchaser to Grasswood as part of the Auction Bid Summary Proposals process, and held in trust with Grasswood, shall be dealt with as follows:

- (a) in the event the Closing occurs on or before the Closing Date, applied without interest toward the Purchase Price;
- (b) forfeited in its entirety to the Receiver as liquidated damages in the event that after the Conditions Precedent have been satisfied, the Closing does not occur on or before the Closing Date by reason of the Purchaser's breach of its obligations hereunder, without prejudice to the Receiver's rights and recourses against the Purchaser to seek additional damages or other remedies; or
- (c) in the event that any of the Conditions Precedent have not been satisfied or waived by the dates specified, the Deposit shall be returned, without interest, to the Purchaser.

2.6 Allocation of Purchase Price

The Purchase Price allocation shall be as follows:

260 Kensington Street, Estevan, Saskatchewan

\$37,500.00

270 Kensington Street, Estevan, Saskatchewan

\$37,500.00

Total: \$75,000.00

2.7 Adjustment to the Purchase Price

The Purchaser and Receiver agree to each prepare and file on a timely basis all applicable tax forms consistent with the above-noted allocation.

Customary adjustments to the Purchase Price shall be made as of the Closing Date such as property taxes, utilities, rents payable (and deposits as and where applicable), and adjustments for prepaid revenues and expenses.

2.7A Tax Appeal

The Purchase acknowledges that the lands are subject to an ongoing tax appeal for the years 2018 and 2019. Should the appeal be determined in favor of a reduced tax assessment and reduced tax payable for some or all of those years, any amount of tax credits that are effected shall be the property of and for the sole benefit of the Receiver and the Purchaser agrees to assist the Receiver with such authorizations or documents necessary to authorize the Municipality to provide such tax adjustments to the Receiver as opposed to a credit to the tax account of the Lands

2.8 Closing

Upon the terms and subject to the conditions of this Agreement, the sale, transfer, conveyance and assignment of the Purchased Assets as contemplated by this Agreement shall take place on the 5th Business Day after the issuance of the Vesting Order or as otherwise agreed to between the parties (the “**Closing Date**”), and shall be completed under solicitor’s trust conditions, consistent with Article 9, to be agreed to between the Receiver’s Solicitors and the Purchaser’s Solicitors both acting reasonably.

2.9 GST

Where the Purchaser is a GST registrant and shall self-assess GST with respect to the purchase and sale of the Purchased Assets and remit such amount to Canada Revenue Agency within thirty (30) days of the Closing Date, and thereafter provide confirmation of such payment to the Receiver. The Purchaser’s GST number is _____. Upon Closing, the Purchaser agrees to provide to the Receiver an executed GST Declaration and Indemnity.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF THE RECEIVER

The Receiver hereby represents to the Purchaser as follows:

3.1 Appointment as Receiver

As of the date of executing this Agreement, the Receiver is the Court appointed Receiver for the Company under and pursuant to the Order, which Order is in full force and effect.

3.2 Resident of Canada

At the Closing Date, the Receiver is not a non-resident of Canada for purposes of the *Income Tax Act* (Canada).

3.3 No Other Agreement to Sell Purchased Assets

Except for, and as of the date of, this Agreement the Receiver has not entered into any written or oral agreement, option, understanding or commitment, or any right or privilege capable of becoming such for the purchase from the Receiver of any of the Purchased Assets and the Receiver is not aware of any claims against the Company in respect of the Purchased Assets that would not be expunged by the Vesting Order.

3.4 Execution and Delivery

This Agreement, and each of the other agreements, documents and instruments to be executed and delivered by the Receiver on or before the Closing, have been or will be duly executed and delivered by, and constitute the valid and binding obligations of the Receiver, subject to any direction of the Court.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF PURCHASER

The Purchaser represents and warrants to the Receiver as follows:

4.1 Caveats by the Purchaser

The Purchaser warrants that it will not, under any circumstances whatsoever, register a caveat, encumbrance, charge or otherwise, pursuant to this Agreement or any other interest or agreement, to any of the Purchased Assets prior to the Closing Date.

