

Clerk's Stamp

COURT FILE NO. 21-081615

COURT COURT OF KING'S BENCH OF MANITOBA

JUDICIAL CENTRE WINNIPEG

IN THE MATTER OF THE RECEIVERSHIP OF 5684961 MANITOBA LTD.

DOCUMENT **THIRD REPORT OF MNP LTD., RECEIVER-MANAGER**DATED **FEBRUARY 7, 2024**

ADDRESS FOR
SERVICE AND
CONTACT OF
INFORMATION OF
PARTY FILING
THIS DOCUMENT

PITBLADO LAW
2500-360 Main Street
Winnipeg, MB R3C 4H6
Canada

ATTN: CATHERINE HOWDEN
TEL: 204-956-3532
EMAIL: howden@pitblado.com

RECEIVER-MANAGER
MNP LTD.
Suite 1200 242 Hargrave St
MNP Ltd. R3C 0T8

ATTN: VICTOR P. KROEGER / RICK ANDERSON
TEL: 204-927-2912 / 403-537-8424
EMAIL: victor.kroeger@mnp.ca / rick.anderson@mnp.ca

MNP LTD

True North Square

242 Hargrave Street, Suite 1200, Winnipeg MB, R3C 0T8

1.877.231.6167 T: 204.336.6167 F: 204.772.9687

APPENDICES

Appendix A	Redacted Asset Purchase Agreement 4589093 Manitoba Inc.
Appendix B	Professional Fees Schedule

INTRODUCTION AND BACKGROUND

1. 5684961 Manitoba Ltd. (the “**Company**” or “**568**”) was placed into receivership pursuant to an order granted on March 17, 2023 (the “**Receivership Order**”) by the Court of King’s Bench of Manitoba naming MNP Ltd. as Receiver and Manager (the “**Receiver**”) over all of the current and future assets of the Company.
2. The only asset of the Company is a four-story, 32-unit apartment building located at 485 Furby Street in Winnipeg, Manitoba (the “**Property**”). The Property has been vacant due to a fire in late 2022 that, due to safety concerns, resulted in the Property being boarded up by the City of Winnipeg Fire Service.
3. The Receivership Order was granted pursuant to an application by First National Financial GP Corporation, (“**First National**”), who holds a first-registered mortgage against the Property, general security agreements against 568 and a general assignment of rents and leases (the “**Furby Security**”).
4. The first report of the Receiver (the “**First Report**”) was issued on April 25, 2023, and the second report of the Receiver (the “**Second Report**”) was issued on June 9, 2023.
5. A copy of the Receivership Order and other information regarding these proceedings can be found on the Receiver’s website at https://mnpdebt.ca/5684961_manitoba_ltd.

NOTICE TO READER

6. In preparing this third report (the “**Third Report**”) and in making comments herein, the Receiver has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information of the Company, books and records of the Company, 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 (the “**Standards**”). Additionally, none of the Receiver’s procedures were intended to disclose defalcations or other irregularities. If the Receiver were to perform additional procedures or to undertake an audit examination of the information in accordance with the Standards, additional matters may have come to the Receiver’s attention. Accordingly, the Receiver does

not express an opinion, nor does it provide any other form of assurance on the financial or other information presented herein. The Receiver may refine or alter its observations as further information is obtained or brought to its attention after the date of the Third Report.

7. The Receiver assumes no responsibility or liability for any loss of damage occasioned by any party as a result of the use of the Third Report. Any use, which any party makes of the Third Report, or any reliance or decision to be made based on the Third Report, is the sole responsibility of such party.
8. All amounts included herein are in Canadian dollars unless otherwise stated.

PURPOSE OF THE REPORT

9. The purpose of the Third Report is to provide this Honourable Court with the Receiver's comments and information in respect of the February 13, 2024, application of the Receiver (the "**Application**") seeking approval of, among other things of:
 - a. The reported actions of the Receiver described in this Fourth Report;
 - b. The sale of the Property to 4589093 Manitoba Inc. ("**4589093**");
 - c. A sealing order (the "**Sealing Order**") in relation to the confidential supplement to the Third Report (the "**Confidential Supplement**");
 - d. The interim fees and disbursements of the Receiver for the period ended January 31, 2024, and;
 - e. The interim fees and disbursements of the Receiver's legal counsel, Pitblado LLP ("**Pitblado**") for the period ended January 31, 2024.

