

COURT FILE NUMBER KBG-SA-00204-2023

COURT OF KING'S BENCH FOR SASKATCHEWAN
IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE SASKATOON

APPLICANTS AFFINITY CREDIT UNION 2013 and AFFINITY HOLDINGS INC.

RESPONDENT THE LIGHTHOUSE SUPPORTED LIVING INC.

-AND-

COURT FILE NUMBER KBG-SA-00149-2023

COURT OF KING'S BENCH FOR SASKATCHEWAN
IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE SASKATOON

APPLICANTS TWILA REDDEKOPP and JEROME HEFNER

RESPONDENTS THE LIGHTHOUSE SUPPORTED LIVING INC. and BLUE MOUNTAIN
ADVENTURE PARK INC.

IN THE MATTER OF THE RECEIVERSHIP OF THE LIGHTHOUSE SUPPORTED LIVING INC.

FIRST REPORT OF THE RECEIVER, MNP LTD. DATED APRIL 21, 2023

Introduction and Purpose of the Report

1. MNP Ltd. was appointed interim receiver (the "**Interim Receiver**") of The Lighthouse Supported Living Inc. (the "**Lighthouse**") and Blue Mountain Adventure Park Inc. ("**BMAP**"; together with the Lighthouse, the "**Corporations**") by the Court of King's Bench for Saskatchewan (the "**Court**") pursuant to an Order granted by the Honourable Madam Justice A.R. Rothery on February 24, 2023 (the "**Interim Receivership Order**").
2. MNP Ltd. was appointed as Receiver (the "**Receiver**") of the Lighthouse by the Court pursuant to an Order granted by the Honourable Madam Justice A.R. Rothery on April 13, 2023 (the "**Receivership Order**"). No further Order was issued in relation to BMAP. (References in this First Report to the "Receiver" include MNP's role as Interim Receiver where applicable.)
3. The Receivership Order continued the appointment of MNP Ltd. as Interim Receiver for the limited purpose of permitting the execution and closing of any sales of property owned by the Lighthouse in the City of North Battleford, Saskatchewan (the "**North Battleford Properties**").
4. The Lighthouse is a charitable corporation under *The Non-Profit Corporations Act* (Saskatchewan) and is a registered charity for tax purposes. The Lighthouse provides affordable housing, supportive living services, and programming for the vulnerable populations of Saskatchewan. The programs are funded through contracts with government agencies, rents received from low-income housing projects, and private donations.

5. BMAP is a non-profit corporation under *The Non-Profit Corporations Act* which operates an outdoor adventure park near North Battleford, Saskatchewan. The land and other assets used by BMAP are owned by the Lighthouse.
6. This is the Receiver's First Report to Court (the "**First Report**") and it should be read in conjunction with the Interim Receiver's First Report to Court dated April 5, 2023 (the "**Interim Receiver's First Report**").
7. The purpose of this First Report is to advise that Court with respect to the following matters in relation to the Corporations:
 - the activities of the Receiver since the date of the Receivership Order;
 - the activities of the Interim Receiver between the date of the First Report and the date of the Receivership Order, as well as those relating to the North Battleford Properties;
 - Offers to Purchase received by the Receiver and the Receiver's proposed dealings with the same;
 - the Receiver's proposed Sales Process; and
 - Interim Receiver's Final Statement of Receipts and Disbursements.
8. In preparing the First Report and making comments herein, the Receiver has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information of the Corporations, the Corporations' books and records, 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.
9. The Receiver has prepared a Confidential Supplement to the Receiver's First Report (the "**Confidential Supplement**"). The purpose of the Confidential Supplement is to provide this Honorable Court with additional information specifically in respect of a certain proposed sale of real property by the Receiver (as described in the First Report) as well as the Receiver's analysis and recommendations with respect to the same.
10. The Receiver respectfully requests that the Confidential Supplement and the associated schedules be sealed on the Court file due to the commercially sensitive information contained therein until such time that the sale of the property discussed therein has been completed, so as not to taint any future sales process in the event that the contemplated transaction does not close for any reason. Once the sale transaction has closed, the Confidential Supplement can be unsealed and made part of the public Court record.
11. Further information relating to the receivership proceedings can be located on the Receiver's website at <https://mnpdebt.ca/en/corporate/corporate-engagements/lighthouse-and-blue-mountain>.

Activities of the Receiver

12. Following the Receivership Order, the Receiver has:
 - continued to monitor and manage the day-to-day operations of the Lighthouse;
 - responded to vandalism and trespass concerns with the North Battleford Properties;

- monitored and reviewed staffing levels in accordance with information provided by Ms. Redekopp;
 - communicated with community stakeholders in Saskatoon including the Saskatoon Police Department, Saskatoon Fire Department and City of Saskatoon;
 - hired a third party to review the status of the security cameras at 227 – 20th Street East, and 304 - 2nd Avenue South, Saskatoon, Saskatchewan (the "**Towers**") and recommend a solution for improvement; and
 - continued to work with the listing realtor with respect to the North Battleford Properties.
13. The Lighthouse opened the Lighthouse Shelter Units ("**LSU**") on April 15, 2023 in accordance with further authorized funding from Saskatchewan Health Authority ("**SHA**"). Opening the LSU required the hiring of additional security to ensure the safety of the clients and staff at the Lighthouse. The LSU is open for referral clients only and is not open to the general public.
14. The Receiver has been in contact with Shane Beatch, the farmer who leases the excess BMAP lands from the Lighthouse for cattle grazing (the "**Farmer**"). The Lighthouse and the Farmer are parties to a lease agreement dated December 2, 2020, pursuant to which the Farmer leases the excess BMAP lands to the Farmer for the purpose of cattle grazing for a term of 10 years in exchange for land rent of \$14,000 per year, on terms and conditions more particularly described therein.
15. Canada Revenue Agency ("**CRA**") has scheduled a Trust Exam of the payroll source deduction account for the Lighthouse for the week of May 9, 2023. The Receiver is working with CRA to ensure the required books and records are available.

Activities of the Interim Receiver of BMAP

16. The Interim Receiver's First Report referenced the Interim Receiver's activities from February 24, 2023 to April 5, 2023.
17. For the period of April 6, 2023 to April 13, 2023 the Interim Receiver of BMAP:
- Closed out the Innovation Credit Union bank accounts held by BMAP requiring the remaining funds be transferred to the Interim Receiver to re-imburse the Lighthouse for expenses paid;
 - Reviewed the lease agreement for grazing pasture and corresponded with farmer;
 - Corresponded with veterinarian regarding services for animals living at BMAP;
 - Review and remit payment on invoices relating to veterinarian services.

Offers to Purchase – 1322 – 103 Street

18. On March 23, 2023, the Interim Receiver listed the North Battleford properties with Susan Kramm of Realty Executives Battleford Inc. (the "**Listing Realtor**") at the following listing prices:
- 962 – 102 Street, North Battleford - \$219,000.00;
 - 1322 – 103 Street, North Battleford - \$319,000.00; and
 - 1671 – 104 Street, North Battleford - \$337,000.00

