

MNP LTD.
Receiver of

K.M.B Holdings Ltd. & East End Aggregate Ltd.

**INVITATION
FOR OFFERS TO PURCHASE
PROPERTY OF
K.M.B HOLDINGS LTD. & EAST END AGGREGATE LTD.**

JULY 17, 2019

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1.0 INTRODUCTION

This Invitation for Offers to Purchase has been compiled by MNP Ltd., in its capacity as Receiver (the "Receiver") of K.M.B. Holdings Ltd & East End Aggregate Ltd. (the "Companies"). It has been prepared solely for information purposes to assist prospective purchasers ("Prospective Purchasers") in making an evaluation of the Companies' assets. The information provided herein may not contain all of the information a Prospective Purchaser may require and therefore, Prospective Purchasers should conduct their own investigation, analysis and due diligence relating to the Companies' 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 this Invitation for Offers to Purchase and shall have no liability for any representations (expressed or implied) contained in or for any omissions from, this Invitation for Offers to Purchase, or for any other written or oral communications transmitted to Prospective Purchasers in the course of their evaluation of the assets.

Any prospective purchasers wishing to view the assets or obtain further information should contact Seamus Boyle from MNP Ltd as follows:

MNP Ltd.
Suite 1400, 1801 Hollis street
Halifax, NS B3J 3N4
Phone: (902) 407-3234
Seamus.Boyle@mnp.ca

2.0 BACKGROUND INFORMATION

K.M.B. Holdings Ltd & East End Aggregate Ltd. are land development companies that own earth moving equipment and 43.39 acres of land zoned for residential development located in the Scenic View subdivision, off the Indian meal Line in Torbay, NL.

3.0 ASSETS INCLUDED IN SALE

The Companies' assets consist of land, in the form of 15 approved un-served $\frac{3}{4}$ + acre building lots with paved road frontage, 28.11 acres of un-developed treed land and various pieces of earth moving equipment.

4.0 PROPERTY INFORMATION

Information regarding the property for sale is attached as Schedule "B".

5.0 PROCEDURE TO SUBMIT AN OFFER TO PURCHASE

The submission of an Offer to Purchase to the Receiver shall constitute an acknowledgement and an acceptance by the Prospective Purchaser of the terms of the Invitation for Offers to Purchase including the Terms and Conditions of Sale as set out in Schedule "A".

All Offers to Purchase must be substantially in the form attached (see Schedule "C") and accompanied by a bank draft or certified cheque payable to "MNP Ltd., in Trust" in an amount equal to 5% of the total purchase price offered for the assets.

The deadline for the submission of an Offer to Purchase is 5:00 PM (ADT), August 14, 2019.

TERMS AND CONDITIONS OF SALE

General Terms and Conditions

1. MNP Ltd., in its capacity as Receiver (the "Receiver") of K.M.B. Holdings Ltd. & East End Aggregate Ltd. (referred to hereinafter as "the Companies") will consider written offers to purchase ("Offer to Purchase") the Company's right, title and interest, if any, in the, assets of the company.
2. All Offers to Purchase must be submitted by completing the attached form of Offer to Purchase and must be received by Seamus Boyle, by 5:00 PM (ADT), August 14th, 2019 at the Halifax office of the Receiver at Suite 1400, 1801 Hollis Street, Halifax, NS B3J 3N4.
3. The assets are being offered for sale on an "as is" and "where is" and "without recourse" basis with no representations or warranties as to title, encumbrances, description, fitness for use, condition (environmental or otherwise), defect (patent or latent), collectability, merchantability, quantity, quality, or any other matter or thing whatsoever, either stated or implied. Each party making an offer (the "Offeror") must rely on its own judgement, inspection and investigation of the assets being offered for sale.

Sales Process

4. The Receiver reserves the right and shall be at liberty, at any time, at its sole discretion, to:
 - o Amend or terminate the sales procedures during the sales process;
 - o Accept an Offer to Purchase that may not necessarily be the highest bid;
 - o Negotiate with one or more prospective purchasers at any time;
 - o Set a minimum offer price for any of the assets
 - o Enter into a definitive transaction agreement without prior notice to other prospective purchasers at any time during the transaction process; and
 - o Not accept any Offers to Purchase
5. With respect to any withdrawal or amendment by the Receiver, the sole obligation of the Receiver to the Offeror shall be to inform the Offeror of the withdrawal or amendment. With respect to the termination of the sales process, the sole obligation of the Receiver to the Offeror shall be to return the deposit without interest or deduction.

