

COURT FILE NUMBER 1903 - 06817
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE EDMONTON
PLAINTIFF ROYAL BANK OF CANADA
DEFENDANTS THE COMPLETE MASONRY LTD.
1875329 ALBERTA LTD., BEATTY
RENTALS LTD., LILLIAN BEATTY and
RICHARD BEATTY
DOCUMENT **SECOND REPORT OF THE RECEIVER,
MNP LTD., DATED JUNE 7, 2019**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
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Solicitors for the Receiver, MNP Ltd.



Introduction and Purpose of the Report

1. MNP Ltd. was appointed Receiver of The Complete Masonry Ltd. ("TCM"), 1875329 Alberta Ltd. ("187") and Beatty Rentals Ltd. ("Beatty Rentals") (collectively hereinafter referred to as the "Companies") pursuant to an order (the "Receivership Order") dated April 10, 2019 of the Honourable Justice K.G. Nielsen of Court of Queen's Bench of Alberta (the "Court").
2. 187 primarily dealt in real estate holdings while TCM provided masonry services and Beatty Rentals dealt in equipment rental services.
3. This is the Receiver's Second Report to Court (the "Second Report") and it should be read in conjunction with the Receiver's First Report to Court dated June 3, 2019 (the "First Report"). Capitalized terms in the Second Report are as defined in the First Report.
4. The purpose of the Second Report is to advise the Court with respect to an amendment to the proposed sale price of the Residential Lot.
5. In preparing the Second Report and making comments herein, the Receiver has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information of the Companies, the Companies books and records, and information from other third-party sources (collectively, the "Information"). 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.

6. Materials with respect to this proceeding can be found on the Receiver's website at <https://mnpdebt.ca/en/corporate/engagements/the-competemasonry-ltd-1875329-alberta-ltd-and-beatty-rentals-ltd>.

Sale of Real Property

7. The Receiver accepted an offer to purchase the Residential Lot, subject to approval of the Court, for a sum of \$257,000 and subject to certain conditions to be waived or removed by June 7, 2019 (the "Residential Offer").
8. On June 6, 2019 the realtor advised the Receiver that purchaser was requesting a reduction in price due to deficiencies in the shingles and furnace identified in a home inspection report. In accordance with the home inspection report the Residential Lot would require new shingles and a new furnace immediately.
9. The reduction in purchase price requested would be from \$257,000 to \$245,000 or \$12,000 less than the originally agreed upon sale price. A copy of the amended Residential Offer is attached as **Schedule A**.
10. The Receiver is of the opinion that \$12,000 is reasonable for the replacement of these two items (noting there were additional smaller deficiencies identified that could also result in costs to the purchaser in the short term).
11. The reduced purchase price equates to approximately 93.5% of the appraised FMV in accordance with the Plant Appraisal.
12. The primary secured lender (Royal Bank of Canada) has advised the Receiver that they support the price reduction requested.

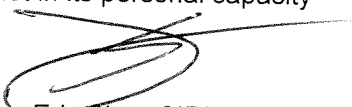
Conclusion

13. The Receiver submits this Second Report in support of an Order for the following:
- Approval of the Receiver's activities as described in the Second Report; and
 - Approval to accept the amended offer to purchase on the Residential Lot.

Respectfully submitted this 7th day of June, 2019.

MNP Ltd.

In its capacity as Receiver of
The Complete Masonry Ltd., 1875329 Alberta Ltd., and Beatty Rentals Ltd.
And not in its personal capacity


Per: Eric Sirrs, CIRP, Licensed Insolvency Trustee
Senior Vice President

AREA Registered from

SECTION 1

RESIDENTIAL PURCHASE CONTRACT

(A)

T. C. B. J.
THE SELLER
and
THE BUYER
Indira in its capacity as Director
of 157229 Alberta Ltd. not in its
personal capacity
Therese Chhabra

1.1 The Property is:
(a) the land and buildings located at:
Municipal address: 8813-20 Avenue, Grande Prairie, AB

(b) the legal description:
Legal description: Plan 0226071 Block 11 Lot 11

(c) these specified goods:
Fridge, stove, microwave, washer, dryer and all window coverings.

(d) the attached goods except for:
(KA)

2. PURCHASE PRICE AND COSTS

2.1 The Purchase Price is 257000

2.2 The Purchase Price includes any applicable Goods and Services Tax (GST).

2.3 This contract is conditional upon the Seller providing the Buyer with a copy of the title insurance policy within 10 days of completion of this contract.

2.4 The Seller represents and warrants that on Completion Day, the Property will be in substantially the same condition as when this contract was accepted and the attached and mentioned goods will be in normal working order.

