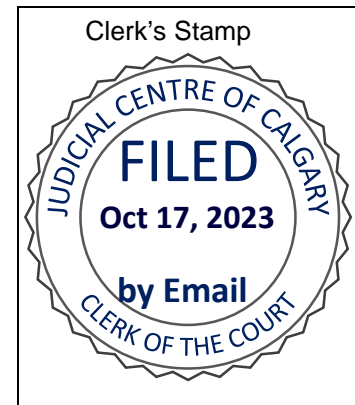


COURT FILE NO. 2301 03023

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY



NB
C101201

DOCUMENT **FIRST REPORT OF MNP LTD., RECEIVER**
DATED OCTOBER 16, 2023

IN THE MATTER OF THE RECEIVERSHIP OF PLAZA 1000 LTD.

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING
THIS DOCUMENT

Counsel to the Receiver

BURNET, DUCKWORTH & PALMER LLP
2400, 525 – 8 AVE SW
Calgary, AB T2P 1G1
Canada

ATTN: DAVID LEGEYT/RYAN ALGAR
TEL: 403-260-0210 / 403-260-0126
EMAIL: dlegeyt@bdplaw.com / ralgar@bdplaw.com

Receiver

MNP LTD.
2000, 112 – 4 AVENUE SW
CALGARY, AB T2P 0H3

ATTN: VICTOR P. KROEGER / RICK ANDERSON
TEL: 403.298.8479 / 403-537-8424
EMAIL: victor.kroeger@mnp.ca / [rick.anderson@mnp.ca](mailto:rnick.anderson@mnp.ca)

APPENDICES

- Appendix A Redacted Offer to Purchase between the Receiver and Astra Real Estate Corp.
dated October 13, 2023
- Appendix B Receiver's Statement of Receipts and Disbursements for the period from March
17, 2023 to October 13, 2023

INTRODUCTION AND BACKGROUND

1. Plaza 1000 Ltd. (the “**Company**” or “**Plaza 1000**”) was placed into receivership pursuant to an order (the “**Receivership Order**”) granted on March 17, 2023 (the “**Receivership Date**”) by the Court of King’s Bench of Alberta (the “**Court**”), naming MNP Ltd. as Receiver (the “**Receiver**”) over the assets of the Company.
2. Plaza 1000 is a commercial property located in the west end of downtown Calgary, Alberta at 1000 – 7 Ave SW (the “**Property**”). The Property is a 10 floor, 160,033 sf, Class A office building built in 2003. The Property’s current occupancy level is approximately 26%.
3. The Receivership Order was granted pursuant to an application by Otéra Capital Inc., (“**Otéra** ”), which holds a first-ranking mortgage against the Property, general security agreements against Plaza 1000 and a general assignment of rents and leases (collectively, the “**Otéra Security**”).
4. 255848 Alberta Ltd. (“**255848**”), a company owned and operated by Plaza 1000’s director Mr. Rob Proud, also holds a mortgage against the Property and a general assignment of rents and leases, both of which rank subordinate to the Otéra Security (the “**255848 Security**”).
5. All amounts included herein are in Canadian dollars unless otherwise stated.
6. A copy of the Receivership Order and other information regarding these proceedings can be found on the Receiver’s website at <https://mnpdebt.ca/en/corporate/corporate-engagements/plaza-1000-ltd>

REPORT LIMITATIONS

7. In preparing this first report (the “**First Report**”) and in making comments herein, the Receiver has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information of the Company, books and records of the Company, and information from other third-party sources (collectively, the “**Information**”). The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with generally accepted assurance standards or other standards established by the Chartered Professional Accountants of Canada (the “**Standards**”). Additionally, none of the Receiver’s procedures were intended to disclose defalcations or other irregularities. If the Receiver were to perform additional procedures or to undertake an audit examination of the information in accordance with the Standards, additional matters may have come to the Receiver’s attention. Accordingly, the Receiver does not express an opinion, nor does it provide any other form of assurance on the financial or other information presented herein. The Receiver may refine or alter its observations as further information

is obtained or brought to its attention after the date of this report.

8. The Receiver assumes no responsibility or liability for any loss of damage occasioned by any party as a result of the use of the First Report. Any use, which any party makes of this First Report, or any reliance or decision to be made based on this First Report, is the sole responsibility of such party.

PURPOSE OF THE REPORT

9. The purpose of the First Report is to provide this Honourable Court with the Receiver's comments and information in respect of the activities of the Receiver since the Receivership Order was granted and information in respect of an application by the Receiver (the "**Application**") seeking approval of, among other things:
 - a. the reported actions of the Receiver to date in administering these receivership proceedings;
 - b. the sale of the Property to Astra Real Estate Corp. or its Affiliated Nominee ("**Astra**");
 - c. a sealing order (the "**Sealing Order**") in relation to the confidential supplement to the First Report (the "**Confidential Supplement**");
 - d. the interim fees and disbursements of the Receiver for the period ended September 30, 2023 and;
 - e. the interim fees and disbursements of the Receiver's legal counsel, Burnet, Duckworth & Palmer LLP ("**BDP**") for the period ended September 30, 2023.