ACTIVITIES OF THE RECEIVER

10. Since the Receiver's First Report of April 25, 2023, the Receiver has:
 - a. Conducted a request for proposals from realtors;
 - b. Listed the property for sale;
 - c. Corresponded and dealt with issues as brought forward by ASH Management Group ("**ASH**") the property manager;

- d. Provided Avison Young Commercial Real Estate (Manitoba) Inc. (“Avison”), the realtor retained by the Receiver, with information about the Property for the sale process;
- e. Dealt with Avison on amendments to the list price;
- f. Dealt with Avison regarding offers;
- g. Maintained adequate insurance on the Property;
- h. Arranged for borrowings pursuant to a Receiver Certificate (as approved by the Receivership Order);
- i. Reviewed and paid expenses related to the Property;
- j. Communicated with the City of Winnipeg and dealt with issues arising out of these communications;
- k. Negotiated with and concluded the 4589093 APA;
- l. Worked with Pitblado to prepare sale documents;
- m. Prepared Court reports and attended Court applications;
- n. Communicated with and provided updates to First National;
- o. Communicated with other stakeholders;
- p. Arranged appraisals on the Property;
- q. Dealt with fire on the Property; and
- r. Dealt with property tax accounts;

THE SALE PROCESS

11. ASH was retained by the Receiver to act as the property manager for the Property. Over the course of the receivership ASH has been required to attend the Property on numerous occasions to remove homeless individuals and to clean up debris left behind by these homeless individuals. These issues have increased the holding costs for the Property during the sales process. The Receiver analyzed the cost of undertaking the substantial renovations required to rehabilitate the Property. The Receiver did not recommend and First National, was not prepared to undertake the costs associated with this renovation work.
12. As approved by the Court on July 7, 2023, the Receiver listed the Property with Avison on July 17, 2023.
13. Avison provided regular updates to the Receiver regarding showings, expressions of interest and offers to purchase the Property. Prior to accepting the current offer, two offers to purchase the Property were presented to the Receiver, however, these were subsequently withdrawn

by the potential purchasers.

14. After lengthy negotiations 4589093 submitted its accepted offer to purchase on December 15, 2023 (the “**4589093 APA**”). A copy of the redacted 4589093 APA is attached as Appendix A.
15. The 4589093 APA is unconditional, aside from the Receiver’s condition of obtaining Court approval of the sale.
16. The Receiver is of the opinion that the 4589093 APA is the best offer available for the Property. The Receiver recommends to this Honourable Court that the 4589093 APA be approved by the Court.
17. 4589093 Offer remains the best offer available for the Property, as the Property requires extensive renovations, is located in a less desirable part of town, was exposed to the market for seven (7) months, and was the only binding offer received. The Receiver is also of the opinion that this sale is in the best interest of the stakeholders as it limits the carrying costs associated with the Property.
18. First National supports the Receiver’s recommendation regarding the 4589093 APA.

SEALING ORDER APPLICATION

19. At the Application, the Receiver is seeking to seal the Confidential Supplement until the 4589093 APA closes or 90 days after the discharge of the Receiver. The Receiver is of the view that the disclosure of the purchase price under the 4589093 APA could be detrimental in the event that the 4589093 APA does not close, and additional marketing of the Property is required. The only information in relation to which the Sealing Order is being sought is the purchase price and other financial terms under the Purchase Agreement, the other bids that were received for the Property, and the updated appraisals commissioned by the Receiver for the Property. There are no reasonable alternative measures to sealing this information. The Receiver is of the view that if the requested Sealing Order is not granted, creditor recoveries may be reduced should a subsequent marketing process be required.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

20. The Receiver’s Statement of Receipts and Disbursements (“SRD”) for the period from March 17, 2023, to January 31, 2024, is below:

5684961 Manitoba Ltd. Statement of Receipts & Disbursements For the period March 17, 2023 to January 31, 2023	
Receipts:	
Insurance claims received	\$180,533.72
Receiver's Certificate	120,000.00
Misc refunds	6,921.14
Interest earned	987.93
Total Receipts	308,442.79
Disbursements:	
Filing fees	72.82
Receiver's fees and costs	87,477.05
Legal fees/disbursements	38,255.84
Property management expense	34,481.42
Insurance	23,305.84
Property taxes	18,440.82
Appraisal fees	12,815.00
GST paid and recoverable	9,348.02
PST on legal fees	4,308.62
Other misc disbursements	534.00
Security	10,275.00
Utilities	6,119.11
Total Disbursements	245,433.54
Excess of Receipts over Disbursements represented by Cash in Bank	\$63,009.25

