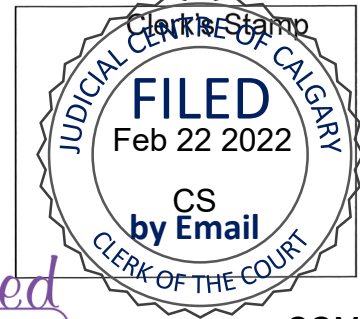


COURT FILE NO. 2101-10276

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY



Entered

COM
March 2 2022
Justice Horner

IN THE MATTER OF THE RECEIVERSHIP OF 2127712 ALBERTA LTD.

DOCUMENT **FIRST REPORT OF MNP LTD., RECEIVER OF 2127712 ALBERTA LTD.**

FILED FEBRUARY 22, 2022

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

Receiver's Legal Counsel

CARON & PARTNERS LLP
Fifth Avenue Place – West Tower
2120, 237 – 4th Avenue, S.W.
CALGARY, AB T2P 4K3

ATTN: DEAN HUTCHISON
TEL: 403-770-4023
EMAIL: dhutchison@caronpartners.com

Receiver

MNP LTD.
1500, 640 – 5 Avenue S.W.
CALGARY, AB T2P 3G4

ATTN: VICTOR P. KROEGER / RICK ANDERSON
TEL: 403.298.8479 / 403-537-8424
EMAIL: victor.kroeger@mnp.ca / rick.anderson@mnp.ca

APPENDICES

Appendix A Process to Submit Offers for Sale dated September 17, 2021

Appendix B Redacted Bluebird Offer to Purchase dated November 9, 2021

INTRODUCTION AND BACKGROUND

1. On August 20, 2021, the Court of Queen’s Bench of Alberta (the “**Court**”) granted an Order (the “**Receivership Order**”) appointing MNP Ltd. as Receiver (the “**Receiver**”) over all of the assets, undertakings and property (the “**Property**”), as described in detail below, of 2127712 Alberta Ltd. (“**212**” or the “**Company**”). The Receivership Order was granted following an application by Roynat Inc. (“**Roynat**”), who holds a number of security registrations against the Property including a first-registered mortgage (the “**Roynat Mortgage**”) against the Lands (as defined below), general security agreement and general assignment of rents and leases (collectively, the “**Roynat Security**”).
2. The Company operated at 160 Griffin Ranch Road, Cochrane, Alberta (the “**Lands**”). The Company is the registered owner of the Lands, which are legally described as:

THAT PORTION OF THE SOUTH EAST QUARTER OF SECTION 2 IN TOWNSHIP 26, RANGE 4, WEST OF THE 5 MERIDIAN WHICH LIES SOUTH OF THE SOUTHERN LIMIT OF THE RIGHT OF WAY OF THE CANADIAN PACIFIC RAILWAY AS SHOWN ON PLAN R.Y.10 AND EAST OF A LINE RUNNING AT RIGHT ANGLES TO THE SOUTHERN LIMIT OF SAID QUARTER SECTION FROM A POINT THEREIN DISTANT EASTERLY THEREON. 1732 FEET FROM THE SOUTH WEST CORNER THEREOF, CONTAINING 2.02 HECTARES (5 ACRES) MORE OR LESS AND LYING NORH OF THE BOW RIVER EXCEPTING THEREOUT ALL MINES AND MINERALS AND THE RIGHT TO WORK THE SAME

3. The Company operated a self-storage business known as Riverside Storage from facilities located on the Lands. These facilities consist of 157 self-storage units configured throughout 6 building storage facilities, together with 34 recreational vehicle parking lots, 8 boat storage lots and a residential building that is used as office space (the “**Building**”).
4. The Company had rented out office space in the Building, as well as storage space situated on the Lands, to a related company, North American Steel Erectors Inc. (“**NASE**”). A Bankruptcy Order was granted in respect of NASE on July 29, 2021 and MNP Ltd. acts as the Trustee of the bankrupt estate.

5. The Receiver took possession of the Property on August 20, 2021 and since that time has undertaken a number of activities to safeguard, maintain and market the Property for sale, as further described herein, as well as continuing the self-storage business operations.
6. Copies of the relevant documents relating to these proceedings are available on the Receiver's website <https://mnpdebt.ca/en/corporate/corporate-engagements/2127712-alberta-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 report, or any reliance or decision to be made based on this report, is the sole responsibility of such party.
9. All amounts included herein are in Canadian dollars unless otherwise stated.

PURPOSE OF THE REPORT

10. 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 its appointment on August 20, 2021 and to provide information in respect of an application by the Receiver for an Order seeking the following relief:

- i. Approving the sale of the Property to Bluebird Core Associates Ltd. ("**Bluebird**");
- ii. Sealing the Confidential Report of the Receiver (the "**Confidential Report**") by way of a sealing order (the "**Sealing Order**"); and
- iii. Approving the reported actions of the Receiver in administering these receivership proceedings to date.

