

Court File No.: CV-21-00668726-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

B E T W E E N:

THE MANUFACTURERS LIFE INSURANCE COMPANY

Applicant

- and -

RIVERSIDE PROFESSIONAL CENTRE INC.

Respondent

APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended

MOTION RECORD

(Approval of Stalking Horse Sale Process)

December 7, 2021

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Lawyers for the Receiver

TO: **THE SERVICE LIST**

**ONTARIO
SUPERIOR COURT OF JUSTICE
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TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

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Applicant

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APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended

**NOTICE OF MOTION
(Approval of Staking Horse Sale Process)**

MNP LTD., in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”), without security, of all of the assets, undertakings and properties (collectively, the “**Property**”) of Riverside Professional Centre Inc. (“**Riverside**”) acquired for, or used in relation to, a business carried on by Riverside, including all proceeds thereof, will make a motion to the Ontario Superior Court of Justice (Commercial List) on December 14, 2021 at 10:00 am (Toronto time), or as soon after that time as the motion can be heard.

PROPOSED METHOD OF HEARING: The motion is to be heard by videoconference at the following location:

Zoom meeting, which can be accessed at the following URL:
<https://fasken.zoom.us/j/96660512205> (further details on how to join the Zoom meeting are attached as Schedule “A” hereto).

THE MOTION IS FOR:

- (a) an order substantially in the form attached hereto as Schedule “B” (the “**Sale Process Order**”), among other things:
 - (i) if necessary, abridging and validating the time for service of this notice of motion and the motion record and dispensing with further service thereof;
 - (ii) approving the first report of the Receiver, dated December 7, 2021 (the “**First Report**”), and the actions, conduct and activities of the Receiver described therein;
 - (iii) authorizing the Receiver, *nunc pro tunc*, to redact from the marketing and listing proposals (the “**Marketing and Listing Proposals**”) of Colliers Macauley Nicolls Inc. (“**Colliers**”) and CBRE Limited (together with Colliers, the “**Brokers**”), which are appended to the First Report as Appendix “C”, information pertaining to the Brokers’ assessments as to the value of the Property;
 - (iv) sealing the unredacted copies of the Marketing and Listing Proposals, which are appended to the First Report as Confidential Appendix “A”, pending further Order of the Court;

- (v) authorizing and directing the Receiver to execute the listing agreement between the Receiver and Colliers (the “**Listing Agreement**”) and to take such steps as the Receiver deems necessary or advisable to carry out the terms thereof;
- (vi) approving a stalking horse sale process for the sale of the Property (the “**Sale Process**”) and the Bidding Procedures set out therein (the “**Bidding Procedures**”);
- (vii) authorizing and directing the Receiver, with Colliers as its real estate consultant, to carry out the Sale Process and the Bidding Procedures in accordance with their terms and the Sale Process Order, and to take such steps and execute such documentation as the Receiver considers necessary or desirable in carrying out its obligations thereunder;
- (viii) ratifying, authorizing and approving the execution, delivery, entry into, compliance with and performance by the Receiver of the stalking horse asset purchase agreement between The Ottawa Hospital (“**TOH**”) and the Receiver dated as of December 7, 2021 substantially in the form attached as Appendix “D” to the First Report (the “**Stalking Horse Agreement**”);
- (ix) approving and accepting the Stalking Horse Agreement solely for the purposes of being the “stalking horse” bid (the “**Stalking Horse Bid**”) under the Sale Process and the Bidding Procedures; and

- (x) approving the payment of the Break Fee and granting the Break Fee Charge (both as defined and provided for in section 4.2 of the Stalking Horse Agreement); and
- (b) such further and other relief as this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

- (a) on October 29, 2021, MNP Ltd. was appointed Receiver by this Court pursuant to the order of the Honourable Mr. Justice Koehnen (the “**Receivership Order**”);
- (b) the Receivership Order authorizes the Receiver to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (c) in furtherance of such goal, the Receiver brings this motion for the Sale Process Order;
- (d) the terms of the Sale Process, the Bidding Procedures, the Stalking Horse Agreement and the Listing Agreement are summarized at a high level in the First Report;
- (e) the Receiver is satisfied that the Sale Process represents the most efficient and fair process to be administered in the circumstances that will sufficiently expose the Property for sale to the marketplace and generate maximum value;

- (f) the value of the Stalking Horse Agreement is supported by the unredacted information in the Marketing and Listing Proposals;
- (g) such information was redacted from the public record as its disclosure could potentially impair the value maximizing purpose of the Sale Process, and such limited redaction (i) aligns with the purpose of the Sale Process and the interests promoted thereby, (ii) is fair and reasonable in the circumstances and (iii) will achieve the desired benefit without unduly impairing the openness of the Court's process;
- (h) TOH has agreed that the Sale Process will govern the conduct of any auction held in connection therewith;
- (i) the Break Fee (i) represents approximately 2.64% of the purchase price stipulated in the Stalking Horse Agreement, (ii) is commercially reasonable for a transaction of its magnitude, (iii) offers a reasonable balance between its potential adverse effect as a sale deterrent and the salutary effects entailed by having the Stalking Horse Agreement as a sale stimulator and (iv) will not jeopardize other potential bidders' ability to bid in the Sale Process;
- (j) the duration of the Sale Process is reasonable and will provide all potential bidders sufficient time to assess the Stalking Horse Agreement as the Stalking Horse Bid and potentially submit a superior bid;
- (k) the Receiver has developed the Sale Process to solicit bids by a set bid deadline and is of the view that the Sale Process balances the need to have a sale accomplished

in a reasonable timeframe to limit the carrying costs associated with the Property with the desire to properly expose the Property to the marketplace to maximize recoveries for the stakeholders;

- (l) the estimated sale proceeds to be generated by the Sale Process will be sufficient to fully repay Riverside's senior secured creditor, The Manufacturers Life Insurance Company ("Manulife"), the Receiver's Charge, the Break Fee Charge and any priority payable, with a potential pool of funds for distribution to any proven unsecured creditors and possibly equity holders;
- (m) the Stalking Horse Sale Process is supported by Manulife;
- (n) those further grounds as set out in the First Report and the appendices thereto;
- (o) the provisions of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended, and the inherent and equitable jurisdiction of this Court;
- (p) rules 1.04, 1.05, 2.03, 3.02, 16 and 37 of the Rules of Civil Procedure, R.R.O. 1990, reg. 194, as amended; and
- (q) such further and other grounds as counsel may advise and this Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

- (a) the First Report and the appendices thereto; and
- (b) such further and other material as counsel may advise and this Honourable Court may permit.

December 7, 2021

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Lawyers for the Receiver

TO: THE SERVICE LIST

SCHEDULE “A”

Join Zoom Meeting

Phone one-tap: Canada: +16473744685,,96660512205# or +16475580588,,96660512205#

Meeting URL: <https://fasken.zoom.us/j/96660512205>

Meeting ID: 966 6051 2205

Join by Telephone

For higher quality, dial a number based on your current location.

Dial: Canada: +1 647 374 4685 or +1 647 558 0588 or +1 778 907 2071 or +1 204 272 7920 or +1 438 809 7799 or +1 587 328 1099

Meeting ID: 966 6051 2205

Join from an H.323/SIP room system

H.323: 69.174.57.160 (Canada Toronto)

Meeting ID: 966 6051 2205

SIP: 96660512205@zoomcrc.com

Skype for Business (Lync)

<https://fasken.zoom.us/skype/96660512205>

SCHEDULE "B"

FORM OF SALE PROCESS ORDER

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE) TUESDAY, THE 14th DAY
MR. JUSTICE PATTILLO) OF DECEMBER, 2021

B E T W E E N:

THE MANUFACTURERS LIFE INSURANCE COMPANY

Applicant

- and -

RIVERSIDE PROFESSIONAL CENTRE INC.

Respondent

APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended

**ORDER
(Stalking Horse Sale Process Approval)**

THIS MOTION made by MNP Ltd. in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”), without security, of all of the assets, undertakings and properties of Riverside Professional Centre Inc. (“**Riverside**”) acquired for, or used in relation to, a business carried on by Riverside, including all proceeds thereof, was heard this day by Zoom videoconference due to the COVID-19 pandemic.

ON READING the first report of the Receiver, dated December 7, 2021 (the “**First Report**”), and on hearing the submissions of counsel for the Receiver, the Applicant, The Ottawa Hospital/L’Hopital D’Ottawa (the “**Stalking Horse Bidder**”) and such other counsel as were present, as indicated by the counsel slip, no one else appearing although duly served, as appears from the affidavit of [●] sworn December [●], 2021 filed:

SERVICE AND DEFINITIONS

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

2. THIS COURT ORDERS that capitalized terms used in this Order and not otherwise defined herein shall have the meanings given to them in (i) the stalking horse asset purchase agreement dated as of December 7, 2021, substantially in the form attached as Appendix “D” to the First Report (the “**Stalking Horse Agreement**”) between the Receiver and the Stalking Horse Bidder; or (ii) the sale process attached to this Order as Schedule “A” (the “**Sale Process**”).

REPORT AND ACTIVITIES OF THE RECEIVER

3. THIS COURT ORDERS that the First Report, and the actions, conduct and activities of the Receiver described therein, be and are hereby approved, provided, however, that only the Receiver, in its personal capacity only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

SEALING

4. THIS COURT ORDERS that the Receiver is hereby authorized, *nunc pro tunc*, to redact from the marketing and listing proposals (the “**Marketing and Listing Proposals**”) of CBRE Limited and Colliers Macauley Nicolls Inc. (together, the “**Brokers**”), which are appended to the First Report as Appendix “C”, information pertaining to the Brokers’ assessments as to the value of the Property.

5. THIS COURT ORDERS that the unredacted copies of the Marketing and Listing Proposals, being Confidential Appendix “A” to the First Report, filed with the Court be sealed pending further Order of the Court.

STALKING HORSE SALE PROCESS

6. THIS COURT ORDERS that the Receiver be and is hereby authorized and directed to execute the listing agreement between the Receiver and Colliers Macauley Nicolls Inc. (“**Colliers**”) in substantially the form attached to the First Report as Appendix “B” (subject to such non-material amendments as the Receiver may deem appropriate) (the “**Listing Agreement**”) and to take such steps as it deems necessary or advisable to carry out the Listing Agreement.

7. THIS COURT ORDERS that the Sale Process and the bidding procedures (the “**Bidding Procedures**”) set out therein (subject to any amendments thereto that may be made in accordance therewith and this Order), be and is hereby approved.

8. THIS COURT ORDERS that the Receiver, with Colliers as its real estate consultant, is authorized and directed to carry out the Sale Process and the Bidding Procedures in accordance with its terms and this Order, and is hereby authorized and directed to take such steps and execute

such documentation as the Receiver considers necessary or desirable in carrying out its obligations thereunder, subject to prior approval of this Court being obtained before completion of any transaction(s) under the Sale Process.

9. THIS COURT ORDERS that the Receiver and its affiliates, partners, directors, employees, advisors, agents, counsel and controlling persons (collectively, the “**Assistants**”) shall have no liability with respect to any and all losses, claims, damages or liability of any nature or kind to any person in connection with or as a result of performing their duties under the Sale Process, except to the extent of such losses, claims, damages or liabilities arising or resulting from the gross negligence or wilful misconduct of the Receiver as determined by this Court.

10. THIS COURT ORDERS that the Receiver may apply to this Court to amend, vary or supplement this Order or for advice or directions with respect to the discharge of its powers and duties under this Order or under the Sale Process or Bidding Procedures, at any time during the term of the Sale Process.

STALKING HORSE AGREEMENT

11. THIS COURT ORDERS that the execution, delivery, entry into, compliance with, and performance by the Receiver of the Stalking Horse Agreement be and is hereby ratified, authorized and approved, *provided, however*, that nothing contained in this Order approves the sale or the vesting of the Purchased Assets to the Stalking Horse Bidder pursuant to the Stalking Horse Agreement and that, if the Stalking Horse Agreement is the Successful Bid under the Sale Process, the approval of the sale and vesting of the Purchased Assets to the Stalking Horse Bidder shall be considered by this Court on a subsequent motion made to this Court following the completion of the Sale Process.

12. THIS COURT ORDERS that the Stalking Horse Agreement be and is hereby approved and accepted solely for the purposes of being the Stalking Horse Bid under the Sale Process and the Bidding Procedures, and subject to the further Order of the Court referred to in paragraph 9 above.

BREAK FEE

13. THIS COURT ORDERS that payment and priority of the Break Fee in the amount of Two Hundred and Fifty Five Thousand Dollars (\$255,000), to the Stalking Horse Bidder, pursuant to section 4.2 of the Stalking Horse Agreement, is hereby approved and, in the event that the Stalking Horse Bidder does not have the Successful Bid and the transactions contemplated by the Successful Bid are completed, the Receiver is hereby authorized and directed to pay the Break Fee to the Stalking Horse Bidder out of the sale proceeds derived from and upon completion of the Successful Bid.

14. THIS COURT ORDERS that the Stalking Horse Bidder shall be entitled to the benefit of and is hereby granted a charge (the “**Break Fee Charge**”) on the proceeds of sale of any Successful Bid (other than the bid set out in the Stalking Horse Agreement), in accordance with Section 4.2 of the Stalking Horse Agreement, to secure such payment. The Break Fee Charge shall be subordinate only to the Receiver’s Charge (as defined in paragraph 19 of the Appointment Order of Justice Koehnen dated October 29, 2021) (the “**Appointment Order**”) and the Receiver’s Borrowings Charge (as defined in paragraph 22 of the Appointment Order).

PIPEDA

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada), the Receiver and its Assistants are hereby authorized and permitted to disclose and deliver for review personal information of identifiable individuals to prospective purchasers or bidders for the Property (including, without limitation, the Stalking Horse Bidder) and their advisors, but only to the extent desirable or required to carry out the Sale Process and to negotiate or attempt to complete a transaction pursuant to the Sale Process (a “**Transaction**”). Each prospective purchaser or bidder (and their respective advisors) to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation for the purpose of effecting a Transaction, and if it does not complete a Transaction, shall return all such information to the Receiver, or in the alternative destroy all such information and provide confirmation of its destruction if required by the Receiver. The purchasers of any of the Property shall maintain and protect the privacy of such information and, upon closing of the Transaction(s) to which any such purchaser is a party, shall be entitled to use the personal information provided to it that is related to the Property acquired pursuant to the Sale Process in a manner that is in all material respects identical to the prior use of such information by Riverside, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed and provide confirmation of its destruction if requested by the Receiver.

GENERAL

16. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, or any other

jurisdiction, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.

17. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Toronto time on the date of this Order, and this Order is enforceable without the need for entry and filing.

SCHEDULE "A"

STALKING HORSE SALE PROCESS AND BIDDING PROCEDURES

SCHEDULE “A”

STALKING HORSE SALE PROCESS

I. BACKGROUND

A) General

On October 29, 2021, MNP Ltd. was appointed receiver (in such capacity, the “**Receiver**”) of the assets, undertaking and property (the “**Property**”) of Riverside Professional Centre Inc. (“**Riverside**”) by order (the “**Receivership Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”).

Pursuant to the Receivership Order, the Receiver is authorized to market and sell any or all of the Property.

On December 14, 2021 the Court issued an order (the “**Sale Process Order**”), among other things: (i) authorizing the Receiver to commence a sale process (the “**Sale Process**”) to market and sell the Property in accordance with the bidding procedures set forth below (the “**Bidding Procedures**”); (ii) approving the engagement of Colliers Macauley Nicolls Inc. as the Receiver’s real estate consultant (in such capacity, the “**Real Estate Consultant**”) to assist the Receiver in administering the Sale Process in accordance with the terms of a listing agreement substantially in the form approved by the Sale Process Order; and (iii) approving the asset purchase agreement (the “**Stalking Horse APA**”) between the Receiver and The Ottawa Hospital/L’Hopital D’Ottawa (in such capacity, the “**Stalking Horse Bidder**”) to act as a “stalking horse bid” in the Sale Process (the “**Stalking Horse Bid**”). The Sale Process Order also approved certain protections for the Stalking Horse Bidder, as more fully set out in the Stalking Horse APA.

Subject to Court availability and the terms hereof, as soon as practicable following the selection of the Successful Bidder (as defined herein), the Receiver will bring a motion (the “**Approval and Vesting Order Motion**”) seeking an order of the Court (the “**Approval and Vesting Order**”) authorizing the Receiver to proceed with the sale of the Property to the Qualified Bidder (as defined herein) making the highest or otherwise best bid (the “**Successful Bid**”), pursuant to these Bidding Procedures (the “**Successful Bidder**”).

The Bidding Procedures are to be employed with respect to the sale of all or part of the Property, pursuant to the Sale Process in Riverside’s receivership proceedings. The Sale Process is structured as a two-phased process. Phase 1 contemplates initial due diligence by Potential Bidders (as defined below) and the receipt by the Receiver of non-binding letters of interest by Phase 1 Qualified Bidders (as defined below). Phase 2 contemplates the submission of binding offers by Phase 2 Qualified Bidders (as defined below) in the form of the Template APA (as defined below), with a blackline against the Stalking Horse APA.

B) Key Dates

January 3, 2022	Launch date of process
January 10, 2022	Deadline to publish notice of the Sale Process and deliver the Teaser Letter (as defined below) and the NDA (as defined below) to Known Potential Bidders (as defined below).
February 28, 2022 at 5:00 PM (Eastern Time)	Phase 1 Bid Deadline (as defined below).
March 15, 2022 at 5:00 PM (Eastern Time)	Phase 2 Bid Deadline (as defined below).
Within three (3) business days of the expiration of the Phase 2 Bid Deadline	Deadline to notify Phase 2 Qualified Bidders (as defined below) of Auction (as defined below), if any, and provide details of Lead Bid (as defined below).
Within seven (7) business days of the expiration of the Phase 2 Bid Deadline	Auction (if any).
As soon as practicable following the determination of the Successful Bidder	Approval and Vesting Order Motion hearing.

C) Sale Process Overview

1. The Sale Process is intended to solicit interest in and opportunities for a transaction for the sale of all or substantially all of the Property that is superior to the Stalking Horse Bid (the “**Opportunity**”). The Receiver is responsible for the oversight and administration of the Sale Process, including, if necessary, an auction (the “**Auction**”).
2. Any sale of the Property will be on an “as is, where is” basis and without surviving representations or warranties of any kind, nature, or description by the Receiver or its agents, advisors or estates, except as expressly stated in the terms of any definitive transaction documents, and all of the right, title and interest of Riverside in and to the Property to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon pursuant to the Approval and Vesting Order, except as otherwise provided in such Approval and Vesting Order, or any definitive transaction documents.
3. By participating in this process, each Potential Bidder is deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding Riverside and the Property prior to making any bid as contemplated herein, that it has

relied solely on its own independent review, investigation, and/or inspection of any documents and/or regarding Riverside and the Property in making its bid, and that it did not rely on any written or oral statements, representations, promises, warranties, conditions or guaranties whatsoever, whether express, implied, by operation of law or otherwise, regarding Riverside or the Property or the completeness of any information provided in connection therewith, except as expressly stated in the terms of any definitive transaction documents.

4. The various deadlines herein may be extended by and at the discretion of the Receiver.

D) Solicitation of Interest: Notice of Sale Process

5. As soon as is reasonably practicable and, in any event, by no later than January 10, 2022:
 - a. the Receiver, in consultation with the Real Estate Consultant, will prepare a list of potential bidders, including (i) parties that have approached the Receiver or the Real Estate Consultant, indicating an interest in the Opportunity; and (ii) strategic parties who the Receiver, in consultation with the Real Estate Consultant, believes may be interested in purchasing, all or substantially all, of the Property (“**Known Potential Bidders**”);
 - b. the Receiver will cause a notice of the Sale Process (and such other relevant information that the Receiver considers appropriate) (the “**Notice**”) to be published in *The Globe and Mail* (National Edition), *The Ottawa Citizen* and *Insolvency Insider* and any other newspaper, journal or industry publication as the Receiver, in consultation with the Real Estate Consultant, considers appropriate, if any; and
 - c. the Receiver, in consultation with the Real Estate Consultant, will prepare: (i) a process summary (the “**Teaser Letter**”) describing the Opportunity, outlining the Sale Process and inviting recipients of the Teaser Letter to express their interest pursuant to the Sale Process; and (ii) a non-disclosure agreement in form and substance satisfactory to the Receiver (an “**NDA**”).
6. The Receiver will publish the Notice and send the Teaser Letter and NDA to all Known Potential Bidders by no later than January 10, 2022, and to any other party who requests a copy of the Teaser Letter and NDA, or who is identified to the Receiver, or the Real Estate Consultant, as a potential bidder, as soon as reasonably practicable after such request or identification, as applicable.

II. PHASE 1: INITIAL DUE DILIGENCE AND NON-BINDING LOIs

A) Qualified Bidders

7. Any party who wishes to participate in the Sale Process (a “**Potential Bidder**”), other than the Stalking Horse Bidder, must provide the Receiver with an NDA executed by it, an executed acknowledgement of the Sale Process, written confirmation of the identity of the Potential Bidder, the contact information for that Potential Bidder, and

full disclosure of the direct and indirect principals (if any) of the Potential Bidder, and such other information as may be reasonably requested by the Receiver.

8. A Potential Bidder who has delivered an executed NDA and provided the required written confirmation, contact information, and disclosure to the satisfaction of the Receiver, will be deemed a **“Phase 1 Qualified Bidder”**, unless the Receiver determines such person is unlikely, based on the availability of financing, experience, and other considerations, to be able to consummate a sale pursuant to the Sale Process.
9. At any time during the first phase of the Sale Process (**“Phase 1”**), the Receiver may, in its reasonable business judgment, eliminate a Phase 1 Qualified Bidder from the Sale Process, in which case such bidder will be eliminated from the Sale Process and will no longer be a Phase 1 Qualified Bidder for the purposes of the Sale Process.
10. Potential Bidders must rely solely on their own independent review, investigation, and/or inspection of all information and the Property in connection with their participation in the Sale Process and any transaction they enter into with the Receiver.

B) Due Diligence

11. Only Phase 1 Qualified Bidders will be eligible to receive due diligence materials and confidential information in respect of Riverside and the Property. The Real Estate Consultant shall, in consultation with the Receiver (both using their reasonable business judgement) and subject to competitive and other business considerations, afford each Phase 1 Qualified Bidder such access to due diligence materials and information relating to Riverside and the Property, as the Receiver may deem appropriate. Due diligence access may also include management presentations, access to electronic data rooms, on-site inspections, and other matters that a Phase 1 Qualified Bidder may reasonably request and as to which the Receiver, in its reasonable business judgement, may agree.
12. The Receiver will be responsible for the coordination of all reasonable requests for additional information and due diligence access from Phase 1 Qualified Bidders. Any new information provided to a Phase 1 Qualified Bidder will be uploaded into the electronic data room so that other Phase 1 Qualified Bidders will have access to the same information. The Receiver will designate a representative to coordinate all reasonable requests for additional information and due diligence access from Phase 1 Qualified Bidders and the manner in which such requests must be communicated. The Receiver will not be obligated to furnish any information relating to the Property to any person other than a Phase 1 Qualified Bidder. Further, and for the avoidance of doubt, selected due diligence materials may be withheld from Phase 1 Qualified Bidders if the Receiver determines such information to represent proprietary, privileged, or sensitive competitive information.
13. The Receiver is not responsible for, and will bear no liability with respect to, any information obtained by any party in connection with the sale of the Property.

C) Phase 1 Bid Requirements

14. A Phase 1 Qualified Bidder (other than the Stalking Horse Bidder) that wishes to pursue the Opportunity further must deliver a non-binding letter of interest (a “**Phase 1 Bid**”) to the Receiver at the email addresses specified below so as to be received not later than 5:00 PM (Eastern Time) on or before February 28, 2022 (the “**Phase 1 Bid Deadline**”):

to the Receiver:

MNP Ltd.
111 Richmond Street West, Suite 300
Toronto, ON M5H 2G4
sheldon.title@mnp.ca
Attention: Sheldon Title

with a copy to:

Fasken Martineau DuMoulin LLP
dchochla@fasken.com
Attention: Dylan Chochla.

15. A Phase 1 Bid will be considered a “**Phase 1 Qualified Bid**” only if it satisfies the following requirements, in each case, in form and substance satisfactory to the Receiver, in consultation with the Real Estate Consultant (collectively, the “**Phase 1 Bid Requirements**”):
- a. it is received on or before the Phase 1 Bid Deadline by a Phase 1 Qualified Bidder;
 - b. it discloses the identity of the Phase 1 Qualified Bidder and each entity that will be participating in a potential Phase 2 Bid;
 - c. it contains a description of the Property that is expected to be subject to the transaction and any of the Property expected to be excluded;
 - d. it contemplates the purchase of the Property on an “as is, where is” basis;
 - e. it includes the purchase price or price range in Canadian dollars, including details of any liabilities to be assumed by the Phase 1 Qualified Bidder and key assumptions supporting the valuation;
 - f. it includes a description of the Phase 1 Qualified Bidder’s intended use of the Property expected to be subject to the transaction;
 - g. it includes references to the Phase 1 Qualified Bidder’s ability to finance and/or complete the proposed transaction, which references may include a term sheet, ability to pay in cash, or other evidence to mitigate transaction risks;

- h. it contains an outline of any additional due diligence required to be conducted in order to submit a final and binding offer in Phase 2;
 - i. it contains a description of:
 - i. all conditions to closing that the Phase 1 Qualified Bidder may wish to impose and an outline of the principle terms thereof;
 - ii. the conditions and approvals required for a final and binding offer, including any anticipated corporate, security holder, internal, legal or other regulatory approvals required to close the transaction, and an estimate of the anticipated time frame and any anticipated impediments for obtaining such approvals; and
 - iii. any other terms or conditions of the Phase 1 Bid that the Phase 1 Qualified Bidder believes are material to the transaction;
 - j. it contains a target closing date that, in the opinion of the Receiver, exercising reasonable business judgement, is likely to be achieved;
 - k. it includes the key terms and conditions to be included in any order of the Court approving the contemplated transaction;
 - l. it contains such other information as reasonably requested by the Receiver; and
 - m. the consideration offered for the purchase of the Property is greater than the Stalking Horse Bid by at least the Minimum Overbid Increment (as defined in the auction procedures attached hereto as Appendix I; hereafter, the “**Auction Procedures**”) (*i.e.*, \$25,000), plus an amount in cash to pay the Break Fee, and contemplates payment in cash on closing; and
 - n. an initial refundable deposit of not less than \$250,000, in the form of a wire transfer, certified cheque delivered to the mailing address for the Receiver set out at paragraph 14 or such other form acceptable to the Receiver (the “**Phase 1 Bid Deposit**”), which shall be held in trust by the Receiver (the “**Escrow Account**”) and disbursed from the Escrow Account only as follows: (i) if the Phase 1 Qualified Bidder is deemed a Phase 2 Qualified Bidder (as defined below) and decides to participate in Phase 2 of the Sale Process (as defined below), its Phase 1 Bid Deposit will be treated in accordance with paragraph 26.f below; and (ii) if the Phase 1 Qualified Bidder is not deemed a Phase 2 Qualified Bidder or is not otherwise invited to participate in Phase 2 of the Sale Process, its Phase 1 Bid Deposit, without interest, shall be returned to it forthwith.
16. The Receiver, in its business judgment, may waive compliance with any one or more of the Phase 1 Bid Requirements and deem such non-compliant Phase 1 Bid to be a Phase 1 Qualified Bid.
17. The Stalking Horse Bid is deemed to be a Phase 1 Qualified Bid and the Stalking Horse Bidder shall be deemed to be a Phase 1 Qualified Bidder.

D) Assessment of Phase 1 Qualified Bids and Subsequent Process

18. Following the Phase 1 Bid Deadline, the Receiver, in consultation with the Real Estate Consultant, will assess the Phase 1 Qualified Bids and select one or more Phase 1 Qualified Bids to participate in a second round of offers for the Property, which offers must be binding (“**Phase 2**”). Prior to selecting parties to participate in Phase 2, the Receiver may seek clarification of the information provided in a Phase 1 Qualified Bid.
19. If no Phase 1 Bids are received, or in the opinion of the Receiver, no Phase 1 Bids constitute Qualified Phase 1 Bids, the Receiver may determine that Phase 2 is not required. In that case, the Stalking Horse Bidder shall be the Successful Bidder and the Receiver will proceed to close the transaction contemplated by the Stalking Horse APA.
20. Among other considerations that may be relevant to the Receiver’s evaluation of the Phase 1 Qualified Bids, if the Receiver determines that a Phase 1 Qualified Bidder: (i) has a bona fide interest in completing a sale of the Property; and (ii) has the financial capability (based on the availability of financing, experience and other considerations) to consummate such a transaction, based on the financial information provided in the Phase 1 Qualified Bid, then such Phase 1 Qualified Bidder will be deemed a “**Phase 2 Qualified Bidder**”, provided that the Receiver may, in its reasonable business judgment, limit the number of Phase 2 Qualified Bidders (and thereby eliminate some bidders from the process). Only Phase 2 Qualified Bidders shall be invited to participate in Phase 2 of the Sale Process.
21. As soon as practical after the Phase 1 Bid Deadline, the Receiver, in consultation with the Real Estate Consultant, will advise any Phase 1 Qualified Bidder: (i) whether or not its bid constitutes a Phase 1 Qualified Bid; and (ii) whether or not it has been deemed a Phase 2 Qualified Bidder.
22. The Receiver shall have no obligation to admit any Phase 1 Qualified Bids as Phase 2 Qualified Bids, or to commence Phase 2 of the Sale Process at all, and it reserves the right to reject any or all Phase 1 Qualified Bids.
23. The Stalking Horse Bidder is deemed to be a Phase 2 Qualified Bidder. Only Phase 2 Qualified Bidders are permitted to participate in Phase 2 of the Sale Process.

III. PHASE 2: FORMAL OFFERS, AUCTION, AND SELECTION OF SUCCESSFUL BIDDER

A) Phase 2 Bid Requirements

24. All Phase 2 Qualified Bidders shall be invited to Phase 2 for the purpose of submitting a formal binding offer to purchase the Property (a “**Phase 2 Bid**”).
25. Phase 2 Qualified Bidders that wish to make a formal offer to purchase the Property shall submit a binding definitive agreement of purchase and sale in the form of asset purchase agreement provided by the Receiver (the “**Template APA**”) with a blackline against the Stalking Horse APA (together, a “**Phase 2 Bid**”) prior to 5:00

PM (Eastern Time) on March 15, 2022, or such other date as may be determined by the Receiver and communicated to the Phase 2 Qualified Bidders in writing (“**Phase 2 Bid Deadline**”).

26. A Phase 2 Bid will be considered a “**Phase 2 Qualified Bid**” only if it satisfies the following requirements (in each case, in form and substance satisfactory to the Receiver), unless waived by the Receiver in accordance with these Bidding Procedures (collectively, the “**Phase 2 Bid Requirements**”):
- a. the bid is made by a Phase 2 Qualified Bidder and received by the Phase 2 Bid Deadline;
 - b. the bid shall comply with each of the Phase 1 Bid Requirements, other than 15.a, including, without limitation, that the consideration offered for the purchase of the Property is greater than the Stalking Horse Bid by at least the Minimum Overbid Increment (as defined in the Auction Procedures) (*i.e.*, \$25,000), plus an amount in cash to pay the Break Fee, and contemplates payment in cash on closing;
 - c. the bid is an offer to purchase some or all of the Property, on terms and conditions reasonably acceptable to the Receiver, and is substantially in the form of the Template APA, with a blackline against the Stalking Horse APA;
 - d. the bid includes a letter stating that the Phase 2 Qualified Bidder’s offer is binding and irrevocable until the selection of the Successful Bidder (as defined below), provided that if such Phase 2 Qualified Bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the earlier of (i) the closing of the transaction with the Successful Bidder, and (ii) 120 days from the Approval and Vesting Order Motion, subject to further extensions as may be agreed to under the applicable transaction agreement(s);
 - e. the bid includes a proposal with respect to the existing lease between Riverside and The Ottawa Hospital/L’Hopital D’Ottawa for the property municipally known as 1919 Riverside Drive, Ottawa, ON K1H 7W9;
 - f. it includes payment by the Phase 2 Qualified Bidder of a cash deposit which shall be in excess of the Phase 1 Bid Deposit, and which, in combination with the Phase 1 Bid Deposit, shall be in an aggregate amount of not less than 10% of the total consideration contemplated by the Phase 2 Bid, in the form of a wire transfer, certified cheque delivered to the mailing address for the Receiver set out at paragraph 14 or such other form acceptable to the Receiver (collectively with the “**Phase 1 Bid Deposit**”, the “**Bid Deposit**”), which shall be held in the Escrow Account and disbursed from the Escrow Account only as follows: (i) if the Phase 2 Qualified Bidder is the Successful Bidder, its Bid Deposit will be applied without interest on Closing to the purchase price payable by it under its bid on the closing thereof; and (ii) if the Phase 2 Qualified Bidder is not the Successful Bidder, then its Bid Deposit, without interest, shall be returned to it forthwith following the expiration of its offer in accordance with the definitive documents and the terms hereof;

- g. the bid includes written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction, that will allow the Receiver to make a determination as to the Phase 2 Qualified Bidder's financial and other capabilities to consummate the proposed transaction;
- h. the bid includes evidence, in form and substance reasonably satisfactory to the Receiver, of authorization and approval from the Phase 2 Qualified Bidder's board of directors (or comparable governing body) with respect to submission, execution, delivery and closing of the transaction agreement(s) submitted by the Phase 2 Qualified Bidder;
- i. the bid is not conditioned on: (i) the outcome of unperformed due diligence by the Phase 2 Qualified Bidder, (ii) obtaining financing, or (iii) any other condition that, in the Receiver's business judgment, unduly increases the risk that the proposed transaction will not close on or before the target closing date;
- j. the bid includes acknowledgements and representations of the Phase 2 Qualified Bidder that: (i) it has had an opportunity to conduct any and all due diligence regarding the Property prior to making its offer, (ii) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its bid, (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Property or the completeness of any information provided in connection therewith, except as expressly stated in the definitive transaction agreement(s) signed by the Receiver; and
- k. the bid includes such other information as may be reasonably required by the Receiver in the event that Phase 2 is supplemented with the Auction.

