

File No. CI 23-01- 39420

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.

NOTICE OF APPLICATION
BEFORE A JUDGE
HEARING DATE: THURSDAY, FEBRUARY 23, 2023 at 10:00 a.m.

FILED
FEB 14 2023 250.00

Thompson Dorfman Sweatman LLP
Barristers and Solicitors
1700 – 242 Hargrave Street
Winnipeg MB R3C 0V1
(Matter No. 0165206 APM/RAM)
(Ross A. McFadyen, Tel: 204-934-2378)
(Mel M. LaBossiere, Tel: 204-934-2508)
(E-mail: ram@tdslaw.com / mml@tdslaw.com)

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,

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

Respondents.

NOTICE OF APPLICATION

TO THE RESPONDENTS

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicant. The claim made by the Applicant appears on the following page.

THIS APPLICATION will come on for a hearing before a judge, on Thursday, February 23, 2023 at 10:00 a.m., at the Law Courts Building, 408 York Avenue in Winnipeg, Manitoba.

IF YOU WISH TO OPPOSE THIS APPLICATION, you or a Manitoba lawyer acting for you must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must serve a copy of the evidence on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but not later than 2:00 p.m. on the day before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU.

February 14, 2023

Issued by A. AITKENHEAD
DEPUTY REGISTRAR
Registrar
Court of King's Bench -
Winnipeg Centre
100C - 408 York Avenue
Winnipeg, MB R3C 0P9

TO: 5684995 MANITOBA LTD. and K & P PROPERTIES INC.
all c/o Patrick Penner
285 - 971 Corydon Avenue
Winnipeg MB R3M 3S7
Email: pkharpenn@shaw.ca

AND TO: 6315402 MANITOBA LTD.
c/o L.C. Taylor & Co. Ltd.
in its capacity as Trustee in Bankruptcy for
Doug Thiessen
386 Broadway, Suite 605
Winnipeg MB R3C 3R6

AND TO: OTHER PARTIES ON THE SERVICE LIST (as of February 13, 2023)
(as attached hereto)

APPLICATION

THE APPLICANT MAKES APPLICATION FOR:

1. An Order abridging the time for service of the within Application or alternatively, validating and/or dispensing with service.

2. An Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA"), and section 55 of *The Court of King's Bench Act*, C.C.S.M. c. C280 (the "KBA"), that MNP Ltd. be appointed Receiver and Manager, without security, of the undertaking of each Respondent and all of each of the Respondents' present and after acquired assets, undertaking and properties used in relation to or arising from the business or affairs carried on, at or about the real property commonly known as 485 Furby Street (the "Furby Property"), with the authority to act as more particularly set out in the draft form of Order attached to this Notice of Application as Schedule "A".

3. Such further and other relief as the circumstances of this proceeding may require and as this Honourable Court deems just.

THE GROUNDS FOR THE APPLICATION ARE:

1. The Applicant is the general partner of First National Financial LP (the "LP"), which is in the business, *inter alia*, of providing mortgage financing. The

Applicant is authorized to act on behalf of the LP in providing such mortgage financing and entering into related credit and security agreements with borrower parties.

2. The Respondent 5684961 Manitoba Ltd. ("**568**") is a corporation duly incorporated under the laws of the Province of Manitoba and at all material times has carried on business as a bare trustee for the Respondents 6315402 Manitoba Ltd. ("**631**") and K & P Properties Inc. ("**K&P**", and together with 568 and 631, the "**Furby Respondents**") with respect to an apartment complex located at the Furby Property.

3. 631 is a corporation duly incorporated under the laws of the Province of Manitoba and at all material times has carried on business as a beneficial owner of the Furby Property, along with K&P.

4. K&P is a corporation duly incorporated under the laws of the Province of Manitoba and at all material times has carried on business as a beneficial owner of the Furby Property, along with 631.

5. At the request of the Furby Respondents and for valuable consideration, the Applicant extended to 568 a certain loan to be secured, *inter alia*, by way of a mortgage over the Furby Property (the "**Furby Loan**").

6. As security for its obligations under the Furby Loan, 568 delivered to the Applicant the following security:

- (a) A Mortgage of the Furby Property dated August 29, 2011 (the "**Furby Mortgage**"), as further amended by way of agreements dated September 23, 2011 and March 14, 2012;
- (b) A Security Agreement creating a security interest in favour of First National over all present and after acquired property of 568 in any way relating to the Furby Property dated August 29, 2011, as further amended by way of agreement dated May 7, 2012; and
- (c) A General Assignment of Rents and Leases relating to the Furby Property dated August 29, 2011.

(collectively, the "**Furby Security**").