ACTIVITIES OF THE RECEIVER

11. Since its appointment, the Receiver has undertaken a number of activities including, but not limited to:

- i. Taking possession of the Property;
- ii. Changing locks and took possession of books and records of the Company;
- iii. Arranging for adequate insurance coverage for the Property and opening Receivers accounts for ongoing operating costs;
- iv. Completing all required creditor notifications and responding to creditor/ stakeholder inquiries;
- v. Engaging an independent contractor to maintain operations of the storage business and performing general administrative duties;
- vi. Engaging an independent contractor to oversee repair and maintenance of the Property;
- vii. Obtaining an independent legal opinion from Caron and Partners LLP ("**Caron LLP**");
- viii. Arranging for any necessary repairs and maintenance of the Property;
- ix. Communicating with Caron LLP;
- x. Communicating with Roynat;
- xi. Coordinating and completing GST returns for the Company;
- xii. Maintaining the Receiver's website for the proceedings;
- xiii. Obtaining an updated appraisal of the Property from Colliers International

- (“**Colliers**”);
- xiv. Initiating a sales process for the Property (the “**Sales Process**”);
 - xv. Distributing an information summary and process to submit offers for the assets for sale (the “**Information Summary**”), through multiple brokerages;
 - xvi. Publishing notice of the Sales Process in the Calgary Herald;
 - xvii. Reviewing all incoming Non-Disclosure Agreements (the “**NDA**”) and providing access to the Virtual Data Room established for the Sales Process (the “**VDR**”);
 - xviii. Facilitating all requests for viewing of the Property;
 - xix. Reviewing numerous offers to purchase received on the Property;
 - xx. Holding discussions with the Town of Cochrane (the “**Town**”);
 - xxi. Holding discussions and corresponding with potential purchasers;
 - xxii. Negotiating the offer to purchase regarding the Property with Bluebird; and
 - xxiii. Performing any other tasks attributable to the proceedings.

TOWN OF COCHRANE

12. On December 7, 2021, the Town contacted the Receiver requesting details of the receivership proceedings and advising the Receiver of the expiration of a development permit (the “**DP**”) that required the Company to complete specific developments for the site to be compliant with Town regulations.
13. The Receiver further learned on December 9, 2021 that the DP was also tied to the Company’s operating permit, that had a conditions fulfillment deadline of December 4, 2021 (the “**DP Condition Deadline**”).
14. The Receiver confirmed with the Town that should an application be brought to extend the DP Condition Deadline, and should such application be approved, the extension approval would run with the Lands and transfer to the benefit of a subsequent purchaser.
15. The Receiver therefore applied for, and was successful in securing, a one-year extension of the DP Condition Deadline time to December 12, 2022.

SECURED CREDITOR

16. Caron LLP has reviewed the Roynat Security and rendered an opinion that, subject to customary assumptions and qualifications, the Roynat Security constitutes a valid and enforceable first charge in respect of the Property.

17. The Company is currently indebted to Roynat in the amount of approximately \$2,400,000.

OTHER CREDITOR CLAIMS

18. Canada Revenue Agency (“**CRA**”) has not yet completed its GST and source deduction audits. Any CRA claims for GST and the employee portion of source deductions would rank in priority to the Roynat Security. From our review of the Company’s books and records, it is not anticipated that any CRA claims will be material.

19. Until such time as funds remain, after the payment of Secured and Priority Creditor claims, no claims process will be undertaken.

SALES PROCESS

20. The Receiver commenced the Sales Process pursuant to paragraph 3 of the Receivership Order, on September 17, 2021 by preparing the Information Summary that provided details of the Property for sale, the timeline established by the Receiver (the “**Timeline**”) and details on how to participate in the Sales Process. A copy of the Information Summary is attached as “**Appendix A**”.

21. The Information Summary was sent via email to twenty-eight brokers and three interested parties who had previously contacted the Receiver. The Information Summary was also posted on the Receiver’s website and the Sale Process was advertised in the Calgary Herald print and online paper on September 21, 2022 and September 28, 2022.

22. Colliers International Realty Advisors Inc. (“**Colliers**”) had prepared an appraisal of the Property on behalf of NASE that was dated August 1, 2018. At the request of the Receiver Colliers updated the appraisal as of October 6, 2021 (the “**Appraisal**”). A Copy of the Appraisal is attached to the Confidential Supplement.

23. The Timeline outlined by the Receiver for the Sale Process, is summarized below:

<u>Milestones</u>	<u>Estimated deadlines</u>
Issuance of an Information Summary (the "Summary") and non-disclosure agreement (the "NDA")	September 17, 2021
Issuance of a Confidential Information Memorandum "CIM" and data room access granted upon receipt of an executed NDA.	Beginning September 17, 2021
Due diligence period for potential bidders	September 17 to October 22, 2021
Deadline for receipt of offers	October 22, 2021
Selection of successful offeror(s)	October 29, 2021

24. Thirty-five interested parties executed the NDA and were granted access to the VDR. Of those interested parties, six viewed the Property. The Sales Process was conducted over a six-week period.

25. The Receiver received three offers (the "**Offers**"), from three separate interested parties (the "**Offerors**"). After receiving the original Offers, the Offerors were provided with the opportunity to submit amended offers by November 1, 2021. Each of the three respective Offerors submitted amended offers to the Receiver by the November 1, 2022 deadline (collectively, the "**Amended Offers**"). Copies of the Amended Offers are attached to the Confidential Report.