21. The Receiver has issued Receiver's certificates totaling \$120,000 as of January 31, 2024. The Receiver intends to repay these borrowings with funds received from the 4589093 APA.
22. The amounts received for insurance claims as shown in the SRD relate to payments made for insurance claims as a result of a fire at the Property that occurred pre-receivership.
23. Receiver's fees and disbursements incurred up to January 31, 2024, amount to a total of \$111,554.85 plus GST. Of this total, \$87,477.05 has been paid to date as outlined in the professional fee schedule attached as Appendix B. The Receiver's time charged to the engagement totals 223.70 hours as of January 31, 2024.
24. Pitblado has incurred \$38,255.84 plus GST in legal fees and disbursements to January 31, 2024. Pitblado's legal fees and disbursements have been paid to date as outlined in the professional fee schedule attached as Appendix B. Pitblado's time charged to the engagement totals 144.50 hours as of January 31, 2024.
25. The Professional Fees have been charged by the various providers at their standard hourly rates which, in the Receiver's experience, are comparable to the standard rates of other providers of similar services in Manitoba. Subject to redactions for privilege, the Receiver will make copies of its and those of Pitblado accounts available to the Court, or any interested person, upon request.

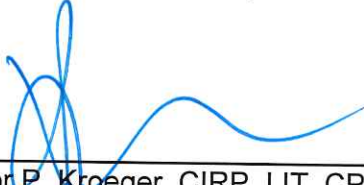
CONCLUSION

26. Based upon the foregoing, the Receiver respectfully recommends this Honourable Court issue an Order approving the following:
 - a. The reported actions of the Receiver in administering these receivership proceedings provided that only the Receiver, in its personal capacity and with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approvals
 - b. the sale of the Property to 4589093;
 - c. temporarily sealing of the Confidential Supplement;
 - d. the interim fees and disbursements of the Receiver of \$111,554.85 plus GST; and
 - e. the interim fees and disbursements of Pitblado of \$38,255.84 plus GST.

All of which is respectfully submitted this 7th day of February 2024

MNP Ltd.

In its capacity as Receiver-Manager of **5684961
Manitoba Ltd.** and not in its personal or corporate
capacity

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke, positioned above a horizontal line.

Per: Victor P. Kroeger, CIRP, LIT, CPA, CA, CFE
Senior Vice President

APPENDIX A

MNP LTD.,
in its capacity as Court-Appointed Receiver and Manager
of the property, assets and undertaking of 5684961 Manitoba Ltd.
and not in its personal capacity,

as Vendor,

and

4589093 MANITOBA INC.

as Purchaser.

ASSET PURCHASE AGREEMENT
December 21, 2023



ASSET PURCHASE AGREEMENT

THIS AGREEMENT is made the 21 day of December, 2023, between MNP Ltd. (the "Vendor"), in its capacity as court-appointed receiver and manager of the property, assets and undertaking of 5684961 Manitoba Ltd. ("568") and not in its personal capacity, and 4589093 Manitoba Inc. (the "Purchaser"), as purchaser.

WHEREAS:

- A. Pursuant to a Court order dated March 17, 2023, the Vendor, as receiver and manager of 568, has been directed to initiate a sale of the property, assets and undertaking of 568.
- B. Subject to court approval, the Vendor has agreed to sell to the Purchaser and the Purchaser has agreed to purchase from the Vendor, all of the right, title and interest of 568 in the Property (as hereinafter defined).

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

ARTICLE 1 INTERPRETATION

Section 1.1 Defined Terms. As used in this Agreement, the following words and terms have the following meanings:

- (a) "Agreement" means this asset purchase agreement and all schedules and all instruments in amendment or confirmation of it, and the expressions;
- (b) "Article" and "Section" followed by a number mean and refer to the specified article or section of this Agreement;
- (c) "Buildings and Fixtures" means all electric light fixtures, heating and plumbing fixtures as installed, screen windows and doors, all window drapes, blinds and other coverings owned by 568 and situated on the Lands which are clear of all encumbrances;
- (d) "Business Day" means any day of the year, other than a Saturday, Sunday or statutory holiday in the Province of Manitoba;
- (e) "Closing" means the completion of the transactions contemplated herein;
- (f) "Closing Date" means, the later of (i) ten (10) days following the date on which the Vesting Order is obtained, or (ii) such date as the parties may agree to in writing;
- (g) "Closing Time" means 11:00 a.m. on the Closing Date, or such other time as the parties may agree in writing;
- (h) "Court" means the Manitoba Court of King's Bench;
- (i) "Deposit" means a deposit of \$5,000, payable at the time and in the manner

set out in Section 3.2 (a);