19. On March 25, 2023, an offer to purchase 1322 – 103 Street, North Battleford was submitted to the Listing Realtor by a prospective purchaser. On March 27, 2023, the Interim Receiver submitted a higher counteroffer with the same conditions as the initial offer. After submitting the counteroffer, the Interim Receiver identified a condition of delivering vacant possession to the potential purchaser and advised that amendments to the purchase agreement would need to be made. Redacted copies of the original offer to purchase and the Interim Receiver's counteroffer are attached as **Schedule 1**. Unredacted copies of the original offer to purchase and Interim Receiver's counteroffer are attached the Confidential Supplement as Schedule 1.
20. On April 10, 2023 a final amended offer to purchase (the "**Amended 1322 Offer**") was agreed to by the purchaser and the Interim Receiver. A redacted copy of the Amended 1322 Offer is attached as **Schedule 2**. An unredacted copy of the Amended 1322 Offer is attached to the Confidential Supplement as Schedule 2.
21. The Receiver seeks the approval of the Court for its acceptance of the Amended 1322 Offer, as well as a vesting order conveying clear title to 1322 – 103 Street, North Battleford to the purchaser.
22. As discussed in the Interim Receiver's First Report, an offer to purchase 962 – 102 Street had been submitted by the Battleford Agency Tribal Chiefs (the "**BATC**") on April 5, 2023 (the "**BATC Offer**"). The Interim Receiver and BATC reached agreement on a conditional offer to purchase; however, the BATC advised the Interim Receiver that its condition of financing/funding would not be met.
23. On April 13, 2023 the Interim Receiver was contacted by the Saskatchewan Housing Corporation ("**SHC**") advising it was interested in viewing 962 – 102 Street in consideration of purchasing the property and maintaining the lease to the BATC. SHC is currently completing due diligence for the purposes of determining whether or not an offer to purchase will be submitted.
24. On March 28, 2023, an offer to purchase 962 – 102 Street, North Battleford was submitted to the Listing Agent by 101186541 Saskatchewan Ltd. ("**6541**") (the "**6541 Sask Offer**"). The 6541 Sask Offer included a number of due diligence conditions. The Interim Receiver had elected to pursue the BATC Offer and allowed the 6541 Sask Offer to expire. Subsequent to the BATC advising it would not be in a position to remove its conditions, on April 13, 2023, 6541 submitted a revised offer to purchase (the "**Amended 6541 Offer**").
25. Given the nature of the shelter services currently provided by the BATC at the 962 – 102 Street property and its role in the community, the Receiver has agreed to provide some time for the SHC to complete its due diligence in anticipation of a potential offer to purchase. The Receiver has notified 6541 that it could proceed with satisfying some of its due diligence to address the conditions on the Amended 6541 Offer at its own risk while the Receiver works with the other potential purchaser.

Proposed Sales Process

26. The Receiver proposes to include the following properties in a public sales process (described in greater detail below):
 - a) The real property, chattels and equipment owned by the Lighthouse in the Rural Municipality of North Battleford No. 437 but used by BMAP, legally described as:
 - i) NE 31 45 14 W3
 - ii) NW 31 45 14 W3
 - iii) SE 31 45 14 W3
 - iv) SW 31 45 14 W3
 - v) NE 36 45 14 W3
 - vi) NE 32 45 15 W3

- vii) NW 32 45 14 W3
- viii) SE 32 45 14 W3
- ix) SW 32 45 14 W3

(the "**Blue Mountain Lands**");

27. The Receiver proposes to initiate a sales process (the "**Proposed Sales Process**") as follows:
- a) Issue a Receiver-managed Invitation For Offers to Purchase (the "**Invitation for Offers**");
 - b) The Invitation for Offers process would include:
 - i) Direct marketing and on-line marketing including via social media platforms;
 - ii) Direct marketing to commercial realtors including a commitment to pay a 3.5% commission to any realtors acting on behalf of a successful purchaser;
 - iii) Interested parties would sign a Confidentiality Agreement and be granted access to an on-line data room providing additional information relating to the Blue Mountain Lands and the financial history of BMAP;
 - iv) The on-line data room would also contain the Terms and Conditions and form of Offer to Purchase; and
 - v) A deadline of 45 days from the initiation of the Invitation for Offers would be established to submit Offers to Purchase.
28. The Receiver continues to review the options available in relation to a sales process for the remaining properties of the Lighthouse located in Saskatoon. Potential purchasers for the remaining properties could include non-profit or government entities; as such, the Receiver is seeking additional input from Saskatchewan Housing Authority (and, potentially, appropriate contacts within applicable departments of the provincial government) with respect to the sales process.
29. The Receiver anticipates a Court application in May 2023 to seek approval for the sales process related to the remaining properties.

Interim Receiver's Final Statement of Receipts and Disbursements

30. Attached as **Schedule 3** to this report is the Interim Receiver's Final Statement of Receipts and Disbursements for the period ending April 13, 2023.

Other Relief Sought

31. In the Receiver's view, it is appropriate at this time to address certain "clean-up" matters in order to streamline the legal process of these proceedings going forward.
32. The Interim Receivership can and should be wound down, with the authority of MNP Ltd. as Interim Receiver to market the North Battleford Properties carried forward to MNP Ltd. as Receiver, and MNP Ltd. discharged as Interim Receiver of the Lighthouse and BMAP.
33. BMAP is a wholly-owned subsidiary of the Lighthouse. However, BMAP was excluded from the Receivership Order, and has the same deadlocked board of directors as the Lighthouse. In order to

ensure that the assets of BMAP, if any, are adequately dealt with, and to render former BMAP employees eligible to apply for benefits from the Wage Earner Protection Program, the Receiver requests specific authorization from the Court to assign BMAP into bankruptcy. Certain assets of BMAP including social media accounts, website and on-line booking system could be of interest to potential purchasers of the Blue Mountain Lands and a bankruptcy of BMAP would provide an method for these assets to be included.

34. The Receivership Order discloses two legal styles of cause. It is the Receiver's preference to consolidate the two actions, both to simplify and reduce cost in relation to the service and filing of Court documents, and in order to simplify the Receiver's filings with the Office of the Superintendent in Bankruptcy which must refer to a Court file number. Additionally, the Receiver is of the view that the membership of the Lighthouse and the Director of Corporations are no longer required to be served with all relevant documents in these proceedings, as the primary focus of the proceedings is no longer on corporate governance issues and all four directors of the Lighthouse are actively participating in the proceedings with the assistance of legal counsel.


Conclusion

35. The Receiver has accepted the Amended 1322 Offer (subject to Court approval) which, based on the Listing Realtor's opinion of value, represents fair market value for that property.
36. The Receiver seeks the Court's approval for the Proposed Sales Process as outlined in paragraphs 26 - 27 of the First Report. As BMAP is no longer operating the marketing and sale of the Blue Mountain Lands (and associated equipment and chattels) would reduce the ongoing holding costs of the receivership estate, and potentially provide an opportunity for a purchaser to capture part of the summer season operations should they choose to operate the resort.
37. The Receiver submits this First Report in support of an application for the following:
- a) approval of this First Report and the Receiver's activities and conduct to date as outlined herein;
 - b) approval of the Interim Receiver's Final Statement of Receipts and Disbursements for the period ending April 13, 2023;
 - c) approval of the Proposed Sales Process;
 - d) approval of the activities of the Interim Receiver, the discharge of MNP Ltd. as Interim Receiver, and the continuation of the authority to market the North Battleford of Properties for sale as Receiver;
 - e) a Sale Approval and Vesting Order approving the Amended 1322 Offer and vesting title in the prospective purchaser;
 - f) specific authorization for the Receiver with the authority to assign MNP into bankruptcy and to remove the membership of the Lighthouse and the Director of Corporations from the Service List; and

g) consolidation of the two legal actions.

DATED at the City of Edmonton, in the Province of Alberta, this 21st day of April, 2023.

MNP Ltd., in its capacity as Receiver of
the Lighthouse Supported Living Inc.
and not in its personal capacity



Per: Eric Sirrs, CIRP, Licensed Insolvency Trustee
Senior Vice President

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY FILING THIS
DOCUMENT

MLT Aikins LLP
Attention: Jeffrey M. Lee, K.C. and Paul Olfert
Suite 1201 – 409 3rd Avenue S
Saskatoon, SK S7K 5R5

Email: jmlee@mltaikins.com/

polfert@mltaikins.com

Phone: (306) 956-6970

Fax: (306) 975-4175

Solicitors for the Receiver, MNP Ltd.