3. REPRESENTATIONS

3.1 In entering this contract, the Seller and Buyer agree to act honestly and in good faith and agree that:

(a) unless the Seller, Buyer or both have agreed to alternate representations, the Seller and Buyer are each represented by their own legal agent and these agents have no agency responsibility to the other party;

(b) the laws of Alberta apply to this contract; Time is of the essence, which means time and dates will be strictly enforced and compliance;

(c) neither they nor any agent they are employing, directly or indirectly, holds or holds an interest in the Property;

(d) a disclosure to the Seller or Buyer before signing, signing, signing and finishing;

(e) the Seller will obtain a search of the title records, including title insurance, and if a defect in the Property that is not discoverable through a reasonable inspection and that will affect the use or value of the Property;

(f) the Seller and Buyer are each responsible for completing their own due diligence and verification of data if they do not;

(g) the Seller will ensure the Seller's representations and warranties are true and correct;

(h) the Seller will provide the Buyer with a copy of the Seller's title insurance policy, and the Buyer will ensure the Buyer's title insurance policy is in place and covers the Property;

(i) the Seller will ensure the Buyer's title insurance policy is in place and covers the Property;

(j) the Seller will ensure the Buyer's title insurance policy is in place and covers the Property;

(KA) B.J. T.C.

(KA) (CA) T.C. B.J. \$245,000 B.J. T.C.

(KA)



This contract is subject to the Residential Tenancies Act (RTA) for the use of residential only. Neither party is liable to the other for any breach of the RTA. The Seller and Buyer agree to indemnify each other for any breach of the RTA.



- (1) report such changes that are required in writing and acceptable to the principal attorney;
- (2) the seller and buyer shall read this contract and each shall acknowledge in writing to the other;
- (3) the brokerages, real estate brokers and other persons may have and disclose relevant information about this transaction for marketing, statistical, property evaluation and closing purposes; and
- (4) the seller's _____ brokerages will provide this contract and related documents to the principal attorney for the purpose of closing this contract.

DEPOSITS

- 4.1 The seller and buyer agree that clauses 4.2 through 4.8 are the terms of trust for the deposits.
- 4.2 The seller and buyer agree to pay to the Trustee, Raymond L. Papp, The Realty Group, as trustee for the depositors, _____
- 4.3 The buyer will pay a deposit of \$2,000.00 which will form part of the Purchase Price, to the Trustee by credit transfer, bank draft or cheque by or before 10/10/88 (date of deposit)
- 4.4 The buyer will pay an additional deposit of \$ _____ which will form part of the Purchase Price, to the Trustee by _____ on or before _____
- 4.5 If the Buyer fails to pay a deposit by the agreed date, the seller may void this contract at the entire option by giving the buyer written notice. The seller's option expires when the seller accepts a deposit, even if void.
- 4.6 The Trustee will deposit all deposits in a trust account within three business days of receipt.
- 4.7 Interest on the deposits will not be paid to the seller or buyer.
- 4.8 The deposits will be held in trust for the seller and buyer. Provided funds are disbursed, the deposits shall be released, without restriction, as follows:
 - (a) in the event of either this contract is accepted:
 - (i) as provided or as modified in accordance with clause 4.4;
 - (ii) the buyer voids this contract for the seller's failure to provide a Clean Conveyance and Administrative Items in accordance with clause 4.10;
 - (iii) the seller voids this contract for the buyer's failure to pay a deposit or
 - (iv) the seller fails to perform this contract;
 - (b) in the event, if this contract is accepted and all conditions are satisfied or waived and the buyer fails to perform this contract;
 - (c) applied against the purchase price by the seller by payment directly out of trust to the brokerages, even any estate trustee parties must to the seller's order no later than three business days after the Completion Day. For release the amount, plus GST, must be at least equal to the deposit being a release of the deposit.

COVENANTS

- 5.1 This to the Property will be free of all encumbrances, liens and interests except for:
 - (a) those implied by law;
 - (b) any financial charges that are the subject of mortgages, liens, rights-of-way, easements and covenants that are currently being repaid or are the subject of a pending proceeding of law;
 - (c) easements, encumbrances, mortgages and similar rights-of-way; and
 - (d) those the buyer agrees to assume in this contract.

WARRANTIES AND DISCLOSURES

- 6.1 The seller warrants and represents to the buyer that:
 - (a) the seller has the legal right to sell the Property;
 - (b) the seller is not a non-resident for the purposes of the Province of Ontario (Canada);
 - (c) the seller has a legal right to the interest attached and connected thereto;
 - (d) the proposed use of the land and buildings complies with the zoning municipal laws and bylaws and any restrictive covenants or other laws;
 - (e) the location of the buildings and land improvements:
 - (i) is not the subject of any pending, right-of-way or right-of-way dispute where there is a right-of-way agreement or other law, in the event of an encumbrance that involves the right-of-way, the municipality has approved the encumbrance in writing; and
 - (ii) complies with any applicable municipal or provincial laws, regulations and ordinances, or the buildings and improvements are "non-conforming buildings" as defined in the Municipal Government Act (Ontario);
 - (f) no governmental or local authority notices regarding the Property, and that of records for any development on the Property, known to the seller have been disclosed in writing in this contract.