B) Assessment of Phase 2 Qualified Bids and Auction

- 27. Following the Phase 2 Bid Deadline, the Receiver will assess the Phase 2 Bids received in consultation with the Real Estate Advisor. The Receiver, in its business judgment, will designate those Phase 2 Bids that comply with the Phase 2 Bid Requirements as Phase 2 Qualified Bids, with such bidders being Phase 2 Qualified Bidders.
- 28. Only Phase 2 Qualified Bidders whose bids have been designated as Phase 2 Qualified Bids are eligible to participate in the Auction or to become the Successful Bidder.
- 29. The Receiver may, in its discretion, request revisions or supplementations to any Phase 2 Bid and/or waive strict compliance with any one or more of the Phase 2 Bid Requirements and deem a non-compliant bid to be a Phase 2 Qualified Bid. For greater certainty, if multiple Phase 2 Bids are received, the Receiver has no obligation to exercise its discretion or authority under this provision in respect of all Phase 2

- Bids received even if such authority or discretion is exercised by the Receiver in respect of any one Phase 2 Bid.
30. The Receiver shall notify each Phase 2 Qualified Bidder in writing as to whether its bid constituted a Phase 2 Qualified Bid within five (5) business days of the expiration of the Phase 2 Bid Deadline, or at such later time as the Receiver deems appropriate.
 31. The Stalking Horse Bid is deemed to be a Phase 2 Qualified Bid and the Stalking Horse Bidder is deemed to be a Phase 2 Qualified Bidder.
 32. If one or more Phase 2 Qualified Bids (other than the Stalking Horse APA) have been received by the Receiver on or before the Phase 2 Bid Deadline, the Receiver shall invite all Phase 2 Qualified Bidders to attend an Auction to be conducted in accordance with the Auction Procedures.
 33. If no Phase 2 Bids are received or, in the discretion of the Receiver no Phase 2 Bids constitute Phase 2 Qualified Bids, the Stalking Horse APA shall be the Successful Bid and the Stalking Horse Bidder shall be the Successful Bidder and the Auction shall not be held.

C) Auction Process and Selection of Successful Bid

34. If the Receiver determines that an Auction is required, the Receiver will invite all Phase 2 Qualified Bidders to the Auction and the Auction will be conducted, in accordance with the Auction Procedures. The Receiver, in its business judgment, will determine the Phase 2 Qualified Bid that constitutes the highest or otherwise best offer for the Property in accordance with the Bid Assessment Criteria (as defined in the Auction Procedures) and designate such bid as the “**Lead Bid**” for the purpose of the Auction.
35. Save and except for the Stalking Horse Bid, the Receiver shall be under no obligation to accept the highest or best offer, or any offer, and the Receiver shall have no obligation to enter into a Successful Bid, and it reserves the right to reject any or all Phase 2 Qualified Bids.
36. The closing of the transaction contemplated in the Successful Bid is expressly conditional upon the approval of the Successful Bid by the Court at the hearing of the Approval and Vesting Order Motion. The presentation of the Successful Bid to the Court for approval does not obligate the Receiver to close the transaction contemplated by such Successful Bid, unless and until the Court approves the Successful Bid and all other conditions therein are satisfied or waived. The Receiver will be deemed to have accepted a bid only when the bid has been approved by the Court at the hearing of the Approval and Vesting Order Motion.

D) Sale Approval Hearing

37. The Receiver shall use reasonable efforts to bring a motion to the Court to approve the Successful Bid, as soon as practicable following the determination by it of the Successful Bidder.

38. At the hearing of the Approval and Vesting Order Motion, the Receiver shall seek, among other things, approval from the Court to consummate any Successful Bid. The Receiver will be deemed to have accepted the Successful Bid only when it has been approved by the Court. All Phase 2 Qualified Bids, other than the Successful Bid, if any, shall be deemed rejected by the Receiver, on and as of the date of approval of the Successful Bid by the Court.

IV. CONFIDENTIALITY, COMMUNICATION AND ACCESS TO INFORMATION

39. All discussions regarding any bids submitted through these Bidding Procedures should be directed to the Receiver, or if directed by the Receiver, to the Real Estate Consultant. Under no circumstances should any of Riverside's stakeholders be contacted directly without the prior consent of the Receiver. Any such unauthorized contact or communication could result in exclusion of the interested party from the Sale Process. For greater certainty, nothing herein shall prevent a stakeholder from contacting potential bidders with the agreement of the Receiver to advise that the Receiver has commenced a Sale Process and that they should contact the Receiver if they are interested in the Opportunity.
40. If it is determined by the Receiver that it would be worthwhile to facilitate a discussion between a Phase 1 Qualified Bidder or a Phase 2 Qualified Bidder (as applicable, depending on the stage of the Sale Process) and a stakeholder or other third party, as a consequence of a condition to closing, or potential closing condition identified by such bidder, the Receiver may provide such bidder with the opportunity to meet with the relevant stakeholder or third party to discuss such condition or potential condition, with a view to enabling such bidder to seek to satisfy the condition or assess whether the condition is not required or can be waived. Any such meetings or other form of communication will take place on terms and conditions considered appropriate by the Receiver. The Receiver must be provided the opportunity to be present at all such communications or meetings.

V. MISCELLANEOUS

41. The Sale Process does not, and will not be interpreted to create any contractual or other legal relationship between the Receiver and any Potential Bidder, any Phase 1 Bidder, any Phase 2 Bidder, or any other party, other than as specifically set forth in a definitive agreement, or the Stalking Horse APA. Except as specifically set forth in a definitive agreement, any party that submits a bid in the Sale Process expressly acknowledges and agrees that the Receiver has not made any commitment or otherwise incurred any obligation to consider or conclude any transaction with that party.
42. Participants in the Sale Process are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Phase 1 Bid or Phase 2 Bid, due diligence activities, and any further negotiations or other actions, whether or not they lead to the consummation of a transaction. Except for the payment of the Break Fee to the Stalking Horse Bidder, if payable, pursuant to the Stalking Horse APA, no party will be entitled for any reason (including, without limitation, any modification of the procedures contemplated herein) to reimbursement for any costs

or expenses incurred in reliance upon the procedures set forth in these Bidding Procedures, as such procedures may be modified from time to time.

43. The Receiver shall have the right to modify the Sale Process if, in its reasonable business judgment, such modification will enhance the process or better achieve the objectives of the Sale Process, provided that the service list in this receivership proceeding shall be advised of any substantive modification to the procedures set forth herein.
44. Nothing contained in the Sale Process Order or these Bidding Procedures shall create any rights in any person (including, without limitation, any bidder in the Sale Process and any rights as third party beneficiaries or otherwise) other than the rights expressly granted to a Successful Bidder under the Sale Process Order.
45. Except as otherwise provided in an order of the Court, the Court shall retain jurisdiction to hear and determine all matters arising from or relating to the implementation of the Sale Process Order, the Sale Process and the Bidding Procedures.
46. The Receiver shall not have any liability whatsoever to any person or party, including without limitation, to any Potential Bidder, Phase 1 Bidder, Phase 2 Bidder, a bidder who submits a Successful Bid, or any creditor, or other stakeholder, for any act or omission related to this Sale Process. By submitting a bid, each Potential Bidder shall be deemed to have agreed that it has no claim against the Receiver for any reason, matter or thing whatsoever.
47. This Sale Process will be interpreted so as to comply and be consistent with any applicable laws, regulations, orders or public health directives related to the COVID-19 pandemic and may be amended at any time by the Receiver to the extent necessary or advisable to comply with same.

APPENDIX I

Auction Procedures

1. If the Receiver determines to conduct an Auction pursuant to the Bidding Procedures, the Receiver will notify the Phase 2 Qualified Bidders who made a Phase 2 Qualified Bid that an Auction will be conducted. The Auction will be convened by the Receiver and conducted virtually by video conference at 10:00 AM (Eastern Time) on a date that is determined by the Receiver, provided that that it is not later than seven (7) business days after the Phase 2 Bid Deadline, or such other place and time as the Receiver may advise. Capitalized terms used but not defined have the meaning given to them in the Bidding Procedures.
2. The Stalking Horse Bidder shall be entitled to participate in the Auction in accordance with these Auction Procedures, which shall govern the conduct of the Auction in all respects.
3. The Auction shall be conducted in accordance with the following procedures:
 - (a) **Participation at the Auction.** Only Phase 2 Qualified Bidders, including the Stalking Horse Bidder, are eligible to participate in the Auction. The Receiver shall provide all Phase 2 Qualified Bidders with the details of the Lead Bid by 5:00 PM (Eastern Time) three (3) business days after the Phase 2 Bid Deadline. Except for the Stalking Horse Bidder, each Phase 2 Qualified Bidder must inform the Receiver whether it intends to participate in the Auction no later than 12:00 PM (Eastern Time) on the business day prior to the Auction. Only the authorized representatives of each of the Phase 2 Qualified Bidders, the Receiver and their respective counsel and other advisors shall be permitted to attend the Auction.
 - (b) **Bidding at the Auction.** Bidding at the Auction shall be conducted in rounds. The Lead Bid shall constitute the “Opening Bid” for the first round and the highest Overbid (as defined below) at the end of each round shall constitute the “Opening Bid” for the following round. In each round, a Phase 2 Qualified Bidder may submit no more than one Overbid. Any Phase 2 Qualified Bidder who bids in a round (including the Phase 2 Qualified Bidder that submitted the Opening Bid for such round) shall be entitled to participate in the next round of bidding at the Auction.
 - (c) **Receiver Shall Conduct the Auction.** The Receiver and its advisors shall direct and preside over the Auction. At the start of each round of the Auction, the Receiver shall provide the terms of the Opening Bid to all participating Phase 2 Qualified Bidders at the Auction. The determination of which Phase 2 Qualified Bid constitutes the Opening Bid for each round shall take into account any factors that the Receiver reasonably deems relevant to the value of the Phase 2 Qualified Bid, including, among other things, the following:
 - (i) the amount and nature of the consideration;
 - (ii) the proposed assumption of any liabilities and the related implied impact on recoveries for creditors;
 - (iii) the Receiver’s assessment of the certainty of the Phase 2 Qualified Bidder

to close the proposed transaction; (iv) the likelihood, extent, and impact of any potential delays in closing; (v) the net economic effect of any changes from the Opening Bid of the previous round, and (vi) such other considerations as the Receiver deems relevant in its reasonable business judgment (collectively, the “**Bid Assessment Criteria**”). All Bids made at the Auction subsequent to the Receiver’s announcement of the Opening Bid shall be “**Overbids**” and shall be made and received on an open basis, and all material terms of the highest and best Overbid shall be fully disclosed to all other Phase 2 Qualified Bidders that are participating in the Auction. The Receiver shall maintain a record of the Opening Bid and all Overbids made and announced at the Auction.

- (d) **Terms of Overbids.** To submit an Overbid, in any round of the Auction, a Phase 2 Qualified Bidder must comply with the following conditions:
- i. **Minimum Overbid Increment:** Any Overbid shall be made in minimum increments of \$25,000 of total consideration above the Opening Bid, in order to facilitate the Auction (the “**Minimum Overbid Increment**”). The value of total consideration, taking into account cash and non-cash consideration, shall be determined by the business judgement of the Receiver. The amount of the total consideration or value of any Overbid shall not be less than the cash purchase price consideration or value of the Opening Bid, plus the Minimum Overbid Increment(s) at that time, plus any additional Minimum Overbid Increments.
 - ii. **Phase 2 Bid Requirements Apply:** Except as modified herein, an Overbid must comply with the Phase 2 Bid Requirements described in the Bidding Procedures, provided, however, that the Bid Deadline shall not apply. Any Overbid made by a Phase 2 Qualified Bidder must provide that it remains irrevocable and binding on the Phase 2 Qualified Bidder and open for acceptance as a Back-Up Bid (as defined below) until the closing of the Successful Bid.
 - iii. **Announcing Overbids:** At the end of each round of bidding, the Receiver shall announce the identity of the Phase 2 Qualified Bidder and the material terms of the then highest and/or best Overbid, including the nature of the contemplated transaction, the Property proposed to be acquired and the obligations proposed to be assumed, and the basis for calculating the total consideration offered in such Overbid based on, among other things, the Bid Assessment Criteria.
 - iv. **Consideration of Overbids:** The Receiver reserves the right to make one or more adjournments of the Auction in durations set by the Receiver to, among other things: (i) allow individual Phase 2 Qualified Bidders to consider how they wish to proceed; (ii) consider and determine the current highest and/or best Overbid at any given time during the Auction; and, (iii) give Phase 2 Qualified Bidders the

opportunity to provide the Receiver with such additional evidence as they may require that the Phase 2 Qualified Bidder has obtained all required internal corporate approvals, has sufficient internal resources, or has received sufficient non-contingent debt and/or equity funding commitments, to consummate the proposed transaction at the prevailing Overbid amount. The Receiver may have clarifying discussions with a Phase 2 Qualified Bidder, and the Receiver may allow a Phase 2 Qualified Bidder to make technical clarifying changes to its Overbid following such discussions. PHASE 2 QUALIFIED BIDDERS MUST OBTAIN ALL NECESSARY APPROVALS AND FUNDING COMMITMENTS IN ADVANCE OF THE AUCTION.

- v. **Failure to Bid:** If at the end of any round of bidding a Phase 2 Qualified Bidder (other than the Phase 2 Qualified Bidder that submitted the then highest and/or best Overbid or Opening Bid, as applicable) fails to submit an Overbid, then such Phase 2 Qualified Bidder shall not be entitled to continue to participate in the next round of the Auction.
- (e) **Additional Procedures.** The Receiver may adopt rules for the Auction at or prior to the Auction that will better promote the goals of the Auction, including rules pertaining to the structure of the Auction, provided they are not inconsistent with any of the provisions of the Bidding Procedures and provided further that no such rules may change the requirement that all material terms of the then highest and/or best Overbid at the end of each round of bidding will be fully disclosed to all other Phase 2 Qualified Bidders.
- (f) **Back-Up Bid.** If only one bid is submitted after any round of offers then that bid shall be the Successful Bid. The next highest bid, as determined by the Receiver (the “**Back-Up Bid**”), shall be required to keep its offer open and available for acceptance until the closing of the transaction contemplated by the Successful Bid.
- (g) **Closing the Auction.** The Auction shall be closed after the Receiver has:
 - (i) reviewed the final Overbid of each Phase 2 Qualified Bidder, and
 - (ii) identified the Successful Bid and the Back-Up Bid and the Receiver has advised the Phase 2 Qualified Bidders participating in the Auction of such determination.
- (h) **Finalizing Documentation.** Promptly following a bid of a Phase 2 Qualified Bidder being declared the Successful Bid, or the Back-Up Bid, the Phase 2 Qualified Bidder shall execute and deliver such revised and updated definitive transaction agreements, as may be required to reflect and evidence the Successful Bid or Back-Up Bid. For greater certainty, every Bid made at Auction is deemed to be a signed and binding bid based on the bidder’s original Phase 2 Qualified Bid, except as modified at the Auction.

THE MANUFACTURERS LIFE INSURANCE COMPANY
Applicant

- and -

RIVERSIDE PROFESSIONAL CENTRE INC.

Respondent

Court File No.: CV-21-00668726-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at
Toronto

ORDER
(Stalking Horse Sale Process Approval)

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THE MANUFACTURERS LIFE INSURANCE COMPANY - and -
Applicant

RIVERSIDE PROFESSIONAL CENTRE INC.

Respondent

Court File No.: CV-21-00668726-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)
Proceeding commenced at
Toronto

NOTICE OF MOTION
(Approval of Stalking Horse Sale Process)

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TAB 2

Court File No.: CV-21-00668726-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

B E T W E E N:

THE MANUFACTURERS LIFE INSURANCE COMPANY

Applicant

- and -

RIVERSIDE PROFESSIONAL CENTRE INC.

Respondent

APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended

**FIRST REPORT OF MNP LTD. AS RECEIVER OF THE ASSETS, UNDERTAKINGS
AND PROPERTIES OF RIVERSIDE PROFESSIONAL CENTRE INC.**

December 7, 2021

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CONFIDENTIAL APPENDIX

Confidential Appendix “A” – Unredacted Marketing and Listing Proposal of CBRE dated November 11 and 24 2021 and Unredacted Marketing and Listing Proposal of Colliers dated November 14, 2021

INTRODUCTION

1. On October 29, 2021 (“**Date of Appointment**”), upon the application (the “**Application Record**”) of The Manufacturers Life Insurance Company (“**Manulife**”), MNP Ltd. (“**MNP**”) was appointed as the receiver (in such capacity, the “**Receiver**”), without security, of all of the assets, undertakings and properties of Riverside Professional Centre Inc. (“**RPCI**” or the “**Company**”) acquired for, or used in relation to a business carried on by the Company, including all proceeds thereof, which property includes, without limitation, the leasehold interest in real property municipally known as 1919 Riverside Drive, Ottawa, Ontario, together with the freehold interest in the building located on such real property (collectively, the “**Property**”) by order (the “**Appointment Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”). A copy of the Appointment Order is attached as **Appendix “A”**.

2. The circumstances leading to the appointment of the Receiver are set out in the affidavit of Robert Amos sworn September 14, 2021 (the “**Amos Affidavit**”) and included in the Application Record.

3. The Appointment Order together with other publicly available information have been posted to the Receiver’s website (the “**Case Website**”), which can be found at: <https://mnpdebt.ca/en/corporate/corporate-engagements/riverside-professional-centre-inc>.

PURPOSE OF THIS REPORT

4. The purpose of this First Report to the Court (this “**First Report**”) is to, *inter alia*:
- (a) provide the Court with information with respect to the Receiver’s actions, conduct and activities since the date of its appointment, and seek approval for those actions, conduct and activities;
 - (b) summarize the terms of the contemplated sale process for the Property (the “**Stalking Horse Sale Process**”), including the bidding procedures set out therein (the “**Bidding Procedures**”), and to seek approval for the Receiver to retain Colliers Macauley Nicolls Inc. (“**Colliers**”) to act as the listing agent to assist in the Stalking Horse Sale Process;

- (c) summarize the terms of a stalking horse asset purchase agreement executed on December 7, 2021 (the “**Stalking Horse APA**”) between the Receiver and The Ottawa Hospital (“**TOH**” or the “**Stalking Horse Bidder**”) pursuant to which TOH has agreed to purchase the Property and act as the “stalking horse” in the Stalking Horse Sale Process, in each case subject to the approval of this Court;
- (d) provide the Court with the Receiver’s rationale in support of its request for approval of the Stalking Horse Sale Process and Bidding Procedures, and to receive authorization to execute the Stalking Horse APA, including that the purchase price set out in the Stalking Horse APA is within the range of potential values for the Property given to the Receiver by third-party real estate consultants and provides stability to the Stalking Horse Sale Process;
- (e) provide the Court with the Receiver’s recommendation for an Order, *inter alia*:
 - (i) approving this First Report and the Receiver’s actions, conduct and activities described herein;
 - (ii) approving the Stalking Horse Sale Process and the Bidding Procedures;
 - (iii) approving the Stalking Horse APA, solely for the purposes of being the “stalking horse” bid (the “**Stalking Horse Bid**”) in the Stalking Horse Sale Process, provided that if TOH is the successful bidder in the Stalking Horse Sale Process (the “**Successful Bidder**”), completion of the transaction contemplated by the Stalking Horse APA and the Stalking Horse Sale Process will be subject to the Court’s approval upon a further motion by the Receiver;
 - (iv) authorizing and directing the Receiver, with Colliers as its real estate consultant, to carry out the Stalking Horse Sale Process, including the Bidding Procedures;
 - (v) authorizing the Receiver to engage Colliers to market the Property in accordance with the Stalking Horse Sale Process and the Listing Agreement

between the Receiver and Colliers (the “**Listing Agreement**”) in substantially the form attached as **Appendix “B”** (subject to such non-material amendments as the Receiver may deem appropriate);

- (vi) sealing the confidential appendices to this First Report which contain unredacted copies of the marketing and listing proposals from the Brokers (as defined below), which information was redacted by the Receiver to protect the integrity of the Stalking Horse Sale Process; and
- (vii) such other relief as this Court may deem just.

TERMS OF REFERENCE

5. In preparing this First Report, the Receiver has relied on unaudited financial and other information regarding the Company and its assets, including information (collectively the “**Information**”):

- (a) provided by Manulife and its legal counsel, Miller Thomson LLP;
- (b) obtained from PAR-Med Property Services Inc. (“**Par-Med**”), the property manager retained by RPCI;
- (c) provided by Lawrence Bontje, RPCI’s sole director and officer;
- (d) provided by three (3) prominent commercial real estate brokerage firms, namely, CBRE Limited (“**CBRE**”), Colliers and a third brokerage (the “**Brokers**”), each of which provided the Receiver with marketing and listing proposals for the Property. The third brokerage did not agree to the Receiver referencing their name or including their materials in this Report;
- (e) as set out in the Amos Affidavit, filed in connection with the application for the Appointment Order; and
- (f) as otherwise available to the Receiver and its counsel.

6. Except as described in this First Report, 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 the Generally Accepted Assurance Standards of the Chartered Professional Accountants of Canada.

7. All currency references are in Canadian Dollars unless otherwise specified.

BACKGROUND

8. The Company's primary asset is an approximately forty-eight thousand (48,000) square foot, four (4) storey medical office building (the "**Building**"). The Building is located on approximately one (1) acre of land owned by TOH (the "**Demised Premises**") and leased by TOH to RPCI pursuant to a ground lease, dated September 1, 1989 (the "**Ground Lease**"). The "Property" as herein defined consists principally of the Company's freehold interest in the Building and leasehold interest in the Demised Premises.

9. The Ground Lease has an initial 49-year term that expires in 2038, with an option to renew for a further 49-year term. The Ground Lease includes provisions granting first rights of refusal to TOH, pursuant to which TOH shall have the right to meet the terms of any *bona fide* third party offer which the Company is prepared to accept for the Building and/or the Demised Premises (the "**ROFR**").

10. As at the Date of Appointment, RPCI is indebted to Manulife, RPCI's secured creditor, for approximately \$5.6 million plus costs and expenses. As security for the loan, Manulife took a charge against RPCI's leasehold interest in the Property, notice of which was registered against title to the Property on February 16, 2012. RPCI also provided Manulife with a general security interest over all of RPCI's personal property and undertaking described in and pursuant to a general security agreement, dated February 16, 2012. Such security interest is perfected by registration pursuant to the *Personal Property Security Act*, R.S.O. 1990, c. P.10, as amended. RPCI also provided Manulife with a general assignment of all leases and rents, dated and registered against title to the Property on February 16, 2012.

11. As described in detail in the Application Record, since 2017, RPCI and TOH have been involved in litigation (the “**Litigation**”), wherein RPCI commenced an action against TOH seeking damages and other relief for TOH’s alleged breach of the Ground Lease. By motion returnable November 24 and 25, 2020, RPCI sought summary judgment of its claims against TOH, including a claim for \$4.6 million in damages. On March 8, 2021, the Court dismissed all of RPCI’s claims. RPCI has appealed the dismissal of its claims, which appeal is scheduled to be heard on January 25, 2022.

ACTIVITIES OF THE RECEIVER

12. Since the Date of Appointment, the Receiver has, *inter alia*:

- (a) reviewed the Appointment Order for specific responsibilities and duties;
- (b) obtained information to prepare, file and serve on the creditors the notices (the “**Notices**”) under Subsections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;
- (c) posted the Notices, the Application Record and the Appointment Order on the Case Website;
- (d) directed Par-Med to close the operating trust account in favour of the Company and to open a new operating trust account in favour of the Receiver;
- (e) opened a new bank account at VersaBank to serve as the Receiver’s general trust account;
- (f) communicated with representatives of Par-Med to have it continue to assist with the management of the Property including the receipt of the rental income and payment of expenses associated with the Property;
- (g) directed Par-Med to advise all tenants of the appointment of the Receiver and to arrange for future rent payments to be deposited into the new operating trust account;

- (h) implemented internal controls over receipts, disbursements, purchases, etc.;
- (i) communicated with RPCI's insurance broker and arranged for ongoing insurance coverage and to add the Receiver as loss payee;
- (j) requested production of and access to certain books, records and documents relating to the Company and the Property;
- (k) met with counsel for TOH in respect of the receivership;
- (l) opened a new account with Ottawa Hydro;
- (m) consulted with representatives of MNP LLP, the Receiver's related accounting firm, to carry out a review of RPCI's municipal tax assessments and assess whether there was opportunity to reduce the tax burden;
- (n) consulted with representatives of MNP LLP, the Receiver's related accounting firm, to provide a preliminary income tax assessment based on the Stalking Horse APA;
- (o) delivered correspondence to the sole officer/director of RPCI for the delivery of the RPCI's books and records;
- (p) as described in greater detail below, consulted with the Brokers in relation to the sale of the Property;
- (q) considered the appropriate process for marketing the Property for sale; and
- (r) negotiated the Stalking Horse APA with TOH.

STALKING HORSE SALE PROCESS

13. The Appointment Order, among other things, authorizes the Receiver to market and sell the Property.

14. With respect to developing a marketing and solicitation strategy for the Property, the Receiver consulted with the Brokers. The Receiver sought assessments of potential value and marketing strategy proposals from the Brokers, each of which submitted assessments of potential value and a marketing proposal to the Receiver. A redacted copy of CBRE and Colliers' proposals are attached as **Appendix "C"** and unredacted copies are attached as **Confidential Appendix "A"**. As noted previously, a third proposal was submitted by a brokerage that did not authorize its proposal being included in the materials.

15. The Brokers were each cognizant of certain challenges that exist in marketing the Property, including the fact that TOH owns the land on which the Building sits, that RCPI has leased that land from TOH pursuant to the Ground Lease for an initial 49-year term that expires in 2038, with an option to renew for a further 49-year term, and that TOH holds the ROFR. The Brokers considered each of these factors when formulating their marketing and sale proposals.

16. After discussions with the Brokers, and having regard to the issues described in the preceding paragraph, the Receiver determined that the most reasonable and commercially efficient approach to market and solicit interest in the Property would be to enter into the Stalking Horse APA and to conduct the Stalking Horse Sale Process. Among other considerations, the Receiver formed the view that the Stalking Horse Sale Process was the preferred approach for the following reasons:

- (a) The Stalking Horse APA creates certainty by way of an unconditional bid, and establishes a floor value for the Property while providing an opportunity to market the Property for superior realizations than contemplated by the Stalking Horse APA;
- (b) The purchase price set out in the Stalking Horse APA is within the range of potential values for the Property given to the Receiver by the Brokers;
- (c) While TOH appears to be a natural purchaser to acquire the Property because it owns the lands on which the Building sits, the Brokers have advised the Receiver that there are other potential parties that may be interested in acquiring the Property ("**Potential Bidders**"). The Stalking Horse Sale Process and Bidding Procedures

allow a market test for the benefit of all stakeholders and provide an opportunity to complete a transaction with greater value than the Stalking Horse APA;

- (d) The Minimum Overbid Increment (as defined below) in the amount of \$25,000 is not excessive and does not present a material hurdle that would prevent other Potential Bidders to submit a bid in the Stalking Horse Sale Process;
- (e) TOH, as the Stalking Horse Bidder, has agreed that the Stalking Horse Sale Process, including the Bidding Procedures, the Auction (as defined below), and the Minimum Overbid Increment, will govern the conduct of the sale of the Property in all respects; and
- (f) The existence of the Stalking Horse APA preserves the value of the Property by promoting a more certain transitioning of the Property to a new owner, which will likely be viewed favourably by existing and prospective tenants of the Property, while allowing the Receiver the flexibility to canvass to market to determine if a higher or better offer than the Stalking Horse APA is available in the circumstances.

Stalking Horse APA

17. Considering the foregoing, the Receiver entered into discussions with legal counsel to TOH with the view of negotiating the terms of a possible stalking horse bid. These negotiations culminated in the Stalking Horse APA.

18. TOH has agreed to act as the Stalking Horse Bidder and, if TOH is selected as the Successful Bidder in accordance with the Bidding Procedures, TOH would acquire the Property (subject to approval by the Court). The Stalking Horse APA is conditional on, among other things, this Court approving and authorizing each of the Stalking Horse APA and the Stalking Horse Sale Process, including the Bidding Procedures.

19. The Stalking Horse APA is an offer to purchase the right, title and interest of the Company to the Property. The salient terms of the Stalking Horse APA are as follows:¹

Purchaser	TOH
Purchase Price	\$8,500,000 (plus taxes, if any)
Purchased Assets	<p>Purchased Assets include:</p> <ol style="list-style-type: none"> 1. RPCI's leasehold interest in Ground Lease; 2. RPCI's interest, as landlord, under the Leases; 3. The Building, including all improvements and fixtures therein or thereon (other than Tenants' trade fixtures, if any); 4. Accounts Receivable (excluding any refund for municipal taxes in respect of the period before the closing date and subject to adjustment in accordance with normal practices for the sale of commercial property in the Province of Ontario); 5. Books and Records that are not Excluded Assets; 6. The Litigation; and 7. Assumed Obligations.
Excluded Assets	<ol style="list-style-type: none"> 1. Any Non-Assignable Interest;²

¹ The description of the Stalking Horse APA terms set out below are only a summary and reference should be made to the Stalking Horse APA attached to this First Report as Appendix "D" for its specific terms. To the extent not otherwise defined in this First Report, the capitalized terms set out in the table below have the meanings ascribed to them in the Stalking Horse APA.

² Meaning any Purchased Asset that, by its nature cannot be legally or practically sold and assigned by the Receiver to the Purchaser.

	<ol style="list-style-type: none"> 2. All Books and Records required by Applicable Law to be retained by the Receiver; and 3. All other assets of RPCI that are not Purchased Assets.
Representations/Warranties	The Receiver is selling on an “as is, where is” basis.
Break Fee	\$225,000 (the “ Break Fee ”), to be secured by a Court-ordered charge on the proceeds of any sale of any Successful Bid, which charge is subordinate to the Receiver’s Charge and the Receiver’s Borrowing Charge (both as defined in the Appointment Order)
Closing Date	Fifteen (15) business days after the Approval and Vesting Order is obtained or such other earlier or later date as may be agreed to in writing by the parties.
Conditions	<ol style="list-style-type: none"> 1. Issuance of the Sale Process Order, <i>inter alia</i>, approving both the Stalking Horse APA as the Stalking Horse Bid and the Stalking Horse Sale Process; 2. The Purchaser being selected as the Successful Bidder; and 3. Issuance of the Approval and Vesting Order.
Termination	<p>The Stalking Horse APA may be terminated prior to the Closing Time:</p> <ol style="list-style-type: none"> 1. By mutual written agreement by the parties; 2. If a condition precedent has not been satisfied or waived and the party entitled to terminate the Stalking Horse APA as a result thereof has delivered written notice of termination; or

	<p>3. Closing shall not have occurred on or prior to the Outside Date (i.e., six months from the date of execution of the Stalking Horse APA) and the Purchaser shall have delivered written notice to the Receiver terminating the agreement as a result thereof.</p>
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A copy of the Stalking Horse APA is attached as **Appendix “E”**.

20. As discussed above, and as is evident from the redacted information contained in Confidential Appendix “A”, the purchase price set out in the Stalking Horse APA is within the range of potential values for the Property given to the Receiver by the Brokers.

21. With respect to the Break Fee, it represents approximately 2.64% of the Purchase Price and is commercially reasonable for a transaction of this magnitude. In the event that it is paid, it will be given (i) as consideration for the stability brought to the Stalking Horse Sale Process by the Stalking Horse Bid; and (ii) in reimbursement of TOH’s out of pocket costs incurred in preparing and negotiating the Stalking Horse APA and its role in the Stalking Horse Sale Process.

22. The Receiver is of the view that the Break Fee offers a reasonable balance between its potential adverse effect as a sale deterrent and having the offer under the Stalking Horse APA as a sale stimulator which lends stability to the Stalking Horse Sale Process. It will not jeopardize other potential purchasers’ ability to bid in the Stalking Horse Sale Process, especially given the low Minimum Overbid Increment (i.e., \$25,000) provided by the Bidding Procedures relative to comparable sale and auction processes.

Colliers Engagement

23. As noted above, the Receiver consulted the Brokers with respect to their proposals for marketing the Property. The Receiver is of the view that realizations are maximized by enlisting a broker to assist the Receiver in conducting the Stalking Horse Sale Process. The retention of a broker ensures that the Property is widely exposed to the market and that the marketing campaign is tailored to the nuances of the Property.

24. In considering which of the Brokers to engage, the Receiver considered, among other things, the amount of the commission offered by each of the Brokers for the sale of the Property. The Colliers offer was on the most economically attractive terms. Colliers’ familiarity with the Property was also an important factor. Prior to the Date of Appointment, Colliers assisted RPCI in efforts to lease up the Property. Their familiarity with the Property will reduce the lead time for an agent to prepare to commence the Stalking Horse Sale Process which, subject to Court approval, will commence January 3, 2022.

25. The Receiver has negotiated the following fee arrangement with Colliers, which fee arrangement is provided for in the draft Listing Agreement:

Purchaser	Fee Arrangement
TOH or to any TOH affiliate/shareholders	1% of the gross sale price on any sale (plus taxes), as well as any marketing cost of up to \$5,000 incurred by it in relation to the sale of Property
Any other party	2% of the gross sale price on any sale (plus taxes); or if there is a co-operating broker , a fee equal to 3% of the gross sale price (plus taxes), with 1% being paid to the co-operating broker

A copy of the Listing Agreement is attached as **Appendix “B”**.

26. The other Brokers offered their services to the Receiver for a higher fee. Colliers’ fee structure incentivizes it to obtain a price greater than that being offered under the Stalking Horse APA. Accordingly, it is aligned with the Receiver’s objective of maximizing recoveries.

