

COURT FILE NUMBER Q.B. 572 of 202
COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
JUDICIAL CENTRE SASKATOON
APPLICANT AFFINITY CREDIT UNION 2013
RESPONDENTS RITCHIE INDUSTRIES INC. and DUCK
 MOUNTAIN ENVIRONMENTAL LTD.

IN THE MATTER OF THE RECEIVERSHIP OF RITCHIE INDUSTRIES INC. and DUCK MOUNTAIN ENVIRONMENTAL LTD.

AND IN THE MATTER OF THE BANKRUPTCY OF RITCHIE INDUSTRIES INC. and DUCK MOUNTAIN ENVIRONMENTAL LTD.

**SECOND REPORT OF THE RECEIVER, MNP LTD.,
IN RELATION TO DUCK MOUNTAIN ENVIRONMENTAL LTD. DATED MARCH 3, 2022**

Introduction and Purpose of the Report

1. MNP Ltd. was appointed interim receiver of Duck Mountain Environmental Ltd. by the Court of Queen's Bench for Saskatchewan (the "Court") by order dated May 31, 2021.
2. Concurrently, Duck Mountain Environmental Ltd. filed a Notice of Intention to Make a Proposal pursuant to the *Bankruptcy and Insolvency Act* on May 31, 2021. The Bowra Group Inc. was appointed as proposal trustee. The period for making a proposal pursuant to the Notice of Intention dated May 31, 2021 was terminated by Court order dated June 29, 2021, resulting in the deemed bankruptcy of Duck Mountain Environmental Ltd. effective June 29, 2021.
3. MNP Ltd. was substituted as Trustee in lieu of the The Bowra Group Inc. by consent order dated June 29, 2021.
4. MNP Ltd. was appointed as Receiver of Duck Mountain Environmental Ltd. by the Court order dated June 29, 2021.
5. MNP Ltd. is acting in a dual capacity as Court appointed Receiver and Licensed Insolvency Trustee of Duck Mountain Environmental Ltd. (hereinafter "DME" or the "Company") in its bankruptcy proceedings.
6. MNP Ltd. is also acting in a dual capacity as Court appointed Receiver and Licensed Insolvency Trustee of Ritchie Industries Inc. (hereinafter "Ritchie") pursuant to the above process. Ritchie is considered to be a related entity by way of common shareholder.

7. DME operated a septic, portable water delivery and hydrovac excavation services company located in Kamsack, Saskatchewan.

8. This is the Receiver's Second Report to Court in relation to DME (the "DME Second Report") and it should be read in conjunction with the following Receiver's reports:

- Receiver's First Report to Court in relation to DME dated October 31, 2021 (the "DME First Report");
- Receiver's Confidential Addendum to the DME First Report dated October 31, 2021 (the "Confidential Addendum"); and
- Receiver's Supplemental Report to the First DME Report dated November 4, 2021.

9. Capitalized terms not defined in this report are defined in the DME First Report and the First Supplement to the DME First Report.

10. The Purpose of the DME Second Report is to advise the Court with respect to the following matters in relation to DME:

- Activities of the Receiver;
- Employees;
- Remaining Assets;
- Offer to Purchase DME Property and Vacant Lot;
- Third Party Ownership Claim;
- Priority Creditors and Secured Creditors;
- Interim Statement of Receipts and Disbursements; and
- Professional Fees

11. In preparing the DME Second Report and making comments herein, the Receiver has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information of the Company, the Company's 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.

12. Further information relating to the receivership proceedings can be located on the Receiver's website at <https://mnpdebt.ca/en/corporate/corporate-engagements/>

Activities of Receiver

13. Subsequent to filing the DME First Report and the First Supplemental to the DME First Report the Receiver has:

- Continued to monitor the DME Property and address any maintenance and/or repair requirements;
- Continued to insure the DME Property;
- Continued to collect outstanding accounts receivables;
- Administered the Wage Earner Protection Program Act ("WEPPA");
- Continued to market the DME Property and Vacant Lot with a licensed commercial realtor;
- Negotiated an offer to purchase the DME Property and Vacant Lot; and
- Completed the sale of equipment and chattels in accordance with the November 12, 2021 Order (Sale Approval and Vesting – Duck Mountain Environmental Ltd.)

14. The Receiver has confirmed that the current insurance policy of DME is in effect and appears to provide adequate insurance coverage over the assets.

15. The Receiver has continued to receive monthly lease payments from SARCAN as per the terms of the lease agreement dated November 20, 2017.

Employees

16. The Receiver completed the administration of WEPPA for the two employees in relation to unpaid vacation pay claims.

17. The Receiver has prepared the 2021 T4s for the employees of DME.

Remaining Assets

18. The Company assets are comprised of the following:

- Real property located in Kamsack, Saskatchewan (DME Property and Vacant Lot);
- Equipment and Chattels; and
- Accounts Receivable.

Real Property

19. The Receiver was not satisfied with the offers received in the en bloc sales process completed prior to the DME First Report and determined that the best method to market the DME Property and Vacant Lot was to list with a commercial realtor.

