

THE KING'S BENCH
WINNIPEG CENTRE

IN THE MATTER OF: THE APPOINTMENT OF A RECEIVER
PURSUANT TO SECTION 243 OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C.
1985, c. B-3, AS AMENDED, AND SECTION 55
OF *THE COURT OF KING'S BENCH ACT*,
C.C.S.M. c. C280

BETWEEN:

FIRST NATIONAL FINANCIAL GP CORPORATION,

Applicant,

- and -

5684961 MANITOBA LTD., 6315402 MANITOBA LTD.
and K & P PROPERTIES INC.,

Respondents.

SUPPLEMENTARY AFFIDAVIT OF SONIA PACHECO
SWORN: MARCH 8th, 2023

Thompson Dorfman Sweatman LLP
1700 – 242 Hargrave Street
Winnipeg MB R3C 0V1
(Matter No. 0165206 APM/RAM)
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SUPPLEMENTARY AFFIDAVIT OF SONIA PACHECO

I, SONIA PACHECO, of the City of Winnipeg, in the Province
of Manitoba, Senior Mortgage Closing Specialist,

MAKE OATH AND SAY THAT:

1. I am employed as a Senior Mortgage Closing Specialist with Montrose Mortgage Corporation Ltd. ("**Montrose**"). In that role, I have had primary responsibility for Montrose's dealings with the Respondents in connection with the mortgage of the property commonly known as 485 Furby Street in Winnipeg, Manitoba (the "**Furby Property**"). As such, I have personal knowledge of the matters herein deposed to by me save and except where any of the same are stated to be based on information and belief, in which case, I believe them to be true.

2. The Applicant First National Financial GP Corporation ("**First National**") is the general partner of First National Financial LP, which carries on business as a provider of financial services, including mortgage lending. In its capacity as general partner, First National is authorized to lend funds, and to enter into credit and security agreements.

3. Montrose acts as an agent of First National and a provider of administrative services with respect to the loan and mortgage that is relevant to this proceeding, as described further herein.

4. I am providing this Affidavit as a supplement to the previous Affidavit I swore in this proceeding on February 13, 2023. For ease of reference, I will continue to make use of the terms previously defined in my initial Affidavit.

5. On February 23, 2023, while attending at the hearing of this application before the Court, Mr. Patrick Penner, in his capacity as a director and officer of the Respondent 568, provided First National's counsel with four (4) separate cheques, each in the amount of \$16,198.99 and payable jointly to First National and 568, apparently representing insurance proceeds payable in respect of an insurance claim that had been filed relating to fire damage which occurred at the Furby Property. Mr. Penner endorsed each of these cheques on behalf of 568.

6. First National attempted to negotiate the cheques referenced above with the intention of applying the proceeds towards the indebtedness owing by 568 to First National. Unfortunately, the cheques were not honoured. In subsequent communications with representatives of the insurers, First National has been advised that the cheques

referenced above are no longer valid and that the insurers are awaiting further documentation from 568 relating to the claim.

7. On March 2, 2023, while attending at the hearing of this application before the Court, Mr. Patrick Penner, in his capacity as a director and officer of 568, also provided First National's counsel with four (4) further separate cheques, each in the amount of \$20,855.00, payable to 568, apparently representing insurance proceeds payable in respect of an insurance claim that had been filed relating to fire damage which occurred at the Furby Property. Mr. Penner endorsed each of these cheques on behalf of 568.

8. The cheques referred to in paragraph 7 have not yet been negotiated by First National, but my understanding based on communications with the insurers is that these cheques are valid and should be honoured.

9. Attached hereto as **Exhibit "A"** is an updated statement showing the arrears amounts owing with respect to the Furby Loan. This statement does not yet include any application of funds arising from the

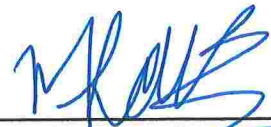
cheques referenced in paragraph 7 above. To be clear, First National's position is that the entire amount of indebtedness under the Furby Loan is due and owing by 568 as a result of its previous and continuing defaults. However, the arrears statement is being provided for the information of the Court.

10. I make this affidavit in good faith, and in support of First National's application to appoint a Receiver over the Property.

SWORN BEFORE ME at the City)
)
of Winnipeg, in the Province of)
)
Manitoba this 8th day of)
)
March, 2023)
)
)
)



SONIA PACHECO



A Barrister-at-law entitled to practice
in and for the Province of Manitoba

This is **Exhibit "A"** referred
to in the Affidavit of

SONIA PACHECO

Sworn (or affirmed) before me this 8th day of March, 2023

A handwritten signature in blue ink, appearing to be 'M. K.', is written over a horizontal line.

A Barrister-at-Law entitled to practise
in and for the Province of Manitoba

MMC# 1393 (FN# 513436) - 5684961 Manitoba Ltd.
485 Furby Street, Winnipeg MB
Statement of Arrears as at March 8, 2023

485 Furby (1393/513436)	Defaults
P&I Arrears	\$ 100,872.38
Subtotal (P&I)	\$ 100,872.38
Property Taxes <i>pd by Lender & Capitalized to Loan</i> (as at Aug. 26/19)	\$ 77,848.17
Accrued Interest on Property Taxes Capitalized (as at Mar 1/23)	\$ 12,363.65
Property Taxes Arrears owing to the City of Winnipeg (as at Dec 31/22)	\$ 173,511.78
Tax Search Fee (x 12)	\$ 600.00
Forced Place Insurance (Jun 2018 - February 2023)	\$ 28,676.67
Legal Fees	\$ 41,774.65
PM Services Rendered Attorning Rents	\$ 9,975.00
Centralized Property Search	\$ 384.30
Phase I ESA 2022	\$ 1,155.00
Property Condition Assessment	\$ 4,200.00
Appraisal Report	\$ 2,415.00
PM Qrtly Inspection/Walk Through	\$ 787.50
Disbursements (on both Sargent & Furby)	\$ 200.00
Taxes on Disbursements	\$ 10.00
Subtotal (P&I and Fees)	\$ 454,774.10
LESS: CAPEX Payment(s) Paid by the Borrower	(42,400.00)
Total Arrears as at March 8, 2023	\$ 412,374.10