26. Following the receipt of the Amended Offers, the Receiver accepted the offer from Bluebird and entered negotiation with Bluebird on a form of offer to purchase agreement (the "**OPA**"), that was agreed to by the Receiver on November 9, 2021. A copy of the OPA, redacted for purchase price, is attached as "**Appendix B**".

27. The OPA was conditional upon Bluebird confirming in writing that it is satisfied with its due diligence investigations of the Lands, including, without limitation: economic feasibility reports and environmental assessment reports (the "**Purchaser's Conditions**"). The OPA initially provided that the Purchaser's Conditions would be satisfied or waived by Bluebird within thirty days of the date of the Receiver's acceptance of the OPA (the "**Purchaser's Condition Deadline**").

28. The OPA was amended by way of Amendment and Extension Agreement dated December 9, 2021 whereby the Purchaser's Condition Deadline was extended to sixty days of the date of the Receiver's acceptance of the OPA, being January 8, 2022.

29. The OPA was further amended by way of a Second Amendment and Extension Agreement dated January 7, 2022 whereby the Purchaser's Condition Deadline was further extended to ninety days from the date of the Receiver's acceptance of the OPA, being February 7, 2022.
30. The OPA was still further amended by way of a Third Amendment and Extension Agreement dated February 9, 2022 whereby the Purchaser's Condition Deadline was further extended to February 16, 2022.
31. The extensions were requested by Bluebird to allow it to negotiate with the Town regarding the DP.
32. On February 16, 2022, by way of a Waiver and Fourth Amending Agreement, the Receiver was provided with written confirmation from Bluebird that it had waived the Purchaser's Conditions in their entirety. The Waiver and Fourth Amending Agreement also reduced the purchase price under the OPA as a result of Bluebird's due diligence process.
33. After taking into account the reduction in the purchase price pursuant to the Waiver and Fourth Amending Agreement, the Receiver advises that the purchase price still falls within the appraised value range provided by the Appraisal.
34. The senior secured creditor of the Company, Roynat, was apprised of the Amended Offers, the OPA and all amendments to the OPA. Roynat advised the Receiver that it did not object to the terms of the OPA and all amendments thereto, prior to the Receiver's acceptance of them. The Receiver understands that Roynat does not object to the transaction contemplated by OPA, as amended.
35. Pursuant to paragraph 5 of the OPA, the closing date of the transaction (the "**Closing Date**") is ten business days after approval of the transaction by way of a sale approval and vesting order from this Honourable Court (the "**Sale Approval and Vesting Order**"). The Receiver is of the view that a Sale Approval and Vesting Order approving the OPA, as amended, and approving the sale of the Property to Bluebird, is appropriate as it is the Receiver's position that:
- i. The Sales Process was fair and various avenues were explored to attract interested parties;

- ii. The Sales Process timeline was reasonable;
- iii. The sale will allow the self-storage operations to continue;
- iv. The purchase price of the OPA falls within the Appraisal value range;
- v. The OPA is the most commercially advantageous of the offers received; and
- vi. The senior secured creditor of the Company, Roynat, does not object to the OPA, as amended.

SEALING OF THE CONFIDENTIAL REPORT

36. The Confidential Report is being filed to provide the Court with commercially sensitive information.
37. The Confidential Report contains the details of the Amended Offers and a copy of the unredacted OPA that discloses all monetary values including the purchase price and deposit received, as well as encloses a copy of the Appraisal.
38. The Receiver is seeking a Sealing Order until 30 days after the OPA closes or until a further Order of this Honourable Court directs the release of that information before that date, to ensure the market for the Property will be preserved in the event the transaction contemplated by the OPA is not completed and does not close.

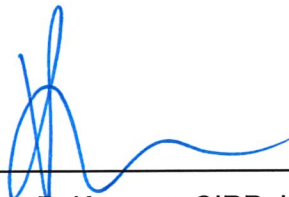
RECOMMENDATION AND CONCLUSION

39. Based upon the foregoing the Receiver respectfully recommends that this Honorable Court grant an Order:
- i. Approving the sale of the Property to Bluebird Core Associates Ltd.;
 - ii. Approving the Sealing Order of the Confidential Supplement; and
 - iii. Approving the reported actions of the Receiver in administering these receivership proceedings.

All of which is respectfully submitted this 22nd day of February, 2022

MNP Ltd.

In its capacity as Receiver and Manager of
2127712 Alberta Ltd o/a Riverside Storage
and not in its personal or corporate capacity



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

APPENDIX A

2127712 ALBERTA LTD. PROCESS TO SUBMIT OFFERS FOR SALE



INTRODUCTION

MNP Ltd. in its capacity as Receiver and Manager (the “Receiver”) of 2127712 Alberta Ltd.. (the “Company”) is conducting a sales process for the assets of the Company.

The Company is headquartered in Cochrane, Alberta where it provides self-storage solutions, as well as a remodeled home that rents office space.