Sale Process and Bidding Procedures

27. In summary, the Stalking Horse Sale Process would commence upon the issuance by this Court of an order approving the Stalking Horse Sale Process and be conducted on the following timeline:³

Summary of Stalking Horse Sale Process and Bidding Procedures		
Milestone	Description of Activities	Timeline
Marketing materials and preparedness for process	Colliers and Receiver to: <ol style="list-style-type: none"> 1. prepare the list of Known Potential Bidders; 2. prepare marketing collateral/materials; and 3. finalize preparation of the Teaser, the form of NDA and the data room. 	January 3, 2022
<i>Phase 1</i>		
Phase 1 – Marketing	Marketing launch, including: <ol style="list-style-type: none"> 1. Distribution of Teaser to Potential Bidders; 2. Advertisement in <i>The Globe and Mail</i> (National edition) and <i>Ottawa Citizen</i> newspapers, <i>Insolvency Insider</i>, and any other journal or publication the Receiver, in consultation with Colliers, considers appropriate; 3. Listing on ColliersCanada.com; and 4. Email blasts to external brokers, others. 	January 10, 2022
Phase 1 – Due Diligence	<ol style="list-style-type: none"> 1. Colliers to facilitate due diligence by providing data room access to Potential Bidders, after receiving executed copy of NDA and other 	January 10, 2022 to

³ The description of the Stalking Horse Sale Process terms set out below are only a summary the steps that will be undertaken in accordance therewith and reference should be made to the Stalking Horse Sale Process attached to this First Report as Appendix “E” for its specific terms. To the extent not otherwise defined in this First Report, the capitalized terms set out in the table below have the meanings ascribed to them in the Stalking Horse Sale Process.

	<p>information/disclosure relating to the Potential Bidders (subject to the Receiver’s discretion);</p> <ol style="list-style-type: none"> 2. Colliers to facilitate property tours; and 3. Discussion with Potential Bidders to provide updates and to address any reasonable diligence queries. 	February 28, 2022
Phase 1 Bid Deadline	<p>Deadline for submission of letter of interest (i.e., a Phase 1 Bid). In order to be qualified, a Phase 1 Bid must satisfy a number of requirements, as set out in the Stalking Horse Sale Process, including: (i) it is received on or before the Phase 1 Bid Deadline; (ii) it contemplates the purchase of the Property on an “as is, where is” basis; (iii) it includes references to the Phase 1 Qualified Bidder’s ability to finance and/or complete the proposed transaction; (iv) it includes an outline of the additional due diligence required to be conducted in order to submit a final and binding offer in Phase 2; (v) a description of the conditions to closing the Phase 1 Qualified Bidder may wish to impose and an outline of the principal terms thereof; and (vi) a deposit of \$250,000.</p> <p>The Stalking Horse APA is deemed to be a Phase 1 Qualified Bid and the Stalking Horse Bidder shall be deemed to be a Phase 1 Qualified Bidder.</p>	February 28, 2022 at 5:00 PM (Toronto Time)
Assessment of Phase 1 Qualified Bids	<p>Following the Phase 1 Bid Deadline, the Receiver, in consultation with Colliers, will assess the Phase 1 Qualified Bids and select one or more Phase 1 Qualified Bids to participate in Phase 2, in which bids must be formal binding offers.</p> <p>If no Phase 1 Bids are received, or in the opinion of the Receiver, no Phase 1 Bids constitute Qualified Phase 1 Bids, the Receiver may determine that Phase 2 is not required. In that case, the Stalking Horse Bidder shall be the Successful Bidder and the Receiver will proceed to close the transaction</p>	

	<p>contemplated by the Stalking Horse APA (subject to approval of the Court).</p> <p>The Stalking Horse Bidder is deemed to be a Phase 2 Qualified Bidder.</p> <p>Only Phase 2 Qualified Bidders are permitted to participate in Phase 2 of the Stalking Horse Sale Process.</p>	
Phase 2		
Phase 2 Due Diligence	All Phase 2 Qualified Bidders shall be invited to Phase 2 for the purpose of submitting a formal binding offer to purchase the Property.	
Phase 2 Bid Deadline	Submission of Phase 2 Bids	March 15, 2022 at 5:00 PM (Toronto Time)
Assessment of Phase 2 Bids	The Receiver, in consultation with Colliers, will assess the Phase 2 Bids, and exercising its business judgment, will designate those Phase 2 Bids that comply with the Phase 2 Bid Requirements, with such bidders being Phase 2 Qualified Bidders.	
Notice to Phase 2 Qualified Bidders of status	<p>If one or more Phase 2 Qualified Bids (other than the Stalking Horse APA) have been received by the Receiver on or before the Phase 2 Bid Deadline, the Receiver shall invite all Phase 2 Qualified Bidders to attend an auction (the “Auction”).</p> <p>The Stalking Horse Bidder shall be invited to participate in any Auction.</p> <p>If no Phase 2 Bids are received, or in the discretion of the Receiver, no Phase 2 Bids constitute Qualified Phase 2 Qualified Bids, the Stalking Horse APA shall be the Successful Bid and the Auction shall not be held.</p>	Within three (3) business days of the expiration of the Phase 2 Bid Deadline

<i>Phase 3 – Auction and Closing</i>		
Auction	The Auction will be held in a manner consistent with the Bidding Procedures	Not later than seven (7) Business Days after the Phase 2 Bid Deadline
Selection of Successful Bid	Select successful party	
Sale Approval Motion and closing	Court motion to approve Successful Bid(s)	
Closing	Complete transaction(s)	Within 15 days after Court Approval

The Stalking Horse Sale Process is attached as **Appendix “E”**.

28. The Bidding Procedures attached to the Stalking Horse Sale Process as Appendix I provide that:⁴

- (a) The Receiver will conduct the auction;
- (b) The Lead Bid, namely the Phase 2 Qualified Bid that constitutes the highest or otherwise best offer for the Property in accordance with the Bid Assessment Criteria (as defined in the Bidding Procedures), shall constitute the “Opening Bid” at the auction. The Receiver shall provide all Phase 2 Qualified Bidders with the details of the Lead Bid by 5:00pm (Eastern Time) two (2) Business Days after the Phase 2 Bid Deadline

⁴ The description of the Bidding Procedures set out below are only a summary the steps that will be undertaken in accordance therewith and reference should be made to the Bidding Procedures attached to the Stalking Horse Sale Process for their specific terms. To the extent not otherwise defined in this First Report, the capitalized terms set out in the list below have the meanings ascribed to them in the Stalking Horse Sale Process or Bidding Procedures.

- (c) Any bid subsequent to the Lead Bid (i.e., Overbids) shall be made in minimum increments of \$25,000 of total consideration above the Opening Bid (the “**Minimum Overbid Increment**”) and any Overbid must comply with the Phase 2 Bid Requirements (save for the Phase 2 Bid Deadline); and
- (d) The Auction shall be closed after the Receiver has: (i) reviewed the final Overbid of each Phase 2 Qualified Bidder, and (ii) identified the Successful Bid and the Back-Up Bid and the Receiver has advised the Phase 2 Qualified Bidders participating in the Auction of such determination.

SALE PROCESS RECOMMENDATION

29. The Receiver recommends the Court issue an order approving the Stalking Horse APA and the Stalking Horse Sale Process, including the Bidding Procedures, and the Listing Agreement for the following reasons:

- (a) The Receiver is satisfied that the proposed Stalking Horse Sale Process represents the most efficient and fair process to be administered in the circumstances that will sufficiently expose the Property for sale to the marketplace and generate the maximum value;
- (b) The value of the Stalking Horse APA is supported by the unredacted information provided in the Confidential Appendix “A”.
- (c) As noted previously, TOH has agreed that the Stalking Horse Sale Process, including the Bidding Procedures and the Minimum Overbid Increment, will govern the conduct of the Auction in all respects;
- (d) The Break Fee represents approximately 2.64% of the Purchase Price and is commercially reasonable for a transaction of this magnitude. It also offers a reasonable balance between its potential adverse effect as a sale deterrent and having the offer under the Stalking Horse APA as a sale stimulator and will not jeopardize other Potential Bidders’ ability to bid in the Stalking Horse Sale Process;

- (e) The duration of the Stalking Horse Sale Process is reasonable and will provide all Potential Bidders sufficient time to assess the Stalking Horse Bid and potentially submit a superior bid. The Receiver has developed the Stalking Horse Sale Process to solicit bids by a set bid deadline. The Receiver is of the view that the Stalking Horse Sale Process balances the need to have a sale accomplished in a reasonable timeframe to limit the carrying costs associated with the Property with the desire to properly expose the Property to the marketplace to maximize recoveries for the stakeholders;
- (f) The estimated sale proceeds will be sufficient to fully repay Manulife, the Receiver's Charge, any priority payable, with a potential pool of funds for distribution to any proven unsecured creditors and possibly equity holders;
- (g) The Stalking Horse Sale Process is supported by Manulife; and
- (h) Colliers' fee arrangement set out in their marketing and listing proposal and draft Listing Agreement was the most competitive of the three submitted to the Receiver. Colliers' fee structure incentivizes it to obtain a price greater than that being offered under the Stalking Horse APA. Accordingly, it is aligned with the Receiver's objective of maximizing recoveries.

APPROVAL OF SEALING ORDER

30. The unredacted information provided in Confidential Appendix "A" contains information pertaining to the Brokers' assessments of the potential value of the Property that could prejudice the Stalking Horse Sale Process if it were made public. Were such information made public prior to the closing of the transaction contemplated by the Successful Bid, such disclosure could potentially impair the value maximizing purpose of the process. For this reason, the Receiver has redacted the sensitive information contained in the marketing and listing proposals as it relates to the valuation of the Property.

31. The Receiver has filed unredacted versions of these proposals with the Court as Confidential Appendices to provide the Court with the benefit of the information to allow the Court

to determine whether it should approve the Stalking Horse APA and the Stalking Horse Sale Process. The Receiver requests that the Court seal the unredacted versions of the Brokers' marketing and listing proposals until at least the time that the sale of the Property to the Successful Bidder has closed, and subject to further Order of the Court requesting the release of such information.

32. Rather than seeking to seal the Brokers' marketing and listing proposals in their entirety, and in the interests of disclosing as much information as is reasonably possible to stakeholders, the Receiver has attached redacted copies of the of the marketing and listing proposals to this First Report and has limited the redactions to information that is commercially sensitive.

33. The Receiver is of the view that its approach aligns with the purpose of the Stalking Horse Sale Process and the interests promoted thereby, is fair and reasonable in the circumstances, and will achieve the desired benefit without unduly impairing the openness of the Court's process.

UNSECURED CREDITORS


34. Based on information provided by RPCI, in addition to its obligation to Manulife and City of Ottawa (for municipal tax arrears), RPCI appears to have unsecured obligations of approximately \$549,000, including a cost award in favour of TOH of \$398,000 in respect of the Litigation.

35. Based on the Receiver's initial consideration of possible corporate income taxes that may become owing by RPCI in connection with any sale of the Property, the Receiver notes that the realization of the Property may lead to corporate income tax implications that could add to the unsecured creditor pool. For illustrative purposes, based on the Receiver's initial assessment (and subject to ongoing review and consideration by the Receiver), if the Property were sold for the purchase price proposed by the Stalking Horse Bidder, the resulting tax liability could potentially be in excess of \$3 million.

CONCLUSION

36. Based on the foregoing, the Receiver respectfully requests that the Court make an order granting the relief detailed in paragraph 4(e) of this Report.

**MNP Ltd, in its capacity as the
Court-appointed Receiver of
Riverside Professional Centre Inc.
and not in its personal or corporate capacity**

Per: 

Sheldon Title CPA, CA, CIRP, LIT
Senior Vice President

APPENDIX A

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

THE HONOURABLE

)

FRIDAY, THE 29TH

JUSTICE KOEHNEN

)

DAY OF OCTOBER, 2021

)

B E T W E E N:

THE MANUFACTURERS LIFE INSURANCE COMPANY

Applicant

- and -

RIVERSIDE PROFESSIONAL CENTRE INC.

Respondent

APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended

**ORDER
(appointing Receiver)**

THIS MOTION made by The Manufacturers Life Insurance Company (“**Applicant**”) for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (“**BIA**”), and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (“**CJA**”), appointing MNP Ltd. as receiver (in such capacity, “**Receiver**”) without security, of the Property (as defined below) of Riverside Professional Centre Inc. (“**Debtor**”), initially returnable on September 28,



2021 and adjourned to this date, was heard this day by video conference due to the COVID-19 pandemic.

ON READING the affidavit of Robert Amos sworn September 14, 2021 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant and the Debtor, no one else appearing although duly served as appears from the affidavit of service, filed, and on reading the consent of MNP Ltd. to act as the Receiver,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the notice of application and the application record is hereby abridged and validated so that this application is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, MNP Ltd. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof, which property includes, without limitation, the leasehold interest in real property municipally known as 1919 Riverside Drive, Ottawa, Ontario, and legally described as PT LT 16, CON JG, PTS 1 & 2, 5R12853, Ottawa, being all of PIN 04201-0147 (LT), together with the freehold interest in the building located on such real property (collectively, "**Property**").

RECEIVER'S POWERS

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, listing agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;

- (h) to execute, assign, issue, and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease, or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$50,000, provided that the aggregate consideration for all such transactions does not exceed \$100,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required.

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals, or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture, or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. **THIS COURT ORDERS** that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being “**Persons**” and each being a “**Person**”) shall forthwith advise the Receiver of the existence of any Property in such Person’s possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the “**Records**”) in that Person’s possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems

expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names, and account numbers that may be required to gain access to the information.

7. **THIS COURT ORDERS** that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

8. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

9. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. **THIS COURT ORDERS** that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any “eligible financial contract” as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

11. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate, or cease to perform any right, renewal right, contract, agreement, licence, or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor’s current telephone numbers, facsimile numbers, internet addresses, and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or

such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

13. **THIS COURT ORDERS** that, without limiting the generality of the foregoing, no insurer providing insurance to the Debtor or its directors or officers shall terminate or fail to renew such insurance on the existing terms thereof provided that such insurer is paid any premiums, as would be paid in the normal course, in connection with the continuation or renewal of such insurance at current prices, subject to reasonable annual increases in the ordinary course with respect to such premiums.

RECEIVER TO HOLD FUNDS

14. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver ("**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

15. **THIS COURT ORDERS** that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

16. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a “**Sale**”). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

17. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession, or management (separately and/or collectively, “**Possession**”) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release, or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation, or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (“**Environmental Legislation**”), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver’s duties and powers under this Order, be deemed to

be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

18. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

19. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge ("**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges, and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

20. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

21. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such

amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

22. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge ("**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges, and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

23. **THIS COURT ORDERS** that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

24. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto ("**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

25. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

26. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (“**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <https://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL ‘●’.

27. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, or facsimile transmission to the Debtor’s creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery, or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

28. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

29. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

30. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United

States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

31. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

32. **THIS COURT ORDERS** that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

33. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

34. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Toronto time on the date of this Order, and this Order is enforceable without the need for entry and filing.



A handwritten signature in blue ink, appearing to be 'RAJ', is written above a horizontal line.

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that MNP Ltd., the receiver (in such capacity, "**Receiver**") of the assets, undertakings and properties of Riverside Professional Centre Inc. ("**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof, which property includes, without limitation, the leasehold interest in real property municipally known as 1919 Riverside Drive, Ottawa, Ontario, and legally described as PT LT 16, CON JG, PTS 1 & 2, 5R12853, Ottawa, being all of PIN 04201-0147 (LT), together with the freehold interest in the building located on such real property (collectively, "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) ("**Court**") dated the 29th day of October, 2021 ("**Order**") made in an application having Court file number CV-21-00668726-00CL, has received as such Receiver from the holder of this certificate ("**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20__.

MNP Ltd. solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

THE MANUFACTURERS LIFE
INSURANCE COMPANY
Applicant

and

RIVERSIDE PROFESSIONAL CENTRE INC.
Respondent

Court File No.: CV-21-00668726-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

Proceeding commenced at Toronto

**ORDER
(Appointing Receiver)**

MILLER THOMSON LLP

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Lawyers for the Applicant

APPENDIX B



AGREEMENT TO SELL

This is an EXCLUSIVE AGREEMENT TO SELL BETWEEN:

MNP Ltd., in its capacity as court-appointed receiver of Riverside Professional Centre Inc. (the “**Debtor**”) and not in its personal capacity and without personal or corporate liability (the “**Receiver**”)

AND: Colliers Macaulay Nicolls Inc. (the “**Broker**”)

RE: THE MARKETING AND SALE OF THE DEBTOR’S LEASEHOLD INTEREST IN REAL PROPERTY LOCATED AT 1919 RIVERSIDE DRIVE, OTTAWA, ONTARIO (the “**Property**”)

BROKER:	Colliers Macaulay Nicolls Inc.
AGENTS:	Michael Pyman, Vice President & Jordan Lovett, Senior Sales Representative
SELLER:	MNP Ltd. in its capacity as Receiver of Riverside Professional Centre Inc. and not in its personal capacity and without personal or corporate liability
ADDRESS:	In consideration of the listing for the property known as: 1919 Riverside Drive, Ottawa, Ontario
LEGAL:	Please see the attached Schedule ‘A’, last page of this agreement
EXPIRY DATE:	<p>IN CONSIDERATION OF the Broker agreeing to offer for sale, to market and to assist the Receiver in negotiating and closing the sale of the above Property, the Receiver hereby gives the Broker the sole and exclusive authority to provide marketing and/or advisory services on the terms and conditions as stated in this agreement (the “Agreement”).</p> <p>The Broker shall have the sole and exclusive authority, until the termination or expiration of this Agreement, or the discharge of the Receiver, to market the Property for sale on behalf of the Receiver, to solicit offers for the purchase of the Property and to negotiate with prospective purchasers, as deemed necessary to transact the mandate and subject in each case to the approval of the Receiver in accordance with the terms of the sale process attached hereto as Schedule “A” (the “Sale Process”). To the extent of any conflict or inconsistency between this Agreement and the Sale Process, the Sale Process shall govern.</p> <p>This Agreement shall be in effect until the earlier of the discharge of the Receiver or May 30, 2022, or such later date as may be mutually agreed upon between the parties in writing (“Term”). Notwithstanding anything contained herein to the contrary, all obligations, liabilities and/or responsibilities of the Receiver shall come to an end immediately upon the discharge of the Receiver.</p>
COURT APPROVAL:	The Broker acknowledges that the Sale Process and any sale of the Property will require the approval of the Ontario Superior Court of Justice (Commercial List) (the “ Court ”) and that any purchase agreement must be on an “as is, where is” basis and conditional upon approval of the Court on terms acceptable to the Receiver.
“AS IS WHERE IS”	The Property is being offered for sale on an “as is, where is” basis and without recourse to the Receiver. The Receiver makes no representation, warranty or condition, either expressed or implied, in respect of the Property whatsoever; including, without limitation, as to the condition, functionality or fitness for any purpose of the Property; the right of the Receiver to transfer title; the existence, validity, enforceability or priority of an encumbrances on or in any way affecting the Property; or, as to the title to, enforceability of, restrictions upon, existence and terms of rights of any third parties to the Property. Any purchaser will be required to satisfy itself as to the state of the Property, matters of title and any other matter or potential matter related thereto or any other matter related to the Property.

DEFINITION AND INTERPRETATIONS:	For the purpose of this Agreement, "Seller" includes vendor and a "buyer" includes a purchaser or a prospective purchaser. A purchase shall be deemed to include the entering into of any agreement to exchange or sell or transfer shares or assets. "Real Property" includes real estate as defined in the Real Estate and Business Brokers Act (2002). The "Property" shall be deemed to include any part thereof or interest therein. A "real estate board" includes a real estate association. This shall be read with all changes of gender or number required by the context. For purposes of this Agreement, anyone introduced or shown the property shall be deemed affiliated corporations shall include any corporation where one half or a majority of the shareholders, directors or officers of the related or affiliated corporation are the persons as the shareholders, directors, or officers of the corporation introduced or shown the property.
PRICE:	Unpriced Offering
FORM OF PURCHASE AGREEMENT	Interested purchasers will be required to submit their offer in the form of the Receiver's template Asset Purchase Agreement (to be available in the data room), along with a deposit transferred to the Receiver's trust account in accordance with the terms of the Sale Process.
SIGN:	The Broker shall have the sole and exclusive right to place a "FOR SALE" sign upon the Property during the currency of this listing or any renewal thereof. Yes: No: X
INTERNET:	The Broker shall include the listing information pertaining to the subject Property on the Colliers International Website or on any other best of class listing service in this marketplace that the Receiver deems appropriate.
OBLIGATIONS OF THE BROKER:	<p>1) The Broker shall act as advisors and agents to the Receiver only within the terms of this Agreement and shall have no authority to bind the Receiver. The Broker acknowledges that this Agreement authorizes the Broker to market the Property, in accordance with the Sale Process only and does not give the Broker authority to represent the Receiver in any other matter or capacity and, in particular, does not authorize the Broker to enter into any agreement on behalf of the Receiver.</p> <p>2) As part of the Sale Process, the Broker shall prepare a non-confidential Teaser and a Confidential Information Memorandum ("CIM") that describe the salient attributes of the Property. The Broker agrees that the CIM and all other all marketing materials to be used by the Broker are to receive the prior written approval of the Receiver as to form and content and that same will not be issued without such approval and, in the case of the CIM, unless the recipient has executed a confidentiality agreement approved in writing by the Receiver.</p> <p>3) The Broker shall at all times keep the Receiver fully informed of its activities and shall provide weekly verbal reports and bi-weekly written reports (or more frequently if required by the Receiver) to the Receiver, detailing marketing activities and including copies of all marketing materials, a contact list (the "Contact List") setting out the names of all parties to whom marketing materials have been sent or who have been notified of the availability of the Property for sale, and such other information as the Receiver may request. The Broker shall provide the Receiver with a final report (including an updated Contact List) within ten (10) days of any termination of this Agreement.</p> <p>4) The Broker agrees that any and all costs associated with the marketing and/or advertising of the Property for sale in excess of \$5,000, including the preparation of the Teaser, the CIM and other promotional materials, are to be for the account of the Broker and not the responsibility of the Receiver.</p> <p>5) The Broker acknowledges that the Receiver is acting in its capacity as Receiver of the Debtor pursuant to an order of the Court made on October 29, 2021 (the "Order") and agrees that it shall have no personal or corporate liability under this Agreement. The Broker further acknowledges that the Receiver is offering the Debtor's interest in the Property for sale as authorized pursuant to the Order and that any sale of the Debtor's interest in the Property shall be subject to an order of the Court approving such sale.</p> <p>6) The Broker acknowledges and agrees that the Receiver shall be under no obligation whatsoever to accept any offer from any prospective purchaser of the Property. The Receiver is not obliged to accept the highest or best, or any offer (except the Stalking Horse Bid, as defined in the Sale Process).</p> <p>7) The Broker shall indemnify and hold the Receiver harmless from any and all claims, losses, damages, liabilities and costs, including legal fees, resulting from the Broker's unauthorized or unlawful actions or related to or arising from claims made by any other broker, agent or third party for compensation in connection with the sale of the Property, as a result of representations made or agreements entered into by the Broker. This indemnity shall survive the termination or expiration of this Agreement.</p>

<p>DISCLOSURE:</p>	<p>All marketing materials that are distributed will contain the following disclaimers.</p> <ol style="list-style-type: none"> 1) The Property is being sold on an “as is, where is” basis. 2) This document has been prepared by and is being delivered to prospective purchasers to assist them in deciding whether they wish to acquire the Property. This document does not purport to be all-inclusive or to contain all the information that a prospective purchaser may require in deciding whether or not to purchase the Property. This document is for information and discussion purposes only and does not constitute an offer to sell or the solicitation of any offer to buy the Property. The document provides information relating to certain of the physical, locational and financial characteristics of the Property. 3) The information on which this document is based has been obtained from various sources. The Receiver and the Broker make no representations, declarations or warranties, express or implied, as to the accuracy or completeness of the information or statements contained herein or otherwise and such information should not be relied upon by prospective purchasers without independent investigation and verification. The Receiver and Broker expressly disclaim any and all liability for any errors or omissions in the document or any other written or oral communication transmitted or made available to prospective purchasers. 4) If any information relating to the Property, in addition to the information provided in this document, is provided at any time, orally or otherwise, by the Receiver or the Broker, or any of their respective representatives, such information is provided as a convenience only without representation or warranty as to its accuracy or completeness and such information should not be relied upon by prospective purchasers without independent investigation and verification. 5) Prospective purchasers will not use or permit this document to be used in any manner detrimental to the interests of the Receiver, the Broker or their affiliates or for any other purpose other than a proposed purchase of the Property. 6) The information contained in this document is confidential and is not to be used for any purpose other than evaluation of the Property.
<p>FEE:</p>	<p>In the event the Broker sells the Property to the Ottawa Hospital or any of its affiliate companies / shareholders, the Receiver agrees to pay the Broker a fee equal to 1% of the gross sale price on any sale + HST as well as any marketing cost incurred by the listing brokerage in relation to the sale of the above noted Property, to an upside limit of \$5,000.</p> <p>In the event the Broker sells the Property to anyone other than the Ottawa Hospital or any of its affiliate companies / shareholders the Receiver agrees to pay the Broker a fee equal to 2% of the gross sale price on any sale + HST.</p> <p>In the event the Receiver authorizes the Broker to co-operate with any other broker and share information contained in the published listing with any broker, the Receiver agrees to pay an override of 1% equaling a total fee equal to 3% of the gross sale price + HST. Any fee payable to any Co-operating Broker shall be paid by the Receiver out of the fee which the Receiver pays the Broker and shall be disbursed in accordance with the commission trust agreement provisions. The fee breakdown will go as follows should a co-operating brokerage be involved: Colliers Macaulay Nicolls Inc. 2% from the sale price & the Co-Operating Brokerage 1% from the sale price.</p> <p>Any fees payable under this Agreement shall be deemed to have been earned, only upon successful completion of the sale of the Property pursuant to an offer to purchase accepted by the Receiver and approved by an order of the Court that is final and unappealable, during the Term or within the Holdover Period (see next section).</p>
<p>HOLDOVER PERIOD:</p>	<p>The Receiver agrees that during the currency of this agreement all enquiries from any source whatsoever shall immediately be referred to the Broker. All Offers to Purchase submitted to the Receiver are to be immediately brought to the Broker’s attention before the Receiver accepts or rejects the same.</p> <p>If within <u>120 Days</u> of expiry of this Agreement, there is a sale of the Property by the Receiver, or by anyone on the Receiver’s behalf to anyone who during the currency of this Agreement, has been made aware of the Property through marketing activities by the Broker or its co-operating brokers and/or with whom the Broker or its co-operating brokers had discussions or other communications regarding the Property and/or to anyone to whom the Broker or its co-operating brokers may have shown the Property, the Receiver agrees to advise the Broker immediately of such and to pay the applicable “Fee” (as described above) to the Broker upon the completion of the sale or on the signing of the lease by the Landlord and Tenant upon possession, whichever occurs first. If within such period, the Receiver grants its listing Agreement to a registered broker and the Property is sold or leased under such listing agreement the Receiver’s liability for payment of a commission will be Limited to that broker only.</p>

ELECTRONIC COMMUNICATION:	This Agreement and any agreements, notices or other communications contemplated thereby may be transmitted by means of electronic systems, in which case signatures shall be deemed to be original. The transmission of this Agreement by the Seller by electronic means shall be deemed to confirm the Seller has retained a true copy of the Agreement.
SUCCESSORS AND ASSIGNS	This Agreement shall enure to the benefit of and be binding upon each of the Receiver, and the Broker and their respective successors and assigns. The Broker shall not have the right to assign this Agreement without the Receiver's consent which consent may be unreasonably withheld.
GOVERNING LAW	The laws of Ontario and the laws of Canada applicable therein shall govern this Agreement and the courts of Ontario shall have exclusive jurisdiction in connection with any disputes under this Agreement.
<u>THIS AGREEMENT HAS BEEN READ AND FULLY UNDERSTOOD BY THE PARTIES HERETO.</u>	
Dated at Ottawa this ___ day of _____, 2021.	

**Signature Page follows.

DRAFT



IN WITNESS where of I have hereunto set my hand and seal

NAME

PLEASE PRINT

SIGNATURE OF WITNESS | PRINTED NAME

SIGNATURE OF OR SIGNING OFFICER DATE

MNP LTD. in its capacity as Receiver of all of the assets, undertakings and properties of Riverside Professional Centre Inc., and not in its personal capacity

NAME

PLEASE PRINT

SIGNATURE OF WITNESS | PRINTED NAME

COLLIERS MACAULAY NICOLLS INC.

DATE

DRAFT



SCHEDULE A

PT LT 16, CON JG , PTS 1 & 2, 5R12853 ; OTTAWA ; SUBJECT TO AN EASEMENT IN FAVOUR OF ROGERS OTTAWA LIMITED/LIMITEE AS IN OC166375

DRAFT



APPENDIX C

Brad Walford
Retail Investment Group
Senior Vice President

Nico Zentil
National Investment Team
Senior Vice President

CBRE Limited
2005 Sheppard Avenue East
Suite 800
Toronto, ON M2J 4Z8
416 495 6215 Tel
416 494 6435 Fax

November 11, 2021

Mr. Sheldon Title
MNP Ltd.
111 Richmond St W, Suite 300
Toronto, ON M5H 2G4

Dear Mr. Title,

Thank you for the opportunity to present this strategic proposal for the leasehold interest sale of 1919 Riverside Drive in Ottawa, Ontario (the "Property"). The Property represents a strategically located medical office property offering investors value-add potential through a lease-up program and/or repositioning. Notwithstanding this, there are several complex obstacles that will need to be addressed when considering how to best position the asset for sale and through a marketing process. This Letter will set out a number of strategy related considerations taking this into account as well as touch on the most optimal program to achieve a successful result.

PROPERTY DETAILS

The Property is a 48,582 sq. ft. medical office building that sits on a 1 acre parcel of land within the Ottawa Hospital Riverside Campus. The asset is under a land lease with the Ottawa Hospital who have a right of first refusal to acquire the leasehold interests. The building is currently 35% vacant which may be partly due to a program at the Hospital that provides privileged physicians with free office space in exchange for teaching responsibilities. It is also our understanding that the current land lease has 15 years of remaining term and there is an option to extend for an additional 49 years, but there are questions whether that renewal option has been nullified due to a default in lease obligations.

STRATEGY & NEXT STEPS

Determine Validity of Renewal Option: The most critical element of determining the best way to proceed with a disposition is the question surrounding the renewal option. With only a 15-year lease term, the marketability and liquidity of the asset is significantly diminished, and the value will be much lower.

Scenario 1 – No Option to Renew: If it is determined that the option to renew is no longer available, we would recommend negotiating a sale with the Hospital based on the value of the remaining 15-year rental income. CBRE will coordinate with our Valuations Group to assist in providing a market value of the remaining lease term by using a discounted cash-flow approach based on other land lease transactions.

Scenario 2 – Option to Renew is Preserved: If the option to renew is preserved we would recommend a competitive sales process to ensure market value is established whether the Hospital's right of first refusal is exercised or not. To ensure this process maximizes value and deal certainty, we will take the following steps:

- *Extensive Underwriting and Lease Review* – Contrary to Scenario 1 with only a 15-year lease term, we will be able to apply a cap rate to value the asset since there is significant lease term available. Our team will still need to underwrite the asset in a similar fashion to ensure potential buyers can rely on solid information and limit disruptions in the due diligence process. We will also provide pricing guidance after this process is complete prior to marketing the Property.
- *Craft Story Around Lease-Up/Repositioning Potential* – We will need to defend against the trend of physicians leaving the building to take advantage of the program being offered by the Hospital. Exploring potential tenants that are ancillary to the Hospital but fall outside the 'privileged physician' category (i.e.,

physiotherapy, chiropractors, naturopathic uses) and non-medical office uses will be helpful in defending against the trend of physicians vacating the Property.

- *Offer Break-Fee to Off-Set Concerns of ROFR*: One of the common challenges to a 'stalking horse' sales process is that Buyers are hesitant to engage if they expect the ROFR will be exercised. To entice Buyers to participate in the sale process, a break-fee can be beneficial.
- *Modified Tendered Process* – We recommend implementing a bid date for this sale process, so we are positioned to compare all bids and generate competitive tension where possible. For an offering of this nature, we recommend a marketing period of 30-45 days and we will need to be mindful of the holiday season in late December.
- *Data Room to Help Reduce Conditionality*: During the marketing campaign, we will allow interested parties that sign confidentiality agreements access to a data room to review all relevant property information putting them in a position to bid unconditionally.

CONCLUSION

Although leasehold interests are more difficult to sell than traditional freehold sales, there is tremendous potential to increase the rental income at 1919 Riverside Dr and if the option to renew can be preserved, we believe the Property will be very marketable. The recent trend of high vacancy which may be a result of the privileged physician program at the Hospital, will undoubtedly be a challenge that we will need to overcome, but the Property still has potential with ancillary or non-medical uses that we will highlight during our marketing process. We are confident that the use of a break-fee will be integral in generating interest in the offering as we have had success in using this tool in the past. The team we have assembled at CBRE has extensive experience in distressed sales and have a proven track record in the Ottawa office market. We understand the importance of strong reporting with transparency and accountability in court appointed sales and are well positioned to overcome the several complexities this file has to offer. Thank you again for the opportunity to provide this strategic proposal. Please let us know if anything else will be required.

Sincerely,



Brad Walford
Senior Vice President
416-495-6241
brad.walford@cbre.com



Nico Zentil
Senior Vice President
613-788-2708
nico.zentil@cbre.com

Brad Walford
Retail Investment Group
Senior Vice President

Sean Comiskey
Retail Investment Group
Senior Vice President

Nico Zentil
National Investment Team
Senior Vice President

CBRE Limited
2005 Sheppard Avenue East
Suite 800
Toronto, ON M2J 4Z8
416 495 6215 Tel
416 494 6435 Fax

November 24, 2021

Mr. Sheldon Title
MNP Ltd.
111 Richmond St W, Suite 300
Toronto, ON M5H 2G4

Dear Mr. Title,

The purpose of this letter is to provide an opinion of value for the leasehold interests of the Property located at 1919 Riverside Dr in Ottawa.