SCHEDULE 1

THE FIRST REPORT OF THE RECEIVER, MNP LTD., IN RELATION TO THE LIGHTHOUSE
SUPPORTED LIVING INC.

Saskatchewan Real Estate Commission RESIDENTIAL CONTRACT OF PURCHASE AND SALE

Revised 2022

www.srec.ca

Realty Executives Battlefords Susan Kramm
 (Name of Buyer's Brokerage) (Salesperson)
1371 - 100 Street North Battleford S9A0V9 (306) 446-0048
 (Address)(Postal Code) (Telephone)
 I/Wc Cobalt Bay Capital (Trevis McConaghy)
 (Names of Buyers: herein called Buyer) (Address) (Postal Code)
Box 216, Melfort, SK
 (Names of Buyers: herein called Buyer) (Address) (Postal Code)

Work: (306) 446-0048
 (Telephone)
 Work: _____
 Home: _____
 (Telephone)
 Work: _____
 (Telephone)
 Home: _____
 (Telephone)
 Work: _____
 (Telephone)

HEREBY OFFER TO PURCHASE from
The Lighthouse Supported Living Inc
 (Names of Sellers: herein called Seller) (Address) (Postal Code)
c/o MNP Ltd
 (Names of Sellers: herein called Seller) (Address) (Postal Code)

Home: _____
 (Telephone)
 Work: _____
 (Telephone)
 Home: _____
 (Telephone)
 Work: _____
 (Telephone)

through Realty Executives Battlefords Susan Kramm Susan Kramm
 (Name of Seller's Brokerage) (Salesperson)
1371 - 100 Street North Battleford S9A 0V9 (306) 446-0048
 (Address)(Postal Code) (Telephone)

Work: (306) 441-6420
 (Telephone)
 Work: _____
 (Telephone)

the following described property: Lot 3 Blk 24 Plan 1929CNV

(Legal description or description of mobile home on leased land)

City or

having the following Civic Address: 1322 103rd STREET

RM North Battleford

1. THE TRANSACTION:

1.1 The Buyer offers to purchase the property from the Seller subject to the reservations and exceptions appearing in the existing Certificate of Title and free and clear of all encumbrances as contemplated in Section 4.6 save and except such encumbrances as are expressly agreed to be assumed by the Buyer, for the SUM (Purchase Price) of: _____ dollars:

1.2. (a) \$ _____ Purchase Price to be paid as follows.
 (b) \$ _____ Deposit by cheque , cash , e-transfer and:
 is received by the Buyer's Brokerage and to be deposited within two business days of acceptance; or
 is to be received on/before 03/29/2023 by the Buyer's Brokerage and to be deposited within two business days of receipt; and held in trust to be credited on account of purchase money pending completion or disbursed in accordance with paragraph 7.
 (c) \$ _____ by new mortgage (plus mortgage insurance fee, if required) to be arranged at the Buyer's expense.
 (d) \$ _____ (approx.) by assumption of the existing mortgage or agreement for sale.
 (e) \$ _____ by other financing: _____
 (f) \$ _____ by other terms: _____
 (g) \$ _____ by other conditions: _____
 (h) \$ _____ (approx.) balance of cash, to be paid subject to the adjustments herein provided to the Seller or the Seller's solicitor on or before the Completion Day. In closing this transaction, the Seller's solicitor and the Buyer's solicitor may by agreement between them, impose and undertake trust conditions upon each other.

Buyer acknowledges that taxes, tax credits, payments and mortgage interest rate may be subject to revision.

2. CONDITIONS:

2.1 For resale Condominiums, the conditions set out in the attached Schedule "C" form part of this contract.

2.2 This offer is subject to the following conditions:

- (a) The Buyer obtaining approval of financing on the above property in the amount as set forth in paragraph 1.2 on/before the _____ day of _____, 20_____.
- (b) **Subject to viewing the property and the buyer being satisfied with the results**
 The buyer is aware the property is "as is, where is" and is fully prepared to take the property as viewed.
 Conditions to be removed on or before March 31, 2022

The sale is subject to judicial approval (with possession to be 2 weeks after that approval, amendments will be drawn up to confirm the timeline if it differs from this contract)

3. TERMS:

- 3.1 For resale Condominiums, the terms set out in the attached Schedule "C" form part of this contract.
- 3.2 Additional terms are are not set out in the following schedule(s): _____ to this contract.
- 3.3 Unless otherwise stated herein, if the mineral title(s) for mineral commodities is/are owned by the **Seller**, the title(s) is/are included in the Purchase Price.
- 3.4 A Property Condition Disclosure Statement, if provided, will be incorporated into and form part of this contract.

4. CLOSING:

- 4.1 The **Buyer** agrees to pay to the **Seller** interest at the Bank of Canada Overnight Rate Target at the Completion Day plus 4% per annum, on any portion of the Purchase Price, less mortgages or other encumbrances assumed, not received by the **Seller**, his/her solicitor or his/her Brokerage as at the Completion Day, the interest to be calculated from the Completion Day, until monies are received by the **Seller** or his/her solicitor. The **Seller** shall have a lien and charge against the property for the unpaid portion of the Purchase Price (with interest as aforementioned).
- 4.2 **The Seller shall pay all costs of discharging any existing mortgage or other encumbrances against the property, not assumed by the Buyer.**
- 4.3 Unless otherwise agreed to in writing, this contract will be completed, the Purchase Price will be fully paid and vacant possession will be delivered by 11 *a.m.* on the 30th day of April, 2023 (the "Completion Day"). If the Completion Day is not a business day, then conveyancing matters and payment of the Purchase Price will be completed by 12:00 noon on the preceding business day.
- 4.4 **ADJUSTMENTS** re: taxes, rents, insurance, utilities, condominium fees, expenses and other income and outgoing, to be made as at Completion Day. All adjustable items are the **Buyer's** responsibility for the entire Completion Day.
- 4.5 If the property is rented and the **Buyer** is not assuming the tenancy, then the **Seller** is responsible for all costs related to ending the tenancy and to giving vacant possession to the **Buyer**.
- 4.6 Unless otherwise agreed to in writing, the **Seller** shall transfer title to the property to the **Buyer** free and clear of all encumbrances except:
- those implied by law;
 - non-financial obligations now on the title, such as easements, utility right-of-way, covenants and conditions that are normally found registered against property of this nature and which do not affect the saleability of the property;
 - homeowner association caveats, encumbrances and similar registrations; and
 - those items the **Buyer** agreed to assume in this contract.
- Upon transfer of title to the property into the name of the **Buyer**, subject only to the aforementioned encumbrances, the **Seller** may use the proceeds of the sale from the **Buyer** to discharge the encumbrances not assumed by the **Buyer**.
- 4.7 The **Seller** agrees to prepare and execute promptly any documents required to complete this transaction. The **Seller** shall pay for the preparation of the Transfer Authorization and all fees in connection with the discharge of any **Seller's** caveat based on this contract and any encumbrances required to be removed by the **Seller**.
- 4.8 The **Buyer** agrees to prepare and execute promptly any documents required to complete this transaction. The **Buyer** shall pay for the registration costs to transfer the title into the **Buyer's** name. The costs related to any mortgage or other financing of the Purchase Price, other than an Agreement for Sale, shall be paid by the **Buyer**. Costs of any Agreement for Sale shall be borne equally by the **Buyer** and **Seller**.
- 4.9 The **Buyer** and **Seller** agree that time shall be of the essence of this contract.
- 4.10 Each party shall pay their own legal fees.
- 4.11 For the purpose of giving or receiving any notice referred to in this contract and for acceptance or revocation of this offer to purchase or any counter offer thereto, such notice, acceptance or revocation must be in writing and delivered. Any notice, acceptance or revocation to be given by any party to the other shall be deemed to be duly given when delivered by hand to such party or when such notice, acceptance or revocation is sent electronically to such party and receipt thereof is confirmed. Where a **Buyer's** brokerage or a **Seller's** brokerage is listed for the **Buyer** or the **Seller**, as the case may be, such notice, acceptance or revocation shall be delivered to the **Buyer's** brokerage or the **Seller's** brokerage and is deemed to be delivered to a party when given in the manner set forth herein to the brokerage representing the party.