In our capacity as Receiver, we are soliciting offers to purchase the Company’s business and real estate assets, which includes:

- 157 self storage units, configured throughout 6 building storage facilities, plus 34 RV parking lots, 8 boat storage lots and a residential building which serves as an onsite office building; and
- Land comprising approximately 5 acres, municipally described as 160 Griffin Ranch Road, Cochrane, Alberta, and legally described as:

THAT PORTION OF THE SOUTH EAST QUARTER OF SECTION 2 IN TOWNSHIP 26, RANGE 4, WEST OF THE 5 MERIDIAN WHICH LIES SOUTH OF THE SOUTHERN LIMIT OF THE RIGHT OF WAY OF THE CANADIAN PACIFIC RAILWAY AS SHOWN ON PLAN R.Y.10 AND EAST OF A LINE RUNNING AT RIGHT ANGLES TO THE SOUTHERN LIMIT OF SAID QUARTER SECTION FROM A POINT THEREIN DISTANT EASTERLY THEREON

1732 FEET FROM THE SOUTH WEST CORNER THEREOF, CONTAINING 2.02 HECTARES (5 ACRES) MORE OR LESS AND LYING NORH OF THE BOW RIVER

EXCEPTING THEREOUT ALL MINES AND MINERALS AND THE RIGHT TO WORK THE SAME

Further information regarding what is including in the sale will be made available upon receipt of an executed confidentiality agreement.

LIMITATIONS

To facilitate this process, we have prepared a Confidential Information Memorandum (“CIM”). All information in the CIM has been prepared solely for the convenience of prospective purchasers and has not been audited or otherwise verified by the Receiver. A copy of the CIM can be provided to you upon the Receiver’s receipt of an executed confidentiality agreement from you.

The Receiver does not make any representations or warranties as to the accuracy or completeness of the CIM and shall have no liability for any representations (be they expressed or implied) or omissions contained herein nor in any other written or oral communications transmitted to prospective purchasers in the course of the evaluations of the assets. Furthermore, the information provided in the CIM may not contain all of the information a prospective purchaser may require and therefore, prospective purchasers should conduct their own investigations, analysis and due diligence relating to the Company’s assets and any of the information contained in the CIM.

CONTACTS: Jacqueline Shellon, CPA
Corporate Recovery and Restructuring
587-702-5959
Jacqueline.shellon@mnp.ca

2127712 ALBERTA LTD. PROCESS TO SUBMIT OFFERS FOR SALE



TIMELINE

Milestones	Estimated deadlines
Issuance of a teaser and non-disclosure agreement	September 17, 2021
Issuance of a CIM upon receipt of a non-disclosure agreement	Beginning September 17, 2021
Due diligence period for potential bidders	September 17 to October 22, 2021
Deadline for receipt of offers	October 22, 2021
Selection of successful offeror(s)	October 29, 2021
Closing of transaction (dependant on timing of any required Court approval)	November 30, 2021

SALES PROCESS

The Receiver has formulated specific transaction procedures that are included in the Terms and Conditions of Sale included in the CIM. However, the Receiver reserves the right to:

- Amend or terminate the sales procedures during the sales process;
- Accept an Offer to Purchase that may not necessarily be the highest bid;
- Negotiate with one or more prospective purchasers at any time;
- Set a minimum offer price for the assets;
- Enter into a definitive transaction agreement without prior notice to other prospective purchasers at any time during the transaction process; and
- Not accept any Offer to Purchase.

Please note that any offer the Receiver accepts is subject to the approval of the Court of Queen's Bench of Alberta, and accordingly, is not binding on the Receiver until such Court approval has been obtained.

To receive a copy of the CIM and access to the electronic data room, please request a non-disclosure agreement from the Receiver through the contact listed below.

MNP Ltd. in its capacity as Receiver and Manager of 2127712 Alberta Ltd.

Offers to Purchase along with a bank draft, wire transfer or money order deposit must be received by the Receiver no later than 12:00pm (Calgary Time) on October 22, 2021.

CONTACTS: Jacqueline Shellon, CPA
Corporate Recovery and Restructuring
587-702-5959
Jacqueline.shellon@mnp.ca

APPENDIX B

**OFFER TO PURCHASE (the "Offer")
(once accepted, this "Agreement")**

TO: MNP LTD. (the "**Receiver**"), solely in its capacity as the Court-appointed receiver and manager of 2127712 Alberta Ltd., and not in its personal capacity (the "**Vendor**")

Bluebird Core Associates Ltd. (the "**Purchaser**") hereby offers to purchase from the Vendor the following:

- a) those lands described in **Schedule "A"** attached hereto (the "**Lands**") together with all buildings, fixtures and improvements situated thereon (together, the "**Improvements**"); and
- b) all assets of the self-storage business operated by the Vendor known as Riverside Storage described in **Schedule "B"** attached hereto (collectively, the "**Business Assets**").

The Lands, Improvements and Business Assets shall hereinafter be collectively referred to as the "**Property**".

