

MNP LTD.
RECEIVER OF
DDK VENTILATION PRODUCTS LTD

INVITATION
FOR OFFERS TO PURCHASE

and

INVITATION
FOR AUCTION PROPOSALS

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1.0 INTRODUCTION

This Invitation for Offers to Purchase and Invitation for Auction Proposals (“**Invitation**”) has been compiled by MNP Ltd., in its capacity as Receiver and Manager (the “**Receiver**”) of DDK Ventilation Products Ltd. (“**DDK Ventilation**” or the “**Company**”).

The Invitation has been prepared solely for information purposes to assist prospective purchasers and auctioneers (jointly referred to as “**Purchasers**”) in making an evaluation of the Company’s assets (the “**Assets**”). The information provided herein may not contain all of the information Purchasers may require and therefore, Purchasers should conduct their own investigation, analysis and due diligence relating to the Company’s Assets and of the information contained herein.

The Receiver has not independently verified or reviewed any of the information contained herein. The Receiver does not make any representation or warranty as to the accuracy or completeness of the information in this Invitation and shall have no liability for any representations (express or implied) contained in or for any omissions from this Invitation, or for any other written or oral communications transmitted to Purchasers in the course of their evaluation of the Assets.

The Receiver invites potential Purchasers to formulate offers to purchase, and/or make proposals to auction that include a net minimum guarantee (each, an “**Offer**”) for all of the Assets.

To assist Purchasers in evaluating the Assets and formulating Offers, the Receiver will make the Assets available for viewing. Viewing is by appointment only, and will be based on availability for arranging individual viewing times. In order to view the Company’s Assets, please contact Greg Ibbott at the Receiver’s office at 604 637-1541 or greg.ibbott@mnp.ca.

The Receiver will only accept Offers from potential Purchasers that include an offer for all of the Assets.

The deadline for the submission of an Offer is 12:00 pm (Vancouver time) on Monday, May 4, 2020.

The Receiver has formulated specific transaction procedures and additional terms relating to this Invitation that are included in the Terms and Conditions of Sale (See **Appendix B**). The Receiver also reserves the right to:

- Amend or terminate the sales procedure during the sales process;
- Accept an Offer that may not necessarily be the highest bid;
- Negotiate with one or more Purchasers at any time;
- Set a minimum offer price for the Assets;
- Enter into a definitive transaction agreement[s] without prior notice to other Purchasers at any time during the transaction process; and
- Not accept any Offers and market or sell the Assets through another process.

2.0 BACKGROUND INFORMATION

DDK Ventilation operated as a distributor of ventilation products to the construction industry from its two warehouses (the “Warehouses”) in Coquitlam, British Columbia. DDK Ventilation operations are further described by the Company as follows:

“DDK’s main focus is supplying products to commercial and light industrial projects, which includes schools, office buildings, high rise residential, retail, restaurant and light manufacturing. DDK’s customers are primarily the mechanical, sheet metal and air conditioning contractors involved in this construction”.

3.0 ASSETS INCLUDED IN SALE

Assets – a listing of the Assets is attached as **Appendix A**. The Assets are being offered for sale as one lot, and include:

- Commercial and High Rise Residential Ventilation Products; and
- Forklifts, Warehouse Equipment & Shelving, and Office Furniture and Equipment.

It should be noted that the Receiver has not verified any of the quantities, descriptions, or accuracy of the Assets. Purchasers are to rely entirely on their own inspection and investigation as to accuracy and completeness of the information provided by the Receiver to the Purchaser.

4.0 PROCEDURE TO SUBMIT AN OFFER

The Receiver will consider Offers that include either outright offers to purchase and/or auction proposals including a net minimum guarantee. The submission of an Offer to the Receiver shall constitute an acknowledgement and an acceptance by the Purchaser of all terms and conditions set out in the Invitation including, but not limited to, the Terms and Conditions of Sale as set out in **Appendix B**.

All Offers must be submitted substantially in the form of offer attached (**Appendix C**).

The Warehouses must be vacated by June 30, 2020, and left in a broom swept condition.

Offers to be accompanied by a 10% deposit as set out in Appendix B.

All auction proposals should include the following information:

1. Auction proposals must include a net minimum guarantee amount which will be payable to the Receiver upon acceptance of the Offer;
2. Commission rates, level of anticipated auction proceeds, and participation level for the benefit of the Receiver;
3. Estimated auction expenses including set-up costs, advertising, garbage disposal, clean-up, utilities, insurance etc. and whether the Purchaser or Receiver are responsible for payment of specified expenses;
4. Whether the Warehouse will be required by the Purchaser and if so, stipulate the period of time required to conduct a sale, including checkout, removal, and clean-up procedures; and
5. Any other relevant terms, conditions or information for the Receiver’s consideration.

The deadline for the submission of an Offer is 12:00 pm (Vancouver time) on May 4, 2020. Due to current concerns regarding the timeliness of postal or courier services, ALL Offers must be emailed to Greg.Ibbott@mnp.ca prior to the deadline indicated above. Please contact us at the same email address for directions regarding deposit payments.

Offers must be submitted to MNP Ltd., Attention: Greg Ibbott, RE: DDK Ventilation – In Receivership” at the address below.

Further information regarding the sales process can be obtained by contacting:

Greg Ibbott
Greg.Ibbott@mnp.ca
Phone: (604) 637-1541