ACTIVITIES OF THE RECEIVER

10. The Receiver took possession of the Property on the Receivership Date and, since that time, has undertaken a number of activities to safeguard, maintain and market the Property for sale, as further described herein. Specifically, the Receiver has, among other things:
 - a. prepared an inventory of the assets of the Property;
 - b. carried out repairs and maintenance on the Property, as required;
 - c. received and responded to various creditor and stakeholder inquiries;
 - d. prepared and issued all statutory reporting as required pursuant to subsection 245(1), 246(1) and 246(2) of the *Bankruptcy and Insolvency Act* (the "**BIA**");
 - e. engaged Riverpark Properties Ltd. ("**Riverpark**") as a property manager to oversee the daily care and maintenance of the Property;

- f. conducted regular meetings with Riverpark regarding tenant matters and Riverpark's financial reporting to the Receiver;
- g. engaged Altus Group to provide an appraisal of the Property;
- h. reviewed the insurance policy on the Property to ensure sufficient coverage is in place and updated first loss payable on the insurance policy to the Receiver;
- i. conducted a request for proposals to list the Property for sale;
- j. engaged Avison Young Commercial Real Estate Services LP ("**Avison Young**") to list the Property for sale;
- k. negotiated and entered into a lease with one new tenant;
- l. negotiated the termination of a lease with one tenant;
- m. conducted regular update calls with Otéra and its legal counsel, Gowling (Canada) WLG;
- n. continued to prepare and file monthly GST returns;
- o. maintained the Receiver's website for the proceedings;
- p. negotiated with potential purchasers;
- q. entered into an Offer to Purchase agreement for the Property and
- r. finalized the asset purchase agreement with Astra (the "**Astra APA**").

OFFER TO PURCHASE AGREEMENT

11. The Receiver engaged Altus Group to provide an appraisal of the Property, which was finalized on May 29, 2023 (the "**Appraisal Report**"). Altus Group had previously completed an appraisal of the Property in 2015, and as such were re-engaged by the Receiver due to its familiarity with the Property. A copy of the Appraisal Report is included in the Confidential Supplement.
12. The Property has been listed since June 22, 2023, when the Receiver entered into an exclusive authority to solicit offers to purchase agreement (the "**Listing Agreement**") with Avison Young. Avison Young targeted the commercial tenant and conversion markets. Avison Young created a virtual data room (the "**VDR**") and followed up with prospective purchasers directly via phone calls. Avison Young advised that 18 parties signed a confidential agreement with 8 parties touring the Property. To bring finality to the sale process, Avison Young, in consultation with the Receiver, set a bid deadline of 12:00 PM Calgary time on September 6, 2023.

13. The Receiver received letters of intent offers from six parties (the “**LOIs**”), a detailed summary of which is provided in the Confidential Supplement. The Receiver further engaged with the parties who submitted the three highest value LOIs to provide unconditional offers within the following 30 days. One of the parties bowed out of the process and the other party would not provide an unconditional offer. The only unconditional offer was received from Astra on September 14, 2023. The Receiver and Astra negotiated various terms of the Astra APA and, on October 13, 2023, the Astra APA was accepted and executed.
14. Although the Astra APA has a lengthy closing date of March 31, 2024, the Receiver is satisfied that the Astra APA is the best offer as it is unconditional, contains a purchase price that can be justified when considering the Appraisal and is commercially reasonable.
15. A copy of the Astra APA that has been redacted to remove the selling price and other financial terms is attached as **Appendix “A”** to this First Report. A full, unredacted copy of the Astra APA is attached to the Confidential Supplement.
16. The first deposit contemplated in the Astra APA has been paid to Astra’s solicitor in trust. The Astra APA requires an additional deposit to be paid to the Receiver’s legal counsel within two business days of the Astra APA receiving Court approval.
17. The only condition to the closing of the Astra APA is the Receiver’s condition requiring this Court’s approval.
18. The Receiver has exposed the Property to the market and does not believe that a superior offer would be received if the Receiver conducted a further or subsequent marketing process. Both Otéra and 255844 have indicated that they support the Receiver entering into the Astra APA.

LEASE TERMINATION

19. Prior to the Receivership Date, a party had entered into a lease for space at the Property. The Receiver negotiated the terms of a lease termination with this party that will result in the receivership realizing \$1.5 million as a settlement amount (the “**Lease Settlement**”). The lease termination has also resulted in the receivership recovering a \$300,000 performance deposit.

SEALING ORDER APPLICATION

20. At the Application, the Receiver is seeking to seal the Confidential Report until the Purchase Agreement closes or 90 days after the discharge of the Receiver, whichever is earlier. The Receiver is of the view

that the disclosure of the purchase price under the Astra APA could be detrimental in the event that the Astra APA does not close and additional marketing of the Property is required. The only information in relation to which the Sealing Order is being sought is the purchase price and other financial terms under the Purchase Agreement, the other bids that were received for the Property, and the appraisal commissioned by the Receiver for the Property. There are no reasonable alternative measures to sealing this information. The Receiver is of the view that if the requested Sealing Order is not granted, creditor recoveries may be reduced should a subsequent marketing process be required.

SECURED CREDITORS

21. The Receiver has obtained independent legal opinions prepared by BDP stating that, subject to standard qualifications, the Otéra Security and the 255844 Security are valid and enforceable first and second ranking charges against the Property, respectively.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

22. The Receiver's Statement of Receipts and Disbursements for the period from March 17, 2023 to October 13, 2023 is attached as **Appendix "B"**, and summarized in the table below:

In the Matter of the Receivership of Plaza 1000 Ltd. Condensed Statement of Receipts & Disbursements March 17, 2023 to October 13, 2023	
	\$'s
Receipts	
Lease settlement	1,500,000
Rental income	611,333
Receiver's certificates	535,000
Performance deposit	294,133
Cash in bank	269,514
GST collected and other receipts	167,625
Total Receipts	3,377,605
Disbursements	
Operating expenses of the Property	951,674
Receiver's fees and disbursements	193,627
Legal fees and disbursements	128,745
Miscellaneous disbursements	16,192
Total Disbursements	1,290,238
Excess of Receipts over Disbursements	2,087,367
Represented by:	
Cash in Bank	1,893,194
Cash held by Riverpark Properties Ltd.	194,173
	2,087,367