4.2 Resident

As at the Closing Date, the Purchaser is not a non-Canadian for purposes of the *Investment Canada Act*.

ARTICLE 5 ACKNOWLEDGEMENTS BY PURCHASER

5.1 “As Is, Where Is”

The Purchaser acknowledges that the Purchased Assets are purchased on an “as is, where is” basis and without any representation or warranty of any kind except as expressly provided herein, and that the Receiver has not, and is not required to inspect the Purchased Assets. The Purchaser further acknowledges that it has had an opportunity to conduct and has or will complete its due diligence regarding the Purchased Assets, and will be satisfied as to their quality and condition and will accept the same on the Closing Date in their state, condition, and location existing as of the date of this Agreement, reasonable wear and tear excepted. For greater certainty the Purchaser acknowledges that the Receiver, the Receiver’s Solicitor, the Company, and any of their directors, officers, employees, professional consultants, agents, or advisors make, or has made, no representation, promise, condition, warranty, or guaranty, whether statutory (including under *The Sale of Goods Act* (Saskatchewan) or similar legislation in other jurisdictions applicable hereto and all of the same are hereby waived by the Purchaser), express or implied, oral or written, legal, equitable, conventional, collateral or otherwise in this Agreement or in any instrument furnished in connection with this Agreement as to title, outstanding liens, description, fitness for purpose, merchantability, acreage or workable acreage, condition, quality, value, suitability, durability, compliance or non-compliance with environmental rules, regulations or legislative provisions, zoning, or site plan requirements or marketability thereof or in respect of any other matter or thing whatsoever including, without limitation, the rights, title, and interests of the Company, if any, therein and wherever all or part of the Purchased Assets are situated. The Purchaser shall be deemed to have relied entirely on its own independent review, inspection, and investigation in proceeding with the transaction contemplated hereunder, and acknowledges that the Receiver has made no representations as to the accuracy and completeness of the Schedules, and as such the Purchaser shall have no recourse as against the Receiver, the Company, and any of their directors, officers, employees, professional consultants, agents, advisors, or the Receiver’s Solicitor, in Law or equity for any deficiency, perceived or otherwise, with respect to the Purchased Assets pursuant to this Agreement.

5.2 Environmental Condition

Without limiting the generality of Section 5.1, the Purchaser:

- (a) acknowledges that the Receiver makes no representations or warranties, whatsoever, as to the existence or non-existence of urea formaldehyde insulation, asbestos, PCBs, radium, radon or radon progeny, or any other substances, liquids or materials, whether hazardous or toxic or not, which are or which may constitute on their own or together in combination with any other substance, contaminants or pollutants of any environment, including the natural environment;
- (b) acknowledges that it has inspected the Purchased Assets for the presence of any contaminants, hazardous substances or materials, toxins, pollutants or other environmental issues which may affect in any way the Purchased Assets;

- (c) acknowledges that the Receiver makes no representation regarding the compliance of the Purchased Assets with any Environmental Legislation, whether federal, provincial or municipal or with respect to any rule, regulation, covenant or agreement whether statutory or non-statutory;
- (d) agrees to indemnify the Receiver and hold the Receiver harmless from and against all losses, costs, damages, expenses and costs (including legal fees calculated as between a solicitor and his own client with a right to full indemnity) which the Receiver may sustain, incur be or become liable for by reason of or arising from anything done by the Purchaser in relation to the Purchased Assets in contravention of Environmental Legislation or other Law including, without limitation, any clean-up, de-commissioning, restoration, treatment, or remediation of the Purchased Assets;
- (e) hereby remises, releases and forever discharges the Receiver and each of its respective Affiliates, directors, officers, agents, employees and shareholders (in this Section collectively called the “**Releasees**”) of and from any and all liability, claim, demand, obligation, cause of action, remediation, cost recovery action, investigation, proceeding, order, violation, damage, loss, cost, expense, judgment, penalty, or fine asserted by any party (including, without limitation, any private party or Governmental Authority) arising out of or relating to Environmental Legislation or environmental liabilities, including without limitation, any cost of managing, removing, remediating or disposing of any contaminants, as well as any liability, cost or expense whatsoever relating to any enforcement actions, orders, cost recovery actions or remedial actions related to any environmental liabilities or contaminants, except to the extent arising out of intentional misconduct of any of the Releasees and in such case only with respect to the Releasee in question, and the Purchaser hereby waives any and all such rights that the Purchaser now has or will have as against the Releasees or any of them, except to the extent arising out of intentional misconduct of any of the Releasees and in such case only with respect to the Releasee in question; and
- (f) agrees with the Receiver that the Purchaser accepts responsibility respecting liability for any contamination and required remediation of any of Lands included in the Purchased Assets.