7. The terms of the Furby Security each included, among other things, the following:

- (a) as security for the repayment of the aforesaid indebtedness, 568 granted the Applicant a security interest in all of the 568's present and after acquired property with respect to the Furby Property including, but not limited to, a mortgage over the Furby Property;

- (b) upon default of repayment, 568 agreed that the Applicant may appoint a Receiver and/or Receiver-Manager over its present and after acquired property with respect to the Furby Property;
- (c) upon any loss or damage to the Furby Property, 568 agreed to do all necessary acts to enable the Applicant to obtain payment of insurance money, and any insurance money received may be applied as at the sole discretion of the Applicant; and
- (d) 568 agreed to pay all costs incurred by the Applicant in respect of enforcement and by any Receiver including reasonable solicitor's and advisor's costs and other legal expenses and Receiver remuneration.

8. As at January 6, 2023, the total amount of indebtedness owing by the Respondents 568, 631, and K&P to the Applicant pursuant to the Furby Loan was \$2,470,012.69 together with interest accruing thereafter at 4.22% per annum, with interest to be calculated and compounded semi-annually, until payment, both before and after default and judgment (the "**Furby Indebtedness**").

9. 568 has defaulted under the terms of the Furby Loan and the Furby Security.

10. The Applicant demanded from each of the Furby Respondents payment of the Furby Indebtedness.

11. Notice pursuant to section 244 of the BIA was served on 568 and the time period thereunder has expired without 568 filing a Notice of Intention to File a Proposal.
12. The Applicant wishes to appoint MNP Ltd. as Receiver and Manager with respect to the Furby Property.
13. The appointment of MNP Ltd. as a Receiver and Manager over the Furby Property is required by the Applicant and is in the interest of all creditors.
14. The best way of facilitating the work and duties required of the Receiver and Manager is through a Court appointment.
15. The Court appointment of a Receiver and Manager will increase the likelihood of cooperation by the Furby Respondents and other interested stakeholders in relation to the Furby Property.
16. The Court appointment of a Receiver and Manager will increase the likelihood of maximizing the return on and preserving the Furby Property for the overall benefit of interested stakeholders.
17. The relief sought is necessary for the protection of the Furby Property and the Applicant's interests and the interests of other stakeholders.

18. The appointment of a Receiver and Manager is just and convenient.
19. It is impractical prior to the hearing of this Application to effect service on all persons who may have an interest in this proceeding.
20. Section 243(1) of the BIA and section 55 of the KBA.
21. Rules 2.03, 3.02(1), 14.05(2), 16.04, 16.08 and 38.07(2) of the *Court of King's Bench Rules*, M.R. 553/88, as amended.
22. Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT
THE HEARING OF THE APPLICATION:

1. The Affidavit of Sonia Pacheco sworn February 13, 2023;
2. The Consent of the proposed Receiver and Manager, MNP Ltd.; and

3. Such further and other evidence as counsel may advise and as this Honourable Court may permit.

February 14th, 2023

Thompson Dorfman Sweatman LLP
Barristers and Solicitors
1700 – 242 Hargrave Street
Winnipeg MB R3C 0V1
Ross A. McFadyen / Mel M.
LaBossiere
Telephone: 204-934-2378 / 204-
943-2508
E-mail: ram@tdslaw.com
[/mml@tdslaw.com](mailto:mml@tdslaw.com)
Lawyers for the Applicant

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.

SERVICE LIST
As at February 13, 2023

Thompson Dorfman Sweatman LLP
Barristers and Solicitors
1700 – 242 Hargrave Street
Winnipeg MB R3C 0V1
(Matter No. 0165206 APM/RAM)
(Ross A. McFadyen, Tel: 204-934-2378)
(Mel M. LaBossiere, Tel: 204-934-2508)
(E-mail: ram@tdslaw.com / mml@tdslaw.com)

SERVICE LIST

Party/Counsel	Telephone	Facsimile	Party Represented
THOMPSON DORFMAN SWEATMAN LLP 1700-242 Hargrave Street Winnipeg, Manitoba, R3C 0V1 ROSS A. MCFADYEN Email: RAM@tdslaw.com MEL M. LABOSSIÈRE Email: MML@tdslaw.com	 (204) 934-2378 (204) 934-2508	 (204) 934-0538 (204) 934-0570	Counsel for First National Financial GP Corporation
MNP LTD. 1700-242 Hargrave Street Winnipeg, Manitoba, R3C 0T8 VICTOR KROEGER Email: vic.kroeger@mnp.com	 (204) 927-2912		Receiver
PITBLADO LLP 2500 – 360 Main Street Winnipeg, Manitoba, R3C 4H6 CATHERINE HOWDEN Email: howden@pitblado.com	 (204) 956-3532	 (204) 957-0227	Counsel for the Receiver
MANITOBA JUSTICE – CIVIL LEGAL SERVICES 730 - 405 Broadway Winnipeg, Manitoba, R3C 3L6 SHELLEY HANER Email: shelley.haner@gov.mb.ca	 (204) 792-6471	 (204) 948-2826	Counsel for Manitoba Taxation
DEPARTMENT OF JUSTICE - CANADA Prairie Regional Office (Winnipeg) 601-400 St. Mary Avenue Winnipeg, Manitoba, R3C 4K5 TIMOTHY DOYLE E-Mail: timothy.doyle@justice.gc.ca mbcolls@justice.gc.ca	 (431) 489-8662		Counsel for the Canada Revenue Agency