1. **Price and Payment:** The price paid by the Purchaser for the Property (the "**Purchase Price**") shall be [REDACTED] (\$ [REDACTED]) **Dollars**, payable as follows:
 - a) [REDACTED] **Dollars** to be paid by way of a deposit (the "**Deposit**") to be delivered by the Purchaser to the Vendor, to be held in escrow, in the form of a certified cheque or bank draft concurrently with the delivery of this Offer; and
 - b) The balance, in the amount of [REDACTED] **Dollars** on the Closing Date (as defined below).
2. **Apportionment of Purchase Price.** The parties shall determine an apportionment of the Purchase Price between the Lands and the Business Assets comprising the Property on or before the expiration of the Purchaser's Condition Deadline (as defined below) as follows:
3. **Deposit:** In event that:
 - a) This Offer is not accepted by the Vendor, then the Deposit shall be promptly repaid to the Purchaser, without interest or deduction;
 - b) Following the acceptance of this Offer, this Agreement is terminated by the Vendor in accordance with the provisions or conditions hereof permitting the same, then, subject to section 16 hereof, the Deposit shall be promptly repaid to the Purchaser, without interest or deduction whereupon this Agreement shall be of no further force and effect and neither party shall have any further claims of any nature whatsoever against the other, except to the extent expressly set forth herein;

- c) Following the acceptance of this Offer, should the Purchaser fail to satisfy or waive the Purchaser's Conditions (as defined below) by the Purchaser's Condition Deadline (as defined below) in accordance with section 7 hereof, then, subject to section 16 hereof, the Deposit shall be promptly repaid to the Purchaser, without interest or deduction whereupon this Agreement shall be of no further force and effect and neither party shall have any further claims of any nature whatsoever against the other, except to the extent expressly set forth herein; and
 - d) Following the acceptance of this Offer and the satisfaction or waiver of the Purchaser's Conditions (as defined below) by the Purchaser's Condition Deadline (as defined below) in accordance with section 7 hereof, in the event the Purchaser for any reason fails to complete this transaction on the Closing Date, the Deposit, together with any interest earned thereon, shall be retained by the Vendor and shall be deemed to be consideration payable for the acceptance of this Offer whereupon this Agreement shall be of no further force and effect and neither party shall have any further claims of any nature whatsoever against the other, except to the extent expressly set forth herein.
4. **GST:** For the purposes of this Agreement, "**GST**" shall mean the goods and services tax and related provisions levied pursuant to the *Excise Tax Act* (Canada) (the "**ETA**"). The Purchaser is a GST registrant and will provide evidence thereof to the Vendor on or prior to the Closing Date (as defined below). The Parties will cooperate with each other in good faith and will use commercially reasonable efforts to minimize (or eliminate) any taxes payable under the ETA and similar acts of other jurisdictions in respect of the closing of the transaction contemplated by this Agreement by, among other things, making such elections, providing such purchase exemption certificates and taking such steps as may be provided for under such actions including, for greater certainty, making a joint election in a timely manner under section 167 of the ETA or the corresponding provisions of the applicable provincial statute, and the Purchaser shall file such election within the time required by the ETA. Notwithstanding such election, in the event that it is determined by the Canada Revenue Agency, or such other applicable Governmental Authority, as the case may be, that there is a liability to the Purchaser to pay, or of the Vendor to collect and remit GST on all or part of the Property, such GST and any applicable penalties and/or interest shall be paid by the Purchaser to the Canada Revenue Agency or such other applicable Governmental Authority, or to the Vendor for remittance to the appropriate Governmental Authority as the case may be, as may reasonably be required by the Purchaser in connection with the Closing. If the Purchaser does not remain a GST registrant on the Closing Date, the Purchaser agrees to pay to the Vendor the applicable GST on the Closing Date.
5. **Closing Date:** Unless the parties otherwise agree in writing, "**Closing Date**" means ten (10) Business Days after the satisfaction or waiver of the Court Approval Condition (as defined below). The purchase and sale of the Property shall be completed at 12:00 noon local Alberta time on the Closing Date, at which time vacant possession of the Property shall be given by Vendor to the Purchaser in accordance with section 9.
6. **Adjustments:** All real estate taxes, utilities, rents, additional rents, service contract and other items customarily adjusted, if any, shall be adjusted as of the Closing Date in accordance with local custom and practice.