Without limitation to any other provision of this Agreement, the provision of this Section 5.2 shall not merge on, but shall survive, the Closing.

ARTICLE 6 COVENANTS OR APPROVALS

6.1 Consents

Notwithstanding any other provision of this Agreement, subject to and except for the Vesting Order, the Purchaser acknowledges and agrees that, to the extent that any of the Purchased Assets may be subject to terms of any lease, license or consent of any third party, the Receiver shall have no obligation to obtain any consent or approval or make any arrangement or payment which may be required for the assignment of any contract, lease or other

agreement respecting any of the Purchased Assets including, without restriction, the obtaining of any authorization, approval or consent of any Governmental Authority and that it shall be the sole responsibility of the Purchaser, at the Purchaser's sole expense, to obtain any necessary consents or approvals and to make any necessary arrangement or payments in relation thereto. The obtaining of such consents or approvals shall not, in any manner, be a pre-condition to the completion of or effect or limit the Purchaser's obligations to complete the within transaction provided that the Receiver shall, where necessary and provided the Receiver shall not have any obligation to provide any payment or other consideration to any party in this regard, cooperate with the Purchaser in a commercially reasonable manner to assist the Purchaser in obtaining any such consents or approvals. The Purchaser agrees to assume the obligations under and hold the Receiver harmless in respect of any lease, license or other agreement in respect of the Purchased Assets to the complete exoneration and satisfaction of the Receiver.

ARTICLE 7 COVENANTS

7.1 Vesting Order

The Receiver shall, as soon as commercially reasonable, apply for a Vesting Order and the parties hereto agree that they will work together, and execute any and all documents necessary to apply for and obtain the Vesting Order from the Court with respect to this Agreement.

7.2 Limited Obligations of the Receiver

The Purchaser acknowledges and agrees that the Receiver's obligations in connection with this Agreement, until it is approved by the Court, are limited to seeking the Vesting Order. Thereafter, the Receiver is subject to the jurisdiction and discretion of the Court respecting any order or orders the Court may make regarding the Purchased Assets.

7.3 Limited Liability

If the Court does not approve this Agreement or vacates, sets aside or varies any order approving this Agreement for any reason whatsoever (except any willful misconduct of the Receiver), then the Receiver will not be liable to the Purchaser or any other person in any way whatsoever, in connection therewith, and the parties shall proceed in accordance with the terms as articulated in Section 2.3 of this Agreement.

ARTICLE 8 CONDITIONS TO THE RECEIVER'S CLOSING OBLIGATIONS

The obligation of the Receiver to perform its obligations under this Agreement and to consummate the transaction contemplated hereby is subject to the satisfaction, on or before the Closing Date, of the following conditions, each of which may be waived by the Receiver in its sole discretion:

8.1 Representations and Warranties

The representations and warranties of the Purchaser contained in Article 4 shall be true, correct and complete in all material respects at the time of the Closing with the same force and effect as if such representations and warranties were made at and as of such time.

8.2 Performance

The Purchaser shall have performed its obligations under this Agreement in all material respects.

ARTICLE 9 CLOSING MATTERS

9.1 Closing Procedure

The parties agree to close the transactions contemplated hereunder, under reasonable solicitor's trust conditions to be negotiated and agreed to consistent with this type of transaction.