PROPERTY DETAILS

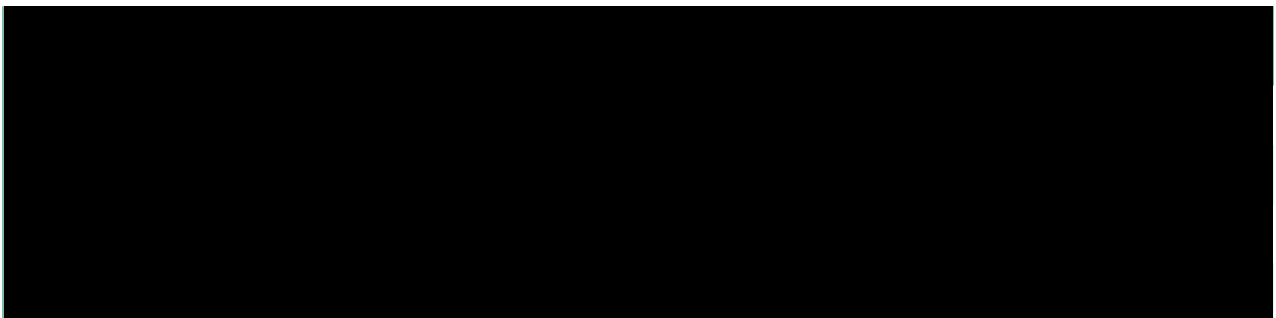
The Property is 48,582 sq. ft. medical office building sitting on 1 ac. of land. The Property is well located within the Ottawa Hospital Riverside Campus and is occupied by a diverse roster of medical tenant. The building is currently 35% vacant and is generating a Net Operating Income of approximately \$575,000 per year.

APPROACH TO VALUE

Considering this asset is the leasehold interest of the existing building, the most appropriate approach to value is the income/cap rate approach. Although there is significant vacancy, it is difficult to attribute a value this space based on a leasehold acquisition since there is no underlying value beyond the land lease term. Also, if we are approaching this valuation in terms of a potential sale, basing today's value on projected income rather than in place income will significantly impact the liquidity of the asset. Therefore, we are most focused on the cap rate approach to value using the current income with the existing vacancy.

RELEVANT TRANSACTIONS

We have identified the following transactions to establish a market cap rate for office buildings in the Ottawa market:



The three transactions above were freehold sales. After discussing with our valuations group about the difference in cap rate for leasehold interest compared to a freehold sale, it was recommended that a leasehold sale should be in the range of 100 basis points higher than a freehold sale, **translating to a cap rate in the range of [REDACTED] for the subject Property.**

To help provide further context to value, we can also consider the value of vacant office product in the Ottawa market since the Subject Property has significant vacancy. There are limited vacant office sales in the Ottawa area, but our team recently sold a [REDACTED] office building at [REDACTED] which is in close proximity to the Subject Property.

VALUATION

The most appropriate approach to value for the Subject Property is the income/cap rate approach:

[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

This value range is also consistent with the per sq. ft. value achieved in the vacant sale at [REDACTED] which provides further validation of **a value in the range of [REDACTED] for the Subject Property.**

Please let us know if you require anything further.

Sincerely,



Brad Walford
Senior Vice President
416-495-6241
brad.walford@cbre.com



Sean Comiskey
Senior Vice President
416-495-6215
sean.comiskey@cbre.com



Nico Zentil
Senior Vice President
613-788-2708
nico.zentil@cbre.com



Opinion Of Value & Go To Market Strategy

Marketing & Sale Proposal

1919 Riverside Drive, Ottawa, ON

Michael Pyman

Vice President
+1 613 683 2202

Michael.pyman@colliers.com

Jordan Lovett

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Vice President | Broker
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Jeff.Brown@colliers.com





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- 1 **Transaction Team**
- 2 **Market Overview**
- 3 **Property Overview**
- 4 **Location Overview**
- 5 **Property Valuation**
- 6 **Marketing Strategy**



Section 1

Transaction Team

The Colliers Team



Colliers International



Michael Pyman

Vice President

- First point of contact
- Lead listing agent
- Leads procurement and marketing



Jordan Lovett

Senior Sales Representative

- Second point of contact
- Cold calls and prospecting
- Supports procurement and marketing



Jeff Brown

Vice President | Broker

- Third point of contact
- Cold calls and prospecting
- Supports procurement and marketing



Lisa Paquette

Brokerage Project Specialist

- Segment target marketing with key messaging
- Develop custom tools and tactics
- Execute communication plan



Alison Collins

Marketing Coordinator

- Development of marketing materials
- Assist in implementation marketing strategy
- Local and national advertising campaign



Warren Wilkinson

Managing Director

- Ensure company resources fully support marketing efforts
- Keeping team accountable based on commitments made
- Support team approach

Office Track Record



1 1525, 1545, 1565 Carling Avenue

Type of Asset: Office
Client (Vendor): bclMC Realty Corp.
Sale Price: \$56,500,000



2 CANFIRST Portfolio

Type of Asset: Office/Industrial
Client (Vendor): CANFIRST Capital Management
Sale Price: \$56,350,000



6 485 Industrial Avenue

Type of Asset: Office/ Industrial
Client (Vendor): International Union of Painters & Allied Trades DC 46 or Nominee
Sale Price: \$7,400,000



7 15 & 17 Fitzgerald Road

Type of Asset: Office
Client (Purchaser): Kenchris Realty Holdings Inc.
Sale Price: \$5,045,000



8 8 Colonnade Road

Type of Asset: Office
Client (Vendor): Mark Porter, In Trust
Sale Price: \$4,000,000



3 1870 Alta Vista Drive

Type of Asset: Office
Client (Vendor): CMA Jule Inc.
Sale Price: \$31,600,000



9 881 Lady Elen Place

Type of Asset: Office/Industrial
Client (Vendor): Canadian Bank Note Company Ltd.
Sale Price: \$3,788,000



4 72 Laval Street

Type of Asset: Office
Client (Purchaser): Huntington Properties
Sale Price: \$18,500,000



10 5335 Canotek Road

Type of Asset: Office/ Dev. Land
Client (Vendor): Standard Life Assurance Company of Canada
Sale Price: \$3,370,000



5 301 Laurier Avenue

Type of Asset: Office
Client (Vendor): Unifor
Sale Price: \$8,075,000

A person in a white shirt and tie is shown from the chest down, holding a tablet in their left hand and a silver pen in their right hand. They are looking at the tablet. In front of them is a clipboard with several sheets of paper containing charts and graphs. The background is a blurred office setting. The image is partially overlaid by a dark blue rectangle on the right side, which contains the text 'Section 2' and 'Market Overview'.

Section 2

Market Overview

Office Snapshot

For the first time since the onset of the COVID-19 pandemic in Q1 2020, Ottawa's office market saw increased leasing activity this quarter, which resulted in positive absorption and decreased vacancy and availability rates for the Downtown and Suburban markets. Overall vacancy decreased by 34 basis points (bps) to 9.3%, while availability decreased by 61 bps to 11.4% in Q3 2021.

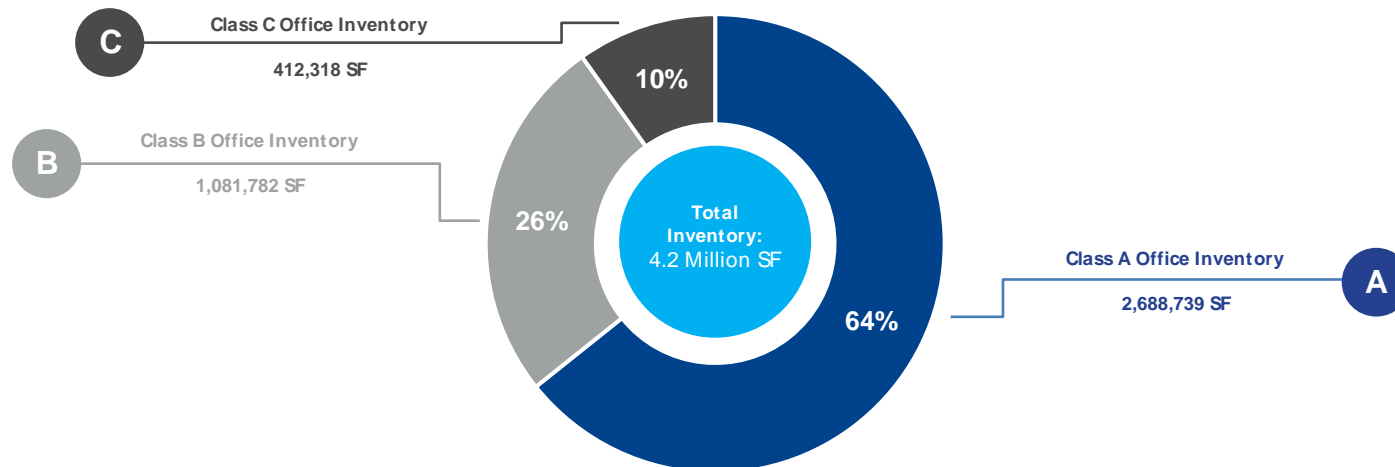
The East Ottawa Office market comprises 60 Buildings totaling approximately 4.2 million SF of office space. This represents 10.1% of Ottawa Metro's total inventory. In Q3 2021, With the East Ottawa region boasting the largest building count in the Ottawa area, availability rates in this submarket are among the least affected in the city. With an increase of 120 basis points year-over-year from 6.7% to 7.9% for all Office classes combined (A, B and C).

The Class A market in East Ottawa consists of more than 2.6 million SF or approximately 64.3% of the total competitive inventory in this sector. The Class A direct availability rate stands at 20.9% in Q3 2021, with an asking Net Rental Rate of \$16.51 PSF.

A total of 560,888 SF of Class A office is currently available for lease, and only 16,969 SF is available for sublease. The Class B market faced an availability rate of 7.4%, with 72,288 SF of direct available space remaining. The average asking Net Rental Rate among "B" class assets currently sits at \$13.15 PSF. With respect to the movement of tenants, the East submarket saw an overall 9,716SF of net absorption, with Class A properties posting negative absorption of 6,400SF. In contrast, Class B properties experienced 11,222SF of absorption.

As double-vaccination rates rose quickly during the early summer months, more tenants began to think about shifting their focus from a work-from-home model to a hybrid return-to-office model. As a result, some tenants retained their office space – removing it from the sublet market – while others leased new optimal-sized spaces. The Federal Government remains quiet about their plans, and many tenants are waiting to see what they do before moving forward on their plans. However, as COVID-19 case counts increased towards the end of Q3 2021, many companies have pushed their return-to-office plans to Q1 2022.

East Ottawa Inventory by Class

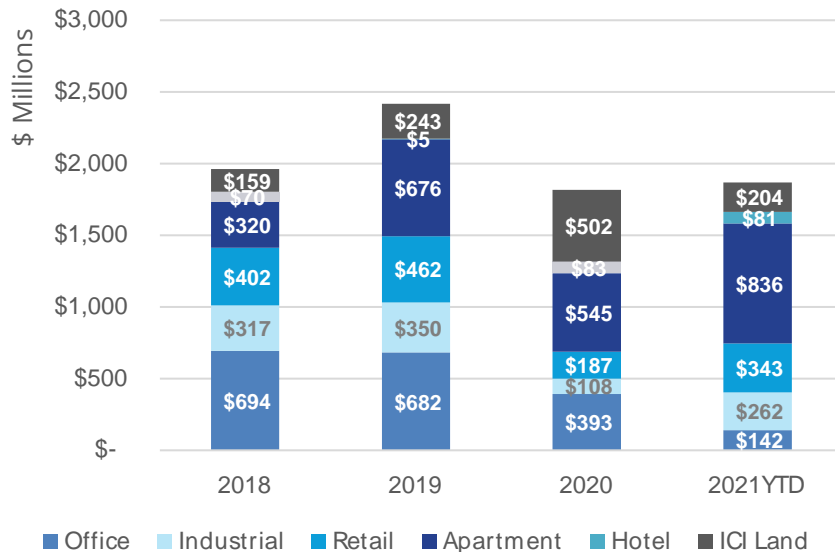


Investment Overview

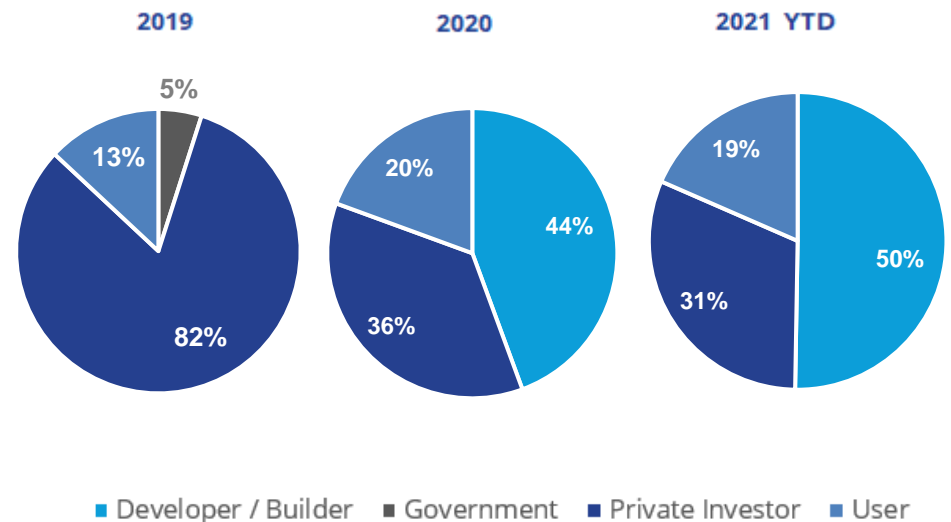
Investment Highlights

- Ottawa experienced record high sales volumes in 2019 with a total of \$2.39B
- Transaction volumes in 2020 were down 25% compared to the previous year as the COVID-19 pandemic disrupted investments in the Ottawa market
- Transaction volumes in the first three-quarters of 2021 have already surpassed 2020 levels
- Demand for industrial, purpose-built rental apartment, and development land (industrial and residential) continues to be strong, while demand for office assets is muted given the continued uncertainty surrounding a post-pandemic economic recovery and its impact on pricing
- Private Canadian Investor trading has dominated the marketplace since 2019 and through 2021

Ottawa Investment Value



Ottawa Buyer Profile





Section 3

Property Overview

1919 Riverside Drive
Ottawa, ON



Building Specifications



Address	1919 Riverside Drive, Ottawa, ON
Building Location	Located on the Ottawa Hospital, Riverside Campus with direct access to the hospital via an attached breezeway.
Legal Description	PT LT 16, CON JG , PTS 1 & 2, 5R12853 ; OTTAWA ; SUBJECT TO AN EASEMENT IN FAVOUR OF ROGERS OTTAWA LIMITED/LIMITEE AS INOC166375
042010147	041650674
Type of Space	Medical Office
Building Size	48,582 SF
Land Size	1.0 Acre
Year Built	1991
Zoning	I2 F (1.0) – institutional Zone
Parking	300 car surface parking

A person in a white shirt and tie is holding a tablet in their left hand and a pen in their right hand, pointing at a clipboard with various charts and graphs. The background is a dark blue gradient.

Section 5

Property Valuation



Property Valuation

1919 Riverside Drive
Ottawa, ON

Property Valuation



In estimating the market value of the Property, Colliers used our recent experience in marketing office assets of similar scale as well as our industry-leading investment sales experience.

Given the property is tenanted both the **Direct Comparison and Income Approaches** to value will be utilized.

A 10 year DCF, Direct Capitalization and Direct Comparison Approach have been completed and retained for the file. Most weight has been given to the DCF and Direct Capitalization approaches, given that the property is partially leased.



Summary and Conclusions

- Selected specialized office and medical office transaction were reviewed and produced a wide range of values per square foot. Adjustments were made vis-a-vis the subject property to account for differences and the market value range per square foot tightened substantially and into the [REDACTED] of building area. This resulted in a market value range of [REDACTED] (rounded).
- A stabilized pro forma Income Statement was developed assuming a stabilized occupancy of [REDACTED]. The Net Operating Income was then capitalized using a market derived capitalization rate ranging from [REDACTED]. After which adjustments were made to the capitalized value to account for loss rent and recoveries, tenant inducement charges and leasing commissions that would be required to get the property to a stabilized occupancy. The market value range under these assumptions resulted in a value of [REDACTED] (rounded)
- It is therefore concluded that a reasonable market value estimate for the property today would range from;
[REDACTED] (rounded)*

* The market value estimate provided has been made under the assumption that the current land lease in place with the Ottawa Hospital is in good standing and will remain in good standing for a potential purchaser.



Potential Purchasers & Limiting Issue

- Given the leasehold nature of the property, coupled with the leasing risk, there will be a select group of buyers from which to draw from. These buyers range from private real estate investment syndicate groups, local family offices, private capital investors, medical investment firms, as well as LP and GP groups of individual doctors forming a partnership. Below are a list of some of the potential purchasers;



- Below are a list of some of the issues faced with marketing the asset. These are by no means exhaustive but are market and asset driven;
 - General lack of desire for office assets during and post covid
 - Uncertainty in the volatility in the lending markets post recovery
 - Inability to obtain typical financing rates and terms given the leasehold interest
 - Inability to obtain standard amorts given the term of the land lease
 - Lack of leasing velocity both in the market and in the asset specifically
 - Potential lack of demand for medical office space, post covid
 - Short term nature of the land lease
 - Uncertainty of the state of the land lease and the ability to renew at the end of term
 - Uncertainty surrounding the asset condition with lack of Building Condition Report



Section 6

Marketing Strategy



Marketing Strategy

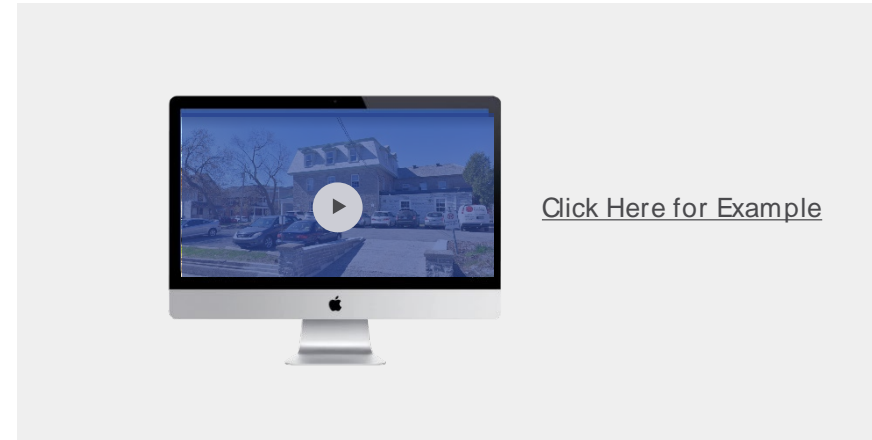
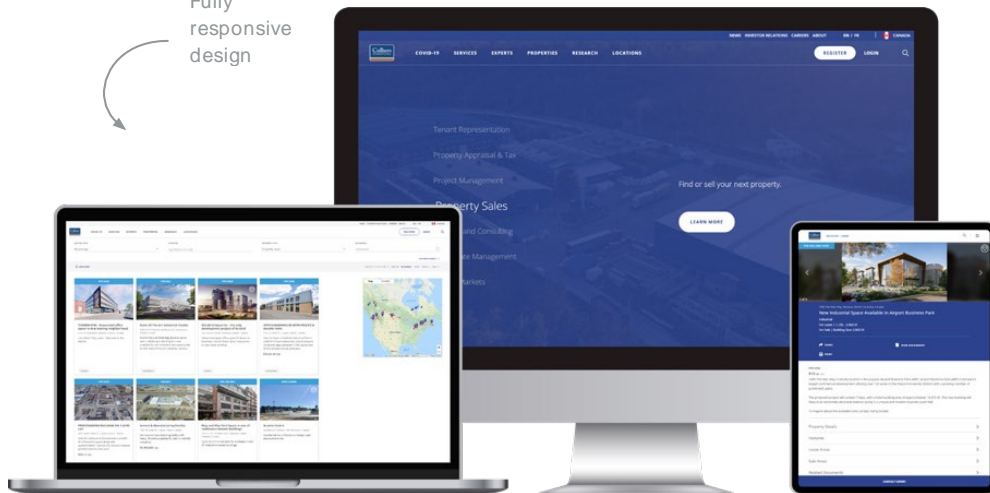
We develop bespoke marketing strategies to maximize interest and set your property apart from its competitive set.

Property marketing has changed. At Colliers, we're leading that change.

In today's world, generic is not enough. Buyers have access to an unprecedented amount of information and options - most of which are available at the click of a button. That's why we're turning up the volume on our design and strategic marketing solutions to ensure your project stands apart from the competition.

Our talented marketing, communications and design professionals are building custom marketing campaigns from the ground up. And guess what? It works. We are proud to represent some of Canada's biggest landlords and developers with award-winning, high-impact marketing campaigns that successfully position assets as clear winners among the sea of options available to tenants and buyers today.

Fully responsive design

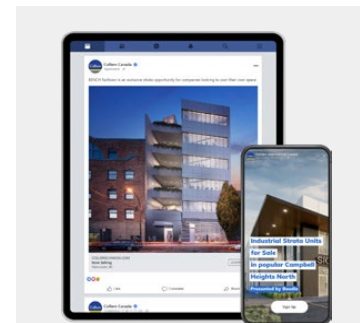


[Click Here for Example](#)

Aerial Property Tours



Brochures



Social Media



Property Signage

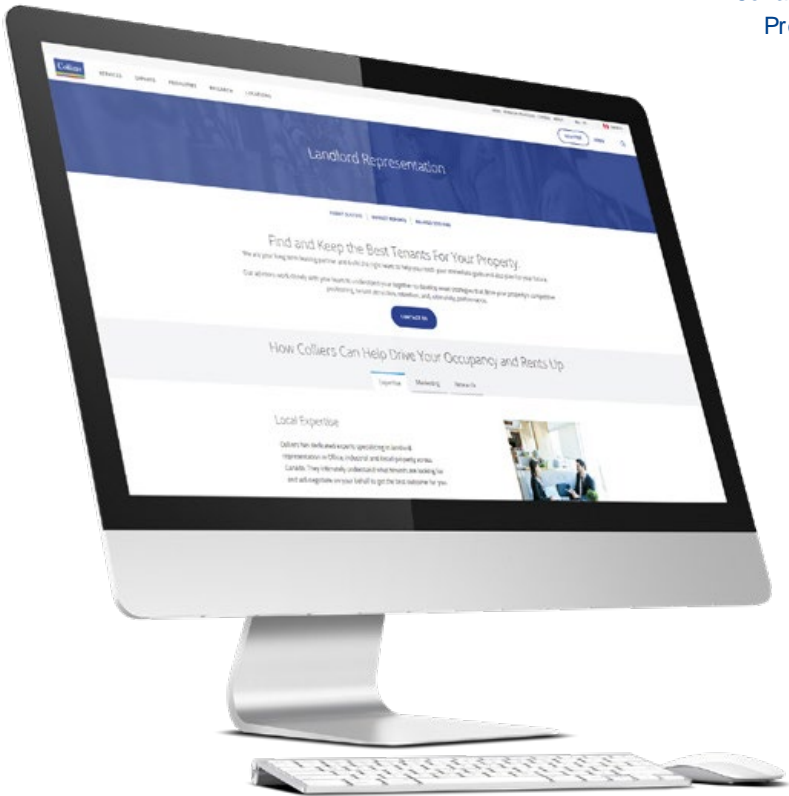













Marketing Tactics

Our property marketing capability is second to none in our industry.

When you market your property with Colliers, we ensure it gets exposure via every possible medium – from print, to web, to mobile. We take your listing to where your targets are – so they get the information they need and you get the response you want.

Property Marketing Fundamentals



-  Collaborative Process
-  MLS Listing
-  Listing on ColliersCanada.com
-  Cold Calling
-  Local Broker Outreach
-  Direct Presentations
-  Project Tours
-  Property Brochure
-  Eye-catching Signage
-  Professional Photography
-  Email Blasts

The #1 ranked CRE website in Canada with ~250,000 visitors per quarter and 30,000+ property searches per month



Project Timeline

Below is the anticipated timeline for the sale of the Property

Throughout the process, we will provide written update reports, advising on the status of the marketing and lease process.



01

02

03

04

05

Project Initiation: Preparation of Marketing Campaign

Prepare advertising and marketing tools, information package

Start Date: November 15th
Duration: 3 weeks

Marketing Launch

Distribution of e-brochure

Initial ad placement

Execution of Marketing Program

Distribution of Info Package to interested parties

Start Date: December 6th
Duration: 5 weeks (due to onset of holidays)

Execution

Expressions of interest

Negotiations

Start Date: January 10th
Duration: 4 weeks

Transaction

Select Buyer

Due diligence activities

Assist in condition waivers

Closing

Start Date: February 7th
Duration: up to 8 weeks
Closing Date: April 4th



Proposed Fee Structure

One goal – maximize sale value!



BROKERAGE FEES

Value Range	§ [REDACTED]
	§ Un-Priced Offering
Success Fee	§ 1% - if Colliers sells the property to the Ottawa Hospital or any of its affiliate companies/shareholders
	§ 2% - if Colliers sells the property to anyone other than the Ottawa Hospital or any of its affiliate companies/shareholders
	§ 3% - if Colliers co-operates (2% to Colliers and 1% to co-operating broker)
Engagement Term	§ 6 months
Expenses	§ Colliers to pay for all marketing costs
	§ The Vendor will be responsible for professional fees such as legal, structural, environmental and title work
Reporting	§ Bi-weekly reporting distributed electronically
	§ Bi-weekly conference call or more frequently, as required during the active marketing process



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Why work with us?

Consider us an extension of your team

Our integrated platform

Occupier Representation

Landlord Representation

Property Sales

Corporate Solutions

Project Management Services

Real Estate Management Services

Valuation & Advisory Services



The knowledge of the team

Our team brings unparalleled market knowledge and substantial previous successes in the area.



Unparalleled access to data

Colliers has a national and centralized Client Relationship Management (CRM+) database consisting of information on thousands of commercial properties across Canada.



Exceptional execution skills

Our talented marketing, communications and design professionals build custom marketing campaigns from the ground up.



Commitment to service excellence

At Colliers, "service" is more than just a word. Colliers' comprehensive client service program is designed to drive customer-focused service throughout our business.



An extension of your team

Our approach is collaborative, nimble and informed by uncommon knowledge. By aligning with your core business needs, we develop and execute customized real estate solutions to support your growth strategy.



Results and process-driven

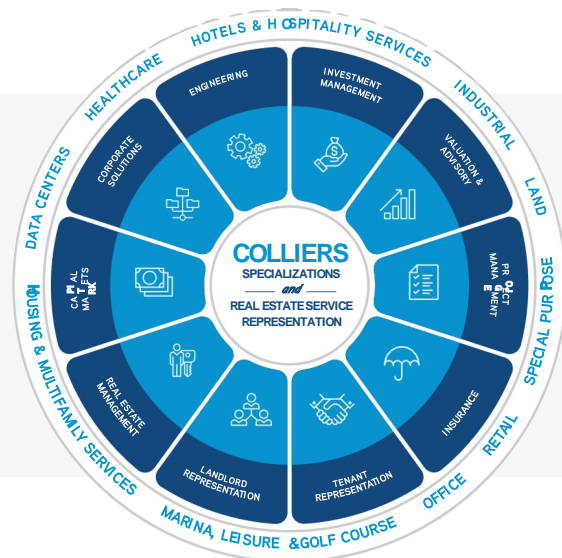
From the first handshake to the last, we understand deal structure and manage the transaction process to minimize disruption, mitigate risk and mediate competing perspectives. You can count on us to stay in the deal, from conducting a great tour to delivering the signed agreement.

Colliers Advantage

Colliers International offers a complete range of services to owners, investors and occupiers on a local, regional, national and international basis. The foundation of our service is the strength and depth of our local specialists. Our clients depend on our ability to draw on years of direct local market experience.

In addition to these sectors, we provide our clients with a deep level of knowledge in specialized industries and product types, such as law, technical facilities, and healthcare.

Colliers International is a leader in global real estate services, defined by our spirit of enterprise. Through a culture of service excellence and a shared sense of initiative, we integrate the resources of real estate specialists worldwide to accelerate the success of our partners — our clients, professionals and communities.



Colliers at a Glance

Revenue
\$3.3B
(US\$)

Established in
68
Countries

Transaction value
\$127B
(US\$)

Managing
2B
(square feet)

Lease/sale transactions
69,000

Assets under management
68

Comprised of
17,000+
professionals

Results matter, but so does your experience.

At Colliers, we believe delivering the best possible service experience for our clients is our most sustainable competitive advantage. We use the Net Promoter Score System (NPS) to ensure that we are held accountable for every single client engagement we undertake. The feedback we receive helps us fine-tune our service delivery and offers our clients an honest impression of what it's really like to do business with us. Colliers Canada is the only commercial real estate brokerage in Canada that employs the NPS system to ensure our employees deliver the highest quality service for our clients.

NET PROMOTER[®]
LOYALTY PARTNER

Our team score

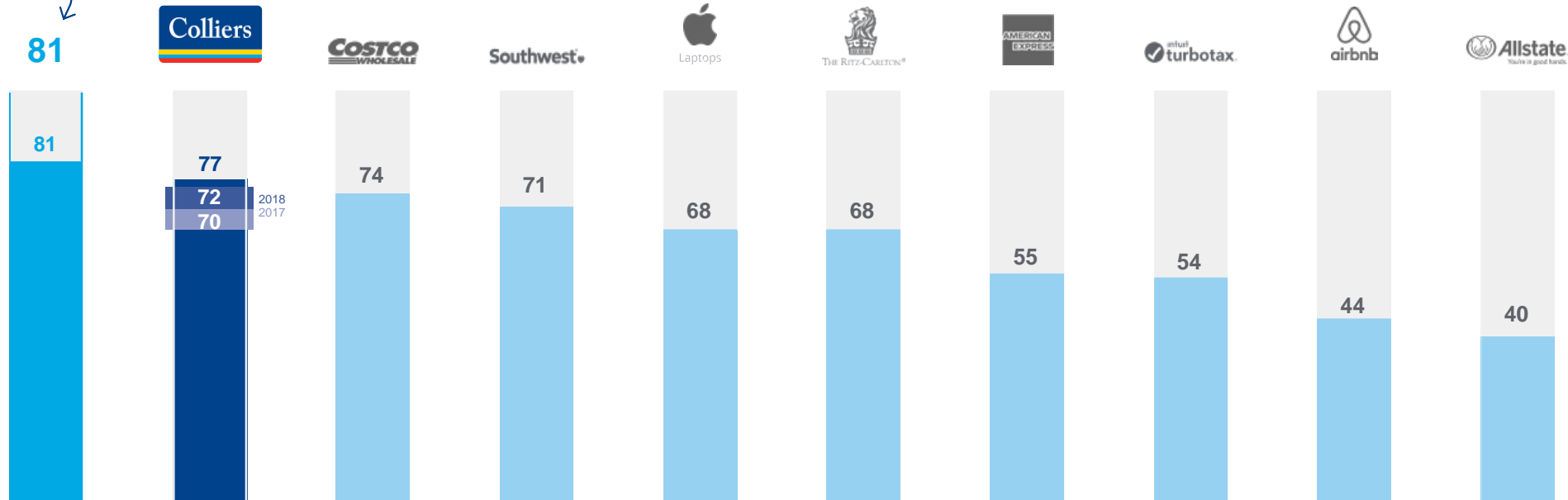
81

How does it work? After a project is completed, our clients are asked one question: On a scale from 1 to 10 how likely are you to recommend Colliers to a friend or colleague? An NPS score is then calculated by taking the percentage of customers who are promoters and subtracting the percentage who are detractors.



Our team score

81





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APPENDIX D

STALKING HORSE ASSET PURCHASE AGREEMENT

This Agreement is made as of the 7th day of December, 2021, among:

MNP LTD., solely in its capacity as Court-appointed receiver of the property, assets and undertaking of Riverside Professional Centre Inc. and not in its personal capacity and without personal or corporate liability

(the “**Receiver**”)

- and –

THE OTTAWA HOSPITAL/L’HOPITAL D’OTTAWA

(the “**Purchaser**”)

WHEREAS on October 29, 2021, MNP Ltd. was appointed receiver of all of the assets, undertaking and property of Riverside Professional Centre Inc. (“**RPCI**”) acquired for or used in relation to a business carried on by RPCI, including all proceeds thereof, which property includes, without limitation, the Real Property as defined herein (collectively, the “**Property**”) pursuant to the order (“**Receivership Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”);

AND WHEREAS pursuant to paragraph 3(j) of the Receivership Order, the Court authorized the Receiver to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

AND WHEREAS the Receiver will seek from the Court the Sale Process Order, *inter alia*, approving the Sale Process and this Agreement as the Stalking Horse Bid in the Sale Process;

AND WHEREAS in the event that this Agreement is selected as the Successful Bid in the Sale Process, and subject to approval of the Court, the Receiver has agreed to sell, and the Purchaser has agreed to purchase, the Purchased Assets on the terms and subject to the conditions set forth in this Agreement;

AND WHEREAS the Purchaser has agreed that its offer contained in this Agreement will act as the Stalking Horse Bid and will continue to be open for acceptance in accordance with the Sale Process approved by the Court.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement and the sum of Two Dollars (\$2.00) paid by each of the Receiver and the Purchaser to the other and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties hereby agree and declare as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

The terms defined herein shall have the following meanings, unless the context expressly or by necessary implication otherwise requires:

“Accounts Receivable” means, except as otherwise provided in this Agreement and subject to Section 3.1, on any date, all accounts and other amounts due, owing or accruing due to RPCI or the Receiver, including all accounts receivable and municipal tax refunds generated in the operation of the RPCI’s business, together with any unpaid interest or fees accrued thereon which are outstanding on such date and the full benefit of all security or collateral for such amounts, including recoverable advances and deposits.

“Affiliate” has the meaning given to the term “affiliate” in the *Business Corporations Act* (Ontario).

“Agreement” means this stalking horse asset purchase agreement, as may be amended from time to time in accordance with the terms hereof.