7. **Purchaser's Conditions:** The Purchaser shall, within thirty (30) calendar days of the Effective Date (as defined below), confirm by notice in writing to the Vendor, that the Purchaser is satisfied (in its sole and absolute discretion) with its investigations of the Lands (which investigations shall be at the Purchaser's sole cost and expense), including, without limitation: economic feasibility reports and environmental assessment reports (the "**Purchaser's Conditions**"). If the Purchaser does not provide written notice to the Vendor that the Purchaser's Conditions are satisfied or waived within thirty (30) calendar days of the Effective Date (the "**Purchaser's Condition Deadline**"), that this Agreement shall be null and void and the Deposit shall be returned to the Purchaser in accordance with section 3(c) hereof, whereupon this Agreement shall be of no further force and effect and neither party shall have any further claims of any nature whatsoever against the other, except to the extent expressly set forth herein.
8. **Mutual Condition Precedent:** This Agreement shall be subject to the mutual condition precedent (the "**Court Approval Condition**") that on or before the expiry of forty-five (45) days after the Purchaser's Conditions are satisfied or waived in accordance with section 7, or such later date as the Parties may agree in writing, the Vendor (acting through the Receiver) shall have obtained approval of this Agreement by way of a Sale Approval and Vesting Order from the Court of Queen's Bench of Alberta (the "**Approval and Vesting Order**"), in accordance with paragraphs 3(l) and 3(m) of the Receivership Order granted on August 20, 2021 by the Honourable Madam Justice B.E.C. Romaine of the Court of Queen's Bench of Alberta, Court File No. 2101-10276. This condition is a true condition precedent and may not be waived by either of the Vendor or the Purchaser. If this Court Approval Condition has not been satisfied before the date specified herein, this Agreement shall be terminated.
9. **Possession:** On the Closing Date, the Vendor shall, subject to the terms of the Approval and Vesting Order, deliver to the Purchaser vacant possession of the Property, free and clear of all encumbrances, liens, charges, mortgages, options, equities, claims and other third-party rights or interests of every nature and kind whatsoever and any leases, except for those encumbrances listed on the attached **Schedule "C"** (collectively, the "**Permitted Encumbrances**").
10. **Residence:** The Vendor represents and warrants to the Purchaser that:
 - a) The Vendor is not now (and until sixty (60) days after the Closing Date will not become) a non-resident of Canada, within the meaning of the *Income Tax Act* (Canada); and
 - b) The Vendor is not the agent or trustee for anyone with an interest in the lands who is (or will become within sixty (60) days after the Closing Date) a non-resident of Canada within the meaning of the *Income Tax Act* (Canada).

The above representation and warranties shall survive Closing.

11. **Vendor's Representations and Warranties:** The Vendor represents and warrants to the Purchaser that:
 - a) The Vendor makes no agreements or representations and warranties concerning any statements made or other information delivered or made available to the

Purchaser (whether by the Vendor or any agents, or representatives or advisors of the Vendor or any other person or entity on behalf of or at the direction of the Vendor) with respect to the Property, whether as part of any information disclosed to the Purchaser pursuant to or in connection with this Agreement or otherwise;

- b) The Vendor makes no representations or warranties with respect to:
 - i. The environmental fitness of the Property;
 - ii. The quality, condition, or serviceability of the Property; or
 - iii. The suitability of the Property's use for any purposes.

It is expressly acknowledged by the Purchaser that it is purchasing the Property on an "as is, where is" basis; and

- c) The Vendor's solicitors shall act as its agent for the purpose of receiving from the Purchaser, or its solicitors, all monies and documents and the receipt by the Vendor's solicitors shall be a good discharge.

12. **Purchaser's Representations and Warranties:** The Purchaser represents and warrants to the Vendor that on acceptance of this Offer:

- a) The Purchaser is not prohibited from acquiring an interest in the Property pursuant to the *Foreign Ownership of Lands Regulations (Alberta)* and will in connection with completion of the transaction contemplated herein file any declaration and provide to the Foreign Ownership of Land Administration any information as may be required;
- b) In entering into this Agreement and closing the purchase of the Property, the Purchaser has relied and will continue to rely entirely and solely upon its own inspections and investigations with respect to the Property;
- c) Except as expressly referenced herein, the Property is being purchased and assumed by the Purchasers on an "as is, where is" basis and without any further express or implied agreement or presentation and warranty of any kind whatsoever or any liability or obligation of the Vendor as to the physical or financial condition, suitability for development, fitness for a particular purpose, merchantability, title, physical characteristics, profitability, use or zoning, environmental condition, existence of latent defects, quality, or any other aspect of characteristic thereof;
- d) The information disclosed to the Purchaser pursuant to or in connection with this Agreement is provided to the Purchaser without representation or warranty and the Purchaser will rely entirely and solely upon its own investigations and inspections and shall not rely on the information disclosed to the Purchaser pursuant to or in connection with the Agreement or any other information furnished by the Vendor or any other person or entity on behalf of or at the direction of the Vendor in connection therewith;
- e) The Vendor shall have no obligation, responsibility, or liability to the Purchaser after the Closing Date with respect to any matter relating to the Property or the condition thereof;

- f) The Purchaser is, or will be, a registrant under the *Excise Tax Act* (Canada);
 - g) The Purchaser shall pay the cost of registration of the Transfer of Land or any Vesting Order obtained in lieu of a Transfer of Land, as contemplated herein; and
 - h) The Purchaser's solicitors shall act as its agent for the purpose of receiving from the Vendor or its solicitors all documents and the receipt by the Purchaser's solicitors shall be a good discharge.
13. **Risk:** The Property shall be and remain at the risk of the Vendor until the Closing Date, and all insurance policies, if any, and the proceeds thereof, if any, will be held in trust for the parties as their interests may appear. In the event of condemnation or casualty with respect to any portion of the Property that occurs prior to the Closing Date, the Purchaser shall have the option, acting reasonably, to terminate this Agreement whereupon this Agreement shall be of no further force and effect and neither party shall have any further claims of any nature whatsoever against the other, except to the extent expressly set forth herein.
14. **Vendor's Requirements on Closing:** The Vendor shall provide to the Purchaser or the Purchaser's lawyer, as agreed, all closing documents necessary to obtain 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:
- a) A certified copy of the Approval and Vesting Order granted by the Court of Queen's Bench of Alberta, for the Property, which when registered shall result in title to the Lands issuing in the name of the Purchaser, or its nominee, free and clear of all encumbrances, liens, charges, mortgages, options, equities, claim and other third party rights or interests of every nature and kind whatsoever, except for Permitted Encumbrances, in a form satisfactory to the Purchaser;
 - b) A Receiver's Certificate, confirming that the transaction has closed;
 - c) Keys for all doors and gates at the Property, in the possession or control of the Vendor; and
 - d) Evidence satisfactory to the Purchaser's solicitor that the Vendor is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada).
15. **Purchaser's Requirements on Closing:** On the Closing Date, the Purchaser shall execute and deliver to the Vendor's solicitors, to be held in trust on reasonable conditions, the following:
- a) The balance of the Purchase Price, subject to any adjustments in accordance with this Agreement;
 - b) A declaration and indemnity respecting GST in form and substance acceptable to the Vendor's solicitors confirming:

- i. The Purchaser is a registrant for the purposes of GST;
 - ii. The Purchaser is acquiring the Property for its own account and not as a trustee for any other person;
 - iii. The Purchaser shall account to the Canada Revenue Agency with respect to the applicable GST with the next filing due by it following the Closing Date; and
 - iv. The Purchaser will indemnify and save harmless the Vendor with respect to any GST which may be exigible in respect of the transaction contemplated hereby.
- c) All documents listed in section 14 that contemplate execution by the Purchaser; and
 - d) Such further documentation and assurances as the Vendor may reasonably require in order to complete the purchase and sale herein contemplated.
16. **Access:** The Vendor agrees to allow the Purchaser and the Purchaser's authorized representatives access to the Property from and after the Effective Date (unless this Agreement is terminated as contemplated herein), to allow the Purchaser to carry out such reasonable tests and inspections as the Purchaser or its authorized representatives may deem necessary (including without limitation soils and environmental tests), provided that the Purchaser shall promptly repair, at its sole cost and expense, any damage to the Property caused by such tests and inspections. The Purchaser shall indemnify the Vendor of and from any and all claims, demands, charges, costs and expenses which may be brought or made against the Vendor or which the Vendor may sustain, pay or incur as a result of the Purchaser's access to the Property. The Purchaser shall, at its sole cost and expense, restore all damage to the Property resulting from such access and the Purchaser hereby agrees that the Deposit may be used to offset actual expenses incurred by the Vendor to repair damage caused by the Purchaser's access of the Property in the event that the Purchaser fails to restore to the reasonable satisfaction of the Vendor all damage to the Property resulting from the Purchaser's access. Notwithstanding anything herein to the contrary, the Purchaser shall not have any liability for claims, losses or damages arising from the Purchaser's discovery of any existing condition relating to the Property. In furtherance of its obligations hereunder, prior to being granted access to the Property for purposes herein, the Purchaser shall furnish to the Vendor evidence that it has in place liability insurance coverage on terms and in amounts satisfactory to the Vendor, acting reasonably. The obligations of the Purchaser set forth in this section shall survive the completion of the matters contemplated in, or any termination of, this Agreement for a period of six (6) months from the Closing Date, or in the event that the transaction contemplated herein does not close, for a period of six (6) months from the Effective Date.

17. **Miscellaneous and General:**

- a) Each of the parties to this Agreement shall do all such further acts and shall execute all such further documents and assurances as the other party reasonably requires in order to carry out the terms of this Agreement;
- b) Any notice or other communication contemplated or authorized by this Agreement shall be deemed to have been given by a party and received by the addressee party only if delivered personally to the addressee party at its address for service or in care of its solicitors. Otherwise, such notice or other communication shall be deemed not to have been given by a party or received by the addressee party until received by the addressee party;
- c) Until a party notifies the other party in writing of a change of the notifying party's address for service, the parties' respective addresses for service are:

The Vendor: c/o MNP Ltd.
1500, 640 – 5 Avenue S.W.
Calgary, AB T2P 3G4
Attention: Rick Anderson
Fax: 403-537-8437
Email: rick.anderson@mnp.ca

With a copy to: Caron & Partners LLP
2120, 237 – 4th Avenue SW
Calgary, AB T2P 4K3
Attention: Dean Hutchison
Fax: 403.237.0111
Email: dhutchison@caronpartners.com

The Purchaser: Bluebird Core Associates Inc.
15 Ingram Drive, Unit 100
North York, Ontario M6M 2L7

With a copy to: Harrison Street
444 W Lake Street, Suite 2100
Chicago, Illinois 60606
Attention: Lauren Brabeck, Corp. Counsel
Office: 312.366.3066
Email: lbrabeck@harrisonst.com

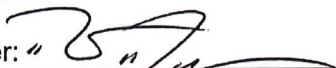
- d) This Agreement shall enure to the benefit of and shall be binding upon the parties to this Agreement and their respective successors and assignees. The Purchaser may assign this Agreement without the consent of the Vendor to an entity that it directly or indirectly controls, or is controlled by, or is under common control with the assignor or one or more of its principals;