9.2 The Purchaser's Closing Documents

Concurrently with delivery of the Purchase Price payable on the Closing Date, and in accordance with trust conditions to be agreed to, the Purchaser's Solicitors shall deliver the following to the Receiver's Solicitors subject to the undertakings to be given by the Receiver's Solicitors:

- (a) An executed GST declaration and indemnity or GST, as applicable;
- (b) a certified copy of resolution of the Purchaser authorizing the purchase of the Purchased Assets as contemplated by this Agreement and the execution and delivery of this Agreement and all other documents required to be executed by the Purchaser pursuant hereto;
- (c) Mutual undertaking to readjust which shall allow for the execution and delivery of documents or authorizations necessary to give effect to the provisions of Section 2.7A concerning the tax appeal; and
- (d) such other documents as may be requested by the Receiver or Receiver's Solicitor, acting reasonably to give effect to the transactions contemplated hereunder.

9.3 Receiver's Closing Documents

Upon receipt of the balance of the Purchase Price, any applicable interest and the Purchaser's Closing Documents the Receiver's Solicitor will deliver to the Purchaser's Solicitor, and in accordance with its undertakings:

- (a) such documents, passwords, necessary or desirable in the Receiver's opinion, acting reasonably, provided that the Purchaser shall remain liable under this Agreement, notwithstanding any assignments made by the Purchaser of the Purchased Assets to any third parties, to affect the assignment, transfer and sale of the Purchased Assets to the Purchaser, to the extent not effected by the Vesting Order, in form and substance satisfactory to the Purchaser, acting reasonably;
- (b) an executed Receiver's Certificate as contemplated under the Vesting Order;
- (c) a copy of the issued Vesting Order.

ARTICLE 10 ADDITIONAL AGREEMENTS

10.1 Non-Disclosure - Purchaser

If the Closing fails to occur for whatever reason, thereafter, the Purchaser agrees, pursuant to the terms of this section, not to divulge, communicate or disclose, except as may be required by Law or for the performance of this Agreement, or use to the detriment of the Receiver or for the benefit of any other Person or Persons, or misuse in any way, any confidential information of the Receiver or the Company related to the Purchased Assets. In the event that the Purchaser is required to divulge, communicate or disclose any such confidential information pursuant to any Law, the Purchaser shall promptly provide written notice to the Receiver of such requirement so that the Receiver may seek a protective order or other appropriate remedy (in which case the Purchaser will cooperate fully). If no such protective order or other remedy is obtained, the Purchaser will disclose only that portion of such confidential information which it is advised by counsel it is legally required to disclose.

10.2 Disclosure of Information

Without limiting the generality of Section 10.1, the Purchaser acknowledges and agrees that in the course of the Purchaser's due diligence in respect of the Purchased Assets, the Purchaser may request and the Receiver may disclose certain personnel records and other information related to the Purchased Assets or the Company that may include "personal information" (the "**Personal Information**") as defined in and subject to the *Personal Information Protection and Electronic Documents Act* ("**PIPEDA**"). For the purposes of Sections 7-7.4 of PIPEDA:

- (a) the Purchaser hereby confirms to the Receiver that the Personal Information that the Purchaser may hereafter request in the course of its due diligence is necessary in order for the Purchaser to determine whether to proceed with the proposed purchase of the Purchased Assets; and
- (b) the Purchaser hereby covenants and agrees that:
 - (i) prior to Closing, any Personal Information that the Receiver discloses to the Purchaser shall be used by the Purchaser solely for purposes related to its due diligence and its proposed purchase of the Purchased Assets, and the Purchaser shall not disclose or otherwise

make available any of the Personal Information to any Person except employees, directors, officers and professional advisors of the Purchaser with a need to know for the purposes of such due diligence and proposed purchase;

- (ii) if the proposed purchase of the Purchased Assets does not proceed or is not completed, the Purchaser will destroy or return to the Receiver all of the Personal Information disclosed to the Purchaser by the Receiver in accordance with the Receiver's instructions; and
- (iii) if the proposed purchase of the Purchased Assets is completed:
 - A. the Purchaser shall only use or disclose the Personal Information for the same purposes for which it was collected, used or disclosed by the Receiver, or as otherwise permitted by and in accordance with PIPEDA; and
 - B. the Purchaser shall notify the individuals who are the subject of the Personal Information that the purchase of the Purchased Assets has taken place and that their Personal Information was disclosed to the Receiver.