- (j) **"Lands"** means the lands and premises municipally known as 485 Furby Street, Winnipeg, Manitoba, as legally described in Schedule "A" attached hereto;
- (k) **"Property"** means all of the Lands, Buildings and Fixtures;
- (l) **"Permitted Encumbrances"** means the encumbrances listed in Schedule "B" attached hereto;
- (m) **"Person"** includes an individual, partnership, corporation, trust, joint venture or other entity in any capacity and any governmental agency, body or authority;
- (n) **"Purchase Price"** has the meaning specified in Section 2.1 hereto;
- (o) **"Statement of Adjustments"** means a statement of the adjustments required to be made by this Agreement in favour of the Vendor or the Purchaser, prepared by the Vendor acting reasonably and in good faith and based upon the best available information, setting out by item each adjustment required to be made as at Closing in favour of the Vendor or the Purchaser; and
- (p) **"Vesting Order"** shall have the meaning specified in Section 5.1.

Section 1.2 Other Matters of Interpretation.

- (a) This Agreement will be interpreted and enforced in accordance with the laws of the Province of Manitoba and the laws of Canada applicable in the Province of Manitoba, the parties hereby attorn to the exclusive jurisdiction of the Court in respect of the interpretation of, and any relief sought under, this Agreement.
- (b) Headings of Articles and sections are inserted for convenience of reference only and will not affect the construction or interpretation of this Agreement.
- (c) All provisions requiring a party to do or refrain from doing something will be interpreted as the covenant of that party with respect to that matter despite the absence of the words "covenants" or "agrees" or "promises".
- (d) This Agreement has been negotiated and approved by the parties and, notwithstanding any rule or maxim of law or construction to the contrary, any ambiguity or uncertainty will not be construed against either of the parties by reason of the authorship of any of the provisions of this Agreement.
- (e) Where the word "including" or "includes" is used in this Agreement, it means "including (or includes) without limitation".
- (f) Time will be of the essence of this Agreement.
- (g) Unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.



- (h) This Agreement shall enure to the benefit of and be binding on the successors and permitted assigns of each of the parties hereto, and any reference to a Person will include, and will be deemed to be a reference to, that Person's successors and permitted assigns, as the context may require.
- (i) The terms "this Agreement", "hereof", "herein", "hereunder" and similar expressions refer to this agreement, and not to any particular paragraph, Article, section or clause of this Agreement.
- (j) This Agreement contains the entire agreement between the parties hereto in respect of its subject matter and supersedes all earlier agreements as to the subject matter hereof, whether written or oral.
- (k) This Agreement may be altered and amended only by further written agreement of the parties hereto.
- (l) Each term of this Agreement is severable from the others, and if any term hereof is at any time declared by a court of competent jurisdiction to be void or unenforceable, the same will not extend to, or make void or unenforceable, any other term of this Agreement.

Section 1.3 Preamble and Schedules. The preamble and schedules hereto are integral parts of this Agreement. In particular, the following schedules are attached to this Agreement and incorporated herein by reference:

Schedule "A"	-	Lands
Schedule "B"	-	Permitted Encumbrances

ARTICLE 2 PURCHASE AND SALE

Section 2.1 Purchase of Property. Subject to the terms and conditions hereof, the Vendor agrees to sell, assign and transfer to the Purchaser and the Purchaser agrees to purchase from the Vendor, on the Closing Date at the Closing Time, all of the right, title and interest of 568 in and to the Property.



Section 2.2 As is, Where is. The Purchaser acknowledges that the Property is being purchased on an "as is, where is" basis and that it has inspected the Property and is relying entirely upon its own investigations and inspections heretofore and hereafter conducted in proceeding with the transactions contemplated hereunder. Without limiting the foregoing, the Purchaser acknowledges that there are no representations, warranties, terms, conditions, understandings or collateral agreements, express or implied, statutory or otherwise, with respect to the Property or in respect of any other matter or thing whatsoever except as otherwise expressly stated herein. The Purchaser further acknowledges that all written and oral information (including analyses, financial information and projections, compilations and studies) obtained by the Purchaser from the Vendor or 568 or any of their directors, officers, employees, professional consultants or advisors with respect to the Property or otherwise relating to the transactions contemplated in this Agreement, has been obtained for the convenience of the Purchaser only and is not warranted to be accurate or complete.

ARTICLE 3 PURCHASE PRICE

Section 3.1 Purchase Price. The aggregate purchase price (the "**Purchase Price**") payable by the Purchaser to the Vendor for the Property shall be subject to adjustment in accordance with Section 3.3.