Offers to Purchase

6. All Offers to Purchase must be accompanied by a bank draft or certified cheque payable to "MNP Ltd., in Trust" in an amount equal to 5% of the total purchase price offered for the assets, which deposit will be subject to the terms of paragraphs 7 and 8 herein. Acceptance of any Offer to Purchase shall result in an agreement between the Receiver and the successful Offeror (the "Purchaser").
7. If the Offer to Purchase is accepted, the draft or cheque accompanying the Offer to Purchase shall be deemed a non-refundable cash deposit. If the contemplated sale is completed, the deposit will be applied without interest, against the purchase price. If the contemplated sale is not completed by the Purchaser by reason of the Purchaser's default, the deposit shall be retained on account of liquidated damages by the Receiver and the Receiver shall be entitled to pursue all of its rights and remedies against the Purchaser.
8. Cheques or drafts accompanying Offers to Purchase that are not accepted by the Receiver shall be returned, without interest thereon, by prepaid regular mail to the Offeror,

Schedule A

addressed to the Offeror at the address set forth in its Offer to Purchase, no later than five (5) working days after notification by the Receiver that the offer has been rejected.

9. Upon receipt by the Receiver of any Offer to Purchase, no person shall be entitled to retract, withdraw, vary or amend the Offer to Purchase prior to acceptance or rejection thereof, without the prior written consent of the Receiver.
10. The submission of an Offer to Purchase to the Receiver shall constitute an acknowledgement and an acceptance by the Offeror of the terms of the Invitation for Offers to Purchase including these Terms and Conditions of Sale.

Purchase Closing

11. Upon the acceptance of an Offer to Purchase by the Receiver, closing shall occur at a time that is mutually acceptable to the Receiver and the Purchaser and in accordance with these Terms and Conditions of Sale.
12. The Purchaser shall pay to the Receiver on the Closing Date the balance of the purchase price, less the deposit, plus all applicable federal and provincial taxes, unless the applicable exemption certificates are presented to the Receiver on or before the Closing Date and the Purchaser shall bear full liability and responsibility for all applicable duties and registration fees.
13. Without limitation, the assets shall be as they exist on the Closing Date. The Purchaser acknowledges and agrees that the Receiver shall not be required to inspect the assets or any part thereof and the Purchaser shall be deemed at its own expense to have relied entirely on its own inspection and investigation. The Purchaser acknowledges that no warranties or conditions, expressed or implied, pursuant to the *Sale of Goods Act (Newfoundland and Labrador)* or similar legislation in other jurisdictions apply hereto and all of the same are hereby waived by the Purchaser.
14. Prior to the Closing Date, the assets shall be and remain in the possession of and at the risk of the Companies. After the Closing Date, the assets shall be at the risk of the Purchaser. In the event of substantial damage to the assets occurring on or before the Closing Date, the Purchaser may cancel the purchase and have all monies theretofore paid, returned without interest, costs or compensation of any kind whatsoever.
15. The validity and interpretation of these Terms and Conditions of Sale shall be governed by the laws of the Province of Newfoundland and Labrador, as applicable and these Terms and Conditions of Sale shall enure to the benefit of and be binding upon the parties hereto, and their respective heirs, executors, administrators or assigns as the case may be.
16. Unless otherwise specifically stated therein, all obligations, representations and warranties of the parties contained herein shall survive the completion of the purchase.
17. No supplement, modification, waiver or termination of these Terms and Conditions of Sale shall be binding unless executed in writing by the parties to be bound thereby, provided that the time provided for doing any matter or thing contemplated herein may be abridged or extended by written agreement, in letter form or otherwise, executed by the duly authorized solicitors for the parties.
18. These Terms and Conditions of Sale shall constitute the entire agreement between the parties pertaining to the subject matter hereof and shall supersede all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the parties if any and there shall be no agreements or understandings

Schedule A

between the parties in connection with the subject matter hereof except as specifically set forth herein. No party hereto has relied on any express or implied representation, written or oral, of any individual or entity as an inducement to enter into the Offer to Purchase.

19. At the Closing Date, the Purchaser shall be entitled to such deeds or assignments as may be considered necessary by the Receiver to convey the assets to the Purchaser provided that the Purchaser shall remain liable hereunder notwithstanding any assignment thereof by the Purchaser. Any such deeds or assignments shall contain only a release of the Companies' interest in the assets and shall not contain any covenants.