5. INSURANCE:

- 5.1 Unless otherwise stated herein:
- The risk of loss or damage to the property shall lie with the **Seller** until the earlier of the Completion Day or the date possession is granted to the **Buyer**.
 - The **Buyer** shall obtain insurance coverage on the property upon the earlier of the Completion Day or the date possession is granted to the **Buyer**.
- 5.2 If loss or damage to the property occurs before the **Seller** is paid the Purchase Price, then any insurance proceeds shall be held in trust for the **Buyer** and the **Seller** according to their interests in the property.

6. WARRANTIES AND REPRESENTATIONS:

- 6.1 Unless otherwise stated herein, the **Seller** represents to the best of his/her knowledge to the **Buyer** that:
- the current use of the land complies with the existing municipal land use bylaw;
 - the buildings and other improvements on the land are not placed partly or wholly on any easement or utility right-of-way and are entirely on the land and do not encroach on neighbouring lands; except where an encroachment agreement is in place; and
 - the location of the buildings and other improvements on the land complies with all relevant municipal bylaws, regulations or relaxations granted by the appropriate municipality prior to the Completion Day or the buildings and other improvements on the land are "non-conforming buildings" as the term is defined in *The Planning and Development Act, 2007*.
- 6.2 Unless otherwise stated herein, the **Seller** represents and warrants to the **Buyer** that:
- the **Seller** has the legal right to sell the property;
 - the **Seller** is not a non-resident of Canada for the purposes of the *Income Tax Act* (Canada); and
 - the attached and unattached goods included herein, are owned by the **Seller** and conveyed to the **Buyer** under this contract and are in normal working order and are free and clear of all encumbrances and shall be and remain as is at the date of acceptance of this contract until completion date. The Purchase Price shall include land, buildings and attached goods, unless otherwise stated herein, and including the following unattached goods:
-The buyer has the right to assign his/her interest in this offer prior to closing any person, corporation, or entity at the buyer's sole discretion.

In addition, the Purchase Price shall also include the items as indicated below:

water heater	included <input checked="" type="checkbox"/>	not included <input type="checkbox"/>
water softener	included <input type="checkbox"/>	not included <input checked="" type="checkbox"/>
sump pump	included <input type="checkbox"/>	not included <input checked="" type="checkbox"/>
alarm system (excluding monitoring contract)	included <input type="checkbox"/>	not included <input checked="" type="checkbox"/>
storage shed	included <input type="checkbox"/>	not included <input checked="" type="checkbox"/>
garage door opener and control(s)	included <input type="checkbox"/>	not included <input checked="" type="checkbox"/>
canister and attachments for central vacuum	included <input type="checkbox"/>	not included <input checked="" type="checkbox"/>
power nozzle for central vacuum	included <input type="checkbox"/>	not included <input checked="" type="checkbox"/>

- 6.3 All of the warranties contained in this contract and any attached schedules are made as of and will be true at the Completion Day, unless otherwise agreed to in writing.
- 6.4 The Seller and the Buyer acknowledge that, except as otherwise described in this contract, there are **no other warranties, representations or collateral agreements** made by or with the other party about the property, any neighbouring lands and this transaction, including any warranty, representation or collateral agreement relating to the size/measurements of the land and buildings or the existence of any environmental condition or problem and the Buyer hereby agrees to purchase the above described property as it stands at the price and terms and subject to the conditions above set forth.
- 6.5 The Seller and Buyer agree that the representations, warranties and covenants contained in this contract shall not merge with and shall survive the closing of the purchase and sale and the transfer of title to the property into the name of the Buyer and shall be enforceable by the Buyer after such transfer.
- 6.6 For resale Condominiums, the Seller warrants and agrees that on closing, the Seller shall provide to the Buyer, at the Seller's expense, documentation showing any material change in the Estoppel Certificate and/or Additional Items. Any particulars disclosed in the Estoppel Certificate and Additional Items shall be deemed to have been accepted and form part of the Contract of Purchase and Sale between the Buyer and the Seller.

7. REMEDIES / DISPUTES:

- 7.1 If this offer is not accepted, the entire deposit and any other monies paid, without interest, shall be returned to the Buyer.
- 7.2 If this offer is accepted and the conditions in paragraph 2. above have not been satisfied or waived in writing by the date set forth in paragraph 2. above, the entire deposit and any other monies paid by the Buyer shall be forthwith returned to the Buyer.
- 7.3 If this offer is accepted and all conditions have been removed in writing by the date set forth in paragraph 2. above and the Buyer fails to execute any required conveyance or formal documents when prepared, or fails to pay any required cash payment or comply with any of the terms in this contract, this contract shall be void at the Seller's option. Where the defaulting party is the Buyer, the deposit and any other monies shall be forthwith delivered to the Seller's brokerage as forfeiture to the seller.
- 7.4 The Buyer and the Seller agree that the provisions of this section are an agreement to disburse the trust funds pursuant to Section 16(a) of The Real Estate Regulations.
- 7.5 If substantial damage or change to the property occurs prior to the Completion Date, including any material change in the Estoppel Certificate and/or Additional Items for Condominiums, this contract shall be terminated and the deposit shall be forthwith returned to the Buyer, unless the damage is repaired and the change remedied, or otherwise agreed to by the Buyer and Seller in writing.
- 7.6 The disbursement of the deposit and other monies as agreed to above is not a prohibition from the Buyer or the Seller seeking a civil remedy for a breach of this contract.

8. OFFER:

- 8.1 Unless revoked sooner, this offer is open to acceptance by the Seller up to 4 p.m. on the 27th day of March, 2023.
- 8.2 Upon acceptance of this offer within the time prescribed in Section 8.1, this contract shall constitute a binding Contract of Purchase and Sale and be binding upon the parties hereto, their respective heirs, executors, administrators, successors and assigns.

SIGNED AND SEALED by the Buyer at _____ on the 25th day of March, 2023 in the presence of:

3/25/2023 | 5:16 PM CST

WITNESS _____

WITNESS _____

DocuSigned by:

BUYER'S SIGNATURE J McConaghy

Global Bay Capital (Trevis McConaghy)

BUYER'S SIGNATURE Box 216, Melfort, SK

9. ACCEPTANCE:

- 9.1 The Seller accepts the above offer together with all its terms and conditions contained therein and covenant to carry out the sale on the terms and conditions mentioned herein. I/we do further acknowledge my/our obligation to pay commissions or forfeiture and all applicable federal and provincial taxes to the Seller's Brokerage pursuant to the agency agreement with respect to the property. **I/WE FURTHER HEREBY IRREVOCABLY AND UNCONDITIONALLY DIRECT AND AUTHORIZE MY/OUR SOLICITOR**, as indicated by me/us below, or any other solicitor acting on my/our behalf in this sale, to pay the aforesaid taxes and commission, less the deposit hereby accepted, from the proceeds of the sale when releasable and this shall be and constitute my/our full and sufficient authority for so doing and appoints the Seller's brokerage as the Seller's irrevocable agent to demand and receive payment thereof.

SIGNED AND SEALED by the Seller at _____ on the _____ day of _____, 20____ in the presence of:

WITNESS _____

WITNESS _____

BUYER'S SOLICITOR _____

SELLER'S SIGNATURE The Lighthouse Supported Living Inc

SELLER'S SIGNATURE c/o MNP Ltd

SELLER'S SOLICITOR _____

The Saskatchewan Real Estate Commission is responsible for the regulation of the real estate industry. They may be contacted at 1-877-700-5233 toll free or 1-306-374-5233 (www.srec.ca).