Section 3.2 Payment of Purchase Price. The Purchase Price shall be paid by the Purchaser to the Vendor as follows:

- (a) By payment of the Deposit to the Vendor, the receipt of which is hereby acknowledged by the Vendor, to be held by it in trust pending completion or termination of this Agreement. The Deposit shall be placed in an interest-bearing trust account or term deposit, at the direction of the Purchaser, and credited, together with all interest earned thereon, on account of the Purchase Price on Closing;
- (b) if the transactions contemplated by this Agreement are not completed by reason of a breach of this Agreement by the Vendor, the failure of the conditions specified in Section 5.1 or termination by the Purchaser in Section 5.2, the Deposit, together with all interest earned thereon, shall be returned to the Purchaser. In all other circumstances, the Deposit, together with interest earned thereon, shall be paid to the Vendor in full satisfaction of any and all claims it may have against the Purchaser in respect of this Agreement and the Purchaser's act or failure to act, and the parties acknowledge and agree that the Deposit together with all interest earned thereon shall be irrevocably earned and non-refundable in such circumstances; and
- (c) on Closing, the Purchaser shall pay to the Vendor the balance of the Purchase Price, subject to any adjustments as set out in the Statement of Adjustments.



Section 3.3 Adjustments to the Purchase Price. The Purchase Price to be paid by the Purchaser to the Vendor for the purchase of the Property will be adjusted as at the Closing Date with respect to the following matters:

- (a) Taxes - all current realty taxes and assessments, including local improvement charges and levies;
- (b) Utilities - all utilities; and
- (c) Miscellaneous - all other amounts, items and matters as would normally be adjusted between a vendor and purchaser on the sale of property similar to the Property.

All of the foregoing adjustments are to be made so that the Vendor bears the burden of all expenses relating to the periods of time prior to the Closing Date and the Purchaser bears the burden of all expenses relating to the periods of time commencing on or after the Closing Date, provided however there will be no adjustment in favour of the Vendor with respect to any claim, liability, cost, expense or any other matter for which, pursuant to the terms of this Agreement, the Vendor is to be wholly responsible, notwithstanding that the same may arise on or after the Closing Date or be applicable to periods of time on or after the Closing Date.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

Section 4.1 Representations and Warranties of the Vendor. The Vendor represents and warrants to the Purchaser as follows and acknowledges that the Purchaser is relying on such representations and warranties in connection with the transactions contemplated by this Agreement:

- (a) Authority of the Vendor. The Vendor has been appointed by the Court as receiver and manager of the property, assets and undertaking of 568. The Vendor has all necessary authority to enter into this Agreement and all other documents contemplated herein to which it is or will be a party, to perform its obligations hereunder and thereunder, to carry out the transactions contemplated hereby and thereby and to convey all right, title and interest of the Vendor and 568 in and to the Property as contemplated hereby;
- (b) Validity of the Agreement. This Agreement is duly and validly executed and delivered by the Vendor and constitutes a legal, valid and binding obligation of the Vendor, enforceable against it in accordance with the terms hereof;
- (c) No Other Agreements. Except for the Purchaser, no Person has or will have a written or oral agreement for the purchase from the Vendor of any of the Property;
- (d) No Act to Encumber. The Vendor has done no act to encumber the Property and has not leased or disposed of any portion of the Property; and
- (e) Residency. The Vendor is not, and as of the Closing Time the Vendor will not be, a non-resident of Canada within the meaning of Section 116 of the *Income Tax Act* (Canada).



Section 4.2 Representations and Warranties of the Purchaser. The Purchaser hereby represents and warrants to the Vendor as follows and acknowledges that the Vendor is relying on such representations and warranties in connection with the transactions contemplated by this Agreement:

- (a) Incorporation and Organization. The Purchaser is a corporation incorporated and existing under the laws of Manitoba. The Purchaser has the full corporate power and authority to enter into this Agreement and all other documents contemplated hereunder to which the Purchaser is or will be a party, to perform its obligations hereunder and thereunder and to carry out the transactions contemplated hereby and thereby;
- (b) Authorization. The entering into of this Agreement and all other documents contemplated hereunder to which the Purchaser is or will be a party and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action; and
- (c) Validity of Agreement. This Agreement is duly and validly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with the terms hereof.

Section 4.3 Survival. The representations, warranties and covenants contained in this ARTICLE 4 shall survive the Closing and the consummation of the transactions contemplated hereunder for a period on one year.