“Applicable Law” means, in respect of any Person, property, transaction or event, any domestic or foreign statute, law (including the common law), ordinance, rule, regulation, treaty, restriction, regulatory policy, standard, code or guideline, by-law or order, in each case, having the force of law, that applies in whole or in part to such Person, property, transaction or event.

“Approval and Vesting Order” means an order by the Court, among other things, approving and authorizing the Transaction and vesting in the Purchaser (or as it may direct) all the right, title and interest of RPCI in and to the Purchased Assets, substantially in the form of which is attached hereto as Schedule “G”.

“Assumed Obligations” has the meaning set out in Section 2.3.

“Benefit Plans” means all oral or written plans, arrangements, agreements, programs, policies, practices or undertakings of RPCI with respect to some or all of the Employees and which provide for or relate to (i) bonus, profit sharing or deferred profit sharing, performance compensation, deferred or incentive compensation, supplemental retirement arrangements, share compensation, share purchase or share option, share appreciation rights, phantom stock, vacation or vacation pay, sick pay, employee loans, or any other compensation in addition to salary; or (ii) insured or self-insured benefits for or relating to income continuation or other benefits during absence from work (including short term disability, long term disability and workers compensation), hospitalization, health, welfare, legal costs or expenses, medical or dental treatments or expenses, life insurance, accident, death or survivor’s benefits, supplementary employment insurance, day care, tuition or professional commitments or expenses and perquisites or similar employment benefits.

“BIA” means the *Bankruptcy and Insolvency Act* (Canada).

“Books and Records” means all files, documents, instruments, papers, books and records (whether stored or maintained in hard copy, digital or electronic format or otherwise), including tax and accounting books and records, used or intended for use by, and in the possession of, RPCI in connection with the ownership or operation of the Purchased Assets, customer lists, customer information and account records, sales records, computer files, data processing records, sales literature, advertising and marketing data and records, credit records, records relating to suppliers, all electrical, mechanical and structural drawings related to the Building and chattels situate on or forming part of the Purchased Assets, and other data, in each case, relating to the Purchased Assets, and, for greater certainty, excluding the minute books and corporate records of RPCI.

“Break Fee” has the meaning set out in Section 4.2.

“Building” means the medical office building municipally known as 1919 Riverside Drive, Ottawa, Ontario, K1H 7W9 and all improvements and fixtures (other than Tenants’ trade fixtures, if any) therein or thereon, including without limitation all building systems, and all equipment, chattels, furniture and furnishings owned by RPCI and situate in the Building or used for the operation and maintenance of the Building.

“Business” means the business conducted by RPCI, being the operation of the Building.

“Business Day” means a day on which banks are open for business in Toronto, Ontario but does not include a Saturday, Sunday or statutory holiday in the Province of Ontario.

“Claims” means any claim of any nature or kind (including any cross-claim or counterclaim), demand, investigation, chose in or cause of action, suit, default, assessment, litigation, third party action, arbitral proceeding or proceeding by or before any Person.

“Closing” means the successful completion of the Transaction.

“Closing Date” means the date that is fifteen (15) Business Days after the date the Approval and Vesting Order is obtained or such other earlier or later date as may be agreed to in writing by the Parties.

“Closing Time” means 2:00 p.m. (Toronto time) on the Closing Date.

“Court” has the meaning set out in the recitals hereto.

“Deposit” means the payment of Eight Hundred and Fifty Thousand Dollars (\$850,000) in cash by the Purchaser to the Receiver upon execution of this Agreement, to be held in trust by the Receiver in a non-interest bearing trust account and dealt with in accordance with the terms of this Agreement.

“Employee” means an individual who is employed by RPCI, whether on a full-time or a part-time basis, whether active or inactive as of the Closing Date, and includes an employee on short term or long-term disability leave.

“**Encumbrances**” means any security interest, lien, claim, charge, hypothec, reservation of ownership, pledge, encumbrance, mortgage, adverse claim or right of a third party of any nature or kind whatsoever and any agreement, option or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing (including any conditional sale or title retention agreement, or any capital or financing lease).

“**ETA**” means Part IX of the *Excise Tax Act* (Canada).

“**Excluded Assets**” means all of RPCI’s right, title and interest in and to those assets and rights set forth in Schedule “B”.

“**Excluded Liabilities**” has the meaning set out in Section 2.4.

“**Governmental Authority**” means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, court (including the Court), tribunal, commission, stock exchange, bureau, board or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government or securities market regulation.

“**GST/HST**” means the tax imposed by the ETA.

“**Income Tax Act**” means the *Income Tax Act* (Canada).

“**Ground Lease**” means the lease originally entered into among, *inter alia*, The Corporation of the City of Ottawa, as lessor, and Health Development Services Inc., in trust, as lessee, dated September 1, 1989, registered as Instrument Number N530327, the lessor’s interest in which has been subsequently assigned to the Purchaser and the lessee’s interest in which was held, in trust, for RPCI.

“**Leases**” means all leases, subleases, tenancy agreements, occupancy agreements, licences, offers to lease and agreements to lease in respect of any premises within the Building or any part thereof (but for clarity, not the Ground Lease), and all agreements (including without limitation any guarantees and indemnities) in respect of any of the foregoing, in each case as amended, assigned, extended, renewed or otherwise modified from time to time, particulars of which are set out in Schedule F hereto.

“**Litigation**” means all rights in and to the action bearing Court File number 17-74085, commenced in the Ontario Superior Court of Justice in Ottawa.

“**Non-Assignable Interests**” means any Purchased Assets that, by their nature cannot be legally or practically sold and assigned by the Receiver to the Purchaser hereunder.

“**Non-Transferred Employee Liabilities**” has the meaning set out in Section 2.4.

“**Outside Date**” means six months from the date of execution of this Agreement.

“**Parties**” means the Purchaser and the Receiver, and “**Party**” means any one of them.

“Permitted Encumbrances” means those Encumbrances set forth in Schedule “C”.

“Person” means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority or other entity however designated or constituted.

“Property” has the meaning set out in the recitals hereto.

“Property Tax Refund” has the meaning set out in Section 3.4.

“Purchase Price” has the meaning set out in Section 3.1.

“Purchased Assets” means all of RPCI’s right, title and interest, in and to those assets listed in the attached Schedule “A”, but excluding all right, title and interest in and to the Excluded Assets.

“Purchaser” has the meaning set out in the recitals hereto.

“Real Property” means RPCI’s leasehold interest created by the Ground Lease in respect of the lands legally described in Schedule “D” hereto.

“Receiver” has the meaning set out in the recitals hereto.

“Receiver’s Certificate” means the certificate attached to the Approval and Vesting Order and which is to be delivered by the Receiver to the Purchaser at the Closing Time in order to effect the transfer of the Purchased Assets to the Purchaser free and clear of all Encumbrances other than Permitted Encumbrances.

“Receivership Order” has the meaning set out in the recitals hereto.

“Receivership Proceeding” means the proceeding initiated by the Receivership Order.

“Representative” means, in respect of a Party, each director, officer, employee, agent, Affiliate, manager, lender, solicitor, accountant, professional advisor, consultant, contractor and other representative of such Party or such Party’s Affiliates.

“RPCI” has the meaning set out in the recitals hereto.

“Sale Process Order” means an order of the Court substantially in the form attached as Schedule “E”, with such modifications as may be agreed to by the Receiver and Purchaser (each acting reasonably), *inter alia*, approving: (i) this Agreement as the Stalking Horse Bid in the Sale Process, including the payment of the Break Fee; and (ii) the Sale Process.

“Sale Process” means the sale process, including the bidding procedures, to be attached as Appendix “A” to the Sale Process Order, and approved by the Court.

“Stalking Horse Bid” has the meaning set out in the Sale Process.

“**Successful Bid**” means the bid presented by the Successful Bidder for the purchase of the Property in accordance with the Sale Process.

“**Successful Bidder**” has the meaning set out in the Sale Process.

“**Tenants**” means the tenants under the Leases and “**Tenant**” means any one of them.

“**Transaction**” means the transaction of purchase and sale contemplated by this Agreement.

“**Transfer Taxes**” means all present and future transfer taxes, sales taxes, use taxes, production taxes, value-added taxes, goods and services taxes, land transfer taxes, registration and recording fees, and any other similar or like taxes and charges imposed by a Governmental Authority in connection with the sale, transfer or registration of the transfer of the Purchased Assets as a part of the Transaction, including GST/HST but excluding any taxes imposed or payable under the Income Tax Act and any other applicable income tax legislation.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.3 General Construction

The terms “this Agreement”, “hereof”, “herein” and “hereunder” and similar expressions refer to this Agreement and not to any particular section hereof. The expression “Section” or reference to another subdivision followed by a number mean and refer to the specified Section or other subdivision of this Agreement. The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

1.4 Extended Meanings

Words importing the singular include the plural and vice versa and words importing gender include all genders. The term “including” means “including, without limitation,” and such terms as “includes” have similar meanings.

1.5 Currency

All references in this Agreement to dollars, monetary amounts, or to \$, are expressed in Canadian currency unless otherwise specifically indicated.

1.6 Statutes

Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules, regulations and interpretations made under it, as it or they may have been or may from time to time be modified, amended or re-enacted.

1.7 Without Prejudice

This Agreement is made on a without prejudice basis in respect of the Litigation.

1.8 Schedules

The following schedules attached hereto are incorporated in and form part of this Agreement:

Schedule A	-	Purchased Assets
Schedule B	-	Excluded Assets
Schedule C	-	Permitted Encumbrances
Schedule D	-	Legal Description
Schedule E	-	Sale Process Order
Schedule F	-	Leases
Schedule G	-	Approval and Vesting Order

ARTICLE 2 AGREEMENT OF PURCHASE AND SALE

2.1 Purchase and Sale of Purchased Assets

Subject to the terms and conditions of this Agreement, the Receiver hereby agrees to sell, assign, and transfer to the Purchaser, and the Purchaser agrees to purchase from the Receiver, the Purchased Assets free and clear of all Encumbrances (other than Permitted Encumbrances) pursuant to the Approval and Vesting Order.

2.2 “As is, Where is”

The Purchaser acknowledges that the Receiver is selling the Purchased Assets on an “as is, where is” basis as they shall exist as at the Closing Time. The Purchaser further acknowledges that it has entered into this Agreement on the basis that the Receiver does not guarantee title to the Purchased Assets. No representation, warranty, or condition is expressed or can be implied as to title, Encumbrances, description, fitness for purpose, merchantability, condition, quantity, or quality or in respect of any other matter or thing whatsoever concerning the Purchased Assets or the right of the Receiver to sell or assign the same save and except as expressly represented or warranted herein. Without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act* (Ontario), the *Land Titles Act* (Ontario), or similar legislation do not apply hereto and have been waived by the Purchaser. The description of the Purchased Assets contained in the Schedules is for purpose of identification only. The Purchaser hereby acknowledges and confirms that it has conducted to its satisfaction its own independent investigation, analysis and evaluation of the Purchased Assets as it deems necessary or appropriate and that in making its decision to enter into this Agreement and to consummate the transactions contemplated hereby it has and will rely solely on such independent investigation. Except as otherwise provided in Section 5.2, no representation, warranty, or

condition has or will be given by the Receiver concerning completeness or accuracy of such descriptions.

2.3 Assumed Obligations

The Purchaser shall assume and perform, discharge and pay when due all debts, liabilities, and obligations of RPCI arising from ownership and use of the Purchased Assets for the period from and after the Closing Time (“**Assumed Obligations**”), which, for greater certainty, excludes all Excluded Liabilities.

2.4 Excluded Obligations

Other than the Assumed Obligations, the Purchaser shall not assume, and shall not be deemed to have assumed, any liabilities, obligations or commitments of RPCI or of any other Person, whether known or unknown, fixed, contingent, or otherwise, including any debts, Claims, liens, obligations, sureties, positive or negative covenants or other liabilities directly or indirectly arising out of or resulting from the RPCI's ownership of or interest in the Purchased Assets and any business conducted by RPCI, whether pursuant to this Agreement or as a result of the Transaction (collectively, the “**Excluded Liabilities**”). For greater certainty, the Excluded Liabilities shall include, but not be limited to, the following:

- (a) all debts, liabilities, obligations or Claims related to any Benefit Plans, Employees, or any Excluded Asset;
- (b) all debts, liabilities, and obligations related to any Purchased Asset (including without limitation, the Leases) arising out of or related to the period prior to the Closing Time;
- (c) all obligations and liabilities owing by RPCI to any Affiliate;
- (d) all debts, liabilities, and obligations for or related to any obligation for any taxes that are not expressly assumed by the Purchaser;
- (e) all taxes imposed on or relating to the Purchased Assets that are attributable to any pre-Closing tax period whether or not any such period ends on or before the Closing Date (other than any Transfer Taxes);
- (f) any liability, obligation, or commitment resulting from an Encumbrance that is not a Permitted Encumbrance; and
- (g) any liability, obligation or commitment in respect of Claims arising from or in relation to any facts, circumstances, events, or occurrences existing or arising prior to the Closing Time,

provided that notwithstanding Section 2.4(a), it is specifically acknowledged and agreed that nothing herein shall stand as or be interpreted to be a representation, warranty, condition or covenant on the part of the Receiver that the Purchaser may not be pursued or found liable for any liabilities relating to Employees that were not transferred to the Purchaser pursuant to this Agreement, including wages, vacation pay, termination costs, notice of pay in lieu of notice, severance, wrongful and constructive dismissal damages, human rights claim, and all liabilities

pursuant to any Benefits Plan (“**Non-Transferred Employee Liabilities**”) nor any promise or obligation on the part of the Receiver to indemnify or defend the Purchaser from, against or for any Non-Transferred Employee Liabilities or any liability, cost or claim relating thereto.

ARTICLE 3 PURCHASE PRICE

3.1 Purchase Price

The aggregate purchase price (the “**Purchase Price**”) payable by the Purchaser to the Receiver for the Purchased Assets is the sum of Eight Million Five Hundred Thousand Dollars (\$8,500,000) together with all applicable Transfer Taxes in accordance with Section 3.3.

The Purchase Price shall be adjusted as of the Closing Date (with the Closing Date being allocated to the Purchaser) for all items that are adjusted in accordance with usual commercial practice for adjustment between a vendor and purchaser with respect to the purchase and sale of comparable property in Ontario, including, without limitation, rent (including basic rent and additional rent), prepaid rents/security deposits, realty taxes, the Receiver being responsible for all expenses and entitled to all income related to the Purchased Assets in respect of the period prior to the Closing Date and the Purchaser being responsible for all expenses and entitled to all income related the Purchased Assets in respect of the period from and including the Closing Date, in each case except as otherwise provided herein. For clarity, there shall be no adjustment in favour of the Receiver for amounts due but unpaid from any Tenants. The Receiver shall prepare a statement of adjustments and deliver it to the Purchaser not less than two (2) Business Days prior to the Closing Date. If the adjustment amount for any item was an initial adjustment or was omitted from the statement of adjustments at Closing, such item shall be re-adjusted or adjusted, as the case may be, after Closing on or before the date that is three (3) months following the Closing Date.

The Receiver will complete the reconciliation of all realty taxes, operating costs and other sums chargeable to Tenants and make all appropriate adjustments with and payments to Tenants pursuant to all Leases for all years prior to the calendar year in which the Closing Date occurs, which, for greater certainty, shall be December 31, 2021. The Purchaser will be responsible for completing the reconciliation of all realty taxes, operating costs and other sums chargeable to Tenants and for making all appropriate adjustments with and payments to Tenants pursuant to all Leases for the calendar year in which the Closing Date occurs.

3.2 Satisfaction of Purchase Price

The Purchase Price shall be paid and satisfied in accordance with the following:

- (a) by application of the Deposit; and
- (b) by the Purchaser paying to the order of the Receiver by way of wire transfer in immediately available funds the balance of the Purchase Price (after application of the Deposit).

3.3 Transfer Taxes

The Parties agree that:

- (a) The Purchase Price is exclusive of all Transfer Taxes and the Purchaser shall be liable for and shall pay any and all applicable Transfer Taxes pertaining to the Purchaser's acquisition of the Purchased Assets. The Purchaser is registered under the ETA for the collection and remittance of GST/HST and its registration number is 107805921 RT0001.
- (b) The Purchaser shall pay any applicable Transfer Taxes on the Purchaser's acquisition of the Purchased Assets in addition to the Purchase Price, either to the Receiver on behalf of RPCI or directly to the appropriate Governmental Authority, as required by Applicable Law.
- (c) All amounts of consideration payable by the Purchaser pursuant to this Agreement are exclusive of GST/HST.
- (d) If the Receiver deems it available and the Receiver and the Purchaser agree, the parties shall jointly make the election described at section 167 of the ETA such that no GST/HST shall be collectible in respect of the Purchaser's acquisition of the Purchased Assets and Purchaser shall file such election within the time period required by Applicable Law.
- (e) The Receiver shall not collect GST/HST on Closing but shall allow the Purchaser to self-assess and remit GST/HST to the Receiver General in accordance with the ETA.
- (f) The Purchaser shall indemnify and save harmless the Receiver from and against any and all GST/HST, fines, penalties, costs and interest which may become payable by or assessed against the Receiver as a result of the Purchaser's failure to report and remit any GST/HST, or as a result of the Receiver's failure to collect any GST/HST in respect of the supplies made pursuant to this Agreement, or as a result of the Canada Revenue Agency determining that the election described in Section 3.3(d) was not properly made or was otherwise not available to be made, or as a result of any inaccuracy, misstatement or misrepresentation made by the Purchaser in connection with any matter raised in this Section. This indemnity shall survive indefinitely and shall not be subject to any caps, thresholds or other restrictions.
- (g) The Purchaser shall deliver to the Receiver on Closing a certificate and indemnity in accordance with the foregoing, in a form acceptable to the Receiver, including verification of its GST/HST registration number issued under the ETA.

3.4 Property Tax Refunds and Rebates

Any refund or rebate of Property realty taxes in respect of the period before the Closing Date (each a "**Property Tax Refund**") shall remain the property of the Receiver. To the extent the Purchaser receives payment or credit on account of any Property Tax Refund, then the Purchaser shall hold such amount in trust for the Receiver, endorse such amount (without recourse) in favour of the Receiver and immediately deliver such amounts to the Receiver. Any refund or rebate of Property realty taxes in respect of the period from the Closing Date shall be the property of the Purchaser. To the extent the Receiver receives payment of any such amount, then the Receiver shall hold such

amount in trust for the Purchaser, endorse such amount (without recourse) in favour of the Purchaser and immediately deliver such amounts to the Purchaser.

ARTICLE 4 SALE PROCESS

4.1 Sale Process

- (a) The Receiver and the Purchaser acknowledge that this Agreement and the Transaction contemplated hereby are subject to Court approval.
- (b) The Receiver and the Purchaser acknowledge and agree that the Receiver shall apply to the Court as promptly as practicable after execution of this Agreement for the Sale Process Order, *inter alia*, recognizing this Agreement and, in particular, the Purchase Price, as a baseline or “stalking horse bid” and approving the Sale Process, and the payment of the Break Fee in accordance with the terms of this Agreement.
- (c) The Parties will use commercially reasonable efforts to have the Sale Process Order issued. The Purchaser acknowledges that the Sale Process is in contemplation of determining whether a superior bid can be obtained for the Purchased Assets.

4.2 Break Fee

- (a) In consideration for the Purchaser’s expenditure of time and money in connection with its agreement to act as the initial bidder through the Stalking Horse Bid, and the preparation of this Agreement, and in performing due diligence pursuant to this Agreement, the Purchaser shall be entitled to a break fee equal to the amount of Two Hundred and Fifty Five Thousand Dollars (\$255,000), inclusive of all applicable taxes (“**Break Fee**”).
- (b) Notwithstanding any other provision in this Agreement, the Break Fee shall only be payable to the Purchaser if: (i) the Purchaser is not the Successful Bid in the Sale Process and the Purchaser is not otherwise in breach of the terms of this Agreement or the Sale Process; and (ii) the Receiver accepts, obtains Court-approval of, and closes a Successful Bid other than the Stalking Horse Bid. For greater certainty, the Break Fee shall not be payable to the Purchaser if: (i) the Stalking Horse Bid is not selected as the Successful Bid and there is no other Successful Bid in the Sale Process; or (ii) the Purchaser is the Successful Bid but the Transaction contemplated in this Agreement fails to close for any reason.
- (c) The Break Fee is subject to Court approval and shall be approved in the Sale Process Order and shall be payable to the Purchaser out of the sale proceeds derived from, and upon completion of, the Successful Bid.
- (d) The Break Fee shall be secured by a court-ordered charge on the proceeds of any sale of any Successful Bid (other than the Stalking Horse Bid) (the “**Break Fee Charge**”). The Break Fee Charge shall be subordinate only to the Receiver’s Charge (as defined in paragraph 19 of the Receivership Order) and the Receiver’s Borrowings Charge (as defined in paragraph 22 of the Receivership Order). The

Receiver shall seek the approval of the Break Fee Charge, as set forth in this Agreement, in the Sale Process Order.

- (e) Each of the Receiver and the Purchaser acknowledge and agree that the Break Fee is not intended to be punitive in nature nor to discourage competitive bidding for the Purchased Assets.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

5.1 Purchaser's Representations

The Purchaser hereby represents and warrants to and in favour of the Receiver as of the date hereof, and acknowledges that, as of the Closing Time, the Receiver is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

- (a) The Purchaser is a corporation duly incorporated, organized and validly existing under the laws of the Province of Ontario and has the requisite power and authority to enter into this Agreement and to carry out its obligations hereunder;
- (b) Neither the execution of this Agreement nor the performance by the Purchaser of the Transaction will violate the Purchaser's constating documents, any agreement to which the Purchaser is bound, any judgment or order of a court of competent jurisdiction or any Governmental Authority, or any Applicable Law;
- (c) The execution and delivery of this Agreement and the consummation of the Transaction have been duly authorized by all necessary corporate action on the part of the Purchaser. This Agreement is a valid and binding obligation of the Purchaser enforceable in accordance with its terms;
- (d) The Purchaser has not committed an act of bankruptcy, is not insolvent, has not proposed a compromise or arrangement to its creditors generally, has not had any application for a bankruptcy order filed against it, has not taken any proceeding and no proceeding has been taken to have a receiver appointed over any of its assets, has not had an encumbrancer take possession of any of its property and has not had any execution or distress become enforceable or levied against any of its property; and
- (e) The Purchaser is registered under the ETA for GST/HST purposes and has been assigned registration number 107805921 RT001, and any assignee of the Purchaser under this Agreement will be registered for GST/HST purposes on or before the Closing Date and shall provide evidence satisfactory to the Receiver of such registration.

5.2 Receiver's Representations

The Receiver hereby represents and warrants to and in favour of the Purchaser as of the date hereof, and acknowledges that, as of the Closing Date, the Purchaser is relying on such representations

and warranties in connection with entering into this Agreement and performing its obligations hereunder:

- (a) Subject to obtaining the Sale Process Order and the Approval and Vesting Order the Receiver has the requisite power and authority to enter into this Agreement and to complete the Transaction contemplated hereunder.

5.3 Limitations

With the exception of the Receiver's representations and warranties in Section 5.2 and the Purchaser's representations and warranties in Section 5.1, none of the Receiver or the Purchaser, or their respective Representatives, nor any of their respective officers, directors, or Employees make, have made or shall be deemed to have made any other representation or warranty, express or implied, at law or in equity, in respect of RPCI, the Receiver, the Purchaser, or the Purchased Assets or the sale and purchase of the Purchased Assets pursuant to this Agreement.

ARTICLE 6 CONDITIONS PRECEDENT

6.1 Conditions Precedent in favour of the Purchaser

The obligation of the Purchaser to complete the Transaction is subject to the following conditions being fulfilled or performed:

- (a) all representations and warranties of the Receiver contained in this Agreement shall be true in all material respects as of the Closing Time with the same effect as though made on and as of that date;
- (b) the Receiver shall have performed its obligations under this Agreement to the extent required to be performed at or before the Closing Time, including the delivery of each of the items required pursuant to Section 7.3; and
- (c) the stay of proceedings provided for in the Receivership Order shall have remained in effect as at the Closing Time except where any such stay is terminated or lifted or amended in a manner that is not materially prejudicial to the Purchaser or that does not materially adversely affect the Purchaser's rights under this Agreement or the Purchased Assets.

The foregoing conditions are for the exclusive benefit of the Purchaser. Any condition in this Section 6.1 may be waived by the Purchaser in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing. If any condition set out in this Section 6.1 is not satisfied or performed on or prior to the Outside Date, the Purchaser may elect on written notice to the Receiver to terminate this Agreement.

6.2 Conditions Precedent in favour of the Receiver

The obligation of the Receiver to complete the Transaction is subject to the following conditions being fulfilled or performed:

- (a) all representations and warranties of the Purchaser contained in this Agreement shall be true in all material respects as of the Closing Time with the same effect as though made on and as of that date;
- (b) the Purchaser shall have performed in all material respects each of its obligations under this Agreement to the extent required to be performed at or before the Closing Time, including the delivery of each of the items required pursuant to Section 7.2; and
- (c) the Purchaser shall have tendered to the Receiver the Purchase Price.

The foregoing conditions are for the exclusive benefit of the Receiver. Any condition in this Section 6.2 may be waived by the Receiver in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part. Any such waiver shall be binding on the Receiver only if made in writing. If any condition set forth in this Section 6.2 is not satisfied or performed on or prior to the Outside Date, the Receiver may elect on written notice to the Purchaser to terminate this Agreement.

6.3 Conditions Precedent in favour of both the Purchaser and the Receiver

The obligation of the Receiver and the Purchaser to complete the Transaction is subject to the following conditions being fulfilled or performed:

- (a) the Court shall have issued the Sale Process Order and the Sale Process Order shall not have been appealed, set aside, varied or stayed within the applicable appeal period, or if the Sale Process Order has been appealed within the applicable appeal period or if any motion has been commenced to set aside, vary or stay the Sale Process Order, all such appeals and motions shall have been finally dismissed;
- (b) the Purchaser shall have been selected as the Successful Bidder;
- (c) the Court shall have issued the Approval and Vesting Order and the Approval and Vesting Order shall not have been appealed, set aside, varied or stayed within the applicable appeal period, or if the Approval and Vesting Order has been appealed within the applicable appeal period or if any motion has been commenced to set aside, vary or stay the Approval and Vesting Order, all such appeals and motions shall have been finally dismissed;
- (d) no order shall have been issued by a Governmental Authority that restrains or prohibits the completion of the Transaction;
- (e) there shall be in effect no injunction against closing the transactions contemplated under this Agreement entered by a Court of competent jurisdiction; and
- (f) no motion, action or proceedings shall be pending by or before a Governmental Authority to restrain or prohibit the completion of the Transactions contemplated by this Agreement.

The Parties hereto acknowledge that the foregoing conditions are for the mutual benefit of the Receiver and the Purchaser. If the conditions set out in this Section 6.3 are not satisfied performed, or mutually waived on or before the Outside Date, any Party shall have the option to terminate this Agreement upon written notice to the other Party.

ARTICLE 7 CLOSING

7.1 Closing/Electronic Registration

The Closing shall take place remotely by exchange of electronic signatures on the Closing Date or at such place and/or date as may be agreed by the Purchaser and the Receiver. When the conditions set forth in ARTICLE 6 have been satisfied or waived, the Receiver shall issue the Receiver's Certificate for delivery to the Purchaser and the Approval and Vesting Order shall be registered on title to the Real Property and thereupon the Closing Time shall be deemed to have occurred, provided, however, that the Closing shall occur prior to the Outside Date unless extended in writing by the Parties.

Each of the Receiver and the Purchaser shall retain counsel in good standing with the Law Society of Ontario to represent them in connection with the transaction contemplated hereunder and shall authorize and instruct such lawyer to enter a document registration agreement in the form mandated by the Law Society of Ontario, subject to reasonable amendments thereof. The delivery and exchange of documents and funds and the release thereof shall be governed by such document registration agreement.

7.2 Purchaser's Deliveries on Closing

At or before the Closing Time, the Purchaser shall execute and deliver, or arrange for the delivery, as the case may be, to the Receiver the following, each of which shall be in form and substance satisfactory to the Receiver, acting reasonably:

- (a) payment of the balance of the Purchase Price by wire transfer in immediately available funds;
- (b) a certificate and indemnity with respect to H.S.T., in accordance with Section 3.3 executed by the Purchaser;
- (c) an executed assignment and assumption agreement evidencing the assumption by the Purchaser of the Assumed Obligations;
- (d) an executed assignment and assumption agreement in respect of the Leases;
- (e) a certificate dated as of the Closing Date confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that the Purchaser has performed in all respects the covenants to be performed by it prior to the Closing Time;
- (f) an undertaking to re-adjust in favour of the Receiver; and
- (g) such further and other documentation as is referred to in this Agreement or as the Receiver may reasonably require to give effect to this Agreement.

7.3 Receiver's Deliveries on Closing

At or before the Closing Time, the Receiver shall execute and deliver, or arrange for the delivery, as the case may be, to the Purchasers the following, each of which shall be in form and substance satisfactory to the Purchasers, acting reasonably:

- (a) the Purchased Assets, which shall be delivered *in situ* wherever located as of the Closing;
- (b) documentation effecting the assignment of the Litigation to the Purchaser in a form acceptable to the Purchaser;
- (c) the issued Approval and Vesting Order in registrable form under the *Land Titles Act* (Ontario);
- (d) an executed assignment and assumption agreement evidencing the assignment by the Receiver of the Assumed Obligations to the Purchaser;
- (e) an executed assignment and assumption agreement in respect of the Leases;
- (f) master keys to the Building;
- (g) a bill of sale in respect of any chattels included in the purchase of the Purchased Assets;
- (h) a notice and direction addressed to each Tenant advising of the sale of the Real Property and directing that all rents payable after Closing be paid to the Purchaser or as it directs;
- (i) a certificate dated as of the Closing Date confirming that all of the representations and warranties of the Receiver contained in this Agreement are true in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that the Receiver has performed in all material respects the covenants to be performed by it prior to the Closing Time;
- (j) an undertaking to re-adjust in favour of the Purchaser;
- (k) a statement of adjustments;
- (l) the executed Receiver's Certificate; and
- (m) such further and other documentation as is referred to in this Agreement or as the Purchaser may reasonably require to give effect to this Agreement.

7.4 Possession of Assets

On Closing, the Purchaser shall take possession of the Purchased Assets where situate at Closing. The Purchaser acknowledges that the Receiver has no obligation to deliver physical possession of the Purchased Assets to the Purchaser. In no event shall the Purchased Assets be sold, assigned, transferred, or set over to the Purchaser until the conditions set out in the Approval and Vesting Order have been satisfied or waived by the Purchaser or the Receiver, as applicable, and the Purchaser has satisfied all delivery requirements outlined in Section 7.2. The Purchaser shall

promptly notify the Receiver of any Excluded Assets that may come into the possession or control of the Purchaser, whether before or after Closing, and thereupon shall promptly release such Excluded Assets to the Receiver, or to such other Person as the Receiver may direct in writing and, for greater certainty, title shall not be deemed to vest to the Purchaser in respect of any Excluded Assets.

7.5 Dispute Resolution

If any dispute arises with respect to any matter related to the Transaction or the interpretation or enforcement of this Agreement such dispute will be determined by the Court, or by such other Person or in such other manner as the Court may direct or as mutually agreed by the Receiver and the Purchaser.

7.6 Termination

- (a) This Agreement may be terminated at any time prior to the Closing Time by mutual written agreement of the Receiver and the Purchaser.
- (b) This Agreement may be terminated at any time prior to the Closing Time upon the occurrence of any of the following:
 - i. a condition precedent has not been satisfied or waived pursuant to and in accordance with ARTICLE 6 and a Party entitled to terminate this Agreement as a result thereof has delivered written notice of termination pursuant to ARTICLE 6 (provided that the terminating Party has not failed to satisfy a closing condition under this Agreement); or
 - ii. Closing shall not have occurred on or prior to the Outside Date and the Purchaser shall have delivered written notice of termination to the Receiver terminating this Agreement as a result thereof (provided that the terminating Party has not failed to satisfy a closing condition under this Agreement).

7.7 Effects of Termination and Closing

- (a) If this Agreement is terminated pursuant to Section 7.6, all further obligations of the Parties under or pursuant to this Agreement shall terminate without further liability of any Party to the other except for the provisions of this Section 7.7, each of which will survive termination.
- (b) If:
 - a. the Transaction is not completed by the Outside Date as a result of the Receiver's failure to perform any of its obligations under this Agreement,
 - b. any of the conditions for the benefit of the Purchaser (including those conditions for the mutual benefit of the Receiver and Purchaser) as set out in this Agreement have not been met and are not waived, or
 - c. if this Agreement is terminated pursuant to sections 7.6(a) or 7.8(c),

then the Deposit will be released from trust and returned to the Purchaser by wire transfer within ten (10) Business Days from the Closing Date.

- (c) If the Transaction is not completed as a result a default of this Agreement by the Purchaser, then the Deposit will be released from trust and forfeited and paid to the Receiver, or as the Receiver may otherwise direct, as liquidated damages and the Receiver shall have no further claims against the Purchaser in law or in equity.
- (d) Under no circumstance shall any of the Parties, their Representatives or their respective directors, officers, employees or agents be liable for any special, punitive, exemplary, consequential or indirect damages (including loss of profits) that may be alleged to result, in connection with, arising out of, or relating to this Agreement or the transactions contemplated herein.

7.8 Risk of Loss/Insurance Matters

Until the Closing Time, the Purchased Assets shall remain at the risk of the Receiver. After the Closing Time, the Purchased Assets shall be at the sole risk of the Purchaser regardless of the location of the Purchased Assets. If, prior to the Closing Time, all or any material part of the Purchased Assets are destroyed or damaged by fire or other casualty or shall be appropriated, expropriated or seized by any Governmental Authority or other lawful authority, then the Purchaser shall have the option, exercisable by notice in writing given within ten (10) Business Days after the Purchaser receives written notice from the Receiver of such destruction, damage, appropriation, expropriation or seizure:

- (a) in the event of damage or destruction, to complete the purchase without a reduction of the Purchase Price;
- (b) in the event of appropriation, expropriation or seizure, to complete the purchase without a reduction of the Purchase Price, in which event all compensation related solely to the Purchased Assets for appropriation, expropriation or seizure (up to a maximum amount equal to the Purchase Price) shall be payable to the Purchaser and all right and claim of the Receiver to any such amounts not paid by the Closing Date shall be assigned to the Purchaser; or
- (c) in either event, to terminate this Agreement and not complete the purchase, in which case all obligations of the parties shall terminate forthwith upon the Purchaser giving notice as required herein (except for any obligations expressly stated herein to survive termination).