20. On September 20, 2021, the Receiver listed the DME Property and Vacant Lot with Century 21 Fusion with a listing price of \$869,900.00.

21. The listing price was based on an appraisal of the DME Property and a Letter of Opinion of the Vacant Lot which are attached as Schedules A and B, respectively, to the Confidential Addendum previously filed.

Equipment and Chattels

22. The Receiver allowed Grasswood access to the DME Property to conduct its auction of the assets purchased through the Straight Purchase Proposal previously approved by the Court.

23. The Receiver transferred ownership of the 1996 Peterbuilt to a service station in lieu of the amount owing for repairs as well as the cost of the delivery of the 2011 Freightliner Steamer truck to Kamsack, Saskatchewan on November 9, 2021.

24. The Receiver is in the process of determining the value of the lease and negotiating an assignment of the lease of the Branson Mini 2 Linear Vibration Plastic Welding machine with Doppl Inc.

Accounts Receivable

25. The AR balance as of June 29, 2021 was \$118,728.52. The AR balance as at the date of the DME First Report was approximately \$77,000.00.

26. The Receiver has collected an additional \$11,678.73 of the outstanding AR since the DME First Report resulting in approximately \$89,000.00 (or 75%) of the total AR being collected.

27. The Receiver does not intend to continue collection attempts of the remaining outstanding balances as the likelihood of collection has been determined to be low.

Offer to Purchase DME Property and Vacant Lot

28. In late November and early December 2021, the Receiver received several verbal offers to purchase the DME Property and Vacant Lot from an interested party, Mayrand Equipment Leasing Ltd. ("Mayrand"). It was the Receiver's opinion that the offers did not represent fair market value and advised Mayrand that it would have to increase its offer significantly.

29. On December 20, 2021, Mayrand submitted a written offer to purchase the DME Property and Vacant Lot for \$600,000.00. The Receiver advised Mayrand that the offer did not, in the Receiver's opinion, represent fair value.

30. On December 22, 2021, Mayrand submitted a written offer to purchase the DME Property and Vacant Lot for \$700,000.00. A copy of the offer to purchase dated December 22, 2021 is attached as **Schedule 1**.

31. On December 23, 2021, the Receiver countered the offer to purchase with a purchase price of \$725,000.00. The counter-offer was accepted by Mayrand on December 23, 2021 (the "DME Offer"). The DME Offer is a cash offer and is without conditions. A copy of the DME Offer is attached as **Schedule 2**.

32. On March 1, 2022, the Receiver and Mayrand entered an Amendment to Contract of Purchase and Sale Agreement (the "**Amendment Agreement**") amending certain provisions including adding an apportionment of the purchase price between the DME Property and Vacant Lot and amending the possession date. A copy of the Amendment Agreement is attached as **Schedule 3**.

33. The Receiver is advised that the primary secured creditor (Affinity) does not object the acceptance of the DME Offer.

34. The appraised fair market value of the DME Property is \$850,000.00 (not including the Vacant Lot) and Century 21 Fusion has advised that the estimated fair market value of the Vacant Lot is approximately \$50,000.00 for a combined fair market value of \$900,000.00.

35. The DME Offer represents approximately 80.5% of the combined fair market value and the Receiver is of the opinion that this represents a reasonable realization to the receivership estate. The next highest offer submitted through the Receiver's sale process (prior to listing the DME Property with Century 21 Fusion) was for \$410,000.00. The DME Property and Vacant Lot were listed for three months prior to the DME Offer being submitted with no other serious interest being expressed.

36. The Receiver seeks the Court's approval to accept the DME Offer submitted by Mayrand.

37. As at the date of this report, the Receiver has negotiated an interim tenancy at will agreement with Mayrand to allow Mayrand limited access to the DME Property and Vacant Lot for the purposes of taking measurements, having trades provide estimates for electrical, heating and plumbing, cleaning and painting of the premises and showing the property to his prospective tenant(s).

Third Party Ownership Claims

38. The Receiver has continued discussions with Perepiolkin and his counsel regarding the ownership issue of the 2013 Magnum MMG25 Generator and the 2013 Load Trail Dump box trailer as part of the intercompany transactions as between Madge Lake and DME.

Priority Creditors and Secured Creditors

39. Based on the payroll books and records of DME the balance outstanding to Canada Revenue Agency ("CRA") for payroll source deductions as at June 29, 2021 is \$259,906.04. CRA has not completed a Trust exam of the payroll source deduction account at this time.

40. CRA has filed a Notice of Assessment for Goods and Services Taxes totalling \$45,439.91 for pre receivership periods. The bankruptcy of DME results in this debt ranking as unsecured.

41. The Receiver completed the administration of the WEPPA for 2 employees and Service Canada has filed a total claim of \$10,924.27 which includes a claim for \$4,000.00 for priority under Section 81.4 of the *Bankruptcy and Insolvency Act*. The priority under Section 81.4 of the BIA applies to the current assets of the debtor.