LIMITED DUAL AGENCY ACKNOWLEDGEMENT FORM - 204

PURCHASE AND SALE TRANSACTIONS

(ACKNOWLEDGEMENT TO BROKERAGE ACTING FOR BOTH BUYER AND SELLER)

Developed by your Saskatchewan REALTORS® Association

TO: Realty Executives Battlefords
Susan Kramm
1371 - 100 Street North Battleford SK S9A 0V9
(BROKERAGE)

RE: 1322 103rd STREET
North Battleford SK S9A 1L1
(PROPERTY)

FROM: Cobalt Bay Capital (Trevis McConaghy)
Box 216, Melfort, SK
SOE 1A0
(BUYER)

AND: The Lighthouse Supported Living Inc
c/o MNP Ltd
(SELLER)

The Buyer and Seller acknowledge and agree that:

- The Brokerage represents the Seller regarding the sale of the Property and has agreed to try to find a Buyer for the Property.
- The Buyer has requested that the Brokerage assist the Buyer in finding suitable real estate for purchase by the Buyer.
- The Buyer's interest in the Property results in the Brokerage acting as Agent for both the Buyer and Seller regarding the possible purchase and sale of the Property.
- The Dual Agency referred to in Paragraph 3 above will result from:
 - the same salesperson acting for both the Buyer and Seller;
 - different salespersons operating out of the same branch office of the Brokerage acting for both the Buyer and Seller;
 - different salespersons operating out of different branch offices of the Brokerage acting for both the Buyer and Seller.
- The Buyer and Seller have both read and understood the Saskatchewan REALTORS® Association document entitled, "Agency Disclosure".
- The Brokerage may only act as the Agent for both the Buyer and Seller with the acknowledgment of both of them.
- The Buyer and Seller want the Brokerage to represent both of them to facilitate the purchase and sale of the Property.
- The Buyer and the Seller have carefully considered both the implications of the Brokerage acting for them in a limited capacity and the alternatives available to them.
- The Brokerage may disclose to the Buyer and Seller at any time all "comparable" property information available through the Multiple Listing Service® System or otherwise included properties for sale, sold or expired.

NOW THEREFORE, in view of the foregoing the Buyer and the Seller hereby acknowledge that the Brokerage is acting as the agent for both the Buyer and the Seller in the circumstances described in Paragraph 4 above regarding the purchase and sale of the Property and agree that the Brokerage's duties to each of them will be modified by the limitations set out in the document which are repeated below:

- a) the Brokerage will not disclose that the Buyer will pay a price or agree to terms other than those contained in the offer or that the Seller will accept a price or terms other than those contained in the Exclusive Seller's Brokerage Contract.
- b) the Brokerage will not disclose the motivation of the Buyer to buy or the Seller to sell unless authorized by the appropriate party;
- c) the Brokerage shall disclose to the Buyer all material defects about the physical condition of the Property known to the Brokerage;
- d) the Brokerage will not represent the interest of either the Buyer or the Seller to the advantage of one over the other;
- e) the Brokerage will not disclose personal or financial information of either the Buyer or the Seller unless authorized by the appropriate party.

Signed by the Buyer at _____, mm 03 dd 25 yyyy 2023
3/25/2023 | 5:16 PM CST

WITNESS _____

Trevis McConaghy
Cobalt Bay Capital (Trevis McConaghy) BUYER

WITNESS _____

Box 216, Melfort, SK BUYER

Signed by the Seller at _____, mm _____ dd _____ yyyy _____

WITNESS _____

The Lighthouse Supported Living Inc SELLER

WITNESS _____

c/o MNP Ltd SELLER

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www.srec.ca

Saskatchewan Real Estate Commission COUNTER OFFER TO RESIDENTIAL CONTRACT OF PURCHASE AND SALE

Revised 2013

This Counter Offer is attached to and forms part of the Contract of Purchase and Sale made by:

Cobalt Bay Capital (Trevis McConaghy) Box 216, Melfort, SK
(Names of Buyers)
 to The Lighthouse Supported Living Inc c/o MNP Ltd
(Names of Sellers)
 in respect to the property known as: 1322 103rd STREET North Battleford SK S9A 1L1
 _____ and dated March 25th, 2023, # 20230325
(Original Date of Contract of Purchase and Sale and document number)

The Seller accepts the attached Offer and all its terms and conditions subject to the following amendments, exceptions and/or additions and covenant to carry out the sale on the terms and conditions mentioned herein:

Price is to be _____

Offer to purchase and agreement for sale to be signed by the buyer and seller with acceptance

Unless revoked sooner, this Counter Offer shall be open for acceptance by the Buyer up to 5 p.m. the 29th day of March 2023 after which time if not accepted by the Buyer, this Counter Offer shall be null and void and any deposit paid shall be returned to the Buyer without interest. I do further acknowledge my obligation to pay commissions and all applicable federal and provincial taxes to the Seller's Brokerage pursuant to the listing agreement with respect to the property. **I/WE FURTHER HEREBY IRREVOCABLY AND UNCONDITIONALLY DIRECT AND AUTHORIZE MY/OUR SOLICITOR**, as indicated by me/us below, or any other solicitor acting on my/our behalf in this sale, to pay the aforesaid taxes and commission, less the deposit hereby accepted, from the proceeds of the sale when releasable and this shall be and constitute my/our full and sufficient authority for so doing and appoints the Seller's brokerage as the Seller's irrevocable agent to demand and receive payment thereof.

SIGNED AND SEALED AT _____ on the 27th day of March, 2023.

in the presence of: 3/27/2023 | 12:47 PM CST

WITNESS _____

WITNESS _____

IN WITNESS WHEREOF I have hereunto set my hand

 SELLER'S SIGNATURE The Lighthouse Supported Living Inc

SELLER'S SIGNATURE c/o MNP Ltd

The above Counter Offer of the Seller to my Offer is hereby accepted.

SIGNED AND SEALED AT _____ on the _____ day of _____, 20____.

in the presence of: 3/30/2023 | 9:50 AM CST

WITNESS _____

WITNESS _____

IN WITNESS WHEREOF I have hereunto set my hand

 BUYER'S SIGNATURE Cobalt Bay Capital (Trevis McConaghy)

BUYER'S SIGNATURE Box 216, Melfort, SK

SELLER SIGNING THIS FORM SHOULD NOT SIGN ACCEPTANCE OF THE ORIGINAL OFFER

The Saskatchewan Real Estate Commission is responsible for the regulation of the real estate industry. They may be contacted at 1-877-700-5233 toll free or 1-306-374-5233 (www.srec.ca).

Form #200 - 07/2017

SCHEDULE 2

THE FIRST REPORT OF THE RECEIVER, MNP LTD., IN RELATION TO THE LIGHTHOUSE
SUPPORTED LIVING INC.



Saskatchewan Real Estate Commission
AMENDMENT TO RESIDENTIAL CONTRACT OF PURCHASE AND SALE
Revised 2013

www.srec.ca

BETWEEN BUYER Cobalt Bay Capital Ltd. (Trevis McConaghy)
BUYER Box 216, Melfort, SK
AND
SELLER The Lighthouse Supported Living Inc
SELLER c/o MNP Ltd

DATED 03/25/2023 DOCUMENT # 20230325
(ORIGINAL DATE OF CONTRACT OF PURCHASE AND SALE)

Address: 1322 103rd STREET North Battleford SK S9A 1L1

Legal Description: Lot 3 Blk 24 Plan 1929CNV

With respect to the above-mentioned property, the Buyer and Seller hereby agree as follows:

The seller is unable to provide a vacant possession. With judicial approval, the possession will remain April 30, 2023 on or before May 15, 2023.