23. The Receiver has issued Receiver's certificates totaling \$535,000 as of October 13, 2023. The Receiver intends to repay these borrowings with funds received from the Lease Settlement.
24. The Receiver has provided funding to Riverpark to manage the Property in the amount of \$265,000 as of October 13, 2023. The Property does not generate sufficient rental income to cover its operating expenses.
25. The Receiver has incurred costs to maintain the Property since taking possession including insurance premiums of \$67,739 for the period June 30, 2023 to June 30, 2024, repairs and maintenance, property tax, utilities, property management, and security costs totaling approximately \$952,000 for the period March 17, 2023 to October 13, 2023.
26. Receiver's fees and disbursements to September 30, 2023, of \$193,626.60 plus GST have been paid as outlined in the professional fee schedule attached to Appendix B. The Receiver's time charged to the engagement totals 360 hours as of September 30, 2023. The Receiver's time is charged at its standard hourly rates for comparable services.
27. BDP has incurred \$128,744.55 in legal fees and disbursements plus GST to September 30, 2023. BDP's legal fees and disbursements have been paid as outlined in the professional fee schedule attached to Appendix B. BDP's time charged to the engagement totals 178 hours as of September 30, 2023. BDP's time is charged at its standard hourly rates for comparable services.
28. The Professional Fees have been charged by the various providers at their standard hourly rates which, in the Receiver's experience, are comparable to the standard rates of other providers of similar services in Alberta. Subject to redactions for privilege, the Receiver will make copies of its and those of BDP accounts available to the Court or any interested person upon request.
29. Subject to the approval of this Court, the Receiver anticipates that on the closing of the Astra APA it will have sufficient funds to repay the amounts owing to Otéra in full and to make a partial payment to 255848 on account of their respective securities.

CONCLUSION AND RECOMMENDATION

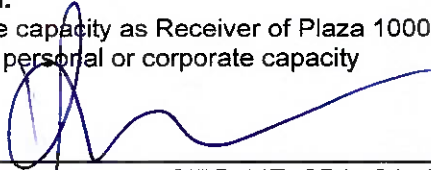
30. Based upon the foregoing, the Receiver respectfully recommends this Honourable Court issue an Order approving the following:
 - a. the reported actions of the Receiver in administering these receivership proceedings provided that only the Receiver, in its personal capacity and with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approvals;

- b. the sale of the Property to Astra;
- c. temporarily sealing of the Confidential Supplement;
- d. the interim fees and disbursements of the Receiver of \$193,626.60 plus GST; and
- e. the interim fees and disbursements of BDP of \$128,744.55 plus GST.

All of which is respectfully submitted this 16th day of October 2023.

MNP Ltd.

In its sole capacity as Receiver of Plaza 1000 Ltd. and
not in its personal or corporate capacity



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

APPENDIX A

OFFER TO PURCHASE

(the "Offer" and, as accepted, the "Agreement")

TO: **MNP Ltd., in its capacity as court appointed Receiver and Manager of Plaza 1000 Ltd., and not in its personal or corporate capacity and without personal liability (the "Vendor")**
2000,112 – 4 Avenue SW
Calgary, Alberta
T2P 0H3

FROM: Astra Real Estate Corp. or Its Affiliated Nominee, provided such Affiliated Nominee is 100% owned by Astra Real Estate Corp.
Attn: Mr. Maxim Olshevsky, Chief Executive Officer
Suite 200, 638 – 11 Avenue SW
Calgary, AB T2R 0E2
(the "Purchaser")

RE: Those lands and premises municipally located at 1000 – 7 Avenue SW in Calgary, Alberta

1. OFFER

The Purchaser hereby offers to purchase from the Vendor the Property (as hereinafter defined) subject only to the Permitted Encumbrances (as hereinafter defined) for the Purchase Price (as hereinafter defined) on the terms and conditions set out in this Agreement.

2. PROPERTY

"Property" shall mean collectively all of the PLAZA 1000 LTD.'s ("Plaza") right, title, estate and interest in and to:

- (a) those lands and premises known as "Plaza 1000", municipally located at 1000 – 7 Avenue SW, Calgary, Alberta and legally described in Schedule "A" herein (the "Lands");
- (b) all buildings, erections, structures, systems, fixtures and other improvements to and located on the Lands owned by Plaza (the "Improvements");
- (c) all goods, appliances, machinery, equipment and chattels owned by Plaza and located on the Lands which are used in connection with the operation or management of the Lands and Improvements (the "Collateral Property").

Title to the Property shall be conveyed to the Purchaser free and clear of all mortgages, encumbrances, liens or interests except for those permitted encumbrances set forth in Schedule "B" hereto (the "Permitted Encumbrances").

3. PURCHASE PRICE

Other than as set forth in accordance with Section 8(a) hereof, the purchase price for the Property (the "Purchase Price") is [REDACTED] Dollars, to be paid as follows:

- (a) [REDACTED] Dollars by way of first deposit (the "First Deposit") to be paid to the Purchaser's solicitor in trust, by way of wire transfer, within two (2) Business Days following the date of submission of this Offer to the Vendor;
- (b) [REDACTED] Dollars by way of a further deposit (the "Additional Deposit") to be paid to the Vendor's solicitor in trust along with the First Deposit (the First Deposit and the Additional Deposit being hereinafter collectively referred to as the "Deposits"), by way of wire transfer, within two (2) Business Days of acceptance of this Offer by the Vendor and satisfaction of the Vendor's Condition in accordance with Section 5 hereof;
- (c) THE BALANCE to be paid on or prior to the Closing Date (subject to adjustments in accordance with Section 8(a) hereof), by way of wire transfer to the Vendor's solicitor.

