

ENTERED

205976



COURT FILE NO. 2001-03935

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

APPLICANT VANCITY COMMUNITY INVESTMENT BANK

RESPONDENTS FIRST STREET PLAZA (2006) LIMITED PARTNERSHIP by its general partner FIRST STREET PLAZA GP LTD.; LOUISE BLOCK LIMITED PARTNERSHIP by its general partner LOUISE BLOCK CAPITAL CORP.; MACLEOD PLACE LIMITED PARTNERSHIP by its general partner MACLEOD PLACE LTD.; RIAZ MAMDANI; and IEC LTD.

DOCUMENT SECOND REPORT OF THE RECEIVER IN THE MATTER OF THE RECEIVERSHIP OF FIRST STREET PLAZA (2006) LIMITED PARTNERSHIP by its general partner FIRST STREET PLAZA GP LTD.; LOUISE BLOCK LIMITED PARTNERSHIP by its general partner LOUISE BLOCK CAPITAL CORP.; and MACLEOD PLACE LIMITED PARTNERSHIP by its general partner MACLEOD PLACE LTD.

FILED February 18, 2021

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT Counsel
McMillan LLP
Royal Centre, 1500 - 1055 W Georgia Street
Vancouver, BC V6E 4N7

Telephone: 236-826-3022
Facsimile: 604-685-7084
Email: vicki.tickle@mcmillan.ca

Attention: Vicki Tickle

Receiver

MNP Ltd.
Suite 1600, 1021 West Hastings Street
Vancouver, BC V6E 0C3

Telephone: 604-637-1535
Facsimile: 604-904-8628
Email: patty.wood@mnp.ca

Attention: Patty E. Wood

COM
OT
Feb. 24, 2021
Justice Shelley

Table of Contents

BACKGROUND.....	4
NOTICE TO READER.....	6
PURPOSE	6
SALE OF LOUISE BLOCK	7
OUTLINE OF RECEIVER’S ADMINISTRATION FROM NOVEMBER 7, 2020 TO DATE.....	8
SALES PROCESS UNDERTAKEN AND PROPOSED SALE OF MACLEOD PLACE I AND II	
Sales Process Undertaken	9
Proposed Sale.....	10
SEALING OF THE SECOND CONFIDENTIAL REPORT	12
OUTLINE OF PRIORITY CLAIMS	
Secured Claims	12
Statutory Priority Claims	13
Other Registered Financial Charges	13
FEES AND DISBURSEMENTS OF THE RECEIVER.....	14
FEES AND DISBURSEMENTS OF THE RECEIVER’S COUNSEL.....	15
DISTRIBUTION OF PROCEEDS	15
RECOMMENDATION AND CONCLUSION	16

Appendices

- Appendix A Interim Statement of Receipts and Disbursements dated February 10, 2021 for Louise Block
- Appendix B Interim Statement of Receipts and Disbursements dated February 10, 2021 for First Street Plaza
- Appendix C Interim Statement of Receipts and Disbursements dated February 10, 2021 for Macleod Place I and II
- Appendix D Letter dated February 1, 2021 from Avison Young setting out marketing summary for Macleod Place I and II
- Appendix E Agreement of Purchase and Sale executed by Macleod Place 1 & 2 Capital Corp., as general partner for and on behalf of Macleod Place 1 & 2 Limited Partnership and the Receiver on February 10, 2021
- Appendix F Summary of the Receiver's professional fees incurred from October 1, 2020 to January 31, 2021
- Appendix G Consolidated Time by Professional regarding accounts of Receiver
- Appendix H Summary of the professional fees of the Receiver's legal counsel incurred from October 1, 2020 to January 31, 2021
- Appendix I Consolidated Time by Professional regarding accounts of Receiver's legal counsel

BACKGROUND

1. Pursuant to an Order (the "**Receivership Order**") granted by the Court of Queen's Bench of Alberta (the "**Court**") on March 20, 2020, and effective May 8, 2020 (the "**Receivership Date**") upon filing a Termination Certificate with the Clerk of the Court, MNP Ltd. was appointed as Receiver and Manager (in such capacity, the "**Receiver**") over the following lands and premises, and all property used in the business or affairs carried on by Louise Block Limited Partnership by its general partner Louise Block Capital Corp., First Street Plaza (2006) Limited Partnership by its general partner First Street Plaza GP Ltd., and Macleod Place Limited Partnership by its general partner Macleod Place Ltd. (collectively, the "**Debtors**") at those lands and premises, namely:

Title #: 051392048

Legal Description:

Plan "A"

Block 72

Lots 37 to 40 inclusive

Civic Address: 1018 Macleod Trail SE, Calgary, Alberta

Titleholder: Louise Block Capital Corp.

("Louise Block")

Title #: 071146388

Legal Description:

Plan C

Block 16

Lots 21 to 24

Excepting thereout a portion for street widening on Plan 8310173

Excepting thereout all mines and minerals

Civic Address: 138 – 4th Avenue SE, Calgary, Alberta

Titleholder: First Street Plaza GP Ltd.

("First Street Plaza")

Title #: 131062248

Legal Description:

Plan 4269HS

Block 1

Lot 2

Excepting thereout all mines and minerals

Civic Address: 5920 and 5940 Macleod Trail SW, Calgary

Titleholder: Macleod Place Ltd.

("Macleod Place I and II", and collectively with Louise Block and First Street Plaza, the "**Properties**")

2. The Debtors form part of the Strategic Group of companies that owned and managed various real estate in Calgary and elsewhere in Alberta. On December 10, 2019, an Initial Order was granted by the Court pursuant to the *Companies' Creditors*

Arrangement Act in respect of a number of Strategic Group entities, including the Debtors.

3. On December 20, 2019 the Court denied an application to extend the stay of proceedings granted under the Initial Order and granted an Interim Receivership Order appointing Alvarez & Marsal Canada Inc. (“A&M”) as interim receiver and receiver and manager of the Strategic Group of companies, including the Debtors. The Interim Receivership Order was in place at the time that the Receivership Order was granted.
4. Macleod Place I and II are two office towers with a total building area of approximately 183,400 square feet and at the date the Receivership Order was pronounced, were approximately 74% occupied.
5. Other than the Properties, the Debtors’ assets consist primarily of some minimal chattels and past due rental obligations owing by various tenants.
6. After the Receivership Date, A&M paid surplus cash on hand from operating the Properties to the Receiver which funds were deposited to the receivership trust accounts for each of Louise Block, First Street Plaza, and Macleod Place I and II. A&M retained funds to deal with final costs that may arise from the transition of the Properties to the Receiver. On February 3, 2021, A&M was holding \$22,000 in trust for Louise Block, \$579 in trust for First Street Plaza, and \$28,714 in trust for Macleod Place I and II, all of which is net of Goods and Services Tax (“GST”) to be remitted.
7. We understand that the Debtors had no employees. Prior to A&M being appointed as interim receiver, the Properties had been managed by a property management company that was part of the Strategic Group.
8. At the date of the Receivership Order, Vancity Community Investment Bank (“VCIB”) was the senior secured creditor of the Debtors pursuant to various loan and security agreements in relation to the Properties and was the applicant creditor in these proceedings. The loans to the Debtors are ‘siloe’d’ in the sense that the loans are not cross-guaranteed or cross-collateralized as between the Debtors’ assets. The Receiver understands that these loans are, however, guaranteed by Riaz Mamdani, the principal of the Strategic Group, or other entities that are part of the Strategic Group.
9. VCIB is also the senior secured creditor of two other Strategic Group entities, which held two other commercial office buildings that were part of the CCAA Proceedings and Interim Receivership Order, but those entities and assets are not part of this proceeding.
10. As at November 30, 2020, the Debtors owed an aggregate of \$37,299,963.11, plus accruing interest, and exclusive of legal fees and other costs and disbursements, to VCIB. That aggregate debt is composed of amounts owing by the Debtors as follows:
 - i. Louise Block: \$3,006,118.92;
 - ii. First Street Plaza: \$13,512,579.57; and

- iii. Macleod Place I and II: \$20,781,264.62.
- 11. Computershare Trust Company of Canada, as mortgage custodian for Trez Capital Limited Partnership (collectively, "**Trez Capital**") holds a registered second mortgage against title to Macleod Place I and II (the "**Trez Second Mortgage**"), registered on June 10, 2019.
- 12. In January 2021, VCIB and Trez Capital executed an agreement whereby VCIB assigned its interest in the various debt and security respecting Macleod Place I and II to Trez Capital. Further details respecting the assignment are set out later in this report.

NOTICE TO READER

- 13. This report constitutes the Second Report of the Receiver (the "**Second Report**"). The Receiver has prepared two prior reports to the Court dated November 6, 2020 ("**First Report**" and "**First Confidential Report**"). This report should be read in conjunction with those prior reports.
- 14. In preparing this Second Report and making the comments herein, the Receiver has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information of the Debtors, the Debtors' 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 (the "**Standards**").
- 15. Additionally, none of the Receiver's procedures were intended to disclose defalcations or other irregularities. If the Receiver were to perform additional procedures or to undertake an audit examination of the Information in accordance with the Standards, additional matters may come to the Receiver's attention. Accordingly, the Receiver does not express an opinion nor does it provide any form of assurance on the financial or other Information presented herein. The Receiver may refine or alter its observations as further Information is obtained or brought to its attention after the date of this report.

PURPOSE

- 16. The purpose of the Second Report is to advise the Court with respect to the following matters:
 - a) Sale of Louise Block;
 - b) Outline of Receiver's activities from November 7, 2020 to date;
 - c) Receiver's Interim Statements of Receipts and Disbursements to February 10, 2021;

- d) Sales process undertaken by the Receiver and proposed sale of Macleod Place I and II;
 - e) Priority claims;
 - f) Fees and disbursements of the Receiver; and
 - g) Fees and disbursements of the Receiver's legal counsel.
17. The Second Report has also been filed in support of the Receiver's application to this Honourable Court returnable on February 24, 2021 requesting the following relief:
- a) An order (the "**Macleod Place Vesting Order**") approving the sale of Macleod Place I and II to Macleod Place 1 & 2 Capital Corp., as general partner for and on behalf of Macleod Place 1 and 2 Limited Partnership (the "**Purchaser**");
 - b) Sealing the Second Confidential Report of the Receiver;
 - c) Approving a distribution to Canada Revenue Agency;
 - d) Approving the reported actions of the Receiver; and
 - e) Approving the professional fees and disbursements of the Receiver and of its legal counsel.

SALE OF LOUISE BLOCK

18. Pursuant to the terms of the Receivership Order, the Receiver was authorized to market the Properties, to solicit offers in respect of the Properties and to negotiate such terms and conditions of sale as the Receiver deems appropriate, with any eventual sale being subject to Court approval.
19. Pursuant to an Order granted by the Court on November 13, 2020, (the "**Louise Block Vesting Order**"), the Court approved the sale of Louise Block, and authorized and directed the Receiver to complete the sale.
20. The sale closed on December 14, 2020, and the Receiver received the adjusted sale proceeds which were deposited to the Receiver's trust account maintained for Louise Block. The Receiver filed the Receiver's Certificate on January 7, 2021 in accordance with the Louise Block Vesting Order.

OUTLINE OF RECEIVER'S ADMINISTRATION FROM NOVEMBER 7, 2020 TO DATE

21. As reported in the First Report, the Receiver entered into a property management agreement with an effective date of May 8, 2020 with Colliers Macauley Nicolls Inc. ("**Colliers**") to manage, operate, and maintain the Properties.
22. The Receiver and Colliers continued to manage Louise Block until the sale closed on December 14, 2020. The Receiver dealt with matters in relation to the sale of real and personal property and effected the transfer of Louise Block to the purchaser.
23. As reported in the First Report, the Receiver borrowed \$125,000 (the "**Borrowed Funds**") from VCIB on September 1, 2020. After completing the sale of Louise Block, the Receiver was able to repay the principal balance of \$125,000 and \$1,303.48 in respect of interest that had accrued on the Borrowed Funds.
24. The Receiver also made a distribution to VCIB in the amount of \$1,800,000 on account of the security held by VCIB in respect of Louise Block.
25. The Receiver cancelled insurance coverage with respect to Louise Block and executed documents in relation to same.
26. The Receiver corresponds regularly with Colliers in respect of the Properties and provides funding to Colliers for approved operating costs and other expenditures required to maintain the Properties, including final operating expenses in relation to Louise Block.
27. The Receiver prepared monthly variance reports with respect to cash flow projections which had been prepared by the Receiver in relation to the Properties' operations and administration of the receivership proceedings.
28. The Receiver continued to collect rent from tenants and corresponded with a number of tenants with respect to various property management and lease related matters.
29. The Receiver had ongoing discussions and correspondence with respective mortgage lenders regarding the operations and management of the Properties.
30. The Receiver, VCIB, and Trez Capital participated in discussions and exchanged correspondence regarding an assignment agreement between the two mortgage lenders (discussed further below).
31. The Receiver received offers in relation to First Street Plaza and reviewed these offers with Avison Young Real Estate Alberta Inc. ("**Avison Young**"), and that property's mortgage lenders. The offers were not accepted.
32. The Receiver prepared cash flow projections in relation to First Street Plaza for January through March 2021.

33. The Receiver participated in discussions and exchanged correspondence with VCIB and Connect First Credit Union Ltd. (“**Connect First**”), which were parties to a participation agreement in connection with a loan and associated security in respect of First Street Plaza, regarding an assignment between the two mortgage lenders. On or about February 1, 2021, VCIB and Connect First entered into agreement whereby VCIB assigned its remaining interest in the debt and security in respect of First Street Plaza to Connect First.
34. Details of the Receiver’s receipts and disbursements to February 10, 2021, for each of Louise Block, First Street Plaza, and Macleod Place I and II are attached respectively in **Appendix “A”**, **Appendix “B”**, and **Appendix “C”** to this report.
35. The Receiver prepared and filed GST returns for each of the Debtors as required.
36. As reported in the First Report, the Receiver retained McMillan LLP (“**McMillan**”) as its independent legal counsel. The Receiver requested that McMillan complete a review of the various loan and security documents in respect of Macleod Place I and II.
37. The Receiver attended to its duties pursuant to section 246 of the *Bankruptcy and Insolvency Act*.
38. The Receiver maintained and updated the Service List and the Receiver’s website for the receivership proceedings. Copies of relevant documents relating to these proceedings are available on the Receiver’s website at:

<https://mnpdebt.ca/en/corporate/corporate-engagements/louise-block-first-street-plaza-macleod-place>
39. The Receiver has received and responded to various creditor and stakeholder inquiries throughout the receivership proceedings.

SALES PROCESS UNDERTAKEN AND PROPOSED SALE OF MACLEOD PLACE I AND II

Sales Process Undertaken

40. As set out in the First Report, the Receiver retained Avison Young to market the Properties, and on or around July 20, 2020, the Receiver entered into Exclusive Commercial Listing Agreements with Avison Young for Louise Block, First Street Plaza, and Macleod Place I and II respectively (the “**Listing Agreements**”). As previously reported, Louise Block was sold on December 14, 2020.
41. First Street Plaza and Macleod Place I and II (the “**Remaining Properties**”) have been marketed to date without listing prices.
42. The Receiver prepared Sales Process Confidentiality Agreements which are provided by Avison Young to interested parties. Parties who execute the Sales Process

Confidentiality Agreement are provided with access to electronic data rooms which are maintained for each of the Remaining Properties. The electronic data rooms include various building, financial and operating information provided to Avison Young by the Receiver.

43. Avison Young formally began its marketing campaign in respect of Macleod Place I and II in September 2020, and a number of parties expressed interest in Macleod Place I and II. Sixteen (16) parties executed the Sales Process Confidentiality Agreements with respect to Macleod Place I and II and were provided with electronic access to the relevant electronic data room.
44. Avison Young and the Receiver have carried out various marketing activities in relation to Macleod Place I and II. These activities include:
 - a) online posting on Avison Young's national website;
 - b) online posting on MNP's national website; and
 - c) e-mail notification to 598 contacts in Avison Young's database.
45. Avison Young provided the Receiver with a summary of the marketing activities undertaken from September 2020 through January 2021 with respect to Macleod Place I and II. A copy of Avison Young's letter dated February 1, 2021 is attached as **Appendix "D"** to this Second Report.
46. To date, nine (9) offers have been received and reviewed by the Receiver and the primary secured lender. Details concerning the various offers that were submitted are provided in the Receiver's Second Confidential Report dated February 18, 2021 ("**Second Confidential Report**"). The Receiver is of the view that this additional information could be prejudicial to the sales process if publicly available. Accordingly, the Receiver seeks to have the Second Confidential Report sealed until such time as a sale of Macleod Place I and II has concluded. This additional information has been provided to VCIB or Trez Capital, as applicable, as the party with the primary economic interest in the proposed sale, and the Receiver does not believe that any party is materially prejudiced by the sealing sought.

Proposed Sale

47. The highest and best offer received to date is the offer received from the Purchaser, on January 18, 2021. An Agreement of Purchase and Sale was executed between the Purchaser and the Receiver on February 10, 2021 (the "**PSA**"), which is subject only to the Court's approval. A redacted copy of the PSA is attached as **Appendix "E"** to this Second Report. An un-redacted version is attached to the Second Confidential Report.
48. The Purchaser paid the Receiver a deposit toward the purchase price in the amount of \$500,000.00 which has been deposited to the Receiver's trust account for Macleod Place I and II.

49. The proposed sale of Macleod Place I and II also includes chattels, security deposits received from tenants and held by the Receiver, and amounts owing to Macleod Place Limited Partnership and its general partner, Macleod Place Ltd. by tenants pursuant to the commercial leases in relation to Macleod Place I and II. Further, the Purchaser will take an assignment of the commercial leases and assume all obligations thereunder.
50. The material terms of the proposed transaction are as follows:
- a) Purchase Price: Disclosed in the Second Confidential Report;
 - b) Conditions Precedent: Court approval only;
 - c) Closing: On or before fifteen (15) business days following the issuance of the Macleod Place Vesting Order;
 - d) Satisfaction of Purchase Price: The purchase price shall be satisfied on the closing date by way of application of the deposit in the amount of \$500,000.00, assumption of the existing mortgage security currently registered against title to Macleod Place I and II in favour of Trez Capital in an amount disclosed in the Second Confidential Report, and the balance in cash.
- The purchase price is subject to applicable adjustments for income and expense items and other standard adjustments at closing. All taxes payable in connection with the purchase and sale shall be the responsibility of the Purchaser and shall be paid as and when required by law; and
- e) Purchase Price Allocation: The Purchaser has indicated that \$200,000.00 of the purchase price is allocated to personal property, and the balance is allocated to real property.
51. The sale is to be completed on an “as is, where is” basis with no surviving representations or warranties being made by the Receiver.
52. Commissions payable to Avison Young pursuant to the Listing Agreements are calculated at 1.75% of the gross purchase price (plus GST). Avison Young has agreed to reduce commissions owing on the proposed sale of Macleod Place I and II by approximately \$80,785.
53. Calgary’s real estate market continues to be in a depressed state. The extreme uncertainty surrounding Calgary’s economic outlook due to the collapse of oil prices, combined with the economic impacts from the COVID-19 pandemic and rising downtown Calgary office market vacancy rates (Q4 – 29.4%) are all factors which continue to negatively impact values in the Calgary’s real estate office market.
54. VCIB had commissioned an appraisal of Macleod Place I and II from Colliers International. The appraisal report (the “**Appraisal**”) which was dated March 6, 2020 with an effective date of February 1, 2020, was shared with the Receiver. Colliers International subsequently revised its valuation to reflect a correction regarding available on-site parking and provided an updated appraisal report on January 14, 2021

(the “**Updated Appraisal**”). VCIB has requested that the contents of the Appraisal and Updated Appraisal remain confidential. Excerpts from these reports are attached to the Second Confidential Report.