Purchaser's Representations, Responsibilities and Indemnifications

20. The Purchaser shall assume, at its cost, complete responsibility for compliance with all municipal, provincial and federal laws insofar as the same apply to the assets and the use thereof by the Purchaser. It shall be the Purchaser's sole responsibility to obtain, and pay the cost of obtaining, any consents, permits, licenses or other authorizations necessary or desirable for the transfer to the Purchaser of the Company's right, title and interest, if any, in the assets.
21. The Purchaser represents and warrants that
- a) It is a corporation duly incorporated, organized and subsisting under the laws of Canada;
 - b) It has the corporate power and authority to enter into and perform its obligations under the Offer to Purchase and these Terms and Conditions of Sale and all necessary actions and approvals have been taken or obtained by the Purchaser to authorize the creation, execution, delivery and performance of the Offer to Purchase and the Offer to Purchase has been duly executed and delivered by the Purchaser and is enforceable against the Purchaser in accordance with its and these terms; and
 - c) It is not a non-Canadian for the purpose of the *Investment Canada Act (Canada)* and it is not a non-resident of Canada within the meaning of the *Income Tax Act (Canada)*.
22. The Purchaser shall indemnify the Companies, the Receiver and Business Development Bank of Canada and hold each of them harmless against and from all losses, costs, damages and expenses which any of them may sustain, incur or become liable for by reason of or arising from any operations of the Purchaser in relation to the assets, including without limitation, any clean up, decommissioning, restoration or remediation of the assets which may be required of the Companies, the Receiver, Business Development Bank of Canada or any of them pursuant to any environmental laws as a result of the operations of the Purchaser.

Receiver's Rights, Responsibilities and Obligations

23. MNP Ltd. is acting solely in its capacity as Receiver of the Companies and not in its personal or corporate capacity, and its liabilities hereunder, if any, or under the Offer to Purchase or sale contemplated hereby, will be solely in its capacity as Receiver of the Companies and it shall have no personal or corporate liability of any kind, whether in contract or in tort or otherwise.
24. The obligation of the Receiver to complete the purchase is subject to the satisfaction of, among other things, the following terms and conditions at or prior to the Closing Date, which conditions are for the sole benefit of the Receiver and which may be waived by the Receiver:

Schedule A

- a) The representations and warranties of the Purchaser herein are true and accurate as of the Closing Date;
 - b) No action or proceeding at law or in equity shall be pending or threatened by any person, firm, governmental authority, regulatory body or agency, to enjoin, restrict or prohibit the purchase and sale of the Assets; and
 - c) No party shall have taken any action to redeem any of the assets.
25. In the event that any of the conditions contained in the Offer to Purchase are not satisfied as of the Closing Date, the Offer to Purchase shall thereupon at the option of the Receiver be rendered null and void and the Purchaser shall be entitled to the return of the paid purchase price, less the non-refundable deposit and without interest but without any further cost or consequence.
26. Any offers submitted through a broker, finder or other financial consultant will be considered provided however that there shall be no commission or other compensation (the "Compensation") payable to any broker, finder, financial consultant or similar agent claiming to have been employed by or on behalf of any prospective purchaser out of the proceeds of sale unless and until:
- a) The Receiver has agreed to such Compensation in writing; and
 - b) Only if the approved transaction closes in accordance with the terms of the Offer to Purchase.

Notices

27. Any notices, requests, demands or other communications to be given pursuant to this process shall be in writing and shall either be hand delivered, faxed or mailed by prepared registered mail addressed as follows:

To the Purchaser: at the address set forth in the Offer to Purchase

To the Receiver: MNP Ltd., Suite 1400, 1801 Hollis Street, Halifax, NS B3J 3N4, Fax: (902) 701-3690, Attention: Seamus Boyle.

28. Notices shall be effective upon personal delivery or, if mailed, three days after the deposit with the post office, if sent by telegram, on the date of deposit or if telefaxed, on the date the notices was sent by telefax, or if on a holiday the next business day thereafter.

Dated at Halifax, Nova Scotia this 16th day of July, 2019.



MNP LTD

In its capacity as Receiver of

K.M.B. Holdings Ltd. & East End Aggregate Ltd.