4. DEPOSITS

- (a) The Purchaser's solicitor or the Vendor's solicitor, as the case may be, shall hold the First Deposit or the Deposits, as the case may be, in trust without interest for the Vendor and the Purchaser in accordance with this Agreement.
- (b) The Deposits shall be applied towards the Purchase Price and shall be released to the Vendor on the Closing Date unless otherwise dealt with as provided for herein.
- (c) If the First Deposit or Second Deposit is not paid by the Purchaser in accordance with Subsection 3(a) or Subsection 3(b) respectively, the Vendor shall be entitled to terminate this Agreement by notice to the Purchaser and upon delivery of such notice this Agreement shall terminate.
- (d) If by reason of the default of the Vendor the purchase and sale transaction contemplated herein is not completed, all or any portion of the Deposits that have been paid by the Purchaser shall be returned to the Purchaser as the Purchaser's sole remedy.
- (e) If by reason of the default of the Purchaser (including, without limitation, failure to pay the Additional Deposit) the purchase and sale transaction contemplated herein is not completed, all or any portion of the Deposits that have been paid by the Purchaser will become forfeited to the Vendor as liquidated damages and not as a penalty and without prejudice to any other rights or remedies the Vendor may have at law or in equity against the Purchaser for such default.

- (f) In holding and dealing with the Deposits pursuant to this Agreement, the Vendor's solicitor: (i) is not providing any legal services to the Purchaser and shall continue to represent the Vendor only; (ii) is not bound in any way by any agreement other than this Agreement; and (iii) shall not be considered to assume any duty, liability or responsibility other than to hold the Deposits in accordance with the provisions of this Agreement and to pay the Deposits in accordance with the terms of this Agreement (or as may otherwise be provided for in any joint direction duly executed by the parties and in a form acceptable to the Vendor's Lawyer), except in the event of a dispute between the parties as to entitlement to the Deposits in which event the Vendor's solicitor may, in its sole discretion, pay the Deposits into the Alberta Court of King's Bench whereupon the Vendor's Lawyer shall have no further obligations relating to the Deposits. This Section will survive the completion of the matters contemplated in, or any termination of, this Agreement.

5. VENDOR'S CONDITION

This Agreement is being made subject to ongoing receivership proceedings in the Court of King's Bench and is expressly conditional upon an Approval and Vesting Order being granted by the Court of King's Bench (the "Vendor's Condition"). The Purchaser acknowledges that in the event that the Vendor's Condition is not satisfied or waived by the Vendor in its sole and absolute discretion, then this Agreement shall be at an end and the Deposits will be returned to the Purchaser without interest or deduction and the parties will have no further obligations hereunder.

"Approval and Vesting Order" means an order to be granted by the Court of King's Bench which authorizes, approves and confirms this Agreement and the sale of the Property by the Vendor to the Purchaser in accordance with the terms and conditions contained herein. Upon registration thereof at the Alberta Land Titles Office, will vest title to the Property in the Purchaser free and clear of all encumbrances, liens, security interests or claims, other than Permitted Encumbrances.

6. REPRESENTATIONS AND WARRANTIES

- (a) The Purchaser hereby acknowledges and agrees that it is purchasing the Property on an "as is, where is" basis. The Purchaser further acknowledges and agrees that it has inspected the Property and that neither the Vendor nor any agent or representative of the Vendor has made any representation, warranty, condition or collateral agreement relating to the Property or any adjacent property or any other matter affecting the Property other than as is expressed herein in writing. Except as otherwise set forth herein, the Purchaser is purchasing the Property in its present condition and is relying solely on its own inspections and investigations with respect to the Property and is not relying on, any representations, warranties, statements or promises, express or implied, statutory or otherwise, concerning the Property, including with respect to merchantability, physical or financial condition, description, fitness for a particular purpose, suitability for development, use or zoning, environmental condition, existence of any parts and/or components, latent defects, quality, quantity or any other thing affecting the Property, or normal operation thereof, the existence or non-existence of any defaults under the Leases,

the standing or status of the Leases, the completeness of the Leases, the accuracy or completeness of any materials, information or documentation provided by the Vendor to the Purchaser in connection with this Agreement or the transactions contemplated herein, or in respect of any other matter or thing whatsoever, including any and all conditions, warranties or representations expressed or implied pursuant to any applicable laws in any jurisdiction, which the Purchaser confirms do not apply to this Agreement and are hereby waived in their entirety by the Purchaser. Without limiting the generality of the foregoing, the Purchaser:

- (i) acknowledges that it is aware of the land use classification of the Property and surrounding Property; and
 - (ii) acknowledges that neither the Vendor nor any agent or representative of the Vendor has made any representation, warranty, condition or collateral agreement whatsoever with respect to environmental matters or with respect to soil, subsoil, water table or foundation conditions and the Purchaser agrees that it is the sole responsibility of the Purchaser to take all appropriate steps to inspect the Property and to ensure adequate foundations for any buildings to be erected on the Property.
- (b) The Purchaser hereby represents and warrants to the Vendor (which representations and warranties, unless otherwise indicated, are true now and will be true from this date to and including the Closing Date) that:
- (i) the Purchaser is a corporation duly incorporated and existing under the laws of the Province of Alberta, or is otherwise a validly registered extra-provincial corporation in the Province of Alberta, and has the power, authority, right and capacity to enter into this Agreement and to carry out the transactions contemplated hereby, all of which has been duly and validly authorized by all requisite corporate actions and proceedings; and
 - (ii) neither the execution of this Agreement nor its performance by the Purchaser will result in a breach of any term or provision or constitute a default under any indenture, mortgage, deed of trust or any other agreement to which the Purchaser is a party or by which it is bound which breach could materially affect the ability of the Purchaser to perform its obligations hereunder.

The foregoing representation and warranties set forth in Section 6(b) shall be, and shall be deemed to be, continuing representations and warranties by the Purchaser and shall survive the completion of the matters contemplated herein for a period of two (2) years from the Closing Date.