55. While the amount offered by the Purchaser is less than the appraised value of Macleod Place I and II, the proposed sale is within the range of market valuations provided by the various realtors in their proposals for Macleod Place I and II. The Receiver is satisfied that Macleod Place I and II has been fully and adequately marketed, that the proposed sale represents the best price achievable in the current market, and there is unlikely to be any net benefit obtained by extending the sales process further.
56. The Receiver recommends that the Court approve the proposed sale to the Purchaser. It is our understanding that Trez Capital, the senior secured creditor in these proceedings and the party with the primary economic interest, supports the sale.

SEALING OF THE SECOND CONFIDENTIAL REPORT

57. The Second Confidential Report contains excerpts from appraisal reports commissioned by VCIB with respect to Macleod Place I and II, as well as an unredacted copy of the PSA. The Second Confidential Report also sets out details of other offers with respect to Macleod Place I and II submitted to date, and other commercially sensitive information.
58. At the February 24, 2021 hearing, the Receiver is seeking to seal the Second Confidential Report until the proposed sale of Macleod Place I and II closes, or until further Order of this Honourable Court. The Receiver is of the view that disclosing the appraised value, the purchase price, and details of the various competing offers would likely be detrimental to creditor recoveries if the proposed sale does not close, and the Receiver resumes marketing activities for Macleod Place I and II.

OUTLINE OF PRIORITY CLAIMS

Secured Claims

59. The Receiver obtained an opinion from its independent counsel, McMillan, with respect to the security granted by Macleod Place Limited Partnership and its general partner, Macleod Place Ltd. to VCIB. In particular, the review included:
 - a. A mortgage granted by Macleod Place Ltd. as general partner for Macleod Place Limited Partnership in favour of Citizens Bank of Canada dated March 12, 2013 as amended by a Mortgage Extension and Amending Agreement dated April 1, 2019; and
 - b. a site-specific general security agreement, granted by Macleod Place Ltd. and Macleod Place Limited Partnership by its general partner, Macleod Place Ltd. in favour of Citizens Bank of Canada dated March 12, 2013,

(together, the “**VCIB Security**”).

60. As noted above, the VCIB Security was executed by and granted in favour of Citizens Bank of Canada. We understand that Citizens Bank of Canada subsequently changed its name to Vancity Community Investment Bank under the provisions of the *Bank Act*.
61. The security interests created by the VCIB Security were registered in the Alberta Land Title Office and the Personal Property Registry (Alberta) in favour of VCIB.
62. The legal opinion indicated that, based on a review of the VCIB Security, and searches conducted, the VCIB Security is valid and enforceable against Macleod Place Ltd. and Macleod Place Limited Partnership.
63. As at January 14, 2021, VCIB was owed a total of \$21,066,082.87 plus accruing interest, and exclusive of legal fees and other costs and disbursements in respect of Macleod Place I and II pursuant to the VCIB Security.
64. On January 21, 2021 Trez Capital wrote to the Receiver confirming that, pursuant to an Assignment Agreement between VCIB and Trez Capital dated January 21, 2021, VCIB irrevocably assigned to Trez Capital the VCIB Security and associated debt obligations in respect of Macleod Place I and II. Legal counsel for VCIB has confirmed to the Receiver that the VCIB Security has been assigned in its entirety, and that the assignment is unconditional and irrevocable.
65. The Receiver has been advised that Trez Capital has submitted registrable transfer documents to the Alberta Land Title Office with respect to the VCIB Security.
66. Searches of Macleod Place I and II indicate no prior registered mortgage or security documents registered against title to Macleod Place I and II. As such, it appears that Trez Capital currently holds a first-ranking mortgage on Macleod Place I and II, as a result of the assignment of the VCIB Security from VCIB to Trez Capital. Trez Capital also holds the Trez Second Mortgage.

Statutory Priority Claims

67. The Receiver received a letter from Canada Revenue Agency (“**CRA**”) dated October 8, 2020 advising that \$62,568.00 is owed by Macleod Place Limited Partnership on account of unremitted GST, and of that amount, \$43,634.57 has the benefit of deemed trust priority. The Receiver has confirmed that the deemed trust amount pertains to GST returns filed for the period November 1, 2019 up to and including December 20, 2019.
68. Accordingly, it is the Receiver’s view that the deemed trust claim of CRA will rank in priority to any other claims against the cash on hand at the date of the Receivership Order and the \$200,000 allocated to personal property pursuant to the proposed sale.

Other Registered Financial Charges

69. A search of the records kept with the Alberta Land Title Office also disclosed the following builders' liens registered against title to Macleod Place I and II, along with related Certificates of Lis Pendens registrations:
- i. Builders' lien registered in the amount of \$178,011 as well as Certificate of Lis Pendens, both of which were registered on September 4, 2019 in favour of 1514012 Alberta Ltd.
 - ii. Builders' lien registered in the amount of \$18,990 as well as Certificate of Lis Pendens, both of which were registered on November 28, 2019 in favour of 7 Construction Inc.
 - iii. Builders' lien registered in the amount of \$3,288 as well as Certificate of Lis Pendens, both of which were registered on December 16, 2019 in favour of NU-MUN Contracting Ltd.
 - iv. Builders' lien registered in the amount of \$9,650 as well as Certificate of Lis Pendens, both of which were registered on December 20, 2019 in favour of Read Jones Christoffersen Ltd.
70. The amount of the purchase price under the proposed sale is less than the amount owing to Trez Capital pursuant to the assigned VCIB Security and the Trez Second Mortgage. Therefore, no funds will be available to satisfy subsequent financial charges.

FEES AND DISBURSEMENTS OF THE RECEIVER

71. Pursuant to the Receivership Order, the Receiver and its legal counsel are to pass their accounts from time to time, and for that purpose are referred to a judge of the Court of Queen's Bench of Alberta.
72. By Order pronounced on November 13, 2020, the Receiver's fees and expenses, including those of McMillan, as set out in the First Report were approved by the Court.
73. The Receiver has rendered accounts in respect of professional fees incurred from October 1, 2020 to January 31, 2021 which total \$294,233.50 plus GST for a total of \$308,945.20 (the "**Receiver's Fees**"). The time entries in these accounts contain details of the Receiver's efforts to sell the Properties, references to legal advice provided to the Receiver by its counsel, and other commercially sensitive information that could be prejudicial to the sales process if publicly available. Copies of the Receiver's accounts have been provided to VCIB or Trez Capital, as applicable, as the party with the primary economic interest.
74. Attached hereto as **Appendix "F"** is a summary of the Receiver's Fees from October 1, 2020 to January 31, 2021. All fees were charged at the Receiver's standard hourly rates from time to time.
75. Fees of the Receiver pertaining to general receivership matters which do not specifically pertain to Louise Block, First Street Plaza, or Macleod Place I and II, have

been allocated to each of Louise Block, First Street Plaza, and Macleod Place I and II on the basis of estimated property value. The senior secured lenders to the Properties have agreed with this basis of allocation. As such, Receiver's fees rendered with respect to general receivership matters have been allocated and paid from each receivership trust account in the following percentages:

- i. Louise Block: 11%;
 - ii. First Street Plaza: 23%; and
 - iii. Macleod Place I and II: 66%.
76. Attached hereto as **Appendix "G"** is a summary of the time expended by the officers and employees of the Receiver in relation to the matters which are the subject of the Receiver's accounts which are referenced in Appendix "F". As set out in Appendix "G", the hours relating to the services provided by the officers and employees of the Receiver in relation to the matters dealt with in such accounts totalled 641.7 hours.

FEES AND DISBURSEMENTS OF THE RECEIVER'S COUNSEL

77. Attached hereto as **Appendix "H"** is a summary of the invoices for the legal fees and disbursements of the Receiver's counsel, McMillan from October 1, 2020 to January 31, 2021. As set out in that appendix, the fees relating to the legal services provided by McMillan during the applicable time period totalled \$96,990.50 and the disbursements totalled \$906.58 all before applicable taxes. McMillan has advised that all fees were charged at standard hourly rates from time to time.
78. Invoices for legal fees and disbursements of McMillan that have been rendered in respect of general receivership matters have been allocated and paid from the receivership trust accounts on the same basis as reported above.
79. Attached hereto as **Appendix "I"** is a summary of the time expended by the partners and employees of McMillan acting as counsel to the Receiver in relation to the matters which are the subject of the accounts rendered to the Receiver as set out in Appendix "H". As set out in Appendix "I", the hours relating to the services provided by McMillan in relation to the matters dealt with in such accounts totalled 159.7 hours.
80. The Receiver has reviewed the accounts of McMillan rendered in this matter and is satisfied that the work detailed therein was completed by McMillan at the request of the Receiver and was necessary. In the Receiver's experience, the fees and rates charged by McMillan in those invoices are consistent with those charged by other law firms for work of a similar nature and complexity in Alberta and British Columbia.

DISTRIBUTION OF PROCEEDS

81. Based upon the claims known to the Receiver to date, the Receiver seeks approval of the following payment from funds held by the Receiver:

- a) To CRA - \$43,634.57 on account of unremitted GST owed by Macleod Place Limited Partnership, and which has the benefit of deemed trust priority.

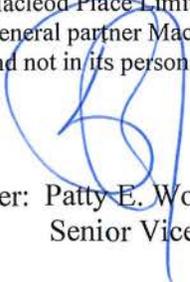
RECOMMENDATION AND CONCLUSION

82. The Second Report has been prepared to provide the Court with information on the following relief to be sought by the Receiver at the hearing on February 24, 2021:
 - a) sealing the Second Confidential Report until the filing of the Receiver's Closing Certificate (as defined in the Macleod Place Vesting Order), or further order of the Court;
 - b) approving the Receiver's reported activities in administering these receivership proceedings provided that only the Receiver, in its personal capacity and with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval;
 - c) approving the sale to and vesting of Macleod Place I and II in the Purchaser;
 - d) authorizing the payment of \$43,634.57 to CRA on account of its deemed trust priority; and
 - e) approving the accounts of the Receiver and its counsel, McMillan, as summarized in this Second Report.
83. The Receiver recommends approval of the sealing of the Second Confidential Report, the proposed sale of Macleod Place I and II to the Purchaser, and the distribution to CRA.

All of which is respectfully submitted this 18th day of February, 2021.

MNP Ltd.

in its capacity as Receiver of
Louise Block Limited Partnership by its
General partner Louise Block Capital Corp.,
First Street Plaza (2006) Limited Partnership by its
General partner First Street Plaza GP Ltd., and
Macleod Place Limited Partnership by its
General partner Macleod Place Limited.
and not in its personal or corporate capacity

Per:  Patty E. Wood CPA, CGA, CIRP, LIT
Senior Vice President

Appendix A

**In the Matter of the Receivership of
Louise Block Limited Partnership by its general partner Louise Block Capital Corp.**

**Interim Statement of Receipts and Disbursements
As at February 10, 2021**

RECEIPTS

Rental Income	\$	151,624.43
Cash on Hand		5,573.00
Pre Receivership GST Refund		2,855.60
GST Collected		4,015.22
Sale of Real Property		2,285,714.29
Total Receipts	\$	2,449,782.54

DISBURSEMENTS

Bank Fees	\$	279.05
Commission - Sale of Real Property		15,000.00
Fees - OSB/Registrar		70.00
GST Paid on Disbursements		12,275.59
Insurance		21,312.28
Interest on Receiver's Borrowings		1,303.48
Legal Fees and disbursements		55,349.38
Licenses & Permits		294.25
Operating Costs		85,372.65
Payment to Secured Creditor		1,800,000.00
Property Taxes		44,745.93
Receiver's Fees		121,509.64
Total Disbursements	\$	2,157,512.25

CASH ON HAND

\$ 292,270.29

Appendix B

**In the Matter of the Receivership of
First Street Plaza (2006) Limited Partnership by its general partner First Street Plaza GP Ltd.**

**Interim Statement of Receipts and Disbursements
As at February 10, 2021**

RECEIPTS

Rental Income	\$	1,409,145
Cash on Hand		205,879
GST Collected		4,311
Total Receipts	\$	1,619,335

DISBURSEMENTS

Bank Fees	\$	356
Leasing Commissions		25,192
Fees - OSB/Registrar		70
GST Paid on Disbursements		600
Insurance		94,007
Legal Fees and disbursements		30,624
Licenses & Permits		294
Operating Costs		261,263
Payment to Secured Creditor		450,000
Property Taxes		59,437
Receiver's Fees		145,144
Total Disbursements	\$	1,066,987

CASH ON HAND

\$ 552,348

Appendix C

**In the Matter of the Receivership of
MacLeod Place Limited Partnership by its general partner Macleod Place Ltd.**

**Interim Statement of Receipts and Disbursements
As at February 10, 2021**

RECEIPTS

Rental Income	\$	2,167,148
Cash on Hand		806,553
Deposit on Real Property Sale		500,000
GST Collected		21,822
Total Receipts	\$	3,495,523

DISBURSEMENTS

Bank Fees	\$	899
Leasing Commissions		8,570
Fees - OSB/Registrar		70
GST Paid on Disbursements		22,877
Insurance		240,580
Legal Fees and disbursements		48,238
Licenses & Permits		294
Operating Costs		609,712
Property Taxes		393,527
Receiver's Fees		274,314
Total Disbursements	\$	1,599,081

CASH ON HAND

\$ 1,896,442

Appendix D



Eighth Avenue Place West
585 - 8th Avenue SW
Suite 1200
Calgary, AB
T2P 1G1
Canada

T 403.262.3082
F 403.262.3325

avisonyoung.com

February 1, 2021

Patty Wood, CIRP, LIT, CPA, CGA
SENIOR VICE-PRESIDENT
MNP LTD



RE: Marketing Summary for Macleod Place I & II

Avison Young formally started our marketing campaign for Macleod Place I & II on September 14, 2020. We sent a summary marketing email to 598 potential investors and 338 unique people opened the email. In addition to direct outreach to potential investors we also advertised the building for sale on our corporate website.

Sixteen unique groups signed the confidentiality agreement to access preliminary due diligence information and Avison Young conducted four property tours. At least two other parties conducted their own tours of the buildings.

We received nine offers from five unique groups since our marketing campaign began.

Please feel free to contact me with any questions.

Regards,

A handwritten signature in blue ink, appearing to read "Walsh Mannas".

Walsh Mannas
Principal, Avison Young

Appendix E

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT dated the 10th day of February, 2021,

BETWEEN:

**MACLEOD PLACE 1 & 2 CAPITAL CORP., as general
partner for and on behalf of MACLEOD PLACE 1 & 2
LIMITED PARTNERSHIP**

(hereinafter called the "Purchaser")

- and -

**MNP LTD., in its capacity as Court-appointed receiver and manager (in such capacity, the
"Receiver") of the land and improvements representing Macleod Place, with a property
address of 5920 and 5940 Macleod Trail SW, Calgary, Alberta and certain other associated
personal property, and not in its personal or corporate capacities and without personal or
corporate liability**

(hereinafter called the "Vendor")

Article 1 Definitions and Schedules

1.1 Definitions

In this Agreement, the following terms shall have the following meanings:

- (a) "Accounts Receivable" shall mean all amounts and monetary obligations owing to the Debtor by tenants pursuant to the Existing Leases that are outstanding as of the Closing Date and for clarity includes any readjustments and reconciliations for operating costs and other amounts owed by tenants pursuant to Existing Leases.
- (b) "Agreement", "hereto", "hereby", "hereunder", "hereof" and similar expressions when used in this Agreement and in the attached schedules refer to the whole of this Agreement and the attached Schedules and not to any particular Article or Section or portion thereof and includes any and every instrument supplemental hereto, and any reference to an Article or Section by number means the appropriate Article or Section of this Agreement and any reference to a schedule by letter means the appropriate schedule attached to and forming a part of this Agreement, unless in any of the cases aforesaid the context is expressly to the contrary.

- (c) **“Applicable Laws”** means, with respect to the Purchased Assets and any Person, property, transaction or event, all laws, by-laws, rules, regulations, orders, statutes, codes, laws, judgements, decrees, decisions or other requirements having the force of law relating to or applicable to such Purchased Assets, Person, property, transaction or event.
- (d) **“Approval and Vesting Order”** has the meaning ascribed to it in Section 4.3.
- (e) **“Assignment of Existing Leases”** has the meaning ascribed to it in Section 9.1(d).
- (f) **“Assumption Confirmation”** is the agreement attached hereto as Schedule “E.”
- (g) **“Assumed Obligation”** has the meaning ascribed to it in Section 2.2(b).
- (h) **“Broker”** means Avison Young Real Estate Alberta Inc.
- (i) **“Building”** means, collectively, the building, structures and fixed improvements located on, in or under the Property, and improvements and fixtures contained in or on such building and structures used in the operation of such building, but excluding those improvements and fixtures (i) not owned by the Debtor; and/or (ii) which are removable by any tenant pursuant to its lease,
- (j) **“Business Day”** means any day other than a Saturday, Sunday or statutory holiday in Alberta.
- (k) **“Chattels”** means all equipment, inventory, supplies, chattels and other tangible personal property and movables located at the Property, owned by the Debtor, and exclusively used in the operation and management of the Property.
- (l) **“Closing”** means the completion of the Transaction.
- (m) **“Closing Date”** means the date that is fifteen (15) Business Days following the date on which the condition in Section 4.3 is satisfied or waived by the Parties or such other date as the Parties may agree in writing.
- (n) **“Closing Deliveries”** means the agreements, instruments and other documents and items to be delivered by the Vendor to the Purchaser or the Purchaser’s Solicitors pursuant to Section 9.1 and the agreements, instruments, monies and other documents and items to be delivered by the Purchaser to the Vendor or the Vendor’s Solicitors pursuant to Section 10.1.
- (o) **“Confidential Information”** has the meaning ascribed thereto in Section 13.7(a).
- (p) **“Court”** means the Alberta Court of Queens Bench.
- (q) **“Data Room”** means the virtual data room maintained by the Broker.
- (r) **“Debtor”** means together Macleod Place Limited Partnership and, its general

partner, Macleod Place Ltd.

- (s) **“Deposit”** means Five Hundred Thousand (\$500,000.00) Canadian dollars.
- (t) **“Encumbrance”** means, any mortgage, pledge, charge, lien, debenture, trust deed, assignment by way of security, security interest, conditional sales contract or similar interest or instrument charging, or creating a security interest in, the Property or any part thereof or interest therein, and any agreement, contract, lease, option, easement, right of way, restriction, execution or other encumbrance (including any notice or other registration in respect of any of the foregoing) affecting title to the Purchased Assets or any part thereof or interest therein.
- (u) **“ETA”** has the meaning ascribed thereto in Section 8.1(b).
- (v) **“Excluded Assets”** means: (i) all cash, marketable securities and bank accounts, if applicable, and any other items adjusted in favour of the Vendor, (ii) subject to the provisions of Section 13.2 of this Agreement, all rights of the Vendor of every nature arising out of all insurance policies of the Vendor relating to the Purchased Assets with respect to claims originating prior to the Closing Date, (iii) asset management contracts and property management contracts, (iv) property of the existing property manager, and (v) the other assets, property or obligations which pursuant to the terms and conditions of this Agreement, remain the property of the Debtor after Closing and the rights of the Vendor under this Agreement.
- (w) **“Existing Leases”** means the Leases described in Schedule “D” attached hereto.
- (x) **“Existing Mortgage Security”** means the currently registered mortgages and related caveats against title to the Property in favour of: (i) Vancity Community Investment Bank (the Parties acknowledging that the following instruments will be transferred from Vancity Community Investment Bank to Computershare Trust Company of Canada prior to the Closing Date) with registration numbers 131 062 249, 131 062 250 and 191 109 177; and (ii) Computershare Trust Company of Canada with registration numbers 191 109 178, 191 109 179, 191 109 180, 191 254 989, 191 254 990 and 191 254 991.
- (y) **“Governmental Authority”** means any federal, provincial or municipal government, parliament, legislature, or any regulatory authority, agency, ministry, department, commission or board or other representative thereof, or any political subdivision thereof, or any court or (without limitation to the foregoing) any other law, regulation or rule-making entity, having jurisdiction over the relevant circumstances, or any person acting under the authority of any of the foregoing.
- (z) **“Hazardous Substances”** means any contaminants, pollutants, substances or materials that, when released to the natural environment, could cause, at some immediate or future time, harm or degradation to the natural environment or risk to human health, whether or not such contaminants, pollutants, substances or materials are or shall become prohibited, controlled or regulated by any Governmental Authority, and any “contaminants”, “dangerous substances”,

- 4 -

"hazardous materials", "hazardous substance", "hazardous waste", "industrial wastes", "liquid wastes", "pollutants" and "toxic substances", all as defined in, referred to or contemplated in any federal, provincial or municipal legislation, regulations, orders or ordinances relating to environmental, health or safety matters.