6.2 The buyer shall have the right to inspect the goods... (a) and make an offer, and if the offer is accepted, the Contract shall be deemed to have been made...

6.3 The seller shall have the right to inspect the goods... (a) and make an offer, and if the offer is accepted, the Contract shall be deemed to have been made...

6.4 The seller shall be liable for the goods... (a) and make an offer, and if the offer is accepted, the Contract shall be deemed to have been made...

6.5 The seller shall be liable for the goods... (a) and make an offer, and if the offer is accepted, the Contract shall be deemed to have been made...

6.6 The seller shall be liable for the goods... (a) and make an offer, and if the offer is accepted, the Contract shall be deemed to have been made...

6.7 The seller shall be liable for the goods... (a) and make an offer, and if the offer is accepted, the Contract shall be deemed to have been made...

6.8 The seller shall be liable for the goods... (a) and make an offer, and if the offer is accepted, the Contract shall be deemed to have been made...

6.9 The seller shall be liable for the goods... (a) and make an offer, and if the offer is accepted, the Contract shall be deemed to have been made...

6.10 The seller shall be liable for the goods... (a) and make an offer, and if the offer is accepted, the Contract shall be deemed to have been made...

Handwritten initials and marks: WA, T.C, BF, 7th, T.C BF, WA, WA

Handwritten initials in a circle: BF

offer subject to Approval of Court of Queens Bench T.C

DATE Sp June 11 19

6.4 The seller shall be liable for the goods... (a) and make an offer, and if the offer is accepted, the Contract shall be deemed to have been made...

6.5 The seller shall be liable for the goods... (a) and make an offer, and if the offer is accepted, the Contract shall be deemed to have been made...



ALASKA REAL ESTATE ASSOCIATION

- 2.1 The following documents are required to send form part of DAG or back:
 - Financing Schedule (Below Financing, Mortgage Assumption, Cash Value)
 - Tenancy Schedule
 - Memorandum Form Schedule
 - State of Seller's Property Schedule
 - Affidavit
 - Other:

MA
T-C
24th
19
T-C BT

2.2 Other than:
PROPERTY TO BE VENDOR POSSESSION ON JUNE 15/19
 Offer Acceptance subject to approval from court.
 Sale is "AS-IS, where-is".

BT
T-C

10. PURCHASE PRICE:

Financing Documents

10.1 The seller or seller's lawyer will deliver certain closing documents to the buyer or buyer's lawyer upon reasonable prior condition consistent with the terms of this contract, including delivery within a reasonable time before the Completion Day to allow for completion of registration of documents in the Land Title Office, obtain the release of mortgage financing and ready the transfer of relevant items.

10.2 The seller or seller's lawyer will deliver certain closing documents to the buyer or buyer's lawyer upon reasonable prior condition consistent with the terms of this contract, including delivery within a reasonable time before the Completion Day to allow for completion of registration of documents in the Land Title Office, obtain the release of mortgage financing and ready the transfer of relevant items.

Payment and Costs

10.3 The buyer will pay the Purchase Price by depositing the money in a trust account of the seller's lawyer.

10.4 Taxes such as real estate property taxes, land improvement taxes, utility taxes, security deposits, statutory interest on security deposits, mortgage interest and insurance commission fees will be the seller's responsibility for the entire Completion Day and immediately thereafter by the buyer.

10.5 The seller's lawyer may claim the Purchase Price to pay and discharge all of the seller's financial obligations related to the Property. The seller's lawyer will provide the buyer's lawyer with a statement of all distributions, where required, a certified copy of the Certificate of Title, within a reasonable time after Completion Day.

10.6 If the seller has entered into a written agreement regarding the use of the Property, the seller instructs the seller's lawyer to deliver the terms of this agreement, including the Fee and other costs payable to the seller's lawyer.

10.7 The seller will pay the costs to prepare the closing documents, including all stamp duties required, stamp and any existing security of the Property and provide correct possession to the buyer, and ready to purchase, register and discharge any other contract based on this contract.

10.8 The buyer will pay the costs to prepare, register and discharge any buyer's interest based on this contract and to register the transfer of land.