42. Affinity holds security by way of a mortgage registered on title to the DME Property owned by DME on March 9, 2015 and by way of a General Security Agreement ("GSA") registered on March 2, 2015 over all present and after-acquired property of the Bankrupt. The estimated balance owed to Affinity is \$769,237.63 plus accrued interest and costs as of February 15, 2022.

43. TD holds security by way of a General Security Agreement ("GSA") registered on November 10, 2015 over all present and after-acquired personal property of the Bankrupt. The amount owed to TD is estimated to be \$28,800.00 as of June 29, 2021.

44. The Receiver has received confirmation that Caterpillar that it has removed its registration in the PPR in relation to the 2012 Non-Cat M2 Steamer Truck.

45. Kempenfelt, (a division of Bennington Financial Corp.), holds a secured interest in a 2005 Kenworth T300 Vac Truck and Vac Pump owned by DME (the "2005 Kenworth") and an asset owned by a related party registered on July 8, 2019. The Receiver has received confirmation from Kempenfelt that the net buyout price for the 2005 Kenworth is \$55,796.88 as at March 15, 2022.

46. The Receiver obtained Kempenfelt's approval to sell the 2005 Kenworth in the Straight Purchase Proposal by Grasswood. The Receiver seeks the Court's approval to pay Kempenfelt the net buyout price under the Kempenfelt lease of \$55,796.88 for the 2005 Kenworth.

47. The Receiver seeks the Court's approval to pay Kempenfelt the net buyout price under the Kempenfelt lease of \$55,796.88 for the 2005 Kenworth.

48. Kempenfelt, also holds a secured interest in a Branson Mini 2 Linear Vibration Plastic Welding Machine and all attachments accessories (the "Mini Welder") registered on July 20, 2020. The Receiver continues to explore options on this asset and corresponding liability with Doppl Inc.

49. Wells Fargo Equipment Finance Company ("Wells Fargo") holds a secured interest in a 2008 Western Star 4900 Vacuum Truck (the "2008 Western Star") registered on April 13, 2021. The balance owed to Wells Fargo as of March 3, 2022 is \$101,485.74.

50. The Receiver obtained Wells Fargo's approval to sell the 2008 Western Star as part of the Straight Purchase Proposal by Grasswood.

51. The Receiver seeks the Court's approval to pay Wells Fargo the net buyout price \$101,485.74.

52. A copy of the May 20, 2021 PPR search confirming the above registrations was attached as Schedule D to the DME First Report.

53. There is a Builders' Lien in the amount of \$19,333.60 registered on the Vacant Lot on November 30, 2021 in favour of Kam-Crete Ltd. Counsel for the Receiver has not yet provided an opinion on the validity of the Builder's Lien at this time.

54. Ritchie holds security by way of a Mortgage registered on March 9, 2015 over the DME Property owned by the Bankrupt. Ritchie is also subject to receivership under these proceedings. Counsel for the Receiver has not yet provided an opinion on the validity of Ritchie's Mortgage at this time.

55. 101198359 Saskatchewan Ltd. holds security by way of a Collateral Mortgage registered on March 6, 2020 over the DME Property owned by the Bankrupt. The estimated balance owed to 101198359 Saskatchewan Ltd. is \$922,500 as of June 29, 2021.

56. The Receiver has borrowed \$65,061.39 in Receiver's Borrowings in relation to the administration of the DME estate to pay Receiver's Fees and Disbursements and the Interim Receiver's Fees and Disbursements.

Interim Statement of Receipts and Disbursements

57. Attached as **Schedule 4** to this report is the Receiver's Interim Statement of Receipts and Disbursements for the period ending February 14, 2022.

Professional Fees

58. Attached as **Schedule 5** to this report is a summary of the Receiver's Fees and Disbursements as at February 16, 2022.

59. Attached as **Schedule 6** to this report is a summary of the Interim Receiver's Fees and Disbursements relating to both the DME and Ritchie interim receivership estate. MNP has allocated 20% of the Interim Receiver's Fees and Disbursements to activities related to DME which totals \$9,268.84 plus applicable taxes (\$46,844.18 x 20%).

60. Attached as **Schedule 7** to this report is a summary of the Interim Receiver's and the Receiver's Legal Fees for both the DME and Ritchie receivership estates. MNP has allocated 20% of the Interim

Receiver's and the Receiver's legal fees to activities related to DME totalling \$26,837.70 (20% of \$134,188.49). The Receiver's legal fees related specifically to the sale of the Petro Can (a business operated by Ritchie Industries Inc.) have not been included in Schedule 7.

Conclusion

61. The Receiver submits this DME Second Report in support of an application for the following:
- a) Approval of the Receiver's Activities to date as outlined in the DME Second Report; and
 - b) Authorization to accept the Offer to Purchase the DME Property and Vacant Lot and close the transaction contemplated therein vesting of the assets in the name of Mayrand.
 - c) Authorization to pay Kempenfelt the net buyout price of \$55,796.88 for the 2005 Kenworth.
 - d) Authorization to pay Wells Fargo the net buyout price of \$101,485.74 plus accrued interest for the 2008 Western Star.
 - e) Authorization to hold the balance of the remaining proceeds under the DME Equipment Sale in reserve until further order of the Court.