ARTICLE 11 DEFAULT OF THE PURCHASER

11.1 Failure to Fulfill Obligations

The Purchaser shall indemnify the Receiver, in its capacity as receiver for the Company for any damage incurred by the Receiver now or in the future as a result of any such default by the Purchaser or failure to comply with or fulfil any one of its obligations herein.

11.2 Failure to Deliver Payment on Closing Date

If the balance of the Purchase Price is not paid on or before Closing Date, the Purchaser agrees to pay to the Receiver interest at the rate of four percent (4%) per annum, on any portion of the Purchase Price not received by the Receiver or the Receiver's Solicitor as at the Closing Date, the interest to be calculated from the Closing Date, until the entire Purchase Price is received by the Receiver or the Receiver's Solicitor, for free release up to a maximum of thirty (30) days from the Closing Date and, thereafter, at the sole discretion of the Receiver this Agreement may become null and void and all amounts paid and delivered to the Receiver, the Receiver's Solicitor or Grasswood as a Deposit or otherwise are forfeited to the Receiver as the Receiver's sole and exclusive remedy.

ARTICLE 12 INDEMNIFICATION

12.1 Survival of Representations and Warranties

All representations and warranties in Article 3 and Article 4, as given at the date hereof and restated at the Closing as provided for in Section 8.1, or in any instrument or document furnished in connection with this Agreement or the transaction contemplated hereby, shall survive the closing of the transaction contemplated herein and, notwithstanding any investigation at any time made by or on behalf of any party, continue in full force and effect for a period of twenty-four (24) months from the Closing, provided that a claim for any breach of the representations and warranties contained in this Agreement, or in any instrument or document furnished in connection with this Agreement or the transaction contemplated hereby, that involves fraud or fraudulent misrepresentation may be made at any time following the Closing, subject only to applicable limitation periods imposed by Law and in respect of any claims against the Receiver, subject to leave of the Court. All covenants and agreements contained herein shall survive until fully performed in accordance with their terms.

12.2 Purchaser's Indemnification of the Receiver

In addition to the indemnity contained in Section 5.2(d), the Purchaser shall indemnify, defend and hold harmless the Receiver and its officers, directors, employees, agents and shareholders, and their respective successors and assigns from and against all Taxes payable in connection with the purchase and sale of the Purchased Assets.

ARTICLE 13 TERMINATION

13.1 Termination

This Agreement may be terminated and the transaction contemplated hereby may be abandoned at any time prior to the Closing Date, as the case may be:

- (a) by mutual written consent of the Purchaser and the Receiver;
- (b) by the Purchaser or the Receiver if any court of competent jurisdiction or other Governmental Authority shall have issued an order, decree or ruling, or taken any other action specifically restraining, enjoining or otherwise prohibiting the transaction contemplated hereby, which order, decree, ruling or other action is not stayed or dismissed prior to the Closing Date, in which case, Section 2.3 shall apply;
- (c) by the Purchaser or the Receiver if, on or before the Closing Date, a material part of the Purchased Assets has been removed from the control of the Receiver by any means or process, or the Purchased Assets, or any part thereof, are redeemed;

- (d) by the Purchaser or the Receiver if the conditions contained in Article 8 and Article 9, respectively, are not satisfied or waived prior to the applicable date for satisfaction of such conditions; and
- (e) by the Purchaser as described in Section 14.2 hereof.

13.2 Effect of Termination

Notwithstanding the termination and abandonment of this Agreement pursuant to Section 13.1, the provisions of Article 10 and Article 11 of this Agreement shall survive, and the provisions of Section 2.5 shall apply with respect to the Deposit. Nothing in this Article 13 shall relieve any party to this Agreement of liability for breach of this Agreement.