7. COLLECTION OF GST

The Purchase Price does not include GST. The Purchaser represents and warrants that it is registered for the purposes of goods and services tax (the "GST") under Part IX of the

Excise Tax Act (Canada) (the “Act”). By virtue of this registration and the provisions of the Act, the Purchaser covenants to assume all liability for the GST applicable to this transaction. The Purchaser shall, on the Closing Date, provide to the Vendor (a) confirmation and evidence of its GST registration number as issued under the Act; and (b) written assurances satisfactory to the Vendor (i) that the Purchaser is a registrant under the Act for the purposes of GST as at the Closing Date, (ii) that the Purchaser shall self-assess and remit the GST directly, (iii) that the Vendor is relieved of all GST liability in respect of this transaction, and (iv) that the Purchaser agrees to indemnify and save the Vendor harmless from and against all liability, costs and expenses, including interest and penalties and any legal fees and disbursements on a solicitor and their own client basis, that the Vendor may incur or become subject to as a result of any GST liability in respect of the transactions contemplated hereby, a default by the Purchaser of its obligations pursuant to this Section 7, or a failure to remit GST in accordance with the Act.

8. CLOSING & ADJUSTMENTS

- (a) Subject to the terms and conditions hereof, and unless otherwise ordered by the Court of King’s Bench or mutually agreed upon by the parties, vacant possession of the Property (subject to the rights of any tenants under the Leases (as hereinafter defined)) shall be provided to the Purchaser on March 31, 2024. The Purchaser shall have the right, in its sole and unfettered discretion, to extend the Closing Date to April 15, 2024 with fourteen (14) days’ prior written notice to the Vendor accompanied by an increase of the Additional Deposit [REDACTED] Dollars to be paid to the Vendor’s Solicitor in trust (the “Closing Date”). Should the Purchaser exercise its right to extend the Closing Date to April 15, 2024, the Purchase Price shall automatically be adjusted to [REDACTED] Dollars.
- (b) The Purchase Price shall be subject to adjustment on the Closing Date with respect to all those credits and debits which would customarily be adjusted for in a similar transaction in Alberta, subject to the remainder of this Section 8(b). All items in the statement of adjustments shall be made and adjusted as of the Closing Date and the Closing Date in its entirety shall be to the account of the Vendor for such items. If any item cannot be determined on the Closing Date, an estimate shall be made for purposes of closing, provided that, the parties acknowledge and agree that there shall be no obligation on the parties to readjust any estimates, errors or omissions contained in the statement of adjustments following closing. Notwithstanding anything to the contrary contained herein, all tenant inducements, tenant allowances, leasing commissions, costs in respect of any landlord’s work and landlord’s costs of tenant improvements (collectively, “Leasing Costs”) arising under the Leases shall, if not due and payable prior to the Closing Date (or with respect to any costs in respect of any landlord’s work, if not incurred prior to the Closing Date), be the responsibility of and assumed by the Purchaser and no credit shall be given to the Purchaser in respect thereof, it being acknowledged and agreed that the Purchaser shall assume all Leasing Costs under the Leases from and after the Closing Date. To the extent that there are any obligations of the Vendor to perform any work under the Leases (whether, described as landlord’s work or

otherwise), the Purchaser agrees to assume any such obligation from and after the Closing Date, and the Vendor agrees to use reasonable commercial efforts to assign to the Purchaser any contracts or agreements relating to such work.

- (c) On or before the Closing Date, the Vendor shall provide the Purchaser's solicitor all closing documents necessary to obtain, subject to Subsection 8(i), a new certificate of title to the Lands subject only to the Permitted Encumbrances and all collateral documents necessary to complete the transaction in accordance with this Agreement, including the following, properly executed and acknowledged, where applicable:
- (i) a certified copy of the Approval and Vesting Order;
 - (ii) a Receiver's Certificate in the form attached to the Approval and Vesting Order (if applicable);
 - (iii) a statement of adjustments;
 - (iv) an assignment and assumption agreement in respect of any and all existing executed offers to lease, agreements to lease, leases, renewals of leases, tenancy agreements, rights of occupation, licenses or other occupancy agreements granted by or on behalf of the Vendor, Plaza or its predecessors in title to possess or occupy space within the Property now or hereafter, together with all security, guarantees, letters of credit and indemnities of the tenants' obligations thereunder, in each case as amended, renewed or otherwise varied to the date hereof, including, those leases described in Schedule "C" attached hereto (collectively, the "Leases");
 - (v) a direction to the tenants under the Leases providing notice of the assignment of the Leases and directing that all future rents are to be paid, and that all future notices and communications are to be made, to the Purchaser or as the Purchaser may otherwise direct in writing;
 - (vi) a bill of sale in respect of the Collateral Property, which shall provide that except for the express representations and warranties contained in this Agreement, the Collateral Property is being conveyed on an "as is, where is" basis; and
 - (vii) an assignment and assumption agreement in respect of any warranties relating to the Property;
 - (viii) an assignment and assumption agreement in respect of any service, maintenance and other contracts relating to the operation, management or maintenance of the Property which the Purchaser wishes to take an assignment of and are assignable without the consent of the counterparty thereto; and