DATED at the City of Edmonton, in the Province of Alberta, this 3rd day of March, 2022.

MNP Ltd.

In its capacity as Receiver of
Duck Mountain Environmental Ltd.
And not in its personal capacity



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

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

Kanuka Thuringer LLP
Attn: Diana Lee, Q.C.
2500 Victoria Avenue
Regina, SK S4P 3X2
Email: dlee@kanuka.ca
Phone: 306.525.7200
Fax: 306.359.0590
Solicitors for the Receiver, MNP Ltd.

**SCHEDULE 1 – RECEIVER’S SECOND REPORT TO COURT
DUCK MOUNTAIN ENVIRONMENTAL LTD.**



CONTRACT OF PURCHASE AND SALE - #104

437-2021-JK-4

Developed & Provided by your **Saskatchewan REALTORS® Association**
 This contract is to be used only for properties of commercial nature, including farms, hotels, businesses, etc.

Century 21 Fusion 310 Wellman Lane - #210 Jim Kramer (306) 653-8222
 (Full Name of Buyer's Brokerage) (Address) (Salesperson) (Phone)

I/WE Mayrand Equipment Leasing LTD. 972 Arnold Rd S Canora S0A0L0
 (Names of Buyers: herein called Buyer) (Address) (Postal Code) (Phone)

(Names of Buyers: herein called Buyer) (Address) (Postal Code) (Phone)

HEREBY OFFER TO PURCHASE from

MNP Ltd-In It's Capacity as Receiver 119 4th Ave S Saskatoon S7K 5X2
 (Names of Sellers: herein called Seller) (Address) (Postal Code) (Phone)

of Duck Mountain Environmental Ltd
 (Names of Sellers: herein called Seller) (Address) (Postal Code) (Phone)

through Century 21 Fusion 310 Wellman Lane - #210 Jim Kramer (306) 280-7979
 (Full Name of Seller's Brokerage) (Address) (Salesperson) (Phone)

the following described property: L: 4 Bl; 25 Pl; 79Y00227 Ext 51 And adjoining parcel
 (Legal land description or description of business)
Parcel 203839656 Lot 9 BlK/(ar 25 Plan No 102350191

having the following Address: 437 Queen Elizabeth BOULEVARD E S0A 1S0 City or R.M. Kamsack

- Subject to the reservations and exceptions appearing in the existing Certificate of Title and free and clear of all encumbrances except such encumbrances as are hereafter expressly agreed to be assumed by the Buyer, for the SUM (Sale Price) of:

Seven Hundred Thousand Dollars dollars

Sale Price to be paid as follows:

- \$ 50,000.00 Deposit to be made to the Buyer's Brokerage unless otherwise indicated
- Deposit instructions To be deposited by cheque to Century 21 Fusion Trust Account On December 22nd 2021

- \$ _____ Financing (if applicable) _____
- \$ 650,000.00 (approx) balance of cash, to be paid subject to the adjustments herein provided, to the Seller's Solicitor or Brokerage of the Seller, or to the Buyer's Solicitor as the case may be, 2 days before the Possession Date.

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

- This contract is made conditional upon the following:

- Financing to be arranged on terms and rate satisfactory to the Buyer on or before mm _____ dd _____ yyyy _____.
-

- Additional terms are are not set out in the following schedule(s): _____ to this contract.
- The Sale Price shall include land, buildings, fixtures and attached goods, to be free and clear of all encumbrances other than those being assumed by the Buyer, shall be and remain as is at the date of acceptance of this contract until Possession Date, and includes the following chattels and unattached goods: (if none, state "NONE"). None
- Mineral title(s) for mineral commodities are are not owned by the Seller and are are not included in the Sale Price.
- The Buyer agrees to pay to the Seller interest at the Bank of Canada Overnight Rate Target at the Possession Date plus 4% per annum, on any portion of the Sale Price, less mortgages or other encumbrances assumed, not received by the Seller, his/her solicitor or his/her Brokerage as at the Possession Date, the interest to be calculated from the Possession Date, until monies are received by the Seller or his/her solicitor. The Seller shall have a lien and charge against the property for the unpaid portion of the Sale Price (with interest as aforementioned).
- THE SELLER SHALL PAY ALL COSTS OF DISCHARGING ANY EXISTING MORTGAGE OR OTHER ENCUMBRANCES AGAINST THE PROPERTY, NOT ASSUMED BY THE BUYER.**
- This transaction of purchase and sale shall be closed on or before twelve noon mm 01 dd 31 yyyy 2022, (herein referred to as the "Possession Date") on which date the Buyer shall have POSSESSION, vacant or subject to the following tenancy, namely: (if none, state "NONE") Vacant