- (aa) "GST" has the meaning ascribed thereto in Section 8.1(b).
- (bb) "ITA" means the Income Tax Act (Canada).
- (cc) "Leases" (singularly a "Lease") means all letters of intent, offers to lease, agreements to lease, leases, subleases, renewals of lease and other interests in land granted by or on behalf of the Vendor, excluding however, the Existing Leases or any renewals, amendments or extensions to the Existing Leases.
- (dd) "Mortgagee" has the meaning ascribed thereto in Section 2.2(b).
- (ee) "MST" means Mountain Standard Time.
- (ff) "Parties" means, collectively, the Vendor and the Purchaser and individually, a "Party".
- (gg) "Permitted Encumbrances" means those Encumbrances listed in Schedule "B" attached hereto.
- (hh) "Person" means an individual, partnership, limited partnership, company, corporation, trust, unincorporated organization, government, or any department or agency thereof, and the successors and assigns thereof or the heirs, executors, administrators or other legal representatives of an individual.
- (ii) "Property" means the real and immovable property being more particularly described in Schedule "A", together with the Building and all easements, rights of way and other rights enjoyed by the Debtor as appurtenant to or in conjunction with or as owner of such real or immovable properties.
- (jj) "Purchased Assets" means all of the right, title and interest of the Debtor, if any, in, to and under:
 - (i) the Property;
 - (ii) the Existing Leases and Security Deposits;
 - (iii) the Chattels; and
 - (iv) the Accounts Receivable;and excludes the Excluded Assets.
- (kk) "Purchase Price" has the meaning ascribed thereto in Section 2.2.

- (ll) **“Purchaser’s Closing Documents”** has the meaning ascribed thereto in Article 10
- (mm) **“Purchaser’s GST Certificate”** has the meaning ascribed thereto in Section 8.1(f).
- (nn) **“Purchaser’s Solicitors”** means McCarthy Tétrault LLP
- (oo) **“Receivership Order”** means the Order of the Court dated March 20, 2020 appointing MNP Ltd. as receiver and manager of the Properties (as defined in the Receivership Order) on the application of Vancity Community Investment Bank, pursuant to section 243(1) of the *Bankruptcy and Insolvency Act* (Canada) and section 13(2) of the *Judicature Act* (Alberta).
- (pp) **“Release”** means, in addition to the meaning given to it under any applicable Environmental Laws, any release, spill, leak, pumping, pouring, emission, emptying, discharge, migration, injection, escape, leaching, disposal, dumping, deposit, spraying, burial, abandonment, incineration, seepage or placement.
- (qq) **“Representative”** has the meaning ascribed thereto in Section 13.7(a).
- (rr) **“Security Deposits”** means any security deposits in respect of the Existing Leases which were actually received and are held by the Receiver as of the Closing Date.
- (ss) **“Statement of Adjustments”** has the meaning ascribed thereto in Section 7.1(b).
- (tt) **“Transaction”** means the purchase and sale of the Purchased Assets provided for in this Agreement.
- (uu) **“Vendor’s Closing Documents”** has the meaning ascribed thereto in Article 9.
- (vv) **“Vendor’s Solicitors”** means McMillan LLP.

1.2 Schedules

The following Schedules form part of this Agreement:

- (a) Schedule “A”- Legal Description.
- (b) Schedule “B” - Permitted Encumbrances.
- (c) Schedule “C” - Form of Approval and Vesting Order.
- (d) Schedule “D” - Existing Leases
- (e) Schedule “E” – Assumption Confirmation

Article 2 Purchase Price and Terms

2.1 Agreement of Purchase and Sale

The Vendor hereby agrees to sell, transfer and assign the Purchased Assets to the Purchaser and the Purchaser hereby agrees to purchase and acquire the Purchased Assets from the Vendor pursuant to the Approval and Vesting Order on the Closing Date.

2.2 Method of Payment

The Purchaser shall pay to the Vendor the purchase price (the "Purchase Price") of [REDACTED] Canadian dollars, exclusive of GST, payable as follows, and subject to the terms and conditions of this Agreement:

- (a) the Deposit as a deposit, which Deposit the Parties acknowledge is, as of the date of this Agreement, held by the Vendor in trust pending completion or termination of this Agreement and which is to be credited on account of the Purchase Price on Closing;
- (b) assumption of mortgage financing in the amount of [REDACTED] [REDACTED] Canadian dollars under the Existing Mortgage Security (the "Assumed Obligation") from Trez Capital Limited Partnership (the "Mortgagee"), pursuant to terms set out in a Term Sheet dated February 2, 2021 between the Mortgagee or its nominee and the Purchaser, with such terms including, without limitation, the release of the Debtor by the Mortgagee in respect of the Assumed Obligation and the total release of the Vendor by the Mortgagee with respect to all liabilities and obligations under the Existing Mortgage Security; and
- (c) balance of the Purchase Price payable by wire transfer in accordance with the Vendor's direction on Closing, subject to the adjustments herein.

2.3 Application of Deposit

The Purchaser and the Vendor agree that the Deposit shall held by the Vendor in trust in a non-interest bearing trust account. If this Agreement is completed, the Deposit shall be applied on account of the Purchase Price on Closing. If the Transaction contemplated herein is not completed as a result of termination of this Agreement pursuant to Article 4 then the Deposit shall be dealt with pursuant to the terms of Article 4, provided however, should the Transaction contemplated herein not be completed for any other reason, the Deposit shall be forthwith be forfeited to the Vendor as liquidated damages, and not as a penalty and without limiting any other claims the Vendor may have against the Purchaser hereunder or by law.

2.4 Allocation of Purchase Price

The allocation of the Purchase Price among the several classes of the Purchased Assets shall be made on a basis which is mutually agreeable to the Purchaser and the Vendor acting reasonably on or before Closing Date

**Article 3
Closing**

3.1 Closing

The Closing shall be on the Closing Date.

**Article 4
Conditions**

4.1 Purchaser Conditions

The obligation of the Purchaser to complete this Agreement shall be subject to the following conditions which shall be for the sole benefit of the Purchaser and may be waived in whole or in part by the Purchaser by written notice to the Vendor:

- (a) each of the representations and warranties of the Vendor set forth in Section 6.1 shall be true in all material respects as if made on the Closing Date; and
- (b) the covenants and obligations contained in this Agreement to be complied with by the Vendor on or before the Closing Date shall have been complied with to the extent required and not been breached in any material respect.

4.2 Vendor Conditions

The obligation of the Vendor to complete the Agreement shall be subject to the following conditions which shall be for the sole benefit of the Vendor and may be waived in whole or in part by the Vendor by written notice to the Purchaser:

- (a) on Closing, all covenants and agreements of the Purchaser in this Agreement have been performed as at the Closing Date;
- (b) on Closing, the Debtor shall have been released by the Mortgagee in respect of the Assumed Obligation and the Vendor shall have been released by the Mortgagee with respect to all liabilities and obligations under the Existing Mortgage Security; and
- (c) on Closing, all representations and warranties of the Purchaser in this Agreement shall be true in all material respects as if made on the Closing Date.

4.3 Mutual Condition

The obligation of the Parties to complete the Agreement shall be subject to the following condition which shall be for the mutual benefit of the Parties and may be waived in whole or in part by the Parties in writing:

- (a) within ten (10) Business Days of execution of the Agreement, the Vendor shall have filed with the Court application materials seeking an order substantially in the form attached hereto as Schedule "C", approving the sale of the Purchased Assets to the Purchaser as contemplated by this Agreement and ordering that the Purchased Assets shall vest in the Purchaser after the payment of the Purchase Price and the satisfaction of the conditions set out in this Agreement, free and clear of all Encumbrances against the Purchased Assets, excepting Permitted Encumbrances (an "Approval and Vesting Order");
- (b) the Court shall have granted the Approval and Vesting Order;
- (c) the Approval and Vesting Order shall not have been stayed, varied or vacated, and no order shall have been issued to restrain or prohibit the completion of the Transaction; and
- (d) all applicable appeal periods in respect of the Approval and Vesting Order shall have expired without there being extant any appeal thereof, or any timely appeal or application for leave to appeal the Approval and Vesting Order shall have been dismissed.

The Vendor covenants and agrees to apply to the Court for the Approval and Vesting Order as soon as possible following the payment of the Deposit.

4.4 Waiver and Satisfaction of Conditions

- (a) **Closing Conditions for the Benefit of the Purchaser** – If any of the conditions set out in Section 4.1 are not satisfied or waived on or before the Closing Date, the Purchaser may terminate this Agreement by notice in writing to the Vendor given on or before the Closing Date, in which event this Agreement shall be null and void and of no further force or effect whatsoever and the Purchaser and Vendor shall be released from all of its liabilities and obligations under this Agreement, (save and except for the obligation expressed to survive termination) and provided that the Purchaser is not in default of any of its obligations pursuant to this Agreement, the Deposit shall, except as otherwise specifically provided herein, be returned to the Purchaser without deduction or set-off.
- (b) **Conditions for the Benefit of the Vendor** - If any of the conditions set out in Section 4.2 is not satisfied or waived as therein provided on or before the Closing Date, the Vendor may terminate this Agreement by notice in writing to the Purchaser given on or before the Closing Date or other date specified therefor, in which event this Agreement shall be terminated, null and void and of no further force or effect whatsoever, the Vendor shall be released from all of its liabilities

and obligations under this Agreement and, the Deposit then paid shall be forfeited to the Vendor, as liquidated damages, and not as a penalty and without limiting any other claims or rights the Vendor may have against the Purchaser hereunder, by law or in equity.

- (c) **Mutual Conditions** - If the mutual conditions in Section 4.3 is not satisfied or waived as therein provided on or before the applicable time and date referred to therein, the Vendor or the Purchaser may terminate this Agreement by notice in writing to the other Party given on or before the Closing Date or other date specified therefor, in which event this Agreement shall be terminated, null and void and of no further force or effect whatsoever, each Party shall be released from all of its liabilities and obligations under this Agreement and, the Deposit then paid shall be returned to the Purchaser without deduction or set-off.
- (d) **Good Faith** - Each of the Vendor and the Purchaser agrees that they shall each act in good faith and use reasonable commercial efforts to satisfy, or cause to be satisfied, the conditions in Sections 4.1, 4.2 and 4.3. In the event that a Party waives any condition(s) contained in Sections 4.1 or 4.2, the Party who waives such condition(s) shall have no further rights or remedies against the other Party, at law or in equity, in respect of the matter or matters so waived.
- (e) **Closing Conditions** - All conditions to be satisfied on or before Closing shall be deemed to be satisfied if Closing occurs.

Article 5
Purchaser's Acknowledgements

5.1 As Is, Where Is

The Purchaser acknowledges that the Vendor does not make any representations or warranties, expressed or implied, as to the accuracy or completeness of the information contained in the Data Room and such information should not be relied upon by the Purchaser without independent investigation and verification, and the Vendor expressly disclaims any and all liability for any matter set out therein including without limitation any errors or omissions in information contained in the Data Room, in any other information or any other written or oral communication transmitted or made available to the Purchaser by the Vendor or on the Vendor's behalf. Without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act* (Alberta) do not apply hereto and have been waived by the Purchaser. The Purchaser acknowledges that the Vendor is selling, and the Purchaser is purchasing, the Purchased Assets on an "as is, where is" and "without recourse" basis, and further agrees no covenant, agreement, representation, warranty or condition is expressed or can be implied as to use, zoning, title, encumbrances, description, condition, size, cost, fitness for purpose, existence or non-existence of Hazardous Substances, collectability, merchantability, patent or latent defects, any environmental matter, quality or quantity of the Purchased Assets or any part thereof or as to any other matter whatsoever (stated or implied) save as expressly set forth in this Agreement. The Purchaser further acknowledges that it is relying upon its own investigations and inspections in proceeding with the Transaction contemplated in

the Agreement and confirms that the Purchaser shall complete and shall satisfy itself regarding such investigations and inspections. All written and oral information obtained by the Purchaser from the Vendor or on the Vendor's behalf has been provided solely for the convenience of the Purchaser.

Article 6
Covenants, Representations and Warranties

6.1 Vendor Representations

The Vendor hereby represents and warrants to the Purchaser, as of the date hereof and on Closing, as follows:

- (a) the Vendor is not now and does not intend to become, prior to Closing, a non-resident of Canada within the meaning and purpose of Section 116 of the *Income Tax Act* (Canada) and the Vendor is not now and does not intend to become, prior to Closing, an agent or a trustee of such non-resident;
- (b) the Vendor has been duly appointed pursuant to the Receivership Order as receiver and manager of the Properties (as defined in the Receivership Order) with authority to solicit and accept offers to purchase the Purchased Assets; and
- (c) subject to the granting of the Approval and Vesting Order, the Vendor has the right to enter into this Agreement and to complete the Transaction contemplated herein.

6.2 Vendor Covenants

- (a) The Vendor hereby covenants with the Purchaser that the Vendor shall continue operating the Property or shall cause the Property to continue to be operated in a manner consistent with its past practice until the Closing Date.
- (b) After acceptance of this Agreement, the Vendor shall not enter into, amend, renew or give commitments either verbally or in writing with respect to any new Lease without the prior written approval of the Purchaser, acting reasonably and without delay. Any request for Purchaser's approval shall be accompanied by sufficient information and documentation to enable Purchaser to make an informed decision and Purchaser shall respond to the Vendor's request for approval within three (3) Business Days following receipt of all required information and documentation related thereto. If the Purchaser fails to respond to the Vendor's request for approval within the three (3) Business Days following receipt of all required information and documentation related thereto, the Purchaser shall be deemed to have accepted the new Lease. Any Lease approved herein or deemed to be approved shall be included as an "Existing Lease" upon Closing.

6.3 Purchaser Representations

The Purchaser hereby represents and warrants to the Vendor, as follows;

- (a) as of the date hereof and on Closing, the Purchaser is a corporation duly incorporated, organized and validly subsisting under the laws of Alberta and has all requisite corporate power, authority and capacity to execute and deliver and to perform each of its obligations pursuant to this Agreement;
- (b) neither the execution of this Agreement nor the performance (such performance shall include, without limitation, the exercise of any of the Purchaser's rights and compliance with each of the Purchaser's obligations hereunder) by the Purchaser of the transaction contemplated hereunder will violate:
 - (i) the Purchaser's articles of incorporation and by-laws;
 - (ii) any agreement to which the Purchaser is bound;
 - (iii) any judgement or order of a court of competent authority or any Government Authority; or
 - (iv) any applicable law;
- (c) the Purchaser has duly taken, or has caused to be taken, all requisite corporate action required to be taken by it to authorize the execution and delivery of this Agreement and the performance of each of its obligations hereunder; and
- (d) the Purchaser is not a non-Canadian person as defined in the *Investment Canada Act*.

6.4 Purchaser Covenants

On the Closing Date, the Purchaser will assume and thereafter perform all obligations and liabilities arising from and in connection with the Purchased Assets that accrue from and after the Closing Date.

6.5 Survival

The representations and warranties of the Vendor and the Purchaser described herein shall merge and shall not survive on Closing.

6.6 Purchaser's Acknowledgment

The Purchaser acknowledges that the Vendor is selling the Purchased Assets pursuant to the Vendor's powers as authorized by the Receivership Order and pursuant to the Approval and Vesting Order.

Article 7 Adjustments

7.1 Adjustments

- (a) All operating costs and recoveries, realty taxes, water, sewer, local improvement rates and charges, utility deposits, Security Deposits, and other applicable income (excluding Accounts Receivable) and expense items and adjustments established by usual practice in the City of Calgary for the purchase and sale of a similar property shall be apportioned and allowed to the Closing Date (the day itself to be apportioned to the Purchaser) to the extent that the Vendor will bear and pay all expenses and receive all income (excluding Accounts Receivable) related to the Purchased Assets prior to the Closing Date, which will for clarity include all landlord work and tenant inducements defined as the "Landlord Turnkey Allowance" in respect of the Existing Lease to [REDACTED] and the Purchaser will bear and pay all expenses and receive all income related to the Purchased Assets from and after and including the Closing Date. The Vendor acknowledges that the Purchaser shall be arranging its own insurance coverage to be effective on Closing and no adjustment shall be made in this regard.
- (b) The adjustments will be made to the extent reasonably possible on Closing as of the Closing Date. The Vendor will prepare a statement of the adjustments for the Purchased Assets and a copy thereof (to which there will be annexed complete details of the calculations made therein) will be delivered to the Purchaser at least three (3) Business Days prior to the Closing Date (the "Statement of Adjustments"). The Purchaser and the Vendor agree that if the final cost or amount of any item which is to be adjusted under this Article 7 cannot be determined at Closing, then an initial adjustment for such item shall be made at Closing, and such amount shall be reasonably estimated by the Vendor as at the end of the day preceding the adjustment date on the basis of the best evidence available at the Closing as to what the final cost or amount of such item will be. In each case when such cost or amount is determined, either the Vendor or the Purchaser, as the case may be, shall within three (3) days of determination, provide a complete statement thereof to the other and within fifteen (15) days thereafter the Parties hereto shall make a final adjustment as of the end of the day preceding the adjustment date for the item in question, provided that in any event such final adjustment shall be made no later than thirty (30) days from the Closing Date. In the absence of agreement by the Parties hereto within thirty (30) days of the Closing Date, the final cost or amount of an item shall be determined by the Court. For the purposes of this Section 7.1, the term "adjustment date" means 11:59 p.m. MST on the day prior to the Closing Date, with the adjustment date being for the account of the Vendor and the Closing Date being for the account of the Purchaser. Notwithstanding any other provisions of this Agreement and for the avoidance of doubt, the Parties agree that their respective rights to adjustment and/or re-adjustment of any item or matter in relation to this transaction after Closing, shall be limited to the period of thirty (30) days after Closing, and any specific claim for

- 13 -

adjustment and/or re-adjustment not made within such period shall expire and be extinguished on the expiry of such period and neither party shall have any further right to claim for adjustment or re-adjustment of the Purchase Price for any reason whatsoever.

7.2 Specific Adjustments

- (a) For greater certainty, and the avoidance of doubt, the only adjustment in favor of the Purchaser for any pre-paid rent or deposits under the Existing Leases on the Statement of Adjustments shall be for the Security Deposits.
- (b) Notwithstanding the foregoing, any Accounts Receivable shall not be adjusted on Closing Date on the Statement of Adjustments and the Accounts Receivable shall be the property of the Purchaser after Closing. Until the Vendor has been discharged as Court-appointed receiver and manager of the Properties (as defined in the Receivership Order), should the Vendor actually receive any Accounts Receivable after the Closing Date it shall within thirty (30) days after receipt of such Accounts Receivable remit such to the Purchaser.