And not in its personal or corporate capacity

Assets Description and Photographs
K.M.B. Holdings Ltd & East End Aggregate Ltd.

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Lot 1

The subject property is located along the Western boundary of the Town of Torbay. The property is located in the Scenic View ridge subdivision, West of the Torbay Bypass Road and accessible from the Indian Meal Line. The primary land use in this area is residential, with the surrounding land being mostly vacant and undeveloped. A map indicating the exact location of the subject property is contained in the Photograph section of this document.

The subject property contains a total of 15 un-serviced building lots located along Valley Loop Drive. The total area of the un-serviced lots and unfinished road and is 15.28 acres. Civic # 19 Valley Loop Drive was sold in January 2017 (shown in pink in the map below). All other lots remain unsold.

The internal subdivision road and storm water drainage work has already been completed for this section of the available land.



Lot 2

Located directly to the North of the un-serviced lots is undeveloped treed land. The proposed future road has been cut through and rock has been placed along the site as well as several artesian test wells have been dug. Total area for this portion of the site is 28.11 acres. The remaining land able to be developed is represented by the red portion of the map below.



Schedule B

Lot 3

Lot 3 is comprised of various pieces of equipment outlined in the table below. Pictures of the equipment being offered can be found in the Photographs section of this document.

<u>Item</u>	<u>Model</u>	<u>Serial Number</u>
Thomas ProTough Topsoil Screener	B308/PS400	T4000944
New Holland Loader/Backhoe	B95-699800780	031064033
Case Drum Roller	SV 212	DDD001057
Case Excavator	CX 210	UAC212509
Case Excavator	CX 330	DAC330K3N6SAP7120
Volvo Dump Truck	1997	4VHJCBPF6VN858460
Volvo Dump Truck	535B	2878
30ft Van Trailer	N/A	N/A
Case 210 spare buckets		
Hydraulic Hammer/Rock Breaker		

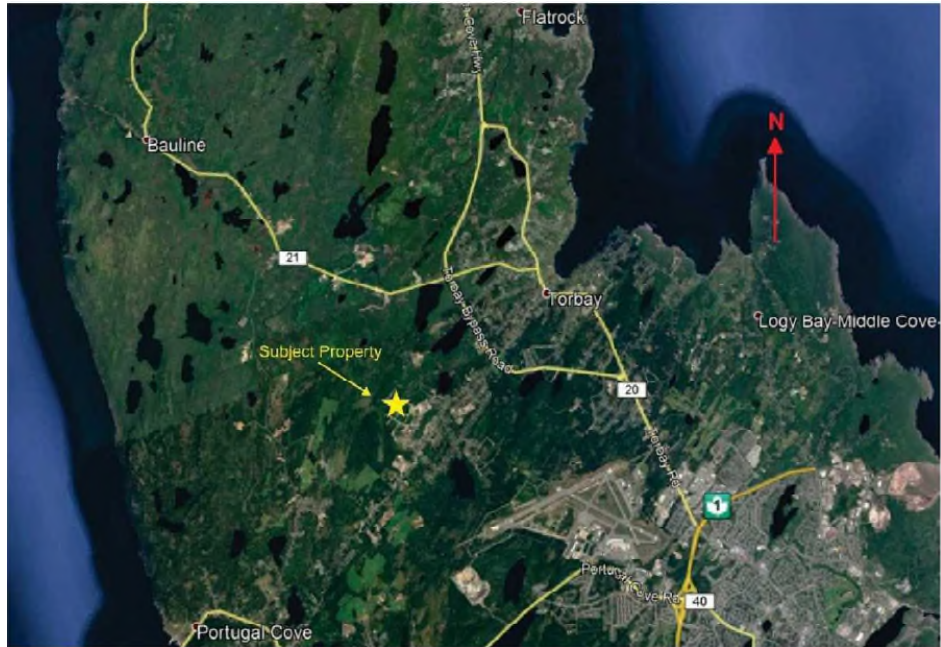
Lot 4

Lot 4 will be comprised of all the assets previously described in this report "en-bloc".