- e) This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable in Alberta. The parties hereby irrevocably attorn to the courts of the Province of Alberta;
- f) Words or expressions in this Agreement shall be construed in whatever number and gender the context requires and the headings of the Agreement, if any, shall not be used in interpreting this Agreement or the relationship of the parties, and are inserted for convenience only;
- g) If this Agreement provides that a time period expires on, or an action is to be taken by or on, a day that is not a Business Day, the period shall be extended to expire on, or the action may be taken by or on, the next following Business Day. **“Business Day”** means a day other than Saturday, Sunday or statutory or generally followed holiday in the Province of Alberta. The time for doing or completing any matter provided for in this Agreement may be extended by an agreement in writing signed by the Vendor and the Purchaser or by their respective solicitors who are hereby expressly appointed in this regard;
- h) In the Agreement, time is, and without further act, assurance, or notice of any party shall remain, of the essence;
- i) This Agreement contains the entire agreement of the parties in respect of the Property and no additional deletion, or variation of this Agreement is valid or effective unless in writing and signed by the parties to this Agreement, provided that no subsequent contract or arrangement between the parties to this Agreement or any of them shall amend, or in any manner, alter this Agreement, unless such amendment or alteration is in writing, is duly signed by each such party or their solicitors;
- j) In any case where a matter is required or contemplated by this Agreement to be satisfactory to a party, such satisfaction is to be within such party's sole, uncontrolled discretion;
- k) If any part of this Agreement for any reason is declared invalid, that declaration does not affect the validity of the rest of this Agreement, which remains in force and effect as if this Agreement had been made and accepted with the invalid portion eliminated, and the parties hereby declare that they would have signed the rest of this Agreement without including in it any part which may, for any reason, be hereafter declared invalid;
- l) This Agreement may be executed in counterparts and delivered by electronic means;
- m) This Agreement is entered into by the Receiver in its capacity as the Court-appointed Receiver of the Vendor and nothing in this Agreement shall be personally binding upon or give rise to any personal liability on the part of MNP Ltd., its directors, officers, servants or agents.

This Offer shall be open for acceptance by the Vendor for five (5) Business Days from the date this Offer is signed and dated by the Purchaser, and if not accepted within such five (5) Business Day period, shall be void and of no further force or effect.

Dated at Calgary, in the Province of Alberta, this 9th day of November, 2021.

Bluebird Core Associates Ltd.

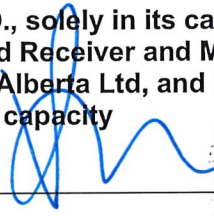
Per: 
Name: Reade DeCurtins
Title: Director

I have the authority to bind the corporation

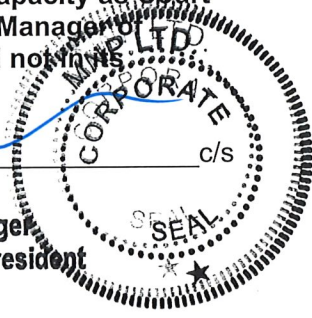
ACCEPTANCE

The Vendor hereby accepts the above Offer to Purchase this 9th day of November 2021, (the "Effective Date") and agrees to be bound as Vendor in accordance with all terms and conditions contained therein.

MNP LTD., solely in its capacity as Court-appointed Receiver and Manager of MNP LTD. 2127712 Alberta Ltd, and not in his personal capacity


_____ c/s

Name: Victor P. Kroeger
Title: Senior Vice President



SCHEDULE "A"

The Lands

THAT PORTION OF THE SOUTH EAST QUARTER OF SECTION 2
IN TOWNSHIP 26
RANGE 4
WEST OF THE 5 MERIDIAN
WHICH LIES SOUTH OF THE SOUTHERN LIMIT OF
THE RIGHT OF WAY OF THE CANADIAN PACIFIC RAILWAY
AS SHOWN ON PLAN R.Y. 10 AND EAST OF A LINE RUNNING
AT RIGHT ANGLES TO THE SOUTHERN LIMIT OF SAID QUARTER
SECTION FROM A POINT THEREIN DISTANT EASTERLY THEREON
1732 FEET FROM THE SOUTH WEST CORNER THEREOF,
CONTAINING 2.02 HECTARES (5 ACRES) MORE OR LESS
AND LYING NORTH OF THE BOW RIVER
EXCEPTING THEREOUT ALL MINES AND MINERALS
AND THE RIGHT TO WORK THE SAME



SCHEDULE "B"

The Business Assets

- Customer List
- Printer/Copier
- Canon Large Format Printer Serial# BACP4327
- Pitney Bowes Model K700
- 2 Office Chairs
- Brother Printer MFC-9340CDW Serial # U63481E8J886304
- Insignia LED TV Model# NS-40D420NA20
- Sanyo Minifridge
- Microwave
- Pod-Coffee Maker

SCHEDULE "C"

Permitted Encumbrances

Registration No.	Description	Encumbrancer
921 223 473	Caveat	Gleneagles Development Corporation
931 015 015	Easement	Gleneagles Development Corporation
801 055 488	Easement	The Town of Cochrane
801 057 854	Easement	The Town of Cochrane
021 064 598	Easement	
801 063 214	Easement	The Town of Cochrane
021 359 607	Amending Agreement	The Town of Cochrane
201 193 350	Caveat	The Town of Cochrane