Article 8 GST

8.1 GST

The Purchaser hereby represents, warrants and certifies to the Vendor with respect to the Purchased Assets, as follows:

- (a) the Purchaser shall be purchasing the Purchased Assets on the Closing Date, as principal for its own account and not as an agent, trustee or otherwise on behalf of another person, the Purchaser's GST Certificate shall contain the GST registration number of the Purchaser and shall be executed by the Purchaser;
- (b) the Purchaser shall be registered under subdivision d of Division V of Part IX of the *Excise Tax Act* (Canada) (the "ETA") for the collection and remittance of goods and services tax ("GST");
- (c) the Purchaser shall be liable, shall self-assess and remit to the appropriate governmental authority all GST that is payable under the ETA in connection with the transfer of the Purchased Assets made pursuant to this Agreement, all in accordance with the ETA;
- (d) subject to the terms of this Section 8.1, the Vendor shall not collect GST on Closing regarding the Purchased Assets and shall allow the Purchaser to self-assess and remit GST to the Receiver General in accordance with the ETA;
- (e) the Purchaser shall indemnify and save harmless the Vendor from and against any and all GST, penalties, costs and/or interest that may become payable by or assessed against the Vendor as a result of the Purchaser's failure to comply with any portion

- 14 -

or this Section 8.1, including, without limitation, to self-assess or remit GST as set out herein, or in respect of any inaccuracy, misstatement, misrepresentation made by the Purchaser on the Closing Date in connection with any matter raised in this Section or contained in any certificate or declaration referred to herein; and

- (f) the Purchaser shall tender on Closing a certificate and indemnity including, without limitation, verification of the Purchaser's registration number issued by Canada Revenue Agency under the ETA (the "**Purchaser's GST Certificate**").

Article 9 Vendor's Closing Documents

9.1 Vendor Closing Deliveries

The Vendor agrees to deliver or cause to be delivered the following to the Purchaser on or before the Closing Date:

- (a) a bill of sale in respect of the Chattels;
- (b) a certificate of the Vendor certifying that the Debtor is not a non-resident of Canada pursuant to Section 116 of the ITA;
- (c) Statement of Adjustments, to be provided at least three (3) Business Days prior to the Closing Date in accordance with Section 7.1(b);
- (d) an assignment by the Vendor and assumption by the Purchaser of the Existing Leases (the "**Assignment of Existing Leases**"), if applicable, which assignment shall provide that the Purchaser indemnifies the Vendor from any claim arising therefrom as a result of a cause which occurs on or after the Closing Date;
- (e) the books and records of the Vendor, including those maintained by its property manager, relating to operating costs, accounts receivable, tenant files and accounting records with respect to the Purchased Assets, to the extent such books and records are in the actual possession or control of the Vendor as of the Closing Date;
- (f) any keys in the Vendor's possession and control;
- (g) an undertaking by the Vendor to readjust all items on or omitted from the statement of adjustments in accordance with Article 8 of this Agreement;
- (h) a Certificate by the Vendor confirming that those Vendor's representations and warranties contained in this Agreement that are to be true as at the Closing Date, are true, in all material respects, as at the Closing Date;
- (i) a copy of the Approval and Vesting Order;
- (j) Receiver's Certificate, in the form attached to the Approval and Vesting Order; and

- (k) such other documents as are required by the terms of this Agreement or are customary in similar transactions or are reasonably required by the Purchaser's Solicitors

(the "Vendor's Closing Documents")

All documentation shall be in form and substance acceptable to the Purchaser and the Vendor, each acting reasonably and in good faith, provided that neither Party shall be required to provide covenants, representations or warranties which are in addition to or more onerous upon it than those expressly set forth in this Agreement.

Article 10
Purchaser's Closing Documents

10.1 Purchaser Closing Deliveries

The Purchaser agrees to deliver or cause to be delivered the following to the Vendor on or before the Closing Date:

- (a) satisfaction of the balance of the Purchase Price pursuant to Article 2;
- (b) Assumption Confirmation evidencing the assumption of mortgage financing and release by the Mortgagee of the Debtor with respect to the Assumed Obligation and the Vendor with respect to all liabilities and obligations under the Existing Mortgage Security, as contemplated in Section 2.2(b);
- (c) an undertaking by the Purchaser to readjust all items on or omitted from the statement of adjustments in accordance with Article 8 of this Agreement;
- (d) the Purchaser's GST Certificate;
- (e) the Assignment of Existing Leases;
- (f) a Certificate by the Purchaser confirming that those Purchaser's representations and warranties contained in this Agreement that are to be true as at the Closing Date, are true, in all material respects, as at the Closing Date; and
- (g) such other documents as are required by the terms of this Agreement or are customary in similar transactions or are reasonably required by the Vendor's Solicitors

(the "Purchaser's Closing Documents")

All documentation shall be in form and substance acceptable to the Purchaser and the Vendor, each acting reasonably and in good faith, provided that neither Party shall be required to provide covenants, representations or warranties which are in addition to or more onerous upon it than those expressly set forth in this Agreement.

Article 11
Delivery of Closing Documents

Closing shall be completed by the delivery by the Vendor's Solicitors of the Vendor's Closing Documents to the Purchaser's Solicitors on customary trust conditions for the City of Calgary. If required, the Purchaser shall obtain title insurance, at its own expense, with gap coverage, to allow for the Purchase Price, plus GST, if applicable, to be fully releasable to the Vendor no later than 1:00 p.m. MST on the Closing Date.

Article 12
Assignment, Successors

12.1 Assignment

The Purchaser shall not assign its rights and/or obligations hereunder or direct title to the Purchased Assets to any other person without the prior written consent of the Vendor, which consent may be unreasonably withheld. If the Vendor provides its consent to an assignment (i) the assignee shall enter into an agreement with the Vendor at the time of such assignment whereby the assignee agrees to be bound by all of the obligations and liabilities of the Purchaser under this Agreement as if it was the original Purchaser hereunder; and (ii) the assignor agrees that it shall not be released from its obligations and liabilities under this Agreement.

Article 13
General

13.1 Agreement for Whole of Property

This Agreement is for the Property as a whole and not any particular or individual portion thereof.

13.2 Risk Until Closing

The interest of the Debtor and the Vendor in and to the Building being purchased and acquired pursuant to the terms and conditions of this Agreement shall be at the risk of the Debtor and the Vendor until Closing. If any loss or damage occurs before Closing to the Building, the cost to repair of which is in excess of 10% of the Purchase Price, as determined by the Vendor's arm's length, independent architect, engineer or other qualified expert, the Purchaser shall, within ten (10) days following written disclosure to the Purchaser by the Vendor of the loss or damage and the extent thereof, at its option, by written notice to the Vendor, elect either (i) to complete the purchase of the Property, in which event the Purchaser shall be entitled to the proceeds of insurance, if any, in respect of the loss or damage to the Property and the Vendor shall pay any deductibles in respect of such loss or damage and the Purchaser shall accept the Building subject to the applicable loss or damage, or (ii) not to complete the purchase of the Property in which case this Agreement shall be deemed to be terminated and of no further force and effect (save for those provisions which provide for their survival) and the Deposit, to the extent paid shall, except as otherwise specifically provided herein, be returned to the Purchaser without deduction or set-off. If any loss or damage occurs before Closing to the Building, the cost to repair of which is less than or equal to 10% of the Purchase Price, as determined by the Vendor's arm's length, independent

architect, engineer or other qualified expert, the Purchaser shall have no right to terminate this Agreement and shall accept the Building subject to the loss or damage, the Vendor shall pay any deductibles in respect of such loss or damage, the Purchaser shall be entitled to an assignment from the Vendor of all proceeds of insurance in respect of such loss or damage, and the parties shall complete the within transaction and at the risk of the Purchaser from and after Closing.

13.3 Time of the Essence

Time shall in all respects be of the essence hereof provided that the time for doing or the completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by the Vendor and the Purchaser or by their respective solicitors, who are hereby expressly appointed in this regard. In the event that any date or expiration of time period provided for in the Agreement falls upon a Saturday, Sunday or statutory holiday, it is understood and agreed that such date or time period shall be deemed extended to the Business Day next following such Saturday, Sunday or statutory holiday.

13.4 Notices

Any notice, document, or communication required or permitted to be given shall be given by delivery, electronic mail or other means of electronic communication to the recipient as follows:

- (a) to the Purchaser:

Purchaser

Attention: Riaz Mamdani
Email: [REDACTED]

and to the Purchaser's Solicitors:

McCarthy Tétrault LLP
4000, 421 – 7th Avenue SW
Calgary, Alberta

Attention: Stephen Livergant Q.C.
Email: slivergant@mccarthy.ca

- (b) to the Vendor:

MNP Ltd., in its capacity as Receiver
2200, 1021 West Hastings Street
Vancouver, British Columbia
V6E 0C3

Attention: Patty Wood
Email: patty.wood@mnp.ca

- 18 -

and to the Vendor's Solicitors:

McMillan LLP
1500 – 1055 West Georgia Street
Vancouver, BC
V6E 4N7

Attention: Vicki Tickle
Email: vicki.tickle@mcmillan.ca

or to such other address or electronic mail address as either Party may in writing advise by notice given in accordance with this Section. Any notice, document or communication will be conclusively deemed to have been given, in the case of delivery, on the day of actual delivery thereof, and, in the case of recorded electronic communication, at the time and on the date of transmittal.

13.5 Entire Agreement

This Agreement shall constitute the entire agreement between the Purchaser and the Vendor and there is no representation, warranty, collateral agreement or condition affecting this Agreement or the Purchased Assets or supported hereby other than expressed hereby in writing. This Agreement shall be read with all changes of gender or number required by the context and shall enure to the benefit of and be binding upon the Parties hereto and their respective heirs, executors, administrators, successors and assigns. This Agreement shall merge on Closing, save and except as otherwise expressly provided herein.

13.6 Governing Law

The Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta. All references to currency shall be Canadian currency. All references to time shall be local time in Calgary, Alberta.

13.7 Confidentiality

- (a) The Purchaser and its consultants, agents, bankers, lenders, advisors and solicitors (collectively, "**Representatives**") shall keep confidential all information, documentation and records obtained from the Vendor or its consultants, agents, advisors or solicitors, including the Vendor's Deliveries, with respect to the Vendor or the Purchased Assets, as well as any information arising out of the Purchaser's access to the Vendor's records and the Purchased Assets and its due diligence with respect thereto (collectively, "**Confidential Information**"). The Purchaser shall not use any Confidential Information for any purposes not related to the proposed purchase of the Purchased Assets or in any way detrimental to the Vendor. Nothing herein contained shall restrict or prohibit the Purchaser from disclosing the Confidential Information to its Representatives as long as such parties agree to keep such Confidential Information confidential or the Vendor receives such other

assurances that are acceptable to it. The Confidential Information referred to in this Section shall not include:

- (i) public information or information in the public domain at the time of receipt by the Purchaser or its Representatives;
 - (ii) information which becomes public through no fault or act of the Purchaser or its Representatives;
 - (iii) information in the possession of the Purchaser not provided by the Vendor or its Representatives;
 - (iv) information required to be disclosed by law; or
 - (v) information received in good faith from a third party lawfully in possession of the information and not in breach of any confidentiality obligations.
- (b) If the Vendor and the Purchaser do not complete this Agreement for any reason, the Purchaser shall promptly return to the Vendor all Confidential Information (other than the Purchaser's notes and due diligence materials) including all copies, and shall destroy all of the Purchaser's notes and due diligence materials containing Confidential Information related to the this transaction and the Purchased Assets.
- (c) If the Purchaser is required or requested by legal process to disclose any Confidential Information, the Purchaser will provide the Vendor with prompt notice of such requirement or request so that the Vendor may seek an appropriate protective order or waive compliance with the provisions of this requirement or both. If the Purchaser is compelled to disclose Confidential Information to any court or tribunal or else stand liable for contempt or suffer other censures or penalty, the Purchaser may disclose same without liability hereunder provided that it shall give the Vendor advance written notice of the information to be disclosed and, at the request of the Vendor, shall seek to obtain assurances that such information will be accorded confidential treatment.
- (d) Nothing herein shall preclude the Vendor or Purchaser from disclosing Confidential Information pursuant to any rules, orders or regulations of any Canadian stock exchange on which the shares or units of the Vendor or Purchaser trade or where the Vendor or Purchaser is disclosing the general terms and conditions of this Agreement in a prospectus, annual information form, press release or other disclosure in accordance with Canadian securities laws applicable to the Vendor or the Purchaser. The Purchaser agrees that prior to making any press release concerning the transactions contemplated herein, the Purchaser shall consult with the Vendor as to the contents of any such press release, it being acknowledged that it is intended that no press release will be made until after the waiver or satisfaction of the Purchaser's conditions in Sections 4, unless required by law or any applicable stock exchange.

13.8 No Registration

The Purchaser agrees that it will not register this Agreement or any notice thereof or any notice of a purchaser's lien or certificate of pending litigation against the Property, notwithstanding that the Purchaser may allege some interest in and against the Deposit or the Property which might otherwise support such registration or notice.

13.9 Costs

Save as otherwise specifically provided, each of the Parties hereto shall be responsible for and shall pay all taxes, costs, expenses and legal or other fees incurred by it in connection with the negotiations, settlement and execution of this Agreement and all matters related thereto and shall indemnify and hold harmless the other Parties from and against any and all liabilities or claims in respect of any such expenses, costs or fees. The Vendor shall pay the commission or fee payable to the Broker. The Purchaser represents and warrants to the Vendor that the Purchaser has not used the services of any real estate agent or broker in connection with the purchase and sale of the Purchased Assets contemplated hereby other than the Broker. The Purchaser will indemnify and save harmless the Vendor from any and all claims made in respect of any commissions or fees that may be claimed by any other real-estate broker or agent hired by the Purchaser. This Section shall survive Closing.

13.10 Solicitors as Agents and Tender

Any notice, approval, waiver, agreement, instrument, document or communication permitted, required or contemplated in this Agreement may be given or delivered and accepted or received by the Purchaser's Solicitors on behalf of the Purchaser and by the Vendor's Solicitors on behalf of the Vendor and a tender of the documentation and funds provided for herein may be made upon the Vendor's Solicitors and the Purchaser's Solicitors as the case may be.

13.11 Generally Accepted Accounting Principles

Except as specifically provided otherwise in this Agreement, all calculations made and referred to in this Agreement shall be made in accordance with accepted practices in the commercial real estate industry in Canada and applied on a consistent basis.

13.12 Several Obligations

The rights available to the Parties under this Agreement and at law shall be deemed to be several and not dependent on each other and each such right shall be accordingly construed as complete in itself and not by reference to any other such right. Any one or more and/or any combination of such rights may be exercised by a party from time to time and, subject to the provisions of this Agreement, no such exercise shall exhaust the rights of such party or preclude any other party from exercising any one or more of such rights or combination thereof from time to time thereafter or simultaneously.

13.13 Further Assurances

Each of the Parties hereto shall from time to time hereafter and upon any reasonable request of the other, execute and deliver, make or cause to be made all such further acts, deeds, assurances and things as may be required or necessary to more effectually implement and carry out the true intent and meaning of this Agreement.

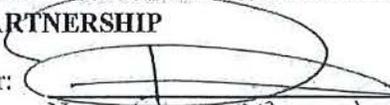
13.14 Counterparts and Electronic Signatures

This Agreement may be executed electronically in any number of counterparts and all such electronic copies and counterparts shall for all purposes constitute one agreement binding all the Parties hereto, notwithstanding that all Parties are not signatory to the same counterpart. The Vendor and the Purchaser acknowledge and agree that counterparts to this Agreement may be communicated by electronic mail which shall be equally binding and duly accepted as an original agreement. Such counterparts shall be deemed communicated at the time and on the date of electronic mail transmission.

[Execution Page Follows]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

**MACLEOD PLACE 1 & 2 CAPITAL CORP.,
as general partner for and on behalf of
MACLEOD PLACE 1 & 2 LIMITED
PARTNERSHIP**

Per: 
Name: Riaz Vlamdan
Title:

I have authority to bind the corporation.

**MNP LTD., in its capacity as Court-Appointed
Receiver and Manager of Macleod Place
Limited Partnership and its general partner,
Macleod Place Ltd., and not in its personal or
corporate capacities and without personal or
corporate liability**

Per: _____
Name: Patty Wood
Title: Senior Vice President

Per: _____
Name:
Title:

I/We have authority to bind the corporation.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

**MACLEOD PLACE 1 & 2 CAPITAL CORP.,
as general partner for and on behalf of
MACLEOD PLACE 1 & 2 LIMITED
PARTNERSHIP**

Per: _____
Name:
Title:

I have authority to bind the corporation.

**MNP LTD., in its capacity as Court-Appointed
Receiver and Manager of Macleod Place
Limited Partnership and its general partner,
Macleod Place Ltd., and not in its personal or
corporate capacities and without personal or
corporate liability**

Per: _____
Name: Patty Wood
Title: Senior Vice President

Per: _____
Name:
Title:

I/We have authority to bind the corporation.

SCHEDULE "A"
LEGAL DESCRIPTION OF PROPERTY

Title #: 131062248

PLAN 4269HS

BLOCK 1

LOT 2

EXCEPTING THEREOUT ALL MINES AND MINERALS

SCHEDULE "B"
PERMITTED ENCUMBRANCES

PERMITTED ENCUMBRANCES (GENERAL)

1. Any inchoate lien for municipal realty taxes, public utility charges or other governmental charges or levies accrued but not yet due and payable or, if due and payable, are adjusted for on Closing.
2. Any defects, discrepancies and encroachments or matters that might be revealed by an up-to-date real property report of the Property provided same do not, in the aggregate, materially impair the servicing, development, construction, operating, occupation, use, management, marketability or value of the Property.
3. Any and all interest (including liens, charges, adverse claims, security interests or other encumbrances) of any nature whatsoever now or hereafter claimed or held by Her Majesty the Queen in Right of Canada, Her Majesty the Queen in Right of any province of Canada, or by any other governmental department, agency or authority under or pursuant to any applicable legislation, statute or regulation and which do not, individually or in the aggregate materially impair the servicing, development, construction, operation, occupation, use, management, marketability or value of the Property.
4. Any municipal by-laws or regulations affecting the Property or its use, and any other municipal land use instrument including, without limitation, official plans and zoning and building by-laws, as well as decisions of any competent authority permitting variances therefrom and all applicable building codes provided same have in each case been complied with in all material respects to the Closing Date and which do not materially impair the use or operation of any part of the Property for the purposes for which it is being used as of the Execution Date.
5. Minor title defects or irregularities that do not, in the aggregate, materially impair the servicing, development, construction, operating, occupation, use, management, marketability or value of the Property.
6. Any subsisting reservations, limitations, provisos, conditions or executions, including royalties, contained in the original grant of the Property from the Crown.
7. Any interest of any nature whatsoever that are recorded under the *Railway Act* (Canada) or the *Railway Act* (Alberta).
8. Builders' liens affecting only a tenant's interest in the Property.
9. Any and all licences, easements, rights-of-way, rights in the nature of easements and agreements with respect thereto including, without limitation, agreements, easements, licences, rights-of-way and interest in the nature of easements for sidewalks, public ways, sewers, drains, utilities, gas, steam and water mains or electric light and power, or telephone and telegraphic conduits, poles, wires and cables and which do not, individually

B-2

or in the aggregate materially impair the servicing, development, construction, operation, occupation, use, management, marketability or value of the Property.

10. Any encumbrance (including, without limitation, rights, privileges and claims in the nature of *profit a prendre*) in favour of aboriginal peoples, native peoples, First Nations.
11. Any reservations, exceptions, limitations, provisos and conditions to title contained in Section 61 of the *Land Titles Act* (Alberta) and reservations or exceptions of mines and minerals.
12. Those specific instruments more particularly set out below.