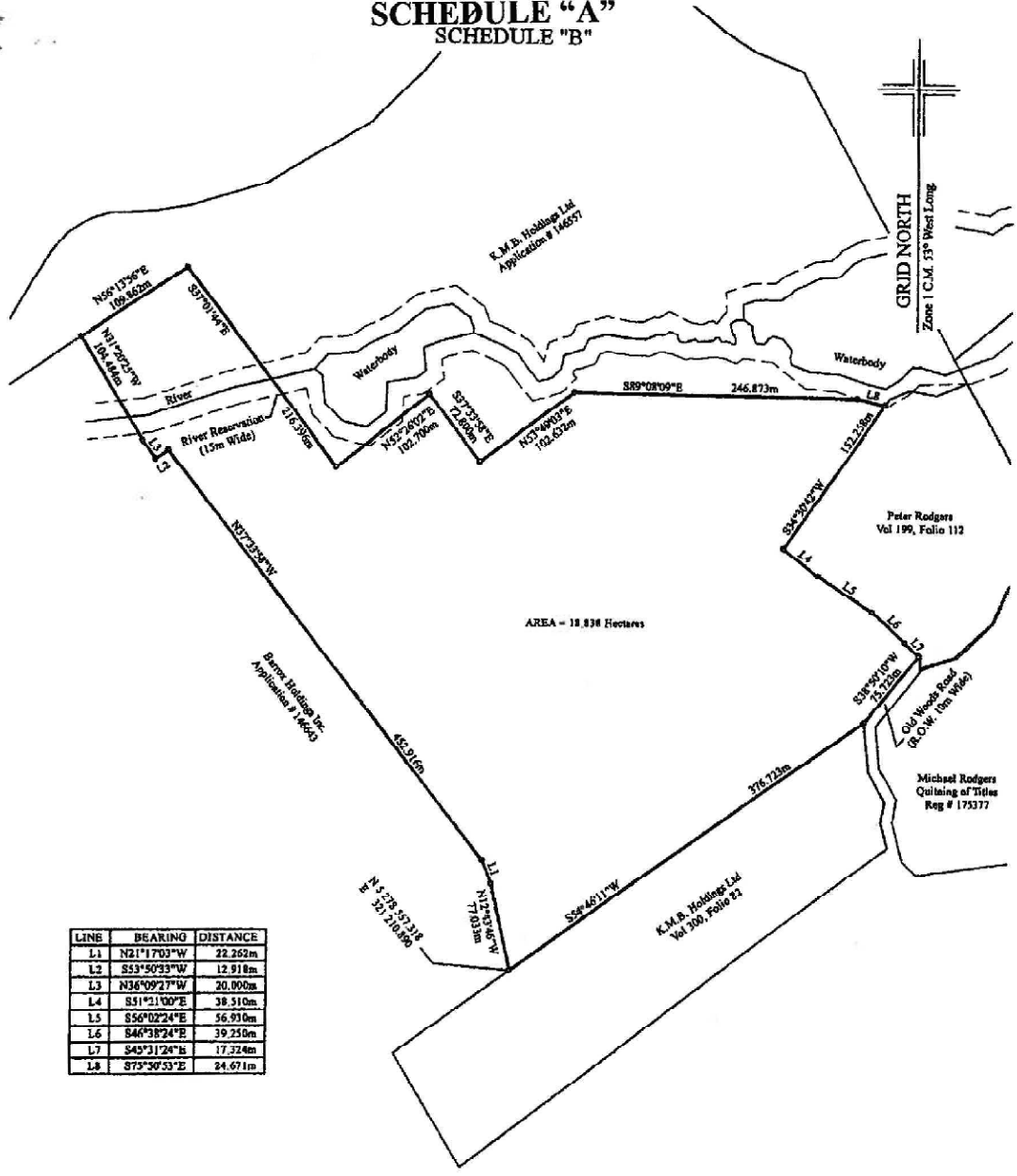
Neighborhood Map



Municipal Map



SCHEDULE "A"
SCHEDULE "B"



LINE	BEARING	DISTANCE
L1	N21°17'03"W	22.262m
L2	S53°50'33"W	12.918m
L3	N36°09'27"W	20.800m
L4	S51°41'00"E	38.310m
L5	S56°02'24"E	56.910m
L6	S46°38'24"E	39.250m
L7	S45°31'24"E	17.324m
L8	S75°30'53"E	24.671m

MONUMENTS USED: (NAD 83)

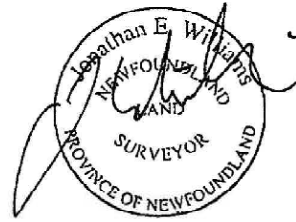
	NORTHING	EASTING
83G5308	5 278 658.656	322 053.380
83G5309	5 278 695.480	322 266.410

LEGEND:

- A. = anchor
- = capped iron pin
- o.h.w. = overhead wire
- P. = pole

NOTE: ALL DISTANCES ARE HORIZONTAL GROUND

DATE: September 16 2015
APPLICATION #: 146535



SCALE: 1:4500

NDL

J.E.