ARTICLE 14 MISCELLANEOUS

14.1 No Personal Liability of the Receiver

With respect to this Agreement and all matters pertaining to hereto, the Purchaser acknowledges that the Receiver is acting solely in its capacity as court appointed receiver and manager of the Company and as such, its liability as a consequence of this Agreement or anything done by it pursuant hereto shall be in its capacity as receiver only, and it shall have no personal liability or corporate liability of any kind, whether in contract or in tort or otherwise.

14.2 Risk of Loss

Up to the time of the Closing, the Purchased Assets shall be and remain at the risk of the Receiver. If, prior to the time of the Closing, all or any material part of the Purchased Assets are Substantially Damaged by fire or any other casualty, the Purchaser shall have the first option to elect to accept from the Receiver, the insurance proceeds as paid out under the Receiver's insurance policy and complete the transaction as otherwise contemplated by this Agreement, without any reduction of the Purchase Price or terminate this Agreement exercisable within 20 Business Days from the date of such Substantial Damage, casualty or expropriation by providing written notice (the "**Destruction Notice**") thereof to the Receiver and, upon such notice being given, this Agreement shall terminate and be of no further force or effect and the Receiver shall return the Deposit to the Purchaser. Where any damage is not substantial, the Purchaser shall be obligated to complete the purchase and shall be entitled to the proceeds of insurance referable to such damage, but not to any other costs or compensation whatsoever.

14.3 Notices

All notices, requests, consents and other communications hereunder shall be in writing, shall be addressed to the receiving party's address set forth below or to such other address as such party may designate by notice hereunder, and shall be either (i) delivered by hand, (ii) made by facsimile transmission, (iii) by email, or (iv) sent by recognized overnight courier.

If to the Purchaser:

Keith Eugene Hesketh and Rhonda Marie Hesketh
Box 1564
Estevan, SK, S4A 2L7
Email:

With a copy to:

Billesberger Law Firm
1017 3rd St.
Estevan, SK, S4A 0R4

Attention: John Billesberger
Email: jjb.law@sasktel.net

If to the Receiver:

MNP LTD.
2010 11th Ave Suite
900, Regina, SK
S4P 0J3

Attention: Pamela Meger and Julie Kennedy
Facsimile No.:
Email: pamela.meger@mnp.ca and Julie.kennedy@mnp.ca

With a copy to:

Kanuka Thuringer LLP
1400 – 2500
Victoria Avenue
Regina, SK
S4P 3X2

Attention: Warren Sproule, K.C.
Email: wsproule@kanuka.ca

All notices, requests, consents and other communications hereunder shall be deemed to have been given (i) if by hand, at the time of the delivery thereof to the receiving party at the address of such party in accordance with this Section 14.3, (ii) if made by facsimile transmission, at the time that receipt thereof has been acknowledged by electronic confirmation or otherwise, (iii) if by email, at the time that the email is sent to the receiving party, or (iv) if sent by overnight courier with guaranteed next day delivery, on the next Business Day following the day such notice is delivered to the courier service.

14.4 Entire Agreement

This Agreement together with any Exhibits and Schedules hereto embody the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements, contemporaneous agreements, negotiations, discussions and understandings relating to the subject matter hereof. No statement, representation, warranty, covenant or agreement of any kind not expressly set forth in this Agreement shall affect, or be used to interpret, change or restrict, the express terms and provisions of this Agreement.

14.5 Modifications and Amendments

The terms and provisions of this Agreement may be modified or amended only by written agreement executed by all parties hereto and, where same may be required, by order of the Court.

No supplement, modification, waiver or termination of this Agreement shall be binding unless executed in writing by the parties, provided that the time provided for doing any matter or thing contemplated herein may be abridged or extended by written agreement, in letter form or otherwise, executed by the duly authorized solicitors for the parties.