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
7172KZ	30/08/1971	Caveat
231LN	13/04/1972	Caveat
861 057 938	08/04/1986	Caveat re: Lease
881 018 092	03/02/1988	Caveat re: Lease
891 049 893	21/03/1989	Caveat re: Renewal Agreement
891 164 537	21/08/1989	Caveat re: Lease
901 210 087	15/08/1990	Caveat re: Renewal Agreement
911 050 509	11/03/1991	Caveat re: Lease
921 001 645	03/01/1992	Caveat re: Lease, Etc.
921 199 368	14/08/1992	Caveat re: Lease
951 006 674	09/01/1995	Caveat re: Lease
971 019 384	20/01/1997	Caveat re: Lease
981 130 848	07/05/1998	Caveat re: Lease, Etc.
991 037 383	09/02/1999	Caveat re: Lease
991 214 198	28/07/1999	Caveat: re Lease
001 222 604	10/08/2000	Caveat re: Lease
021 373 711	25/10/2002	Caveat re: Lease
061 190 210	15/05/2006	Caveat re: Lease, Etc.
091 152 576	02/06/2009	Caveat re: Lease Interest
101 242 370	16/08/2010	Caveat re: Lease Interest
101 318 261	28/10/2010	Caveat re: Lease Interest
121 139 872	07/06/2012	Caveat re: Lease Interest

B-3

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
131 062 249	18/03/2013	Mortgage
131 062 250	18/03/2013	Caveat re: Assignment of Rents and Leases
141 102 294	01/05/2014	Caveat re: Lease Interest
141 191 275	24/07/2014	Caveat re: Lease Interest
191 071 357	11/04/2019	Caveat re: Lease Interest
191 109 177	10/06/2019	Caveat re: Amending Agreement
191 109 178	10/06/2019	Mortgage
191 109 179	10/06/2019	Caveat re: Assignment of Rents and Leases
191 109 180	10/06/2019	Caveat re: Lease Interest
191 173 051	26/08/2019	Caveat re: Lease Interest under 20 acres
191 254 989	16/12/2019	Mortgage
191 254 990	16/12/2019	Caveat re: Assignment of Rents and Leases
191 254 991	16/12/2019	Caveat: Lease Interest
191 180 630	04/09/2019	Builder's Lien – Lienor, 1514012 Alberta Ltd.
191 180 631	04/09/2019	Builder's Lien – Lienor, 1514012 Alberta Ltd.
201 041 198	28/02/2020	Certificate of Lis Pendens – Affects 191 180 630
201 041 199	28/02/2020	Certificate of Lis Pendens – Affects 191 180 631

SCHEDULE "C"
FORM OF APPROVAL AND VESTING ORDER

COURT FILE NUMBER 2001-03925
 COURT COURT OF QUEEN'S BENCH OF ALBERTA
 JUDICIAL CENTRE CALGARY

Clerk's Stamp

APPLICANT [COMPUTERSHARE TRUST COMPANY OF CANADA, as title nominee for TREZ CAPITAL LIMITED PARTNERSHIP]

RESPONDENTS FIRST STREET PLAZA (2006) LIMITED PARTNERSHIP by its general partner FIRST STREET PLAZA GP LTD.; LOUISE BLOCK LIMITED PARTNERSHIP by its general partner LOUISE BLOCK CAPITAL CORP.; MACLEOD PLACE LIMITED PARTNERSHIP by its general partner MACLEOD PLACE LTD.; RIAZ MAMDANI; and IEC LTD.

DOCUMENT APPROVAL AND VESTING ORDER
 (Sale by Receiver)

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

Counsel

McMillan LLP
 Royal Centre, 1500 – 1055 West Georgia Street
 Vancouver, BC V6E 4N7

Telephone: 236 826 3022
 Facsimile: 604 685 7084
 Email: vicki.tickle@mcmillan.ca

DATE ON WHICH ORDER WAS PRONOUNCED: February ●, 2021

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary

NAME OF JUSTICE WHO MADE THIS ORDER: _____

UPON THE APPLICATION by MNP Ltd. in its capacity as the Court-appointed receiver and manager (the "Receiver") of the following land and premises, and all property used in the business or affairs carried on by Macleod Place Limited Partnership by its general partner Macleod Place Ltd. (together, the "Macleod Place Debtors"), Louise Block Limited Partnership by its general partner Louise Block Capital Corp., and First Street Plaza (2006) Limited Partnership by its general partner First Street Plaza GP Ltd. at those lands and premises, namely:

Title #: 131062248
Legal Description:
 PLAN 4269HS
 BLOCK 1
 LOT 2
 EXCEPTING THEREOUT ALL MINES AND MINERALS
Civic Address: 5920 and 5940 Macleod Trail SW, Calgary, Alberta
Titleholder: Macleod Place Ltd.

Title #: 051392048
Legal Description:
 PLAN "A"
 BLOCK 72
 LOTS 37 TO 40 INCLUSIVE
Civic Address: 1018 Macleod Trail SE, Calgary Alberta
Titleholder: Louise Block Capital Corp.

Title #: 071146388
Legal Description:
 PLAN C
 BLOCK 16
 LOTS 21 TO 24
 EXCEPTING THEREOUT A PORTION FOR STREET WIDENING ON PLAN 8310173
 EXCEPTING THEREOUT ALL MINES AND MINERALS
Civic Address: 138 – 4th Avenue SE, Calgary, Alberta
Titleholder: First Street Plaza GP Ltd.

for an order approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Sale Agreement") between the Receiver and Macleod Place 1 & 2 Capital Corp. , as general partner for and on behalf of Macleod Place 1 & 2 Limited Partnership (together, the "Purchaser") dated February ●, 2021 and appended to the Second Confidential Report of the Receiver dated February ●, 2021 (the "Second Confidential Report"), and vesting in the Purchaser (or its nominee) the Macleod Place Debtors' right, title and interest in and to the assets described in the Sale Agreement (the "Purchased Assets");

AND UPON HAVING READ the Receivership Order dated March 20, 2020 (the "Receivership Order"), the [Second Report, Second Confidential Report] and the Affidavit of Service; **AND UPON HEARING** the submissions of counsel for the Receiver, the Purchaser and [Trez Capital Limited Partnership], no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service, filed;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

- 1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application and time for service of this application is abridged to that actually given.

APPROVAL OF TRANSACTION

- 2. The Transaction is hereby approved and execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for completion of the Transaction and conveyance of the Purchased Assets to the Purchaser (or its nominee).

VESTING OF PROPERTY

- 3. Upon delivery of a Receiver's certificate to the Purchaser (or its nominee) substantially in the form set out in **Schedule "A"** hereto (the "Receiver's Closing Certificate"), all of the Macleod Place Debtors' right, title and interest in and to the Purchased Assets shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, "Claims") including, without limiting the generality of the foregoing:
 - (a) any encumbrances or charges created by the Interim Receivership Order dated December 20, 2019 (the "Interim Receivership Order");
 - (b) any encumbrances or charges created by the Receivership Order;
 - (c) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;
 - (d) any liens or claims of lien under the *Builders' Lien Act* (Alberta); and
 - (e) those Claims listed in **Schedule "B"** hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, caveats, interests, easements, and restrictive covenants listed in **Schedule "C"** (collectively, "Permitted Encumbrances"))

and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets

4. Upon delivery of the Receiver's Closing Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, "Governmental Authorities") are hereby authorized, requested and directed to accept delivery of such Receiver's Closing Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser or its nominee clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing:

(a) the Registrar of Land Titles ("Land Titles Registrar") for the lands defined below shall and is hereby authorized, requested and directed to forthwith:

(i) cancel existing Certificates of Title No. 131062248 for those lands and premises municipally described as 5920 and 5940 Macleod Trail SW, Calgary, Alberta, and legally described as:

PLAN 4269HS
BLOCK 1
LOT 2
EXCEPTING THEREOUT ALL MINES AND MINERALS
(the "Lands")

(ii) issue a new Certificate of Title for the Lands in the name of the Purchaser (or its nominee), namely, Macleod Place 1 & 2 Capital Corp.;

(iii) transfer to the New Certificate of Title the existing instruments listed in Schedule "C", to this Order, and to issue and register against the New Certificate of Title such new caveats, utility rights of ways, easements or other instruments as are listed in Schedule "C"; and

(iv) discharge and expunge the Encumbrances listed in Schedule "B" to this Order and discharge and expunge any Claims including Encumbrances (but excluding Permitted Encumbrances) which may be registered after the date of the Sale Agreement against the existing Certificate of Title to the Lands;

- (b) the Registrar of the Alberta Personal Property Registry (the "PPR Registrar") shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Macleod Place Debtors in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.
5. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Receiver's Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.
6. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Receiver of the Sale Agreement.
7. Upon delivery of the Receiver's Closing Certificate together with a certified copy of this Order, this Order shall be immediately registered by the Land Titles Registrar notwithstanding the requirements of section 191(1) of the *Land Titles Act*, RSA 2000, c.L-7 and notwithstanding that the appeal period in respect of this Order has not elapsed. The Land Titles Registrar is hereby directed to accept all Affidavits of Corporate Signing Authority submitted by the Receiver in its capacity as Receiver of the Macleod Place Debtors and not in its personal capacity.
8. For the purposes of determining the nature and priority of Claims, net proceeds from sale of the Purchased Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Purchased Assets from and after delivery of the Receiver's Closing Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), the Receiver shall not make any distributions to creditors of net proceeds from sale of the Purchased Assets without further order of this Court, provided however the Receiver may apply any part of such net proceeds to repay any amounts the Receiver has borrowed for which it has issued a Receiver's Certificate pursuant to the Receivership Order.

9. Except as expressly provided for in the Sale Agreement or by section 5 of the *Alberta Employment Standards Code*, the Purchaser (or its nominee) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Macleod Place Debtors.
10. Upon completion of the Transaction, the Macleod Place Debtors and all persons who claim by, through or under the Macleod Place Debtors in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).
11. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Macleod Place Debtors, or any person claiming by, through or against the Macleod Place Debtors.
12. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Receiver.
13. The Receiver is directed to file with the Court a copy of the Receiver's Closing Certificate forthwith after delivery thereof to the Purchaser (or its nominee).
14. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada) and section 20(e) of the *Alberta Personal Information Protection Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser (or its nominee) all human resources and payroll information in the Macleod Place Debtor's records pertaining to the Macleod Place Debtors' past and current employees, and any other personal information (as defined in the applicable statute) contained in the books and records of the Macleod Place Debtors. The Purchaser (or its nominee) shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use (of such information) to which the Macleod Place Debtors was entitled.

MISCELLANEOUS MATTERS

15. Notwithstanding:
- (a) the pendency of these proceedings and any declaration of insolvency made herein;
 - (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (the "BIA"), in respect of the Macleod Place Debtors, and any bankruptcy order issued pursuant to any such applications;
 - (c) any assignment in bankruptcy made in respect of the Macleod Place Debtors; and
 - (d) the provisions of any federal or provincial statute:

the vesting of the Purchased Assets in the Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Macleod Place Debtors and shall not be void or voidable by creditors of the Macleod Place Debtors, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

16. The Receiver, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
17. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Receiver, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
18. Service of this Order shall be deemed good and sufficient by:
- (a) Serving the same on:
 - (i) the persons listed on the service list created in these proceedings;
 - (ii) any other person served with notice of the application for this Order;
 - (iii) any other parties attending or represented at the application for this Order;
 - (iv) the Purchaser or the Purchaser's solicitors; and

- (b) Posting a copy of this Order on the Receiver's website at:
<https://mnpdebt.ca/en/corporate/corporate-engagements/louise-block-first-street-plaza-macleod-place>

and service on any other person is hereby dispensed with.

19. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

Justice of the Court of Queen's Bench of Alberta

Schedule "A"

Form of Receiver's Certificate

COURT FILE NUMBER	2001-03925	Clerk's Stamp
COURT	COURT OF QUEEN'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
APPLICANT	[COMPUTERSHARE TRUST COMPANY OF CANADA, as title nominee for TREZ CAPITAL LIMITED PARTNERSHIP]	
RESPONDENTS	FIRST STREET PLAZA (2006) LIMITED PARTNERSHIP by its general partner FIRST STREET PLAZA GP LTD.; LOUISE BLOCK LIMITED PARTNERSHIP by its general partner LOUISE BLOCK CAPITAL CORP.; MACLEOD PLACE LIMITED PARTNERSHIP by its general partner MACLEOD PLACE LTD.; RIAZ MAMDANI; and IEC LTD.	
DOCUMENT	RECEIVER'S CERTIFICATE	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Counsel McMillan LLP Royal Centre, 1500 – 1055 West Georgia Street Vancouver, BC V6E 4N7 Telephone: 236 826 3022 Facsimile: 604 685 7084 Email: vicki.tickle@mcmillan.ca	

RECITALS

- A. Pursuant to an Order of the Honourable Justice K.M. Horner of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "Court") dated March 20, 2020, MNP Ltd. was appointed as the receiver and manager (the "Receiver") of following land and premises, and all property used in the business or affairs carried on by Macleod Place Limited Partnership by its general partner Macleod Place Ltd. (together, the "Macleod Place Debtors"), Louise Block Limited Partnership by its general partner Louise Block Capital Corp., and First Street Plaza (2006)

Limited Partnership by its general partner First Street Plaza GP Ltd. (collectively, the "Debtors") at those lands and premises, namely:

Title #: 131062248

Legal Description:

PLAN 4269HS

BLOCK 1

LOT 2

EXCEPTING THEREOUT ALL MINES AND MINERALS

Civic Address: 5920 and 5940 Macleod Trail SW, Calgary, Alberta

Titleholder: Macleod Place Ltd.

Title #: 051392048

Legal Description:

PLAN "A"

BLOCK 72

LOTS 37 TO 40 INCLUSIVE

Civic Address: 1018 Macleod Trail SE, Calgary Alberta

Titleholder: Louise Block Capital Corp.

Title #: 071146388

Legal Description:

PLAN C

BLOCK 16

LOTS 21 TO 24

EXCEPTING THEREOUT A PORTION FOR STREET WIDENING ON PLAN 8310173

EXCEPTING THEREOUT ALL MINES AND MINERALS

Civic Address: 138 – 4th Avenue SE, Calgary, Alberta

Titleholder: First Street Plaza GP Ltd.

- B. Pursuant to an Order of the Court dated February ●, 2021, the Court approved the agreement of purchase and sale made as of February ●, 2021 (the "Sale Agreement") between the Receiver and Macleod Place 1 & 2 Capital Corp., as general partner for and on behalf of Macleod Place 1 & 2 Limited Partnership (together, the "Purchaser") and provided for the vesting in the Purchaser of the Macleod Place Debtors' right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the satisfaction by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article 4 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser (or its nominee); and (iii) the Transaction has been completed to the satisfaction of the Receiver.
- C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser (or its nominee) has satisfied and the Receiver has received the Purchase Price for the Purchased Assets payable or otherwise to be satisfied on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in Article 4 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser (or its nominee); and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at [Time] on [Date].

MNP Ltd., in its capacity as Receiver of the undertakings, property and assets of the Macleod Place Debtors, and not in its personal capacity.

Per; _____

Name: Patty E. Wood

Title: Senior Vice President

Schedule "B"

Encumbrances

Alberta Land Titles Registration Number	Particulars
191 180 629	Builder's Lien Lienor – 1514012 Alberta Ltd.
191 243 247	Builder's Lien Lienor – 7 Construction Inc.
191 255 527	Builder's Lien Lienor – Nu-Mun Contracting Ltd.
191 259 942	Builder's Lien Lienor – Read Jones Christoffersen Ltd.
201 020 746	Order In favour of – Alvarez & Marsal Canada Inc.
201 041 197	Certificate of Lis Pendens Affects Instrument: 191180629
201 094 187	Certificate of Lis Pendens Affects Instrument: 191243247
201 107 410	Certificate of Lis Pendens Affects Instrument: 191255527
201 109 304	Certificate of Lis Pendens Affects Instrument: 191259942

Alberta Personal Property Registration Number	Secured Party/Plaintiff Applicant
13031125416	Computershare Trust Company of Canada
19052440179	Computershare Trust Company of Canada
19052440497	Computershare Trust Company of Canada
20011018935	Alvarez & Marsal Canada Inc., LIT Receiver
20021413840	Alvarez & Marsal Canada Inc., LIT Receiver
20103031204	Macleod Limited Partnership by its G.P. Macleod GP Inc.

Schedule "C"

Permitted Encumbrances

1. The Permitted Encumbrances described in the Sale Agreement.
2. The following specific registrations:

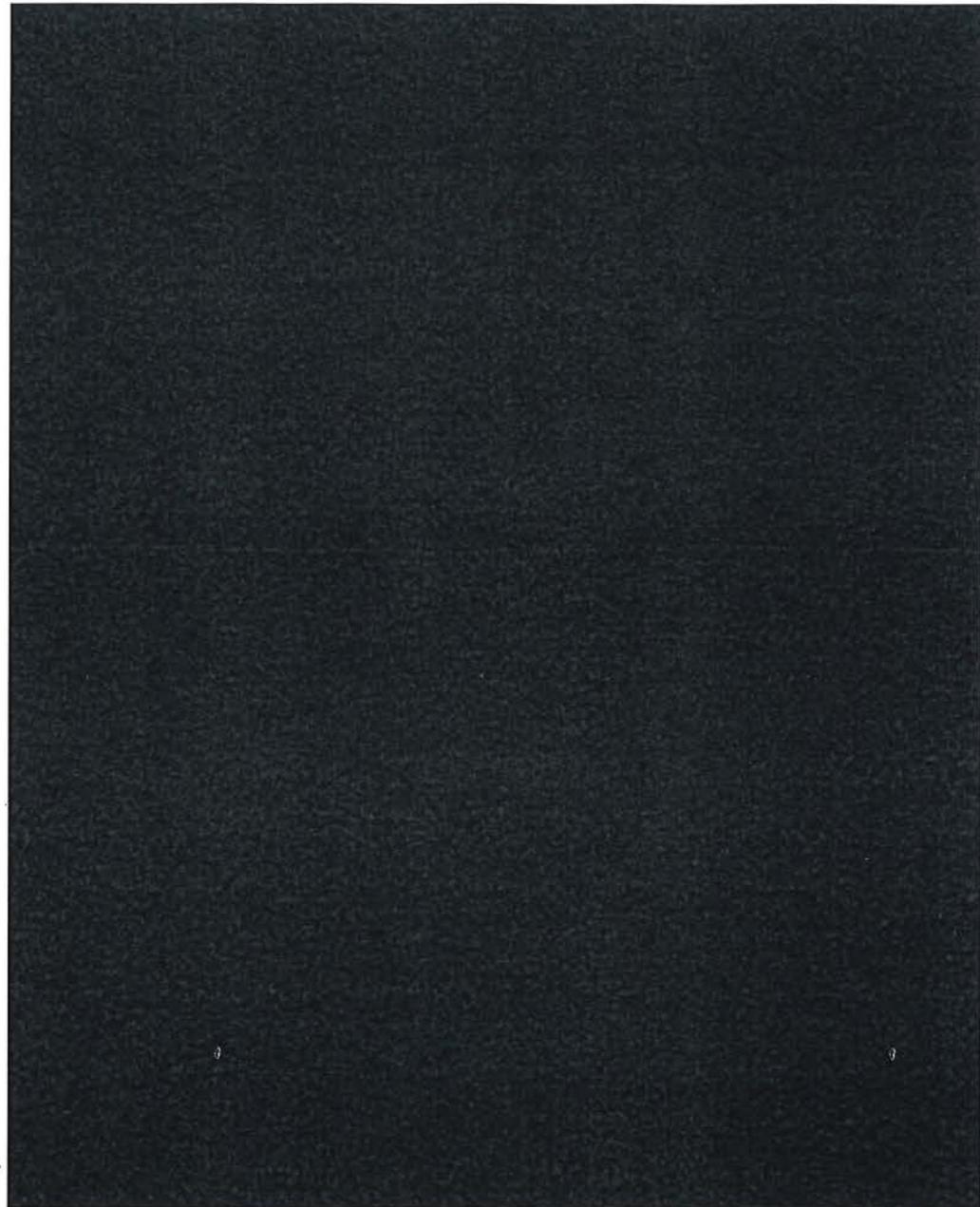
Alberta Land Titles Registration Number	Particulars
7172KZ	Caveat Caveator – Athens Restaurants Ltd.
231LN	Caveat Caveator – Bank of Montreal
861 057 938	Caveat re: Lease Caveator – Bank of Montreal
881 018 092	Caveat re: Lease Caveator – Roozen Bailie Consultants Ltd.
891 049 893	Caveat re: Renewal Agreement Caveator – Bank of Montreal
891 164 537	Caveat re: Lease Caveator – 321227 Alberta Ltd.
901 210 087	Caveat re: Renewal Agreement Caveator – Bank of Montreal
911 050 509	Caveat re: Lease Caveator – Cambridge Construction Ltd.
921 001 645	Caveat re: Lease, etc. Caveator – Rogers Cantel Inc.
921 199 368	Caveat re: Lease Caveator – Brad A. Milne Professional Corporation
951 006 674	Caveat re: Lease Caveator – PGE Holdings Ltd.
971 019 384	Caveat re: Lease Caveator – Inter Plant Consulting Inc.
981 130 848	Caveat re: Lease, etc. Caveator – Commonwealth Geophysical Development Company, Ltd.
991 037 383	Caveat re: Lease Caveator – Gurr & Company Insurance Agencies