ARTICLE 5 CONDITIONS

Section 5.1 Condition for the Benefit of the Vendor and the Purchaser. Neither party shall be obligated to complete the transactions contemplated by this Agreement unless prior to the Closing Time the Vendor has obtained a sale approval and vesting order of the Court (the "**Vesting Order**"), in form and substance acceptable to the Vendor and the Purchaser, acting reasonably, approving this Agreement and providing for all of the right, title and interest of the Vendor and 568 in and to the Property to be vested in Purchaser, free and clear of all liens, charges, encumbrances, mortgages, security interests and claims of the Vendor and all other Persons with an interest or claim against the Property other than Permitted Encumbrances.

Section 5.2 Conditions for the Purchaser. The obligation of the Purchaser to complete the transactions contemplated by this Agreement is subject to fulfilment of each of the following conditions on or before the Closing Time, each of which is included for the exclusive benefit of the Purchaser and may be waived by the Purchaser in whole or in part:

- (a) Representations and Warranties. The representations and warranties of the Vendor shall be true and accurate in all material respects as at the Closing Time with the same force and effect as if made at and as of such time; and
- (b) Fulfilment of Vendor's Covenants. All of the terms, covenants and conditions of this Agreement to be complied with or performed by the Vendor at or before the Closing Time shall have been complied with or performed in all material respects and the Vendor shall not be in material breach of any



agreement or covenant on its part contained in this Agreement.

Section 5.3 Conditions for the Vendor. The obligation of the Vendor to complete the transactions contemplated by this Agreement is subject to fulfilment of each of the following conditions on the date stated for fulfilment thereof, and if not so stated on or before the Closing Time, each of which is acknowledged to be for the exclusive benefit of the Vendor and may be waived by the Vendor in whole or in part:

- (a) Representations and Warranties. The representations and warranties of the Purchaser shall be true and accurate in all material respects as at the Closing Time with the same force and effect as if made at and as of such time;
- (b) Fulfilment of Purchaser's Covenants. All the terms, covenants and conditions of this Agreement to be complied with or performed by the Purchaser at or before the Closing Time shall have been complied with or performed in all material respects and the Purchaser shall not be in material breach of any agreement or covenant on its part contained in this Agreement; and
- (c) Actions or Proceedings. No order shall have been issued and no action or proceeding shall have been commenced by any Person to enjoin, restrict or prohibit the purchase and sale of the Property contemplated hereby.

Section 5.4 Non-Satisfaction of Conditions. If any condition set out in this ARTICLE 5 is not satisfied or performed prior to the time specified therefor, the party for whose benefit the condition is inserted may:

- (a) in writing, waive compliance with the condition in whole or in part in its sole discretion by notice to the other party and without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part; or
- (b) elect to terminate this Agreement, in which case neither party shall be under any further obligation to the other to complete the transactions of purchase and sale contemplated by this Agreement, and the Deposits shall be paid and released as provided in Section 3.2 (b).

ARTICLE 6 CLOSING

Section 6.1 Time and Place of Closing. The Closing will take place by exchange of funds and documents on or before the Closing Time.

Section 6.2 Vendor's Deliveries on Closing. At or before the Closing Time, upon fulfilment by the Purchaser of all the conditions herein in favour of the Vendor which have not been waived in writing by the Vendor, the Vendor shall deliver the following, each of which shall be in form and substance satisfactory to the Purchaser, acting reasonably:

- (a) a Receiver's Certificate, together with a notarial or certified copy of the Vesting Order;
- (b) the Statement of Adjustments;



- (c) a statutory declaration on behalf of the Vendor attesting that the Vendor is not a non-resident of Canada for the purposes of the *Income Tax Act* (Canada);
- (d) an undertaking to re-adjust;
- (e) all keys and security codes to the Property in the possession of the Vendor; and
- (f) such further and other documentation as is referred to in this Agreement, or as the Purchaser may reasonably require to give effect to this Agreement.

Section 6.3 Purchaser's Deliveries on Closing. At or before the Closing Time, upon fulfilment by the Vendor of all the conditions herein in favour of the Purchaser which have not been waived by the Purchaser, the Purchaser shall execute and deliver the following, each of which shall be in form and substance satisfactory to the Vendor, acting reasonably:

- (a) a bank draft, solicitor's trust cheque or bank wire in the amount determined pursuant to Section 3.2(c);
- (b) an undertaking to re-adjust;
- (c) the certificate and declaration and indemnity contemplated by Section 6.5 or evidence of the payment of taxes in accordance with Section 6.5; and
- (d) such further and other documentation as is referred to in this Agreement or as the Vendor may reasonably require to give effect to this Agreement.

Section 6.4 Insurance Matters. Any property, liability and other insurance maintained by the Vendor shall not be transferred as of the Closing Date, but shall remain the responsibility of the Vendor until the Closing Time. The Purchaser shall be responsible for placing its own property, liability and other insurance coverage with respect to the Property in respect of the period from and after the Closing Time.