AM
 Buyer(s) Initials

- 9. **ADJUSTMENTS** re: taxes, rents, insurance, utilities, expenses and other income and outgoing, to be made as at Possession Date, or as follows:
- 10. The **Buyer** represents and warrants to the **Seller** that it is is not a registrant, registration # _____ for the purpose of GST under the *Excise Tax Act* (Canada). The **Buyer** shall be liable for and shall indemnify and hold the **Seller** harmless from any liability relating to the GST which may be payable in respect to this transaction. The **Buyer** agrees to self-assess, remit the GST directly to the Receiver General and comply in a timely manner with all filing and payment obligations referred to in Section 228(4) of the *Excise Tax Act* (Canada).
- 11. The **Seller** shall maintain fire insurance coverage on the property until the Possession Date and, if on such date remains an unpaid **Seller**, may continue to insure the property. The **Buyer** shall insure the property on and after possession.
- 12.1 If this offer is not accepted, the entire deposit and any other monies paid, without interest, shall be returned to the **Buyer**.
- 12.2 If this offer is accepted and the conditions in paragraph 2 above have not been satisfied or waived in writing by the date set forth in paragraph 2 above, the entire deposit and any other monies paid by the **Buyer** shall be forthwith returned to the **Buyer**.
- 12.3 If this offer is accepted and all conditions have been removed in writing by the date set forth in paragraph 2 above and the **Buyer** fails to execute any required conveyance or formal documents when prepared, or fails to pay any required cash payment or comply with any of the terms in this contract, this contract shall be void at the **Seller's** option. Where the defaulting party is the **Buyer**, the deposit and any other monies shall be forthwith delivered to the **Seller's** brokerage as forfeiture to the seller.
- 12.4 The **Buyer** and **Seller** agree that the provisions of this section are an agreement to disburse the trust funds pursuant to Section 16(a) of The Real Estate Regulations.
- 12.5 The disbursement of the deposit and other monies as agreed to above is not a prohibition from the **Buyer** or the **Seller** seeking a civil remedy for a breach of this contract.
- 13. The **Seller** and **Buyer** agree to prepare and execute promptly any documents required to complete this transaction. The **Seller** shall pay for the preparation of the Transfer of Title and the **Buyer** shall pay for the registration of the Transfer of Title under *The Land Titles Act*. The costs related to any mortgage or other financing of the Sale Price, other than an Agreement for Sale, shall be paid by the **Buyer**. Costs of any Agreement for Sale shall be borne equally by the **Buyer** and **Seller**.
- 14. This offer is open to acceptance by the **Seller** up to 5:00 p.m., mm 12 dd 23 yyyy 2021.
- 15. **IT IS UNDERSTOOD AND AGREED** that there are no other representations, warranties, guarantees, promises or agreements other than those contained in this contract and I hereby agree to purchase the above described property as it stands at the price and terms and subject to the conditions above set forth. **TIME SHALL BE OF THE ESSENCE OF THIS OFFER/CONTRACT.**
- 16. Upon acceptance of this offer within the time prescribed in paragraph 14, this contract shall constitute a binding contract of purchase and sale and be binding upon the parties hereto, their respective heirs, executors, administrators, successors and assigns.
- 17. By signing this offer the **Buyer** acknowledges having received and read the document published by the Saskatchewan REALTORS® Association entitled, "Agency Disclosure." The **Buyer** acknowledges having read and understood this document, that it accurately describes the agreement with the Buyer's Brokerage, and that a copy of it has been received by the **Buyer** this date.

SIGNED by the Buyer at _____

, mm 12 dd 22 yyyy 2021

SIGNED, SEALED AND DELIVERED in the presence of

IN WITNESS WHEREOF I have hereunto set my hand

Witness _____


Buyer 22/2021 12:28:20 PM CST **Arnold Mayrand**

Witness _____

Buyer _____

ACCEPTANCE AND DIRECTION TO PAY COMMISSION AND TAXES

I/WE HEREBY ACCEPT the above Offer together with all conditions contained therein and covenant to carry out the sale on the terms and conditions above mentioned. I do further acknowledge my obligation to pay commissions and all applicable federal and provincial taxes to the Seller's Brokerage pursuant to the listing agreement with respect to the property. **I/WE FURTHER HEREBY IRREVOCABLY AND UNCONDITIONALLY DIRECT AND AUTHORIZE MY/OUR SOLICITOR**, as indicated by me/us below, or any other Solicitor acting on my/our behalf in this sale, to pay the aforesaid taxes and commission, less the deposit hereby accepted, from the proceeds of the sale when releasable and this shall be and constitute my/our full and sufficient authority for so doing.

I/WE HEREBY CERTIFY that I/we are residents of Canada as defined under the provisions of Section 116 of *The Income Tax Act* and that I/we will provide satisfactory evidence of such residency.