	Ltd.
991 214 198	Caveat re: Lease Caveator – 827924 Alberta Ltd.
001 222 604	Caveat re: Lease Caveator – Westcan Equities Corporation
021 373 711	Caveat re: Lease Caveator – TM Mobile Inc.
061 190 210	Caveat re: Lease, etc. Caveator – Infuse Capital Corporation
091 152 576	Caveat re: Lease Caveator – Gaucho Catering Limited
101 242 370	Caveat re: Lease Caveator – Rogers Communications Inc.
101 318 261	Caveat re: Lease Caveator – Procall Marketing Inc.
121 139 872	Caveat re: Lease Caveator – Geotrac Systems Inc.
141 102 294	Caveat re: Lease Caveator – Canadian Women's Foundation
141 191 275	Caveat re: Lease Caveator – Cambridge Mercantile Corp.
191 071 357	Caveat re: Lease Caveator – Intercare Corporate Group Inc.
191 109 180	Caveat re: Lease Caveator – Computershare Trust Company of Canada
191 173 051	Caveat re: Lease under 20 Acres Caveator – Telus Communications Inc.
191 254 991	Caveat re: Lease Caveator – Computershare Trust Company of Canada
131 062 249	Mortgage Mortgagee – Vancity Community Investment Bank
131 062 250	Caveat re: Assignment of Rents and Leases Caveator – Vancity Community Investment Bank

191 109 177	Caveat re: Amending Agreement Caveator – Vancity Community Investment Bank
191 109 178	Mortgage Mortgagee – Computershare Trust Company of Canada
191 109 179	Caveat re: Assignment of Rents and Leases Caveator – Computershare Trust Company of Canada
191 254 989	Mortgage Mortgagee – Computershare Trust Company of Canada
191 254 990	Caveat re: Assignment of Rents and Leases Caveator – Computershare Trust Company of Canada
191 180 630	Builder's Lien Lienor – 1514012 Alberta Ltd.
191 180 631	Builder's Lien Lienor – 1514012 Alberta Ltd.
201 041 198	Certificate of Lis Pendens Affects Instrument: 191180630
201 041 199	Certificate of Lis Pendens Affects Instrument: 191180631

SCHEDULE "D"
EXISTING LEASES

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.



11.

12.

13.

14.

15.

16.

17.

18.

19.

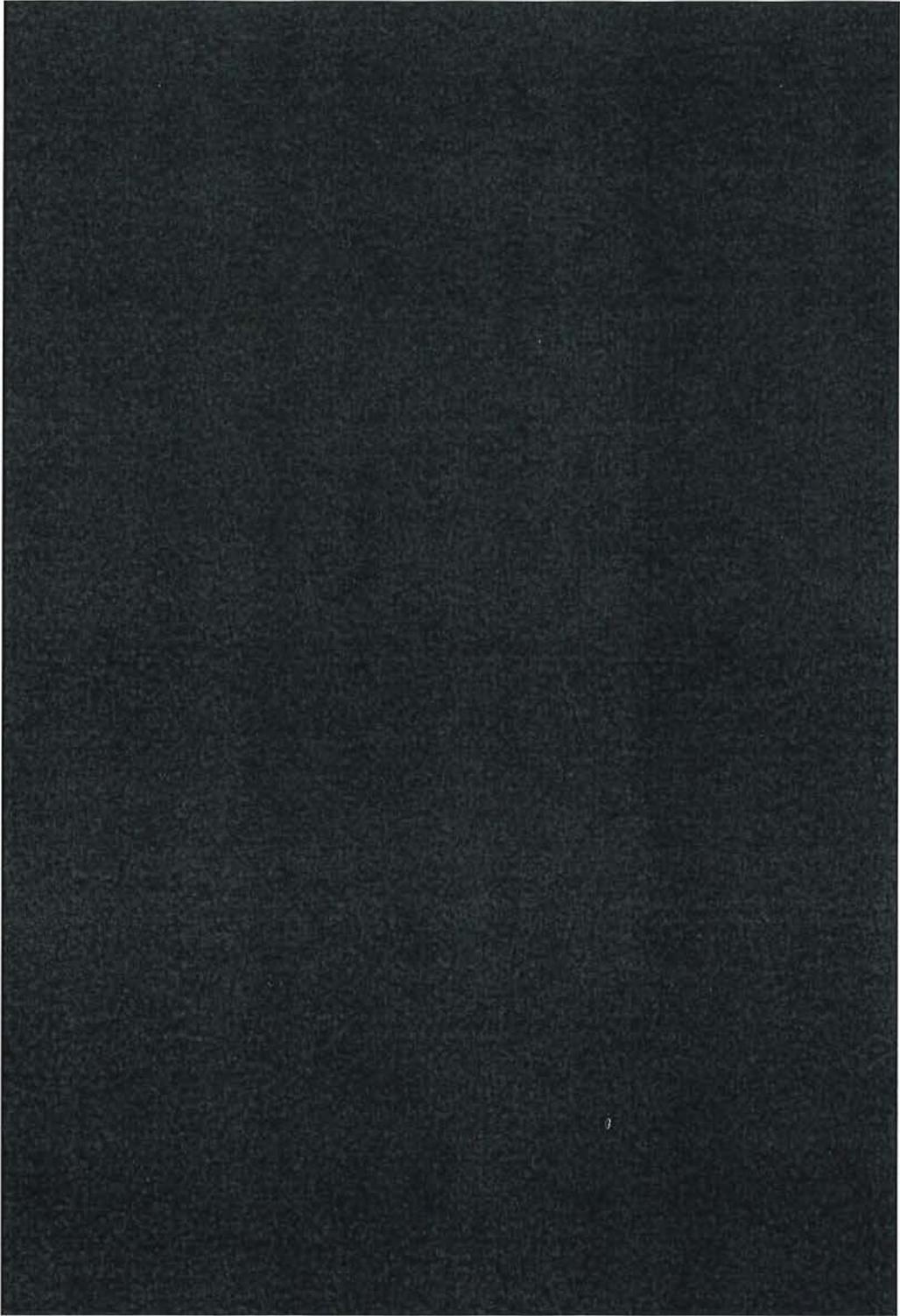
20.

21.

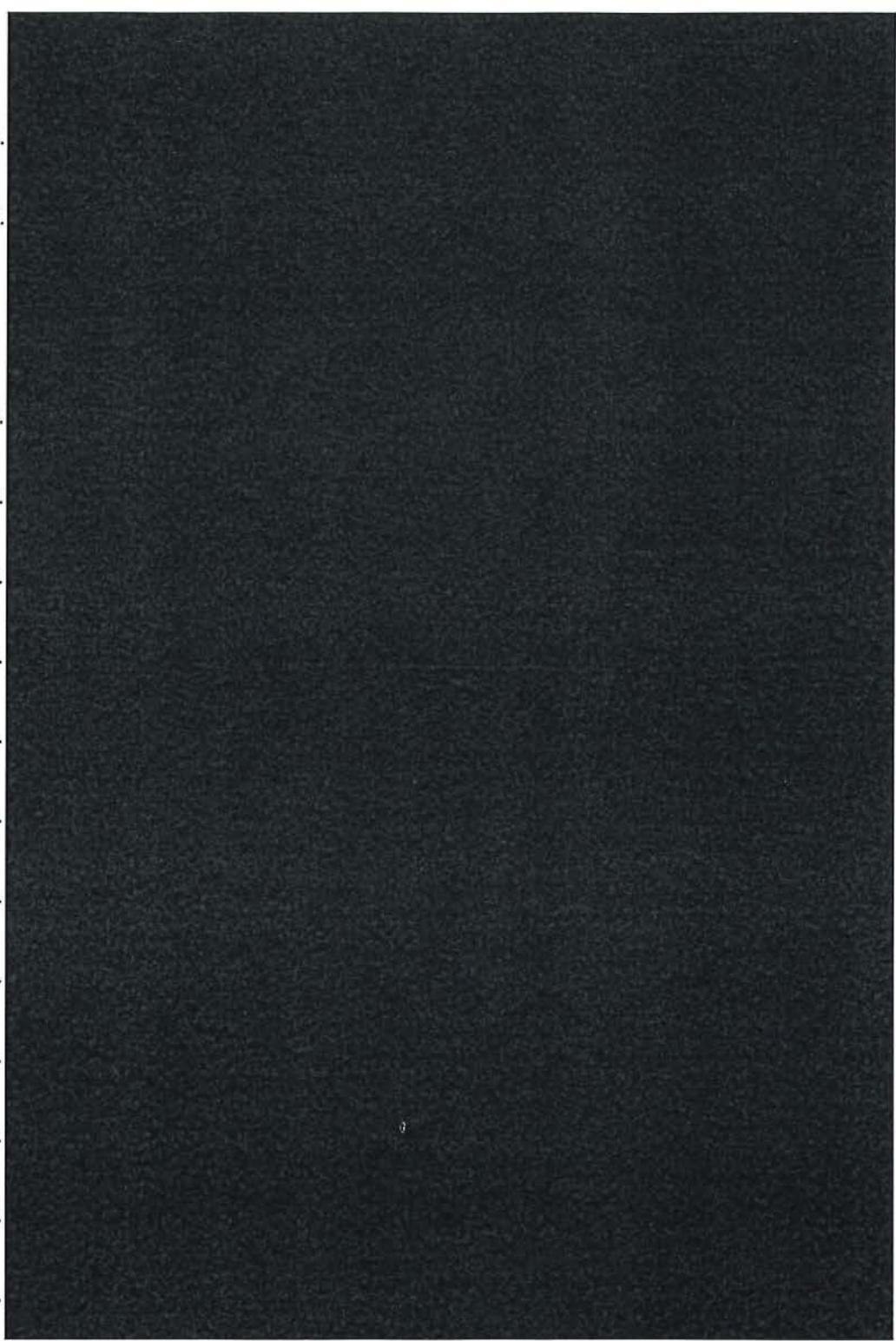
22.

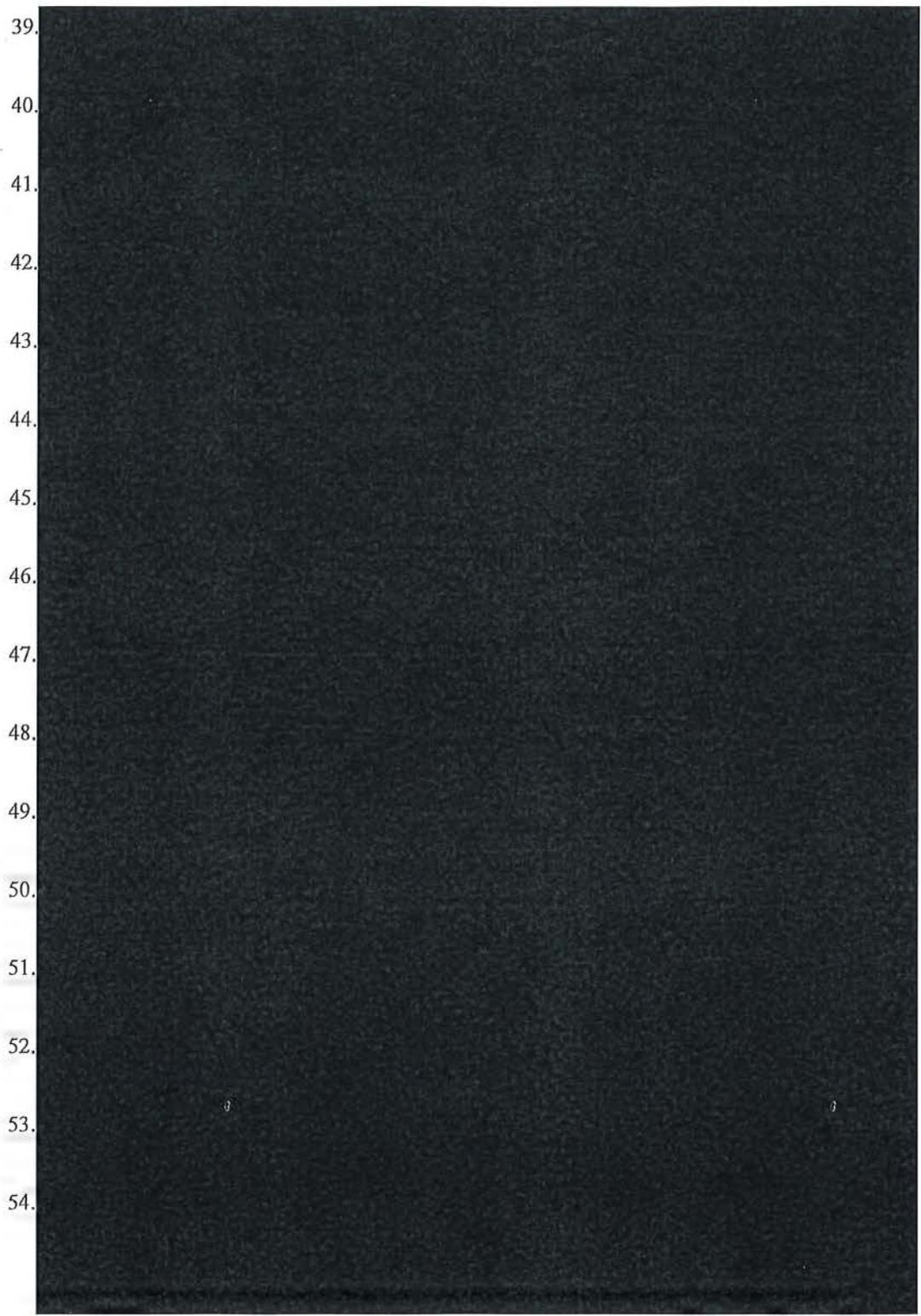
23.

24.



- 25.
- 26.
- 27.
- 28.
- 29.
- 30.
- 31.
- 32.
- 33.
- 34.
- 35.
- 36.
- 37.
- 38.





39.
40.
41.
42.
43.
44.
45.
46.
47.
48.
49.
50.
51.
52.
53.
54.

55.

56.

57.

58.

59.

60.

61.

62.

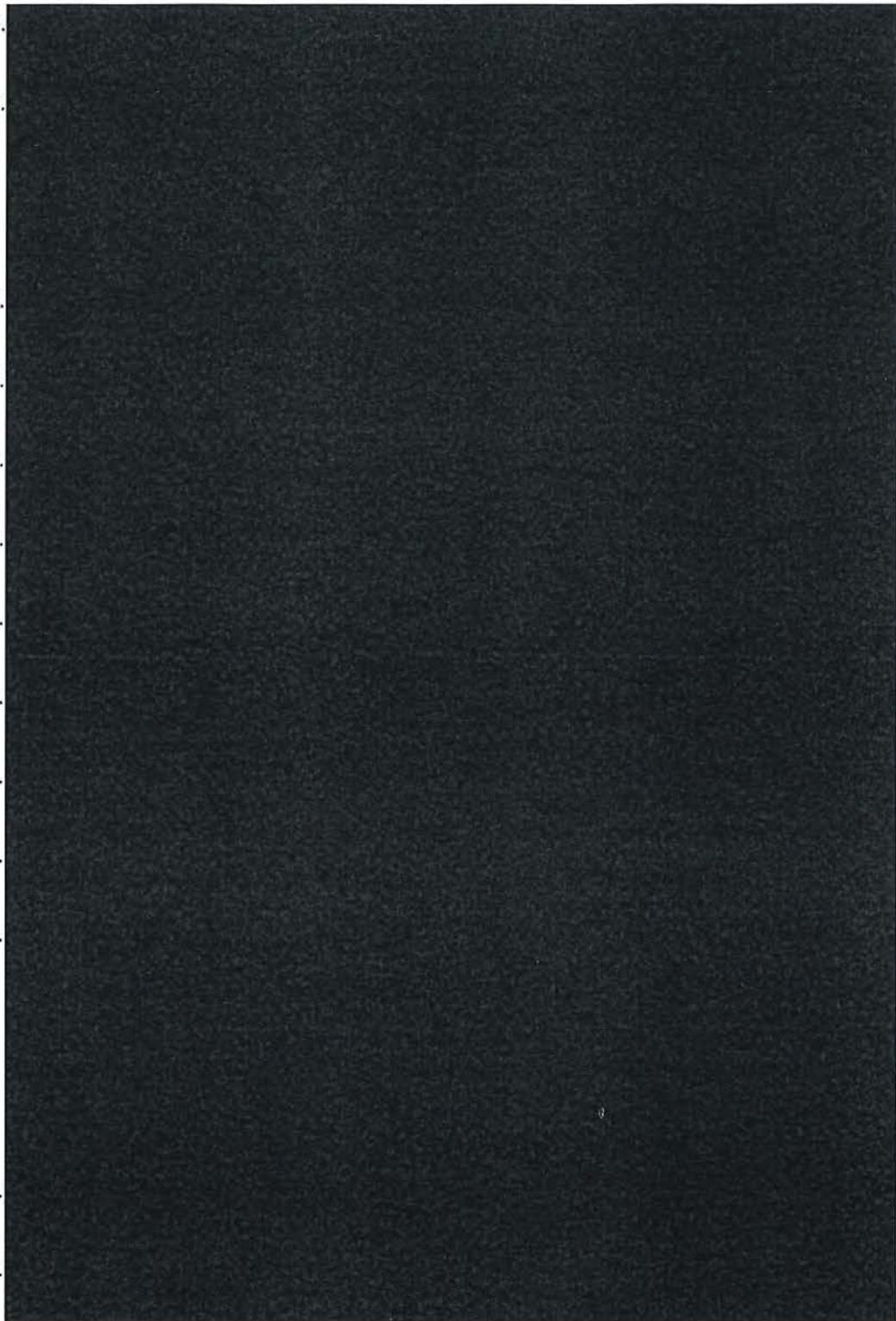
63.

64.

65.

66.

67.



68.

69.

70.

71.

72.

73.

74.

75.

76.

77.