Section 6.5 Goods and Services Tax. The Purchaser shall be liable for and shall pay any taxes which may be exigible under Part IX of the *Excise Tax Act* (Canada). The Purchaser hereby represents and warrants to the Vendor that (i) it is or will be on the Closing Date registered for the purposes of Part IX of the *Excise Tax Act* (Canada) in accordance with the requirements of Subdivision (d) of Division V thereof; and (ii) it is buying the Property on its own account and not as agent. The Purchaser covenants to deliver to the Vendor upon Closing, the declaration and indemnity of the Purchaser confirming the accuracy, as at Closing, of the representations and warranties set out in this Section 6.5, and agreeing to indemnify the Vendor for any amounts for which the Vendor may become liable as a result of any failure by the Purchaser to pay the tax (the "GST") payable by the Purchaser in respect of the sale of the Property under Part IX of the *Excise Tax Act* (Canada). Provided that the Purchaser delivers the declaration and indemnity as set out above, then the Purchaser shall not be required to pay to the Vendor on Closing, nor shall the Vendor be required to collect from the Purchaser on Closing, the GST. If the Purchaser fails to deliver the declaration and indemnity as set out above, then the Purchaser shall pay to the Vendor, in addition to the Purchase Price, in pursuance of the Purchaser's obligation to pay and the Vendor's obligation to collect GST under the provisions of the *Excise Tax Act* (Canada), an amount equal to five percent (5%) of the Purchase Price.



Section 6.6 Purchaser's Acknowledgements. The Purchaser acknowledges and agrees that:

- (a) the Vendor shall be under no obligation to apply for the Vesting Order until such time as the Deposit is fully paid;
- (b) any fixtures forming part of the Property are to be taken by the Purchaser at its own risk completely, without representation of warranty from the Vendor;
- (c) it accepts all encroachments on and over the Lands; and
- (d) the Vendor shall not be responsible to discharge or pay any builder's liens or other account for labour or materials except those which have been supplied on its own credit.

ARTICLE 7 MISCELLANEOUS

Section 7.1 No Liability of Vendor. In matters pertaining to this Agreement, the Purchaser acknowledges that the Vendor is acting solely in its capacity as receiver and manager of the property, assets and undertaking of 568 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 and manager only, and it shall have no personal liability.

Section 7.2 Expenses. Except as otherwise expressly provided herein, all costs and expenses (including the fees and disbursements of legal counsel, investment advisers and auditors) incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such expenses.

Section 7.3 Further Assurances. Each party covenants to do and cause all things to be done and execute and deliver all such documents as may be required in order to carry out the provisions of this Agreement.

Section 7.4 Waiver. Except as this Agreement may otherwise expressly provide, no party will be deemed to have waived the exercise of any of its rights under this Agreement unless such waiver is made in writing. No waiver made with respect to any instance involving the exercise of any right under this Agreement will be deemed to be a waiver with respect to any other instance or with respect to any other right.

Section 7.5 Notices.

- (a) Every notice given pursuant to this Agreement must be given in writing, to the addresses listed below:
 - (i) if to the Purchaser:

 - (ii) if to the Vendor:



MNP Ltd. in its capacity as Receiver of 5684961 Manitoba Ltd.
Suite 1200, 242 Hargrave St
Winnipeg, MB R3C 0T8
Attention: Victor P. Kroeger
Victor.Kroeger@mnp.ca

With a copy to Pitblado LLP
2500-360 Main St.
Winnipeg, MB R3C 4H6

Attention: Catherine Howden
howden@pitblado.com

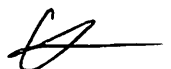
- (b) Notice will be sufficiently given only if:
- (i) served by personal delivery on the party to whom it is being given, or delivered via courier, in which case notice will be deemed to have been given on the date of delivery;
 - (ii) delivered or furnished by electronic communication, unless the party to whom it is being given has notified the sender that it is incapable of receiving notices by electronic communication. Electronic notices sent to an e-mail address will be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication will be deemed to have been sent at the opening of business on the next Business Day for the recipient; or
 - (iii) mailed by prepaid registered mail (with acknowledgement of receipt requested) addressed to the party to whom it is being given, in which case notice will be deemed to have been given on the earlier of actual receipt and the third Business Day following the date of mailing.
- (c) Either party may change its address for the giving of notice by notice given to the other party.

Section 7.6 Enurement. This Agreement shall enure to the benefit of and be binding upon the parties and their successors and permitted assigns.