Handwritten signature/initials: T M

The Seller will provide, on a best-efforts basis, copies of the lease agreements for each of the tenants at the property

Schedule A will form a part of this agreement and will be required to be executed by the Seller and the Purchaser;

In the event that closing is completed after April 30, 2023 the Seller will provide the Purchaser with a pro-rated amount of any May 2023 rent collected.

ALL OTHER TERMS AND CONDITIONS CONTAINED IN THE SAID CONTRACT/OFFER REMAIN THE SAME AND IN FULL FORCE AND EFFECT.

Signed at on the 10 day of 04, 20 23
4/11/2023 | 8:36 AM CST

DocuSigned by:

Trevis McConaghy

3A4C5C3038CE483

BUYER'S SIGNATURE Cobalt Bay Capital Ltd. (Trevis McConaghy)

WITNESS

WITNESS

BUYER'S SIGNATURE Box 216, Melfort, SK

Signed at on the 12 day of 04, 20 23

Handwritten signature/initials

MNP Ltd. in its capacity as Receiver of

SELLER'S SIGNATURE The Lighthouse Supported Living Inc And not in its personal capacity

WITNESS

WITNESS

SELLER'S SIGNATURE c/o MNP Ltd

The Saskatchewan Real Estate Commission is responsible for the regulation of the real estate industry. They may be contacted at 1-877-700-5233 toll free or 1-306-374-5233 (www.srec.ca).

Form #804 - 07/2017

This Offer to Purchase and Agreement for Sale made the 25 day of March, 2023.

Between:

MNP LTD., in its capacity as Court-appointed Interim Receiver of THE LIGHTHOUSE SUPPORTED LIVING INC., and not in its personal or corporate capacity, having offices at 800 – 119 4th Avenue S, Saskatoon, SK S7K 5XN (the "Vendor")

- and -

Cobalt Bay Capital Ltd.
(the "Purchaser")

The Purchaser hereby offers to purchase from the Vendor, those lands (the "Lands") described as follows:

Civic Address: 1322 – 103rd Street, North Battleford, SK
Legal Descriptions: (1) Lot 3-Blk 24-Plan 1929CNV

on the following terms and conditions.

1. **TIME FOR ACCEPTANCE**

This Offer shall be open for acceptance by the Vendor up to but not after 5:00 p.m. (Saskatchewan Time) on 11 day of April, 2023.

2. **BINDING AGREEMENT**

Acceptance of this Offer by the Vendor shall give rise to a binding agreement of sale for the Lands between the Vendor and the Purchaser on the terms and conditions herein set forth.

3. **PURCHASE PRICE**

The total purchase price (the "Purchase Price") for the Lands shall be [REDACTED] Dollars, payable as follows:

(a) [REDACTED] Dollars (the "Deposit") shall be paid to Susan Kramm (the "Broker") within two (2) business days after execution of this Offer by both parties, to be held in trust by the Broker.

(b) The [REDACTED] balance of [REDACTED] Dollars shall be paid on or before the Closing Date.

4. **BUILDINGS AND IMPROVEMENTS**

The Purchase Price (and the definition of the "**Lands**") shall include the following:

- (a) all buildings, improvements, and appurtenances currently situated on the Lands; and
- (b) the chattels that the parties agree are to be included as part of the assets being sold (the "**Chattels**").

5. **ADJUSTMENTS**

On Closing, adjustments will be made with respect to rentals received, real estate taxes, operating costs, local improvement charges, accounts payable, prepaid rent and other amounts, if any, prepaid by tenants in the nature of accounts of tenants for property taxes, utilities and operating costs, deposits, utilities and any other expenses and other items customarily adjusted between a vendor and a purchaser of commercial real estate in the Province of Saskatchewan. There will be no adjustments for accounts receivable except that if the Purchaser receives monies from a tenant who was in arrears at Closing, those monies shall be paid to the Vendor to the extent of the arrears. If any adjustment cannot be accurately determined at the Closing Date, then an initial adjustment for such adjustment shall be made at the Closing Date, such adjustment to be estimated by the Vendor, acting reasonably and supported by reasonable evidence to support the estimation, with the final adjustment to be made when the information required to make it is available post-closing, with the parties to execute on the Closing Date a mutual undertaking to readjust.

6. **CLOSING DATE AND CLOSING DELIVERIES**

- (a) The closing of the sale and purchase contemplated by this Offer (the "**Closing**") shall be thirty (30) days following satisfaction or waiver of the Vendor's Condition (the "**Closing Date**"), or such earlier date as may be agreed upon by the parties. Assuming that the Vendor is in receipt of the complete Purchase Price, the Purchaser shall have possession of the Lands at 12:00 o'clock noon, local time, on the Closing Date.
- (b) On or before the Closing Date, the Vendor shall cause its solicitors, MLT Aikins LLP (the "**Vendor's Solicitors**") to deliver to Eisner Mahon Forsyth _____ (the "**Purchaser's Solicitors**"), on reasonable trust conditions mutually acceptable to both the Vendor's Solicitors and the Purchaser's Solicitors, acting reasonably, the following:
 - (i) a duly executed Interim Receiver's Closing Certificate in the matter of the Interim Receivership of The Lighthouse Supported Living Inc., KBG-SA-00149-2023;
 - (ii) statement of adjustments;
 - (iii) a declaration as to possession evidencing, inter alia, that the Vendor is not a non-resident of Canada within the meaning of Section 116 of the *Income Tax Act* (Canada);

- (iv) a mutual undertaking to readjust as contemplated by Section 5 (if any);
- (v) copies of any leases or contracts pertaining to the Lands;
- (vi) all keys and masters to any buildings located on the Lands;
- (vii) such other documents as the Purchaser or its solicitors may reasonably require to give effect to the intent of this Agreement.

All documents referred to above shall be in a form and substance satisfactory to the Purchaser and Vendor, each acting reasonably and in good faith, provided that none of the documents referred to above shall contain covenants, representations or warranties that are in addition to or more onerous upon either the Vendor or the Purchaser than those expressly set forth in the Agreement.

- (c) On or before the Closing Date, the Purchaser shall cause the Purchaser's Solicitors to deliver to the Vendor's Solicitors, in accordance with the trust conditions described in Subsection 6(b), the following:
 - (i) a certificate from the Purchaser confirming that the Purchaser is a registrant for GST purposes under the *Excise Tax Act* (Canada) as at the Closing Date, and setting out the registration number of the Purchaser for GST purposes, which, if correct, shall be conclusive of such GST registration and shall preclude the Vendor from collection of GST on Closing;
 - (ii) a mutual undertaking to readjust as contemplated by Section 5 (if any);
 - (iii) the Purchase Price, subject to adjustment as set forth herein, by way of wire transfer, solicitor's trust cheque, bank draft or certified cheque or as otherwise directed by the Vendor; and
 - (iv) such other documents as the Vendor or the Vendor's Solicitors may reasonably require to give effect to the intent of this Agreement.

All documents referred to above shall be in a form and substance satisfactory to the Purchaser and Vendor, each acting reasonably and in good faith, provided that none of the documents referred to above shall contain covenants, representations or warranties that are in addition to or more onerous upon either the Vendor or the Purchaser than those expressly set forth in the Agreement.

- (d) All documents and money described in Subsections 6(b) and 6(c) shall be delivered in escrow at the place of Closing on or before the Closing Date. It is a condition of Closing that all matters of payment execution and delivery of documents by each party to the other, the registration (or submission for registration) of the appropriate documents in the appropriate offices of public record as hereinafter provided, and the fulfilment of all other conditions of Closing provided for herein, shall be deemed to be concurrent requirements and it is specifically agreed that nothing will

be complete at the Closing until everything required as a condition precedent at the Closing has been paid, executed, delivered and satisfied.