Any property, liability and other insurance maintained by the Receiver shall not be transferred as of the Closing Date, but shall remain the responsibility of the Receiver until the Closing Time. The Purchaser shall be responsible for placing its own property, liability and other insurance coverage with respect to the Purchased Assets in respect of the period from and after the Closing Time.

**ARTICLE 8
GENERAL**

8.1 Access to Books and Records

For a period of two years from the Closing Date or for such longer period as may be reasonably required for the Receiver (or any trustee in bankruptcy of the estate of RPCI) to comply with Applicable Law, the Purchaser will retain all original Books and Records that are transferred to the Purchaser under this Agreement. So long as any such Books and Records are retained by the Purchaser pursuant to this Agreement, the Receiver (and any representative, agent, former director or officer or trustee in bankruptcy of the estate of the RPCI, including the Receiver) has the right to inspect and to make copies (at its own expense) of them at any time upon reasonable request during normal business hours and upon reasonable notice for any proper purpose and without undue interference to the business operations of the Purchaser.

8.2 Notice

Any notice or other communication under this Agreement shall be in writing and may be delivered by read-receipted email, addressed:

- (a) in the case of the Purchaser, as follows:

The Ottawa Hospital/l'Hopital d'Ottawa
1053 Carling Avenue
Ottawa ON
K1Y 4E9

Attention: Executive Vice-President and CFO
Tel: (613) 798-5555 x16046
Email: ncadieux@toh.ca

with a copy to:

Borden Ladner Gervais LLP
World Exchange Plaza
100 Queen Street
Suite 1300
Ottawa, ON K1P 1J9

Attention: Roger Jaipargas
Tel: 416.367.6266
Email: rjaipargas@blg.com

and

Jamison Young
Tel: 613.369.4773
Email: jyoung@blg.com

(b) in the case of the Receiver, as follows:

MNP Ltd.
111 Richmond Street West
Toronto, ON M5H 2G4

Attention: Sheldon Title
Email: sheldon.title@mnp.ca

with a copy to:

Fasken Martineau DuMoulin LLP
333 Bay Street, Suite 2400
Toronto, ON M5H 2T6

Attention: Dylan Chochla
Email: dchochla@fasken.com

Any such notice or other communication, if transmitted by email before 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on such Business Day, and if transmitted by email after 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission.

Sending a copy of a notice or other communication to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice or other communication to that Party. The failure to send a copy of a notice or other communication to legal counsel does not invalidate delivery of that notice or other communication to a Party.

8.3 Time

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Receiver and the Purchaser.

8.4 Reasonable Commercial Efforts

Each Party hereto agrees that it will not voluntarily undertake any course of action inconsistent with the provisions of this Agreement and will use commercial efforts to take, or cause to be taken, all action and to do, or cause to be done, all things reasonably necessary, proper or advisable under Applicable Laws to consummate the Transaction contemplated by this Agreement.

8.5 Survival

The representations and warranties of the Parties contained in this Agreement shall merge on Closing and the covenants of the Parties contained herein to be performed after the Closing shall survive Closing and remain in full force and effect.

8.6 Personal Information

The Purchaser hereby acknowledges that it is aware, and that it will advise its Representatives, that privacy legislation, including the *Personal Information Protection and Electronic Documents*

Act (Canada), applies to certain information that may be disclosed to the Purchaser and its Representatives pursuant to this Agreement and/or the Transaction. The Purchaser agrees to comply, and cause its Representatives to comply, with such privacy legislation in connection with any such information disclosed to it or any of them.

8.7 Benefit of Agreement

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

8.8 Entire Agreement

This Agreement, the attached Schedules hereto, constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior negotiations, understandings and agreements. This Agreement may not be amended or modified in any respect except by written instrument executed by all of the Parties.

8.9 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement, and any other agreement, document or instrument executed or delivered in connection with this Transaction or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

8.10 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and each of the Parties irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

8.11 Assignment by Purchaser

This Agreement may be assigned by the Purchaser prior to the issuance of the Approval and Vesting Order, without the prior written consent of the Receiver, provided that such assignee is a related party or subsidiary of the Purchaser and (i) the Purchaser shall provide prior notice of such assignment to the Receiver, and (ii) such assignee shall agree to be bound by the terms of this Agreement to the extent of the assignment; provided, however, that any such assignment shall not relieve the Purchaser of its obligations hereunder.

8.12 Further Assurances

Each of the Parties shall, at the request and expense of the requesting Party, take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the other such conveyances, transfers, documents and further assurances as may be reasonably necessary or desirable to give effect to this Agreement.

8.13 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by

facsimile or by e-mail of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

8.14 Severability

Notwithstanding any provision herein, if a condition to complete the Transaction, or a covenant or an agreement herein is prohibited or unenforceable pursuant to Applicable Law, then such condition, covenant or agreement shall be ineffective to the extent of such prohibition or unenforceability without invalidating the other provisions hereof.

8.15 Receiver's Capacity

The Purchaser acknowledges and agrees that the Receiver is executing this Agreement solely in its capacity as Court-appointed receiver of the assets, undertakings and properties of RPCI and not in its personal or corporate capacity and neither the Receiver nor its directors, officers, agents, servants or employees shall have any personal or corporate liability hereunder or at common law, or by statute, or equity or otherwise as a result hereof.

[Signature Page Follows]

IN WITNESS WHEREOF the Receiver and Purchaser have executed this Agreement as of the day and year first above written.

Purchaser:

**THE OTTAWA HOSPITAL/L'HOPITAL
D'OTTAWA**

By: 
Name: Cameron Love
Title: President & CEO

I have authority to bind the Corporation.

Receiver:

**MNP LTD., in its capacity as Receiver of
all of the assets, undertakings and
properties of Riverside Professional Centre
Inc., and not in its personal capacity and
without personal or corporate liability**

By: _____
Name:
Title:

I have authority to bind the Corporation.

IN WITNESS WHEREOF the Receiver and Purchaser have executed this Agreement as of the day and year first above written.

Purchaser:

**THE OTTAWA HOSPITAL/L'HOPITAL
D'OTTAWA**

By: _____

Name: Cameron Love

Title: President & CEO

I have authority to bind the Corporation.

Receiver:

**MNP LTD., in its capacity as Receiver of
all of the assets, undertakings and
properties of Riverside Professional Centre
Inc., and not in its personal capacity and
without personal or corporate liability**

By:  _____

Name: Sheldon Title

Title: Senior Vice-President

I have authority to bind the Corporation.

SCHEDULE A
PURCHASED ASSETS

Purchased Assets

1. RPCI's leasehold interest in the Ground Lease
2. RPCI's interest, as landlord, under the Leases
3. The Accounts Receivable
4. The Building
5. All Books and Records which are not Excluded Assets
6. Assumed Obligations
7. The Litigation

SCHEDULE B
EXCLUDED ASSETS

1. Any Non-Assignable Interest
2. All Books and Records required by Applicable Law to be retained by the Receiver
3. All other assets of RPCI which are not Purchased Assets

SCHEDULE C
PERMITTED ENCUMBRANCES

General

1. The reservations, limitations, exceptions, provisos and conditions, if any, expressed in the original grant(s) of the Real Property from the Crown.
2. All applicable municipal by-laws and regulations provided, in each case, the same do not materially adversely affect the use and/or value of the Purchased Assets.
3. All unregistered or inchoate statutory liens, charges and encumbrances affecting title to the Real Property for taxes, assessments, governmental charges and levies not yet due and all other unregistered statutory liens.
4. All defects and deficiencies which an up-to-date building location survey of the Real Property might reveal.
5. All easements, rights-of-way and licenses registered and unregistered for the supply and installation of utility services, drainage, telephone services, electricity, gas, storm and/or sanitary sewers, water, cable television and/or any other service(s) to or for the benefit of the Real Property (collectively, the "**Utility Easements**"), together with any easement and cost-sharing agreement(s) or reciprocal agreement(s) confirming (or pertaining to) any easement or right-of-way for access, egress, support and/or servicing purposes, and/or pertaining to the sharing of any services, facilities and/or amenities with adjacent or neighboring property owners or any crane access agreements or tieback or shoring agreements provided, in each case the same do not materially adversely affect the use or value of the Purchased Assets.
6. All registered municipal agreements and all registered agreements with publicly regulated utilities including, without limitation, all development, site plan, subdivision, engineering, heritage easement agreements and other municipal agreements (or similar agreements entered into with any governmental authorities), (with all of such agreements being hereinafter collectively referred to as the "**Development Agreements**") provided, in each case, the terms and conditions of each such Development Agreement have been complied with in all material respects and do not materially adversely affect the use of the Purchased Assets.
7. All shared facilities agreements, reciprocal and/or cost sharing agreements, all other agreements, easements and rights-of-way provided, in each case, the terms and conditions of each such agreement have been complied with in all material respects and do not materially adversely affect the use of the Purchased Assets.
8. Encumbrances respecting minor encroachments by the Property and Real Property over neighbouring lands or by improvements on neighbouring lands onto the Property and Real Property and/or permitted under agreements with the owners of such neighbouring lands.

9. The exceptions and qualifications contained in Section 44(1) of the Land Titles Act (Ontario), except paragraphs 1, 2, 3, 4, 5, 6, 8, 9, 11 and 14, provincial succession duties and escheats and forfeiture to the Crown.

10. Any rights of expropriation, access or use or any other similar rights conferred or reserved by or in any statutes of Canada or the Province of Ontario.

Specific

1. Instrument Number N516236 Registered on December 13, 1989;
2. Instrument Number N540417 Registered on June 29, 1990;
3. Instrument Number OC166375 Registered on February 3, 2003;
4. Instrument Number OC547483 Registered on December 20, 2005;
5. Instrument Number OC547905 Registered on December 21, 2005;
6. Instrument Number OC570430 Registered on March 9, 2003;
7. Instrument Number OC685750 Registered on February 5, 2007;
8. Instrument Number OC1328226 Registered on January 26, 2012;
9. Instrument Number OC1644481 Registered on December 9, 2014;

SCHEDULE D
LEGAL DESCRIPTION OF REAL PROPERTY

PT LT 16, CON JG , PTS 1 & 2, 5R12853 ; OTTAWA ; SUBJECT TO AN EASEMENT IN FAVOUR OF ROGERS OTTAWA LIMITED/LIMITEE AS IN OC166375, being PIN 04201-0147 (LT)

SCHEDULE E
FORM OF SALE PROCESS ORDER

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE) TUESDAY, THE 14th DAY
MR. JUSTICE PATTILLO) OF DECEMBER, 2021

B E T W E E N:

THE MANUFACTURERS LIFE INSURANCE COMPANY

Applicant

- and -

RIVERSIDE PROFESSIONAL CENTRE INC.

Respondent

APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended

**ORDER
(Stalking Horse Sale Process Approval)**

THIS MOTION made by MNP Ltd. in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”), without security, of all of the assets, undertakings and properties of Riverside Professional Centre Inc. (“**Riverside**”) acquired for, or used in relation to, a business carried on by Riverside, including all proceeds thereof, was heard this day by Zoom videoconference due to the COVID-19 pandemic.

ON READING the first report of the Receiver, dated December 7, 2021 (the “**First Report**”), and on hearing the submissions of counsel for the Receiver, the Applicant, The Ottawa Hospital/L’Hopital D’Ottawa (the “**Stalking Horse Bidder**”) and such other counsel as were present, as indicated by the counsel slip, no one else appearing although duly served, as appears from the affidavit of [●] sworn December [●], 2021 filed:

SERVICE AND DEFINITIONS

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

2. THIS COURT ORDERS that capitalized terms used in this Order and not otherwise defined herein shall have the meanings given to them in (i) the stalking horse asset purchase agreement dated as of December 7, 2021, substantially in the form attached as Appendix “[●]” to the First Report (the “**Stalking Horse Agreement**”) between the Receiver and the Stalking Horse Bidder; or (ii) the sale process attached to this Order as Schedule “A” (the “**Sale Process**”).

REPORT AND ACTIVITIES OF THE RECEIVER

3. THIS COURT ORDERS that the First Report, and the actions, conduct and activities of the Receiver described therein, be and are hereby approved, provided, however, that only the Receiver, in its personal capacity only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

SEALING

4. THIS COURT ORDERS that the Receiver is hereby authorized, *nunc pro tunc*, to redact from the marketing and listing proposals (the “**Marketing and Listing Proposals**”) of CBRE Limited and Colliers Macauley Nicolls Inc. (together, the “**Brokers**”), which are appended to the First Report as Appendix “[●]”, information pertaining to the Brokers’ assessments as to the value of the Property.

5. THIS COURT ORDERS that the unredacted copies of the Marketing and Listing Proposals, being Confidential Appendix “[●]” to the First Report, filed with the Court be sealed pending further Order of the Court.

STALKING HORSE SALE PROCESS

6. THIS COURT ORDERS that the Receiver be and is hereby authorized and directed to execute the listing agreement between the Receiver and Colliers Macauley Nicolls Inc. (“**Colliers**”) in substantially the form attached to the First Report as Appendix “[●]” (subject to such non-material amendments as the Receiver may deem appropriate) (the “**Listing Agreement**”) and to take such steps as it deems necessary or advisable to carry out the Listing Agreement.

7. THIS COURT ORDERS that the Sale Process and the bidding procedures (the “**Bidding Procedures**”) set out therein (subject to any amendments thereto that may be made in accordance therewith and this Order), be and is hereby approved.

8. THIS COURT ORDERS that the Receiver, with Colliers as its real estate consultant, is authorized and directed to carry out the Sale Process and the Bidding Procedures in accordance with its terms and this Order, and is hereby authorized and directed to take such steps and execute

such documentation as the Receiver considers necessary or desirable in carrying out its obligations thereunder, subject to prior approval of this Court being obtained before completion of any transaction(s) under the Sale Process.

9. THIS COURT ORDERS that the Receiver and its affiliates, partners, directors, employees, advisors, agents, counsel and controlling persons (collectively, the “**Assistants**”) shall have no liability with respect to any and all losses, claims, damages or liability of any nature or kind to any person in connection with or as a result of performing their duties under the Sale Process, except to the extent of such losses, claims, damages or liabilities arising or resulting from the gross negligence or wilful misconduct of the Receiver as determined by this Court.

10. THIS COURT ORDERS that the Receiver may apply to this Court to amend, vary or supplement this Order or for advice or directions with respect to the discharge of its powers and duties under this Order or under the Sale Process or Bidding Procedures, at any time during the term of the Sale Process.

STALKING HORSE AGREEMENT

11. THIS COURT ORDERS that the execution, delivery, entry into, compliance with, and performance by the Receiver of the Stalking Horse Agreement be and is hereby ratified, authorized and approved, *provided, however*, that nothing contained in this Order approves the sale or the vesting of the Purchased Assets to the Stalking Horse Bidder pursuant to the Stalking Horse Agreement and that, if the Stalking Horse Agreement is the Successful Bid under the Sale Process, the approval of the sale and vesting of the Purchased Assets to the Stalking Horse Bidder shall be considered by this Court on a subsequent motion made to this Court following the completion of the Sale Process.

12. THIS COURT ORDERS that the Stalking Horse Agreement be and is hereby approved and accepted solely for the purposes of being the Stalking Horse Bid under the Sale Process and the Bidding Procedures, and subject to the further Order of the Court referred to in paragraph 9 above.

BREAK FEE

13. THIS COURT ORDERS that payment and priority of the Break Fee in the amount of Two Hundred and Fifty Five Thousand Dollars (\$255,000), to the Stalking Horse Bidder, pursuant to section 4.2 of the Stalking Horse Agreement, is hereby approved and, in the event that the Stalking Horse Bidder does not have the Successful Bid and the transactions contemplated by the Successful Bid are completed, the Receiver is hereby authorized and directed to pay the Break Fee to the Stalking Horse Bidder out of the sale proceeds derived from and upon completion of the Successful Bid.

14. THIS COURT ORDERS that the Stalking Horse Bidder shall be entitled to the benefit of and is hereby granted a charge (the “**Break Fee Charge**”) on the proceeds of sale of any Successful Bid (other than the bid set out in the Stalking Horse Agreement), in accordance with Section 4.2 of the Stalking Horse Agreement, to secure such payment. The Break Fee Charge shall be subordinate only to the Receiver’s Charge (as defined in paragraph 19 of the Appointment Order of Justice Koehnen dated October 29, 2021) (the “**Appointment Order**”) and the Receiver’s Borrowings Charge (as defined in paragraph 22 of the Appointment Order).

PIPEDA

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada), the Receiver and its Assistants are hereby authorized and permitted to disclose and deliver for review personal information of identifiable individuals to prospective purchasers or bidders for the Property (including, without limitation, the Stalking Horse Bidder) and their advisors, but only to the extent desirable or required to carry out the Sale Process and to negotiate or attempt to complete a transaction pursuant to the Sale Process (a “**Transaction**”). Each prospective purchaser or bidder (and their respective advisors) to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation for the purpose of effecting a Transaction, and if it does not complete a Transaction, shall return all such information to the Receiver, or in the alternative destroy all such information and provide confirmation of its destruction if required by the Receiver. The purchasers of any of the Property shall maintain and protect the privacy of such information and, upon closing of the Transaction(s) to which any such purchaser is a party, shall be entitled to use the personal information provided to it that is related to the Property acquired pursuant to the Sale Process in a manner that is in all material respects identical to the prior use of such information by Riverside, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed and provide confirmation of its destruction if requested by the Receiver.

GENERAL

16. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, or any other

jurisdiction, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.

17. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Toronto time on the date of this Order, and this Order is enforceable without the need for entry and filing.

SCHEDULE “A”

STALKING HORSE SALE PROCESS

I. BACKGROUND

A) General

On October 29, 2021, MNP Ltd. was appointed receiver (in such capacity, the “**Receiver**”) of the assets, undertaking and property (the “**Property**”) of Riverside Professional Centre Inc. (“**Riverside**”) by order (the “**Receivership Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”).

Pursuant to the Receivership Order, the Receiver is authorized to market and sell any or all of the Property.

On December 14, 2021 the Court issued an order (the “**Sale Process Order**”), among other things: (i) authorizing the Receiver to commence a sale process (the “**Sale Process**”) to market and sell the Property in accordance with the bidding procedures set forth below (the “**Bidding Procedures**”); (ii) approving the engagement of Colliers Macauley Nicolls Inc. as the Receiver’s real estate consultant (in such capacity, the “**Real Estate Consultant**”) to assist the Receiver in administering the Sale Process in accordance with the terms of a listing agreement substantially in the form approved by the Sale Process Order; and (iii) approving the asset purchase agreement (the “**Stalking Horse APA**”) between the Receiver and The Ottawa Hospital/L’Hopital D’Ottawa (in such capacity, the “**Stalking Horse Bidder**”) to act as a “stalking horse bid” in the Sale Process (the “**Stalking Horse Bid**”). The Sale Process Order also approved certain protections for the Stalking Horse Bidder, as more fully set out in the Stalking Horse APA.

Subject to Court availability and the terms hereof, as soon as practicable following the selection of the Successful Bidder (as defined herein), the Receiver will bring a motion (the “**Approval and Vesting Order Motion**”) seeking an order of the Court (the “**Approval and Vesting Order**”) authorizing the Receiver to proceed with the sale of the Property to the Qualified Bidder (as defined herein) making the highest or otherwise best bid (the “**Successful Bid**”), pursuant to these Bidding Procedures (the “**Successful Bidder**”).

The Bidding Procedures are to be employed with respect to the sale of all or part of the Property, pursuant to the Sale Process in Riverside’s receivership proceedings. The Sale Process is structured as a two-phased process. Phase 1 contemplates initial due diligence by Potential Bidders (as defined below) and the receipt by the Receiver of non-binding letters of interest by Phase 1 Qualified Bidders (as defined below). Phase 2 contemplates the submission of binding offers by Phase 2 Qualified Bidders (as defined below) in the form of the Template APA (as defined below), with a blackline against the Stalking Horse APA.

B) Key Dates

January 3, 2022	Launch date of process
January 10, 2022	Deadline to publish notice of the Sale Process and deliver the Teaser Letter (as defined below) and the NDA (as defined below) to Known Potential Bidders (as defined below).
February 28, 2022 at 5:00 PM (Eastern Time)	Phase 1 Bid Deadline (as defined below).
March 15, 2022 at 5:00 PM (Eastern Time)	Phase 2 Bid Deadline (as defined below).
Within three (3) business days of the expiration of the Phase 2 Bid Deadline	Deadline to notify Phase 2 Qualified Bidders (as defined below) of Auction (as defined below), if any, and provide details of Lead Bid (as defined below).
Within seven (7) business days of the expiration of the Phase 2 Bid Deadline	Auction (if any).
As soon as practicable following the determination of the Successful Bidder	Approval and Vesting Order Motion hearing.

C) Sale Process Overview

1. The Sale Process is intended to solicit interest in and opportunities for a transaction for the sale of all or substantially all of the Property that is superior to the Stalking Horse Bid (the “**Opportunity**”). The Receiver is responsible for the oversight and administration of the Sale Process, including, if necessary, an auction (the “**Auction**”).
2. Any sale of the Property will be on an “as is, where is” basis and without surviving representations or warranties of any kind, nature, or description by the Receiver or its agents, advisors or estates, except as expressly stated in the terms of any definitive transaction documents, and all of the right, title and interest of Riverside in and to the Property to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon pursuant to the Approval and Vesting Order, except as otherwise provided in such Approval and Vesting Order, or any definitive transaction documents.
3. By participating in this process, each Potential Bidder is deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding Riverside and the Property prior to making any bid as contemplated herein, that it has

relied solely on its own independent review, investigation, and/or inspection of any documents and/or regarding Riverside and the Property in making its bid, and that it did not rely on any written or oral statements, representations, promises, warranties, conditions or guaranties whatsoever, whether express, implied, by operation of law or otherwise, regarding Riverside or the Property or the completeness of any information provided in connection therewith, except as expressly stated in the terms of any definitive transaction documents.

4. The various deadlines herein may be extended by and at the discretion of the Receiver.

D) Solicitation of Interest: Notice of Sale Process

5. As soon as is reasonably practicable and, in any event, by no later than January 10, 2022:
 - a. the Receiver, in consultation with the Real Estate Consultant, will prepare a list of potential bidders, including (i) parties that have approached the Receiver or the Real Estate Consultant, indicating an interest in the Opportunity; and (ii) strategic parties who the Receiver, in consultation with the Real Estate Consultant, believes may be interested in purchasing, all or substantially all, of the Property (“**Known Potential Bidders**”);
 - b. the Receiver will cause a notice of the Sale Process (and such other relevant information that the Receiver considers appropriate) (the “**Notice**”) to be published in *The Globe and Mail* (National Edition), *The Ottawa Citizen* and *Insolvency Insider* and any other newspaper, journal or industry publication as the Receiver, in consultation with the Real Estate Consultant, considers appropriate, if any; and
 - c. the Receiver, in consultation with the Real Estate Consultant, will prepare: (i) a process summary (the “**Teaser Letter**”) describing the Opportunity, outlining the Sale Process and inviting recipients of the Teaser Letter to express their interest pursuant to the Sale Process; and (ii) a non-disclosure agreement in form and substance satisfactory to the Receiver (an “**NDA**”).
6. The Receiver will publish the Notice and send the Teaser Letter and NDA to all Known Potential Bidders by no later than January 10, 2022, and to any other party who requests a copy of the Teaser Letter and NDA, or who is identified to the Receiver, or the Real Estate Consultant, as a potential bidder, as soon as reasonably practicable after such request or identification, as applicable.

II. PHASE 1: INITIAL DUE DILIGENCE AND NON-BINDING LOIs

A) Qualified Bidders

7. Any party who wishes to participate in the Sale Process (a “**Potential Bidder**”), other than the Stalking Horse Bidder, must provide the Receiver with an NDA executed by it, an executed acknowledgement of the Sale Process, written confirmation of the identity of the Potential Bidder, the contact information for that Potential Bidder, and

full disclosure of the direct and indirect principals (if any) of the Potential Bidder, and such other information as may be reasonably requested by the Receiver.

8. A Potential Bidder who has delivered an executed NDA and provided the required written confirmation, contact information, and disclosure to the satisfaction of the Receiver, will be deemed a **“Phase 1 Qualified Bidder”**, unless the Receiver determines such person is unlikely, based on the availability of financing, experience, and other considerations, to be able to consummate a sale pursuant to the Sale Process.
9. At any time during the first phase of the Sale Process (**“Phase 1”**), the Receiver may, in its reasonable business judgment, eliminate a Phase 1 Qualified Bidder from the Sale Process, in which case such bidder will be eliminated from the Sale Process and will no longer be a Phase 1 Qualified Bidder for the purposes of the Sale Process.
10. Potential Bidders must rely solely on their own independent review, investigation, and/or inspection of all information and the Property in connection with their participation in the Sale Process and any transaction they enter into with the Receiver.

B) Due Diligence

11. Only Phase 1 Qualified Bidders will be eligible to receive due diligence materials and confidential information in respect of Riverside and the Property. The Real Estate Consultant shall, in consultation with the Receiver (both using their reasonable business judgement) and subject to competitive and other business considerations, afford each Phase 1 Qualified Bidder such access to due diligence materials and information relating to Riverside and the Property, as the Receiver may deem appropriate. Due diligence access may also include management presentations, access to electronic data rooms, on-site inspections, and other matters that a Phase 1 Qualified Bidder may reasonably request and as to which the Receiver, in its reasonable business judgement, may agree.
12. The Receiver will be responsible for the coordination of all reasonable requests for additional information and due diligence access from Phase 1 Qualified Bidders. Any new information provided to a Phase 1 Qualified Bidder will be uploaded into the electronic data room so that other Phase 1 Qualified Bidders will have access to the same information. The Receiver will designate a representative to coordinate all reasonable requests for additional information and due diligence access from Phase 1 Qualified Bidders and the manner in which such requests must be communicated. The Receiver will not be obligated to furnish any information relating to the Property to any person other than a Phase 1 Qualified Bidder. Further, and for the avoidance of doubt, selected due diligence materials may be withheld from Phase 1 Qualified Bidders if the Receiver determines such information to represent proprietary, privileged, or sensitive competitive information.
13. The Receiver is not responsible for, and will bear no liability with respect to, any information obtained by any party in connection with the sale of the Property.

C) Phase 1 Bid Requirements

14. A Phase 1 Qualified Bidder (other than the Stalking Horse Bidder) that wishes to pursue the Opportunity further must deliver a non-binding letter of interest (a “**Phase 1 Bid**”) to the Receiver at the email addresses specified below so as to be received not later than 5:00 PM (Eastern Time) on or before February 28, 2022 (the “**Phase 1 Bid Deadline**”):

to the Receiver:

MNP Ltd.
111 Richmond Street West, Suite 300
Toronto, ON M5H 2G4
sheldon.title@mnp.ca
Attention: Sheldon Title

with a copy to:

Fasken Martineau DuMoulin LLP
dchochla@fasken.com
Attention: Dylan Chochla.

15. A Phase 1 Bid will be considered a “**Phase 1 Qualified Bid**” only if it satisfies the following requirements, in each case, in form and substance satisfactory to the Receiver, in consultation with the Real Estate Consultant (collectively, the “**Phase 1 Bid Requirements**”):
- a. it is received on or before the Phase 1 Bid Deadline by a Phase 1 Qualified Bidder;
 - b. it discloses the identity of the Phase 1 Qualified Bidder and each entity that will be participating in a potential Phase 2 Bid;
 - c. it contains a description of the Property that is expected to be subject to the transaction and any of the Property expected to be excluded;
 - d. it contemplates the purchase of the Property on an “as is, where is” basis;
 - e. it includes the purchase price or price range in Canadian dollars, including details of any liabilities to be assumed by the Phase 1 Qualified Bidder and key assumptions supporting the valuation;
 - f. it includes a description of the Phase 1 Qualified Bidder’s intended use of the Property expected to be subject to the transaction;
 - g. it includes references to the Phase 1 Qualified Bidder’s ability to finance and/or complete the proposed transaction, which references may include a term sheet, ability to pay in cash, or other evidence to mitigate transaction risks;

- h. it contains an outline of any additional due diligence required to be conducted in order to submit a final and binding offer in Phase 2;
 - i. it contains a description of:
 - i. all conditions to closing that the Phase 1 Qualified Bidder may wish to impose and an outline of the principle terms thereof;
 - ii. the conditions and approvals required for a final and binding offer, including any anticipated corporate, security holder, internal, legal or other regulatory approvals required to close the transaction, and an estimate of the anticipated time frame and any anticipated impediments for obtaining such approvals; and
 - iii. any other terms or conditions of the Phase 1 Bid that the Phase 1 Qualified Bidder believes are material to the transaction;
 - j. it contains a target closing date that, in the opinion of the Receiver, exercising reasonable business judgement, is likely to be achieved;
 - k. it includes the key terms and conditions to be included in any order of the Court approving the contemplated transaction;
 - l. it contains such other information as reasonably requested by the Receiver; and
 - m. the consideration offered for the purchase of the Property is greater than the Stalking Horse Bid by at least the Minimum Overbid Increment (as defined in the auction procedures attached hereto as Appendix I; hereafter, the “**Auction Procedures**”) (*i.e.*, \$25,000), plus an amount in cash to pay the Break Fee, and contemplates payment in cash on closing; and
 - n. an initial refundable deposit of not less than \$250,000, in the form of a wire transfer, certified cheque delivered to the mailing address for the Receiver set out at paragraph 14 or such other form acceptable to the Receiver (the “**Phase 1 Bid Deposit**”), which shall be held in trust by the Receiver (the “**Escrow Account**”) and disbursed from the Escrow Account only as follows: (i) if the Phase 1 Qualified Bidder is deemed a Phase 2 Qualified Bidder (as defined below) and decides to participate in Phase 2 of the Sale Process (as defined below), its Phase 1 Bid Deposit will be treated in accordance with paragraph 26.f below; and (ii) if the Phase 1 Qualified Bidder is not deemed a Phase 2 Qualified Bidder or is not otherwise invited to participate in Phase 2 of the Sale Process, its Phase 1 Bid Deposit, without interest, shall be returned to it forthwith.
16. The Receiver, in its business judgment, may waive compliance with any one or more of the Phase 1 Bid Requirements and deem such non-compliant Phase 1 Bid to be a Phase 1 Qualified Bid.
17. The Stalking Horse Bid is deemed to be a Phase 1 Qualified Bid and the Stalking Horse Bidder shall be deemed to be a Phase 1 Qualified Bidder.

D) Assessment of Phase 1 Qualified Bids and Subsequent Process

18. Following the Phase 1 Bid Deadline, the Receiver, in consultation with the Real Estate Consultant, will assess the Phase 1 Qualified Bids and select one or more Phase 1 Qualified Bids to participate in a second round of offers for the Property, which offers must be binding (“**Phase 2**”). Prior to selecting parties to participate in Phase 2, the Receiver may seek clarification of the information provided in a Phase 1 Qualified Bid.
19. If no Phase 1 Bids are received, or in the opinion of the Receiver, no Phase 1 Bids constitute Qualified Phase 1 Bids, the Receiver may determine that Phase 2 is not required. In that case, the Stalking Horse Bidder shall be the Successful Bidder and the Receiver will proceed to close the transaction contemplated by the Stalking Horse APA.
20. Among other considerations that may be relevant to the Receiver’s evaluation of the Phase 1 Qualified Bids, if the Receiver determines that a Phase 1 Qualified Bidder: (i) has a bona fide interest in completing a sale of the Property; and (ii) has the financial capability (based on the availability of financing, experience and other considerations) to consummate such a transaction, based on the financial information provided in the Phase 1 Qualified Bid, then such Phase 1 Qualified Bidder will be deemed a “**Phase 2 Qualified Bidder**”, provided that the Receiver may, in its reasonable business judgment, limit the number of Phase 2 Qualified Bidders (and thereby eliminate some bidders from the process). Only Phase 2 Qualified Bidders shall be invited to participate in Phase 2 of the Sale Process.
21. As soon as practical after the Phase 1 Bid Deadline, the Receiver, in consultation with the Real Estate Consultant, will advise any Phase 1 Qualified Bidder: (i) whether or not its bid constitutes a Phase 1 Qualified Bid; and (ii) whether or not it has been deemed a Phase 2 Qualified Bidder.
22. The Receiver shall have no obligation to admit any Phase 1 Qualified Bids as Phase 2 Qualified Bids, or to commence Phase 2 of the Sale Process at all, and it reserves the right to reject any or all Phase 1 Qualified Bids.
23. The Stalking Horse Bidder is deemed to be a Phase 2 Qualified Bidder. Only Phase 2 Qualified Bidders are permitted to participate in Phase 2 of the Sale Process.

III. PHASE 2: FORMAL OFFERS, AUCTION, AND SELECTION OF SUCCESSFUL BIDDER

A) Phase 2 Bid Requirements

24. All Phase 2 Qualified Bidders shall be invited to Phase 2 for the purpose of submitting a formal binding offer to purchase the Property (a “**Phase 2 Bid**”).
25. Phase 2 Qualified Bidders that wish to make a formal offer to purchase the Property shall submit a binding definitive agreement of purchase and sale in the form of asset purchase agreement provided by the Receiver (the “**Template APA**”) with a blackline against the Stalking Horse APA (together, a “**Phase 2 Bid**”) prior to 5:00

PM (Eastern Time) on March 15, 2022, or such other date as may be determined by the Receiver and communicated to the Phase 2 Qualified Bidders in writing (“**Phase 2 Bid Deadline**”).