Section 7.7 Assignment. At any time within ten (10) Business Days of signing this Agreement, the Purchaser shall have the right, on notice to the Vendor, to assign its rights and obligations under this Agreement to any person or corporation including a corporation yet to be incorporated, and the assignee in such case will have all of the rights and obligations of the Purchaser hereunder. No such assignment shall release the Purchaser from its obligations hereunder.

Section 7.8 Time of Essence. Time shall be of the essence of this Agreement.

Section 7.9 Tender. Any tender of funds or documents may be made upon the parties



or their respective solicitors.

Section 7.10 Counterparts. This Agreement may be executed in counterparts, whether in original or in electronic form, and each executed counterpart will be deemed to be an original and when read together will constitute one and the same instrument.

IN WITNESS WHEREOF this Agreement has been executed by the parties as of the date first above written.

PURCHASER:

4589093 MANITOBA INC.

By: 

Name:

Title:

VENDOR:

MNP LTD., in its capacity as Receiver and Manager of the property, assets and undertaking of 5684961 Manitoba Ltd., and not in its personal capacity.

By: 

Name:

Title:

SCHEDULE "A"
LANDS

Title No. 2551809/1

LOTS 8 AND 9 PLAN 313 WLTO (W DIV)
IN RL 73 PARISH OF ST JAMES



SCHEDULE "B"
PERMITTED ENCUMBRANCES

1. Encroachments disclosed by and any errors or omissions in existing surveys of the Property which do not materially impair the present use of the Property and any encroachments, easements, title defects, discrepancies in title or possession, adverse claims, irregularities rights of way or other matters which may be disclosed by an up to date plan of survey of the Property;
2. Inchoate liens for unpaid taxes, local improvement rates or utilities;
3. All applicable laws, by-laws, regulations and restrictions which do not materially impair the present use of the Property;
4. Inchoate liens incidental to any construction on or ongoing repairs or maintenance to the Property;
5. Exceptions and qualifications set forth in *The Real Property Act* (Manitoba) or other applicable legislation;
6. Rights of the Crown; and
7. All development, subdivision and site plan agreements, provided that the same are complied with insofar as they affect or relate to the Property and provided that no such agreement materially interferes with the use of the Property contemplated hereunder or under any lease.



APPENDIX B

5684961 Manitoba Ltd. (485 Furby)
Schedule of Fees
Receiver's Fees

Paid Invoices

Date	Fees	Disbursements	Subtotal	GST	Total
April 5 2023	\$ 16,378.65	-	16,378.65	818.93	\$ 17,197.58
May 29 2023	\$ 16,865.15	975.00	17,840.15	892.01	\$ 18,732.16
June 15 2023	\$ 18,185.35	- 975.00	17,210.35	860.52	\$ 18,070.87
July 4 2023	\$ 15,652.85	7,995.00	23,647.85	1,182.39	\$ 24,830.24
August 4 2023	\$ 6,734.10	- 4,995.00	1,739.10	86.96	\$ 1,826.06
September 5 2023	\$ 1,573.65	-	1,573.65	78.68	\$ 1,652.33
October 5 2023	\$ 6,074.80	-	6,074.80	303.74	\$ 6,378.54
November 2 2023	\$ 3,012.50	-	3,012.50	150.62	\$ 3,163.12
Total	\$ 84,477.05	3,000.00	87,477.05	4,373.85	\$ 91,850.90

Unpaid Invoices

Date	Fees	Disbursements	Subtotal	GST	Total
February 6 2024	\$ 24,077.80		24,077.80	1,203.89	\$ 25,281.69
Grand Total	\$ 108,554.85	3,000.00	111,554.85	5,577.74	\$ 117,132.59

Pitblado's Fees

Date	Fees	Disbursements	Subtotal	GST	PST	Total
April 14 2023	\$ 9,252.00	96.93	9,348.93	465.94	647.64	\$ 10,462.51
May 24 2023	\$ 10,545.00	427.55	10,972.55	535.66	738.15	\$ 12,246.36
July 7 2023	\$ 4,480.50	214.37	4,694.87	227.26	313.64	\$ 5,235.77
August 24 2023	\$ 2,914.50	72.74	2,987.24	204.02	149.37	\$ 3,340.63
October 31 2023	\$ 1,533.00	-	1,533.00	76.65	107.31	\$ 1,716.96
January 31 2024	\$ 8,701.00	18.25	8,719.25	435.97	609.07	\$ 9,764.29
Total	\$ 37,426.00	829.84	38,255.84	\$ 1,945.50	2,565.18	\$ 42,766.52