14.6 Waivers and Consents

No failure or delay by a party hereto in exercising any right, power or remedy under this Agreement, and no course of dealing between the parties hereto, shall operate as a waiver of any such right, power or remedy of the party. No single or partial exercise of any right, power or remedy under this Agreement by a party hereto, nor any abandonment or discontinuance of steps to enforce any such right, power or remedy, shall preclude such party from any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. The election of any remedy by a party hereto shall not constitute a waiver of the right of such party to pursue other available remedies. No notice to or demand on a party not expressly required under this Agreement shall entitle the party receiving such notice or demand to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the party giving such notice or demand to any other or further action in any circumstances without such notice or demand. The terms and provisions of this Agreement may be waived, or consent for the departure therefrom granted, only by written document executed by the party entitled to the benefits of such terms or provisions. No such waiver or consent shall be deemed to be or shall constitute a waiver or consent with respect to any other terms or provisions of this Agreement, whether or not similar. Each such waiver or consent shall be effective only in the specific instance and for the purpose for which it was given, and shall not constitute a continuing waiver or consent.

14.7 Assignment

Subject to this Section, no party to this Agreement may assign any of its rights or obligations under this Agreement without the prior written consent of the other party.

14.8 Parties in Interest

This Agreement shall be binding upon and inure solely to the benefit of each party hereto and their permitted assigns, and nothing in this Agreement, express or implied, is intended to confer upon any other person any rights or remedies of any nature whatsoever under or by reason of this Agreement. Nothing in this Agreement shall be construed to create any rights or obligations except among the parties hereto, and no person or entity shall be regarded as a third-party beneficiary of this Agreement.

14.9 Governing Law

This Agreement and the rights and obligations of the parties hereunder shall be construed in accordance with and governed by the Laws of Saskatchewan and the federal laws of Canada applicable therein.

14.10 Waiver of Certain Acts

The parties agree that if the Purchaser is a corporation:

- (a) That *The Land Contracts (Actions) Act*, 2018 of the Province of Saskatchewan shall have no application to any action as defined in *The Land Contracts (Actions) Act* aforesaid, with respect to this Agreement; and
- (b) That *The Limitation of Civil Rights Act* of the Province of Saskatchewan shall have no application to this Agreement.

14.11 Interpretation

The parties hereto acknowledge and agree that: (i) the rule of construction to the effect that any ambiguities are resolved against the drafting party shall not be employed in the interpretation of this Agreement; and (ii) the terms and provisions of this Agreement shall be construed fairly as to all parties hereto and not in favour of or against any party, regardless of which party was generally responsible for the preparation of this Agreement.

14.12 Headings and Captions

The headings and captions of the various subdivisions of this Agreement are for convenience of reference only and shall in no way modify, or affect, or be considered in construing or interpreting the meaning or construction of any of the terms or provisions hereof.

14.13 Preamble

The Preamble forms part of this Agreement.

14.14 Enforcement

Each of the parties hereto acknowledges and agrees that the rights acquired by each party hereunder are unique and that irreparable damage would occur in the event that any of the provisions of this Agreement to be performed by the other party were not performed in

accordance with their specific terms or were otherwise breached. Accordingly, in addition to any other remedy to which the parties hereto are entitled at Law or in equity, each party hereto shall be entitled to an injunction or injunctions to prevent breaches of this Agreement by the other party and to enforce specifically the terms and provisions hereof in the Court.

14.15 Expenses

Each of the parties hereto shall pay its own fees and expenses (including the fees of any lawyers, financial advisors, accountants, appraisers or others engaged by such party) in connection with this Agreement and the transaction contemplated hereby whether or not the transaction contemplated hereby are consummated.

14.16 Publicity

The Purchaser shall not, at any time, issue any press release or otherwise make any public statement with respect to the execution of, or the transaction contemplated by, this Agreement without the prior written consent of the Receiver, such consent not to be unreasonably withheld.

14.17 Counterparts

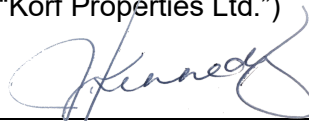
This Agreement may be executed in counterparts, and by different parties hereto on separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Execution and delivery of this Agreement may be made and evidenced by facsimile or other electronic means of transmission.