26. A Phase 2 Bid will be considered a “**Phase 2 Qualified Bid**” only if it satisfies the following requirements (in each case, in form and substance satisfactory to the Receiver), unless waived by the Receiver in accordance with these Bidding Procedures (collectively, the “**Phase 2 Bid Requirements**”):
- a. the bid is made by a Phase 2 Qualified Bidder and received by the Phase 2 Bid Deadline;
 - b. the bid shall comply with each of the Phase 1 Bid Requirements, other than 15.a, including, without limitation, that the consideration offered for the purchase of the Property is greater than the Stalking Horse Bid by at least the Minimum Overbid Increment (as defined in the Auction Procedures) (*i.e.*, \$25,000), plus an amount in cash to pay the Break Fee, and contemplates payment in cash on closing;
 - c. the bid is an offer to purchase some or all of the Property, on terms and conditions reasonably acceptable to the Receiver, and is substantially in the form of the Template APA, with a blackline against the Stalking Horse APA;
 - d. the bid includes a letter stating that the Phase 2 Qualified Bidder’s offer is binding and irrevocable until the selection of the Successful Bidder (as defined below), provided that if such Phase 2 Qualified Bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the earlier of (i) the closing of the transaction with the Successful Bidder, and (ii) 120 days from the Approval and Vesting Order Motion, subject to further extensions as may be agreed to under the applicable transaction agreement(s);
 - e. the bid includes a proposal with respect to the existing lease between Riverside and The Ottawa Hospital/L’Hopital D’Ottawa for the property municipally known as 1919 Riverside Drive, Ottawa, ON K1H 7W9;
 - f. it includes payment by the Phase 2 Qualified Bidder of a cash deposit which shall be in excess of the Phase 1 Bid Deposit, and which, in combination with the Phase 1 Bid Deposit, shall be in an aggregate amount of not less than 10% of the total consideration contemplated by the Phase 2 Bid, in the form of a wire transfer, certified cheque delivered to the mailing address for the Receiver set out at paragraph 14 or such other form acceptable to the Receiver (collectively with the “**Phase 1 Bid Deposit**”, the “**Bid Deposit**”), which shall be held in the Escrow Account and disbursed from the Escrow Account only as follows: (i) if the Phase 2 Qualified Bidder is the Successful Bidder, its Bid Deposit will be applied without interest on Closing to the purchase price payable by it under its bid on the closing thereof; and (ii) if the Phase 2 Qualified Bidder is not the Successful Bidder, then its Bid Deposit, without interest, shall be returned to it forthwith following the expiration of its offer in accordance with the definitive documents and the terms hereof;

- g. the bid includes written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction, that will allow the Receiver to make a determination as to the Phase 2 Qualified Bidder's financial and other capabilities to consummate the proposed transaction;
- h. the bid includes evidence, in form and substance reasonably satisfactory to the Receiver, of authorization and approval from the Phase 2 Qualified Bidder's board of directors (or comparable governing body) with respect to submission, execution, delivery and closing of the transaction agreement(s) submitted by the Phase 2 Qualified Bidder;
- i. the bid is not conditioned on: (i) the outcome of unperformed due diligence by the Phase 2 Qualified Bidder, (ii) obtaining financing, or (iii) any other condition that, in the Receiver's business judgment, unduly increases the risk that the proposed transaction will not close on or before the target closing date;
- j. the bid includes acknowledgements and representations of the Phase 2 Qualified Bidder that: (i) it has had an opportunity to conduct any and all due diligence regarding the Property prior to making its offer, (ii) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its bid, (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Property or the completeness of any information provided in connection therewith, except as expressly stated in the definitive transaction agreement(s) signed by the Receiver; and
- k. the bid includes such other information as may be reasonably required by the Receiver in the event that Phase 2 is supplemented with the Auction.

B) Assessment of Phase 2 Qualified Bids and Auction

- 27. Following the Phase 2 Bid Deadline, the Receiver will assess the Phase 2 Bids received in consultation with the Real Estate Advisor. The Receiver, in its business judgment, will designate those Phase 2 Bids that comply with the Phase 2 Bid Requirements as Phase 2 Qualified Bids, with such bidders being Phase 2 Qualified Bidders.
- 28. Only Phase 2 Qualified Bidders whose bids have been designated as Phase 2 Qualified Bids are eligible to participate in the Auction or to become the Successful Bidder.
- 29. The Receiver may, in its discretion, request revisions or supplementations to any Phase 2 Bid and/or waive strict compliance with any one or more of the Phase 2 Bid Requirements and deem a non-compliant bid to be a Phase 2 Qualified Bid. For greater certainty, if multiple Phase 2 Bids are received, the Receiver has no obligation to exercise its discretion or authority under this provision in respect of all Phase 2

- Bids received even if such authority or discretion is exercised by the Receiver in respect of any one Phase 2 Bid.
30. The Receiver shall notify each Phase 2 Qualified Bidder in writing as to whether its bid constituted a Phase 2 Qualified Bid within five (5) business days of the expiration of the Phase 2 Bid Deadline, or at such later time as the Receiver deems appropriate.
 31. The Stalking Horse Bid is deemed to be a Phase 2 Qualified Bid and the Stalking Horse Bidder is deemed to be a Phase 2 Qualified Bidder.
 32. If one or more Phase 2 Qualified Bids (other than the Stalking Horse APA) have been received by the Receiver on or before the Phase 2 Bid Deadline, the Receiver shall invite all Phase 2 Qualified Bidders to attend an Auction to be conducted in accordance with the Auction Procedures.
 33. If no Phase 2 Bids are received or, in the discretion of the Receiver no Phase 2 Bids constitute Phase 2 Qualified Bids, the Stalking Horse APA shall be the Successful Bid and the Stalking Horse Bidder shall be the Successful Bidder and the Auction shall not be held.

C) Auction Process and Selection of Successful Bid

34. If the Receiver determines that an Auction is required, the Receiver will invite all Phase 2 Qualified Bidders to the Auction and the Auction will be conducted, in accordance with the Auction Procedures. The Receiver, in its business judgment, will determine the Phase 2 Qualified Bid that constitutes the highest or otherwise best offer for the Property in accordance with the Bid Assessment Criteria (as defined in the Auction Procedures) and designate such bid as the “**Lead Bid**” for the purpose of the Auction.
35. Save and except for the Stalking Horse Bid, the Receiver shall be under no obligation to accept the highest or best offer, or any offer, and the Receiver shall have no obligation to enter into a Successful Bid, and it reserves the right to reject any or all Phase 2 Qualified Bids.
36. The closing of the transaction contemplated in the Successful Bid is expressly conditional upon the approval of the Successful Bid by the Court at the hearing of the Approval and Vesting Order Motion. The presentation of the Successful Bid to the Court for approval does not obligate the Receiver to close the transaction contemplated by such Successful Bid, unless and until the Court approves the Successful Bid and all other conditions therein are satisfied or waived. The Receiver will be deemed to have accepted a bid only when the bid has been approved by the Court at the hearing of the Approval and Vesting Order Motion.

D) Sale Approval Hearing

37. The Receiver shall use reasonable efforts to bring a motion to the Court to approve the Successful Bid, as soon as practicable following the determination by it of the Successful Bidder.

38. At the hearing of the Approval and Vesting Order Motion, the Receiver shall seek, among other things, approval from the Court to consummate any Successful Bid. The Receiver will be deemed to have accepted the Successful Bid only when it has been approved by the Court. All Phase 2 Qualified Bids, other than the Successful Bid, if any, shall be deemed rejected by the Receiver, on and as of the date of approval of the Successful Bid by the Court.

IV. CONFIDENTIALITY, COMMUNICATION AND ACCESS TO INFORMATION

39. All discussions regarding any bids submitted through these Bidding Procedures should be directed to the Receiver, or if directed by the Receiver, to the Real Estate Consultant. Under no circumstances should any of Riverside's stakeholders be contacted directly without the prior consent of the Receiver. Any such unauthorized contact or communication could result in exclusion of the interested party from the Sale Process. For greater certainty, nothing herein shall prevent a stakeholder from contacting potential bidders with the agreement of the Receiver to advise that the Receiver has commenced a Sale Process and that they should contact the Receiver if they are interested in the Opportunity.
40. If it is determined by the Receiver that it would be worthwhile to facilitate a discussion between a Phase 1 Qualified Bidder or a Phase 2 Qualified Bidder (as applicable, depending on the stage of the Sale Process) and a stakeholder or other third party, as a consequence of a condition to closing, or potential closing condition identified by such bidder, the Receiver may provide such bidder with the opportunity to meet with the relevant stakeholder or third party to discuss such condition or potential condition, with a view to enabling such bidder to seek to satisfy the condition or assess whether the condition is not required or can be waived. Any such meetings or other form of communication will take place on terms and conditions considered appropriate by the Receiver. The Receiver must be provided the opportunity to be present at all such communications or meetings.

V. MISCELLANEOUS

41. The Sale Process does not, and will not be interpreted to create any contractual or other legal relationship between the Receiver and any Potential Bidder, any Phase 1 Bidder, any Phase 2 Bidder, or any other party, other than as specifically set forth in a definitive agreement, or the Stalking Horse APA. Except as specifically set forth in a definitive agreement, any party that submits a bid in the Sale Process expressly acknowledges and agrees that the Receiver has not made any commitment or otherwise incurred any obligation to consider or conclude any transaction with that party.
42. Participants in the Sale Process are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Phase 1 Bid or Phase 2 Bid, due diligence activities, and any further negotiations or other actions, whether or not they lead to the consummation of a transaction. Except for the payment of the Break Fee to the Stalking Horse Bidder, if payable, pursuant to the Stalking Horse APA, no party will be entitled for any reason (including, without limitation, any modification of the procedures contemplated herein) to reimbursement for any costs

or expenses incurred in reliance upon the procedures set forth in these Bidding Procedures, as such procedures may be modified from time to time.

43. The Receiver shall have the right to modify the Sale Process if, in its reasonable business judgment, such modification will enhance the process or better achieve the objectives of the Sale Process, provided that the service list in this receivership proceeding shall be advised of any substantive modification to the procedures set forth herein.
44. Nothing contained in the Sale Process Order or these Bidding Procedures shall create any rights in any person (including, without limitation, any bidder in the Sale Process and any rights as third party beneficiaries or otherwise) other than the rights expressly granted to a Successful Bidder under the Sale Process Order.
45. Except as otherwise provided in an order of the Court, the Court shall retain jurisdiction to hear and determine all matters arising from or relating to the implementation of the Sale Process Order, the Sale Process and the Bidding Procedures.
46. The Receiver shall not have any liability whatsoever to any person or party, including without limitation, to any Potential Bidder, Phase 1 Bidder, Phase 2 Bidder, a bidder who submits a Successful Bid, or any creditor, or other stakeholder, for any act or omission related to this Sale Process. By submitting a bid, each Potential Bidder shall be deemed to have agreed that it has no claim against the Receiver for any reason, matter or thing whatsoever.
47. This Sale Process will be interpreted so as to comply and be consistent with any applicable laws, regulations, orders or public health directives related to the COVID-19 pandemic and may be amended at any time by the Receiver to the extent necessary or advisable to comply with same.

APPENDIX I

Auction Procedures

1. If the Receiver determines to conduct an Auction pursuant to the Bidding Procedures, the Receiver will notify the Phase 2 Qualified Bidders who made a Phase 2 Qualified Bid that an Auction will be conducted. The Auction will be convened by the Receiver and conducted virtually by video conference at 10:00 AM (Eastern Time) on a date that is determined by the Receiver, provided that that it is not later than seven (7) business days after the Phase 2 Bid Deadline, or such other place and time as the Receiver may advise. Capitalized terms used but not defined have the meaning given to them in the Bidding Procedures.
2. The Stalking Horse Bidder shall be entitled to participate in the Auction in accordance with these Auction Procedures, which shall govern the conduct of the Auction in all respects.
3. The Auction shall be conducted in accordance with the following procedures:
 - (a) **Participation at the Auction.** Only Phase 2 Qualified Bidders, including the Stalking Horse Bidder, are eligible to participate in the Auction. The Receiver shall provide all Phase 2 Qualified Bidders with the details of the Lead Bid by 5:00 PM (Eastern Time) three (3) business days after the Phase 2 Bid Deadline. Except for the Stalking Horse Bidder, each Phase 2 Qualified Bidder must inform the Receiver whether it intends to participate in the Auction no later than 12:00 PM (Eastern Time) on the business day prior to the Auction. Only the authorized representatives of each of the Phase 2 Qualified Bidders, the Receiver and their respective counsel and other advisors shall be permitted to attend the Auction.
 - (b) **Bidding at the Auction.** Bidding at the Auction shall be conducted in rounds. The Lead Bid shall constitute the “Opening Bid” for the first round and the highest Overbid (as defined below) at the end of each round shall constitute the “Opening Bid” for the following round. In each round, a Phase 2 Qualified Bidder may submit no more than one Overbid. Any Phase 2 Qualified Bidder who bids in a round (including the Phase 2 Qualified Bidder that submitted the Opening Bid for such round) shall be entitled to participate in the next round of bidding at the Auction.
 - (c) **Receiver Shall Conduct the Auction.** The Receiver and its advisors shall direct and preside over the Auction. At the start of each round of the Auction, the Receiver shall provide the terms of the Opening Bid to all participating Phase 2 Qualified Bidders at the Auction. The determination of which Phase 2 Qualified Bid constitutes the Opening Bid for each round shall take into account any factors that the Receiver reasonably deems relevant to the value of the Phase 2 Qualified Bid, including, among other things, the following:
 - (i) the amount and nature of the consideration;
 - (ii) the proposed assumption of any liabilities and the related implied impact on recoveries for creditors;
 - (iii) the Receiver’s assessment of the certainty of the Phase 2 Qualified Bidder

to close the proposed transaction; (iv) the likelihood, extent, and impact of any potential delays in closing; (v) the net economic effect of any changes from the Opening Bid of the previous round, and (vi) such other considerations as the Receiver deems relevant in its reasonable business judgment (collectively, the “**Bid Assessment Criteria**”). All Bids made at the Auction subsequent to the Receiver’s announcement of the Opening Bid shall be “**Overbids**” and shall be made and received on an open basis, and all material terms of the highest and best Overbid shall be fully disclosed to all other Phase 2 Qualified Bidders that are participating in the Auction. The Receiver shall maintain a record of the Opening Bid and all Overbids made and announced at the Auction.

- (d) **Terms of Overbids.** To submit an Overbid, in any round of the Auction, a Phase 2 Qualified Bidder must comply with the following conditions:
- i. **Minimum Overbid Increment:** Any Overbid shall be made in minimum increments of \$25,000 of total consideration above the Opening Bid, in order to facilitate the Auction (the “**Minimum Overbid Increment**”). The value of total consideration, taking into account cash and non-cash consideration, shall be determined by the business judgement of the Receiver. The amount of the total consideration or value of any Overbid shall not be less than the cash purchase price consideration or value of the Opening Bid, plus the Minimum Overbid Increment(s) at that time, plus any additional Minimum Overbid Increments.
 - ii. **Phase 2 Bid Requirements Apply:** Except as modified herein, an Overbid must comply with the Phase 2 Bid Requirements described in the Bidding Procedures, provided, however, that the Bid Deadline shall not apply. Any Overbid made by a Phase 2 Qualified Bidder must provide that it remains irrevocable and binding on the Phase 2 Qualified Bidder and open for acceptance as a Back-Up Bid (as defined below) until the closing of the Successful Bid.
 - iii. **Announcing Overbids:** At the end of each round of bidding, the Receiver shall announce the identity of the Phase 2 Qualified Bidder and the material terms of the then highest and/or best Overbid, including the nature of the contemplated transaction, the Property proposed to be acquired and the obligations proposed to be assumed, and the basis for calculating the total consideration offered in such Overbid based on, among other things, the Bid Assessment Criteria.
 - iv. **Consideration of Overbids:** The Receiver reserves the right to make one or more adjournments of the Auction in durations set by the Receiver to, among other things: (i) allow individual Phase 2 Qualified Bidders to consider how they wish to proceed; (ii) consider and determine the current highest and/or best Overbid at any given time during the Auction; and, (iii) give Phase 2 Qualified Bidders the

opportunity to provide the Receiver with such additional evidence as they may require that the Phase 2 Qualified Bidder has obtained all required internal corporate approvals, has sufficient internal resources, or has received sufficient non-contingent debt and/or equity funding commitments, to consummate the proposed transaction at the prevailing Overbid amount. The Receiver may have clarifying discussions with a Phase 2 Qualified Bidder, and the Receiver may allow a Phase 2 Qualified Bidder to make technical clarifying changes to its Overbid following such discussions. PHASE 2 QUALIFIED BIDDERS MUST OBTAIN ALL NECESSARY APPROVALS AND FUNDING COMMITMENTS IN ADVANCE OF THE AUCTION.

- v. **Failure to Bid:** If at the end of any round of bidding a Phase 2 Qualified Bidder (other than the Phase 2 Qualified Bidder that submitted the then highest and/or best Overbid or Opening Bid, as applicable) fails to submit an Overbid, then such Phase 2 Qualified Bidder shall not be entitled to continue to participate in the next round of the Auction.
- (e) **Additional Procedures.** The Receiver may adopt rules for the Auction at or prior to the Auction that will better promote the goals of the Auction, including rules pertaining to the structure of the Auction, provided they are not inconsistent with any of the provisions of the Bidding Procedures and provided further that no such rules may change the requirement that all material terms of the then highest and/or best Overbid at the end of each round of bidding will be fully disclosed to all other Phase 2 Qualified Bidders.
- (f) **Back-Up Bid.** If only one bid is submitted after any round of offers then that bid shall be the Successful Bid. The next highest bid, as determined by the Receiver (the “**Back-Up Bid**”), shall be required to keep its offer open and available for acceptance until the closing of the transaction contemplated by the Successful Bid.
- (g) **Closing the Auction.** The Auction shall be closed after the Receiver has:
 - (i) reviewed the final Overbid of each Phase 2 Qualified Bidder, and
 - (ii) identified the Successful Bid and the Back-Up Bid and the Receiver has advised the Phase 2 Qualified Bidders participating in the Auction of such determination.
- (h) **Finalizing Documentation.** Promptly following a bid of a Phase 2 Qualified Bidder being declared the Successful Bid, or the Back-Up Bid, the Phase 2 Qualified Bidder shall execute and deliver such revised and updated definitive transaction agreements, as may be required to reflect and evidence the Successful Bid or Back-Up Bid. For greater certainty, every Bid made at Auction is deemed to be a signed and binding bid based on the bidder’s original Phase 2 Qualified Bid, except as modified at the Auction.

THE MANUFACTURERS LIFE INSURANCE COMPANY - and -
Applicant

RIVERSIDE PROFESSIONAL CENTRE INC.

Respondent

Court File No.: CV-21-00668726-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at
Toronto

ORDER
(Stalking Horse Sale Process Approval)

FASKEN MARTINEAU DuMOULIN LLP

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Lawyers for the Receiver

**SCHEDULE F
LEASES**

1. A lease between Riverside Professional Centre Inc., as landlord, and Innomar Strategies Inc., as tenant, dated July 22, 2015 in respect of Suite 412 of the Building.
2. A lease between Riverside Professional Centre Inc., as landlord, and Belliveau Medicine Professional Corporation, as tenant, and Dr. Michel Belliveau, as Indemnifier, dated February 7, 2017 in respect of Suite 414 of the Building.
3. A lease between Riverside Professional Centre Inc., as landlord, and Dr. Peter Teitelbaum, as tenant, dated January 9, 2015 in respect of Suite 411 of the Building, as extended and amended on February 11, 2016 and May 29, 2020.
4. A signed offer to lease between Riverside Professional Centre Inc., as landlord, and Dr. Peter Teitelbaum, as tenant, dated June 24, 2021 in respect of Suite 410 of the Building.
5. A lease between Riverside Professional Centre Inc., as landlord, and The Ottawa Hospital Research Institute, as tenant, dated November 14, 2016 in respect of Suite 408 and a portion of Suite 407 of the Building as extended and amended on August 20, 2021.
6. A lease extension and amending agreement between Riverside Professional Centre Inc., as landlord, and The Ottawa Hospital Research Institute, as tenant, dated August 20, 2021 in respect of Suite 408 and a portion of Suite 407 of the Building.
7. A lease between Riverside Professional Centre Inc., as landlord, and The Ottawa Hospital Research Institute, as tenant, dated June 15, 2017 in respect of Suite 406 of the Building.
8. A signed offer to lease between Riverside Professional Centre Inc., as landlord, and Dr. Haemi Lee, as tenant, dated April 25, 2018 in respect of Suite 405 of the Building.
9. A lease between Riverside Professional Centre Inc., as landlord, and Sound Diagnosis, a partnership, as tenant, dated December 14, 2018 in respect of Suite 212 of the Building as extended and amended on November 2, 2020.
10. A lease between Riverside Professional Centre Inc., as landlord, and Forma Luma Inc., as tenant, and Dr. Svetlana Bosiljcic-Stojanovic as Indemnifier, dated May 16, 2016 in respect of Suite 211 of the Building.
11. A lease between Riverside Professional Centre Inc., as landlord, and Louis Weatherhead Medicine Professional Corporation, as tenant, dated July 5, 2016 in respect of Suite 208 of the Building as extended and amended on August 24, 2020.

12. A lease between Riverside Professional Centre Inc., as landlord, and Dr. P. Agapitos Medicine Professional Corporation, as tenant, and Dr. Peter Agapitos as Indemnifier, dated July 1, 2013 in respect of Suite 209 of the Building as amended on March 2, 2020.
13. A lease between Riverside Professional Centre Inc., as landlord, and Dr. Jean C. Suk, Dr. Minh Nguyen and Dr. Janina Milanska, as tenant, dated November 16, 2012 in respect of Suite 205 of the Building as extended and amended on March 16, 2018 and January 22, 2021.
14. A signed offer to lease between Riverside Professional Centre Inc., as landlord, and Dr. R. Mickelson, as tenant, dated November 9, 2017 in respect of Suite 207 of the Building.
15. A lease between Riverside Professional Centre Inc., as landlord, and J. Robert D. Taylor Medicine Professional Corporation, as tenant, dated April 10, 2018 in respect of Suite 203 of the Building.
16. A lease between Riverside Professional Centre Inc., as landlord, and Nandoni Gagne (operating as Nan's Place), as tenant, dated November 16, 2012 in respect of Suite 103 of the Building as amended on November 19, 2013.
17. An offer to lease signed by the tenant only, between Riverside Professional Centre Inc., as landlord, and Dr. Pamela S. Berger, as tenant, dated December 9, 2020 in respect of Suite 201 of the Building.
18. A lease between Riverside Professional Centre Inc., as landlord, and Lifelabs LP by its General Partnership LifeLabs Inc., as tenant, dated October 23, 2017 in respect of Suite 105 of the Building.
19. A lease between Riverside Professional Centre Inc., as landlord, and Ottawa Pharmacy Group Inc., as tenant, and Adesh Vora and Karol Sitarski Paul Tin-Yan Lee, jointly and severally as Indemnifier, dated July 11, 2014 in respect of Suite 102 and Suite 204 of the Building.
20. A Notice of Intention to Extend for a 5-year period commencing August 1, 2019 to and including July 31, 2024, between Riverside Professional Centre Inc., as landlord, and Ottawa Pharmacy Group Inc., as tenant, and Adesh Vora and Karol Sitarski Paul Tin-Yan Lee, jointly and severally as Indemnifier, dated January 21, 2019 in respect of Suite 102 and Suite 204 of the Building.
21. A lease between Riverside Professional Centre Inc., as landlord, and P.J. Hierlihy Medicine Professional Corporation, as tenant, and Dr. P. Hierlihy as Indemnifier, dated August 22, 2013 in respect of Suite 404 of the Building as extended and amended on October 7, 2013 and May 7, 2018.

22. A lease between Riverside Professional Centre Inc., as landlord, and Dr. Ramin Yazdani Medicine Professional Corporation, as tenant, and Dr. Ramin Yazdani as Indemnifier, dated July 2, 2014 in respect of Suite 311 of the Building as extended and amended on July 8, 2020.
23. A lease between Riverside Professional Centre Inc., as landlord, and Dr. Greg Antoniak, as tenant, dated March 29, 2011 in respect of Suite 310 of the Building.
24. A lease between Riverside Professional Centre Inc., as landlord, and Dr. Lucian Sitwell, as tenant, dated October 20, 2000 in respect of Suite 304 of the Building as extended and amended on July 25, 2007 and October 14, 2009.

SCHEDULE G
FORM OF APPROVAL AND VESTING ORDER

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE) [●]DAY, THE [●]
JUSTICE [●])
DAY OF [●], 2022

B E T W E E N :

THE MANUFACTURERS LIFE INSURANCE COMPANY

Applicant

- and -

RIVERSIDE PROFESSIONAL CENTRE INC.

Respondent

APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended

APPROVAL AND VESTING ORDER

THIS MOTION made by MNP Ltd. in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”), without security, of all of the assets, undertakings and properties of Riverside Professional Centre Inc. (the “**Debtor**”) acquired for, or used in relation to, a business carried on by the Debtor, including all proceeds thereof, for, among other things, an order approving the sale transaction (the “**Transaction**”) contemplated by an asset purchase agreement (the “**Sale Agreement**”) between the Receiver and The Ottawa Hospital/L’Hopital D’Ottawa (the “**Purchaser**”) dated as of December [●], 2021 and appended to the first report of the

Receiver dated December [●], 2021 (the “**First Report**”), and vesting in the Purchaser the Debtor’s right, title and interest in and to the assets described in the Sale Agreement, including, without limitation, the real property listed in Schedule “B” hereto (collectively, the “**Purchased Assets**”), was heard this day by Zoom videoconference due to the Covid-19 pandemic.

ON READING the Notice of Motion and the First Report and the appendices thereto, and on hearing the submissions of counsel for the Receiver, the Applicant, the Purchaser and such other counsel who were present, no one else appearing for any other person on the service list, although duly served, as appears from the affidavit of [●] sworn December [●], 2021 filed:

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

CAPTIALIZED TERMS

2. THIS COURT ORDERS that capitalized terms not defined herein shall have the meanings ascribed thereto in the Sale Agreement.

SALE APPROVAL

3. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver be and is hereby authorized, ratified and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such

additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

4. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "**Receiver's Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely and exclusively in and with the Purchaser in accordance with the terms of the Sale Agreement, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), leases, other than the Leases, liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Koehnen dated October 29, 2021; (ii) any encumbrances or charges created by the Order of the Honourable Justice Pattillo dated December 14, 2021; (iii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iv) those Claims listed on Schedule "C" hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule "D") and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

5. THIS COURT ORDERS that upon the registration in Land Registry Office 4 for the Ottawa-Carleton Region of an Application for Vesting Order in the form prescribed by the

Land Titles Act (Ontario), the Land Registrar is hereby directed to enter the Purchaser as the owner of the leasehold interest (the “**Real Property**”) in the lands legally described as PT LT 16, CON JG , PTS 1 & 2, 5R12853 ; OTTAWA ; SUBJECT TO AN EASEMENT IN FAVOUR OF ROGERS OTTAWA LIMITED/LIMITEE AS IN OC166375, being PIN 04201-0147 (LT), pursuant to the Ground Lease, notice of which is registered on title to the Real Property as Instrument No. N530327, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule “C” hereto.

6. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver’s Certificate to the Purchaser, all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

7. THIS COURT ORDERS AND DIRECTS the Receiver to file with the Court a copy of the Receiver’s Certificate, forthwith after delivery thereof.

8. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada), the Receiver is authorized and permitted to disclose and transfer to the Purchaser all information relating to the parties to the Purchased Assets. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it.

9. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

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

AID AND RECOGNITION

10. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

Schedule “A” – Form of Receiver’s Certificate

Court File No. CV-21-00668726-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

B E T W E E N :

THE MANUFACTURERS LIFE INSURANCE COMPANY

Applicant

- and -

RIVERSIDE PROFESSIONAL CENTRE INC.

Respondent

APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Koehnen of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated October 29, 2021, MNP Ltd. was appointed as the receiver (the “**Receiver**”), without security, of all of the assets, undertakings and properties of Riverside Professional Centre Inc. (the “**Debtor**”) acquired for, or used in relation to, a business carried on by the Debtor, including all proceeds thereof.

B. Pursuant to an Order of the Court dated [●], 2022, the Court approved the asset purchase agreement dated as of December [●], 2021 (the “**Sale Agreement**”) between the Receiver and The Ottawa Hospital/L’Hopital D’Ottawa (the “**Purchaser**”) and provided for the vesting in the

Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in sections 6.1, 6.2 and 6.3 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the sale transaction contemplated by the Sale Agreement (the "**Transaction**") has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in sections 6.1, 6.2 and 6.3 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ on _____, 20__.

MNP Ltd., in its capacity as Receiver of all of the assets, undertakings and properties of Riverside Professional Centre Inc., and not in its personal capacity

Per: _____

Name:

Title:

Schedule “B” – Purchased Assets

1. The Real Property being RPCI’s leasehold interest in the Ground Lease
2. RPCI’s interest, as landlord, under the Leases
3. The Accounts Receivable
4. The Building
5. All Books and Records which are not Excluded Assets
6. Assumed Obligations
7. The Litigation

Schedule “C” – Claims to be deleted and expunged from title to Real Property

1. The Notice of Lease registered as instrument no. N530327 on April 12, 1990;
2. The Notice registered as instrument no. N550799 on September 24, 1990;
3. The Application to Change Name Instrument registered as instrument no. LT1349206 on December 18, 2000;
4. The Notice of Assignment of Lessors Interest registered as instrument no. OC547909 on December 21, 2005;
5. The Notice registered as instrument no. OC547910 on December 21, 2005;
6. The Notice of Charge of Lease registered as instrument no. OC1334365 on February 16, 2012;
7. The Notice of Assignment of Rents registered as instrument no. OC1334392 on February 16, 2012;
8. The Land Registrar’s Order registered as instrument no. OC1701990 on July 17, 2015;
9. The Application to register a Court Order registered as instrument no. OC2418522 on November 1, 2021.

Schedule “D” – Permitted Encumbrances, Easements and Restrictive Covenants related to the Real Property (unaffected by the Vesting Order)

1. All encumbrances registered against the Real Property (this and all other capitalized terms set out in this Schedule “D” shall be defined in accordance with the definitions therefor set out in the Approval and Vesting Order to which this Schedule “D” is attached (hereinafter, the “Vesting Order”)) as of the date of the Sale Agreement, save and except those encumbrances listed in Schedule “C” attached to the Vesting Order.
2. The reservations, limitations, exceptions, provisos and conditions, if any, expressed in the original grant(s) of the Real Property from the Crown.
3. All applicable municipal by-laws and regulations provided, in each case, the same do not materially adversely affect the use and/or value of the Purchased Assets.
4. All unregistered or inchoate statutory liens, charges and encumbrances affecting title to the Real Property for taxes, assessments, governmental charges and levies not yet due and all other unregistered statutory liens.
5. All defects and deficiencies which an up-to-date building location survey of the Real Property might reveal.
6. All easements, rights-of-way and licenses registered and unregistered for the supply and installation of utility services, drainage, telephone services, electricity, gas, storm and/or sanitary sewers, water, cable television and/or any other service(s) to or for the benefit of the Real Property (collectively, the "Utility Easements"), together with any easement and cost-sharing agreement(s) or reciprocal agreement(s) confirming (or pertaining to) any easement or right-of-way for access, egress, support and/or servicing purposes, and/or pertaining to the sharing of any services, facilities and/or amenities with adjacent or neighboring property owners or any crane access agreements or tieback or shoring agreements provided, in each case the same do not materially adversely affect the use or value of the Purchased Assets.
7. All registered municipal agreements and all registered agreements with publicly regulated utilities including, without limitation, all development, site plan, subdivision, engineering, heritage easement agreements and other municipal agreements (or similar agreements entered into with any governmental authorities), (with all of such agreements being hereinafter collectively referred to as the "Development Agreements") provided, in each case, the terms and conditions of each such Development Agreement have been complied with in all material respects and do not materially adversely affect the use of the Purchased Assets.
8. All shared facilities agreements, reciprocal and/or cost sharing agreements, all other agreements, easements and rights-of-way provided, in each case, the terms and

conditions of each such agreement have been complied with in all material respects and do not materially adversely affect the use of the Purchased Assets.

9. Encumbrances respecting minor encroachments by the Property and Real Property over neighbouring lands or by improvements on neighbouring lands onto the Property and Real Property and/or permitted under agreements with the owners of such neighbouring lands.
10. The exceptions and qualifications contained in Section 44(1) of the *Land Titles Act* (Ontario), except paragraphs 1, 2, 3, 4, 5, 6, 8, 9, 11 and 14, provincial succession duties and escheats and forfeiture to the Crown.
11. Any rights of expropriation, access or use or any other similar rights conferred or reserved by or in any statutes of Canada or the Province of Ontario.

THE MANUFACTURERS LIFE INSURANCE COMPANY - and -
Applicant

RIVERSIDE PROFESSIONAL CENTRE INC.

Respondent

Court File No.: CV-21-00668726-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceeding commenced at
Toronto

APPROVAL AND VESTING ORDER

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Counsel for the Receiver

APPENDIX E

STALKING HORSE SALE PROCESS

I. BACKGROUND

A) General

On October 29, 2021, MNP Ltd. was appointed receiver (in such capacity, the “**Receiver**”) of the assets, undertaking and property (the “**Property**”) of Riverside Professional Centre Inc. (“**Riverside**”) by order (the “**Receivership Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”).

Pursuant to the Receivership Order, the Receiver is authorized to market and sell any or all of the Property.

On December 14, 2021 the Court issued an order (the “**Sale Process Order**”), among other things: (i) authorizing the Receiver to commence a sale process (the “**Sale Process**”) to market and sell the Property in accordance with the bidding procedures set forth below (the “**Bidding Procedures**”); (ii) approving the engagement of Colliers Maccauley Nicolls Inc. as the Receiver’s real estate consultant (in such capacity, the “**Real Estate Consultant**”) to assist the Receiver in administering the Sale Process in accordance with the terms of a listing agreement substantially in the form approved by the Sale Process Order; and (iii) approving the asset purchase agreement (the “**Stalking Horse APA**”) between the Receiver and The Ottawa Hospital/L’Hopital D’Ottawa (in such capacity, the “**Stalking Horse Bidder**”) to act as a “stalking horse bid” in the Sale Process (the “**Stalking Horse Bid**”). The Sale Process Order also approved certain protections for the Stalking Horse Bidder, as more fully set out in the Stalking Horse APA.