- (ix) an assignment and assumption agreement in respect of those Permitted Encumbrances which by their terms or at law are required to be specifically assigned on a disposition of the Lands in order to effectively transfer all of the Vendor's rights and obligations thereunder to the Purchaser;
 - (x) any other documents, resolutions and certificates necessary or reasonably required by the Purchaser to establish the validity of all proceedings to effectively transfer the Property by the Vendor to the Purchaser.
- (d) On the Closing Date, the Purchaser shall deliver to the Vendor's Lawyer the following, properly executed and acknowledged, where applicable:
- (i) a wire transfer made payable to the Vendor's Lawyer in trust in the amount due to the Vendor on the Closing Date in accordance with the statement of adjustments;
 - (ii) a certificate of GST registration and indemnity in accordance with Section 7 hereof;
 - (iii) all documents listed in Section 8(c) which contemplate execution by the Purchaser; and
 - (iv) any other documents, resolutions and certificates necessary or reasonably required and requested in advance of the Closing Date by the Vendor to establish the validity of all proceedings to effectively transfer the Property by the Vendor to the Purchaser.
- (e) The documents and other instruments to be delivered to the Purchaser's Lawyer and the Vendor in accordance with this Article may be delivered in trust on such reasonable trust conditions as would customarily be imposed in a similar transaction in Alberta. The parties acknowledge and agree that the Purchaser may, at its sole cost, obtain a title insurance policy to close the purchase and sale transaction referred to herein.
- (f) In the event the Purchase Price has not been unconditionally released to the Vendor by 12:00 noon on the Closing Date or such later date as the Vendor may advise, the Purchaser shall, if the Vendor agrees to accept late payment of funds, pay interest to the Vendor at the Prime Rate plus three (3%) percent per annum, calculated annually not in advance, from the date that such Purchase Price was due for unconditional release until the date it is unconditionally releasable to the Vendor. For the purposes of this Agreement, "Prime Rate" means the prime lending rate of interest for any day expressed as a rate per annum which the Royal Bank of Canada establishes for that day as the reference rate of interest in order to determine interest rates it will charge for commercial loans to its Canadian customers as the same may fluctuate and change from time to time.
- (g) Unless this Agreement expressly provides to the contrary, the Vendor and the Purchaser shall be responsible for each of their respective costs in respect of this

transaction. The closing documents with respect to the Property shall be prepared by the Vendor's Solicitor at the Vendor's sole cost and expense. The Purchaser shall be responsible for the registration costs with respect to registering the Approval and Vesting Order and any other documents or instruments at the Land Titles Office.

- (h) The Property will be at the risk and responsibility of the Vendor until the Closing Date, and thereafter at the risk and responsibility of the Purchaser.
- (i) The Purchaser acknowledges that in order to obtain a new certificate of title for the Property and to register such discharges as may be required to convey clear title to the Property, the Purchaser is required to file the Receiver's Certificate and a certified copy of the Approval and Vesting Order together with any applicable registration fees to the Registrar of Land Titles of Alberta. The Vendor shall not be responsible for the discharge of any encumbrances that are not the Permitted Encumbrances. The Purchaser is responsible for all such discharges by the process set out in the Approval and Vesting Order.

9. PURCHASER'S ENCUMBRANCES

The Purchaser shall not be permitted to encumber the Property in any way prior to the closing of the transactions contemplated herein.

10. ASSIGNMENT

This Agreement constitutes a binding contract of purchase and sale. It shall extend to and be binding upon and enure to the benefit of the parties hereto and their respective successors and assigns. The Purchaser shall not be entitled to assign this Agreement without the consent of the Vendor, which consent may be unreasonably withheld. Notwithstanding any assignment of this Agreement by the Purchaser, the Purchaser shall not be released from and shall remain liable for all terms, covenants, conditions, provisions and obligations pursuant to this Agreement without any further act or agreement being required on the part of the parties and notwithstanding any agreement to the contrary between the Purchaser and any such assignee.

11. NOTICES

Any notice required to be given hereunder by any party shall be deemed to have been well and sufficiently given if:

- (a) personally, delivered to the party to whom it is intended or if such party is a corporation to an officer of that corporation; or
- (b) mailed by prepaid registered mail, transmitted by e-mail or facsimile, or delivered to the mailing address, e-mail address or facsimile number of the party to whom it is intended as follows:

- (i) if to the Purchaser, then,

Astra Real Estate Corp. or Its Affiliated Nominee

Suite 200, 638 – 11 Avenue SW

Calgary, Alberta T2R 0E2

Email: maxim@astra-group.ca / info@astra-group.ca

Attention: Mr. Maxim Olshevsky, Chief Executive Officer

- (ii) if to the Vendor, then,

MNP Ltd., in its capacity as court appointed Receiver and Manager of Plaza 1000 Ltd., and not in its personal or corporate capacity and without personal liability 2000, 112 – 4 Avenue SW

Calgary, Alberta

T2P 0H3

Email: Victor.kroeger@mnp.ca / Rick.Anderson@mnp.ca

Attention: Rick Anderson, Vice President

with a copy to:

Burnet Duckworth & Palmer LLP

2400, 525 – 8 Ave SW

Calgary, Alberta

T2P 1G1

Email: dlegeyt@bdplaw.com / ralgar@bdplaw.com

Attention: David LeGeyt / Ryan Algar

or to such other address or number as a party may from time to time direct in writing. Any such notice delivered before 4:30 p.m. local time on a day that is not a Saturday, Sunday or Schedule I bank holiday in Alberta (a “Business Day”) shall be deemed to have been received on the date of delivery and any notice delivered after 4:30 p.m. local time on a Business Day or delivered on a day other than a Business Day, shall be deemed to have been received on the next Business Day. Any notice mailed shall be deemed to have been received seventy-two (72) hours after the date is it postmarked. Any notice sent by facsimile or emailed before 4:30 p.m. local time on a Business Day shall be deemed to have been received when the sender receives the answer back confirming receipt of the recipient; provided, however, that any facsimile or email received after 4:30 p.m. local time on a Business Day or received on a day other than a Business Day shall be deemed to have been received on the next Business Day. If normal mail or communication service is interrupted by strike, slow-down, force majeure or other cause after the notice has been sent the notice will not be deemed to have been received until actually received. In the event normal mail service is impaired at the time of sending the notice, then the personal delivery, facsimile or email transmission only shall be effective.