SIGNED by the Seller at _____

, mm _____ dd _____ yyyy _____

SIGNED, SEALED AND DELIVERED in the presence of

IN WITNESS WHEREOF I have hereunto set my hand

Witness _____

Seller MNP Ltd-In It's Capacity as Receiver

Witness _____

Seller of Duck Mountain Environmental Ltd

Buyer's Solicitor _____

Seller's Solicitor _____

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LIMITED DUAL AGENCY ACKNOWLEDGEMENT FORM - #204
PURCHASE AND SALE TRANSACTIONS
(ACKNOWLEDGEMENT TO BROKERAGE ACTING FOR BOTH BUYER AND SELLER)
Developed & Provided by your Association of Saskatchewan REALTORS®

TO: Century 21 Fusion
Jim Kramer
310 Wellman Lane - #210 Saskatoon SK S7T 0J1
(BROKERAGE)

RE: 437 Queen Elizabeth BOULEVARD E
Kamsack SK S0A 1S0
(PROPERTY)

FROM: Mayrand Equipment Leasing LTD.
(BUYER)

AND: MNP Ltd-In It's Capacity as Receiver
of Duck Mountain Environmental Ltd
(SELLER)

The Buyer and Seller acknowledge and agree that:

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

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

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

Signed by the Buyer at _____, mm¹² _____ dd²² _____ yyyy²⁰²¹

WITNESS

Arnold Mayrand BUYER

WITNESS

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

WITNESS

MNP Ltd-In It's Capacity as Receiver SELLER

WITNESS

of Duck Mountain Environmental Ltd SELLER

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**SCHEDULE 2 – RECEIVER’S SECOND REPORT TO COURT
DUCK MOUNTAIN ENVIRONMENTAL LTD.**



**COUNTER OFFER TO COMMERCIAL
CONTRACT OF PURCHASE AND SALE - #210**
Developed & Provided by your Association of Saskatchewan REALTORS®

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

Mayrand Equipment Leasing LTD.
(Names of Buyers)
to MNP Ltd-In It's Capacity as Receiver of Duck Mountain Environmental Ltd
(Names of Sellers)

in respect to the property known as: 437 Queen Elizabeth BOULEVARD E Kamsack SK S0A 1S0
and dated mm 12 dd 22 yyyy 2021
(Original Date of Contract of Purchase and Sale)

Document #: 437-2021-JK-4

The **Seller** accepts the attached Offer and all its terms and conditions subject to the following amendments, exceptions and/or additions and covenant to carry out the sale on the terms and conditions mentioned herein:
The Purchase Price To Be \$725,000.00 (Seven Hundred & Twenty Five Thousand Dollars)

This Offer is subject to Court Approval

Deposit to be received by December 27th 2021

Unless revoked sooner, this Counter Offer shall be open for acceptance by the **Buyer** up to 5:00 p.m.
mm 12 dd 24 yyyy 2021 after which time if not accepted by the **Buyer**, this Counter Offer shall be null and void and any **deposit** paid shall be returned to the **Buyer** without interest. I do further acknowledge my obligation to pay commissions and all applicable federal and provincial taxes to the Seller's Brokerage pursuant to the listing agreement with respect to the property.
I/WE FURTHER HEREBY IRREVOCABLY AND UNCONDITIONALLY DIRECT AND AUTHORIZE MY/OUR SOLICITOR, as indicated by me/us below, or any other solicitor acting on my/our behalf in this sale, to pay the aforesaid taxes and commission, less the deposit hereby accepted, from the proceeds of the sale when releasable and this shall be and constitute my/our full and sufficient authority for so doing and appoints the **Seller's** brokerage as the **Seller's** irrevocable agent to demand and receive payment thereof.

SIGNED AND SEALED AT _____, mm 12 dd 23 yyyy 2021.

in the presence of:

IN WITNESS WHEREOF I have hereunto set my hand

WITNESS _____

SELLER _____ ●

WITNESS _____

SELLER _____ ●

of Duck Mountain Environmental Ltd and

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

(Original Date of Contract of Purchase and Sale)

SIGNED AND SEALED AT _____, mm _____ dd _____ yyyy _____.

in the presence of:

IN WITNESS WHEREOF I have hereunto set my hand

WITNESS _____

BUYER _____ ●

Arnold Mayrand

WITNESS _____

BUYER _____ ●

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

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#210 - 02/2018

**SCHEDULE 3 – RECEIVER’S SECOND REPORT TO COURT
DUCK MOUNTAIN ENVIRONMENTAL**

AMENDMENT TO CONTRACT OF PURCHASE AND SALE

This Amending Agreement made as of the 1st day of March, 2022.

BETWEEN:

MNP Ltd.,
In its capacity as court-appointed receiver of
Duck Mountain Environmental Ltd.
(the “**Seller**”)

AND:

MAYRAND EQUIPMENT LEASING LTD.
(the “**Buyer**”)

WHEREAS by a Contract of Purchase and Sale dated December 22, 2021 and Counter Offer to Commercial Contract of Purchase and Sale dated December 23, 2021 (the “**Agreement**”), the Seller agreed to sell the Property, as therein defined, to the Buyer;

AND WHEREAS, the parties wish to revise some of the terms of the Agreement as set forth herein.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements herein set forth and for other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged, the parties hereby covenant and agree as follows:

1. Except as otherwise provided herein, the capitalized terms used herein shall have the same meanings as set forth in the Agreement.