7. **AS-IS**

- (a) The Purchaser acknowledges that the Vendor is selling pursuant to the Interim Receivership Order granted by the Saskatchewan Court of King's Bench (the "**Court**") dated February 24, 2023 (the "**Order**"), and will accept title pursuant to the operation thereof.
- (b) This agreement is made without representation, warranty, or condition with respect to the fitness, condition, zoning or lawful use of the Lands. The Purchaser will accept the Lands "as is", "where is" on the Closing Date without regard for its state of repair, location of structures, walls, retaining walls or fences (freestanding or otherwise) and subject to any judicial, municipal, or any other governmental by-laws, agreements, restrictions, or orders affecting or regarding its condition or use (including deficiency and other notices, work and other orders), as well as any registered restrictions, agreements, rights of way, easements, or covenants which run with the land. Without limiting the generality of the foregoing, the Purchaser acknowledges that neither the Vendor, nor any agent of the Vendor, has made and is making no representation or warranty with respect to compliance of the property with any environmental laws or regulations whether federal, provincial or municipal.

The Purchaser acknowledges and agrees that it has relied entirely upon its own examination, inspection and investigation with respect to the title matters, quantity, quality, fitness for purpose, condition (environmental or otherwise), and value of the Lands.

Without limiting the generality of the foregoing, the Purchaser agrees that the Vendor shall not be responsible for any defects, including any latent defects, which may have existed on the date of possession. In particular, the Purchaser acknowledges and agrees that the Vendor is not and shall not be liable for any claims, causes of action or damage, including any personal injury, that may arise as a result of the physical state of the Lands.

- (c) The Purchaser accepts any and all encroachments on or over the Lands, and all encroachments by the Lands over any other lands or interests in land including, without limitation, easements and utility rights-of-way, and shall not hold the Vendor responsible with respect to same. The Purchaser hereby accepts the Lands and the fact that they may not comply with the applicable zoning by-laws.
- (d) The Vendor has no knowledge and makes no representation whatsoever as to whether the Lands have been insulated with urea formaldehyde foam insulation or whether the Lands contain any other substances, liquids, gases, or materials which may be hazardous or toxic.

- (e) The Vendor shall not be held to make any representations or warranties with respect to the documentation provided pursuant to section 9 hereof.
- (f) The Vendor is selling only such interest as it may have in the fixtures and chattels referred to in this Offer to Purchase and Agreement for Sale and/or located on the Lands and does not warrant title thereto. On the Closing Date, the Purchaser may have possession of the fixtures and chattels then on or about the Lands "as is". A bill of sale, warranty, or other title documentation will not be provided by the Vendor and there will be no adjustment or abatement of any kind to the purchase price with respect to fixtures and chattels.
- (g) The Vendor makes no representation whatsoever with reference to the tenancy or occupancy of the Lands and the Vendor will transfer possession subject to such tenancies and occupancies as may exist as at the Closing Date without any adjustment with respect thereto.
- (h) The Purchaser agrees to assume all tenancies as may exist as at the Closing Date. The Vendor shall, on or before the Closing Date, provide the Purchaser with any documentation relating to those tenancies which it has in its possession, but shall not be required to provide any documentation signed by each tenant confirming the status of the tenancy. Adjustments shall be for current rentals and prepaid rents which have been actually received by the Vendor. All payments must have cleared the banking system.
- (i) The Purchaser acknowledges that there shall be no adjustment for any arrears of rents. The Vendor shall be responsible for any arrears and remain entitled to any rental arrears and the Purchaser shall assist the Vendor in recovering all monies owing to it.

8. **CONDITIONS PRECEDENT**

- (a) The obligation of the Vendor to complete the sale of the Lands as set forth in this Agreement shall be subject to the following condition (the "**Vendor's Condition**") being satisfied or waived, namely, that the Vendor has obtained approval of the Court for the completion of the transaction of purchase and sale contemplated herein, in the Vendor's sole and absolute discretion, within sixty (60) days from the date of this Offer to Purchase and Agreement for Sale.
- (b) The Vendor's Condition is for the sole and exclusive benefit of the Vendor. The Vendor may indicate satisfaction or waive compliance with the Vendor's Condition by written notice to the Purchaser at the Vendor's sole and absolute discretion. If the Vendor's Condition is not satisfied or waived by the Vendor in writing to the Purchaser on or before the deadline set out in sub-subsection (a) above for the removal of such Vendor's Condition, this Agreement shall be deemed to be terminated by the Vendor on the last day of the period for the removal of such Vendor's Condition, unless terminated sooner in writing by the Vendor. If this Agreement is terminated as aforesaid, then the following shall occur:

- (i) the Deposit will be returned to the Purchaser;
 - (ii) this Agreement shall be null and void and of no further force or effect whatsoever; and
 - (iii) the Vendor and Purchaser shall mutually be released from all of their respective liabilities and obligations as contained in this Agreement.
- (c) The obligation of the Purchaser to complete the sale of the Lands as set forth in this Agreement shall be subject to the following conditions (the "**Purchaser's Condition**") being satisfied or waived, namely, that:
- (i) Subject to the viewing the property and the buyer being satisfied with the results – condition removed March 31, 2023
 - (ii) The sale is subject to judicial approval
- (d) The Purchaser, on or before the deadline set out in sub-section (c) above for the removal of such Purchaser's Condition, this Agreement shall be deemed to be terminated by the Purchaser on the last day of the period for the removal of such Purchaser's Condition, unless terminated sooner in writing by the Purchaser. If this Agreement is terminated as aforesaid, then the following shall occur:
- (iv) the Deposit will be returned to the Purchaser;
 - (v) this Agreement shall be null and void and of no further force or effect whatsoever; and
 - (vi) the Vendor and Purchaser shall mutually be released from all of their respective liabilities and obligations as contained in this Agreement.

9. REPRESENTATIONS AND WARRANTIES

- (a) The Vendor represents and warrants to the Purchaser that as of the date of this Offer and on the Closing Date a follows and not further or otherwise:
- (i) The Vendor has the power, authority and capacity to enter into this Offer to Purchase and Agreement for Sale and to carry out its terms;
 - (ii) The Vendor is not now (nor will be within sixty (60) days after the Closing Date) a nonresident of Canada within the meaning of the *Income Tax Act* of Canada; and
 - (iii) The Vendor is not the agent or trustee for anyone with an interest in the Lands who is (or will be within sixty (60) days after the Closing Date) a nonresident of Canada within the meaning of the *Income Tax Act* of Canada;

- (b) The Purchaser represents to the Vendor that as of the date of this Offer and on the Closing Date as follows and not further or otherwise:
 - (i) The Purchaser has the power, authority and capacity to enter into this Offer to Purchase and Agreement for Sale and to carry out its terms,; and
 - (ii) The Purchaser is duly registered as a registrant under the *Excise Tax Act* (Canada) for the purposes of GST and its GST number is 816496301 RT0001
- (c) The Purchaser acknowledges that in purchasing the Lands it is relying solely on its own investigations and due diligence and that it is purchasing the Land on a strictly "as-is" basis. The Vendor makes no representations or warranties whatsoever respecting the Lands, their condition, or their fitness for any use or purpose.
- (d) The representations and warranties contained in Subsections 9(a) and 9(b) shall survive the completion of the transaction of purchase and sale contemplated by this Agreement and shall continue in full force and effect for the benefit of the Purchaser and the Vendor for a period of twelve months after the Closing Date.

10. **GOODS AND SERVICES TAX**

The Purchaser shall be liable for and shall indemnify and hold the Vendor harmless from any liability relating to GST which may be payable in respect of this transaction. The Purchaser agrees to self-assess, remit the GST directly to the Receiver General and timely comply with all filing and payment obligations referred to in Section 228(4) of the *Excise Tax Act* (Canada).