12. GOVERNING LAW AND SUBMISSION TO JURISDICTION

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the parties hereto hereby submit to the jurisdiction of the Courts of the Province of Alberta sitting in Calgary, Alberta.

13. TIME OF ESSENCE

Time shall be of the essence of this Agreement and of every part hereof.

14. COVENANTS AND REPRESENTATIONS

Except as provided in the Purchase and Sale Agreement, the Purchaser is relying entirely upon its own inspections and investigations with respect to the Property and the Property is being purchased on an "as is, where is" basis.

15. CONFIDENTIALITY

The Purchaser and the Vendor agree that all negotiations regarding the Property shall be confidential, including the contents of this Agreement and will not be disclosed to anyone other than the parties' respective legal counsel, accountants, lenders, internal staff, agents and equity partners. Furthermore, the Purchaser and the Vendor agree that no press or other publicity, release or communication to the general public concerning the proposed transaction will be issued without the other party's prior approval, unless required by law. If the transaction contemplated by this Agreement is not completed for any reason, the Purchaser shall promptly deliver to the Vendor all materials and information provided by the Vendor and others herein, (excluding its notes and not including all reports and information prepared by or for the Purchaser in regard to the Property, including, but not limited to environmental and engineering reports), including all copies, and shall destroy all of the Purchaser's notes and other due diligence material containing information set out in the materials and information provided by the Vendor herein.

16. PROFESSIONAL ADVICE

The parties to this Offer to Purchase agree and acknowledge that Avison Young Commercial Real Estate Services, LP has recommended that all legal, tax, accounting, engineering and regulatory advice be obtained through the Purchaser's and Vendor's own professional advisors and that no information provided by Avison Young Commercial Real Estate Services, LP is to be considered as expert legal, tax, accounting, engineering or regulatory advice.

17. REAL ESTATE FEE

The Vendor shall be responsible for all real estate commissions payable to Avison Young Commercial Real Estate Services, LP which for this transaction are defined in a separate agreement. The Purchaser represents and warrants that it has not retained a broker with respect to the transaction contemplated herein.

18. RECEIVER AND MANAGER

The Purchaser acknowledges that this Agreement is made between the Purchaser and Plaza by its court-appointed receiver and manager, MNP Ltd. (the "Receiver/Manager"), and that the Receiver/Manager shall not have any personal liability whatsoever in connection with the performance of this Agreement, the condition of the Property or any other matter arising hereunder.

19. MISCELLANEOUS

- (a) Any tender of documents or money hereunder may be made upon the Purchaser's Lawyer or the Vendor's Lawyer, as the case may be, acting for the party on whom tender is desired.
- (b) Any term, condition or provision of this Agreement that is or may be deemed to be void, prohibited or unenforceable shall be severable without in any way invalidating the remaining terms, conditions or provisions hereof.
- (c) Headings used in this Agreement are for convenience only and will not be deemed to form part of this Agreement and will not be used or referred to in the construction and interpretation of this Agreement.
- (d) This Agreement may be executed in counterpart and all counterparts shall when taken together constitute one and the same agreement.
- (e) This Agreement may be signed and delivered by any electronic means capable of producing a hard copy printed record. Without limiting the generality of the foregoing, the Vendor and the Purchaser may utilize any mutually agreeable electronic signing platform (including but not limited to "docusign" or similar platforms) with the same effect as if the Vendor and the Purchaser had executed and delivered a hard copy of this Agreement with original wet ink signatures.
- (f) The Vendor and Purchaser agree that the Purchaser shall be granted occasional access to the Property between the date of submission of the Offer and the Closing Date. Said access shall be for the sole purpose of arranging pre-leasing tours with existing tenants of the Purchaser, to be conducted during normal business hours with no less than one (1) Business Days' prior written notice, and strictly under escort by Avison Young Commercial Real Estate Services, LP or any other representative authorized by the Vendor.

[Purchaser's Execution Follows on Next Page]

20. OFFER

This Offer shall be open for acceptance until 4:30 p.m. (Alberta time) on October 31, 2023 and may be accepted by the Vendor by causing a duly signed and accepted copy of the Offer to be delivered, emailed or faxed to the Purchaser.

Dated this 4th day of October, 2023

Astra Real Estate Corp. or Its Affiliated Nominee


boxSIGN 4PJA1Y17-178Y795Y

Oct 13, 2023

Per: _____
I/We have authority to bind the Corporation.

VENDOR'S ACCEPTANCE

MNP Ltd., in its capacity as court appointed Receiver and Manager of Plaza 1000 Ltd., and not in its personal or corporate capacity and without personal liability, accepts this Offer on and subject to the terms and conditions set out herein as of the 13 day of October, 2023.

MNP Ltd.

Per: _____

I/We have authority to bind the Corporation.

**Victor P. Kroeger
Senior Vice President**

SCHEDULE "A"

Civic Address of the Property

1000 – 7 Avenue SW, Calgary, Alberta

Legal Description of the Property

PLAN A1

BLOCK 36

THAT PORTION OF LOT 21 WHICH LIES TO THE NORTH OF THE SOUTH 7 FEET AND TO THE WEST OF THE EAST 7 FEET OF THE SAID LOT 21, AND THOSE PORTIONS OF LOTS 22, 23 AND 24, WHICH LIE TO THE NORTH OF THE SOUTH 7 FEET OF THE SAID LOTS 22, 23 AND 24

EXCEPTING THEREOUT: (AS TO SURFACE)

PORTION FOR ROAD ON PLAN 8711639 OUT OF LOTS 21 AND 22

PLAN A1

BLOCK 36

LOTS 25 TO 32 INCLUSIVE

SCHEDULE "B"