2. The Agreement is hereby amended as follows:

(a) by adding the following to Section 1:

The Sale Price shall be apportioned as follows:

(a) to Lot 4: \$684,690.00

(b) to Lot 9: \$40,310.00

(b) by deleting Section 7 in its entirety;

(c) by deleting the possession date of “mm 01 dd 31 yyyy 2022 ” in Section 8 and substituting “mm 03 dd 15 yyyy 2022 ” in its place;

(d) by deleting “Vacant” in Section 8 and substituting the following:

The lease between the Saskatchewan Association of Rehabilitation Centres, operating the SARCAN Recycling division, as Tenant, and Duck Mountain Environmental Ltd., as Landlord, dated November 20, 2017 (the

"SARCAN Lease") which shall be assigned to the Buyer in a form acceptable to legal counsel to the parties, acting reasonably.

- (e) by deleting the following from Section 13:

The Seller shall pay for the preparation of the Transfer of Title and the Buyer shall pay for the registration of the Transfer of Title under *The Land Titles Act*.

and substituting the following in its place:

The Seller shall apply to the Court of Queen's Bench in Saskatchewan for a Sale Approval and Vesting Order ("**Vesting Order**") approving the sale of the Property and vesting Duck Mountain Environmental Ltd.'s right, title and interest in and to the Property, upon payment of the Sale Price, in the Buyer, free and clear of all encumbrances, liens and charges other than any permitted encumbrances, and otherwise in a form acceptable to the Seller which shall include provision for issuance of a receiver's certificate to permit registration of the Vesting Order. The Buyer shall deliver the adjusted Sale Price and the estimated Land Titles registration disbursements to the Seller under reasonable trust conditions and the Seller shall register the Vesting Order under *The Land Titles Act*.

- (f) by adding the following provision:

With respect to this Agreement and all matters pertaining hereto, the Tenant acknowledges that the Receiver is acting solely in its capacity as court-appointed receiver and manager of Duck Mountain Environmental Ltd., and as such, its liability as a consequence of this Agreement or anything done by it pursuant hereto shall be in its capacity as receiver only, and it shall have no personal liability or corporate liability of any kind, whether in contract or in tort or otherwise.

3. Except as set forth in this Amendment Agreement, the Agreement is unaffected and continues in full force and effect in accordance with its terms as amended herein and in particular for greater certainty, the parties agree that (i) the Deposit remain subject to and shall be dealt with in accordance with Sections 12.2 to 12.4 of the Agreement; and (ii) the Agreement is conditional upon the Seller obtaining a Vesting Order on or before March 15, 2022.
4. This Amending Agreement may be executed and delivered in several counterparts and/or by facsimile transmission or portable document format ("pdf"), each of which so executed and delivered shall be deemed to be an original and such counterparts together will be deemed to constitute one and the same instrument, provided that any party that executes and delivers this Amending Agreement by facsimile transmission shall deliver an original forthwith upon request.

[Signature page to follow]

IN WITNESS WHEREOF, the Seller and the Buyer have executed this Amending Agreement as of the day and year first written above.

**MNP Ltd., in its capacity as Receiver in respect
of the Property of Duck Mountain
Environmental Ltd.**

Per: 

Name: Eric Sirrs
Title: Senior Vice President

MAYRAND EQUIPMENT LEASING LTD.

Per: _____
Name:
Title:

DM 3163417 v3

IN WITNESS WHEREOF, the Seller and the Buyer have executed this Amending Agreement as of the day and year first written above.

MNP Ltd., in its capacity as Receiver in respect of the Property of Duck Mountain Environmental Ltd.

Per: _____
Name: Eric Sirrs
Title: Senior Vice President

MAYRAND EQUIPMENT LEASING LTD.

Per: 
Name: Arnold Mayrand
Title: President

DM 3163417 v3

**SCHEDULE 4 – RECEIVER’S SECOND REPORT TO COURT
DUCK MOUNTAIN ENVIRONMENTAL**

Duck Mountain Environmental Ltd.
Receiver's Interim Statement of Receipts and Disbursements
For the Period of June 29, 2021 to February 14, 2022