11. **ASSIGNMENT**

The Purchaser may assign its interest in this Offer to Purchase and Agreement for Sale in which case it shall provide to the Vendor notice of such assignment accompanied by the covenant of the assignee assuming the obligations of the Purchaser hereunder. Provided however, that no such assignment shall operate to release the Purchaser from its obligations under this Offer to Purchase and Agreement for Sale.

12. **INTEREST**

Except as otherwise expressed herein to the contrary, all amounts which shall be owing pursuant to this Agreement and not paid when due, shall bear interest, both before and after demand, judgment and default, at eight percent (8%) per annum, calculated daily and compounded semi-annually.

13. **NOTICE**

Whenever tender of monies, conveyances and any other documentation herein is called for or required to be made or any notice, demand or request is required to be given by either party to the other, such tender, notice, demand or request may be given by personal delivery

to or by prepaid registered mail addressed to the addresses stated below, and if given by mail as aforesaid, shall be deemed to have been made or given on the third business day following the date of mailing by registered mail:

(a) to the Vendor at: Susan Kramm
1371- 100 Street
North Battleford, SK S9A 0V9
(306) 446-0048

With copies to: MNP Ltd.
800 – 119 4th Avenue S
Saskatoon, SK S7K 5XN

Attention: Eric Sirrs / Chelene Riendeau
eric.sirrs@mnp.ca / chelene.riendeau@mnp.ca

MLT Aikins LLP
1201 – 409 3rd Ave S
Saskatoon, SK S7K 5R5

Attention: Jeffrey Lee, K.C. / Paul Olfert
jmlee@mltaikins.com / polfert@mltaikins.com

(b) to the Purchaser at: ___Cobalt Bay Capital Ltd. _____
___ Box 216, Melfort Sk. S0E 1A0 _____
___ 306-921-4819 _____

(c) With a copy to: _____ Eisner Mahon Forsyth _____
___ _101 Macleod Ave W, Melfort, SK. S0E 1A0___
___ _306-752-2832_____

Provided further that in the event such tender, notice or request is made or given by mail, as aforesaid, at a time when there is any interruption of mail service affecting the delivery of such mail, then tender, notice, demand or request shall not be deemed to have been made or given until one week after the date on which normal mail service is restored and provided further that such addresses may be changed by each party respectively upon five (5) days' notice to the other.

14. **SASKATCHEWAN LAW**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Saskatchewan.

15. **SCHEDULES**

All Schedules attached to this Agreement (if applicable) shall form a part hereof.

16. **WAIVER**

A waiver by either party of the strict performance by the other of any covenant or provisions of this Agreement shall not constitute waiver of any subsequent breach of any such covenant or provision, or of any other covenants, provisions or terms of this Agreement.

17. **WAIVER OF LEGISLATION**

The Purchaser hereby waives the provisions of *The Limitation of Civil Rights Act* (Saskatchewan) and agrees that the provisions of *The Land Contracts (Actions) Act* shall have no application with respect to any action with respect to this Agreement.

18. **NON-MERGER**

The provisions hereof shall survive the registration of all conveyances and shall not merge therein or therewith.

19. **SEVERABILITY**

If any provision of this Agreement or the application thereof to any party or circumstances shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provision to other persons or circumstances, if any, shall be unaffected thereby and shall be enforced to the greatest extent permitted by law.

20. **PUBLIC ANNOUNCEMENTS AND CONFIDENTIALITY**

Subject to the requirements of any applicable laws, neither party will make any public announcement or statement with respect to this Offer to Purchase and Agreement for Sale nor the transaction contemplated hereby without the consent of the other party. Except where necessary by the Purchaser for its due diligence, both parties agree to keep the transaction contemplated herein completely confidential.

21. **AMENDMENTS**

No modification, waiver, amendment or discharge of this Agreement shall be valid against the Purchaser unless the same is in writing and signed by the Vendor and the Purchaser.

22. **ENUREMENT**

The Agreement of Sale arising from the Vendor's acceptance to this Offer shall enure to the benefit of and be binding upon the parties hereto together with their respective heirs, executors, administrators, successors and assigns.

23. **TIME OF THE ESSENCE**

Time shall be of the essence.

24. **COUNTERPARTS**

This Offer to Purchase and Agreement for Sale may be accepted via email and/or fax transmission, the receipt of which shall be deemed an original for all intents and purposes. This Offer to Purchase and Agreement for Sale may be signed in counterpart and the sum of all executed parts shall be deemed to be one document.

[Remainder of page intentionally left blank, signature page to follow.]

IN WITNESS WHEREOF, THE PURCHASER has duly executed this Offer under the hands of its proper signing officer(s) in that regard this 11 day of April , 2023.

DocuSigned by:
Per: Trevis McConaghy
3A4C5C3039CE483...

Cobalt Bay Capital Ltd.–Trevis McConaghy
(Print Name & Position)
(I/We have the authority to bind the Purchaser)

VENDOR'S ACCEPTANCE

The Vendor hereby accepts the above Offer to Purchase together with all the terms and conditions contained therein, which, upon acceptance, constitutes the entire agreement between the undersigned, as Vendor, and the Purchaser in respect of the Lands.

In consideration of the Broker procuring the above Offer, the Vendor hereby agrees that a commission will be paid equal to 4% of the Purchase Price, which is to be split equally between Colliers International and the Broker. The Vendor hereby authorizes the Broker to retain the commission payment or partial payment from the Deposit.

Dated this 12 day of April , 2023.

**MNP LTD., in its capacity as Court-appointed
Interim Receiver of THE LIGHTHOUSE
SUPPORTED LIVING INC., and not in its
personal or corporate capacity**

Per: _____

Eric Sirrs - Senior VP
(Print Name & Position)
(I/We have the authority to bind the Vendor)

SCHEDULE 3

THE FIRST REPORT OF THE RECEIVER, MNP LTD., IN RELATION TO THE LIGHTHOUSE
SUPPORTED LIVING INC.

Lighthouse Supportive Living Inc. and Blue Mountain Adventure Park Inc.
Interim Receiver's Final Statement of Receipts and Disbursements
For the period February 24, 2023 to April 13, 2023

	Feb 24, 2023 to Mar 31, 2023	Variance	Feb 24, 2023 to Apr 13, 2023
RECEIPTS:			
LIGHTHOUSE			
Funds Available	14,183.78	-	14,183.78
Operating Grants	193,670.17	3,000.00	196,670.17
Rental and Service Income	188,689.59	19,927.53	208,617.12
Receiver's Borrowings	100,000.00	-	100,000.00
Miscellaneous	656.04	72.52	728.56
Funds from HSBC Account	12,358.33	-	12,358.33
BLUE MOUNTAIN			
Deposits	734.70	-	734.70
TOTAL RECEIPTS:	510,292.61	23,000.05	533,292.66
DISBURSEMENTS:			
LIGHTHOUSE			
Food Supplies	56,825.05	19,516.15	76,341.20
Administrative Expenses	270.00	-	270.00
Insurance	10,916.64	6,746.28	17,662.92
Interest and bank charges	4,727.18	769.32	5,496.50
Utilities	53,961.10	7,063.59	61,024.69
Bookkeeping	842.50	-	842.50
Repairs and Maintenance	1,385.19	-	1,385.19
Salaries and Wages	115,780.11	80,354.85	196,134.96
Master Card Payment	6,000.00	-	6,000.00
Operating Expenses (1)	11,729.21	5,135.05	16,864.26
BLUE MOUNTAIN			
Insurance	1,397.51	-	1,397.51
Payroll	7,577.05	-	7,577.05
Payroll Source Deduction	-	621.75	621.75
Utilities	3,585.58	280.83	3,866.41
TOTAL DISBURSEMENTS:	274,997.12	120,487.82	395,484.94
Excess of Receipts over Disbursements	235,295.49	- 97,487.77	137,807.72

Notes

(1) Operating Expenses include employee reimbursements, payments made to contractors, impark, office supplies, petty cash and sask fire protection.