PERMITTED ENCUMBRANCES

1. Any registrations or encumbrances such as easements, utility rights of way, restrictive covenants and other similar such registrations or encumbrances and any registrations or encumbrances that are normally or customarily found registered against lands similar in nature to the Lands;
2. Any registrations or encumbrances pursuant to the Leases;
3. Any registrations or encumbrances by or on behalf of the Purchaser;
4. Those implied by law; and
5. The following specific encumbrances:

<u>Registration Number</u>	<u>Date (D/M/Y)</u>	<u>Particulars</u>
821 059 362	06/04/1982	CAVEAT CAVEATOR - THE CITY OF CALGARY.
951 267 030	22/11/1995	CAVEAT RE : ASSUMPTION AGREEMENT CAVEATOR - THE CITY OF CALGARY

SCHEDULE "C"
SCHEDULE OF LEASES

<u>Tenant Name</u>	<u>Lease Start Date</u>
Clint Docken (Parking)	July 18, 2023
Glen A. Metcalf (Parking)	October 1, 2022
Gloria Wozniuk (Parking)	July 18, 2023
Otis Canada Inc. (Parking)	March 10, 2022
Shaw Envision Inc. (Parking)	June 1, 2011
Telus Communications Inc. (Parking)	April 1, 2023
Zayo Canada Inc. (Parking)	December 1, 2010
Nellies Break the Fast Café	August 1, 2019
Canada Mortgage and Housing Corporation	February 1, 2013
Guardian Law Group	September 1, 2023
Barr Engineering & Environmental Science Canada Ltd.	June 1, 2023
Auspice Capital Advisors Ltd.	November 1, 2016
Desiderata Family Enterprise Advisory	July 1, 2020
Smith Mack Lamarsh	August 1, 2022
Rupertsland Institute	September 1, 2021

APPENDIX B

In the Matter of the Receivership of Plaza 1000 Ltd.
Statement of Receipts & Disbursements
For the period March 17, 2023 to October 13, 2023

Receipts:	
Lease settlement ¹	\$ 1,500,000
Rental income	611,333
Receiver's certificates	535,000
Performance deposit ²	294,133
Cash in bank ³	269,514
GST collected on Lease settlement	75,000
Payments made by guarantor ⁴	73,627
GST refunds	18,586
Interest income	412
Total Receipts	<u>3,377,605</u>
Disbursements:	
Repairs and maintenance	271,280
Utilities	206,987
Receiver's fees and disbursements	193,627
Property tax	162,886
Legal fees and disbursements	128,745
Building services	92,560
Administration	77,695
Security	72,527
Insurance	67,739
GST paid by Receiver	16,119
Filing fees paid to Official Receiver	73
Total Disbursements	<u>1,290,238</u>
Excess of Total Cash Receipts over Total Cash Disbursements	<u>\$ 2,087,367</u>
Represented by:	
Cash in Bank	\$ 1,893,194
Cash held by Riverpark Properties Ltd.	194,173
	<u>\$ 2,087,367</u>

- 1 Lease settlement reflects funds collected from a tenant that terminated their lease agreement.
- 2 Performance deposit reflects funds released to the Receiver by a financial institution that were held as security with respect to the lease terminated by the same tenant who settled with the Receiver as per the Lease settlement [1].
- 3 Cash in bank reflects funds held by Riverpark Properties Ltd., the property manager, in trust for Plaza 1000 Ltd. at the commencement of the receivership proceedings on March 17, 2023.
- 4 Payments made by guarantor reflect the value of the Receiver's fees and disbursements that were paid directly by the secured lender.

Estate No.: 25-095357

In the Matter of the Receivership of Plaza 1000 Ltd.
Summary of Professional Fees and Disbursements of the Receiver and the Receiver's Legal Counsel
For the period ended September 30, 2023

Receiver: MNP Ltd.

Invoice #	Period Covered	Amount	GST	Total	Paid/Outstanding
10900833	February 24, 2023 to March 31, 2023	\$ 38,423.75	\$ 1,921.19	\$ 40,344.94	Paid
11011160	April 1, 2023 to April 30, 2023	31,696.75	1,584.84	33,281.59	Paid
11101555	May 1, 2023 to May 31, 2023	36,462.00	1,823.10	38,285.10	Paid
11130269	June 1, 2023 to June 30, 2023	25,036.60	1,251.83	26,288.43	Paid
11170331	July 1, 2023 to July 31, 2023	23,890.50	1,194.52	25,085.02	Paid
11212048	August 1, 2023 to August 31, 2023	16,015.00	800.75	16,815.75	Paid
11252927	September 1, 2023 to September 30, 2023	22,102.00	1,105.10	23,207.10	Paid
Subtotal		<u>193,626.60</u>	<u>9,681.33</u>	<u>203,307.93</u>	

Receiver's Legal Counsel: Burnet Duckworth & Palmer LLP

Invoice #	Period Covered	Amount	GST	Total	Paid/Outstanding
203477288	February 21, 2023 to March 31, 2023	\$ 14,907.00	\$ 745.36	\$ 15,652.36	Paid
203478187	April 1, 2023 to April 30, 2023	31,083.10	1,554.16	32,637.26	Paid
203478527	May 1, 2023 to May 31, 2023	17,294.56	864.73	18,159.29	Paid
203479099	June 1, 2023 to June 30, 2023	27,328.50	1,366.43	28,694.93	Paid
203480206	July 1, 2023 to July 31, 2023	24,471.89	1,223.60	25,695.49	Paid
203480675	August 1, 2023 to August 31, 2023	4,967.00	248.35	5,215.35	Paid
203481155	September 1, 2023 to September 30, 2023	8,692.50	434.63	9,127.13	Paid
Subtotal		<u>128,744.55</u>	<u>6,437.26</u>	<u>135,181.81</u>	

Total professional fees and disbursements of the Receiver; and the Receiver's Legal Counsel for the period ended September 30, 2023

\$ 322,371.15	\$ 16,118.59	\$ 338,489.74
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