Handwritten initials and marks at the bottom right of the page.

Photographs



























Schedule B



Invitation to Offer

Schedule C

FORM OF OFFER

INVITATION FOR OFFERS TO PURCHASE

THE REAL PROPERTY

K.M.B HOLDINGS LTD. & EAST END AGGREGATE LTD.

To: MNP Ltd.
1801 Hollis Street
Suite 1400
Halifax, NS B3J 3N4
Direct: (902) 407-3234
Facsimile: (902) 701-3690
Email: seamus.boyle@mnp.ca

Attention: Seamus Boyle

Name of Prospective Purchaser: _____
Address (include postal code): _____
Telephone: _____
Facsimile: _____
Email: _____

- I. I/we, hereby submit this offer for the purchase Lot # ____ as described in Schedule B of K.M.B Holdings Ltd. & East End Aggregate Ltd. (all amounts in \$ Cdn):

Offer:	\$ _____
HST (if applicable):	\$ _____
Total Offer	\$ _____

- II. Enclosed is the cash deposit by way of certified cheque, bank draft, money order, confirmation of wire transfer payable to MNP Ltd. in the amount of \$ _____, representing five per cent (5%) of the total offer.
- III. It is acknowledged that this offer is subject to the Terms and Conditions of Sale issued by the Vendor.
- IV. This offer is irrevocable and may not, in any circumstances, be withdrawn, varied or countermanded once submitted to MNP LTD.

Invitation to Offer

- V. I/We acknowledge that, without limiting the generality of the foregoing, the Vendor reserves the right, in its sole discretion, to terminate the Sale of all or any part(s) of the assets, at any time prior to the completion of the sale for any reason, including, but not limited to, the reinstatement of the obligations of the borrower or the exercise of any right of redemption by the borrower or any other encumbrances. Further, in the event that some of the offers submitted are similar in terms and/or amounts, the Vendor may in its sole discretion call upon those prospective Purchasers to submit further offers.

- VI. I/We acknowledge that the Vendor disclaims any obligation or liability in relation to the completeness or accuracy of any documentation or information provided to any prospective purchaser, whether in writing or otherwise, and whether by K.M.B Holdings Ltd. & East End Aggregate Ltd., MNP Ltd., Business Development Bank of Canada, any employee or representative of any of the foregoing, counsel to any of the foregoing, or any other person for on behalf of any of the foregoing (the "**Vendor Group**"). Each offeror, prospective offeror and any Purchaser(s) shall be deemed to have relied upon its or their own investigations or enquiries of persons other than the Vendor Group in relation to any offer, potential offeror the completion of the purchase of all or any part(s) of the purchased property and shall not have any claim against the Vendor Group either based on any contract or principle of liability.

We acknowledge MNP Ltd. acts in its capacity as Receiver of K.M.B Holdings Ltd. & East End Aggregate Ltd. and shall have no personal or corporate liability hereunder in regard to any Agreement(s) of Purchase and Sale contemplated hereby or as a result of any sale(s) contemplated hereby.

DATED AT _____, this _____ day of _____, 2019.
(city or town) (day) (month)

(PRINTED NAME OF PROSPECTIVE PURCHASER)

Per: _____

(If offeror is a Corporation, seal should be affixed)

For the information of the Vendor, the attached indicate our proposed counsel for purposes of this transaction (if none identified as yet, please so indicate):

Counsel name Telephone number

Counsel firm name

Invitation to Offer

ACCEPTANCE

In its capacity as Receiver for and on behalf of K.M.B Holdings Ltd. & East End Aggregate Ltd., and not in its own personal or corporate capacity, the undersigned hereby accepts the annexed offer upon the Terms and Conditions of Sale issued by the Vendor.

Dated at Halifax, Nova Scotia this ____ day of _____, 2019.

MNP Ltd., in its capacity as Receiver of
K.M.B Holdings Ltd. & East End Aggregate Ltd. and not
in its personal or corporate capacity

Per: _____