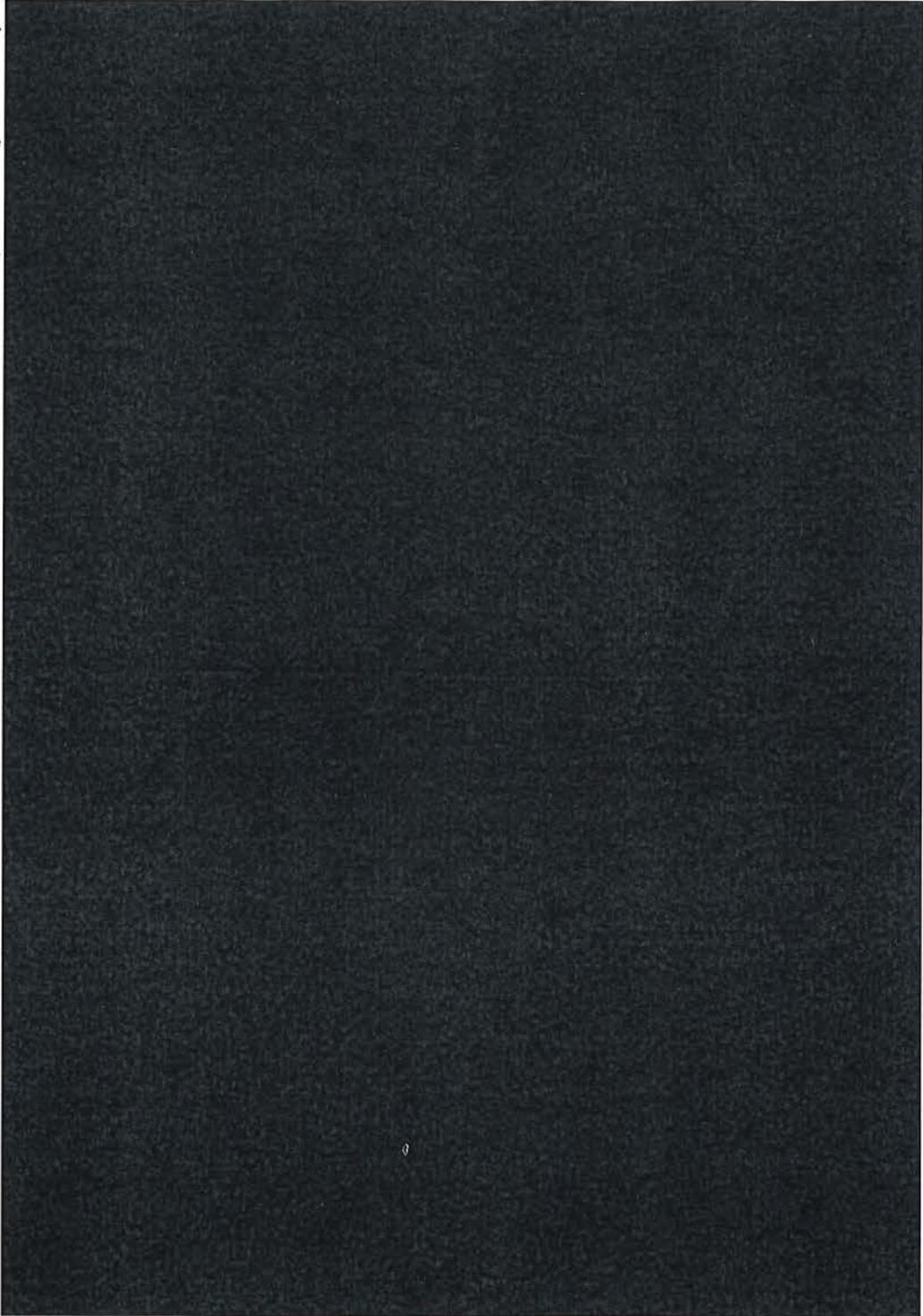
78.

79.

80.

81.

82.



83.

84.

85.

86.

87.

88.

89.

90.

91.

92.

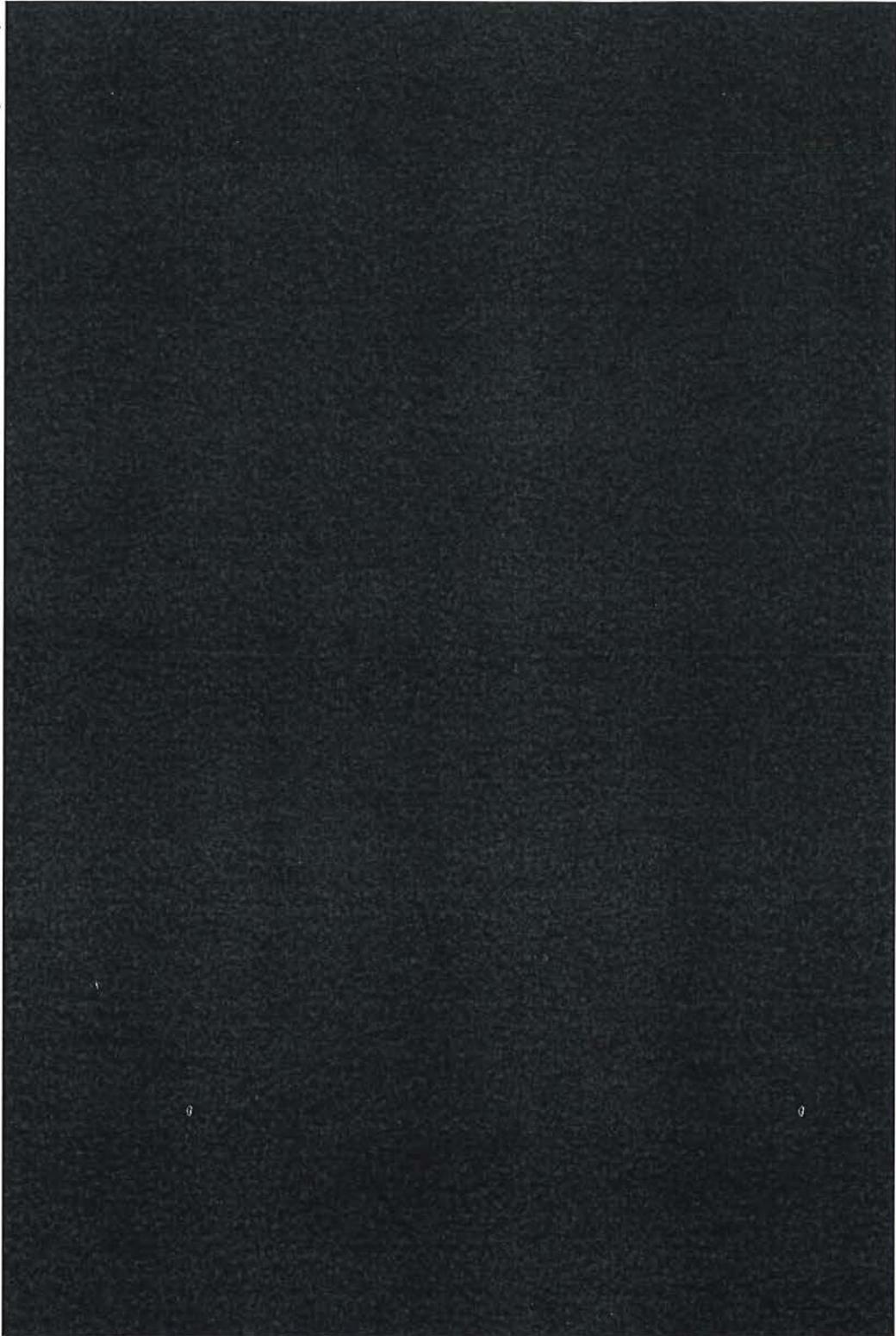
93.

94.

95.

96.

97.



98.

99.

100

101

102

103

104

105

106

107

108

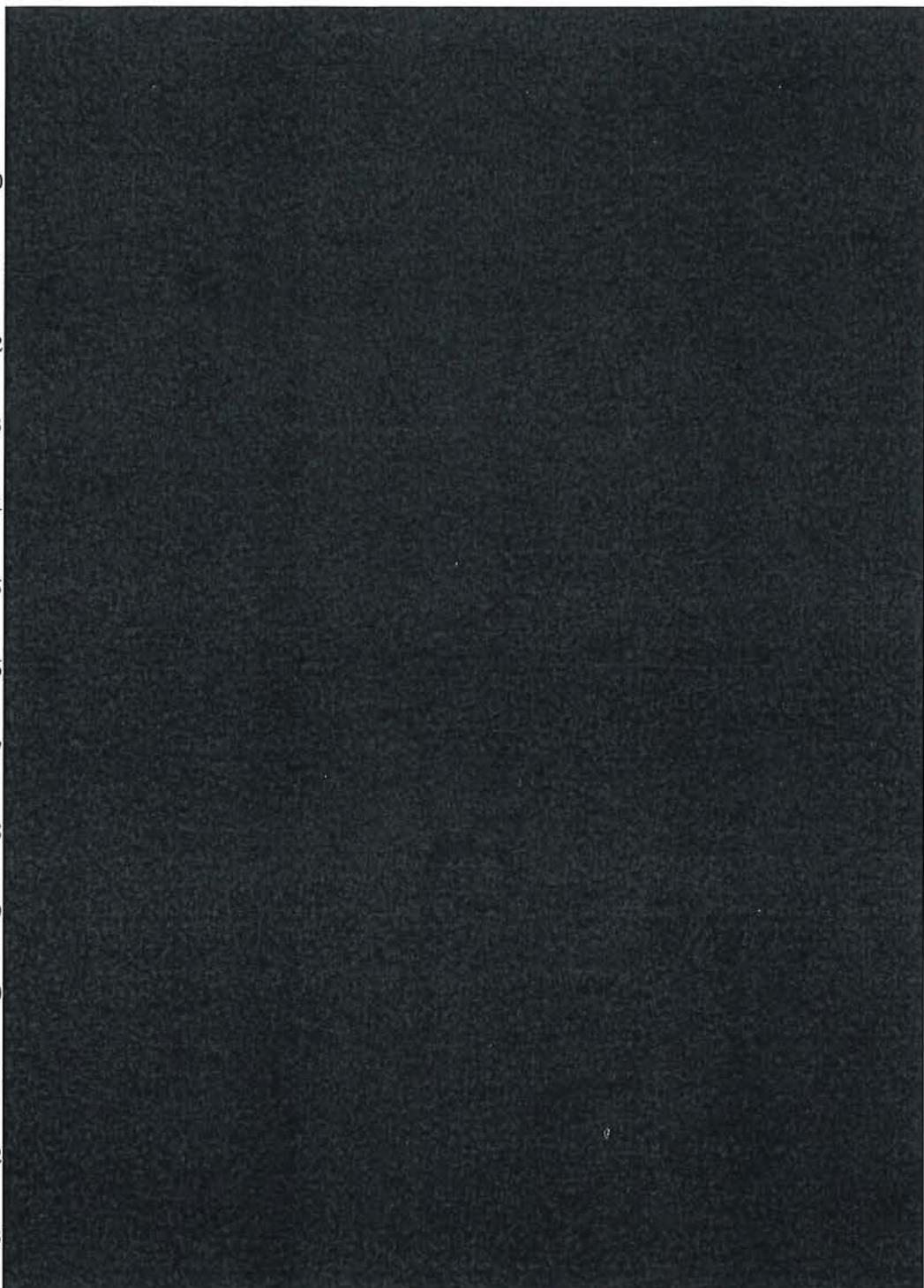
109

110

111

112

113



114

115

116

117

118

119

120

121

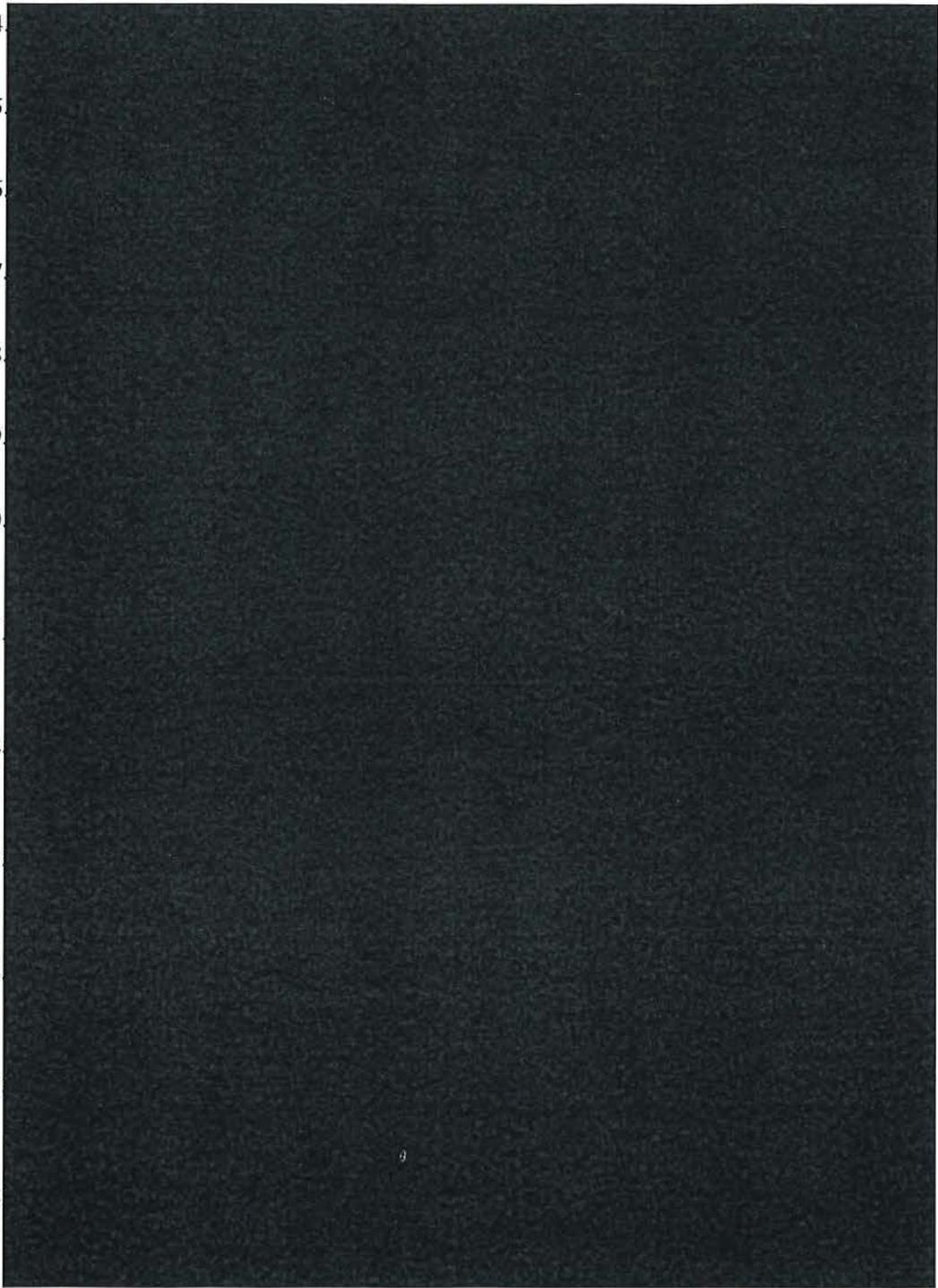
122

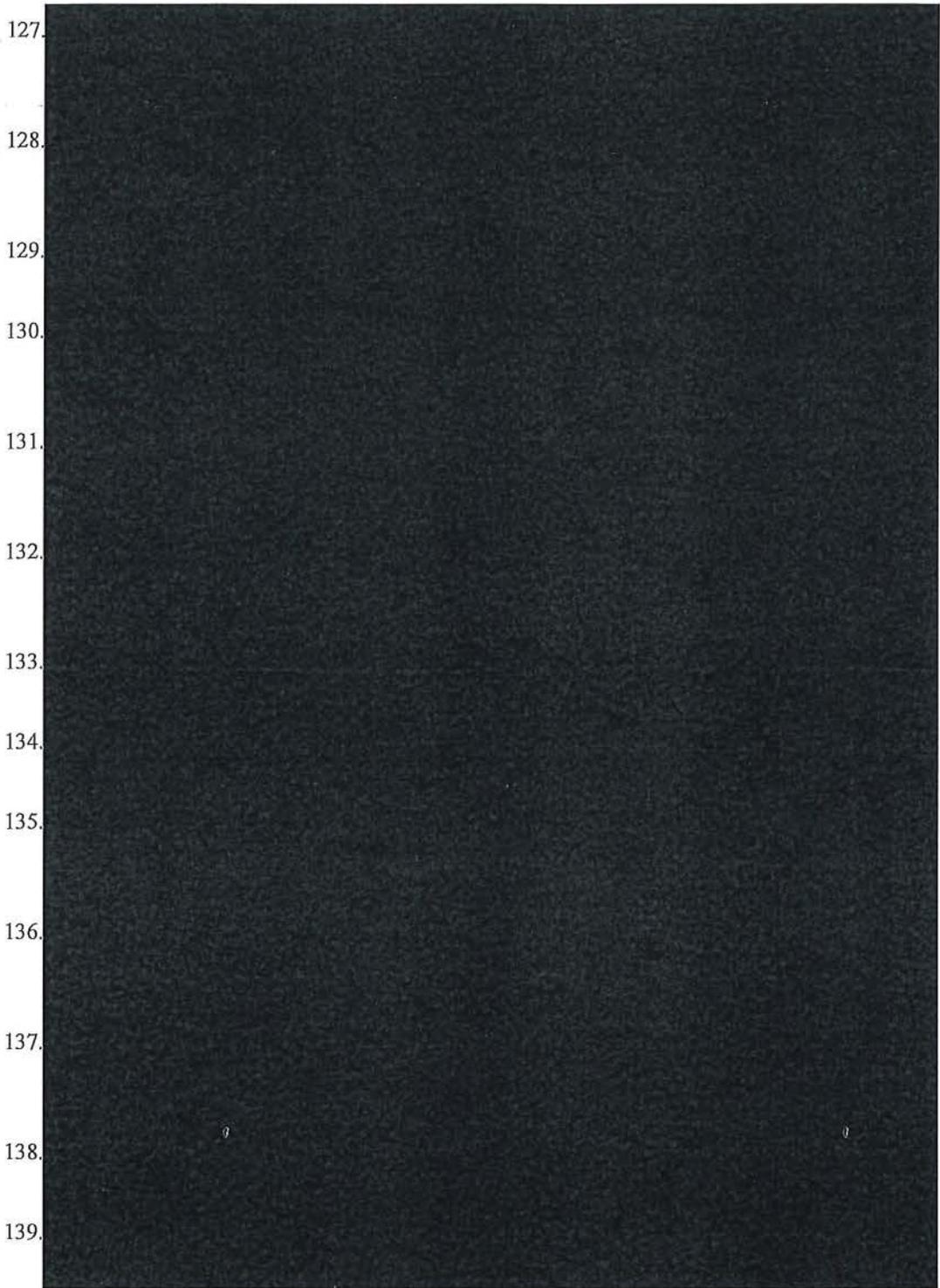
123

124

125

126





127.

128.

129.

130.

131.

132.

133.

134.

135.

136.

137.

138.

139.

140.

141.

142.

143.

144.

145.

146.

147.

148.