IN WITNESS WHEREOF, the Purchaser and the Receiver have executed this Agreement as of the day and year first written above.

MNP LTD.

In its capacity as court-appointed receiver of
101118672 Saskatchewan Ltd.
(Formerly "Korf Properties Ltd.")

Per:



Name: Julie Kennedy
Title: Vice President

WITNESS

KEITH EUGENE HESKETH

WITNESS

RHONDA MARIE HESKETH

accordance with their specific terms or were otherwise breached. Accordingly, in addition to any other remedy to which the parties hereto are entitled at Law or in equity, each party hereto shall be entitled to an injunction or injunctions to prevent breaches of this Agreement by the other party and to enforce specifically the terms and provisions hereof in the Court.

14.15 Expenses

Each of the parties hereto shall pay its own fees and expenses (including the fees of any lawyers, financial advisors, accountants, appraisers or others engaged by such party) in connection with this Agreement and the transaction contemplated hereby whether or not the transaction contemplated hereby are consummated.

14.16 Publicity

The Purchaser shall not, at any time, issue any press release or otherwise make any public statement with respect to the execution of, or the transaction contemplated by, this Agreement without the prior written consent of the Receiver, such consent not to be unreasonably withheld.

14.17 Counterparts

This Agreement may be executed in counterparts, and by different parties hereto on separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Execution and delivery of this Agreement may be made and evidenced by facsimile or other electronic means of transmission.

IN WITNESS WHEREOF, the Purchaser and the Receiver have executed this Agreement as of the day and year first written above.

MNP LTD.
In its capacity as court-appointed receiver of
101118672 Saskatchewan Ltd.
(Formerly "Korf Properties Ltd.")

Per:

Name: Julie Kennedy
Title: Vice President



WITNESS



KEITH EUGENE HESKETH



WITNESS



RHONDA MARIE HESKETH

**SCHEDULE A
PURCHASED ASSETS**

Lands

260 Kensington Avenue, Estevan, Saskatchewan

Surface Parcel No. 107417965

Reference land description: Lot 19 Blk 2 Plan 89R21476 Ext 0, as described on Certificate of Title 89R21476B

270 Kensington Avenue, Estevan, Saskatchewan

Surface Parcel No. 135928705

Reference land description: Lot 18 Blk 2 Plan 89R21476 Ext 0, as described on Certificate of Title 89R21476A

**SCHEDULE B
REGISTERED PERMITTED ENCUMBRANCES**

SURFACE PARCEL NUMBER	REFERENCE LAND DESCRIPTION	HOLDER	TYPE	INTEREST #	INTEREST REGISTER NUMBER
135928705	Lot 18, Blk/Par 2 Plan No. 89R21476 Extension 0 As described on Certificate of Title 89R21476A	Saskatchewan Power Corporation	CNV Easement	150889045	104010185
		Saskatchewan Power Corporation	CNV Easement	150889056	104010196
		Shaw Industries Ltd.	CNV Caveat	150889067	104010208
		Saskatchewan Power Corporation	CNV Easement	150889078	104010219
		City of Estevan			

**SCHEDULE C
ENCUMBRANCES TO BE DISCHARGED**

107417965	Lot 19, Blk/Par 2, Plan No. 89R21476, Extension 0 As described on Certificate of Title 89R21476B	Canadian Mortgage Servicing Corporation	Mortgage	169468093	120511875
		Canadian Mortgage Servicing Corporation	Assignment of Rents	169468385	120511897
		City of Estevan	Tax Lien	190492566	124472774
135928705	Lot 18, Blk/Par 2 Plan No. 89R21476 Extension 0 As described on Certificate of Title 89R21476A	Canadian Mortgage Servicing Corporation	Mortgage	169468082	120511875
		Canadian Mortgage Servicing Corporation	Assignment of Rents	169468374	120511897
		City of Estevan	Tax Lien	190492735	124472774