10.9 If the seller fails to deliver the closing documents in accordance with clauses 10.1 or 10.2, then:

- (a) the buyer's payment of the Purchase Price and the interest will be refunded until the buyer or buyer's lawyer has received the closing documents and this is a responsibility from the seller and buyer's lawyer, obtain the release of mortgage financing and verify the transfer of relevant items;
- (b) if the buyer is willing and able to close in accordance with this contract and wishes to take possession of the Property, then the seller will give the buyer possession upon reasonable terms which will include the payment of the interest only on the amount of mortgage being advanced by the buyer at the interest rate of that mortgage.

10.10 If the seller has complied with clauses 10.1 and 10.2 but the buyer is not able to close in accordance with this contract, then:

- (a) the seller may, but is not obligated to, accept the payment of the Purchase Price and give the buyer possession upon reasonable terms; and
- (b) if the seller agrees to accept the payment of the Purchase Price and, whether or not possession is granted, the buyer will pay the interest on the purchase price of the Property from the date of completion of the Completion Day until the date that the seller is paid in full. Payment received after 31 days on any day will be payment out of the next Business Day.

10.11 The seller and buyer will instruct their lawyers to follow the Western Law Society's Corresponding Protocol in the closing of the transaction, if applicable.



11. INSURANCE

11.1 The seller bears the risk of loss or damage to the Property until the Purchase Price is paid. If total loss or damage occurs before the Purchase Price is paid, any insurance proceeds will be held in trust for the seller and buyer based on their interests.

12. INSPECTIONS

12.1 If the seller or buyer fails or refuses to complete this contract, the other party may seek an injunction, seek an order for specific performance and damages, and reasonable costs (including legal fees and disbursements on a fee-for-worked basis) from the party in breach.

12.2 The buyer declares, if the seller fails to complete the Property Sale, enforce a lien against the Property or against possession of the Property, the seller may seek costs and other remedies.

12.3 The seller and buyer agree that the Property is exempt. On order decreed, the buyer may seek a writ of specific performance and other remedies.

13. CLOSING AND ESCROW

13.1 Any party under this contract opens a closing account, including orders required by this contract and otherwise on escrow.

13.2 A notice is effective at the time it is delivered in person or sent by first class mail.

13.3 Closing notice means the declaration is transmitted by one of the methods, and signature of the method, the notice is deemed to be complete on any original document.

13.4 For documents that require a signature, an electronic signature, or a digital signature, as defined in the Electronic Transactions Act (ETA), or a digital signature or has the same function as an ink signature.

14. AUTHORIZATION

14.1 The seller and buyer may each authorize a representative to transact and receive notice as detailed below. Once authorized, neither will be effective upon being delivered in person or sent by first class mail to the authorized representative.

Seller's representative:	The Buyer's representative:
Name: <u>Michael Kell</u>	Name: <u>James Scott</u>
Address: <u>1000 West 1st Street, The Dalles, Oregon</u>	Address: <u>1000 West 1st Street, The Dalles, Oregon</u>
Phone: <u>700761390</u>	Phone: <u>700761390</u>
Fax:	Fax:
Mobile:	Mobile:

14.2 If the seller or buyer does not authorize a representative, then the seller authorizes: _____
the buyer authorizes: _____

14.3 If the authorized representative is not authorized, the seller and buyer agree to give written notice to the other party as soon as the change is known or that change becomes only be sent to the proper person and place.

15. ASSIGNMENT OF INTERESTS

15.1 The seller and buyer declare that this contract sets out all the rights and obligations they intend for the purchase and sale of the Property and that:

- (a) this contract is the entire agreement between them; and
- (b) certain expressly made part of this contract, in writing:
 - (i) verbal or written contract or side agreement or representation or contract made by either the seller or buyer, or the seller's or buyer's husband or agent, former or current and will not be relied on and not be part of this contract; and
 - (ii) any non-contractual representation or warranties, however or made, that followed either the seller or buyer into making this contract and of no legal force or effect.

Seller Initials: JK Buyer Initials: T=BJ

16. COUNTERSIGNED CONTRACT

16.1 The legal obligations in this contract shall be the same as if the original contract is delivered in person or sent by first class mail. The obligations bind the seller and buyer as well as their heirs, administrators, executors, successors and assigns.

Contracted party: JK Party's name: T=BJ Page 10



OFFER

The offeror offers to buy the Property according to the terms of this contract.

The offeror/contractor offered this upon the terms set forth in this contract.

Contract Number: 1000 Date: May 17 2019

Buyer's Name: J. Chubbuck Address: 1000

Seller's Name: Edmonton Address: 1000

The offeror/contractor offers to buy the Property according to the terms of this contract.

Contract Number: 1000 Date: May 22 2019

Buyer's Name: Edmonton Address: 1000

Seller's Name: Edmonton Address: 1000

The offeror/contractor offers to buy the Property according to the terms of this contract.

Contract Number: 1000 Date: May 22 2019

Buyer's Name: Edmonton Address: 1000

Seller's Name: Edmonton Address: 1000

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