	June 29, 2021 to October 22, 2021	Variance	June 29, 2021 to February 14, 2022
RECEIPTS:			
Opening Bank Balance	9,893.82	-	9,893.82
Sale of Assets	-	360,000.00	360,000.00
Revenue	196,971.72	26,548.92	223,520.64
Miscellaneous Refunds	1,726.82	1,663.59	3,390.41
Total Receipts	\$ 208,592.36	\$ 388,212.51	\$ 596,804.87
DISBURSEMENTS:			
Bank and Merchant Fees	522.78	280.00	802.78
GST/PST	2,729.82	156.00	2,885.82
Property Tax	-	4,949.58	4,949.58
Insurance	8,601.19	2,697.48	11,298.67
Payroll	45,159.94	-	45,159.94
Payroll Source Deductions	30,664.07	-	30,664.07
Management Fees and Monitoring	11,189.73	9,240.00	20,429.73
Transfer to Related Entities	1,312.50	-	1,312.50
Vehicle Lease	14,647.64	14,647.64	29,295.28
Utilities	3,449.48	2,001.66	5,451.14
Consulting Fees	4,993.80	60.90	5,054.70
TD VISA	6,875.42	1,363.67	8,239.09
Operating Expenses (1)	24,336.43	5,789.45	30,125.88
Supplier Payments	15,668.84	6,599.81	22,268.65
Total Disbursements	\$ 170,151.64	\$ 47,786.19	\$ 217,937.83
Excess of Receipts over Disbursements	\$ 38,440.72	\$ 340,426.32	\$ 378,867.04

Notes:

(1) Operating expenses are related to Superpass cards, employee reimbursements, lawn care, cleaning services and payments to workers compensation board.

**SCHEDULE 5 – RECEIVER’S SECOND REPORT TO COURT
DUCK MOUNTAIN ENVIRONMENTAL**

**DUCK MOUNTAIN - RECEIVERSHIP
SUMMARY OF RECEIVER'S FEES AND DISBURSEMENTS**

FEE SUMMARY

	<u>Hours</u>	<u>Fees</u>
Chelene Riendeau	116.80	39,483.60
Comfort Uche	1.30	249.60
Ryann Cale	46.70	7,284.80
Maha Shah	23.80	6,205.00
Betty Dyck	6.40	1,184.00
Jane Ma	22.60	2,721.30
Eric Sirrs	18.30	9,790.50
Karen Aylward	0.60	288.00
Reina Ainsworth	2.90	620.60
Donna Evoy	0.30	39.60
	<u>239.70</u>	<u>67,867.00</u>

TOTAL FEES

67,867.00

DISBURSEMENT SUMMARY

Data Room	374.50
Mail and Postage	59.14
Travel	222.77
	<u>656.41</u>

TOTAL DISBURSEMENTS

656.41

TOTAL FEES AND DISBURSEMENTS

68,523.41

Less Adjustments

(5,000.00)

Less Interim Billings

(60,692.68)

NET FEES AND DISBURSEMENTS

2,830.73

**SCHEDULE 6 – RECEIVER’S SECOND REPORT TO COURT
DUCK MOUNTAIN ENVIRONMENTAL**

**Ritchie Industries Inc. and Duck Mountain Environmental Ltd. - Interim Receivership
Interim Receiver's Fees and Disbursements - June 29, 2021**

FEE SUMMARY

Eric Sirrs	18.70	10,004.50
Marina Perengliyeva	0.10	25.60
Naida Kornuta	0.50	197.50
Betty Dyck	1.00	185.00
Devan Foster	4.50	832.50
Reina Ainsworth	0.20	42.80
Nitin Gupta	18.50	2,775.00
Chelene Riendeau	77.50	23,045.20
Maha Shah	15.00	3,210.00
Ryann Cale	0.30	38.70
Jane Ma	29.20	4,060.80
	165.50	44,417.60

Total Hours	165.50	
TOTAL FEES		<u>44,417.60</u>

DISBURSEMENT SUMMARY

Travel	2,014.53
Meals	38.42
Lodging	373.63
	<u>2,426.58</u>

TOTAL DISBURSEMENTS		<u>2,426.58</u>
TOTAL FEES AND DISBURSEMENTS		<u>46,844.18</u>
Less Interim Billings		
NET FEES AND DISBURSEMENTS		<u><u>46,844.18</u></u>

**SCHEDULE 7 – RECEIVER’S SECOND REPORT TO COURT
DUCK MOUNTAIN ENVIRONMENTAL**

SUMMARY OF RECEIVER'S LEGAL FEES - January 2022
RECEIVERSHIP OF RITCHIE INDUSTRIES INC. AND DUCK MOUNTAIN ENVIRONMENTAL LTD.

DATE	INVOICE	FIRM	NATURE	FEES AND DISB	ADJUSTMENTS	GST/PST	TOTAL
13-Jul-21	138460	Kanuka Thuringer LLP	Interlm Receivership	24,012.94		2,640.19	26,653.13
16-Sep-21	139409	Kanuka Thuringer LLP	General	23,262.75	- 2,312.50	2,304.53	23,254.78
14-Oct-21	139835	Kanuka Thuringer LLP	General	8,149.75	-	896.48	9,046.23
10-Nov-21	140278	Kanuka Thuringer LLP	General	27,779.00		3,055.69	30,834.69
06-Dec-21	140919	Kanuka Thuringer LLP	General	21,661.25		2,382.74	24,043.99
13-Jan-22	141590	Kanuka Thuringer LLP	General	16,794.00		758.36	17,552.36
13-Jan-22	141592	Kanuka Thuringer LLP	General	2,525.50		277.81	2,803.31
TOTAL				124,185.19	- 2,312.50	12,315.80	134,188.49