<p>6315402 MANITOBA LTD. c/o L.C. Taylor & Co. Ltd. in its capacity as Trustee in Bankruptcy for Doug Thiessen Winnipeg, Manitoba, R3C 3R6</p> <p>Email: questions@lctaylor.net</p>	(204) 956-2335		Debtor Company
<p>5684995 MANITOBA LTD. and K&P PROPERTIES INC. c/o Patrick Penner 285 – 971 Corydon Avenue Winnipeg, Manitoba, R3M 3S7</p> <p>PATRICK PENNER Email: pkharpenn@shaw.ca</p>	(204) 797-6742		Debtor Companies
<p>JAMES W. HEDLEY LAW OFFICE 193 Henlow Bay Winnipeg, Manitoba, R3Y 1G4</p> <p>JAMES W. HEDLEY Email: jwh@hedleylaw.com</p>	(204) 999-8671		Counsel / Agent for Pro Auto Ltd.
<p>D'ARCY & DEACON LLP 2200-One Lombard Place Winnipeg, Manitoba, R3B 0X7</p> <p>JONATHAN L. GOLDENBERG Email: jgoldenberg@darcydeacon.com</p>	(204) 925-5371		Counsel / Attorney for Service for GFL Environmental Inc. (formerly, Omar's Environmental Ltd.)
<p>CITY OF WINNIPEG – LEGAL SERVICES 3-185 King Street Winnipeg, Manitoba, R3B 1J1</p> <p>ROBERT COX Email: rcox@winnipeg.ca</p>	(204) 915-5473		Counsel for the City of Winnipeg

E-mail List

RAM@tdslaw.com; MML@tdslaw.com; vic.kroeger@mnp.com; howden@pitblado.com;
shelley.haner@gov.mb.ca; timothy.doyle@justice.gc.gov; questions@lctaylor.net;
pkharpenn@shaw.ca; jwh@hedleylaw.com; mbcolls@justice.gc.ca;
jgoldenberg@darcydeacon.com; rcox@winnipeg.ca

SCHEDULE "A"

File No. CI 23-01-

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.

RECEIVERSHIP ORDER

Thompson Dorfman Sweatman LLP
Barristers and Solicitors
1700 – 242 Hargrave Street
Winnipeg MB R3C 0V1
(Matter No. 0165206 APM/RAM)
(Ross A. McFadyen, Tel: 204-934-2378)
(Mel M. LaBossiere, Tel: 204-934-2508)
(E-mail: ram@tdslaw.com / mml@tdslaw.com)

was heard this day at the Law Courts Buildings, 408 York Avenue in Winnipeg, Manitoba.

ON READING the Affidavit of Sonia Pacheco sworn February 13, 2023, and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, counsel for the Respondents and counsel for the proposed Receiver, no one appearing for any other party although duly served as appears from the Affidavit of Service of _____ sworn February 13, 2023, on reading the Consent of MNP Ltd. to act as Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Affidavit of Sonia Pacheco sworn February 13, 2023 is hereby abridged and validated so that this application is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 55 of the KBA, MNP Ltd. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtors, relating to, acquired for, or used in any manner in relation to a business carried on by the Debtors at the real property located at or about 485 Furby Street (the "**Furby Property**") in Winnipeg, Manitoba, including all proceeds thereof and all real property and personal property in respect thereto (collectively, the "**Property**").

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following, in relation to the Property, where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors or any part or parts thereof;

- (f) to receive and collect all monies, rents and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the Debtors;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order or otherwise authorized by the Court;
- (i) to undertake environmental or workers' health and safety assessments of the Property and the operations of the Debtors;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$100,000.00, provided that the

aggregate consideration for all such transactions does not exceed \$500,000.00; and

- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 59(10) of *The Personal Property Security Act* (Manitoba) or subsection 134(1) of *The Real Property Act* (Manitoba), shall not be required.