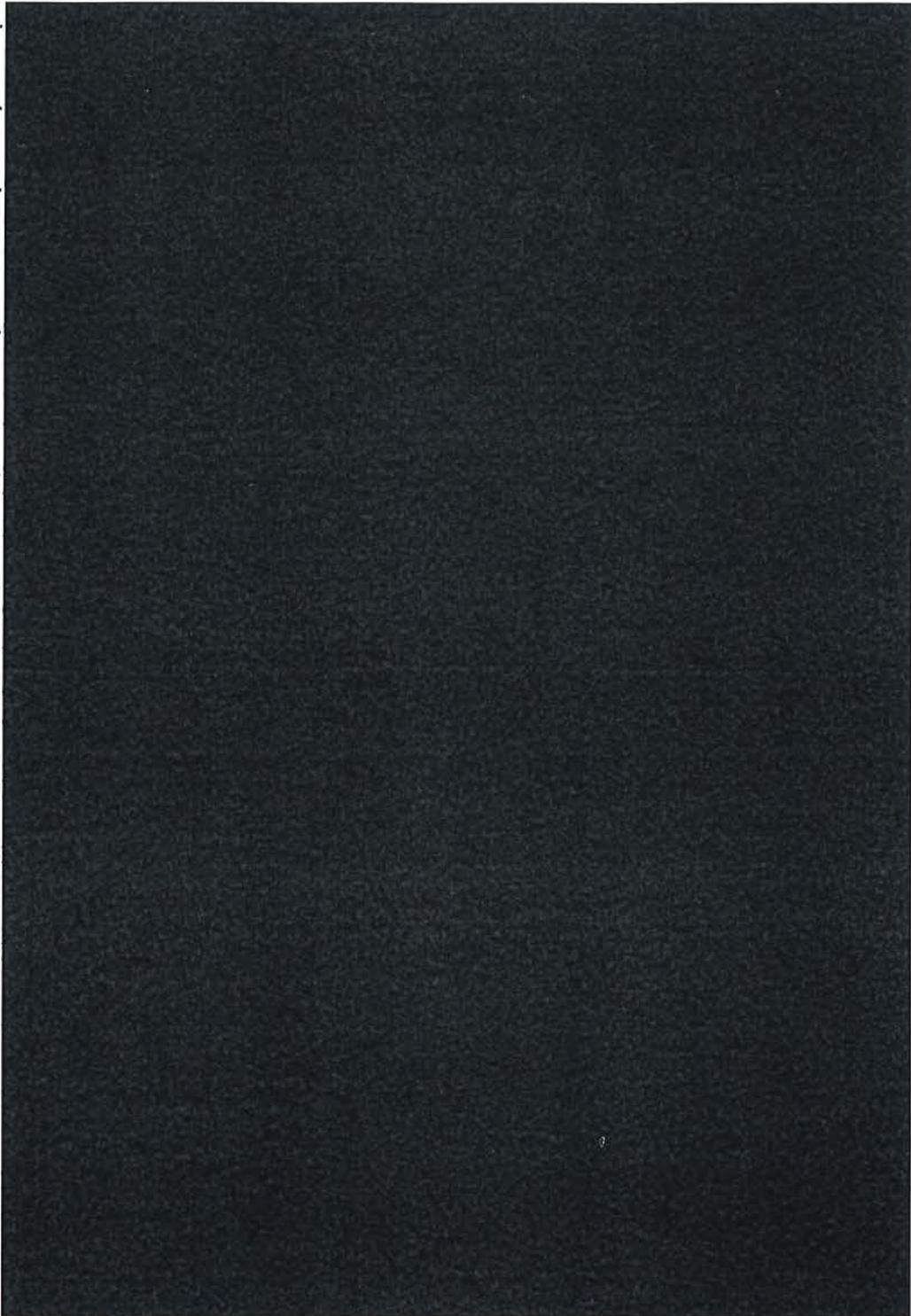
149.

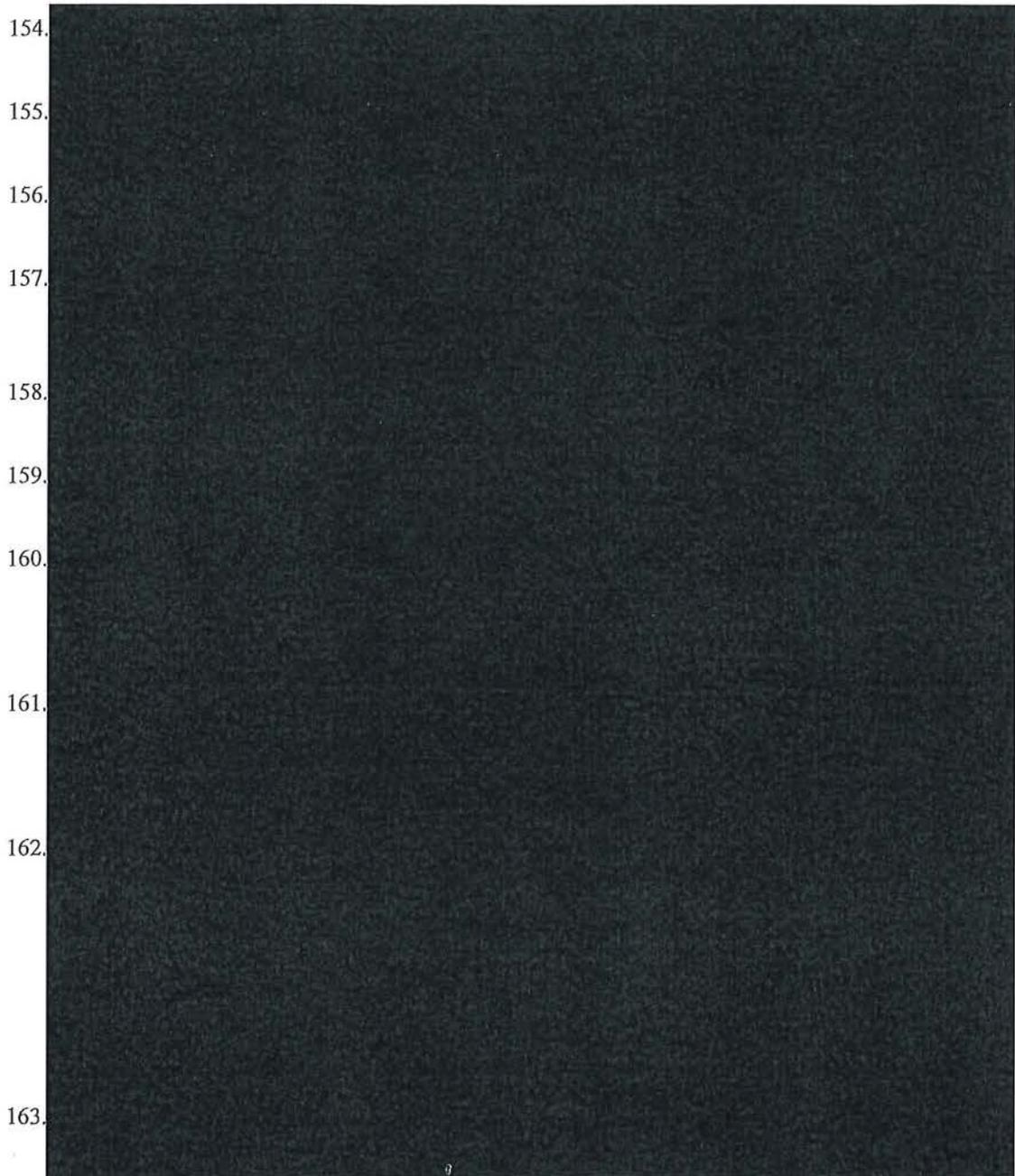
150.

151.

152.

153.





154.

155.

156.

157.

158.

159.

160.

161.

162.

163.

SCHEDULE "E"
ASSUMPTION CONFIRMATION

CONFIRMATION OF ASSUMPTION AND RELEASE

TO: MNP LTD. in its capacity as Court-appointed receiver and manager of the land and improvements representing Macleod Place, with a property address of 5920 and 5940 Macleod Trail SW, Calgary, Alberta and certain other associated personal property, and not in its personal or corporate capacities and without personal or corporate liability (the "Vendor").

FROM: MACLEOD PLACE 1 & 2 CAPITAL CORP., as general partner for and on behalf of MACLEOD PLACE 1 & 2 LIMITED PARTNERSHIP (the "Transferee" or the "Purchaser").

AND FROM: COMPUTERSHARE TRUST COMPANY OF CANADA, as title nominee for TREZ CAPITAL LIMITED PARTNERSHIP or its nominee (the "Mortgagee").

RE: Confirmation of assumption by the Transferee of the Assumed Obligation under the Existing Mortgage Security (as such terms are defined below) and the Mortgagee's unconditional and full release of the Vendor and the partial release, solely for the amount of the Assumed Obligation, of MACLEOD PLACE LTD., as general partner for and on behalf of MACLEOD PLACE LIMITED PARTNERSHIP (the "Debtor").

DATE: _____, 2021 (the "Effective Date").

WHEREAS by certain currently registered mortgages and related caveats against title to the Property (as hereinafter defined) with registration numbers 131 062 249, 131 062 250, 191 109 177, 191 109 178, 191 109 179, 191 109 180, 191 254 989, 191 254 990 and 191 254 991 (collectively the "Existing Mortgage Security"), registered in favour of the Mortgagee in the Alberta Land Titles Office, the Debtor mortgaged to the Mortgagee certain lands described in the attached Schedule "A" herein (the "Property").

AND WHEREAS the Vendor is the Court-appointed receiver and manager of the Property and the Purchaser and Vendor have entered into an agreement of purchase and sale for the Property dated ● (the "Purchase Agreement").

AND WHEREAS the Transferee has agreed with the Mortgagee pursuant to a Term Sheet dated ● (the "[Term Sheet]"), that the Transferee will to assume the mortgage financing in the amount of [REDACTED] under the Existing Mortgage Security (the "Assumed Obligation");

AND WHEREAS pursuant to the Purchase Agreement and the Term Sheet, the parties desire to enter into this Agreement to (i) confirm the assumption of the Assumed Obligations under the [Term Sheet]; and (ii) confirm the Mortgagee's unconditional and full release of the Vendor and partial release, solely for the amount of the Assumed Obligation, of the Debtor.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the good and valuable consideration (the receipt and sufficiency of which the parties hereto do hereby acknowledge) the parties hereto do hereby acknowledge, covenant, and agree that:

CONFIRMATION OF ASSUMPTION

- 1. The Transferee and Mortgagee hereby acknowledge and confirm the assumption of the Assumed Obligation under the Existing Mortgage Security as contemplated by the [Term Sheet]. The Transferee and Mortgagee further acknowledge and confirm that the Transferee shall be responsible for all payments and other covenants and obligations for the Assumed Obligation under the [Term Sheet] and Existing Mortgage Security commencing on the Effective Date.

VENDOR RELEASE

- 2. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Mortgagee hereby agrees that, notwithstanding any provisions to the contrary in the Existing Mortgage Security:
 - (a) The Assumed Obligation under the Existing Mortgage Security has, as of the date hereof, been assumed by the Purchaser in connection with the Purchase Agreement and [Term Sheet].
 - (b) the Vendor is released and discharged, from all its obligations, if any, under the Existing Mortgage Security;
 - (c) as against the Vendor, the Existing Mortgage Security is of no further force or effect and all rights and obligations of the Mortgagee thereunder as against the Vendor are hereby terminated and released;
 - (d) any interest of the Mortgagee in and to any insurance policies of the Vendor related to the Property, and proceeds thereof, are hereby released, reassigned and forever discharged;
 - (e) the Mortgagee has full authority to effect the within releases and discharges and that it will from time to time, at the request of the Vendor, execute and deliver, or cause to be executed and delivered, all such financing statements, releases and other instruments as may be necessary or advisable to effectually release and discharge the Vendor from their obligations under any or all of the Existing Mortgage Security.

DEBTOR PARTIAL RELEASE

- 3. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Mortgagee hereby agrees that, notwithstanding any provisions to the contrary in the Existing Mortgage Security:
 - (a) The Assumed Obligation under the Existing Mortgage Security has, as of the date hereof, been assumed by the Purchaser in connection with the Purchase Agreement and [Term Sheet].
 - (b) the Debtor, together with its property, assets and undertaking are, solely to the extent of the Assumed Obligation released, discharged, surrendered, reconveyed and quit claimed from all its obligations under the Existing Mortgage Security;
 - (c) as against the Debtor, solely to extent of the Assumed Obligation, the Existing Mortgage Security is of no further force or effect and all rights and obligations of the Mortgagee thereunder, solely to extent of the Assumed Obligation, are hereby terminated and released,

other than those rights and obligations, including without limitation repayment of any liabilities, that are for amounts not contained in the Assumed Obligation;

- (d) any interest of the Mortgagee in and to any insurance policies of the Debtor related to the Property, and proceeds thereof, solely to extent of the Assumed Obligation, are hereby released, reassigned and forever discharged;
- (e) the Mortgagee has full authority to effect the within releases and discharges and that it will from time to time, at the request and sole expense of the Debtor, execute and deliver, or cause to be executed and delivered, all such financing statements, releases and other instruments as may be necessary or advisable to effectually release and discharge the Debtor, solely to extent of the Assumed Obligation, from their obligations under any or all of the Existing Mortgage Security,

provided however that, nothing in this Agreement shall affect or limit the Mortgagee's right to any net proceeds available for distribution by the Vendor in respect of amounts owing by the Debtor pursuant to the Existing Mortgage Security over and above the Assumed Obligation.

GENERAL TERMS

- 4. For the purpose of notices under any of the aforesaid documents the address of the Transferee, the Vendor and the Mortgagee is as follows:
 - Transferee: ●
 - Vendor: ●
 - Mortgagee: ●
- 5. In the event of any inconsistency or conflict between the provisions of this Agreement and the Purchase Agreement, the provisions of the Purchase Agreement shall prevail.
- 6. This Agreement enures to the benefit of and shall be binding on and enforceable by the parties and where the context so permits, their respective successors and permitted assigns.
- 7. This Agreement may be executed in counterpart and evidenced by a facsimile copy or other electronic transmission, and all such counterparts shall constitute one agreement.

[signature page to follow]

IN WITNESS WHEREOF the parties hereto have executed these presents the day and year first above written.

**MACLEOD PLACE 1 & 2 CAPITAL CORP., as
general partner for and on behalf of MACLEOD
PLACE 1 & 2 LIMITED PARTNERSHIP**

Per: _____

Per: _____ (seal)

**COMPUTERSHARE TRUST COMPANY OF
CANADA, as title nominee for TREZ CAPITAL
LIMITED PARTNERSHIP or its nominee**

Per: _____

Per: _____ (seal)

ACKNOWLEDGED

IN WITNESS WHEREOF the Vendor has executed this acknowledgement this ____ day of _____, 2021.

MNP LTD., in its capacity as Court-Appointed Receiver and Manager of the Property, and not in its personal or corporate capacities and without personal or corporate liability

_____ (seal)

SCHEDULE "A"

THE PROPERTY

Title #: 131062248

PLAN 4269HS

BLOCK 1

LOT 2

EXCEPTING THEREOUT ALL MINES AND MINERALS

Appendix F

Summary of Professional Fees - Receiver

Period Covered	Professional Fees					Total (\$)
	General Receivership (\$)	First Street Plaza (\$)	Louise Block (\$)	Macleod Place I and II (\$)	Taxes (\$)	
October 1, 2020 to October 31, 2020	9,493.60	6,343.60	23,345.20	31,722.80	3,545.26	74,450.46
November 1, 2020 to November 30, 2020	13,982.80	11,245.30	13,159.40	36,217.00	3,730.23	78,334.73
December 1, 2020 to December 31 2020	5,550.50	10,076.60	12,908.90	28,634.10	2,858.51	60,028.61
January 1, 2021 to January 31, 2021 (not paid)	-	21,485.90	3,153.60	-	1,231.98	25,871.48
January 1, 2021 to January 19, 2021 (not paid)	4,054.70	-	-	37,212.60	2,063.37	43,330.67
January 20, 2021 to January 31, 2021 (not paid)	2,944.40	-	-	22,702.50	1,282.35	26,929.25
Total	\$ 36,026.00	\$ 49,151.40	\$ 52,567.10	\$ 156,489.00	\$ 14,711.70	\$ 308,945.20

Appendix G

Summary of Time - Receiver
(in relation to Receiver's accounts referenced in Appendix F)

CONSOLIDATED TIME BY PROFESSIONAL

Professional	Position	Average Rate / Hour (\$)	General Receivership		First Street Plaza	
			No. of Hours	Time Value (\$)	No. of Hours	Time Value (\$)
Patty Wood	Partner/Trustee	550	57.30	31,515.00	52.00	28,600.00
Greg Ibbott	Sr. Mgr./Trustee	405	1.50	607.50	40.40	16,362.00
Julie Kennedy	Sr. Mgr./Trustee	405	3.30	1,336.50	2.50	1,012.50
Seamus Boyle	Manager	294	0.00	-	2.50	735.00
Elizabeth Chen	Accountant	293	4.00	1,176.00	7.60	2,226.40
Heather Ursaki	Senior Admin	139	9.90	1,376.10	0.80	111.20
Various	Support Staff	149	0.10	14.90	0.70	104.30
Total			76.10	\$ 36,026.00	106.50	\$ 49,151.40

Professional	Position	Average Rate / Hour (\$)	Louise Block		Macleod Place I and II	
			No. of Hours	Time Value (\$)	No. of Hours	Time Value (\$)
Patty Wood	Partner/Trustee	550	78.80	43,340.00	171.40	94,270.00
Greg Ibbott	Sr. Mgr./Trustee	405	28.40	11,502.00	127.80	51,759.00
Julie Kennedy	Sr. Mgr./Trustee	405	3.90	1,579.50	4.40	1,782.00
Seamus Boyle	Manager	294	1.65	485.10	15.55	4,571.70
Elizabeth Chen	Accountant	285	10.10	2,889.40	13.70	3,891.80
Heather Ursaki	Senior Admin	139	1.20	166.80	0.90	125.10
Various	Support Staff	149	0.70	104.30	0.60	89.40
Courtesy Discount				(7,500.00)		
Total			124.75	\$ 52,567.10	334.35	\$ 156,489.00

Appendix H

Summary of Legal Fees and Disbursements - McMillan LLP

Period Covered	General Receivership (\$)	Fees			Disbursements (\$)	Taxes (\$)	Total (\$)
		Macleod Place I & II (\$)	First Street Plaza (\$)	Louise Block (\$)			
October 1, 2020 to November 30, 2020	5,796.50	4,510.00	642.00	25,676.50	388.58	4,441.62	41,455.20
December 1, 2020 to December 31, 2020	-	4,270.50	481.50	11,389.50	-	1,936.98	18,078.48
December 1, 2020 to January 31, 2021 (not paid)	107.00	-	-	-	70.00	12.84	189.84
January 1, 2021 to January 31, 2021 (not paid)	-	-	531.00	187.00	-	86.16	804.16
January 1, 2021 to January 19, 2021 (not paid)	-	22,844.00	-	-	448.00	2,795.04	26,087.04
January 20, 2021 to January 31, 2021 (not paid)	-	20,555.00	-	-	-	2,466.60	23,021.60
Total	\$ 5,903.50	\$ 52,179.50	\$ 1,654.50	\$ 37,253.00	\$ 906.58	\$ 11,739.24	\$ 109,636.32

Appendix I

Summary of Time - McMillan LLP
(in relation to legal accounts referenced in Appendix H)

CONSOLIDATED TIME BY PROFESSIONAL

Professional	Position	Average Rate / Hour (\$)	General Receivership		Louise Block	
			No. of Hours	Time Value (\$)	No. of Hours	Time Value (\$)
J.M. Wilks	Partner	800	-	-	0.30	240.00
M. Allison	Partner	601	-	-	10.10	6,069.00
V. Tickle	Partner	536	1.60	856.00	16.40	8,785.00
S. Michoulas	Partner	450	-	-	0.20	90.00
A.C. Maerov	Partner	600	0.40	240.00	-	-
N. Barton	Associate	545	-	-	15.00	8,175.00
B. McRadu	Associate	350	1.6	560.00	6.80	2,380.00
K. Rylands	Associate	575	6.5	3,737.50	2.80	1,610.00
D. Shouldice	Associate	455	-	-	14.8	6,734.00
L. Gerrard	Paralegal	300	0.2	60.00	3.8	1,140.00
S. Seto	Paralegal	300	1.5	450.00	1.7	510.00
D. Tsumagari	Assistant	200	-	-	0.4	80.00
J. Stucken	Student	300	-	-	4.8	1,440.00
Totals			11.80	\$ 5,903.50	71.60	\$ 37,253.00

Professional	Position	Average Rate / Hour (\$)	Macleod Place		First Street Plaza	
			No. of Hours	Time Value (\$)	No. of Hours	Time Value (\$)
V. Tickle	Partner	574	35.90	20,669.50	3.00	1,654.50
M. Allison	Partner	685	25.50	17,469.00	-	-
C. Harkness	Partner	825	0.20	165.00	-	-
P. Saini	Associate	534	4.80	2,562.00	-	-
N. Barton	Associate	570	6.90	3,936.00	-	-
B. McRadu	Associate	350	0.8	280.00	-	-
K. Rylands	Associate	620	9	5,580.00	-	-
L. Gerrard	Paralegal	310	0.6	186.00	-	-
S. Seto	Paralegal	310	3.9	1,209.00	-	-
D. Tsumagari	Assistant	205	0.6	123.00	-	-
Totals			73.30	\$ 52,179.50	3.00	\$ 1,654.50