Subject to Court availability and the terms hereof, as soon as practicable following the selection of the Successful Bidder (as defined herein), the Receiver will bring a motion (the “**Approval and Vesting Order Motion**”) seeking an order of the Court (the “**Approval and Vesting Order**”) authorizing the Receiver to proceed with the sale of the Property to the Qualified Bidder (as defined herein) making the highest or otherwise best bid (the “**Successful Bid**”), pursuant to these Bidding Procedures (the “**Successful Bidder**”).

The Bidding Procedures are to be employed with respect to the sale of all or part of the Property, pursuant to the Sale Process in Riverside’s receivership proceedings. The Sale Process is structured as a two-phased process. Phase 1 contemplates initial due diligence by Potential Bidders (as defined below) and the receipt by the Receiver of non-binding letters of interest by Phase 1 Qualified Bidders (as defined below). Phase 2 contemplates the submission of binding offers by Phase 2 Qualified Bidders (as defined below) in the form of the Template APA (as defined below), with a blackline against the Stalking Horse APA.

B) Key Dates

January 3, 2022	Launch date of process
January 10, 2022	Deadline to publish notice of the Sale Process and deliver the Teaser Letter (as defined below) and the NDA (as defined below) to Known Potential Bidders (as defined below).
February 28, 2022 at 5:00 PM (Eastern Time)	Phase 1 Bid Deadline (as defined below).
March 15, 2022 at 5:00 PM (Eastern Time)	Phase 2 Bid Deadline (as defined below).
Within three (3) business days of the expiration of the Phase 2 Bid Deadline	Deadline to notify Phase 2 Qualified Bidders (as defined below) of Auction (as defined below), if any, and provide details of Lead Bid (as defined below).
Within seven (7) business days of the expiration of the Phase 2 Bid Deadline	Auction (if any).
As soon as practicable following the determination of the Successful Bidder	Approval and Vesting Order Motion hearing.

C) Sale Process Overview

1. The Sale Process is intended to solicit interest in and opportunities for a transaction for the sale of all or substantially all of the Property that is superior to the Stalking Horse Bid (the “**Opportunity**”). The Receiver is responsible for the oversight and administration of the Sale Process, including, if necessary, an auction (the “**Auction**”).
2. Any sale of the Property will be on an “as is, where is” basis and without surviving representations or warranties of any kind, nature, or description by the Receiver or its agents, advisors or estates, except as expressly stated in the terms of any definitive transaction documents, and all of the right, title and interest of Riverside in and to the Property to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon pursuant to the Approval and Vesting Order, except as otherwise provided in such Approval and Vesting Order, or any definitive transaction documents.
3. By participating in this process, each Potential Bidder is deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding Riverside and the Property prior to making any bid as contemplated herein, that it has

relied solely on its own independent review, investigation, and/or inspection of any documents and/or regarding Riverside and the Property in making its bid, and that it did not rely on any written or oral statements, representations, promises, warranties, conditions or guaranties whatsoever, whether express, implied, by operation of law or otherwise, regarding Riverside or the Property or the completeness of any information provided in connection therewith, except as expressly stated in the terms of any definitive transaction documents.

4. The various deadlines herein may be extended by and at the discretion of the Receiver.

D) Solicitation of Interest: Notice of Sale Process

5. As soon as is reasonably practicable and, in any event, by no later than January 10, 2022:
 - a. the Receiver, in consultation with the Real Estate Consultant, will prepare a list of potential bidders, including (i) parties that have approached the Receiver or the Real Estate Consultant, indicating an interest in the Opportunity; and (ii) strategic parties who the Receiver, in consultation with the Real Estate Consultant, believes may be interested in purchasing, all or substantially all, of the Property (“**Known Potential Bidders**”);
 - b. the Receiver will cause a notice of the Sale Process (and such other relevant information that the Receiver considers appropriate) (the “**Notice**”) to be published in *The Globe and Mail* (National Edition), *The Ottawa Citizen* and *Insolvency Insider* and any other newspaper, journal or industry publication as the Receiver, in consultation with the Real Estate Consultant, considers appropriate, if any; and
 - c. the Receiver, in consultation with the Real Estate Consultant, will prepare: (i) a process summary (the “**Teaser Letter**”) describing the Opportunity, outlining the Sale Process and inviting recipients of the Teaser Letter to express their interest pursuant to the Sale Process; and (ii) a non-disclosure agreement in form and substance satisfactory to the Receiver (an “**NDA**”).
6. The Receiver will publish the Notice and send the Teaser Letter and NDA to all Known Potential Bidders by no later than January 10, 2022, and to any other party who requests a copy of the Teaser Letter and NDA, or who is identified to the Receiver, or the Real Estate Consultant, as a potential bidder, as soon as reasonably practicable after such request or identification, as applicable.

II. PHASE 1: INITIAL DUE DILIGENCE AND NON-BINDING LOIs

A) Qualified Bidders

7. Any party who wishes to participate in the Sale Process (a “**Potential Bidder**”), other than the Stalking Horse Bidder, must provide the Receiver with an NDA executed by it, an executed acknowledgement of the Sale Process, written confirmation of the identity of the Potential Bidder, the contact information for that Potential Bidder, and

full disclosure of the direct and indirect principals (if any) of the Potential Bidder, and such other information as may be reasonably requested by the Receiver.

8. A Potential Bidder who has delivered an executed NDA and provided the required written confirmation, contact information, and disclosure to the satisfaction of the Receiver, will be deemed a “**Phase 1 Qualified Bidder**”, unless the Receiver determines such person is unlikely, based on the availability of financing, experience, and other considerations, to be able to consummate a sale pursuant to the Sale Process.
9. At any time during the first phase of the Sale Process (“**Phase 1**”), the Receiver may, in its reasonable business judgment, eliminate a Phase 1 Qualified Bidder from the Sale Process, in which case such bidder will be eliminated from the Sale Process and will no longer be a Phase 1 Qualified Bidder for the purposes of the Sale Process.
10. Potential Bidders must rely solely on their own independent review, investigation, and/or inspection of all information and the Property in connection with their participation in the Sale Process and any transaction they enter into with the Receiver.

B) Due Diligence

11. Only Phase 1 Qualified Bidders will be eligible to receive due diligence materials and confidential information in respect of Riverside and the Property. The Real Estate Consultant shall, in consultation with the Receiver (both using their reasonable business judgement) and subject to competitive and other business considerations, afford each Phase 1 Qualified Bidder such access to due diligence materials and information relating to Riverside and the Property, as the Receiver may deem appropriate. Due diligence access may also include management presentations, access to electronic data rooms, on-site inspections, and other matters that a Phase 1 Qualified Bidder may reasonably request and as to which the Receiver, in its reasonable business judgement, may agree.
12. The Receiver will be responsible for the coordination of all reasonable requests for additional information and due diligence access from Phase 1 Qualified Bidders. Any new information provided to a Phase 1 Qualified Bidder will be uploaded into the electronic data room so that other Phase 1 Qualified Bidders will have access to the same information. The Receiver will designate a representative to coordinate all reasonable requests for additional information and due diligence access from Phase 1 Qualified Bidders and the manner in which such requests must be communicated. The Receiver will not be obligated to furnish any information relating to the Property to any person other than a Phase 1 Qualified Bidder. Further, and for the avoidance of doubt, selected due diligence materials may be withheld from Phase 1 Qualified Bidders if the Receiver determines such information to represent proprietary, privileged, or sensitive competitive information.
13. The Receiver is not responsible for, and will bear no liability with respect to, any information obtained by any party in connection with the sale of the Property.

C) Phase 1 Bid Requirements

14. A Phase 1 Qualified Bidder (other than the Stalking Horse Bidder) that wishes to pursue the Opportunity further must deliver a non-binding letter of interest (a “**Phase 1 Bid**”) to the Receiver at the email addresses specified below so as to be received not later than 5:00 PM (Eastern Time) on or before February 28, 2022 (the “**Phase 1 Bid Deadline**”):

to the Receiver:

MNP Ltd.
111 Richmond Street West, Suite 300
Toronto, ON M5H 2G4
sheldon.title@mnp.ca
Attention: Sheldon Title

with a copy to:

Fasken Martineau DuMoulin LLP
dchochla@fasken.com
Attention: Dylan Chochla.

15. A Phase 1 Bid will be considered a “**Phase 1 Qualified Bid**” only if it satisfies the following requirements, in each case, in form and substance satisfactory to the Receiver, in consultation with the Real Estate Consultant (collectively, the “**Phase 1 Bid Requirements**”):
- a. it is received on or before the Phase 1 Bid Deadline by a Phase 1 Qualified Bidder;
 - b. it discloses the identity of the Phase 1 Qualified Bidder and each entity that will be participating in a potential Phase 2 Bid;
 - c. it contains a description of the Property that is expected to be subject to the transaction and any of the Property expected to be excluded;
 - d. it contemplates the purchase of the Property on an “as is, where is” basis;
 - e. it includes the purchase price or price range in Canadian dollars, including details of any liabilities to be assumed by the Phase 1 Qualified Bidder and key assumptions supporting the valuation;
 - f. it includes a description of the Phase 1 Qualified Bidder’s intended use of the Property expected to be subject to the transaction;
 - g. it includes references to the Phase 1 Qualified Bidder’s ability to finance and/or complete the proposed transaction, which references may include a term sheet, ability to pay in cash, or other evidence to mitigate transaction risks;

- h. it contains an outline of any additional due diligence required to be conducted in order to submit a final and binding offer in Phase 2;
 - i. it contains a description of:
 - i. all conditions to closing that the Phase 1 Qualified Bidder may wish to impose and an outline of the principle terms thereof;
 - ii. the conditions and approvals required for a final and binding offer, including any anticipated corporate, security holder, internal, legal or other regulatory approvals required to close the transaction, and an estimate of the anticipated time frame and any anticipated impediments for obtaining such approvals; and
 - iii. any other terms or conditions of the Phase 1 Bid that the Phase 1 Qualified Bidder believes are material to the transaction;
 - j. it contains a target closing date that, in the opinion of the Receiver, exercising reasonable business judgement, is likely to be achieved;
 - k. it includes the key terms and conditions to be included in any order of the Court approving the contemplated transaction;
 - l. it contains such other information as reasonably requested by the Receiver; and
 - m. the consideration offered for the purchase of the Property is greater than the Stalking Horse Bid by at least the Minimum Overbid Increment (as defined in the auction procedures attached hereto as Appendix I; hereafter, the “**Auction Procedures**”) (*i.e.*, \$25,000), plus an amount in cash to pay the Break Fee, and contemplates payment in cash on closing; and
 - n. an initial refundable deposit of not less than \$250,000, in the form of a wire transfer, certified cheque delivered to the mailing address for the Receiver set out at paragraph 14 or such other form acceptable to the Receiver (the “**Phase 1 Bid Deposit**”), which shall be held in trust by the Receiver (the “**Escrow Account**”) and disbursed from the Escrow Account only as follows: (i) if the Phase 1 Qualified Bidder is deemed a Phase 2 Qualified Bidder (as defined below) and decides to participate in Phase 2 of the Sale Process (as defined below), its Phase 1 Bid Deposit will be treated in accordance with paragraph 26.f below; and (ii) if the Phase 1 Qualified Bidder is not deemed a Phase 2 Qualified Bidder or is not otherwise invited to participate in Phase 2 of the Sale Process, its Phase 1 Bid Deposit, without interest, shall be returned to it forthwith.
16. The Receiver, in its business judgment, may waive compliance with any one or more of the Phase 1 Bid Requirements and deem such non-compliant Phase 1 Bid to be a Phase 1 Qualified Bid.
17. The Stalking Horse Bid is deemed to be a Phase 1 Qualified Bid and the Stalking Horse Bidder shall be deemed to be a Phase 1 Qualified Bidder.

D) Assessment of Phase 1 Qualified Bids and Subsequent Process

18. Following the Phase 1 Bid Deadline, the Receiver, in consultation with the Real Estate Consultant, will assess the Phase 1 Qualified Bids and select one or more Phase 1 Qualified Bids to participate in a second round of offers for the Property, which offers must be binding (“**Phase 2**”). Prior to selecting parties to participate in Phase 2, the Receiver may seek clarification of the information provided in a Phase 1 Qualified Bid.
19. If no Phase 1 Bids are received, or in the opinion of the Receiver, no Phase 1 Bids constitute Qualified Phase 1 Bids, the Receiver may determine that Phase 2 is not required. In that case, the Stalking Horse Bidder shall be the Successful Bidder and the Receiver will proceed to close the transaction contemplated by the Stalking Horse APA.
20. Among other considerations that may be relevant to the Receiver’s evaluation of the Phase 1 Qualified Bids, if the Receiver determines that a Phase 1 Qualified Bidder: (i) has a bona fide interest in completing a sale of the Property; and (ii) has the financial capability (based on the availability of financing, experience and other considerations) to consummate such a transaction, based on the financial information provided in the Phase 1 Qualified Bid, then such Phase 1 Qualified Bidder will be deemed a “**Phase 2 Qualified Bidder**”, provided that the Receiver may, in its reasonable business judgment, limit the number of Phase 2 Qualified Bidders (and thereby eliminate some bidders from the process). Only Phase 2 Qualified Bidders shall be invited to participate in Phase 2 of the Sale Process.
21. As soon as practical after the Phase 1 Bid Deadline, the Receiver, in consultation with the Real Estate Consultant, will advise any Phase 1 Qualified Bidder: (i) whether or not its bid constitutes a Phase 1 Qualified Bid; and (ii) whether or not it has been deemed a Phase 2 Qualified Bidder.
22. The Receiver shall have no obligation to admit any Phase 1 Qualified Bids as Phase 2 Qualified Bids, or to commence Phase 2 of the Sale Process at all, and it reserves the right to reject any or all Phase 1 Qualified Bids.
23. The Stalking Horse Bidder is deemed to be a Phase 2 Qualified Bidder. Only Phase 2 Qualified Bidders are permitted to participate in Phase 2 of the Sale Process.

III. PHASE 2: FORMAL OFFERS, AUCTION, AND SELECTION OF SUCCESSFUL BIDDER

A) Phase 2 Bid Requirements

24. All Phase 2 Qualified Bidders shall be invited to Phase 2 for the purpose of submitting a formal binding offer to purchase the Property (a “**Phase 2 Bid**”).
25. Phase 2 Qualified Bidders that wish to make a formal offer to purchase the Property shall submit a binding definitive agreement of purchase and sale in the form of asset purchase agreement provided by the Receiver (the “**Template APA**”) with a blackline against the Stalking Horse APA (together, a “**Phase 2 Bid**”) prior to 5:00

PM (Eastern Time) on March 15, 2022, or such other date as may be determined by the Receiver and communicated to the Phase 2 Qualified Bidders in writing (“**Phase 2 Bid Deadline**”).

26. A Phase 2 Bid will be considered a “**Phase 2 Qualified Bid**” only if it satisfies the following requirements (in each case, in form and substance satisfactory to the Receiver), unless waived by the Receiver in accordance with these Bidding Procedures (collectively, the “**Phase 2 Bid Requirements**”):
- a. the bid is made by a Phase 2 Qualified Bidder and received by the Phase 2 Bid Deadline;
 - b. the bid shall comply with each of the Phase 1 Bid Requirements, other than 15.a, including, without limitation, that the consideration offered for the purchase of the Property is greater than the Stalking Horse Bid by at least the Minimum Overbid Increment (as defined in the Auction Procedures) (*i.e.*, \$25,000), plus an amount in cash to pay the Break Fee, and contemplates payment in cash on closing;
 - c. the bid is an offer to purchase some or all of the Property, on terms and conditions reasonably acceptable to the Receiver, and is substantially in the form of the Template APA, with a blackline against the Stalking Horse APA;
 - d. the bid includes a letter stating that the Phase 2 Qualified Bidder’s offer is binding and irrevocable until the selection of the Successful Bidder (as defined below), provided that if such Phase 2 Qualified Bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the earlier of (i) the closing of the transaction with the Successful Bidder, and (ii) 120 days from the Approval and Vesting Order Motion, subject to further extensions as may be agreed to under the applicable transaction agreement(s);
 - e. the bid includes a proposal with respect to the existing lease between Riverside and The Ottawa Hospital/L’Hopital D’Ottawa for the property municipally known as 1919 Riverside Drive, Ottawa, ON K1H 7W9;
 - f. it includes payment by the Phase 2 Qualified Bidder of a cash deposit which shall be in excess of the Phase 1 Bid Deposit, and which, in combination with the Phase 1 Bid Deposit, shall be in an aggregate amount of not less than 10% of the total consideration contemplated by the Phase 2 Bid, in the form of a wire transfer, certified cheque delivered to the mailing address for the Receiver set out at paragraph 14 or such other form acceptable to the Receiver (collectively with the “**Phase 1 Bid Deposit**”, the “**Bid Deposit**”), which shall be held in the Escrow Account and disbursed from the Escrow Account only as follows: (i) if the Phase 2 Qualified Bidder is the Successful Bidder, its Bid Deposit will be applied without interest on Closing to the purchase price payable by it under its bid on the closing thereof; and (ii) if the Phase 2 Qualified Bidder is not the Successful Bidder, then its Bid Deposit, without interest, shall be returned to it forthwith following the expiration of its offer in accordance with the definitive documents and the terms hereof;

- g. the bid includes written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction, that will allow the Receiver to make a determination as to the Phase 2 Qualified Bidder's financial and other capabilities to consummate the proposed transaction;
- h. the bid includes evidence, in form and substance reasonably satisfactory to the Receiver, of authorization and approval from the Phase 2 Qualified Bidder's board of directors (or comparable governing body) with respect to submission, execution, delivery and closing of the transaction agreement(s) submitted by the Phase 2 Qualified Bidder;
- i. the bid is not conditioned on: (i) the outcome of unperformed due diligence by the Phase 2 Qualified Bidder, (ii) obtaining financing, or (iii) any other condition that, in the Receiver's business judgment, unduly increases the risk that the proposed transaction will not close on or before the target closing date;
- j. the bid includes acknowledgements and representations of the Phase 2 Qualified Bidder that: (i) it has had an opportunity to conduct any and all due diligence regarding the Property prior to making its offer, (ii) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its bid, (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Property or the completeness of any information provided in connection therewith, except as expressly stated in the definitive transaction agreement(s) signed by the Receiver; and
- k. the bid includes such other information as may be reasonably required by the Receiver in the event that Phase 2 is supplemented with the Auction.

B) Assessment of Phase 2 Qualified Bids and Auction

- 27. Following the Phase 2 Bid Deadline, the Receiver will assess the Phase 2 Bids received in consultation with the Real Estate Advisor. The Receiver, in its business judgment, will designate those Phase 2 Bids that comply with the Phase 2 Bid Requirements as Phase 2 Qualified Bids, with such bidders being Phase 2 Qualified Bidders.
- 28. Only Phase 2 Qualified Bidders whose bids have been designated as Phase 2 Qualified Bids are eligible to participate in the Auction or to become the Successful Bidder.
- 29. The Receiver may, in its discretion, request revisions or supplementations to any Phase 2 Bid and/or waive strict compliance with any one or more of the Phase 2 Bid Requirements and deem a non-compliant bid to be a Phase 2 Qualified Bid. For greater certainty, if multiple Phase 2 Bids are received, the Receiver has no obligation to exercise its discretion or authority under this provision in respect of all Phase 2

- Bids received even if such authority or discretion is exercised by the Receiver in respect of any one Phase 2 Bid.
30. The Receiver shall notify each Phase 2 Qualified Bidder in writing as to whether its bid constituted a Phase 2 Qualified Bid within five (5) business days of the expiration of the Phase 2 Bid Deadline, or at such later time as the Receiver deems appropriate.
 31. The Stalking Horse Bid is deemed to be a Phase 2 Qualified Bid and the Stalking Horse Bidder is deemed to be a Phase 2 Qualified Bidder.
 32. If one or more Phase 2 Qualified Bids (other than the Stalking Horse APA) have been received by the Receiver on or before the Phase 2 Bid Deadline, the Receiver shall invite all Phase 2 Qualified Bidders to attend an Auction to be conducted in accordance with the Auction Procedures.
 33. If no Phase 2 Bids are received or, in the discretion of the Receiver no Phase 2 Bids constitute Phase 2 Qualified Bids, the Stalking Horse APA shall be the Successful Bid and the Stalking Horse Bidder shall be the Successful Bidder and the Auction shall not be held.

C) Auction Process and Selection of Successful Bid

34. If the Receiver determines that an Auction is required, the Receiver will invite all Phase 2 Qualified Bidders to the Auction and the Auction will be conducted, in accordance with the Auction Procedures. The Receiver, in its business judgment, will determine the Phase 2 Qualified Bid that constitutes the highest or otherwise best offer for the Property in accordance with the Bid Assessment Criteria (as defined in the Auction Procedures) and designate such bid as the “**Lead Bid**” for the purpose of the Auction.
35. Save and except for the Stalking Horse Bid, the Receiver shall be under no obligation to accept the highest or best offer, or any offer, and the Receiver shall have no obligation to enter into a Successful Bid, and it reserves the right to reject any or all Phase 2 Qualified Bids.
36. The closing of the transaction contemplated in the Successful Bid is expressly conditional upon the approval of the Successful Bid by the Court at the hearing of the Approval and Vesting Order Motion. The presentation of the Successful Bid to the Court for approval does not obligate the Receiver to close the transaction contemplated by such Successful Bid, unless and until the Court approves the Successful Bid and all other conditions therein are satisfied or waived. The Receiver will be deemed to have accepted a bid only when the bid has been approved by the Court at the hearing of the Approval and Vesting Order Motion.

D) Sale Approval Hearing

37. The Receiver shall use reasonable efforts to bring a motion to the Court to approve the Successful Bid, as soon as practicable following the determination by it of the Successful Bidder.

38. At the hearing of the Approval and Vesting Order Motion, the Receiver shall seek, among other things, approval from the Court to consummate any Successful Bid. The Receiver will be deemed to have accepted the Successful Bid only when it has been approved by the Court. All Phase 2 Qualified Bids, other than the Successful Bid, if any, shall be deemed rejected by the Receiver, on and as of the date of approval of the Successful Bid by the Court.

IV. CONFIDENTIALITY, COMMUNICATION AND ACCESS TO INFORMATION

39. All discussions regarding any bids submitted through these Bidding Procedures should be directed to the Receiver, or if directed by the Receiver, to the Real Estate Consultant. Under no circumstances should any of Riverside's stakeholders be contacted directly without the prior consent of the Receiver. Any such unauthorized contact or communication could result in exclusion of the interested party from the Sale Process. For greater certainty, nothing herein shall prevent a stakeholder from contacting potential bidders with the agreement of the Receiver to advise that the Receiver has commenced a Sale Process and that they should contact the Receiver if they are interested in the Opportunity.
40. If it is determined by the Receiver that it would be worthwhile to facilitate a discussion between a Phase 1 Qualified Bidder or a Phase 2 Qualified Bidder (as applicable, depending on the stage of the Sale Process) and a stakeholder or other third party, as a consequence of a condition to closing, or potential closing condition identified by such bidder, the Receiver may provide such bidder with the opportunity to meet with the relevant stakeholder or third party to discuss such condition or potential condition, with a view to enabling such bidder to seek to satisfy the condition or assess whether the condition is not required or can be waived. Any such meetings or other form of communication will take place on terms and conditions considered appropriate by the Receiver. The Receiver must be provided the opportunity to be present at all such communications or meetings.

V. MISCELLANEOUS

41. The Sale Process does not, and will not be interpreted to create any contractual or other legal relationship between the Receiver and any Potential Bidder, any Phase 1 Bidder, any Phase 2 Bidder, or any other party, other than as specifically set forth in a definitive agreement, or the Stalking Horse APA. Except as specifically set forth in a definitive agreement, any party that submits a bid in the Sale Process expressly acknowledges and agrees that the Receiver has not made any commitment or otherwise incurred any obligation to consider or conclude any transaction with that party.
42. Participants in the Sale Process are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Phase 1 Bid or Phase 2 Bid, due diligence activities, and any further negotiations or other actions, whether or not they lead to the consummation of a transaction. Except for the payment of the Break Fee to the Stalking Horse Bidder, if payable, pursuant to the Stalking Horse APA, no party will be entitled for any reason (including, without limitation, any modification of the procedures contemplated herein) to reimbursement for any costs

or expenses incurred in reliance upon the procedures set forth in these Bidding Procedures, as such procedures may be modified from time to time.

43. The Receiver shall have the right to modify the Sale Process if, in its reasonable business judgment, such modification will enhance the process or better achieve the objectives of the Sale Process, provided that the service list in this receivership proceeding shall be advised of any substantive modification to the procedures set forth herein.
44. Nothing contained in the Sale Process Order or these Bidding Procedures shall create any rights in any person (including, without limitation, any bidder in the Sale Process and any rights as third party beneficiaries or otherwise) other than the rights expressly granted to a Successful Bidder under the Sale Process Order.
45. Except as otherwise provided in an order of the Court, the Court shall retain jurisdiction to hear and determine all matters arising from or relating to the implementation of the Sale Process Order, the Sale Process and the Bidding Procedures.
46. The Receiver shall not have any liability whatsoever to any person or party, including without limitation, to any Potential Bidder, Phase 1 Bidder, Phase 2 Bidder, a bidder who submits a Successful Bid, or any creditor, or other stakeholder, for any act or omission related to this Sale Process. By submitting a bid, each Potential Bidder shall be deemed to have agreed that it has no claim against the Receiver for any reason, matter or thing whatsoever.
47. This Sale Process will be interpreted so as to comply and be consistent with any applicable laws, regulations, orders or public health directives related to the COVID-19 pandemic and may be amended at any time by the Receiver to the extent necessary or advisable to comply with same.

APPENDIX I

Auction Procedures

1. If the Receiver determines to conduct an Auction pursuant to the Bidding Procedures, the Receiver will notify the Phase 2 Qualified Bidders who made a Phase 2 Qualified Bid that an Auction will be conducted. The Auction will be convened by the Receiver and conducted virtually by video conference at 10:00 AM (Eastern Time) on a date that is determined by the Receiver, provided that that it is not later than seven (7) business days after the Phase 2 Bid Deadline, or such other place and time as the Receiver may advise. Capitalized terms used but not defined have the meaning given to them in the Bidding Procedures.
2. The Stalking Horse Bidder shall be entitled to participate in the Auction in accordance with these Auction Procedures, which shall govern the conduct of the Auction in all respects.
3. The Auction shall be conducted in accordance with the following procedures:
 - (a) **Participation at the Auction.** Only Phase 2 Qualified Bidders, including the Stalking Horse Bidder, are eligible to participate in the Auction. The Receiver shall provide all Phase 2 Qualified Bidders with the details of the Lead Bid by 5:00 PM (Eastern Time) three (3) business days after the Phase 2 Bid Deadline. Except for the Stalking Horse Bidder, each Phase 2 Qualified Bidder must inform the Receiver whether it intends to participate in the Auction no later than 12:00 PM (Eastern Time) on the business day prior to the Auction. Only the authorized representatives of each of the Phase 2 Qualified Bidders, the Receiver and their respective counsel and other advisors shall be permitted to attend the Auction.
 - (b) **Bidding at the Auction.** Bidding at the Auction shall be conducted in rounds. The Lead Bid shall constitute the “Opening Bid” for the first round and the highest Overbid (as defined below) at the end of each round shall constitute the “Opening Bid” for the following round. In each round, a Phase 2 Qualified Bidder may submit no more than one Overbid. Any Phase 2 Qualified Bidder who bids in a round (including the Phase 2 Qualified Bidder that submitted the Opening Bid for such round) shall be entitled to participate in the next round of bidding at the Auction.
 - (c) **Receiver Shall Conduct the Auction.** The Receiver and its advisors shall direct and preside over the Auction. At the start of each round of the Auction, the Receiver shall provide the terms of the Opening Bid to all participating Phase 2 Qualified Bidders at the Auction. The determination of which Phase 2 Qualified Bid constitutes the Opening Bid for each round shall take into account any factors that the Receiver reasonably deems relevant to the value of the Phase 2 Qualified Bid, including, among other things, the following:
 - (i) the amount and nature of the consideration;
 - (ii) the proposed assumption of any liabilities and the related implied impact on recoveries for creditors;
 - (iii) the Receiver’s assessment of the certainty of the Phase 2 Qualified Bidder

to close the proposed transaction; (iv) the likelihood, extent, and impact of any potential delays in closing; (v) the net economic effect of any changes from the Opening Bid of the previous round, and (vi) such other considerations as the Receiver deems relevant in its reasonable business judgment (collectively, the “**Bid Assessment Criteria**”). All Bids made at the Auction subsequent to the Receiver’s announcement of the Opening Bid shall be “**Overbids**” and shall be made and received on an open basis, and all material terms of the highest and best Overbid shall be fully disclosed to all other Phase 2 Qualified Bidders that are participating in the Auction. The Receiver shall maintain a record of the Opening Bid and all Overbids made and announced at the Auction.

- (d) **Terms of Overbids.** To submit an Overbid, in any round of the Auction, a Phase 2 Qualified Bidder must comply with the following conditions:
- i. **Minimum Overbid Increment:** Any Overbid shall be made in minimum increments of \$25,000 of total consideration above the Opening Bid, in order to facilitate the Auction (the “**Minimum Overbid Increment**”). The value of total consideration, taking into account cash and non-cash consideration, shall be determined by the business judgement of the Receiver. The amount of the total consideration or value of any Overbid shall not be less than the cash purchase price consideration or value of the Opening Bid, plus the Minimum Overbid Increment(s) at that time, plus any additional Minimum Overbid Increments.
 - ii. **Phase 2 Bid Requirements Apply:** Except as modified herein, an Overbid must comply with the Phase 2 Bid Requirements described in the Bidding Procedures, provided, however, that the Bid Deadline shall not apply. Any Overbid made by a Phase 2 Qualified Bidder must provide that it remains irrevocable and binding on the Phase 2 Qualified Bidder and open for acceptance as a Back-Up Bid (as defined below) until the closing of the Successful Bid.
 - iii. **Announcing Overbids:** At the end of each round of bidding, the Receiver shall announce the identity of the Phase 2 Qualified Bidder and the material terms of the then highest and/or best Overbid, including the nature of the contemplated transaction, the Property proposed to be acquired and the obligations proposed to be assumed, and the basis for calculating the total consideration offered in such Overbid based on, among other things, the Bid Assessment Criteria.
 - iv. **Consideration of Overbids:** The Receiver reserves the right to make one or more adjournments of the Auction in durations set by the Receiver to, among other things: (i) allow individual Phase 2 Qualified Bidders to consider how they wish to proceed; (ii) consider and determine the current highest and/or best Overbid at any given time during the Auction; and, (iii) give Phase 2 Qualified Bidders the

opportunity to provide the Receiver with such additional evidence as they may require that the Phase 2 Qualified Bidder has obtained all required internal corporate approvals, has sufficient internal resources, or has received sufficient non-contingent debt and/or equity funding commitments, to consummate the proposed transaction at the prevailing Overbid amount. The Receiver may have clarifying discussions with a Phase 2 Qualified Bidder, and the Receiver may allow a Phase 2 Qualified Bidder to make technical clarifying changes to its Overbid following such discussions. PHASE 2 QUALIFIED BIDDERS MUST OBTAIN ALL NECESSARY APPROVALS AND FUNDING COMMITMENTS IN ADVANCE OF THE AUCTION.

- v. **Failure to Bid:** If at the end of any round of bidding a Phase 2 Qualified Bidder (other than the Phase 2 Qualified Bidder that submitted the then highest and/or best Overbid or Opening Bid, as applicable) fails to submit an Overbid, then such Phase 2 Qualified Bidder shall not be entitled to continue to participate in the next round of the Auction.
- (e) **Additional Procedures.** The Receiver may adopt rules for the Auction at or prior to the Auction that will better promote the goals of the Auction, including rules pertaining to the structure of the Auction, provided they are not inconsistent with any of the provisions of the Bidding Procedures and provided further that no such rules may change the requirement that all material terms of the then highest and/or best Overbid at the end of each round of bidding will be fully disclosed to all other Phase 2 Qualified Bidders.
- (f) **Back-Up Bid.** If only one bid is submitted after any round of offers then that bid shall be the Successful Bid. The next highest bid, as determined by the Receiver (the “**Back-Up Bid**”), shall be required to keep its offer open and available for acceptance until the closing of the transaction contemplated by the Successful Bid.
- (g) **Closing the Auction.** The Auction shall be closed after the Receiver has:
 - (i) reviewed the final Overbid of each Phase 2 Qualified Bidder, and
 - (ii) identified the Successful Bid and the Back-Up Bid and the Receiver has advised the Phase 2 Qualified Bidders participating in the Auction of such determination.
- (h) **Finalizing Documentation.** Promptly following a bid of a Phase 2 Qualified Bidder being declared the Successful Bid, or the Back-Up Bid, the Phase 2 Qualified Bidder shall execute and deliver such revised and updated definitive transaction agreements, as may be required to reflect and evidence the Successful Bid or Back-Up Bid. For greater certainty, every Bid made at Auction is deemed to be a signed and binding bid based on the bidder’s original Phase 2 Qualified Bid, except as modified at the Auction.

TAB 3

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

B E T W E E N:

THE MANUFACTURERS LIFE INSURANCE COMPANY

Applicant

- and -

RIVERSIDE PROFESSIONAL CENTRE INC.

Respondent

APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended

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THE MANUFACTURERS LIFE INSURANCE COMPANY - and -
Applicant

RIVERSIDE PROFESSIONAL CENTRE INC.

Respondent

Court File No.: CV-21-00668726-00CL

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SUPERIOR COURT OF JUSTICE
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Respondent

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ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at
Toronto

MOTION RECORD
(Approval of Stalking Horse Sale Process)

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