- (m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of

the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;

- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have;
- (s) to assign any or all of the Debtors into bankruptcy; and
- (t) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

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

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

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

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

8. THIS COURT ORDERS that no Proceeding against or in respect of the specific Debtor 5684961 Manitoba Ltd. ("**568**") or the Property shall be commenced or continued

except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court provided; however, that nothing in this Order shall affect a Regulatory Body's investigation in respect of the Debtor or an action, suit or proceeding that is taken in respect of the Debtor by or before the Regulatory Body, other than the enforcement of a payment order by the Regulatory Body or the Court. "Regulatory Body" means a person or body that has powers, duties or functions relating to the enforcement or administration of an Act of Parliament or the legislature of a province. If there is any dispute with a party other than the Debtors (a "**Third Party**") as to whether any property (the "**Disputed Property**") is owned by such Third Party or by one of the Debtors (and therefore constitutes Property which properly should be in possession of the Receiver pursuant to the terms of this Order), such Disputed Property shall be held by the Receiver pending further Order of this Court. Either the Third Party or the Receiver may make application to the Court on seven (7) days prior notice to the other for an order asking for directions with respect to the Disputed Property.

NO EXERCISE OF RIGHTS OR REMEDIES

9. THIS COURT ORDERS that all rights and remedies against the specific Debtor 568, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

10. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence, lease or permit in favour of or held by the Debtor 568, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

11. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor 568 or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication, cellular and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor 568 are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the current telephone numbers, facsimile numbers, internet addresses and domain names of the Debtor 568, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

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

shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

13. THIS COURT ORDERS that all employees of the Debtor 568 shall remain the employees of the Debtors until such time as the Receiver, on the Debtors' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) and 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately

and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, *The Environment Act* (Manitoba), *The Water Resources Conservation Act* (Manitoba), *The Contaminated Site Remediation Act* (Manitoba), *The Dangerous Goods Handling and Transportation Act* (Manitoba), *The Public Health Act* (Manitoba) or *The Workplace Safety and Health Act* (Manitoba) and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

17. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and

disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

18. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of this Court, but nothing herein shall fetter this Court's discretion to refer such matters to a Master of this Honourable Court.

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

FUNDING OF THE RECEIVERSHIP

20. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed **\$AMOUNT** (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the

Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

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

SERVICE AND NOTICE

24. THIS COURT ORDERS that the Applicant and the Receiver be at liberty to serve this Order, any other materials and orders in this proceeding, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile or electronic transmission to the Debtors, the Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the Debtors and that any such service or notice by courier, personal delivery, facsimile or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

25. THIS COURT ORDERS that counsel for the Receiver shall prepare keep current a service list (the "**Service List**") containing the name and contact information (which may include the address, telephone number and facsimile number or e-mail address) for service to: the Applicant, Applicant's counsel, the Debtors, the Receiver, Receiver's counsel, and each creditor or interested party who has sent a request, in writing, to

counsel for the Receiver to be added to the Service List. The Service List shall indicate whether each person on the Service List has elected to be served by e-mail or facsimile, and failing such election the Service List shall indicate service by e-mail. The Service List shall be posted on the website of the Receiver at the address indicated in paragraph 26 herein. **For greater certainty, creditors and other interested Persons who have received notice of this Order and who do not send a request, in writing, to counsel for the Receiver to be added to the Service List shall not be required to be further served in these proceedings.**

26. THIS COURT ORDERS that the Applicant, the Receiver, and any parties on the Service List may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Receiver shall post of copy of any or all such materials on its website at www.. Service shall be deemed valid and sufficient is sent in this manner.

GENERAL

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

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

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

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

31. THIS COURT ORDERS that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a solicitor and client basis to be paid by the Receiver from the Debtors' estates with such priority and at such time as this Court may determine.

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

February , 2023

JUSTICE _____

I, ROSS A. MCFADYEN OF THE FIRM THOMPSON DORFMAN SWEATMAN LLP
HEREBY CERTIFY THAT I HAVE RECEIVED THE CONSENTS AS TO FORM OF
THE FOLLOWING PARTIES: • AS DIRECTED BY THE HONOURABLE •

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that MNP Ltd., the receiver and manager (the "**Receiver**") of the assets, undertakings and properties of 5684961 Manitoba Ltd., 6315402 Manitoba Ltd., and K&P Properties Inc. (collectively, the "**Debtors**") relating to, acquired for, or used in any manner in relation to a business carried on by the Debtors at or about the real property commonly known as 485 Furby Street in Winnipeg, Manitoba (collectively, the "**Property**"), appointed by Order of the Manitoba Court of King's Bench (the "**Court**") dated the ____ day of February, 2023 (the "**Order**") made in an action having Court File No. CI 23-01-_____ has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

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

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

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

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

DATED the _____ day of _____, 20__.

MNP Ltd., solely in its capacity as Receiver
of the Property, and not in its personal
capacity

Per: _____

Name:

Title: