File No. CI 15-01-97928

THE QUEEN'S BENCH
WINNIPEG CENTRE

IN THE MATTER OF: AN APPLICATION PURSUANT TO SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c.B-3, AS AMENDED

B E T W E E N:

CAMERON STEPHENS FINANCIAL CORPORATION,

Applicant,

- and -

5448124 MANITOBA LTD.,

Respondent.

THIRD REPORT TO THE COURT OF GRANT THORNTON LIMITED IN ITS CAPACITY AS RECEIVER OF THE RESPONDENT DATED: AUGUST 5, 2016

TAYLOR McCAFFREY LLP
Barristers and Solicitors
9th Floor - 400 St. Mary Avenue
Winnipeg, Manitoba
R3C 4K5

David R.M. Jackson/Sam A. Gabor
Telephone – (204) 988-0375/(204) 988-0346
Fax – (204) 957-0945

Client File No. 98665-1 DJAC

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INTRODUCTION AND PURPOSE OF THE THIRD REPORT

1. On October 16, 2015, the Honourable Mr. Justice Dewar issued an Order (the "**Appointment Order**") appointing Grant Thornton Limited as receiver (the "**Receiver**") of all of the assets, undertakings and property of 5448124 Manitoba Ltd. ("**544**" and/or the "**Company**"). A copy of the Appointment Order is attached as **Appendix "1"** to this Third Report ("**Third Report**") of the Receiver.

2. At the October 27, 2015 return date and upon review of the Receiver's First Report to the Court ("First Report") Justice Dewar issued an Amended and Restated Order (the "**Amended and Restated Order**"). Copies of the First Report (without appendices) and the Amended and Restated Order are attached as **Appendix "2"** and **Appendix "3"** to this Third Report of the Receiver.

3. The Receiver issued its Second Report ("**Second Report**") on March 31, 2016 which among other things sought an increase to the Receiver's borrowing limit. On April 8, 2016, the Honourable Mr. Justice Dewar issued an Order increasing the Receiver's borrowing limit and adjourning *sine die* the Court's approval of the Second Report and the loan agreement between Cameron Stephens Financial Corporation ("CSFC") and the Receiver dated March 9, 2016 (the "Loan Agreement") (the "**April 8, 2016 Order"**). A copy of the Second Report (without appendices) and the April 8, 2016 Order are attached as **Appendix "4" and "5"** to this Third Report of the Receiver.

4. The purpose of the Third Report is to outline the Receiver's activities and findings since the issuance of the Second Report and to provide the Court with an evidentiary basis to determine whether to grant the relief sought by the Receiver as follows:

    a. Approving the Receiver's request to increase the Receiver's borrowing limit from $458,800 to $1,208,800.00 based on the Recast July 2016 to June 2017 Budget prepared by the Receiver and A.S.H. Management Group Inc. ("**A.S.H.**"), as discussed later in this report;

b. Approving the Loan Agreement and the Amended Loan Agreement between CSFC and the Receiver dated August 4, 2016 (“**Amended Loan Agreement**”);

c. Sealing such confidential appendices as referred to herein;

d. Approving the Receiver’s Interim Statement of Receipts and Disbursements for the period from October 27, 2015, to July 31, 2016;

e. Approving the fees and disbursements of the Receiver and its counsel, Taylor McCaffrey LLP ("**Taylor McCaffrey**") for the period from March 1, 2016 to July 31, 2016;

f. Approving the Second Report and Third Report and the conduct and activities of the Receiver described therein.

SCOPE AND TERMS OF REFERENCE

5. In preparing this Third Report, the Receiver has relied upon unaudited financial information, the Company’s records, financial information and projections and discussions with the Company’s former management and contractors. While the Receiver reviewed various documents provided by the Company and believes that the information therein provides a fair summary of the transactions as reflected in the documents, such work does not constitute an audit or verification of such information for accuracy, completeness or compliance with Generally Accepted Accounting Principles (“**GAAP**”) or International Financial Reporting Standards (“**IFRS**”). Accordingly, the Receiver expresses no opinion or other form of assurance with respect to such information except as expressly stated herein.

6. Some of the information used in preparing this Third Report consists of financial projections. The Receiver cautions that these projections are based upon assumptions about future events and conditions that are not ascertainable. The Company’s actual results may vary from the financial projections, even if the hypothetical and probable assumptions contained therein materialize, and the

variations could be significant. The Receiver's review of the future oriented information used to prepare this Third Report did not constitute an audit of such information under GAAP or IFRS.

7. This Third Report has been prepared for the use of this Court and the Company's stakeholders as general information relating to the Company and for the purpose of assisting the Court in making a determination of whether to approve the relief sought. Accordingly, the reader is cautioned that the Third Report may not be appropriate for any other purpose. The Receiver will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of the Third Report contrary to the provisions in this paragraph.

8. Capitalized terms not defined in this Third Report are as defined in the Appointment Order. All references to dollars are in Canadian currency unless otherwise noted.

9. Copies of this Third Report and all Orders issued in these proceedings are available on the Receiver's website at:

http://www.grantthornton.ca/services/reorg/bankruptcy_and_insolvency/519Burnell

PARTIES

10. 544 is a company incorporated pursuant to the laws of Manitoba that owns and operates a three story residential apartment building at 519 Burnell Street ("**Burnell" and/or "Property**"), Winnipeg, Manitoba.

11. The registered head office of the Company is located at 910 – 388 Portage Avenue, Winnipeg, Manitoba (the "**Head Office**").

12. Susannah Simes ("**Simes**") and Russell Knight ("**Knight**") are the officers and directors of the Company.

13. Cameron Stephens Financial Corporation ("**CSFC**") is a secured creditor of the Company and holds a first charge real property mortgage and personal property security against the Company's assets as well as holding personal guarantees of Simes and Knight. The Receiver has received an independent security opinion from Taylor acknowledging that the CSFC's security is duly perfected and enforceable in accordance with its terms.

THE RECEIVER'S ACTIVITIES

14. Since the date of the Receiver's Second Report, the Receiver has completed the following:

    a. Corresponding and engaging in numerous discussions with operational stakeholders;

    b. Issued advances to the property manager, A.S.H., to fund expenses incurred on behalf of the property for the Receiver;

    c. Requested that A.S.H. review with its insurance carrier the Company's existing coverages to determine if the coverages were adequate and the premiums competitive, which resulted in a change of insurer and an increase of coverage values effective as of June 1, 2016;

    d. Worked with A.S.H. to provide a form of monthly reporting acceptable to the Receiver and CSFC as part of the monthly reporting package required under the Loan Agreement;

    e. Completed all of the Priority Expenditures and repairs as detailed in the Receiver's Second Report;

    f. Requested funding under the Loan Agreement so that the Receiver could provide advances to A.S.H. to enable it to cover the cash outlays incurred on behalf of the Receiver that are in excess of the rental receipts;

g. Prepared a comparison report of the monthly budget to actual results and provided the report to CSFC and A.S.H.;

h. Filed the corporate tax return for the Company for the year ending May 14, 2015;

i. Assessed with A.S.H. and CSFC the appropriate adjustments to make to the monthly rental rates to estimated market values. This resulted in 18 new apartment leases for the Property completed to July 31, 2016;

j. Reviewed the basement dampness and resulting mold growth issues ("**Basement Dampness Issues**"), as discussed in more detail later below, with CSFC and A.S.H. and instructed A.S.H. to obtain quotations related to identifying and correcting the Basement Dampness Issues (the "**Remediation Quotes**");

k. Requested that A.S.H. prepare and provide information regarding the projected rents to be collected and expenses to be incurred for the period of July 1, 2016 to June 30, 2017;

l. Compiled a re-casted budget and funding requirements schedule ("**Re-casted Budget**") using the information and projections prepared and provided by A.S.H. and the Remediation Quotes. This was done in order to determine the necessary increase to the Receiver's borrowing limit to correct the Basement Dampness Issues;

m. Revised and amended the Loan Agreement to reflect the increased borrowing limit sought by the Receiver to fund the necessary repairs;

n. Requested and received an appraisal of the Property from Colliers International Valuation and Advisory Services ("**Colliers**") on an "As Is" and "As Improved" basis (the "**Appraisal**");

o. Prepared a confidentiality agreement to be used for the purposes of sharing certain information available relating to the Property with interested parties who have expressed an unsolicited interest in the Property;

p. Posted information relating to this filing on the Receiver's website including the Receiver's Third Report; and

q. Worked with its legal counsel regarding a City of Winnipeg by-law infraction which was issued to 544 prior to the date of Appointment Order relating to 544's alleged past failure to remove an accumulation of garbage on the Property.

MANAGEMENT and OPERATIONS OF 519 BURNELL

15. As disclosed in the Receiver's Second Report, less than one half of the units in Burnell were occupied at the time of the Appointment Order and the expenses incurred relating to the Property's operations exceeded the rent being collected.

16. In addition, a number of the occupants were not paying rent and/or were very disruptive and interfered with the quiet enjoyment of other nearby occupants necessitating the attendance of police authorities on a number of occasions. A.S.H. has actively pursued the eviction of the disruptive and non-paying occupants.

17. A number of the vacant units have been cleaned, painted and made ready for occupancy. A.S.H., the Receiver and CSFC have discussed the appropriate rent rate which should be charged for these units. While the initial rents did not result in leases, a further rent reduction has been made.

18. Following this decision, A.S.H. has entered into leases for eighteen units up to the end of July 2016. The majority of new tenants have leased two bedroom apartments. A further reduction in the monthly rental rate will be contemplated if additional tenants are not found in due course for the other unleased units.

19. The Receiver was provided with the Company's QuickBooks file which the Company used to track its income and expenses. The Receiver used this

information to file the Company's corporate tax returns for the May 14, 2015 fiscal year on March 30, 2016.

STATE OF 519 BURNELL

20. As discussed in the Second Report, A.S.H. identified a number of issues with the Property that would need to be addressed ("**Priority Expenditures**"). The following are the list of Priority Expenditures that have been addressed:

    a) Completion and correction of the Property's annual fire alarm testing including deficiencies;

    b) Electrical inspections have been performed which have allowed Manitoba Hydro to restore electricity to various units;

    c) Pest control measures have been taken to eliminate a prior rodent infestation;

    d) All doors have been re-keyed by a locksmith and all door handle sets have been changed;

    e) Fridges and stoves have been purchased for vacant units which are now ready to be rented out;

    f) Coin/card operated laundry equipment has been purchased;

    g) Broken windows have been replaced; and

    h) Units have been cleaned and repaired, including the removal of old furniture.

21. At the time of the Second Report, the Receiver was aware that only 14 of the 22 basement units could be occupied until the occupation permit issue with the City of Winnipeg was resolved, as discussed in the Second Report. Since then, the

Receiver has learned that the basement walls and foundation are damp as a result of either the grading of the Property and/or the foundation's exterior seal. Dampness in the exterior wall has penetrated through to the interior walls in the basement resulting in significant mold growth in the walls and floors. All basement tenants have either been relocated to the upper floors or vacated.

22. With the approval of the Receiver, A.S.H. contacted Pinchin Environmental (“**Pinchin**”) to conduct a review of the basement interior to:

    a) determine the extent of mold infestation;

    b) prepare a scope of work for all units in the basement which includes sealing off the basement from the rest of the building and creating a negative pressure environment, remediating the affected areas and removing the affected drywall and flooring;

    c) put out to tender the scope of work to various contractors for pricing; and

    d) provide a summary report of their findings and copies of all quotations obtained.

23. It is the Receiver’s intention to engage Pinchin to act as the general contractor for the mold remediation work.

24. The initial work to be done for the mold remediation includes:

    a) sealing off the basement area to tenants to avoid their exposure to the dust and mold spores present in the air;

    b) Install air circulation units that will draw in fresh air from outside.

    (the "**Initial Work**")

25. The Initial Work and all further mold remediation work must be completed before the winter while external temperatures are moderate to prevent a risk of freezing water pipes. Performing the Initial Work in the winter would substantially

increase the cost of remediation because it would require the use of heaters to keep temperatures above freezing.

26. The Receiver requested that Pinchin provide a quote for the Initial Work so that this work could commence on August 8, 2016 and be paid by the Receiver under the current borrowing limit of $458,800.00. The balance of the work could then be awarded and commenced if the Receiver's request for an increase to the borrowing limit is approved by the Court.

27. Given that the Receiver's current borrowing limit is insufficient to fund the remaining portion of the necessary remediation work other than the Initial Work, the Receiver has not awarded that portion of work yet to Pinchin. Accordingly, the Receiver requests that the quotations received by Pinchin remain confidential and sealed until such time that the work is awarded and completed so that the Receiver is not negatively impacted should another contractor be required to complete the work. Attached as Confidential Appendix "1" are copies of the quotations received for the mold remediation.

INVESTIGATION INTO THE CAUSE OF DAMPNESS ISSUE

28. A.S.H. has also contacted three engineering firms to provide a proposal for their costs to prepare a report to investigate and determine the cause of the Basement Dampness Issues. Only Crosier Kilgour & Partners Ltd. ("**Crosier**") provided a proposal. The Receiver approved A.S.H. retaining Crosier to conduct its review and to report its findings which included the estimated costs to correct the Basement Dampness Issues.

29. Crosier's review included a visual inspection of the foundation wall from both the interior and exterior of the Property. The scope of work also involved digging two test pits to review the condition of the parging on the foundation wall. It is Crosier's opinion that the parging has debonded allowing water to enter the mortar joints creating further degradation to the foundation and allowing water to soak into the exterior wall. Crosier provided an initial and follow up report after

the two test digs were done which included an estimate of costs to correct the foundation issue. The Receiver intends to have Crosier do a follow up review of the foundation once the interior walls are removed as part of the mold remediation work to determine if the scope of work proposed by Crosier has changed and whether their initial estimate can be reduced.

30. The Receiver is of the opinion that the estimated cost provided by Crosier should not be made public at this time as it could negatively impact a future tender process for the work. As such, attached as Appendix "6" and Confidential Appendix "2" are redacted and un-redacted copies of the Crosier reports.

31. Once the mold remediation and foundation dampness corrective work is completed, all 22 units in the basement will require some level of restorative work to return the units into a rent ready state. As discussed in the Second Report, A.S.H. had obtained an estimate to complete the work on just the eight units for approximately $200,000. This work is subject to the City of Winnipeg's zoning and temporary occupancy permit requirements. Given that the exact extent of work required is not known at this time, the Receiver has not yet obtained an estimate to restore all 22 units to a rent ready state, but expects the cost to substantially exceed $200,000.

PRE-RECEIVERSHIP CITY OF WINNIPEG BY-LAW INFRACTION

32. On June 17, 2016, the Receiver was forwarded a Provincial Court Summons by 544's bookkeeper requiring 544 to attend before the Provincial Court on September 8, 2016. This arose as a result of 544 failing to pay a ticket issued in or around November 13, 2014, for 544's alleged failure to remove an accumulation of garbage on the Property pursuant to a City of Winnipeg by-law. The Receiver is advised by its counsel that they are in communication with the Crown Prosecutor assigned to the matter and are reviewing the Receiver's legal position.

JULY 2016 TO JUNE 2017 BUDGET and INCREASED FUNDING REQUIREMENTS

33. Based upon the current state of the building, Burnell still does not have sufficient revenue to meet expenses and professional fees from available cash flow.

34. A.S.H. has been providing monthly reporting updates which includes financial information such as income statements, bank reconciliations, tenant receivables, rent rolls, accounts payable, accrual reports and a status report of various aspects of the Property's operations which helps enable the Receiver to ascertain the necessary funding.

35. The Re-casted Budget provides the operating cash requirements for the Property including the costs of the Receiver and its counsel to date, and the estimated professional costs for the period ending June 2017. The budget was developed by the Receiver from information available to A.S.H. and the Receiver to determine the necessary increase for the Receiver's borrowing limit. The Receiver has attached redacted and un-redacted versions of the Re-casted Budget which provide the operational funding requirements but redact the estimated costs related to remediating the Basement Dampness Issues, until such time as the work is awarded and completed. Attached as Appendix “7” is a copy of the Redacted Recast Budget and Confidential Appendix “3” is an un-redacted version.

36. During the Receiver's consultations with CSFC regarding the Basement Dampness Issues, it was apparent that although CSFC wanted the Receiver to proceed with one of Pinchin’s mold remediation quotes, the Receiver would not have sufficient funding to authorize the balance of the work except for the portion of the work that required sealing off and ventilating the basement that is currently underway.

37. On July 27, 2016 CSFC and the Receiver held a conference call to discuss the Re-casted Budget and funding required. CSFC subsequently advised the Receiver that it would support the Receiver seeking an approval for an increase to its credit facility by $750,000 for a maximum borrowing of $1,208,800.00. As the Receiver's existing borrowing authority under the April 8, 2016 Order is currently limited to $458,800.00 any advances to be made over and above $458,800.00

would be subject to obtaining a Court Order increasing the Receiver's borrowing charge. CSFC also advised that it would be necessary to prepare the Amended Loan Agreement between it and the Receiver before any additional advances under the existing credit facility could be made.

38. On August 4, 2016 CSFC and the Receiver were able to finalize and execute the Amended Loan Agreement, a true copy of which is attached hereto as Appendix “8” ("Amended Loan Agreement").

39. In order to access any portion of the increased borrowing limit under the Amended Loan Agreement, it is necessary for the Court to increase the Receiver's borrowing charge limit under the April 8, 2016 Order.

APPRAISAL OF THE PROPERTY AND POTENTIAL SALES PROCESS

40. A sales process was not originally contemplated until certain milestones for the Property were achieved which included;

    a) the Priority Expenditures work being completed;

    b) eviction of the non-paying and disruptive tenants;

    c) lease up of the apartments to a stabilized occupancy; and

    d) potentially completing the work on the basement units that are subject to zoning and occupancy permit requirements that are incomplete.

41. CSFC and the Receiver were of the view that a sales process being conducted after the above items were completed would garner better results, making the outcome and costs to administer the sales process more worthwhile.

42. However, two unsolicited expressions of interest were received (the “**Potential Purchasers**”).

43. As a result of the unsolicited interest from the Potential Purchasers and with the ever mounting list of problems the Property was/is encountering, CSFC requested

the Receiver obtain an appraisal of the Property based on two assumptions, one being "As Is" in its current condition and one on the basis of "As Improved" which would involve repairing and remediating all the basement issues and achieving stabilized occupancy.

44. Colliers was engaged on July 5, 2016 to prepare these Appraisals (the "**Collier's Appraisal**"). A copy of the final Collier's Appraisal is attached as Confidential Appendix "4". It is the Receiver's view that while it is appropriate for the Court to have full disclosure of the range of values, it could be prejudicial to the interest of the stakeholders as well as any future approved sales process if public disclosure occurred at this time. As such, the Receiver requests that the Collier's Appraisal be the subject of a Sealing Order until further order of this Court.

45. In light of the added issues and potential remediation costs in the basement now being better understood, the Receiver and CSFC intend to canvass the Potential Purchasers to determine what they are prepared to offer for the Property.

46. While it is the Receiver's view that a formal, widely marketed sales process approved by the Court should be initiated at an appropriate time and has advised the Potential Purchasers of this requirement, it is still premature to obtain approval of such a process given the current state of the Property. Accordingly, the Receiver intends to explore whether the Potential Purchasers are interested in the Property and if either are prepared to make a reasonable offer with one to possibly become a Stocking Horse bidder and negotiate in conjunction with a formal sales process. This proposed course of action has been communicated to the Potential Purchasers and agreed to by CSFC.

47. The Receiver prepared a form of Confidentiality Agreement which was executed by the Potential Purchasers and information is currently being provided to the Potential Purchasers. A copy of the Confidentiality Agreement is attached as Appendix "9" to this Third Report.

RECEIPTS AND DISBURSEMENTS OF THE RECEIVERSHIP

48. Attached as Appendix "10" is the Receiver's Interim Statement of Receipts and Disbursements for the period October 27, 2015 to July 31, 2016.

49. Attached as Appendix "11" is A.S.H.'s Interim Statement of Receipts and Disbursements for the period December 17, 2015 to June 30, 2016.

50. The Receiver notes that there are three Receiver Certificates issued to CSFC for a total of $405,000.00 to cover the initial operational expenses and priority repairs required at the property. As at July 31, 2016, the Receiver held $54,749.91 in its bank accounts and A.S.H. held $ 93,312.86.

RECEIVER'S FEES AND DISBURSEMENTS

51. Pursuant to paragraph 18 of the Appointment Order, the Receiver and its counsel may pass their accounts from time to time.

52. The Receiver seeks to have its fees and disbursements, including those of its legal counsel, approved by the Court. The Receiver and its counsel have maintained detailed records of their professional time and costs.

53. Total fees, disbursements and applicable taxes of the Receiver for services provided from March 1, 2016 through to July 31, 2016 totals $55,454.32. Attached as Appendix "12" are true copies of the Receiver's statements of account including the detailed time and disbursement record.

54. Taylor McCaffrey has acted as the Receiver's legal counsel on all matters relating to this proceeding. Total fees, disbursements and applicable taxes for Taylor McCaffrey from March 1, 2016 through to July 31, 2016 is $28,911.18. Attached as Appendix 13 hereto are true copies of the statements of account rendered by Taylor McCaffrey which include the detailed time and disbursement breakdown.

55. It is the Receiver's opinion that the fees and disbursements of the Receiver and Taylor McCaffrey are fair and reasonable, justified in the circumstances and accurately reflect the work done by the Receiver and on behalf of the Receiver by its legal counsel in connection with the receivership and the administration of the

Property of the Company from commencement of the engagement to July 31, 2016. The Receiver recommends approval of both its own and Taylor McCaffrey's accounts by this Honourable Court.

CONCLUSION

56. The Receiver believes it is an appropriate time to report to the Court on its activities since the Second Report and to seek the increase in the Receiver's borrowing limit to adequately fund the necessary remediation work and ongoing operations for the Property, and to obtain approval for its activities to date. CSFC has been consulted and supports the recommendations of the Receiver as set out herein.

57. Accordingly, for reasons set out in this Third Report, the Receiver respectfully requests an Order in the form outlined in paragraph 4 above.

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ALL OF WHICH IS RESPECTFULLY SUBMITTED this 5th day of August, 2016.

GRANT THORNTON LIMITED,
IN ITS CAPACITY AS COURT-APPOINTED

RECEIVER OF 5448124 MANITOBA LTD.

AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY

Per:______________________________

Michael G. Creber, CPA, CA, CF, CIRP
Senior Vice-President

APPENDIX 1

File No. CI 15-01-97928

THE QUEEN'S BENCH

Winnipeg Centre

IN THE MATTER OF: **THE APPOINTMENT OF A RECEIVER PURSUANT TO SECTION 243 OF THE BANKRUPTCY AND INSOLVENCY ACT R.S.C. 1985, c. B-3 AS AMENDED**

BETWEEN:

CAMERON STEPHENS FINANCIAL CORPORATION

Applicant

- and –

5448124 MANITOBA LTD.

Respondent

ORDER
(appointing receiver)

FOGLER, RUBINOFF LLP
Lawyers
77 King Street West
Suite 3000, P.O. Box 95
TD Centre North Tower
Toronto, ON M5K 1G8

Joshua R. Freeman (LSUC# 55823J)
Tel: 416.864.9700
Fax: 416.941.8852

Lawyers for Applicant

THE QUEEN'S BENCH
<u>WINNIPEG CENTRE</u>

THE HONOURABLE MR.	)	FRIDAY, THE 16TH
	)	
JUSTICE DEWAR	)	DAY OF OCTOBER, 2015

IN THE MATTER OF: **THE APPOINTMENT OF A RECEIVER PURSUANT TO SECTION 243 OF THE BANKRUPTCY AND INSOLVENCY ACT R.S.C. 1985, c. B-3 AS AMENDED**

BETWEEN

CAMERON STEPHENS FINANCIAL CORPORATION

Applicant

- and -

5448142 MANITOBA LTD.

Respondent

ORDER
(appointing Receiver)

THIS APPLICATION made by the Applicant, Cameron Stephens Financial Corporation for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") appointing Grant Thornton Limited as receiver and manager (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of 5448124 Manitoba Ltd. (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, was heard on September 29, 2015 and continued on October 7, 2015 and October 16, 2015 at the Law Courts Building, 408 York Avenue, Winnipeg, Manitoba.

ON READING the Affidavit of David Minor sworn September 25, 2015, the Affidavit of Gregory Azeff sworn September 28, 2015, the Affidavit of Russell Edward Knight sworn October 2, 2105, the Supplementary Affidavit of David Minor sworn October 6, 2015, the Affidavit of Arlene Phillips sworn October 6, 2015, the transcription of the hearing of this

Application on September 29, 2015, the transcription of the cross-examination Russell Edward Knight conducted October 6, 2015, two Affidavits of Service of Samantha Dunn both sworn September 28, 2015, the Affidavit of Service of Samantha Dunn sworn October 2, 2015, two Affidavits of Service of Samantha Dunn both sworn October 5, 2015, the Affidavit of Service of Samantha Dunn sworn October 6, 2015 and the Affidavit of Service of Samantha Dunn sworn October 7, 2015, the Affidavit of Service of Samantha Dunn sworn October 15, 2015 and on hearing the submissions of counsel for the Applicant, Russell Edward Knight on behalf of the Debtor, and counsel for the Proposed Receiver and no one appearing for any other party although duly served as appears from the said affidavits of service, and on reading the consent of Grant Thornton Limited to act as the Receiver and on the failure of the Respondent to make the payment required pursuant to the Order of this Honourable Court dated October 7, 2015:

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application is hereby abridged and validated so that this Application was properly returnable on September 29, 2015 and continued on October 7, 2015 and October 16, 2015 and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA Grant Thornton Limited 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 (the "**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 (exclusive of those locks and/or security codes at 910-388 Portage Ave, Winnipeg), 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, experts, auditors, accountants, managers, counsel, property management companies 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, rents 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 complete and close, on the Debtor's behalf, the transaction contemplated by the Offer to Purchase Real Estate – Commercial between the Debtor, as vendor, and GTAC Investment Corp., as purchaser, dated September 17, 2015, with respect to the real property municipally known as 519 Burnell St., Winnipeg;

k. 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;

l. 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;

m. to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

n. 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;

o. 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;

p. to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and

q. 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.

4. THIS COURT ORDERS that if there is any dispute with a party other than the Debtor (a "**Third Party**") as to whether any property (the "**Disputed Property**") is owned by such Third Party or by the Debtor (and therefore constitutes Property which properly should be in the possession of the Receiver pursuant to the terms of this Order), such Disputed Property shall be held by the Receiver pending further Order of this Court. Either the Third Party or the Receiver may make application to this Court on seven (7) days prior notice to the other for an order asking for directions with respect to the Disputed Property.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, property management companies, 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.

6. 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 6 or in paragraph 7 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.

7. 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.

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.

RECEIVER TO HOLD FUNDS

13. 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 (the "**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

14. 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

15. 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

16. 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 *Environmental Act* (Manitoba), the *Water Resources Conservation Act* (Manitoba), the *Contaminated Sites Remediation Act* (Manitoba), the *Dangerous Goods Handling and Transportation Act* (Manitoba), the *Public Health Act* (Manitoba) or the *Workplace Health and Safety Act* (Manitoba) and regulations thereunder (the "**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

17. 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* or in respect of any contracts entered into by the Receiver in respect of the administration of the Property. 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

18. 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 (the "**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.

19. 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 this Court, but nothing herein shall fetter this Court's discretion to refer such matters to a Master of this Honourable Court.

20. 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

21. 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 \$100,000 (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 (the "**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.

22. 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.

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

24. 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

25. THIS COURT ORDERS that the Applicant and the Receiver be at liberty to serve 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 electronic transmission to the Respondent's creditors or other interested parties at their respective addresses as last shown on the records of the Respondent and that any such service or notice by courier, personal delivery or electronic 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. Interested persons who do not send a request, in writing, to counsel for the Applicant to be added to the service list (hereinafter defined) shall not be required to be served further in these proceedings.

26. THIS COURT ORDERS that counsel for the Applicant shall prepare and provide to the Receiver a service list to be kept current by the Receiver (the "**Service List**") containing the name and contact information (which may include the address, telephone number and facsimile number or e-mail address) for service to: the Applicant; the Receiver; and each creditor or other interested party who has sent a request, in writing, to counsel for the Receiver to be added to the Service List. The Service List shall indicate whether each person on the Service List has elected to be served by e-mail or facsimile, and failing such election the Service List shall indicate service by e-mail. The Service List shall be posted on the website of the Receiver at the address indicated in paragraph 27 herein. **For greater certainty, creditors and other interested persons who have received notice of this Order and who do not send a request, in writing, to counsel for the Receiver to be added to the Service List shall not be required to be further served in these proceedings.**

27. THIS COURT ORDERS that the Applicant, the Receiver, and all parties on the Service List may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Receiver may post a copy of any or all such materials on its website at www.GrantThornton.ca/519Burnell.

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 costs of this Application may be spoken to at a future time upon notice to the Respondent.

32. 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.

33. THIS COURT ORDERS that the Applicant, Respondent and Receiver shall appear before me at 12:45 PM on October 27, 2015.

October 6th, 2015

Dewar, J

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____________

AMOUNT $____________________

1. THIS IS TO CERTIFY that Grant Thornton Limited, the receiver (the "**Receiver**") of the assets, undertakings and properties of 5448124 Manitoba Ltd. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of The Queen's Bench, Winnipeg Centre (the "**Court**") dated the 29th day of September, 2015 (the "**Order**") made in an action having Court file number CI 15-01-97799, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of $__________, being part of the total principal sum of $100,000 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__.

Grant Thornton Limited, solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: ______________________________

Name:

Title:

APPENDIX 2

Court File No. CI15-01-97928

THE QUEEN'S BENCH
WINNIPEG CENTRE

IN THE MATTER OF AN APPLICATION PURSUANT TO SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT,* R.S.C. 1985, c.B-3, AS AMENDED

B E T W E E N:

CAMERON STEPHENS FINANCIAL CORPORATION,

Applicant,

- and –

5448124 MANITOBA LTD.,

Respondent.

FIRST REPORT TO THE COURT OF GRANT THORNTON LIMITED IN ITS CAPACITY AS RECEIVER OF THE RESPONDENT DATED: OCTOBER 26, 2015

TAYLOR McCAFFREY LLP
Barristers and Solicitors
9th Floor - 400 St. Mary Avenue
Winnipeg, Manitoba, R3C 4K5
David R.M. Jackson/ Sam A. Gabor
988-0375
Fax - 957-0945
Client File No. 98665-1

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Appendix 2	GTAC Offer to Purchase Real Estate - Commercial for 519 Burnell Street dated September 17, 2015
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Appendix 4	Email from Receiver to Russ Knight dated October 22, 2015, re: Receiver's request for information relating to 519 Burnell Street purchase agreement, deposit books and rent roll arrears
Appendix 5	Email from Russ Knight to Receiver dated October 23, 2015, re: no sales process by 5448124 Manitoba Ltd. for sale of 519 Burnell Street
Appendix 6	Quickbooks summary of Rents Collected for 519 Burnell from November 2014 to October 2015
Appendix 7	November 2014 Rent Roll provided by 5448124 Manitoba Ltd. to Cameron Stephens Financial Corporation
Appendix 8	Email from Russ Knight to Receiver dated October 21, 2015, re: current occupancy and explanation of difference from the August, 2015 Rent Roll in his affidavit sworn October 2, 2015 (see Exhibit E)
Appendix 9	Occupancy permit from City of Winnipeg and email dated October 20, 2015 from Russ Knight to Receiver, re: current status of the issue
Appendix 10	Email from Russ Knight to Receiver dated October 21, 2015, re: geo-thermal system work and its costs

CONFIDENTIAL APPENDICES

(to be filed separately under seal)

Confidential Appendix 1	Altus Appraisal dated October 20, 2014
Confidential Appendix 2	Altus Appraisal dated February 21, 2014

INTRODUCTION AND PURPOSE OF THE FIRST REPORT

1. On October 16, 2015, the Honourable Mr. Justice Dewar issued an Order (the "**Appointment Order**") appointing Grant Thornton Limited as receiver (the "**Receiver**") of all of the assets, undertakings and property of 5448124 Manitoba Ltd. ("**544**"), (the "**Company**"). A copy of the Appointment Order and Endorsement is attached as **Appendix 1** to this first report ("**First Report**") of the Receiver.

2. The purpose of the First Report is to first outline the Receiver's activities and findings since the appointment of the Receiver. Further, to provide the Court with an evidentiary basis to determine whether to grant the relief sought by the Applicant to provide the Receiver with the authority to market the apartment building at 519 Burnell Street ("Burnell")for sale. Further, to recommend that the Court issues an order:

   a) Approving the First Report and the conduct and activities of the Receiver described therein;

   b) Granting a temporary sealing order with respect to Confidential Appendices "1" and "2" of this First Report until further order of the Court;

   c) Amending and restating the Appointment Order to include the following:

      i. Increasing the Receiver's authorization to borrow funds and the Receiver's borrowing charge to $250,000 from $100,000;

      ii. Authorizing the Receiver to take the necessary steps to prepare Burnell for sale and take other steps to preserve, protect and improve the Respondent's property without regard for the terms and conditions of the APS (as herein after defined) and related arrangements;

      iii. Revise paragraph 17 of the Appointment Order so that it is consistent with the Limitation on the Receiver's Liability set out in the Model Template Receivership Order.

SCOPE AND TERMS OF REFERENCE

3. In preparing this First Report, the Receiver has relied upon unaudited financial information, the Companies' records, financial information and projections and discussions with the Companies' management and employees. While the Receiver reviewed various documents provided by the Companies and believes that the information therein provides a fair summary of the transactions as reflected in the documents, such work does not constitute an audit or verification of such information for accuracy, completeness or compliance with Generally Accepted Accounting Principles ("**GAAP**") or International Financial Reporting Standards ("**IFRS**"). Accordingly, the Receiver expresses no opinion or other form of assurance with respect to such information except as expressly stated herein.

4. Some of the information used in preparing this First Report consists of financial projections. The Receiver cautions that these projections are based upon assumptions about future events and conditions that are not ascertainable. The Companies' actual results may vary from the financial projections, even if the hypothetical and probable assumptions contained therein materialize, and the variations could be significant. The Receiver's review of the future oriented information used to prepare this First Report did not constitute an audit of such information under GAAP or IFRS.

5. This First Report has been prepared for the use of this Court and the Companies' stakeholders as general information relating to the Companies and for the purpose of assisting the Court in making a determination of whether to approve the relief sought. Accordingly, the reader is cautioned that the First Report may not be appropriate for any other purpose. The Receiver will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of the First Report contrary to the provisions in this paragraph.

6. Capitalized terms not defined in this First Report are as defined in the Appointment Order. All references to dollars are in Canadian currency unless otherwise noted.

7. Copies of this First Report and all Orders and Endorsements issued in these proceedings will be available on the Receiver's website at:

http://www.grantthornton.ca/services/reorg/bankruptcy_and_insolvency/519Burnell

PARTIES

8. 544 is a company incorporated pursuant to the laws of Manitoba that owns and operates a three story residential apartment building at 519 Burnell Street, Winnipeg, Manitoba.

9. The registered head office of the Company is located at 910 – 388 Portage Avenue, Winnipeg, Manitoba (the "**Head Office**").

10. Susannah Simes ("**Simes**") and Russell Knight ("**Knight**") are the officers and directors of the Company.

11. Cameron Stephens Financial Corporation ("**CSFC**") is a secured creditor of the Company and holds a real property mortgage and personal property security against the Company's assets as well as holding personal guarantees of Simes and Knight.

CONSERVATORY AND PROTECTIVE MEASURES

12. Since the date of its appointment, the Receiver has completed the following:

    a) attended at the Head Office of the Company to confirm the premises were not solely being used by the Company and as such the Receiver did not take possession;

    b) held discussions and corresponded with Knight regarding, among other things, the contemplated purchase and sale transaction between GTAC and the Company, as discussed below;

    c) conducted a site visit of Burnell to ascertain the state of Burnell and to determine if there were any immediate health and safety concerns;

    d) secured certain books and records of the Company that were provided by the Company and Knight to the Receiver (the "**Records**");

    e) secured the bank accounts of the Company and arranged for the transition of banking to the Receiver's accounts;

f) sent a request to Canada Post to redirect the Company's mail to the Receiver's office which mail includes rent cheques issued by the Red Cross and the Manitoba Employment and Income Assistance Program;

g) reviewed existing insurance policies of the Company to confirm same was in effect and carried adequate coverage's for Burnell;

h) created a preliminary budget to establish the estimated borrowing of funds necessary to fund the key disbursements required to stabilize the Company's operations;

i) corresponded and held a discussion with the proposed purchaser of Burnell, GTAC Investments Corp ("**GTAC**"), to determine its ability to fund and close the contemplated purchase and sale transaction between GTAC and the Company, as discussed below;

j) confirmed with the Company that there are no employees and was advised by the Company that anyone working at Burnell is on contract and provides invoices with no source deductions withheld;

k) reviewed the rent roll issued by the Company for the CSFC advance and the use of the funds from the CSFC advance;

l) reviewed the Company's available records relating to the rent collected by the Company for the period of November 2014 to October 2015, as discussed below;

m) setup and posted information relating to this filing on the Receiver's website including this First Report;

n) prepared and issued all statutory notices pursuant to sections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act* (the "**BIA**"); and

o) provided stakeholders with regular updates on the status of the receivership.

13. The Receiver has not proceeded with the following actions and is waiting until it has reported its findings regarding the Purchase and Sale Agreement ("APS") between GTAC and the Company to this Court, as discussed below:

a) Registering a charge against Burnell for the Receivership;

b) Notifying the tenants of the Receivership and the intentions of the Receiver;

c) Contacting the insurer for the Company to add the Receiver as a loss payee;

d) Terminating the services of the contractors working at Burnell;

e) Contacting utilities to place the utility accounts in the name of the Receiver;

f) Commissioned its own appraisal of Burnell;

g) Investigated the issues with the City of Winnipeg surrounding Burnell's building permit issue, as discussed below;

h) Sought or engage new property management to assist with stabilizing and renting up of Burnell; and

i) Assess and budgeting the level of repairs required for Burnell.

APPRAISALS FOR 519 BURNELL

14. The Receiver has received two appraisals for Burnell from the Company. Both appraisals were issued by Altus Group Limited and both of which the Receiver requests this Court accept for filing under seal. Copies of the two appraisals to be filed with the Court are attached as **Confidential Appendices "1" and "2".** One of the appraisals was on an unfurnished basis, while the other was on a fully furnished basis. Both appraisals are based on "Extraordinary Assumptions and Limiting Conditions" which include the following:

a) "As of the date of inspection, the subject project appeared to be in final stages of renovations with some units occupied. For purposes of this appraisal, the subject project is **assumed complete with all units fully occupied** under stabilized market conditions as of the effective date. We have made the **extraordinary assumption** that the subject property is in similar condition as of the effective date as on the inspection date, and further assume **that all planned renovations are complete**."

b) "Only select units were inspected at time of inspection. Remaining units are assumed to be of similar quality and condition as those units that were inspected".

(emphasis added)

15. These assumptions do not reflect the true state of the property as of the effective date, to the date of CSFC advanced financing or today.

16. It is the Receiver's view that while it is appropriate for the Court to be aware of these appraisals their public disclosure could be prejudicial to the Receiver's conduct of a future sales process and, as such, should be the subject of a sealing order until further order of this Court.

RECEIVER'S REVIEW AND ANALYSIS OF THE PURCHASE AND SALE AGREEMENT BETWEEN THE COMPANY AND GTAC

17. The Receiver arranged a meeting with Knight on October 19, 2015. The purpose of the meeting was to discuss the APS between the Company and GTAC Investment Corp. that is scheduled to close on October 30, 2015. A copy of the APS is attached as **Appendix "2".** During the meeting, the Receiver asked Knight if he had any other documents to support the legitimacy of the APS and that the Purchaser had the ability to close the transaction. The Receiver received no such documents from Knight at this meeting.

18. During the meeting, Knight explained that the Purchaser's ability to close the transaction between GTAC and the Company was subject to the closing of another purchase and sale agreement that Knight, on behalf of 5750351 Manitoba Ltd. had entered into with GTAC relating to a school on Ness Avenue, Winnipeg (the "**School**"). The School sale had to close first, and once closed would enable funding to be made available for the APS for Burnell. Knight stated that the School is the first of several properties that GTAC was purchasing and that upon each sale being closed, it would allow funding to be advanced for the next purchase in the string of property purchases. Burnell is the second property in this string of property purchases after the School.

19. While Knight has filed an affidavit containing documents from various 3rd party groups that fund Aboriginal Investment initiatives, these documents have no specific reference to advances being made to GTAC for the specific use to purchase Burnell.

20. On October 20, 2015, Knight arranged a meeting with himself, the Receiver and GTAC represented by Jeff Seddon ("**Seddon**"). Seddon provided a similar, but more detailed explanation on the structure of the proposed APS transaction than Knight. Seddon advised that there are various aboriginal lender support programs to advance funds for aboriginal initiatives on the basis of "Own Source Revenue". Own Source Revenue was explained as loans funded on revenue streams produced by businesses owned in full or in part by the Bands, as defined below. Own Source Revenue is in contrast to the conventional method a bank or lender would normally secure their loan which is by taking a charge against the property. He indicated that two bands, Lake St. Martin ("**LSM**") and Ebb and Flow First Nation ("**EFFN**") (LSM and EFFN are hereinafter collectively referred to as the "**Bands**") established a joint venture for economic development. Seddon advised that the Bands had access to different funding programs and that EFFN had loan funds available from a video lottery terminal business they own, which would be used to purchase the School from 5750351 Manitoba Ltd. Seddon and Knight advised that LSM is renting the School for various educational programs and to hold and conduct band meetings. Once the School is purchased, the rental income generated from the School would allow the Bands to borrow against it, which funds would then be used to purchase Burnell.

21. The Receiver advised Seddon that while it appreciated Seddon's more detailed explanation of the process, the Receiver required documentary evidence such as agreements and contracts between GTAC and the Bands, and documentation such as a comfort letter or some other similar notice that confirms GTAC has the necessary funding arranged to close the transaction.

22. To date, the $100,000.00 deposit contemplated in the APS be paid by GTAC to CSFC has not been received by the Receiver, the Company or CSFC.

23. In discussions with the Company since the Receivership Order was granted, there appears to be a number of terms that form part of or are related to the proposed APS transaction that are not detailed in the APS. Knight has advised verbally that the following arrangements are part of or related to the contemplated transaction:

a. 31 units indicated by Knight in his August 2015 rent roll as being rented are "reserved" for LSM to be taken over immediately upon the closing of the APS and as such the Company was not actively seeking renters for those units;

b. Rent arrears owing by LSM are to be dealt with as an adjustment on closing the APS. The Receiver to date has been unable to verify the rent arrears;

c. The Company has allowed the commencement of construction of a geo-thermal installation at Burnell by a contractor engaged by GTAC in anticipation of GTAC closing and completing the APS; and

d. Although the Company has stated it is not a party to any agreements relating to the geo-thermal work, it appears that the Company has made a $50,000 payment relating to this work. Knight advised the Receiver that the payment will be recovered on the closing of the School purchase.

24. Knight has repeatedly made reference in these proceeding to a "Band Council Resolution" ("**BCR**") which was included in his affidavit as Exhibit B and which is attached as **Appendix "3"** to this First Report. In reviewing the BCR, there are references that people from LSM would be occupying Burnell and that a geo-thermal system would be installed at Burnell. The BCR refers to an anticipated "Joint Venture Agreement" with 5750351 MANITOBA LTD. Neither the Company nor GTAC are referred to in the BCR.

25. Despite several requests by the Receiver to Knight for more details on the APS along with other information relating to rent collected and the rent roll arrears of the Company,

the information remains outstanding. A copy of the emails from the Receiver to Knight requesting this information are attached as **Appendix "4"**.

26. Russ Knight advised the Receiver that no sales process, which canvassed the market, was undertaken nor was Burnell listed for sale prior to entering into the APS. A copy of the email from Knight to the Receiver advising it of this information is attached as **Appendix "5"**.

27. The Receiver has reviewed and considered the APS, met with parties to the APS and repeatedly requested documentation to assist the Receiver in its assessment. The Receiver has no evidence that the APS is legitimate, or that it is commercially reasonable, that GTAC has the financial capability to complete the transaction or that it can be closed.

28. GTAC has confirmed the funding for Burnell is contingent upon the School sale closing first. That sale is not a matter within this proceeding and the Receiver cannot assess whether or not this closing will occur.

RECEIVER'S REVIEW OF THE COMPANY'S RECORDS AND RENT ROLLS

29. The Receiver has had to rely on the data entered into Quickbooks by the Company regarding the rent for Burnell as the Company did not provide the Receiver with its deposit books despite requests for same. Furthermore, Knight advised the Receiver that the Company's bookkeeper was out of town. A summary of the rent recorded in Quickbook for the period November 2014 to October 2015 and the current Accounts Receivable Aging Summary is attached as **Appendix "6"**.

30. The Receiver reviewed the rental revenue from the Quickbooks data recorded by the Company for the period November 1, 2014 to October 20, 2015. The Receiver has compared the monthly income for November 2014 recorded by the Company to the rent roll for November 2014. The phrase "certified true" was written on the November rent rolls given by the Company to CSFC. The Receiver's analysis provides that the number of units paying rent and the amount of rent paid ($75,066.00) in November 2014 were substantially lower than represented ($158,275.00) in the "certified true" rent roll. A copy

of the rent roll the Company provided to CSFC as being "certified true" for the month of November 2014 is attached as **Appendix "7".**

31. During the Receiver's site visit of Burnell on October 19, 2015, the Receiver learned that approximately forty units (less than fifty percent of the total units) were currently being occupied. The Receiver reviewed a copy of the rent roll report for August 2015 provided in the Knight Affidavit sworn on October 2, 2015 (the "**Knight Affidavit**"), and asked Knight to explain the drastic change in occupancy from approximately eighty units in August, 2015, outlined in the Knight Affidavit (see Exhibit E) to approximately 40 at October, 2015. In an email dated October 21, 2015, Knight stated that references to LSM as the tenant in the August rent roll in his affidavit are units that were put on reserve for LSM and not rented out. These totaled 31. In the same email, Knight stated that the actual available units for rent are only 71 of the total 88 units. Only 4 of the roughly 21 basement units can be rented due to an occupancy permit issue which is discussed later in this report. Attached as **Appendix "8"** is Knight's response to the discrepancy.

32. The Receiver's review of the rent information available indicates a continual erosion in the rent collection as summarized below:

Month	# of Tenants	Rent Collected
November 2014	61	$ 75,066.00
December	58	$ 65,300.00
January 2015	51	$ 49,254.00
February	43	$ 46,122.00
March	34	$ 43,930.00
April	28	$ 38,042.00
May	30	$ 39,530.83
June	27	$ 35,647.00
July	26	$ 33,947.00
August	25	$ 34,049.50
September	26	$ 35,047.00
October	28	$ 33,847.00

STATE OF 519 BURNELL

33. During the site visit, the Company brought to the Receiver's attention an issue regarding the building permits requested for Burnell during the initial renovations of Burnell. Burnell originally had 80 units and through renovations was expanded to 88 units. The permits pulled for electrical, plumbing and mechanical were for 88 units, but the main building permit was issued for only 80 units. As a result, the building has occupancy permits for the first, second and third floors but the permits for the majority of the basements units are still pending due to the work in the basement being incomplete. In addition, Knight advised the Receiver that the basement had moisture issues which have only partially been addressed and were a further reason most of the basement units were not rentable. A review of the entries made in Quickbooks again indicates only one or two units in the basement appeared to be rented from November 2014 to present. A copy of the interim occupancy permit and email from Knight related to the occupancy permit issue are attached as **Appendix "9"**.

34. During the Receiver's site visit of Burnell, it was discovered that a portion of the parking lot was fenced off and there was a large amount of construction materials and equipment stored in the fenced area. The Receiver inquired as to the nature of the work that was being conducted. The Company advised that GTAC had engaged a geo-thermal contractor to install a geo-thermal system at Burnell. The Company was not party to this agreement. This contractor has been retained to install geo-thermal systems on each of the properties GTAC is intending to purchase. GTAC had engaged the geo-thermal contractor in anticipation of completing the APS. Knight advised the Receiver that approximately $50,000.00 of work had been done and an additional $100,000.00 of materials were onsite. Knight further advised that he understood the total contract was worth a few million dollars. The Receiver advised Knight that the work needed to cease immediately pending the outcome of the Receiver determining the validity and ability of GTAC to complete the APS. The Receiver further advised Knight that the Receiver was not responsible to pay the contractor, nor did the Receiver have funds to do so. A copy of the email sent to the Receiver regarding the geo-thermal issue is attached as **Appendix "10"**.

RECEIVER'S PROPOSED COURSE OF ACTION

35. The Receiver proposes the following course of action:

a) The Receiver would immediately be seeking to engage a new proper management company to assist with stabilizing the operations and the lease up of the building;

b) The Receiver would not allow any further construction of the geo-thermal system at Burnell that was contracted by GTAC subject to a review of this project and confirmation of financing should the project prove justified;

c) It would be the Receiver's intention to discontinue reserving units for LSM's sole use and actively market the units for rent;

d) The Receiver would register a charge against Burnell for the Receivership;

e) The Receiver would notify the tenants of the Receivership and the intentions of the Receiver;

f) The Receiver would contact the insurer for the Company to add the Receiver as a loss payee;

g) The Receiver would terminate the services of the contractors working at the property;

h) The Receiver would contact utilities to place the utility accounts in the name of the Receiver;

i) The Receiver would commission its own appraisal of Burnell.

OTHER CONCERNS

36. As a result of the Receiver recommending that it begin actively marketing Burnell, which may include improving the building, the Receiver has reviewed the Appointment Order again, specifically paragraph 17 (Limitation on the Receiver's Liability). The Receiver is concerned with the Court's inclusion of an exception to the standard language limiting the Receiver's liability from that set out in the template model order. The language used in the model order as prepared by the Commercial List Users Committee of the Ontario Superior Court has been developed over time with careful input from lawyers, trustees and judges to

provide a reasonable level of protection to professional firms asked to take on the responsibility of becoming a court officer. The model template Receivership Orders from other provinces also contains similar language.

37. The Receiver has been advised by its local counsel that the reason for the Court including the exception for "contracts entered into by the Receiver in respect of the administration of the Property" was to ensure that the Receiver did not use this limitation from liability paragraph as an excuse not to honour its contractual obligations during the course of its receivership. Firstly, it is not this Receiver's intention nor would it be appropriate for a court officer not to honour a contractual obligation it entered into. That said, the Receiver is concerned that by adding this exception, the Court may have unintentionally expanded the potential liability of its court officer. For example, if the Receiver acting with reasonable care engages a contractor to commence repair work and through the contractors actions the premises were damaged, it may be argued that the Receiver would not be entitled to the protection of paragraph 17 as the loss in question arose from a "contract entered into by the Receiver in respect of the administration of the Property." Accordingly, the Receiver respectfully requests, that upon further review, the exception in paragraph 17 be removed.

38. Alternatively, if this Honourable Court is still of the view that express language compelling its officer to honour its contractual obligations is necessary, it is respectively requested that it be contained in a separate paragraph that does not undermine the existing integrity of limitation on the Receiver's liability as set out in the template order.

CONCLUSION

39. Under the original application filed by CSFC, the Applicant requested the Receiver be granted the following power “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”. The Receiver has been unable to confirm that the APS can be closed and has been unable to confirm that the APS is valid, legitimate and commercially reasonable.

40. Burnell requires significant attention in order to stabilize it and ready it for a sale. The required actions might contravene arrangements made by the Company related to or contemplated by the APS transaction.

41. Accordingly, for reasons set out in this First Report, the Receiver respectfully recommends the Court provide the Receiver with the powers as outlined in paragraph 2 above.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 26th day of October, 2015.

GRANT THORNTON LIMITED,
IN ITS CAPACITY AS COURT-APPOINTED
RECEIVER OF 5448124 MANITOBA LTD
AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY

Per: ______________________________
Michael G. Creber, CPA, ~~CA~~, CF, CIRP
Senior Vice-President

APPENDIX 3

File No. CI15-01-97928

THE QUEEN'S BENCH

Winnipeg Centre

IN THE MATTER OF: **THE APPOINTMENT OF A RECEIVER PURSUANT TO SECTION 243 OF THE BANKRUPTCY AND INSOLVENCY ACT R.S.C. 1985, c. B-3 AS AMENDED**

B E T W E E N:

CAMERON STEPHENS FINANCIAL CORPORATION

Applicant

- and –

5448124 MANITOBA LTD.

Respondent

AMENDED & RESTATED ORDER
(appointing receiver)

FOGLER, RUBINOFF LLP
Lawyers
77 King Street West
Suite 3000, P.O. Box 95
TD Centre North Tower
Toronto, ON M5K 1G8

Joshua R. Freeman (LSUC# 55823J)
Gregory R. Azeff (LSUC# 45324C)
Tel: 416.864.9700
Fax: 416.941.8852

Lawyers for Applicant

THE QUEEN'S BENCH
WINNIPEG CENTRE

THE HONOURABLE MR.	)	FRIDAY, THE 16TH DAY OF OCTOBER, 2015 AND;
	)	TUESDAY, THE 27TH
JUSTICE DEWAR	)	DAY OF OCTOBER, 2015.

IN THE MATTER OF: **THE APPOINTMENT OF A RECEIVER PURSUANT TO SECTION 243 OF THE BANKRUPTCY AND INSOLVENCY ACT R.S.C. 1985, c. B-3 AS AMENDED**

BETWEEN

CAMERON STEPHENS FINANCIAL CORPORATION

Applicant

- and -

5448124 MANITOBA LTD.

Respondent

AMENDED & RESTATED ORDER
(appointing Receiver)

THIS APPLICATION made by the Applicant, Cameron Stephens Financial Corporation for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") appointing Grant Thornton Limited as receiver and manager (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of 5448124 Manitoba Ltd. (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, was heard on September 29, 2015 and continued on October 7, 2015 and October 16, 2015 at the Law Courts Building, 408 York Avenue, Winnipeg, Manitoba.

ON READING the affidavit of David Minor sworn September 25, 2015, the Affidavit of Gregory Azeff sworn September 28, 2015, the Affidavit of Russell Edward Knight sworn October 2, 2105, the Supplementary Affidavit of David Minor sworn October 6, 2015, the Affidavit of Arlene Phillips sworn October 6, 2015, the transcription of the hearing of this Application on September 29, 2015, the transcription of the cross-examination Russell Edward Knight conducted October 6, 2015, two Affidavits of Service of Samantha Dunn both sworn October 5, 2015, the Affidavit of Service of Samantha Dunn sworn October 6, 2015 and the Affidavit of Service of Samantha Dunn sworn October 7, 2015, the Affidavit of Service of Samantha Dunn sworn October 15, 2015, and on hearing the submissions of counsel for the Applicant, Russell Edward Knight on behalf of the debtor, and counsel for the Proposed Receiver and no one appearing for any other party although duly served as appears from the said affidavits of service, and on reading the consent of Grant Thornton Limited to act as the Receiver and on the failure of the Respondent to make the payment required pursuant to the Order of this Honourable Court dated October 7, 2015:

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application is hereby abridged and validated so that this Application was properly returnable on September 29, 2015 and continued on October 7, 2015 and October 16, 2015 and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA Grant Thornton Limited 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 (the "**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 (exclusive of those locks and/or security codes at 910-388 Portage Ave, Winnipeg), 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, experts, auditors, accountants, managers, counsel, property management companies 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, rents 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 complete and close, on the Debtor's behalf, the transactions contemplated by the Offer to Purchase Real Estate Commercial between the Debtor, as vendor, and GTAC Investment Corp., as purchaser, dated September 17, 2015, with respect to the real property municipally known as 519 Burnell St., Winnipeg.~~

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 without regard for the terms and conditions of the Offer to Purchase Real Estate Commercial dated September 17, 2015 with respect to the real property municipally known as 519 Burnell St., Winnipeg;

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 $100,000, provided that the aggregate consideration for all such transactions does not exceed $1,000,000; 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 59(10) and (17) of the *Personal Property Security Act* (Manitoba) 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.

4. THIS COURT ORDERS that if there is any dispute with a party other than the Debtor (a "**Third Party**") as to whether any property (the "**Disputed Property**") is owned by such Third Party or by the Debtor (and therefore constitutes Property which properly should be in the possession of the Receiver pursuant to the terms of this Order), such Disputed Property shall be held by the Receiver pending further Order of this Court. Either the Third

Party or the Receiver may make application to this Court on seven (7) days prior notice to the other for an order asking for directions with respect to the Disputed Property.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, property management companies, 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.

6. 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 6 or in paragraph 7 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.

7. 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.

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.

RECEIVER TO HOLD FUNDS

13. 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 (the "**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

14. 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

15. 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

16. 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 *Environmental Act* (Manitoba), the *Water Resources Conservation Act* (Manitoba), the *Contaminated Sites Remediation Act* (Manitoba), the *Dangerous Goods Handling and Transportation Act* (Manitoba), the *Public Health Act* (Manitoba) or the *Workplace Health and Safety Act* (Manitoba) and regulations thereunder (the "**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

17. 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* ~~or in respect of any contracts entered into by the Receiver in respect of the administration of the Property~~. 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

18. 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 (the "**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.

19. 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 this Court, but nothing herein shall fetter this Court's discretion to refer such matters to a Master of this Honourable Court.

20. 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

21. 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 ~~$100,000~~ $250,000 (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 (the "**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.

22. 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.

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

24. 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

25. THIS COURT ORDERS that the Applicant and the Receiver be at liberty to serve 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 electronic transmission to the Respondent's creditors or other interested parties at their respective addresses as last shown on the records of the Respondent and that any such service or notice by courier, personal delivery or electronic 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. Interested persons who do not send a request, in writing, to counsel for the Applicant to be added to the service list (hereinafter defined) shall not be required to be served further in these proceedings.

26. THIS COURT ORDERS that counsel for the Applicant shall prepare and provide to the Receiver a service list to be kept current by the Receiver (the "**Service List**") containing the name and contact information (which may include the address, telephone number and facsimile number or e-mail address) for service to: the Applicant; the Receiver; and each creditor or other interested party who has sent a request, in writing, to counsel for the Receiver to be added to the Service List. The Service List shall indicate whether each

person on the Service List has elected to be served by e-mail or facsimile, and failing such election the Service List shall indicate service by e-mail. The Service List shall be posted on the website of the Receiver at the address indicated in paragraph 28 herein. **For greater certainty, creditors and other interested persons who have received notice of this Order and who do not send a request, in writing, to counsel for the Receiver to be added to the Service List shall not be required to be further served in these proceedings.**

27. THIS COURT ORDERS that the Applicant, the Receiver, and all parties on the Service List may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Receiver may post a copy of any or all such materials on its website at ~~www.GrantThornton.ca/519Burnell~~ http://www.grantthornton.ca/services/reorg/bankruptcy_and_insolvency/519Burnell.

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 motion, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a solicitor and client 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 ORDER that's the Applicant, Respondent and Receiver shall appear before me at 12:45 PM on October 27, 2015.

R.A. Dewar J.

Digitally signed by R.A. Dewar J.
DN: c=ca, o=ldrc, cn=R.A. Dewar J.
Date: 2015.10.28 09:51:29 -05'00'

October 27, 2015

The Honourable Mr. Justice Dewar

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. ______________

AMOUNT $_____________________

1. THIS IS TO CERTIFY that Grant Thornton Limited, the receiver (the "**Receiver**") of the assets, undertakings and properties of 5448124 Manitoba Ltd. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of The Queen's Bench, Winnipeg Centre (the "**Court**") dated the 29th day of September, 2015 (the "**Order**") made in an action having Court file number CI 15-01-97799, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of $___________, being part of the total principal sum of ~~$100,000~~ $250,000 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__.

Grant Thornton Limited, solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: ___________________________________

Name:

Title:

APPENDIX 4

File No. CI 15-01-97928

THE QUEEN'S BENCH
WINNIPEG CENTRE

IN THE MATTER OF: AN APPLICATION PURSUANT TO SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c.B-3, AS AMENDED

B E T W E E N:

CAMERON STEPHENS FINANCIAL CORPORATION,

Applicant,

\- and -

5448124 MANITOBA LTD.,

Respondent.

SECOND REPORT TO THE COURT OF GRANT THORNTON LIMITED IN ITS CAPACITY AS RECEIVER OF THE RESPONDENT DATED: MARCH 31, 2016

TAYLOR McCAFFREY LLP
Barristers and Solicitors
9th Floor - 400 St. Mary Avenue
Winnipeg, Manitoba
R3C 4K5

David R.M. Jackson/Sam A. Gabor
Telephone – (204) 988-0375/(204) 988-0346
Fax – (204) 957-0945

Client File No. 98665-1 DJAC

THE QUEEN'S BENCH
WINNIPEG CENTRE

IN THE MATTER OF: AN APPLICATION PURSUANT TO SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c.B-3, AS AMENDED

B E T W E E N:

CAMERON STEPHENS FINANCIAL CORPORATION,

Applicant,

\- and -

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Respondent.

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Appendix 5	City of Winnipeg's Council minutes of September 30, 2015 approving the application and zoning amendment
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CONFIDENTIAL APPENDICES
(to be filed separately under seal)

Confidential Appendix 1	Loan Agreement between Cameron Stephens Financial Corporation and the Receiver dated March 9, 2016

INTRODUCTION AND PURPOSE OF THE SECOND REPORT

1. On October 16, 2015, the Honourable Mr. Justice Dewar issued an Order (the "**Appointment Order**") appointing Grant Thornton Limited as receiver (the "**Receiver**") of all of the assets, undertakings and property of 5448124 Manitoba Ltd. ("**544**" and/or the "**Company**"). A copy of the Appointment Order and Endorsement is attached as **Appendix 1** to this Second Report ("**Second Report**") of the Receiver.

2. At the October 27, 2015 return date and upon review of the Receiver's First Report to the Court ("First Report") Justice Dewar issued an Amended and Restated Order (the "**Amended and Restated Order**"). Copies of the First Report and the Amended and Restated Order are attached as **Appendix "2"** and **Appendix "3"** to this Second Report of the Receiver.

3. The purpose of the Second Report is to outline the Receiver's activities and findings since the issuance of the Amended and Restated Order and to provide the Court with an evidentiary basis to determine whether to grant the relief sought by the Receiver as follows:

   a) Approving the Receiver's request to increase the Receiver's borrowing limit from $250,000.00 to $458,800 (not including capitalized interest and costs) based on the 2016 Budget prepared by A.S.H. Management Group Inc. ("**A.S.H.**")discussed later in this report;

   b) Approving the Receiver's Interim Statement of Receipts and Disbursements for the period from October 16, to March 17, 2016;

   c) Approving the fees and disbursements of the Receiver and its counsel, Taylor McCaffrey LLP ("Taylor") for the period up to February 29, 2016;

   d) Approving and sealing the Loan Agreement between Cameron Stephens Financial Corporation and the Receiver dated March 9, 2016; and

e) Approving the Second Report and the conduct and activities of the Receiver described therein.

SCOPE AND TERMS OF REFERENCE

4. In preparing this Second Report, the Receiver has relied upon unaudited financial information, the Company's records, financial information and projections and discussions with the Company's former management and contractors. While the Receiver reviewed various documents provided by the Company and believes that the information therein provides a fair summary of the transactions as reflected in the documents, such work does not constitute an audit or verification of such information for accuracy, completeness or compliance with Generally Accepted Accounting Principles ("**GAAP**") or International Financial Reporting Standards ("**IFRS**"). Accordingly, the Receiver expresses no opinion or other form of assurance with respect to such information except as expressly stated herein.

5. Some of the information used in preparing this Second Report consists of financial projections. The Receiver cautions that these projections are based upon assumptions about future events and conditions that are not ascertainable. The Company's actual results may vary from the financial projections, even if the hypothetical and probable assumptions contained therein materialize, and the variations could be significant. The Receiver's review of the future oriented information used to prepare this Second Report did not constitute an audit of such information under GAAP or IFRS.

6. This Second Report has been prepared for the use of this Court and the Company's stakeholders as general information relating to the Company and for the purpose of assisting the Court in making a determination of whether to approve the relief sought. Accordingly, the reader is cautioned that the Second Report may not be appropriate for any other purpose. The Receiver will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of the Second Report contrary to the provisions in this paragraph.

7. Capitalized terms not defined in this Second Report are as defined in the Appointment Order. All references to dollars are in Canadian currency unless otherwise noted.

8. Copies of this Second Report and all Orders issued in these proceedings are available on the Receiver's website at:

http://www.grantthornton.ca/services/reorg/bankruptcy_and_insolvency/519Burnell

PARTIES

9. 544 is a company incorporated pursuant to the laws of Manitoba that owns and operates a three story residential apartment building at 519 Burnell Street (**"Burnell" and/or "Property"**), Winnipeg, Manitoba.

10. The registered head office of the Company is located at 910 – 388 Portage Avenue, Winnipeg, Manitoba (the "**Head Office**").

11. Susannah Simes ("**Simes**") and Russell Knight ("**Knight**") are the officers and directors of the Company.

12. GTAC Investments Corp. ("**GTAC**") was identified by Knight as the proposed purchaser for Burnell.

13. Cameron Stephens Financial Corporation ("**CSFC**") is a secured creditor of the Company and holds a first charge real property mortgage and personal property security against the Company's assets as well as holding personal guarantees of Simes and Knight. The Receiver has received an independent security opinion from Taylor acknowledging that CSFC's security is duly perfected and enforceable in accordance with its terms.

THE RECEIVER'S ACTIVITIES

14. Since the date of the Amended and Restated Order, the Receiver has completed the following:

a) Registered a charge for the Receivership on title;

b) Requested and received from the Receiver's counsel an independent security opinion on the security held by CSFC, subject to the usual qualifications;

c) Attended at the Head Office of the Company to collect various financial information of the Company and to collect the rents received from the Canadian Red Cross, who were paying the rents for certain Manitoba Flood Victims;

d) Corresponding and engaging in numerous discussions with operational stakeholders;

e) Contacted the insurer for the Company to add the Receiver as a loss payee;

f) Reviewed the rent roll provided by the Company and updated it for rents collected by the Receiver for November, December 2015 and January 2016;

g) Issued payments for expenses incurred for the building until a new property manager was engaged;

h) Held discussions and corresponded with Knight regarding, among other things, the contemplated purchase and sale transaction between GTAC (**"GTAC"** or the **"Purchaser"**) and the Company, as discussed below;

i) Held discussions and corresponded with GTAC regarding, among other things, the contemplated purchase and sale transaction between GTAC and the company, as discussed below;

j) Held discussions and corresponded with Diverso Energy Inc, a company that specializes in installing Geo-Thermal Heating and Cooling Systems that had made arrangements with GTAC to install a geo-thermal system, to remove their equipment and materials brought to the 519 Burnell property given there was no evidence that a sale transaction existed or could be closed;

k) Retained the two contractors that lived at the building that were previously providing security services at the premises;

l) Worked with Knight's son, Jared Knight, who had been acting as the site superintendent for the property, to oversee the day to day operations, while the Receiver sought quotes from other property management companies to take over the full time management of the property;

m) Sought and obtained quotes for property management services for the property and the Receiver negotiated and engaged A.S.H. as the property manager;

n) Held discussions and corresponded with A.S.H. regarding issuing notices to the tenants of the Receivership and the change in property manager, inspection of all the units to determine the overall state and tenancy of the units in the building and to identify any issues relating to health and safety or the marketability of the units;

o) Requested that A.S.H. prepare a preliminary operational and priority repair budget for 2016 ("**the Budget**") and worked with A.S.H. to finalize the Budget so as to determine the initial funding requirements and the expenses for the building;

p) Requested A.S.H. review existing insurance policies of the Company to confirm same carried adequate coverage's for Burnell and asked A.S.H. to obtain a quotation for coverage's from their insurance carrier;

q) Requested A.S.H. to contact the City of Winnipeg, Building Department to determine what the issues are surrounding the occupancy permit deficiency;

r) Setup and posted information relating to this filing on the Receiver's website including the First Report and the Amended and Restated Order;

s) Held discussions and corresponded with CSFC on various matters including engagement of A.S.H. as the property manager, current state of the building, required priority expenditures to correct health and safety concerns, the Budget and the marketability and security of the building;

t) Negotiated financing for the Receiver's existing borrowing limit to cover the initial cash outlays required by the Receiver to fund expenditures; and

u) Negotiated a form of borrowing agreement between CSFC and the Receiver.

15. The Receiver has not proceeded with commissioning its own appraisal of Burnell at this time as there are a number of issues listed above and discussed later in this report that need to be addressed first as these issues would adversely affect the valuation if the appraisal was completed now in the buildings current state.

RECEIVER'S DISCUSSION WITH THE COMPANY AND GTAC RELATING TO THE PURCHASE AND SALE AGREEMENT OF 519 BURNELL

16. As set out in the First Report, there has been no evidence adduced to enable the Receiver to conclude that the alleged Asset Purchase and Sale Agreement between 544 and GTAC ("**APS**") is legitimate, commercially reasonable, can be funded or closed.

17. After the Amended and Restated Order was issued, the Receiver continued to hold discussions and corresponded with both Knight and GTAC regarding their ability to enter into and fund an APS for Burnell. However, the last communication was on December 7, 2015 when the Receiver requested a meeting with GTAC for December 10, 2015. The Receiver received no response to this request nor any further communication from GTAC.

18. As set out in the First Report GTAC's ability to purchase and finance Burnell was contingent upon the School sale closing first (a property owned by a related company which is not party to this action).The Receiver has received no information to date to suggest that the School closing has taken place or any other information to change its prior assessment as to GTAC's ability to fund or close an APS.

19. Prior to the Receiver's appointment, GTAC made arrangements with Diverso Energy Inc. ("**Diverso**") to supply and install a Geo-Thermal Heating and Cooling System for the building. When GTAC failed to meet with the Receiver to discuss a possible purchase and sale agreement, the Receiver made several requests to Diverso to remove their materials and equipment it had stored on the Burnell parking lot. The materials and equipment were substantially removed by December 30, 2015.

RECEIVER'S MANAGEMENT OF THE PROPERTY PRIOR TO ENGAGING A.S.H.

20. After the Amended and Restated Order was issued, the Receiver contacted the critical vendors to request the continuation of services. These vendors included Manitoba Hydro, Shaw Cable, Progressive Waste Management and BFL Canada, the broker that dealt with the insurance for the property. In addition, the Receiver retained the two contractors that were previously engaged by the Company as they handled the security for the property.

21. The Company's prior bookkeeper assisted the Receiver in preparing monthly invoices for November 2015, December and January 2016 to the Manitoba Red Cross, the entity which had been paying the rents for certain tenants.

22. A number of tenants at Burnell were having their rent paid by the Manitoba government under an Employment and Assistance Program. The Receiver directed those rents to be forwarded to the Receiver's office.

23. Until it was able to retain a Property Manager, the Receiver worked with Knight's son, Jared, as the interim property manager as he was the previous site superintendent, responsible for general repairs, lease up of the units, collection of rent and evictions. Jared was not retained by the Receiver and Knight advised he would assume responsibility for compensating his son for these services until the Receiver engaged a new property manager.

24. During the week of October 26 to October 29, 2015 the Receiver solicited quotes for property management services from a number of property management companies. References for property managers were requested from the Receiver's counsel, the Receiver's local office in Winnipeg, the debtor and CSFC. Of the seven companies contacted only two companies were prepared to provide proposals for Burnell. After reviewing the proposals received and consulting with CSFC, the Receiver commenced negotiations and finalized the property management agreement with A.S.H. on December 17, 2015, a copy of which is attached hereto as Appendix 4.

STATE OF 519 BURNELL

25. As disclosed in the Receiver's First Report, less than one half of the units in Burnell are occupied. Only 13 of the 21 basement units can be occupied until the occupation permit issue is resolved. Rent revenues have either eroded significantly in the months leading up to the receivership or the Rent revenues were not as originally stated and the Receiver has determined that the Property does not generate sufficient cash flow from existing operations to meet expenses. The Property requires significant attention in order to stabilize it and ready it for a sale.

26. After it was engaged on December 17, 2015 A.S.H. notified the tenants that it required access to all units to perform an inspection to determine:

a) The state of the units and identify any health and safety related issues;

b) If the unit was occupied or vacant so as to confirm if the rent roll was correct or not;

c) If the tenant in the unit was in fact the tenant on the rent roll; and

d) If the level of repairs required to enable A.S.H. to prepare an operating and capital budget for the property for 2016.

27. A.S.H.'s inspection of the property revealed a number of issues that would need to be addressed as soon as adequate funding was available. The following is a list of the priority expenditures, and costs, listed by A.S.H. to address health and safety matters as well as the future marketability of the vacant units:

a) Annual Fire Alarm Testing and correction of deficiencies $10,207.00;

b) Electrical Inspections to restore hydro service to various units $6,600.00;

c) Pest Control for rodent infestation $2,300.00;

d) Locksmith to rekey all doors and change handles sets $13,092.00;

e) Purchase fridge/stoves for vacant units that will be ready to be rented $10,000.00;

f) Purchase coin/card operated laundry equipment $15,467.00;

g) Replacement of broken windows $1,600.00; and

h) Cleaning of units including removal of old furniture, fresh paint $6,811.00.

(hereinafter "Priority Expenditures")

28. A.S.H. and the Receiver have also been in contact with the City of Winnipeg to determine the outstanding occupancy permit issues affecting the occupation of eight basement units. In discussions with the City, A.S.H. and the Receiver have determined that there are two matters affecting the occupancy permit for the building. The first relates to a rezoning of the property from R2 – Residential Two-Family District to a RMF-L Residential Multi-Family Large District. This would allow the construction of an additional eight dwelling units within the building raising the number of rentable units from eighty to eighty-eight units. A

public hearing had been held on July 7, 2015 and City Council approved the application on September 30, 2015. Attached as Appendix "5" is a copy of the Council's minutes of September 30, 2015 approving the application and zoning amendment. However, the zoning change does not take effect until certain conditions are fulfilled including payment of City fees, submission of final drawings and completion of specified site improvements which must be completed by September 30, 2017.

29. The second matter affecting the occupancy permit relates to building code deficiencies identified by the City's building department. Due to the fact that the zoning was being amended to increase the number of dwellings to eighty-eight units, the eight new units would be required to meet current building codes. Six of the eight units have had a majority of the work completed, but code issues surrounding ventilation and heat recovery ventilation ("HRV") units remains outstanding.

2016 BUDGET FOR THE PROPERTY AND BORROWING LIMIT INCREASE

30. Based upon the state of the building at the time of Receiver appointment, Burnell does not have sufficient revenue to meet expenses, let alone pay for the Priority Expenditures or professional fees from available cash flow. While the Receiver had initially understood that CSFC would make initial advances to the Receiver under the borrowing charge to make up for the cash flow shortfall, it became apparent that CSFC required a budget acceptable to it before it would make any advance.

31. One of A.S.H.'s responsibilities under the management agreement was to prepare a 2016 operating budget which would enable the Receiver to ascertain the funding necessary. Throughout the first half of January, 2016 A.S.H. and the Receiver worked through the cash flows, Priority Expenditures and other expenditures

identified at that time to enable the 2016 budget to be prepared and submitted to CSFC.

32. The 2016 budget included the costs of the Receiver and its counsel to date and the estimated professional costs for the balance of 2016, based on certain assumptions. (As the cost estimates to finish the units and address the Zoning and Building code issues discussed above were not available, A.S.H. and the Receiver utilized a $50,000.00 contingency pending receipt of further information). Attached as Appendix "6" is a copy of the estimated 2016 Budget for the Burnell property ("**Budget**") disclosing that the Receiver's funding needs to compensate for the cumulative cash flow shortfall would significantly exceed its current borrowing authority under the Amended and Restated Order.

33. During the Receiver's consultations with CSFC at the end of January, 2016 it became apparent that although CSFC wanted the Receiver to proceed with the Priority Expenditures, it was not yet in a position to authorize funding. In addition to the Budget, CSFC requested and was provided with copies of both the Receiver's and its counsel's accounts. The Receiver continued to dialogue with CSFC throughout February to reach consensus on management of the Property including the nature and extent of the Receiver's role, work to be done, the Budget and the funding necessary.

34. On February 19, 2016 CSFC advised the Receiver that it had obtained approval to provide a credit facility to the Receiver for up to a maximum of $458,800.00 based on the existing Budget. As the Receiver's existing borrowing authority under the Amended Order is currently limited to $250,000.00 any advances to be made over and above $250,000.00 would be subject to obtaining a Court Order increasing the Receiver's borrowing charge. CSFC also advised that it would be necessary to prepare a formal Loan Agreement between it and the Receiver before the initial advance under the credit facility could be made.

35. On March 9, 2016 CSFC and the Receiver were able to finalize and execute the Loan Agreement, a true copy of which will be filed separately with the Court as Confidential Appendix 1 ("Loan Agreement"). It is the Receiver's view that while it is appropriate for the Court to have full disclosure of the conditions under which the Receiver is borrowing to sustain operations it could be prejudicial to the interests of the stakeholders as well as any future sales process if public disclosure occurred at this time and as such the Receiver requests that the Loan Agreement be the subject of a Sealing Order until further Order of this Court.

36. On or about March 14, 2016 CSFC advanced the initial $250,000.00 to the Receiver. The Receiver has accordingly directed A.S.H. to have the Priority Expenditures completed and will be making arrangements to pay its outstanding obligations. In order to access the balance of the funding under the Loan Agreement which will enable the Receiver to operate the Property in accordance with the existing Budget, with a view to proceeding with a sales and marketing process, it is necessary to increase the Receiver's borrowing charge limit under the Amended and Restated Order.

ADDITIONAL COSTS NOT PREVIOUSLY IDENTIFIED

37. Subsequent to finalizing the Budget A.S.H. obtained the cost estimates to complete the work in the 8 additional units and the re-zoning. In late February A.S.H. received an estimate to resolve the zoning matter, including fees, drawings and site improvements at approximately $45,000.00. The initial estimate to complete the six partially finished units is approximately $72,000.00. The estimate to finish the remaining two unfinished units and meet current code requirements is approximately $120,000.00. The Receiver estimates that taking on this additional work would increase the existing Budget by $200,000.00. It is unclear at this stage when this additional work should be done and whether CSFC will be prepared to provide additional funding for it.

RECEIPTS AND DISBURSEMENTS OF THE RECEIVERSHIP

38. Attached as Appendix "7" is the Receiver's Interim Statement of Receipts and Disbursements for the period October 27, 2015 to March 17, 2016.

39. The Receiver notes that there is one Receiver Certificate issued to CSFC for $250,000.00 to cover the initial operational expenses and priority repairs required at the property. As at March 17, 2016, the Receiver held $97,953.60 in its bank accounts.

RECEIVER'S FEES AND DISBURSEMENTS

40. Pursuant to paragraph 18 of the Appointment Order, the Receiver and its counsel may pass their accounts from time to time.

41. The Receiver seeks to have its fees and disbursements, including those of its legal counsel, approved by the Court. The Receiver and its counsel have maintained detailed records of their professional time and costs.

42. Total fees, disbursements and applicable taxes of the Receiver for services provided from the beginning of its engagement through to February 29, 2016 totals $114,643.68. Attached as Appendix "8" are true copies of the Receiver's statements of account including the detailed time and disbursement record.

43. Taylor has acted as the Receiver's legal counsel on all matters relating to this proceeding. Total fees, disbursements and applicable taxes for Taylor from the commencement of its engagement through to February 29, 2016 is $41,414.38. Attached as Appendix 9 hereto are true copies of the statements of account rendered by Taylor which include the detailed time and disbursement breakdown.

44. It is the Receiver's opinion that the fees and disbursements of the Receiver and Taylor are fair and reasonable, justified in the circumstances and accurately reflect the work done by the Receiver and on behalf of the Receiver by its legal counsel in connection with the receivership and the administration of the property of the Company from commencement of the engagement to February 29, 2016.

The Receiver recommends approval of both its own and Taylor's accounts by this Honourable Court.

CONCLUSION

45. The Receiver believes it is an appropriate time to report to the Court on its activities to date and to seek the increase in the Receiver's borrowing limit to adequately fund operations and obtain approval for its activities to date. CSFC has been consulted and supports the recommendations of the Receiver as set out herein.

46. Accordingly, for reasons set out in this Second Report, the Receiver respectfully requests an Order in the form outlined in paragraph 3 above.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 31st day of March, 2016.

GRANT THORNTON LIMITED,
IN ITS CAPACITY AS COURT-APPOINTED
RECEIVER OF 5448124 MANITOBA LTD.
AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY

Per:________________________
Michael G. Creber, CPA, CA, CF, CIRP
Senior Vice-President

APPENDIX 5

File No. CI 15-01-97928

THE QUEEN'S BENCH
WINNIPEG CENTRE

IN THE MATTER OF: An application pursuant to Subsection 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended

B E T W E E N:

CAMERON STEPHENS FINANCIAL CORPORATION,

Applicant,

- and -

5448124 MANITOBA LTD.,

Respondent.

ORDER
(MOTION TO INCREASE RECEIVER'S BORROWING LIMIT AND OTHER RELIEF)

TAYLOR McCAFFREY LLP
Barristers and Solicitors
9th Floor - 400 St. Mary Avenue
Winnipeg, Manitoba
R3C 4K5

David R.M. Jackson (204 988-0375)
Fax – 204 957-0945
Client File No. 98665-1 DJAC

THE QUEEN'S BENCH
WINNIPEG CENTRE

THE HONOURABLE	)	
	)	The 8th day of April, 2016
MR. JUSTICE DEWAR	)	

IN THE MATTER OF: An application pursuant to Subsection 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended

B E T W E E N:

CAMERON STEPHENS FINANCIAL CORPORATION,

Applicant,

- and -

5448124 MANITOBA LTD.,

Respondent.

ORDER

THIS MOTION made by Grant Thornton Limited, in its capacity as Receiver, was heard this day at Winnipeg.

ON READING the First Report of the Receiver dated October 26, 2015 ("First Report"), the Second Report of the Receiver dated March 31, 2016 ("Second Report"), the Confidential Appendix to the Second Report ("Confidential Appendix") and on hearing the submissions of counsel for the Receiver and the Applicant, no one appearing for any other party though duly served as appears from the Affidavit of Service sworn April 4, 2016:

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

2. THIS COURT ORDERS that the Amended and Restated Order entered October 27, 2015 appointing the Receiver over 5448124 Manitoba Ltd. ("544") ("Receivership Order") be varied in paragraph 21 thereof by increasing the borrowing limit set out therein from $250,000.00 to $458,800.00 (not including capitalized interest and costs).

3. THIS COURT ORDERS that the Receiver's motion to file the Confidential Appendix to the Second Report under seal is dismissed and the Receiver directed to file the Loan Agreement between Cameron Stephens Financial Corporation and the Receiver dated March 9, 2016 ("Loan Agreement") as Appendix 10 to the Second Report and serve it upon the service list.

4. THIS COURT ORDERS that the Receiver's motion to approve the Loan Agreement and the Second Report be adjourned *sine die*.

5. THIS COURT APPROVES the Receiver's Interim Statement of Receipts and Disbursements up to February 29, 2016 as attached to its Second Report as Appendix 7.

6. THIS COURT APPROVES the fees and disbursements of the Receiver and its legal counsel, Taylor McCaffrey LLP up to February 29, 2016, as attached to the Second Report as Appendices 8 and 9 thereof.

April , 2016

R.A. Dewar J.

Digitally signed by R.A. Dewar J.
DN: c=ca, o=ldrc, cn=R.A. Dewar J.
Date: 2016.04.09 10:08:02 -05'00'

APPENDIX 6

Crosier Kilgour & Partners Ltd.™
CONSULTING STRUCTURAL ENGINEERS

2016 June 15

Our File No. 2016-0610

A.S.H. Management Inc.
#100 – 233 Portage Ave
Winnipeg, MB
R3B 2A7

Attention: Rebecca Ellis

Dear Madam:

Re: 519 Burnell Street
Foundation Waterproofing Investigation

At the request of A.S.H. Management Inc., Crosier Kilgour & Partners Ltd. conducted a visual inspection of the building at 519 Burnell Street. Our visual review included the above-grade Tyndall stone and brick masonry wall, several interior basement suites and a review of the above-grade foundation wall.

The typical foundation wall construction at 519 Burnell appears to be a multi-layer masonry wall, with a rock-faced ashlar Tyndall stone on the exterior building face, a brick masonry wythe on the interior face and most likely a rubble stone filled interior cavity. The basement interior wall is finished with plaster. The foundation wall extends from the below-grade footing to approximately 5' above grade, and acts as the wall for the semi-basement suites. The building is equipped with four sump pits that were witnessed discharging water into the courtyard. The courtyard is covered with artificial turf on top of a limestone base.

Our investigation and cost estimate is limited to the exterior foundation restoration and waterproofing only, and does not include interior or environmental restoration work. We understand that the weeping tiles have been scoped; however, we have not been provided with the results at this time.

Building Condition

On the exterior face the Tyndall stone and the brick masonry have been previously painted. Due of the porosity of the Tyndall stone and the joint mortar, moisture wicked from the ground is being trapped behind the paint, and over a number of freeze-thaw cycles has led to extensive deterioration of the painted finish and the Tyndall mortar. The Tyndall stone itself appears to be generally intact. At a number of locations mortar was completely absent between stones and voids were visible between face stones, extending into the interior wall cavity.

On the interior walls of the basement suites, the plaster at the bottom portion of the wall is visibly damaged by moisture and mold is visible at a number of locations, including on the exterior walls, and interior structural and partition walls. This indicates that the water ingress problem may be present under the entire building foundation.

Other Observations
During the site review, it was noted that four sump pits and at least two roof downspouts are discharged within four to five feet away from the foundation wall. There does not appear to be a slope leading rainwater and snow meltwater away from the building. Sump pits and downspouts are discharging within the inner courtyard. Given

the limestone aggregate present under the artificial turf this would lead to saturated ground against the building foundation, leading to increased water ingress into the foundation.

There are interior vent rays present throughout the building to allow natural ventilation to the kitchens and bathrooms within the building. These vent rays are approximately four by four feet in dimension and extend from grade to roof. They present an additional passage for rainwater to saturate the ground within the building interior.

Recommendations

Our recommendation is that a foundation wall waterproofing and drainage system be installed around the entire building perimeter from the bottom of the foundation to the basement window sills. This will include excavation around the entire building perimeter, installation of a new concrete skin against the building, application of a waterproofing material and installation of a new weeping tile drainage system with multiple sump pits, if required. The grade slope around the building will need to be adjusted to direct the water away from the building. The Tyndall stone above the new waterproofing should be cleaned of any paint and repointed. Alternatively, the entire height of the foundation walls up to the main floor level can be waterproofed to reduce future maintenance (stone joint repointing) costs. The interior ray vents should have waterproof curbs installed around them and steel canopies installed above them to prevent rainwater from infiltrating into the interior foundation system. Finally, the sump pit and downspout effluent needs to be directed further away from the building or directed into the City of Winnipeg storm water system, which may be possible under a special permit.

[redacted]

Upon your review, please contact us to discuss our findings and recommendations.

Regards,

Iouri Minenkov, P.Eng

/im
cc: Haney Louka, P.Eng
F:\2016\0600-0699\2016-0610\corres\letter\2016-0610 - Investigation Letter.docx

Crosier Kilgour & Partners Ltd.
CONSULTING STRUCTURAL ENGINEERS

Field Observation Report

Project: Foundation Waterproofing Investigation	Report No.: 01
Location: 519 Burnell Street, Winnipeg, MB	CKP File No.: 2016-0610
Owner: A.S.H. Management Inc.	Date of Site Visit: 2016 June 20
Architect: N/A	Time of Site Visit: 11:00
Contractor: Gardon Construction Ltd	Weather Conditions at Time of Visit: Sunny

Distribution:

Rebecca Ellis – A.S.H. Management Inc. rellis@ashmanagementgroup.com
CKP Eng. - Iouri Minenkov, P.Eng

The purpose of this field observation was to identity the existing foundation at 519 Burnell Street. The ground was heavily saturated due to rainfall with noticeable standing water adjacent to the building. Two areas were excavated along the south wing of the building.

The test pit along the north side of the interior courtyard shown in Photograph 1 and 2 had no visible footing. Due to the proximity of the gas line and concerns of puncturing the gas line or breaking the weeping tile, the test pit was not excavated any further. The exterior parging over the Tyndall stone is extensively debonded, which has led to the deterioration of the Tyndall stone mortar and ingress of water into the foundation wall. The Tyndall stone itself appears to be generally intact.

Shown in Photograph 3, a second test pit was excavated along the south side of the building. Significant amount of water was present at the bottom of the excavation and appears to be steadily seeping in from the soil and clay weeping tile that was severed during excavation. This required constant dewatering in order to locate the footing. A 12" deep by 12" outward (from the foundation wall) concrete footing was eventually located. Shown in Photograph 4 and similar to the first test pit, the exterior parging has debonded, leading to deterioration of the Tyndall stone mortar and ingress of water into the foundation wall. The Tyndall stone itself remain to be generally intact.

The findings from this excavation confirm the recommendations and basis of estimate provided in the report issued to A.S.H. Management Inc. on 2016 June 15.

Yours truly,

Blair Holmes
Crosier Kilgour & Partners
2016-06-23

Reviewed by:

Iouri Minenkov, P.Eng
Crosier Kilgour & Partners
2016-06-23

Field Observation Report

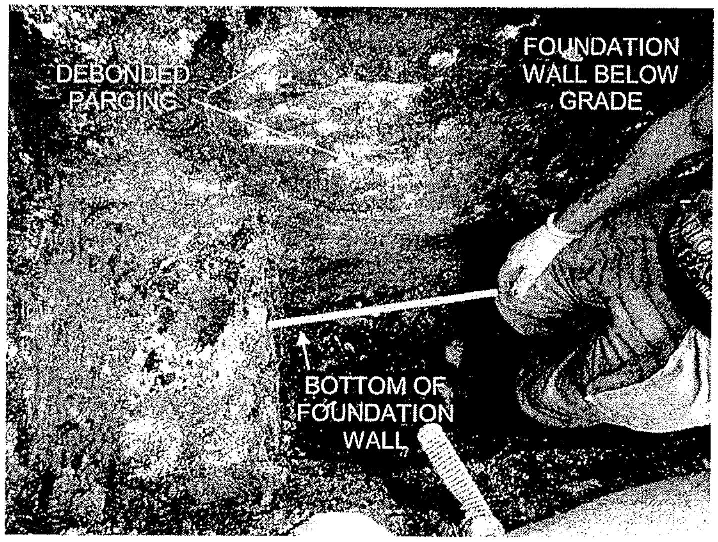
Project:
Foundation Waterproofing Investigation

Location:
519 Burnell Street, Winnipeg, MB

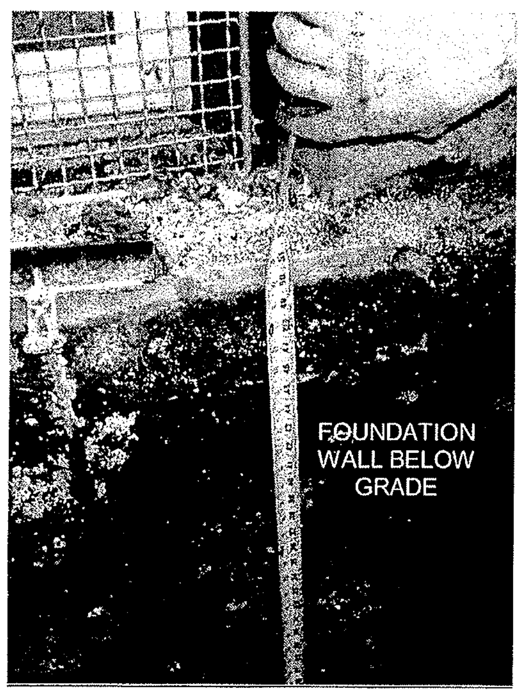
Report No.:
01

Date and Time of Site Visit:
2016 June 20, 11:00 am

Photograph #1:
Test Pit 1 – Exterior parging over Tyndall stone has debonded.



Photograph #2:
Test Pit 1 – The bottom of the basement window to the underside of the 6" concrete slab is 51" in height.



Field Observation Report

Project:
Foundation Waterproofing Investigation

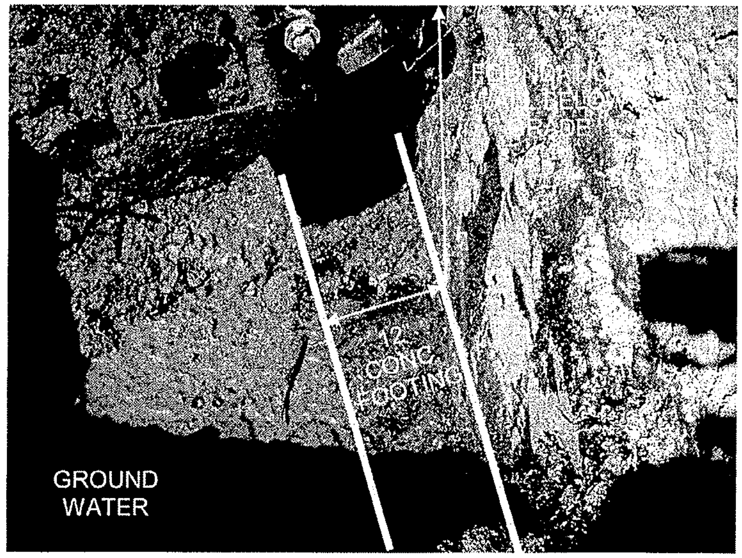
Location:
519 Burnell Street, Winnipeg, MB

Report No.:
01

Date and Time of Site Visit:
2016 June 20, 11:00 am

Photograph #3:

Test Pit 2 – A 12" deep concrete footing by 12" from the foundation wall was identified.



Photograph #4:

Test Pit 2 – Exterior parging over Tyndall stone has debonded.

APPENDIX 7

DRAFT

519 BURNELL STREET (Project# 00174)
JULY 2016 TO JUNE 2017 RECAST BUDGET and INCREASED FUNDING REQUIREMENT (UNREDACTED)

	July	Aug	Sept	Oct	Nov	Dec	2017 January	February	March	April	May	June	Total
REVENUE													
Rent-Residential (Note 1, 2,3)	56,402	56,402	56,402	56,402	56,402	56,402	56,402	56,402	56,402	56,402	56,402	56,402	676,824
Discount	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(8,400)
Vacancy	(32,163)	(27,082)	(25,692)	(24,997)	(24,302)	(24,302)	(24,302)	(24,302)	(20,827)	(18,742)	(16,657)	(13,182)	(276,550)
Parking	400	400	400	400	400	400	400	400	400	400	400	400	4,800
Laundry	694	694	694	694	694	694	694	694	694	694	694	694	8,333
Miscellaneous Income	56	56	56	56	56	56	56	56	56	56	56	56	667
Interest Income	40	40	40	40	40	40	40	40	40	40	40	40	480
Late Rent fees	67	67	67	67	67	67	67	67	67	67	67	67	800
REVENUE - TOTAL	24,796	29,877	31,267	31,962	32,657	32,657	32,657	32,657	36,132	38,217	40,302	43,777	406,954
EXPENSES													
Cable/internet	-	-	-	-	-	-							-
Gas - common area	-	-	-	-	-	-							-
Hydro - common area	3,000	3,000	3,000	3,750	4,500	4,500	5,000	5,500	4,500	3,500	3,000	3,000	46,250
Hydro - gross/vacancy	4,500	4,200	4,000	4,000	4,000	4,000	4,000	4,000	3,500	3,300	3,100	2,900	45,500
Telephone - Onsite cellular	67	67	67	67	67	67	67	67	67	67	67	67	800
Telephone - Intercom	67	67	67	67	67	67	67	67	67	67	67	67	800
Water	2,000	2,200	2,300	2,350	2,400	2,400	2,400	2,400	2,600	2,800	2,900	3,000	29,750
													-
Administration	167	167	167	167	167	167	167	167	167	167	167	167	2,000
Advertising	417	417	417	417	417	417	417	417	417	417	417	417	5,000
Bad debts	3,000	2,000	1,000	500	500	500	500	500	500	500	500	500	10,500
Bank charges	70	70	70	70	70	70	70	70	70	70	70	70	840
Collection & credit checks	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Insurance premiums		-	-	-	-	-	-	-	23,000				23,000
Office expenses	42	42	42	42	42	42	42	42	42	42	42	42	500
Professional fee - legal	42	42	42	42	42	42	42	42	42	42	42	42	500
Professional fee - other	83	83	83	83	83	83	83	83	83	83	83	83	1,000
Property management fee	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	63,000
Security Deposit Interest	5	5	5	5	5	5	5	5	5	5	5	5	60
Wages - site staff	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
													-
Fence (not parking lot)	8	8	8	8	8	8	8	8	8	8	8	8	100
Grounds maintenance	50	50	50	-	-	-	-	-	-	100	100	100	450
Lighting - exterior	410	410	410	410	410	410	410	410	410	410	410	410	4,920
Painting - exterior	3,500	-	-	-	-	-	-	-	-	-	-	-	3,500
Parking lot - fencing													-
Parking lot - line painting	-	-	-	-	-	-	-	-	-	-	-	-	-
Parking lot - maintenance	67	67	67	67	67	67	67	67	67	67	67	67	800
Parking lot - plugin	-	-	-	-	-	-	-	-	-	-	-	-	-
Parking lot - sweeping	-	-	-	-	-	-	-	-	-	-	-	-	-
Roof	600	500	-	-	-	-	-	-	-	-	-	-	1,100
Signage	42	42	42	42	42	42	42	42	42	42	42	42	500
Snow removal/sanding	-	-	-	-	250	500	500	500	500				2,250
													-
Appliance repairs	83	83	83	83	83	83	83	83	83	83	83	83	1,000
Asbestos Testing/Removal/Maintenance	8	8	8	8	8	8	8	8	8	8	8	8	100
Cleaning supplies	125	125	125	125	125	125	125	125	125	125	125	125	1,500
Cleaning - C/A	-	-	-	-	-	-	-	-	-	-	-	-	-
Electrical - C/A	208	208	208	208	208	208	208	208	208	208	208	208	2,500
Electrical - ensuite	298	298	298	298	298	70	70	70	70	70	70	70	1,980
Fire control R & M	167	167	167	167	167	167	167	167	167	167	167	167	2,000
Fire control - contract	65	65	65	65	65	65	65	65	65	65	65	65	780
Flooring R&M - ensuite	50	50	50	50	50	50	50	50	50	50	50	50	600
Hot Water tank repair/maintenance	67	67	67	67	67	67	67	67	67	67	67	67	800
Intercom	-	-	-	-	-	-	-	-	-	-	-	-	-
laundry Room	83	83	83	83	83	83	83	83	83	83	83	83	1,000
Lighting- ca	83	83	83	83	83	83	83	83	83	83	83	83	1,000
Lighting - ensuite	50	50	50	50	50	50	50	50	50	50	50	50	600
Locksmith - CA	42	42	42	42	42	42	42	42	42	42	42	42	500
Locksmith - ensuite	33	33	33	33	33	33	33	33	33	33	33	33	400
Maintenance supplies	67	67	67	67	67	67	67	67	67	67	67	67	800
Mats	42	42	42	42	42	42	42	42	42	42	42	42	500
Painting/Wall repair - ca	83	83	83	83	83	83	83	83	83	83	83	83	1,000
Painting/Wall repair - ensuite	83	83	83	83	83	83	83	83	83	83	83	83	1,000

DRAFT

519 BURNELL STREET (Project# 00174)

JULY 2016 TO JUNE 2017 RECAST BUDGET and INCREASED FUNDING REQUIREMENT (UNREDACTED)

		July	Aug	Sept	Oct	Nov	Dec	2017 January	February	March	April	May	June	Total
Pest control - ca		54	54	54	54	54	54	54	54	54	54	54	54	650
Pest control - ensuite		292	292	292	292	292	292	292	292	292	292	292	292	3,500
Plumbing-CA		83	83	83	83	83	83	83	83	83	83	83	83	1,000
Plumbing - ensuite		83	83	83	83	83	83	83	83	83	83	83	83	1,000
Tubs/tile/millwork		67	67	67	67	67	67	67	67	67	67	67	67	800
Waste removal		42	42	42	42	42	42	42	42	42	42	42	42	500
Window coverings repair		17	17	17	17	17	17	17	17	17	17	17	17	200
Window/Doors/Screens - C/A		33	33	33	33	33	33	33	33	33	33	33	33	400
Windows/doors/screen - ensuite		33	33	33	33	33	33	33	33	33	33	33	33	400
														-
Property taxes		5,337	5,337	5,337	5,337	5,337	5,337	3,534	3,534	3,534	3,534	3,534	3,534	53,226
														-
Exterior bldg repair		167	167	167	167	167	167	167	167	167	167	167	167	2,000
Appliance - Fridge - RTB Capital		5,000				6,000	-	-	-	5,000	-	3,000	-	19,000
Appliance - Stove - RTB Capital		3,700		-	-	5,000	-	-	-	-	-	-	-	8,700
Cabinetry Countertop Repl RTB		-	-	-	-	-	-	-	-	-	-	-	-	-
Electrical - En - RTB Capital		42	42	42	42	42	42	42	42	42	42	42	42	500
Fire control - C/A - RTB Capital		167	167	167	167	167	167	167	167	167	167	167	167	2,000
Flooring repl - En RTB Capital		250	250	250	250	250	250	250	250	250	250	250	250	3,000
HVAC - CA - RTB Capital		-	-	-	-	-	-	-	-	-	-	-	-	-
HVAC - Ensuite - RTB Capital		-	-	-	-	-	-	-	-	-	-	-	-	-
Lighting - CA - Interior - RTB Capital		-	-	-	-	-	-	-	-	-	-	-	-	-
Laundry room upgrades - RTB		-	1,533	-	-	-	-	-	-	-	-	-	-	1,533
Locksmith - C/A - RTB Capital		42	42	42	42	42	42	42	42	42	42	42	42	500
Painting - En - RTB - Capital		833	833	833	833	833	833	833	833	833	833	833	833	10,000
Plumbing - CA-RTB - Capital		167	167	167	167	167	167	167	167	167	167	167	167	2,000
Plumbing - ensuite-RTB - Capital		83	83	83	83	83	83	83	83	83	83	83	83	1,000
Security R & M - RTB Capital		-	-	-	-	-	-	-	-	-	-	-	-	-
Tubs/tile/millwork - RTB Capital		83	83	83	83	83	83	83	83	83	83	83	83	1,000
Window covering replacement-ensuite		333	333	333	333	333	333	333	333	333	333	333	333	4,000
Window/Doors/Screens - C/A		333	333	333	333	333	333	333	333	333	333	333	333	4,000
Windows/doors/screen - en RTB Capital		250	250	250	250	250	250	250	250	250	250	250	250	3,000
Contingency - non-recurring (Note 4)		10,000		-	-	-	-							10,000
Security deposit reimbursements		-	-	-	-	-	-							-
EXPENSES - TOTAL		57,614	35,747	32,614	32,864	44,914	33,936	32,633	33,133	59,833	30,433	32,833	29,733	456,289
NET INCOME/LOSS Before Receiver & Legal Fees		(32,819)	(5,871)	(1,348)	(902)	(12,258)	(1,280)	24	(476)	(23,702)	7,784	7,469	14,044	(49,335)
Receiver's fees (see note 5 below)		10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
Legal Fees (see note 5 below)		1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Fees to Prepare Court Report and attend Court to seek increase to borrowing limit and report on any other activites of relevance including possible approval of a Sales Process			25,000											25,000
Cash Surplus/(Deficit)		(44,319)	(42,371)	(12,848)	(12,403)	(23,758)	(12,780)	(11,477)	(11,977)	(35,202)	(3,717)	(4,032)	2,544	(212,335)
Actual Deficit and funding required to date up to June 30, 2016	(250,419)													(250,419)
June Accruals & A/P Owing c/f	(95,000)													(95,000)
Engineer Estimate to repair basement Exterior wall dampness issue (Note 6)											[redacted]			[redacted]
Cost to Remove Inside Finished Basement Walls and remediate Mold (Note 7)			20,000	[redacted]										[redacted]
Cost to Renovate 8 of the basment units to a finished rent ready state including costs to resolve zoning issues (Note 8)													[redacted]	[redacted]
Cumulative deficit funding required for the period (Note 9, 10)	(345,419)	(389,738)	(452,108)	(589,956)	(660,358)	(684,116)	(696,895)	(708,372)	(720,348)	(755,550)	(909,266)	(1,263,298)	(1,670,754)	(1,670,754)

E&OE

458,800.00 current maximum borrowing limit

DRAFT

519 BURNELL STREET (Project# 00174)
JULY 2016 TO JUNE 2017 RECAST BUDGET and INCREASED FUNDING REQUIREMENT (UNREDACTED)

	July	Aug	Sept	Oct	Nov	Dec	2017 January	February	March	April	May	June	Total

Note 1: The rents collectable reflect the rental rates proposed by Ash of $695 for a one bedroom and $ 795 for a 2 bedroom apartment for new occupants plus the Cdn Red Cross paid occupants whose rent is much higher than this

Note 2: Occupancy assumption is that the occupancy will gradually increase over the budget period. Assumption is the number of units available to rent will not increase for the period.

Note 3: Gross rental amount shown is assuming the higher tenant rents that are paid from the Canandian Red Cross will remain tenanted at those rates throughout the budget period.

Note 4: Contigency non-recurring costs include costs for Crozier, Pinchin & Colliers reporting.

Note 5: Time related to reviewing monthly operational reports from Ash and reporting/discussions with Secured Lender and counsel as needed. This excludes time charges related to court attendances and preparation for same and time for other major non-recurring matters such as a sale process which has been listed as a separate line item in the budget.

Note 6: Assumption is the work will be managed by Crozier and will not trigger the 5% Ash Mgmt fee on major construction projects.

Note 7: Assumption is the work will be managed by Pinchin and will not trigger the 5% Ash Mgmt fee on major construction projects.

Note 8: The 8 units previously requiring completion had an estimated cost of $ 210,000.Further assumption is the work will be managed by the contractor and will not trigger the 5% Ash Mgmt fee on major construction projects.

Note 9: Interest charges on Receiver borrowing is not provided for in the above budget/cashflow.

Note 10: The assumption is that the Receiver's borrowing limit will require to be increased by end of August. The costs of a court attendance has been factored in to account for a request for a receiver borrowing limit increase among other things.

APPENDIX 8

THIS LOAN AMENDING AGREEMENT made this 4th day of August, 2016, between:

> **GRANT THORNTON LIMITED**, solely in its capacity as court-appointed receiver and manager of the Debtor and the Property (as hereinafter defined), and not in its personal capacity,
>
> (the "***Borrower***")
>
> - and -
>
> **CAMERON STEPHENS FINANCIAL CORPORATION**,
>
> (the "***Lender***")

WHEREAS the Borrower and the Lender are parties to that certain Loan Agreement made the 9th day of March, 2016 (the "***Loan Agreement***");

AND WHEREAS pursuant to the Loan Agreement, the Order (as such term is defined in the Loan Agreement) and that certain Order (Motion to Increase Receiver's Borrowing Limit and Other Relief) made on the 8th day of April, 2016 by The Honourable Mr. Justice R.A. Dewar in the Proceedings (the "**First Borrowing Limit Increase Order**"), the amount of the Loan is up to FOUR HUNDRED FIFTY-EIGHT THOUSAND EIGHT HUNDRED DOLLARS ($458,000.00), plus any amounts added thereto in accordance with the terms and conditions of the Loan Agreement;

AND WHEREAS the Borrower and the Lender have agreed to amend the Loan Agreement to increase the amount of the Loan to up to ONE MILLION TWO HUNDRED EIGHT THOUSAND EIGHT HUNDRED DOLLARS ($1,208,800.00), plus any amounts added thereto in accordance with the terms and conditions of the Loan Agreement;

AND WHEREAS pursuant to the Loan Agreement and the Order, the amount of the Loan can be increased by Court Approval;

NOW THEREFORE the parties hereto covenant and agree as follows:

ARTICLE 1 - DEFINED TERMS

1.01 Defined Terms

In this Agreement, unless there is something in the subject matter or context inconsistent therewith, all capitalized terms used but not defined herein shall have the meaning ascribed to them in the Loan Agreement.

ARTICLE 2 – AMENDMENTS TO LOAN AGREEMENT

2.01 Amendment to Loan Amount

The Borrower and the Lender hereby agree that the Loan is increased to an amount of up to ONE MILLION TWO HUNDRED EIGHT THOUSAND EIGHT HUNDRED DOLLARS ($1,208,800.00) plus any amounts added thereto in accordance with this Agreement for the purpose of making payment of those charges, fees, expenses and other costs and amounts: (a) provided for in the Budget, in accordance with the Budget or (b) approved in writing by the Lender. As at the date of this Loan Amending Agreement the maximum amount of the Loan shall be FOUR HUNDRED FIFTY-EIGHT THOUSAND EIGHT

HUNDRED CANADIAN DOLLARS ($458,800.00), being the maximum amount presently permitted by Section 21 of the Order, as amended by the First Borrowing Limit Increase Order. The maximum amount of the Loan shall be increased to $1,208,800.00, provided that the Court makes a further order establishing such increased maximum amount as contemplated by Section 21 of the Order (the "**Second Borrowing Limit Increase Order**").

2.02 Recast Budget

The Borrower and the Lender hereby confirm and agree that the 519 Burnell Street (Project # 00174) 2016 Draft Budget & Cumulative CashBurn prepared by A.S.H. Management Group Inc. ("**A.S.H.**") and Grant Thornton Limited, a true copy of which is attached to the Loan Agreement as Schedule "A", will be replaced, effective as of the date that the Second Borrowing Limit Increase Order is pronounced by the Court, with the Draft 519 Burnell Street (Project# 00174) July 2016 To June 2017 Recast Budget and Increased Funding Requirement prepared by A.S.H. and Grant Thornton Limited, a true copy of which is attached to this Loan Amending Agreement as Schedule "A", as may be amended from time to time by agreement of the Borrower and the Lender.

2.03 Amended Order / Other Order

The Borrower and the Lender hereby agree that the amount of "*$458,800.00*" referred to in the third line of Section 5.09 is replaced with "*$1,208,800.00*".

2.04 No Other Amendments

The Borrower and the Lender hereby confirm that all other terms and conditions of the Loan Agreement shall remain in full force and effect, unamended.

ARTICLE 3 - GENERAL

3.01 Modification, Waiver, Consent

Any modification or waiver of any provision of this Loan Amending Agreement, or any consent to any departure by the Borrower therefrom, shall not be effective in any event unless the same is in writing and signed by the Lender, and then such modification, waiver or consent shall be effective only in the specific instance and for the specific purpose given. Any notice to or demand on the Borrower in any event not specifically required of the Lender hereunder shall not entitle the Borrower to any other or further notice or demand in the same, similar or other circumstances unless specifically required hereunder.

3.02 Notice

Any notice, request, demand, consent, approval or other communication provided or permitted hereunder shall be in writing and may be given by personal delivery, facsimile transmission or may be sent by registered mail, postage prepaid (with Acknowledgment of Receipt Card), addressed to the party for which it is intended at the following address:

Borrower:	Grant Thornton Limited 11th Floor | 200 King Street West Box 11 | Toronto | ON | M5H 3T4 T +1 416 369 7047 F +1 416 360 4949 Attention Michael Creber E Michael.Creber@ca.gt.com	**Lender:**	Cameron Stephens Financial Corporation 25 Adelaide Street East, Suite 600 Toronto, ON M5C 3A1 T +1 416-591-8787 C +1 416-895-4176 Attention Scott Cameron, President scott@cameronstephens.com
	And to Taylor McCaffrey LLP 9th Floor – 400 St. Mary Avenue Winnipeg, MB, R3C 4K5 T+ 1 204.988.0375 F+ 204.953.7178 Attention: David R. M. Jackson djackson@tmlawyers.com	And to	Aikins, MacAulay & Thorvaldson LLP 30th Floor - 360 Main Street | Winnipeg, MB R3C 4G1 T+ 1.204.957.4663 F+ 204.957.4285 Attention: J.J. Burnell jjbb@aikins.com

however, any party may change its address for purposes of receipt of any such communication by giving ten Business Days prior written notice of any such change to the other party in the manner above prescribed. Any notice delivered or sent by facsimile transmission shall be deemed to have been given on the day of receipt, or faxed, if a Business Day, and otherwise on the next succeeding Business Day. Any notice sent by registered mail as aforesaid shall be deemed to have been given on the date of receipt of such notice by the Borrower as disclosed on the aforesaid Acknowledgment of Receipt Card, except in the event of mail disruption in which case notices shall be delivered, telexed or telecopied.

3.03 Time

Time shall be of the essence hereof.

3.04 Further Assurances

The Borrower hereby agrees that, at any time and from time to time, it shall, upon request of the Lender, execute and deliver such further documents and instruments and do such further acts and things as the Lender may require in order to effect the purpose of this Loan Amending Agreement.

3.05 Paragraphs, Headings, Etc.

Paragraphs and headings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement unless expressly referred to in the provisions of this Loan Amending Agreement.

3.05 Assignment or Assumption

The Borrower shall not be entitled to assign any of their rights hereunder, and no person may assume the obligations of the Borrower hereunder, without the prior written consent of the Lender or Court Approval.

307 Applicable Law

This Loan Amending Agreement shall be governed by and construed in accordance with the laws of the Province of Manitoba.

3.08 Severability

If any provision of this Loan Amending Agreement is prohibited by or is invalid or unenforceable under any applicable law, such provision shall be ineffective to the extent of such prohibition without invalidating the remaining provisions hereof.

3.09 Enurement

Subject to the provisions of this Loan Amending Agreement respecting non-assignability by the Borrower, this Loan Amending Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

3.10 Counterparts and Electronic Execution

This Loan Amending Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original and all of which when taken together constitute but one and the same agreement. Any party may execute this Loan Amending Agreement by signing any counterpart of it. This Loan Amending Agreement may be executed by one or more of the parties by facsimile or email (.pdf) transmitted signature and all parties agree that the reproduction of signatures by way of facsimile or email (.pdf) device will be treated as though such reproductions were executed originals.

[remainder of this page left blank intentionally; signature page follows]

IN WITNESS WHEREOF the parties hereto have duly executed this Loan Amending Agreement as of the date first written above.

GRANT THORNTON LIMITED,
solely in its capacity as receiver and manager of the Debtor and the Property, and not in its personal capacity

Per: ______________________________
Michael G. Gaber

Per: Senior Vice President

CAMERON STEPHENS FINANCIAL CORPORATION

Per: ______________________________

Per: ______________________________

IN WITNESS WHEREOF the parties hereto have duly executed this Loan Amending Agreement as of the date first written above.

GRANT THORNTON LIMITED,
solely in its capacity as receiver and manager of the Debtor and the Property, and not in its personal capacity

Per: ______________________

Per: ______________________

CAMERON STEPHENS FINANCIAL CORPORATION

Per: ______________________
Giuliana Mauro
VP, Loan Funding and Administration

Per: ______________________

APPENDIX 9

CONFIDENTIALITY AGREEMENT

Confidentiality agreement dated this ___1st_ day of ___June______, 2016, between Grant Thornton Limited (**"GTL"** or the **"Receiver"**), in its capacity as court-appointed receiver and manager of 5448124 Manitoba Ltd. (the **"Company"**) pursuant to an application made by Cameron Stephens Financial Corporation (**"CSFC"**) in the Manitoba Court of Queen's Bench, and __[INSERT COMPANY NAME HERE]____ (the **"Counterparty"**). Reference to the Receiver includes its agents (except for such reference contained in Section 5(2) of this Agreement) and "affiliates". Reference to the Counterparty includes the Counterparty's Representatives (as hereinafter defined) (except for such references contained in Sections 1(3), 1(4) and 1(6) of this Agreement) and "affiliates". For purposes of this Agreement, an entity is an "affiliate" of the Counterparty if: (1) one of them is a subsidiary of the other; (2) one of them is controlled, directly or indirectly, by the other; or (3) each of them is controlled, directly or indirectly, by the same person. The term "person" as used in this Agreement shall be broadly interpreted to mean any individual, corporation, group, partnership, sole proprietorship, governmental body, the media or any other entity, whether or not recognized at law.

The Counterparty is considering the acquisition of securities, assets, or a business combination arrangement or similar transaction with the Receiver (the "**Transaction**"). For purposes of evaluating the Transaction, the Counterparty has asked the Receiver, CSFC and/or CSFC's investor to disclose information. In consideration of the Counterparty being furnished with such information, or being granted access thereto via any virtual data room, the Counterparty hereby agrees to the terms under which the Receiver is willing to disclose the information and the terms under which the Counterparty may receive and use the information set out herein.

Section 1 Non-Disclosure of Confidential Information

(1) The Counterparty, and its directors, officers, employees, agents or advisors, including, accountants, counsel, lenders, consultants and financial advisors (hereinafter collectively referred to as "**Representatives**")**,** will keep confidential all information disclosed to the Counterparty, whether provided or made available before or after the date of this Agreement, including information relating to the Company's business, operations, assets, liabilities, plans, prospects and affairs, regardless of whether such information is in oral, visual, electronic, written, gathered by inspection or other form and whether or not it is identified as "confidential", and includes all notes, analyses, compilations, forecasts, data, studies, interpretations, or other documents prepared by, on behalf of or for the benefit of, the Counterparty that contain, reflect, summarize, analyze, discuss or review any of the foregoing ("**Confidential Information**"), will use the Confidential Information solely to evaluate the Transaction and not directly or indirectly for any other purpose and will not disclose such Confidential Information except as expressly permitted by this Agreement. Confidential Information does not include any information that:

(a) is or becomes generally available to the public (other than as a result of disclosure directly or indirectly by the Counterparty);

(b) is or becomes available to the Counterparty on a non-confidential basis from a source other than the Receiver, CSFC or CSFC's investor, provided such source has represented to the Counterparty in writing that it does not owe a duty of confidentiality to the Receiver, CSFC, the Company or to any other person, and in fact is entitled to disclose such information to the Counterparty; or

(c) is or was independently acquired or developed by the Counterparty without use of or reference to any information disclosed by the Receiver, CSFC or CSFC's investor, in whole or in part, provided that the sources used in such independently developed material are also excluded under sub-paragraphs (a) or (b) above and are documents in records made by the Counterparty, which records the Counterparty agrees to furnish to the Receiver upon request.

(2) The disclosure restrictions contained in this Agreement do not apply to any information that is required to be disclosed by law. However, prior to making such disclosure, the Counterparty must unless prohibited by law:

(a) immediately advise the Receiver of the requirement;

(b) cooperate with the Receiver in limiting the extent of the disclosure; and

(c) provide the Receiver with a reasonable opportunity to obtain a protective order or other remedy in order to preserve the confidentiality of the information required to be disclosed. In the event that such protective order or other remedy is not obtained, or the Receiver waives compliance with the relevant provisions of this Agreement in writing, the Counterparty shall furnish only that portion of the Confidential Information that is legally required and will exercise its best efforts to obtain reliable assurances that confidential treatment will be accorded the Confidential Information by the recipient thereof.

(3) The Counterparty may disclose Confidential Information to its Representatives but only to the extent that such Representatives need to know the Confidential Information, have been informed of the confidential nature of the Confidential Information and agree to be bound by and act in accordance with the confidentiality provisions of this Agreement. The Counterparty shall be responsible for ensuring that its Representatives maintain separate files with respect to any Confidential Information they may acquire so that it may be returned to the Receiver under the circumstances required by this Agreement. The Counterparty shall maintain its own list of all internal recipients of any copy of the Confidential Information and the location of the Confidential Information, which the Counterparty agrees to make available forthwith to the Receiver or their legal representatives upon the Receiver's written request or the written request of its legal representatives, including the identities of all parties able to access the Confidential Information in electronic form and the location of all such electronic Confidential Information.

(4) The Counterparty is responsible for any breach by the Counterparty or any of its Representatives or affiliates of any of the provisions of this Agreement. The Counterparty hereby agrees to indemnify and hold harmless GTL, CSFC, CSFC's investor, the Company, and each of their respective officers, employees and agents, for any losses, damages, charges, fees or expenses (including reasonably attorneys' fees) arising out of or resulting from such breach.

(5) Unless required by law, and then only with prior written notice as soon as possible to GTL, the Counterparty shall not disclose the fact that investigations or negotiations concerning the

Transaction are taking place or the terms, conditions or other facts relating to the Transaction or the status thereof, including the existence or terms of this Agreement, without the prior written consent of GTL.

(6) The Counterparty will immediately notify the Receiver of any determination not to proceed with the Transaction. If such notice is given, or at any time upon the written request of the Receiver, the Counterparty will and will cause its Representatives to, within five (5) business days from the date on which such notice is given: (a) destroy or return to the Receiver all Confidential Information without retaining any copies, in any form; and (b) certify to the Receiver in writing that this Section 1(6) has been complied with. If requested by the Receiver, all information consisting of documents, memoranda, notes and other writings whatsoever prepared by the Counterparty and its Representatives based on data contained in the Confidential Information shall be destroyed and the Counterparty shall certify to the Receiver in writing that they have done so. Neither the Counterparty nor any of its Representatives will use any of the Confidential Information with respect to or in furtherance of the Counterparty's business, any of their respective businesses, or in the business of anyone else, whether or not in competition with the Company, or for any other purpose whatsoever.

Section 2 No Representation or Warranty.

Neither the Receiver, on its own behalf or on behalf of the Company or CSFC or CSFC's investor, make any representation or warranty, expressed or implied, as to the accuracy or completeness of the Confidential Information, as to the non-occurrence of any changes since the dates as of which the Confidential Information is provided or its suitability for the Counterparty's purposes hereunder. The Counterparty agrees that the Receiver, the Company, CSFC and CSFC's investor shall have no liability to the Counterparty or to any other person for any losses, liabilities, damages, claims, demands or expenses resulting from, connected with or arising out of the Counterparty's use of the Confidential Information, it being understood that only those particular representations and warranties which may be made to the Counterparty in a definitive agreement, when, as and if it is executed, and subject to such limitations and restrictions as may be specified in such definitive agreement, shall have any legal effect. Nothing in this Agreement or in the disclosure of any Confidential Information confers any right, title, license or other interest in the Confidential Information on the Counterparty, directly or indirectly, which Confidential Information shall at all times remain the sole and exclusive property of the Company, , and, upon receipt thereof by the Counterparty, shall be held in trust by the Counterparty for the Receiver. Nothing in this Agreement shall constitute a grant of authority to the Counterparty to remove, examine or copy any particular document or items of information regarding the Company and the Receiver shall retain control over the particular documents and items to be provided, examined or copied.

Section 3 Remedies.

In the event of a breach by the Counterparty of any of its obligations under this Agreement, the Counterparty must, immediately following discovery of the breach, give notice to the Receiver of the nature of the breach. The Counterparty acknowledges and agrees that the Receiver would not have adequate remedy at law and would be irreparably harmed in the event that any provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. The Receiver may, in addition to any other remedy, enforce the performance of this Agreement by way of injunction or specific performance upon application to a court of competent jurisdiction without proof of actual or special damages or irreparable injury (and without the requirement of posting a bond or other security) and the Counterparty agrees not to plead sufficiency of damages as a defence in any such proceeding. The rights and remedies provided in this Agreement are cumulative and are in addition to, and not in substitution for, any other rights and remedies available at law or equity.

Section 4 Non-Solicitation

While the Receiver and the Counterparty are negotiating the Transaction and for a period of 2 years following the date of termination of such discussions as determined in accordance with Section 1(6) of this Agreement, the Counterparty will not, directly or indirectly, without the Receiver's prior written consent: (i) purchase or offer or agree to purchase or otherwise acquire, directly or indirectly, any securities or assets of the Company; (ii) enter into, or offer or agree to enter into, directly or indirectly, any acquisition or other business combination relating to the Company or any of its employees except through the Receiver and the processes set out herein; (iii) solicit for hire or employ, directly or indirectly, any of the Company's current or former directors, officers or employees, other than through general non-targeted solicitations by newspapers or similar advertisements of general circulation made to the public at large; or (iv) advise, assist or encourage any other persons in connection with any of the foregoing.

Section 5 Other Covenants and Agreements.

(1) The Receiver, CSFC, CSFC's investor and the Counterparty share a common legal and commercial interest in all Confidential Information which is and remains subject to all applicable privileges, including solicitor-client privilege, anticipation of litigation privilege, work product privilege and privilege in respect of "without prejudice" communications. No waiver of any privilege is implied by the disclosure of Confidential Information to any person pursuant to the terms of this Agreement.

(2) All (i) communications regarding any possible Transaction, (ii) requests for additional information, (iii) requests for site tours or management meetings, and (iv) discussions or questions regarding procedures, will be submitted or directed to GTL. Accordingly, the Counterparty agrees not to directly or indirectly contact or communicate with any agent of the Receiver or any shareholder, director, officer, employee, customer, advertiser, supplier or creditor of the Company or any of their affiliates, or any agent or representative of the foregoing, concerning the Transaction, or to seek any information in connection therewith from such person, without a prior written request being made to GTL and written consent obtained from GTL. Except as otherwise contemplated by this Agreement, the Counterparty also agrees not to discuss with or offer to any third party a right to participate in the Transaction or any other form of joint participation by the Counterparty and such third party without prior written consent similarly obtained from GTL.

Section 6 Miscellaneous.

(1) Time is of the essence in this Agreement.

(2) No failure or delay by the Receiver in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise of any right, power or privilege hereunder.

(3) This Agreement is binding on and enures to the benefit of the each of the parties hereto and their respective successors and permitted assigns.

(4) Neither this Agreement nor any of the rights or obligations under this Agreement, are assignable or transferable by the Counterparty without the prior written consent of the Receiver.

(5) If any provision of this Agreement is determined to be illegal, invalid or unenforceable by an arbitrator or any court of competent jurisdiction from which no appeal exists or is taken, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.

(6) This Agreement is governed by, interpreted and enforced in accordance with the laws of the Province of Manitoba and the federal laws of Canada applicable in the province. The Counterparty irrevocable submits or attorns to the jurisdiction of the courts of the Province of Manitoba, with respect to any matter arising under this Agreement or related to this Agreement.

(7) This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements, understandings, negotiations and discussions relating to the subject matter hereof, whether oral or written. There are no representations, warranties, covenants, conditions or other agreements, express or implied, collateral, statutory or otherwise, between the parties relating to the subject matter hereof except as expressly set forth in this Agreement.

(8) The parties have expressly agreed that this document and all notices and demands pertaining thereto be drawn in the English language. Les parties ont expressément convenus que ce document et tout avis ou demande y afférent soit rédigés en langue anglaise.

(9) This Agreement may be executed in any number of counterparts (including by facsimile or e-mail (.pdf) transmission) and all counterparts taken together constitute one and the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

GRANT THORNTON LIMITED

By: __________________________________
Authorized Signing Officer

By: __________________________________
Authorized Signing Officer

COMPANY NAME HERE

By: __________________________________
Authorized Signing Officer

By: __________________________________
Authorized Signing Officer

APPENDIX 10

District of Manitoba
Estate File No. 21-081476
Court File No.: CI15-01-97928

IN THE MATTER OF THE RECEIVERSHIP OF
5448124 MANITOBA LTD.
OF THE CITY OF WINNIPEG, IN THE PROVINCE OF MANITOBA

RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD ENDING JULY 31, 2016

RECEIPTS				
Rental Receipts			$	91,800
Advance from Secured Creditor				405,000
Interest Income				129
Total Receipts			**$**	**496,929**
RECEIVERSHIP DISBURSEMENTS				
Fees Paid to Official Receiver				70
Administrative Fees				275
HST Paid				2,122
Bank Charges				60
Security				18,300
Utilities				23,619
Advance to Property Manager				205,000
Property Management				10,887
Waste Disposal				105
Repairs and Maintenance				53
Insurance				11,040
Legal Fees	$	51,355		
GST on Legal Fees		2,374		53,729
Receivers Fees	$	103,468		
HST on Receivers Fees		13,451		116,919
Total Disbursements				442,179
RECEIPTS LESS DISBURSEMENTS			**$**	**54,750**

APPENDIX 11

District of Manitoba
Estate File No. 21-081476
Court File No.: CI15-01-97928

IN THE MATTER OF THE RECEIVERSHIP OF
5448124 MANITOBA LTD.
OF THE CITY OF WINNIPEG, IN THE PROVINCE OF MANITOBA

A.S.H. MANAGEMENT GROUP INC. INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD ENDING JUNE 30, 2016

RECEIPTS		
Rental Receipts	$	137,900.00
Advance from Receiver		145,000.00
Total Receipts		282,900.00
RECEIVERSHIP DISBURSEMENTS		
Advertising		7,628.00
Appliance purchases		6,941.00
Insurance		11,121.00
Office		1,708.00
Property management		31,645.00
Property taxes		19,731.00
Repairs and Maintenance		58,524.00
Salaries & benefits		37,993.00
Utilities		40,600.00
Total Disbursements		215,891.00
RECEIPTS LESS DISBURSEMENTS	$	67,009.00

APPENDIX 12

Court File No. CI-15-01-97928

THE QUEEN'S BENCH

IN THE MATTER OF THE APPOINTMENT OF A RECEIVER PURSUANT TO SECTION 243 OF THE BANKRUPTCY AND INSOLVENCY ACT R.S.C. 1985, c B-3 AS AMENDED

CAMERON STEPHENS FINANCIAL CORPORATION

Applicant

-and-

5448124 MANITOBA LTD.

Respondent

BILL OF COSTS

To professional services rendered as Court-Appointed Receiver for the period from March 1, 2016 to March 31, 2016.

Date	**Description**	**Hours**
March 1, 2016	**Michael Creber**	
	• Banking; Insurance; Loan documentation occupancy and zoning issues; Draft report.	0.90 hours
March 1, 2016	**Jan Oros**	
	• Review draft loan agreement and provide feedback on same, call with Ash Management to discuss payment of expenses and funding update.	0.50 hours
March 2, 2016	**Michael Creber**	
	• Loan documentation; Review drafts of report.	1.10 hours

March 2, 2016	**Jan Oros**	
	• Call with Ash to discuss funding status, funds they have on hand, rents collected, review and update draft court report after discussing with M. Creber, review updated loan agreement.	1.00 hours
March 3, 2016	**Michael Creber**	
	• Loan agreement matters; Motion material issues; Discussion legal.	0.90 hours
March 3, 2016	**Jan Oros**	
	• Conference call with counsel regarding loan agreement, review draft motion materials, review updated loan agreement and discuss with M. Creber.	0.75 hours
March 3, 2016	**Rosa Wilford**	
	• Follow instructions from team, receipts, posting entries, prepare disbursements, cheque and general banking administration.	0.40 hours
March 3, 2016	**Valerie Naccarato**	
	• General banking administration.	0.10 hours
March 4, 2016	**Michael Creber**	
	• Loan agreement matters; Motion materials and draft report matters.	2.30 hours
March 4, 2016	**Jan Oros**	
	• Conference call with M. Creber and counsel regarding loan agreement and court report and changes to be made regarding same.	0.50 hours
March 7, 2016	**Michael Creber**	
	• Correspondence with legal.	0.10 hours
March 7, 2016	**Jan Oros**	
	• Update draft report to court with added details requested by counsel, review emails files for specific dates and timelines.	3.00 hours

March 8, 2016	**Michael Creber**	
	• Correspondence with legal.	0.10 hours
March 8, 2016	**Jan Oros**	
	• Review emails from Ash relating to occupancy issue and reporting for December 2015.	0.25 hours
March 9, 2016	**Michael Creber**	
	• Banking matters.	0.10 hours
March 9, 2016	**Jan Oros**	
	• Arrange for loan agreement to be signed off, prepare receiver's certificate for signature, send to counsel to provide to lender, email Ash to request wire transfer details for their accounts.	0.20 hours
March 10, 2016	**Jan Oros**	
	• Review monthly reports sent by Ash Management.	0.25 hours
March 10, 2016	**Rosa Wilford**	
	• Review and approve February 2016 estate balances.	0.10 hours
March 11, 2016	**Michael Creber**	
	• File status update; Banking matters; Correspondence re: loan agreement and funding; Planning.	1.40 hours
March 11, 2016	**Jan Oros**	
	• Review updated court report sent from counsel, provide feedback on same, and follow up on wire transfer from lender.	0.50 hours
March 11, 2016	**Rosa Wilford**	
	• Review, follow and respond to email instructions from team. Correspondences with Bank, incoming wire, posting entries, emails and general bank administration.	0.40 hours
March 14, 2016	**Michael Creber**	
	• Correspondence re: funding; Banking; Reporting and use of funds.	0.40 hours

March 14, 2016	**Jan Oros**		
	•	Prepare summary of outstanding professional fees, prepare summary of advance to send Ash Management.	0.50 hours
March 15, 2016	**Michael Creber**		
	•	Review property manager reporting and discussions and correspondence re: same; Planning; Court materials.	2.60 hours
March 15, 2016	**Jan Oros**		
	•	Discuss file with M. Creber, requests payments to be issued for advance to property manager and professional fees, send update to lender, and send update to ASH on funding.	0.85 hours
March 15, 2016	**Rosa Wilford**		
	•	Review amd follow email instructions from team, review outstanding invoices, prepare disbursements for legal and receiver's fees, cheques and general banking administration; Scan and save documents on server.	1.10 hours
March 16, 2016	**Michael Creber**		
	•	Property manages correspondence and reporting; Planning.	0.40 hours
March 16, 2016	**Jan Oros**		
	•	Review Ash reports in detail and provide email with list of issues and corrections required, call/emails with Ash on funding needs and insurance.	1.50 hours
March 16, 2016	**Rosa Wilford**		
	•	Review, follow and respond to email from team, Bank letter, transfer, email approval confirmation, fax and correspondences with RBC, disbursements, wire posting, further emails with team, provide wire confirmation and general banking administration; Scan and save documents on server.	0.80 hours
March 17, 2016	**Michael Creber**		
	•	Review draft report and correspondence re: same; Property manager matters.	1.30 hours

March 17, 2016	**Jan Oros**	
	• prepare SRD needed for court report, follow up with existing insurance broker to determine cancellation fees/penalties if policy is cancelled, update draft 2nd receiver's report and prepare appendices, review corporate tax returns filed previously and review info recorded by company in QuickBooks and share info with M. Creber for feedback on 2015 year end filing.	2.25 hours
March 17, 2016	**Rosa Wilford**	
	• Follow email instructions from team, disbursements, and general banking administration.	0.20 hours
March 18, 2016	**Michael Creber**	
	• Prepare for and attend call with secured creditor; File status update and planning.	0.60 hours
March 18, 2016	**Jan Oros**	
	• Conference call with lender rep and M. Creber, emails with PM, discuss tax returns to file with M. Creber, follow up with debtor regarding tax returns.	0.75 hours
March 21, 2016	**Michael Creber**	
	• Court matters.	0.10 hours
March 21, 2016	**Jan Oros**	
	• Conference call with Ash to discuss monthly reporting improvements and update them on Friday call with the lender, follow up with the debtor on tax returns filed and obtain info for current year filing.	2.00 hours
March 22, 2016	**Jan Oros**	
	• Respond to queries from Ash on reporting and dealing with City of Winnipeg for property taxes, reconcile bank as of May 14, 2015, post adjusting entries in QuickBooks, prepare T2 for the company year end of May 14, 2015.	2.50 hours
March 23, 2016	**Michael Creber**	
	• Review draft tax return and supporting documentation; Review trial balance; Planning.	1.40 hours

March 23, 2016	**<u>Jan Oros</u>**	
	• Respond to Ash query regarding cash flow statement, review updated service list.	0.25 hours
March 28, 2016	**<u>Michael Creber</u>**	
	• File status update; Tax matters; A/R issues; Property manager issues; Court matters.	0.90 hours
March 28, 2016	**<u>Jan Oros</u>**	
	• Discuss May 14, 2015 tax return filing prepared with M. Creber; Provide further back up regarding same to determine appropriate adjusting entry to make.	0.50 hours
March 29, 2016	**<u>Michael Creber</u>**	
	• Tax matters.	0.20 hours
March 29, 2016	**<u>Jan Oros</u>**	
	• Review emails from counsel regarding receiver's 2nd report.	0.25 hours
March 30, 2016	**<u>Michael Creber</u>**	
	• Correspondence re: secured creditor and court materials; Legal correspondence; Court matters.	0.90 hours
March 30, 2016	**<u>Jan Oros</u>**	
	• Conference call with counsel and M. Creber to discuss changes and comments received from the secured creditor and their counsel, review information on website to be updated.	0.65 hours
March 31, 2016	**<u>Michael Creber</u>**	
	• Legal correspondence.	0.30 hours
March 31, 2016	**<u>Jan Oros</u>**	
	• Review emails from counsel, review final changes to receivers 2nd court report.	0.25 hours

Time Charges and Expenses

M. Creber, Sr. Vice President	16.00	hours @	$	550.00	per hour	$	8,800.00
J. Oros, Manager	19.20	hours @	$	280.00	per hour	$	5,376.00
R. Wilford, Manager	3.00	hours @	$	235.00	per hour	$	705.00
V. Naccarato, Analyst	0.10	hours @	$	120.00	per hour	$	12.00
	38.30					$	14,893.00
5% Technology and Administration						$	744.65
						$	15,637.65
Disbursements (courier)						$	9.16
						$	15,646.81
HST (13%)						$	2,034.09
Total Due						**$**	**17,680.90**

Grant Thornton

Court File No. CI-15-01-97928

THE QUEEN'S BENCH

IN THE MATTER OF THE APPOINTMENT OF A RECEIVER PURSUANT TO SECTION 243 OF THE BANKRUPTCY AND INSOLVENCY ACT R.S.C. 1985, c B-3 AS AMENDED

CAMERON STEPHENS FINANCIAL CORPORATION

Applicant

-and-

5448124 MANITOBA LTD.

Respondent

BILL OF COSTS

To professional services rendered as Court-Appointed Receiver for the period from April 1, 2016 to April 30, 2016.

Date	**Description**	**Hours**
April 1, 2016	**Michael Creber**	
	• Revise and finalize report.	0.20 hours
April 1, 2016	**Jan Oros**	
	• Review revised court reports, call with property manager to discuss site visit with lender, coordinate materials to be posted to website and signed reports sent to counsel.	0.35 hours
April 3, 2016	**Michael Creber**	
	• Correspondence with property manager.	0.10 hours
April 4, 2016	**Michael Creber**	
	• Web maintenance; Correspondence with property manager.	0.10 hours

April 4, 2016	**Rosa Wilford**		
	• Prepare receipts, posting entries, disbursements, cheque, copies and general banking administration.	0.40 hours	
April 5, 2016	**Michael Creber**		
	• Legal correspondence.	0.10 hours	
April 5, 2016	**Valerie Naccarato**		
	• Prepared bank reconciliation.	0.20 hours	
April 8, 2016	**Michael Creber**		
	• Update re: court hearing; Review documents; Planning.	0.70 hours	
April 8, 2016	**Jan Oros**		
	• Review emails from counsel, call with property manager.	0.15 hours	
April 8, 2016	**Rosa Wilford**		
	• Review and approve Bank Reconciliation Report for March 2016.	0.10 hours	
April 11, 2016	**Michael Creber**		
	• Review signed order; Web maintenance; Correspondence with property manager.	0.30 hours	
April 11, 2016	**Jan Oros**		
	• Review emails from counsel; Follow up with Ash regarding March reporting.	0.35 hours	
April 12, 2016	**Michael Creber**		
	• Correspondence with property manager; Review property manager's report; Correspondence with Cameron.	0.80 hours	
April 13, 2016	**Michael Creber**		
	• Correspondence with property manager; Discuss reporting and planning.	0.30 hours	

April 13, 2016	**Jan Oros**	
	• Review Ash March reporting details and discuss with M. Creber and provide feedback and request changes/additional info to be provided.	1.50 hours
April 14, 2016	**Jan Oros**	
	• Conference call with Ash to discuss comments provided to them on March reporting, pull and scan bank statements for CSFC for litigation purposes.	0.75 hours
April 14, 2016	**Rosa Wilford**	
	• Prepare disbursements, cheque and general banking administration; Scan and save documents on server.	0.25 hours
April 18, 2016	**Michael Creber**	
	• Correspondence with Concentra.	0.30 hours
April 18, 2016	**Jan Oros**	
	• Review emails from lender and Ash and respond accordingly.	0.15 hours
April 18, 2016	**Rosa Wilford**	
	• Review estate bank account in preparation of Directive 5R4.	0.10 hours
April 19, 2016	**Michael Creber**	
	• Discussion with Concentra.	0.20 hours
April 19, 2016	**Jan Oros**	
	• Review Ash revised March reporting and provides feedback on some final changes to be made.	0.50 hours
April 20, 2016	**Jan Oros**	
	• Call with Ash to discuss reporting and expense funding needs, discuss file with M. Creber.	0.25 hours
April 22, 2016	**Michael Creber**	
	• File status update; Review correspondence re: property manager and reporting.	1.40 hours

April 25, 2016	**Michael Creber**	
	• File status update and planning.	0.40 hours
April 26, 2016	**Jan Oros**	
	• Prepare SRD and funding request from information provided by Ash.	1.25 hours
April 27, 2016	**Michael Creber**	
	• Review funding requirements.	0.40 hours
April 27, 2016	**Jan Oros**	
	• Review emails, call with Ash, revise funding request.	0.50 hours
April 28, 2016	**Michael Creber**	
	• Funding matters.	0.10 hours
April 28, 2016	**Jan Oros**	
	• Review emails.	0.15 hours
April 28, 2016	**Valerie Naccarato**	
	• Deposit at bank.	0.10 hours
April 29, 2016	**Michael Creber**	
	• Correspondence.	0.20 hours

Time Charges and Expenses

M. Creber, Sr. Vice President	5.60	hours @	$	550.00	per hour	$	3,080.00
J. Oros, Manager	5.90	hours @	$	280.00	per hour	$	1,652.00
R. Wilford, Manager	0.85	hours @	$	235.00	per hour	$	199.75
V. Naccarato, Analyst	0.30	hours @	$	120.00	per hour	$	36.00
	12.65					$	4,967.75
5% Technology and Administration						$	248.39
						$	5,216.14
HST (13%)						$	678.10
Total Due						**$**	**5,894.24**

Court File No. CI-15-01-97928

THE QUEEN'S BENCH

IN THE MATTER OF THE APPOINTMENT OF A RECEIVER PURSUANT TO SECTION 243 OF THE BANKRUPTCY AND INSOLVENCY ACT R.S.C. 1985, c B-3 AS AMENDED

CAMERON STEPHENS FINANCIAL CORPORATION

Applicant

-and-

5448124 MANITOBA LTD.

Respondent

BILL OF COSTS

To professional services rendered as Court-Appointed Receiver for the period from May 1, 2016 to May 31, 2016.

Date	**Description**	**Hours**
May 2, 2016	**Rosa Wilford**	
	• Follow email instructions from team, receipts, posting entries, prepare disbursements, cheque and general banking administration; Scan and save documents on server.	0.40 hours
May 2, 2016	**Valerie Naccarato**	
	• Deposit at bank.	0.10 hours
May 5, 2016	**Michael Creber**	
	• Creditor communication.	0.10 hours
May 5, 2016	**Jan Oros**	
	• Review and respond to emails from Ash, return call to creditor/collection agency, advise M. Creber of findings on collection call.	0.25 hours

May 6, 2016	**Michael Creber**		
	•	Correspondence with property manager; File status update.	0.40 hours
May 6, 2016	**Jan Oros**		
	•	Review email from Ash regarding issues with basement and water issues.	0.10 hours
May 8, 2016	**Jan Oros**		
	•	Prepare comparison of budget vs actual cash flow for February and March 2016 and send to M. Creber with comments for review.	1.50 hours
May 9, 2016	**Michael Creber**		
	•	Banking and funding matter; File status update; Planning.	0.40 hours
May 9, 2016	**Jan Oros**		
	•	Discuss file with M. Creber and prepare funding request to Ash Management, send Ash and lender confirmation of wire.	0.25 hours
May 9, 2016	**Rosa Wilford**		
	•	Review and follow instructions from team, correspondences with Bank and team, review print screens for incoming wire, receipts, posting entries, disbursements, cheque, Bank letter, transfer funds, email and phone call with Bank, posting wire transfer and general banking administration; scan and save documents on server..	1.00 hours
May 10, 2016	**Michael Creber**		
	•	Correspondence re: funding and banking; review cash flow; Correspondence with Cameron.	0.40 hours
May 10, 2016	**Jan Oros**		
	•	Review and respond to email regarding basement issues.	0.25 hours
May 10, 2016	**Rosa Wilford**		
	•	Follow instructions from team, review account, correspondence; Prepare disbursements, cheque and general banking administration.	0.25 hours

May 11, 2016	**Michael Creber**	
	• Correspondence; Planning; Review April property manager's reporting.	0.70 hours
May 11, 2016	**Jan Oros**	
	• Review Ash reporting, review emails.	0.25 hours
May 12, 2016	**Michael Creber**	
	• Review reporting; Insurance matters; Repair issues.	0.60 hours
May 12, 2016	**Jan Oros**	
	• Review Ash April reporting, update cash burn budget vs actual worksheet for April, email Ash report and cash burn schedule to lender and counsel.	1.50 hours
May 12, 2016	**Rosa Wilford**	
	• Review and approve April 2016 estate balances.	0.10 hours
May 13, 2016	**Michael Creber**	
	• Correspondence with legal; Property issues.	0.20 hours
May 13, 2016	**Jan Oros**	
	• Review emails from counsel, request information from lender regarding certain reports regarding the building they have.	0.20 hours
May 16, 2016	**Michael Creber**	
	• Correspondence with legal; Review documents; Insurance matters; Property issues.	0.40 hours
May 16, 2016	**Jan Oros**	
	• Send email and cash burn actual spreadsheet to Ash to request they recast balance of year budget/cash burn, review reports provided by lender relating to possible due diligence materials.	0.60 hours
May 17, 2016	**Michael Creber**	
	• Review environmental, engineering and appraisal reports; Discussion with legal; Discussion with Cameron and legal.	2.60 hours

May 17, 2016	**Jan Oros**		
	• Conference call with client and counsel to discuss go forward plan, discuss next steps in basement damp issue, discuss budget and cash flow/cash burn.	1.00 hours	
May 17, 2016	**Rosa Wilford**		
	• Review banking and prepare Directive 5R4 Draft for approval to efile and to submit Annual Banking Report. Follow and review email instructions, prepare disbursements, cheque, and general banking administration; Scan and save documents on server.	0.40 hours	
May 18, 2016	**Michael Creber**		
	• Correspondence and planning.	0.20 hours	
May 18, 2016	**Jan Oros**		
	• Review emails from counsel, review emails form Ash.	0.20 hours	
May 19, 2016	**Michael Creber**		
	• Correspondence with Cameron; Correspondence with property manager.	0.20 hours	
May 19, 2016	**Jan Oros**		
	• Review emails from counsel.	0.10 hours	
May 20, 2016	**Michael Creber**		
	• Correspondence re: engineering study; Planning; Basement issue.	0.60 hours	
May 20, 2016	**Jan Oros**		
	• Review recast cash flow prepared by Ash, reformats spreadsheet and update with additional information, discuss same with Ash and discuss other operational matters.	2.25 hours	
May 24, 2016	**Michael Creber**		
	• Sales process matters; File status update.	0.70 hours	
May 24, 2016	**Jan Oros**		
	• Review and comment on NDA prepared by counsel.	0.25 hours	

May 25, 2016	**Michael Creber**	
	• Sales process matters; File status update.	0.40 hours
May 25, 2016	**Jan Oros**	
	• Review emails from counsel and M. Creber.	0.20 hours
May 27, 2016	**Jan Oros**	
	• Review draft NDA prepared by counsel, respond to secured creditor query and forward draft recast cash burn and budget for 2016, set up conference call.	0.50 hours
May 30, 2016	**Jan Oros**	
	• Review and reply to email from lender's rep regarding insurance coverage.	0.10 hours
May 31, 2016	**Michael Creber**	
	• Banking and disbursements; Insurance matters; Review budget; Prepare for and attend conference call with Cameron.	1.10 hours
May 31, 2016	**Jan Oros**	
	• Call with client rep and M. Creber to discuss recast cash burn and go forward plan, discuss adjustments to rent, discuss engineering engagement, discuss NDA to be finalized, send client finalized NDA.	0.75 hours
May 31, 2016	**Rosa Wilford**	
	• Review and follow email instructions, prepare receipts, disbursements, posting entries, prepare cheque and general banking administration; Scan and save documents on server.	0.50 hours
May 31, 2016	**Valerie Naccarato**	
	• Deposit at bank.	0.10 hours

Time Charges and Expenses

M. Creber, Sr. Vice President	9.00	hours @	$	550.00	per hour	$	4,950.00
J. Oros, Manager	10.25	hours @	$	280.00	per hour	$	2,870.00
R. Wilford, Manager	2.65	hours @	$	235.00	per hour	$	622.75
V. Naccarato, Analyst	0.20	hours @	$	120.00	per hour	$	24.00
	22.10					$	8,466.75
5% Technology and Administration						$	423.34
						$	8,890.09
HST (13%)						$	1,155.71
Total Due						**$**	**10,045.80**

Court File No. CI-15-01-97928

THE QUEEN'S BENCH

IN THE MATTER OF THE APPOINTMENT OF A RECEIVER PURSUANT TO SECTION 243 OF THE BANKRUPTCY AND INSOLVENCY ACT R.S.C. 1985, c B-3 AS AMENDED

CAMERON STEPHENS FINANCIAL CORPORATION

Applicant

-and-

5448124 MANITOBA LTD.

Respondent

BILL OF COSTS

To professional services rendered as Court-Appointed Receiver for the period from June 1, 2016 to June 30, 2016.

Date	Description	Hours
June 1, 2016	**Jan Oros**	
	• Calls/emails with Ash regarding rents and cash burn and engineer quote.	0.20 hours
June 2, 2016	**Michael Creber**	
	• Review NDA and related correspondence; file status update.	0.90 hours
June 3, 2016	**Jan Oros**	
	• Discuss engineering quotes, discuss operations.	0.25 hours
June 10, 2016	**Jan Oros**	
	• Review reporting provided by Ash for May; Call with Ash, prepare updated cash burn comparison worksheet for May and forward to lender along with Ash report.	1.50 hours

June 13, 2016	**Michael Creber**	
	• Correspondence property manager.	0.10 hours
June 15, 2016	**Michael Creber**	
	• Correspondence property manager.	0.20 hours
June 15, 2016	**Jan Oros**	
	• Review engineers report and costing on the basement dampness issue and repair; Update budget and cash burn schedule; Emails with property manager.	2.00 hours
June 15, 2016	**Rosa Wilford**	
	• Review and mark up appraisal agreement per M. Creber and send to appraiser for review.	0.20 hours
June 16, 2016	**Jan Oros**	
	• Call with Ash to discuss engineer report and recast budget for the balance of the year; Update and adjust recast budget based on Ash feedback; Send engineer report and recast budget to M. Creber for review and comment.	0.75 hours
June 17, 2016	**Michael Creber**	
	• Review budget and correspondence re same.	1.00 hours
June 17, 2016	**Jan Oros**	
	• Finalize draft recast budget and cash burn based on Ash comments and email to client; Review email from debtor and forward to counsel to review and advise.	0.50 hours
June 19, 2016	**Michael Creber**	
	• File status update and review reporting and budget.	0.90 hours
June 20, 2016	**Michael Creber**	
	• Engineering issue.	0.40 hours
June 22, 2016	**Michael Creber**	
	• Correspondence review.	0.40 hours

June 22, 2016	**Jan Oros**		
	•	Finalize draft recast budget and cash burn based on Ash comments and email to client; Review email from debtor and forward to counsel to review and advise.	0.25 hours
June 22, 2016	**Rosa Wilford**		
	•	Reviewed and followed email instructions, prepared disbursements, cheque and general banking administration	0.20 hours
	•		
June 23, 2016	**Michael Creber**		
	•	Appraisal matters; review engineering matter; prepare for and attend conference call.	1.60 hours
June 23, 2016	**Jan Oros**		
	•	Conference call with secured lender, their counsel, our counsel M.Creber to discuss recast budget and findings of the engineer; Develop plan, calls/emails with Ash regarding appraiser, Pichin and engineer report.	1.00 hours
June 23, 2016	**Rosa Wilford**		
	•	Reviewed and approved May 2016 estate balances.	0.10 hours
June 24, 2016	**Michael Creber**		
	•	Appraisal matters; court matters.	0.40 hours
June 24, 2016	**Jan Oros**		
	•	Emails with Ash and appraiser regarding contract for appraisal; Emails form Pinchin for interior mold work.	0.50 hours
June 27, 2016	**Michael Creber**		
	•	Appraisal matters.	0.30 hours
June 27, 2016	**Jan Oros**		
	•	Calls and emails with Ash & appraiser, forward info to M. Creber.	0.50 hours
June 28, 2016	**Michael Creber**		
	•	Appraisal matters.	0.60 hours

June 28, 2016	**Jan Oros**	
	• Call with appraiser, call with M. Creber, send emails.	0.50 hours
June 29, 2016	**Michael Creber**	
	• Appraisal matters.	0.50 hours
June 29, 2016	**Jan Oros**	
	• Review and mark up appraisal agreement per M. Creber and send to appraiser for review.	0.25 hours

Time Charges and Expenses

M . Creber, Sr. Vice President	7.30	hours @	$550.00	per hour	$ 4,015.00
J. Oros, Manager	8.20	hours @	$280.00	per hour	$ 2,296.00
R. Wilford, Manager	0.50	hours @	$235.00	per hour	$ 117.50
	16.00				$ 6,428.50
5% Technology and Administration					$ 321.43
					$ 6,749.93
HST (13%)					$ 877.49
Total Due					**$ 7,627.42**

Court File No. CI-15-01-97928

THE QUEEN'S BENCH

IN THE MATTER OF THE APPOINTMENT OF A RECEIVER PURSUANT TO SECTION 243 OF THE BANKRUPTCY AND INSOLVENCY ACT R.S.C. 1985, c B-3 AS AMENDED

CAMERON STEPHENS FINANCIAL CORPORATION

Applicant

-and-

5448124 MANITOBA LTD.

Respondent

BILL OF COSTS

To professional services rendered as Court-Appointed Receiver for the period from July 1, 2016 to July 31, 2016.

Date	Description	Hours
July 4, 2016	**Michael Creber**	
	• Appraisal matters; File status and planning.	0.70 hours
July 5, 2016	**Michael Creber**	
	• Appraisal matters; File status and planning.	0.30 hours
July 6, 2016	**Michael Creber**	
	• Correspondence with secured creditor and discussions re: same; Budget matters.	0.40 hours
July 6, 2016	**Jan Oros**	
	• Review email from Lender and there rep and respond after reviewing file and details.	0.25 hours

July 6, 2016	**Rosa Wilford**		
	•	Prepare bank reconciliation.	0.20 hours
July 8, 2016	**Michael Creber**		
	•	Correspondence with secured creditor and discussions re: same; Budget matters.	0.10 hours
July 8, 2016	**Jan Oros**		
	•	Call with Ash, review Ash reporting and send follow up, prepare update for M. Creber.	0.50 hours
July 11, 2016	**Michael Creber**		
	•	Correspondence re: budget.	0.10 hours
July 12, 2016	**Michael Creber**		
	•	Correspondence with secured creditor and discussions re: same; Budget matters; Review reporting and correspondence and discussions re: same.	1.30 hours
July 12, 2016	**Jan Oros**		
	•	Respond to inquiries from counsel regarding various building information reports the lender's counsel was seeking, prepare cash-burn budget to actual report, send feedback on Ash reporting and review revised reporting provided and send to J. Marriott for review and comment along with further funding request requested.	2.00 hours
July 13, 2016	**Michael Creber**		
	•	Correspondence with secured creditor and discussions re: same; Budget matters.	0.10 hours
July 13, 2016	**Rosa Wilford**		
	•	Correspondence with Bank, review account, approves June 2016 estate balances.	0.10 hours
July 14, 2016	**Michael Creber**		
	•	Correspondence with secured creditor and discussions re: same; Budget matters.	0.10 hours

July 15, 2016	**<u>Michael Creber</u>**	
	• Correspondence with secured creditor and discussions re: same; Budget matters.	0.10 hours
July 18, 2016	**<u>Michael Creber</u>**	
	• Analyze funding needs and correspondence and discussion re: same.	0.20 hours
July 18, 2016	**<u>Jan Oros</u>**	
	• Call with client, Concentra & M. Creber to discuss marketing of property, go forward plans, review emails, and follow up with Ash.	0.75 hours
July 19, 2016	**<u>Michael Creber</u>**	
	• Correspondence with secured creditor and discussions re: same; Budget matters.	0.10 hours
July 19, 2016	**<u>Rosa Wilford</u>**	
	• Review account and follow email instructions, prepare disbursements, cheques and general banking administration; Scan and save documents on server.	0.30 hours
July 20, 2016	**<u>Michael Creber</u>**	
	• Appraisal matters; File status and planning.	0.10 hours
July 20, 2016	**<u>Jan Oros</u>**	
	• Review rent roll provided by Ash and adjust to easier format to review and send to lender for review and comment, review emails from Ash.	1.00 hours
July 21, 2016	**<u>Michael Creber</u>**	
	• Appraisal matters; File status and planning.	0.90 hours
July 21, 2016	**<u>Jan Oros</u>**	
	• Review appraisal received from Colliers, send queries noted to M. Creber for discussion, send draft appraisal to lender for review and comment.	1.25 hours

July 22, 2016	**Michael Creber**	
	• Review budget alternatives and correspondence and discussion re: same.	0.60 hours
July 22, 2016	**Jan Oros**	
	• Review info received from Ash, prepare 2 draft recast budgets based on different scenarios to determine potential cash funding requirements.	4.50 hours
July 25, 2016	**Michael Creber**	
	• Correspondence with legal counsel.	0.20 hours
July 25, 2016	**Jan Oros**	
	• Forward info to Ash to review and respond to, prepare memo/update to counsel regarding possible sale process & increase to receiver's borrowing limit.	0.50 hours
July 27, 2016	**Michael Creber**	
	• Prepare for and attend conference call with secured creditor; Appraisal matters; File status and planning; Review and revise budget alternatives; Property rectification matters; Correspondence with legal counsel.	2.40 hours
July 27, 2016	**Jan Oros**	
	• Conference call with Concentra, Cameron Stephens, and M. Creber, prepare summary funding requirement sheet, reply to queries on the mold remediation, advise counsel of need for future court date.	1.00 hours
July 28, 2016	**Michael Creber**	
	• Appraisal matters; File status and planning; Banking matters property rectification matters; Court matters; Funding matters; Correspondence with legal counsel.	1.90 hours
July 28, 2016	**Jan Oros**	
	• Review past court materials, file info and commence preparation of the receivers 3rd report, review and respond to emails from the lender.	4.50 hours

July 28, 2016	**Rosa Wilford**	
	• Review and follow instructions from team, correspondences with Bank and team, review print screens for incoming wire, receipts, posting entries, disbursements, cheque, Bank letter, transfer funds, email and phone call with Bank, posting wire transfer and general banking administration; scan and save documents on server.	1.00 hours
July 29, 2016	**Michael Creber**	
	• Property rectification matters.	0.20 hours
July 29, 2016	**Jan Oros**	
	• Call with Pinchin to discuss mold remediation, email to client to discuss solution for Pinchin and mold remediation.	1.00 hours
July 31, 2016	**Jan Oros**	
	• Prepare draft of 3rd report to court to be heard August 16 and send to M. Creber for comment.	5.00 hours

Time Charges and Expenses

M . Creber, Sr. Vice President	9.80	hours @	$550.00	per hour	$	5,390.00
J. Oros, Manager	22.25	hours @	$280.00	per hour	$	6,230.00
R. Wilford, Manager	1.40	hours @	$235.00	per hour	$	329.00
V. Naccarato, Analyst	0.20	hours @	$120.00	per hour	$	24.00
	33.65				$	11,973.00
5% Technology and Administration					$	598.65
					$	12,571.65
HST (13%)					$	1,634.31
Total Due					**$**	**14,205.96**

APPENDIX 13

Taylor McCaffrey LLP
Barristers & Solicitors

900-400 St. Mary Avenue
Winnipeg MB Canada, R3C 4K5
Telephone 1-204-949-1312
Fax 1-204-957-0945
Website: www.tmlawyers.com

Grant Thornton LLP
1100 - 200 King Street West
Box 11
Toronto, Ontario
Canada M5H 3T4

Attention: Michael Creber

DATE: MARCH 14, 2016

CLIENT/MATTER NO.: 98665 - 1

RESP. LAWYER: DJACKSON

INVOICE NO.: 523716

121712376

Re: Collections - 5448124 Manitoba Ltd. et al

FEES (GST & PST)

04/01/16	JACKSON	Correspondence from Jan Oros	0.10	450.00	45.00
04/01/16	JACKSON	Correspondence from Scott Cameron	0.10	450.00	45.00
15/01/16	JACKSON	Correspondence from Jan Oros	0.10	450.00	45.00
15/01/16	JACKSON	Correspondence to Jan Oros	0.10	450.00	45.00
15/01/16	JACKSON	Correspondence from Jan Oros	0.10	450.00	45.00
15/01/16	JACKSON	Correspondence from Michael Oros	0.10	450.00	45.00
20/01/16	SGABOR	E-Mail from J Oros	0.10	195.00	19.50
20/01/16	JACKSON	Correspondence from Michael Creber	0.10	450.00	45.00
20/01/16	JACKSON	Review and respond to Jan Oros fee estimate request	0.20	450.00	90.00
20/01/16	JACKSON	Telephone to Michael Creber	0.20	450.00	90.00
20/01/16	JACKSON	Correspondence to Michael Creber	0.10	450.00	45.00
20/01/16	JACKSON	Telephone from JJ Burnell	0.20	450.00	90.00
20/01/16	JACKSON	Correspondence to Michael Creber	0.10	450.00	45.00
20/01/16	JACKSON	Correspondence to JJ Burnell	0.10	450.00	45.00
20/01/16	JACKSON	Telephone from JJ Burnell	0.10	450.00	45.00
20/01/16	JACKSON	Correspondence to Michael Creber	0.10	450.00	45.00
20/01/16	JACKSON	Correspondence from Michael Creber	0.10	450.00	45.00
20/01/16	JACKSON	Correspondence from Jan Oros	0.10	450.00	45.00
20/01/16	JACKSON	Correspondence to JJ Burnell	0.10	450.00	45.00
21/01/16	JACKSON	Correspondence from Michael Creber	0.10	450.00	45.00
22/01/16	JACKSON	Correspondence from JJ Burnell	0.10	450.00	45.00
22/01/16	JACKSON	Correspondence to Michael Creber	0.10	450.00	45.00
22/01/16	JACKSON	Correspondence to JJ Burnell	0.10	450.00	45.00
25/01/16	JACKSON	Correspondence from Jan Oros	0.10	450.00	45.00
25/01/16	JACKSON	Reviewing receiver's proposed budget	0.10	450.00	45.00
25/01/16	JACKSON	Attendance at conference call with JJ Burnell, Jerry Mariott, Michael Creber & Jan Oros	0.70	450.00	315.00
29/01/16	SGABOR	E-Mail from J Oros, re funding of receivership	0.10	195.00	19.50
29/01/16	JACKSON	Correspondence from Jerry Marriott	0.10	450.00	45.00
01/02/16	JACKSON	Correspondence from Jan Oros	0.10	450.00	45.00
01/02/16	JACKSON	Correspondence to Jan Oros	0.10	450.00	45.00

TERMS: DUE UPON RECEIPT: Interest on accounts over 30 days will be charged at the interest rate prescribed from time to time by section 161 of the Income Tax Act (Canada).

E & O.E.

02/02/16	SGABOR	Meeting with D Jackson	0.20	195.00	39.00
02/02/16	JACKSON	Attendance at conference call with Michael Creber & Jan Oros	0.20	450.00	90.00
02/02/16	JACKSON	Telephone from JJ Burnell	0.20	450.00	90.00
02/02/16	JACKSON	Correspondence to Michael Creber	0.10	450.00	45.00
02/02/16	JACKSON	Meeting with Sam Gabor	0.10	450.00	45.00
02/02/16	JACKSON	Correspondence from Michael Creber	0.10	450.00	45.00
02/02/16	JACKSON	Correspondence to Michael Creber	0.10	450.00	45.00
04/02/16	SGABOR	E-Mail from J Oros	0.20	195.00	39.00
04/02/16	JACKSON	Correspondence from Jan Oros	0.10	450.00	45.00
05/02/16	SGABOR	Telephone call with J Oros, re City of Winnipeg communication; email to M Lisowski, City of Winnipeg	0.60	195.00	117.00
09/02/16	SGABOR	Telephone calls to City solicitors	0.20	195.00	39.00
09/02/16	SGABOR	E-Mail to D Jackson, re update on matter; phone call with D Pambrun; email to D Pambrun (City solicitor)	0.50	195.00	97.50
09/02/16	SGABOR	E-Mail from and to J Oros	0.10	195.00	19.50
09/02/16	JACKSON	Correspondence from Jan Oros	0.10	450.00	45.00
10/02/16	SGABOR	Telephone call and email to City Solicitor's office, re ASH issue; emails with City of Winnipeg and Receiver; telephone call to Sharon Phillips; email to J Oros and D Jackson	0.60	195.00	117.00
10/02/16	JACKSON	Correspondence from Dick Harold at City law department	0.10	450.00	45.00
11/02/16	JACKSON	Reviewing draft 2nd report	0.10	450.00	45.00
11/02/16	JACKSON	Correspondence from Jan Oros - City planning issue	0.10	450.00	45.00
11/02/16	JACKSON	Correspondence from Jan Oros	0.10	450.00	45.00
12/02/16	JACKSON	Correspondence from Angie Savage at Land Development	0.10	450.00	45.00
12/02/16	JACKSON	Review & respond to Jan Oros	0.10	450.00	45.00
17/02/16	JACKSON	Telephone from Michael Creber & Jan Oros	0.20	450.00	90.00
18/02/16	JACKSON	Meeting with JJ Burnell	0.10	450.00	45.00
18/02/16	JACKSON	Correspondence to Michael Creber	0.10	450.00	45.00
19/02/16	JACKSON	Correspondence from Jan Oros - voice message from Jerry Mariott	0.10	450.00	45.00
22/02/16	JACKSON	Reviewing materials with respect to preparation of motion for advice & direction	0.40	450.00	180.00
22/02/16	JACKSON	Draft Notice of Motion & Order	0.60	450.00	270.00
22/02/16	JACKSON	Telephone to Jan Oros	0.10	450.00	45.00
22/02/16	JACKSON	Telephone to JJ Burnell	0.10	450.00	45.00
22/02/16	JACKSON	Correspondence to Jan Oros	0.10	450.00	45.00
24/02/16	JACKSON	Correspondence from JJ Burnell	0.10	450.00	45.00
24/02/16	JACKSON	Correspondence to Michael Creber	0.10	450.00	45.00
25/02/16	JACKSON	Review & respond to Michael Criber	0.10	450.00	45.00
25/02/16	JACKSON	Reviewing draft loan agreement	0.30	450.00	135.00
25/02/16	JACKSON	Correspondence to Jan Oros & Michael Creber	0.10	450.00	45.00
26/02/16	FLEMING	Reviewing with D. Jackson, eview Loan Agreement and Order, call with client,	2.30	325.00	747.50

26/02/16	JACKSON	Review & respond to Jan Oros	0.10	450.00	45.00
26/02/16	JACKSON	Meeting with Jack Fleming	0.10	450.00	45.00
26/02/16	JACKSON	Telephone to Michael Creber	0.10	450.00	45.00
26/02/16	JACKSON	Telephone to JJ Burnell	0.10	450.00	45.00
26/02/16	JACKSON	Reviewing draft loan agreement	0.80	450.00	360.00
26/02/16	JACKSON	Attendance at conference call with Michael Creber and Jack Fleming	0.80	450.00	360.00
26/02/16	JACKSON	Correspondence from JJ Burnell	0.10	450.00	45.00
26/02/16	JACKSON	Correspondence to Michael Creber	0.10	450.00	45.00
26/02/16	JACKSON	Attendance at conference call with JJ Burnell, John Braun, Gerry Marriott, Mike Creber & Jack Fleming - loan agreement	0.50	450.00	225.00
26/02/16	JACKSON	Reviewing budget	0.10	450.00	45.00
26/02/16	JACKSON	Correspondence from Jan Oros	0.10	450.00	45.00
27/02/16	FLEMING	Reviewing and revising loan agreement	1.40	325.00	455.00
28/02/16	FLEMING	Reviewing and revise Loan Agreement, e-mails to and from D. Jackson	0.50	325.00	162.50
28/02/16	JACKSON	Review Jack Fleming blackline changes & respond to blackline suggestions & comments	0.50	450.00	225.00
29/02/16	FLEMING	Telephone call with D. Jackson, review and revise Loan Agreement, review ASH Agreement, e-mails to and call with M. Creber, e-mails to and from J. Oros, confer with D. Jackson, e-mail to JJ Burnell	2.20	325.00	715.00
29/02/16	JACKSON	Telephone from Jack Fleming	0.10	450.00	45.00
29/02/16	JACKSON	Draft instructions to Jack Fleming re: Loan agreement	0.10	450.00	45.00
29/02/16	JACKSON	Review & respond to Jan Oros	0.10	450.00	45.00
29/02/16	JACKSON	Correspondence to Michael Creber	0.10	450.00	45.00
29/02/16	JACKSON	Meeting with Jack Fleming - call Michael Creber - revise loan agreement	0.20	450.00	90.00
29/02/16	JACKSON	Correspondence from JJ Burnell	0.10	450.00	45.00

TOTAL FEES (GST & PST) 7,942.00

D.R.M. Jackson 11.9 hrs. x $450.00/hr. = $5,355.00
J. Fleming 6.4 hrs. x $325.00/hr. = $2,080.00
S. Gabor 1.6 hrs. x $195.00/hr. = $507.00

TOTAL FEES	$7,942.00
Plus 5 % GST	397.10
Plus 8 % PST	635.36

ALLOCATED EXPENSES & DISBURSEMENTS (GST Only)

Reproduction Charges	20.40
Phone/Fax	27.96
Postage	0.80
Miscellaneous Taxable Disbursements Re: Conference Calls	9.85

Total Expenses & Disbursements	$59.01
Plus 5% GST	2.95

TERMS: DUE UPON RECEIPT: Interest on accounts over 30 days will be charged at the interest rate prescribed from time to time by section 161 of the Income Tax Act (Canada).

E & O.E

BALANCE DUE OUR OFFICE	**$9,036.42**

DJAC/lb

TERMS: DUE UPON RECEIPT: Interest on accounts over 30 days will be charged at the interest rate prescribed from time to time by section 161 of the Income Tax Act (Canada).

E & O.E

Taylor McCaffrey LLP
Barristers & Solicitors

900-400 St. Mary Avenue
Winnipeg MB Canada, R3C 4K5
Telephone 1-204-949-1312
Fax 1-204-957-0945
Website: www.tmlawyers.com

Grant Thornton LLP
1100 - 200 King Street West
Box 11
Toronto, Ontario
Canada M5H 3T4

Attention: Michael Creber

DATE: MAY 16, 2016

CLIENT/MATTER NO.: 98665 - 1

RESP. LAWYER: DJACKSON

INVOICE NO.: 527496

121712376

Re: Collections - 5448124 Manitoba Ltd. et al

FEES (GST & PST)

01/03/16	SGABOR	E-Mail from Receiver	0.10	195.00	19.50
02/03/16	FLEMING	Reviewing revised Loan Agreement, e-mails to and from M. Creber and D. Jackson	0.30	325.00	97.50
02/03/16	JACKSON	Reviewing blackline changes received from JJ Burnell	0.10	450.00	45.00
02/03/16	JACKSON	Review & respond to Jack Fleming	0.10	450.00	45.00
03/03/16	FLEMING	Telephone call with and e-mails to and from M. Creber and J. Oros, call with JJ Burnell, review and revise Loan Agreement	1.60	325.00	520.00
03/03/16	SGABOR	Reviewing Order and Notice of Motion	0.10	195.00	19.50
03/03/16	JACKSON	Meeting with Jack Fleming – conference - Michael Creber & Jan Oros	0.20	450.00	90.00
03/03/16	JACKSON	Revise notice of motion & order	0.10	450.00	45.00
03/03/16	JACKSON	Correspondence to Michael Creber	0.10	450.00	45.00
03/03/16	JACKSON	Reviewing revised draft 2nd report	0.40	450.00	180.00
04/03/16	FLEMING	Telephone calls with JJ Burnell., review file, e-mail to and call with M. Creber, review and revise loan agreement	1.10	325.00	357.50
04/03/16	JACKSON	Meeting with Jack Fleming - re;lending issues	0.10	450.00	45.00
04/03/16	JACKSON	Review further amendments to loan agreement	0.10	450.00	45.00
04/03/16	JACKSON	Telephone to Michael Creber & Jan Oros	0.40	450.00	180.00
06/03/16	SGABOR	Reviewing second report of the Receiver	0.30	195.00	58.50
07/03/16	SGABOR	E-Mails in late February, March between Taylor McCaffrey, Receiver and Aikins, re loan agreement between Receiver and Cameron Stephens	0.50	195.00	97.50
07/03/16	JACKSON	Correspondence from Jan Oros	0.10	450.00	45.00
07/03/16	JACKSON	Correspondence from JJ Burnell	0.10	450.00	45.00

TERMS: DUE UPON RECEIPT: Interest on accounts over 30 days will be charged at the interest rate prescribed from time to time by section 161 of the Income Tax Act (Canada).

E & O.E.

07/03/16	JACKSON	Correspondence to JJ Burnell	0.10	450.00	45.00
08/03/16	FLEMING	E-Mails to and from JJ Burnell, D. Jackson and M. Creber	0.20	325.00	65.00
08/03/16	JACKSON	Correspondence from JJ Burnell	0.10	450.00	45.00
08/03/16	JACKSON	Correspondence to Michael Creber - lender response	0.10	450.00	45.00
08/03/16	JACKSON	Correspondence from JJ Burnell	0.10	450.00	45.00
08/03/16	JACKSON	Telephone to JJ Burnell	0.20	450.00	90.00
08/03/16	JACKSON	Correspondence to Michael Creber - report on lender discussions	0.10	450.00	45.00
09/03/16	FLEMING	E-Mails to and from J. Oros and JJ Burnell	0.20	325.00	65.00
09/03/16	JACKSON	Review & revive draft report	1.00	450.00	450.00
10/03/16	FLEMING	Reviewing file and e-mails	0.20	325.00	65.00
10/03/16	JACKSON	Revise receiver's 2nd report	1.00	450.00	450.00
10/03/16	JACKSON	Revise 2nd report	0.40	450.00	180.00
10/03/16	JACKSON	Correspondence to Michael Creber & Jan Oros	0.10	450.00	45.00
10/03/16	JACKSON	Revise notice of motion	0.10	450.00	45.00
11/03/16	FLEMING	E-Mails to and from D. Jackson, review file	0.10	325.00	32.50
11/03/16	JACKSON	Correspondence from JJ Burnell - ASH inquiry	0.10	450.00	45.00
11/03/16	JACKSON	Correspondence to Michael Creber	0.10	450.00	45.00
11/03/16	JACKSON	Correspondence to JJ Burnell - answer ASH inquiry	0.10	450.00	45.00
11/03/16	JACKSON	Correspondence to JJ Burnell - inquiry re:advance	0.10	450.00	45.00
14/03/16	JACKSON	Review & respond to Jan Oros	0.10	450.00	45.00
15/03/16	JACKSON	Correspondence from Jan Oros - update re:loan advance & work authorization	0.10	450.00	45.00
15/03/16	JACKSON	Correspondence to JJ Burnell	0.10	450.00	45.00
16/03/16	JACKSON	Revise updated draft second report	0.40	450.00	180.00
16/03/16	JACKSON	Correspondence to Michael Creber	0.10	450.00	45.00
17/03/16	JACKSON	Correspondence to Michael Creber & Jan Oros - revised 2nd report	0.10	450.00	45.00
17/03/16	JACKSON	Correspondence from Jan Oros	0.10	450.00	45.00
17/03/16	JACKSON	Review & respond to Jan Oros re:appendices	0.10	450.00	45.00
17/03/16	JACKSON	Revise 2nd report	0.10	450.00	45.00
17/03/16	JACKSON	Correspondence to Jan Oros	0.10	450.00	45.00
17/03/16	JACKSON	Review & respond to Michael Creber	0.10	450.00	45.00
17/03/16	JACKSON	Correspondence to JJ Burnell	0.10	450.00	45.00
17/03/16	JACKSON	Telephone to JJ Burnell	0.10	450.00	45.00
17/03/16	JACKSON	Telephone to Michael Creber	0.10	450.00	45.00
17/03/16	JACKSON	Correspondence to JJ Burnell	0.10	450.00	45.00
18/03/16	JACKSON	Correspondence from JJ Burnell	0.10	450.00	45.00
18/03/16	JACKSON	Telephone from Sharon Phillips at QB	0.10	450.00	45.00
21/03/16	SGABOR	E-Mail from D Jackson, re service list; email to assistant, counsel and client, re service list; revise service list; reviewing land titles and PPSR searches	0.80	195.00	156.00
21/03/16	JACKSON	Correspondence from JJ Burnell	0.10	450.00	45.00
21/03/16	JACKSON	Correspondence to Michael Creber	0.10	450.00	45.00

TERMS: DUE UPON RECEIPT: Interest on accounts over 30 days will be charged at the interest rate prescribed from time to time by section 161 of the Income Tax Act (Canada).

E & O.E

21/03/16	JACKSON	Correspondence to Sharon Phillips at QB	0.10	450.00	45.00
21/03/16	JACKSON	Draft instructions to Sam Gabor re: service list	0.10	450.00	45.00
21/03/16	JACKSON	Revise notice of motion	0.10	450.00	45.00
23/03/16	SGABOR	Revise service list; email to Receiver and applicant's counsel	0.20	195.00	39.00
23/03/16	JACKSON	Reviewing updated service list	0.10	450.00	45.00
29/03/16	JACKSON	Telephone from JJ Burnell - walk through report	0.40	450.00	180.00
29/03/16	JACKSON	Revise report based upon JJ's comments	0.20	450.00	90.00
29/03/16	JACKSON	Correspondence to Michael Creber - CSFC concerns	0.20	450.00	90.00
30/03/16	JACKSON	Revise notice of motion	0.10	450.00	45.00
30/03/16	JACKSON	Review & respond to Michael Creber	0.10	450.00	45.00
30/03/16	JACKSON	Correspondence from JJ Burnell	0.10	450.00	45.00
30/03/16	JACKSON	Reviewing property manager reports Dec-Feb	0.20	450.00	90.00
30/03/16	JACKSON	Telephone from Michael Creber & Jan Oros	0.30	450.00	135.00
31/03/16	SGABOR	Reviewing second report of receiver; meeting with D Jackson, re next steps	0.80	195.00	156.00
31/03/16	JACKSON	Telephone to JJ Burnell	0.30	450.00	135.00
31/03/16	JACKSON	Revise 2nd report	0.10	450.00	45.00
31/03/16	JACKSON	Correspondence to JJ Burnell	0.10	450.00	45.00
31/03/16	JACKSON	Meeting with Sam Gabor - motion logistics	0.10	450.00	45.00
31/03/16	JACKSON	Correspondence to Michael Creber	0.10	450.00	45.00
31/03/16	JACKSON	Correspondence from Michael Creber	0.10	450.00	45.00
31/03/16	JACKSON	Correspondence from Jan Oros	0.10	450.00	45.00
01/04/16	SGABOR	E-Mail from D Jackson, service of motion materials	0.10	195.00	19.50
01/04/16	SGABOR	Reviewing and revising order and notice of motion; preparing materials for service; emails to service list with materials; email to K Kazuk	1.60	195.00	312.00
01/04/16	JACKSON	Draft instructions to Sam Gabor	0.10	450.00	45.00
01/04/16	JACKSON	Revise notice of motion	0.10	450.00	45.00
01/04/16	JACKSON	Correspondence to JJ Burnell	0.10	450.00	45.00
01/04/16	JACKSON	Correspondence from JJ Burnell	0.10	450.00	45.00
01/04/16	JACKSON	Reviewing JJ Burnell's changes and acceptance of same	0.20	450.00	90.00
01/04/16	JACKSON	Review & respond to Michael Creber re: proposed revisions	0.10	450.00	45.00
01/04/16	JACKSON	Correspondence to JJ Burnell	0.10	450.00	45.00
01/04/16	JACKSON	Meeting with Sam Gabor -finalize materials	0.20	450.00	90.00
01/04/16	JACKSON	Attendance at instructions to Keri Kazuk re: court doc preparation for uploading	0.20	450.00	90.00
01/04/16	JACKSON	Review & respond to Sam Gabor - service issues	0.10	450.00	45.00
04/04/16	SGABOR	Miscellaneous - uploading documents to Court for motion	0.60	195.00	117.00

04/04/16	JACKSON	Attendance at instructions to Keri Kazuk	0.10	450.00	45.00
04/04/16	JACKSON	Correspondence to JJ Burnell	0.10	450.00	45.00
04/04/16	JACKSON	Revise proposed order to increasing borrowing charge	0.10	450.00	45.00
05/04/16	JACKSON	Correspondence from JJ Burnell - GT fee compromise	0.10	450.00	45.00
05/04/16	JACKSON	Correspondence to Michael Creber	0.10	450.00	45.00
05/04/16	JACKSON	Correspondence from Michael Creber	0.10	450.00	45.00
05/04/16	JACKSON	Correspondence to JJ Burnell	0.10	450.00	45.00
05/04/16	JACKSON	Correspondence from JJ Burnell	0.10	450.00	45.00
06/04/16	JACKSON	Telephone from JJ Burnell	0.10	450.00	45.00
07/04/16	SGABOR	Reviewing notice of motion, second report of receiver; prepare for increase in borrowing charge motion	0.40	195.00	78.00
07/04/16	JACKSON	Prepare for court	1.00	450.00	450.00
08/04/16	SGABOR	Prepare for increase borrowing charge motion; attendance at motion	1.50	195.00	292.50
08/04/16	SGABOR	Prepare new back for appendix	0.10	195.00	19.50
08/04/16	JACKSON	Prepare for court	1.00	450.00	450.00
08/04/16	JACKSON	Attend at court - Dewar, J. increase the receiver's charge	1.00	450.00	450.00
08/04/16	JACKSON	Revise Order	0.20	450.00	90.00
08/04/16	JACKSON	Correspondence to JJ Burnell	0.10	450.00	45.00
08/04/16	JACKSON	Correspondence to Michael Creber	0.10	450.00	45.00
08/04/16	JACKSON	Correspondence from JJ Burnell	0.10	450.00	45.00
08/04/16	JACKSON	Revise order	0.10	450.00	45.00
08/04/16	JACKSON	Correspondence to Sanra Prairie at QB	0.10	450.00	45.00
08/04/16	JACKSON	Telephone from Michael Creber	0.10	450.00	45.00
11/04/16	SGABOR	E-Mail to assistant, prepare appendix 10 for filing; email to service list and court with appendix 10 and Order; file appendix 10 with the Court; file Appendix 10 with Court	0.30	195.00	58.50
11/04/16	JACKSON	Correspondence from Sandra Prairie at QB re:signed order	0.10	450.00	45.00
11/04/16	JACKSON	Correspondence to Michael Creber	0.10	450.00	45.00
11/04/16	JACKSON	Attendance at instructions to Sam Gabor & Laura Leigh Buley	0.10	450.00	45.00
18/04/16	JACKSON	Correspondence from Jan Oros	0.10	450.00	45.00
18/04/16	JACKSON	Review & respond to Jerry Macguire	0.10	450.00	45.00
22/04/16	JACKSON	Correspondence from Michael Creber - Concentra update on interested party	0.10	450.00	45.00
27/04/16	JACKSON	Correspondence from Jan Oros - funding request	0.10	450.00	45.00
29/04/16	JACKSON	Correspondence from Jan Oros	0.10	450.00	45.00
29/04/16	JACKSON	Correspondence from Jeff Maguire	0.10	450.00	45.00

TOTAL FEES (GST & PST) 10,520.50

D.R.M. Jackson 18.6 hrs. x $450.00/hr. = $8,370.00
J. Fleming 3.7 hrs. x $325.00/hr. = $1,202.50
S. Gabor 7.4 hrs. x $195.00/hr. = $1,443.00

TOTAL FEES $10,520.50

TERMS: DUE UPON RECEIPT: Interest on accounts over 30 days will be charged at the interest rate prescribed from time to time by section 161 of the Income Tax Act (Canada).

E & O.E

Plus 5 % GST	526.03
Plus 8 % PST	841.64

ALLOCATED EXPENSES & DISBURSEMENTS (GST Only)

Reproduction Charges	116.10
Postage	1.60
Phone/Fax	12.42
Air Courier	86.00
Personal Property Search	9.00
Documents/Titles Online	63.00
Miscellaneous Taxable Disbursements Re: Conference Calls issued to Bell Conferencing Inc.	22.78

DISBURSEMENTS INCURRED AS AGENT(Non-taxable)

Government/Court Registration, Filing Re: file Notice of Motion	100.01	
Total Expenses & Disbursements		$410.91
Plus 5% GST		15.55
BALANCE DUE OUR OFFICE		**$12,314.63**

DJAC/lb

TERMS: DUE UPON RECEIPT: Interest on accounts over 30 days will be charged at the interest rate prescribed from time to time by section 161 of the Income Tax Act (Canada).

E & O.E

Taylor McCaffrey LLP
Barristers & Solicitors

900-400 St. Mary Avenue
Winnipeg MB Canada, R3C 4K5
Telephone 1-204-949-1312
Fax 1-204-957-0945
Website: www.tmlawyers.com

Grant Thornton LLP
1100 - 200 King Street West
Box 11
Toronto, Ontario
Canada M5H 3T4

DATE: AUGUST 2, 2016

CLIENT/MATTER NO.: 98665 - 1

RESP. LAWYER: DJACKSON

INVOICE NO.: 531976

121712376

Re: Collections - 5448124 Manitoba Ltd. et al

FEES (GST & PST)

06/05/16	JACKSON	Attendance at uploading pleadings on Queen's Bench web site	0.20	450.00	90.00
12/05/16	JACKSON	Reviewing email from Jan Oros - with Cash burn & Ash reports	0.20	450.00	90.00
12/05/16	JACKSON	Telephone from JJ Burnell	0.10	450.00	45.00
12/05/16	JACKSON	Correspondence to Michael Creber	0.10	450.00	45.00
13/05/16	JACKSON	Correspondence from JJ Burnell	0.10	450.00	45.00
13/05/16	JACKSON	Correspondence to Michael Creber	0.10	450.00	45.00
13/05/16	JACKSON	Review & respond to Jan Oros re:report requests	0.10	450.00	45.00
13/05/16	JACKSON	Correspondence from Jan Oros	0.10	450.00	45.00
13/05/16	JACKSON	Correspondence from JJ Burnell	0.10	450.00	45.00
16/05/16	JACKSON	Correspondence from JJ Burnell	0.10	450.00	45.00
16/05/16	JACKSON	Correspondence to Jan Oros	0.10	450.00	45.00
16/05/16	JACKSON	Telephone to Tim Kurbis - non-disclosure agreement	0.10	450.00	45.00
16/05/16	KURBIS	Office conference D. Jackson - consult/advise on disclosure considerations	0.10	415.00	41.50
17/05/16	JACKSON	Telephone to Michael Creber	0.10	450.00	45.00
17/05/16	JACKSON	Correspondence from JJ Burnell	0.10	450.00	45.00
17/05/16	JACKSON	Reviewing Asbestos & Environmental reports provided	0.10	450.00	45.00
17/05/16	JACKSON	Attendance at conference call with Jerry Marriott, JJ Burnell, Michael Creber & Jan Oros	0.50	450.00	225.00
17/05/16	JACKSON	Draft instructions to Tim Kurbis	0.20	450.00	90.00
17/05/16	KURBIS	Telephone call/memorandum from D. Jackson; review documents; office conference S. Hicks to instruct	0.20	415.00	83.00
18/05/16	HICKS	Reviewing documents; Draft Confidentiality Agreement	1.40	265.00	371.00
18/05/16	HICKS	Revise draft Confidentiality Agreement	1.10	265.00	291.50
18/05/16	JACKSON	Correspondence from Jerry Marriott	0.10	450.00	45.00
18/05/16	JACKSON	Reviewing Sean Hick's draft NDA	0.10	450.00	45.00

18/05/16	JACKSON	Draft instructions to Sean Hicks	0.10	450.00	45.00
18/05/16	KURBIS	Memorandum from/to S. Hicks; review draft Agreement	0.20	415.00	83.00
19/05/16	HICKS	Telephone from D. Jackson; Revise Confidentiality Agreement; E-Mail to D. Jackson	0.10	265.00	26.50
19/05/16	JACKSON	Reviewing memo from Sean Hicks	0.10	450.00	45.00
19/05/16	JACKSON	Reviewing Non-disclosure agreement	0.20	450.00	90.00
19/05/16	JACKSON	Review & revise NDA & discuss with Sean Hicks	0.20	450.00	90.00
19/05/16	JACKSON	Correspondence to JJ Burnell - NDA	0.10	450.00	45.00
19/05/16	KURBIS	Reviewing further changes; memorandum to D. Jackson; review correspondence with buyer counsel	0.10	415.00	41.50
24/05/16	HICKS	Reviewing revisions to Confidentiality Agreement; Revise draft agreement; E-Mail to D. Jackson and T. Kurbis	0.30	265.00	79.50
24/05/16	JACKSON	Correspondence from JJ Burnell	0.10	450.00	45.00
24/05/16	JACKSON	Correspondence to Jan Oros	0.10	450.00	45.00
24/05/16	JACKSON	Correspondence to JJ Burnell	0.10	450.00	45.00
24/05/16	JACKSON	Review & respond to Tim Kurbis	0.10	450.00	45.00
24/05/16	JACKSON	Reviewing Sean Hick's blackline revisions to NDA	0.10	450.00	45.00
24/05/16	JACKSON	Correspondence to Jan Oros & Michael Creber - NDA	0.10	450.00	45.00
24/05/16	JACKSON	Correspondence from Jan Oros	0.10	450.00	45.00
24/05/16	JACKSON	Correspondence from Jan Oros	0.10	450.00	45.00
24/05/16	KURBIS	Reviewing correspondence/document from Aikins; consider change proposals; memorandum DJ/SH; review/assess revisions; memorandum DJ	0.30	415.00	124.50
25/05/16	JACKSON	Correspondence from Michael Creber	0.10	450.00	45.00
25/05/16	JACKSON	Correspondence to JJ Burnell - NDA	0.10	450.00	45.00
25/05/16	KURBIS	Reviewing correspondence with client/Aikins	0.20	415.00	83.00
27/05/16	HICKS	Reviewing and revising draft Confidentiality Agreement	0.20	265.00	53.00
27/05/16	HICKS	E-Mail to JJ Burnell	0.10	265.00	26.50
27/05/16	JACKSON	Correspondence from JJ Burnell - NDA comment	0.10	450.00	45.00
27/05/16	JACKSON	Correspondence to Michael Creber	0.10	450.00	45.00
27/05/16	JACKSON	Draft instructions to Sean Hicks	0.10	450.00	45.00
27/05/16	KURBIS	Memorandum from D. Jackson; review correspondence/further edits and consider issues arising; memorandum SH to instruct; review edits	0.30	415.00	124.50
30/05/16	JACKSON	Review & respond to Sean Hicks	0.10	450.00	45.00
31/05/16	HICKS	Revise draft Confidentiality Agreement; E-Mail to JJ Burnell	0.20	265.00	53.00
31/05/16	HICKS	E-Mail to JJ Burnell	0.10	265.00	26.50
31/05/16	HICKS	Telephone from D. Jackson; E-Mails	0.20	265.00	53.00
31/05/16	JACKSON	Review & respond to Sean Hicks re: NDA revisions	0.10	450.00	45.00
31/05/16	JACKSON	Telephone from Jan Oros - NDA	0.10	450.00	45.00
31/05/16	JACKSON	Telephone to Sean Hicks	0.10	450.00	45.00
31/05/16	JACKSON	Correspondence to JJ Burnell	0.10	450.00	45.00

31/05/16	KURBIS	Reviewing correspondence with Aikins/revised agreement	0.20	415.00	83.00
01/06/16	KURBIS	Reviewing correspondence from Aikins/proposed revisions and follow-up	0.10	415.00	41.50
12/06/16	JACKSON	Correspondence from Jan Oros - May property report & cash burn	0.20	450.00	90.00
13/06/16	JACKSON	Correspondence from JJ Burnell	0.10	450.00	45.00
15/06/16	JACKSON	Correspondence from JJ Burnell	0.10	450.00	45.00
17/06/16	JACKSON	Correspondence from Jan Oros - recast budget from ASH	0.10	450.00	45.00
20/06/16	JACKSON	Review provincial court summons	0.10	450.00	45.00
20/06/16	JACKSON	Correspondence to Jan Oros	0.10	450.00	45.00
20/06/16	JACKSON	Draft instructions to Sam Gabor	0.10	450.00	45.00
22/06/16	JACKSON	Correspondence from Jerry Marriott	0.10	450.00	45.00
22/06/16	JACKSON	Correspondence from Jan Oros	0.10	450.00	45.00
22/06/16	JACKSON	Review & respond to Jan Oros	0.10	450.00	45.00
22/06/16	JACKSON	Correspondence from JJ Burnell	0.10	450.00	45.00
22/06/16	JACKSON	Correspondence to Jan Oros	0.10	450.00	45.00
22/06/16	JACKSON	Correspondence to Jan Oros	0.10	450.00	45.00
23/06/16	JACKSON	Correspondence from Jan Oros	0.10	450.00	45.00
23/06/16	JACKSON	Review emails	0.10	450.00	45.00
23/06/16	JACKSON	Correspondence to JJ Burnell	0.10	450.00	45.00
23/06/16	JACKSON	Attendance at conference call with Jerry Marriott, JJ Burnell, Michael Creber & Jan Oros	0.70	450.00	315.00
23/06/16	JACKSON	Telephone to Sharon Phillips at QB (vm)	0.10	450.00	45.00
23/06/16	JACKSON	Correspondence to JJ Burnell - court availability	0.10	450.00	45.00
24/06/16	JACKSON	Correspondence from Jan Oros	0.10	450.00	45.00
27/06/16	JACKSON	Correspondence from JJ Burnell	0.10	450.00	45.00
27/06/16	JACKSON	Correspondence to JJ Burnell	0.10	450.00	45.00
27/06/16	JACKSON	Correspondence from Jan Oros	0.10	450.00	45.00
06/07/16	SGABOR	Reviewing Provincial Justice Summons and Receivership Order; reviewing case law on summons against insolvency debtor	1.20	195.00	234.00
06/07/16	SGABOR	Reviewing Winnipeg Neighbourhood livability by-law	0.20	195.00	39.00
12/07/16	JACKSON	Correspondence from Jan Oros & summary	0.20	450.00	90.00
12/07/16	JACKSON	Correspondence from JJ Burnell - info inquiry	0.10	450.00	45.00
12/07/16	JACKSON	Correspondence to Jan Oros	0.10	450.00	45.00
12/07/16	JACKSON	Review & respond to Jan re:JJBurnell inquiry	0.20	450.00	90.00
12/07/16	JACKSON	Correspondence to JJ Burnell	0.10	450.00	45.00
13/07/16	JACKSON	Correspondence from Jan Oros - Ivy's complaint on pooling water	0.10	450.00	45.00
13/07/16	JACKSON	Correspondence from Grant Stevenson	0.10	450.00	45.00
15/07/16	SGABOR	Telephone call with D Jackson, re update on matter, re potential for Court motion to increase borrowing charge	0.20	195.00	39.00
22/07/16	JACKSON	Correspondence from Jan Oros	0.10	450.00	45.00
25/07/16	SGABOR	E-Mails with J Oros, re status of receivership proceeding	0.20	195.00	39.00
27/07/16	SGABOR	E-Mail from and to J Oros	0.10	195.00	19.50
28/07/16	SGABOR	Telephone call to S Phillips; email to J Oros and D Jackson; call with JJ Burnell; email to J Oros; prepare notice of motion; email to J Oros	1.00	195.00	195.00
28/07/16	JACKSON	Correspondence from Jan Oros	0.10	450.00	45.00
28/07/16	JACKSON	Review & respond to Sam Gabor	0.10	450.00	45.00

28/07/16	JACKSON	Telephone to Sam Gabor	0.10	450.00	45.00
29/07/16	SGABOR	Telephone call with J Oros	0.50	195.00	97.50

TOTAL FEES (GST & PST) 6,579.00

D.R.M. Jackson 9.4 hrs. x $450.00/hr. = $4,230.00
S. Gabor 3.4 hrs. x $195.00/hr. = $663.00
S. Hicks 3.7 hrs. x $265.00/hr. = $980.50
T. Kurbis 1.7 Hrs. x $415.00 = $705.50

TOTAL FEES	$6,579.00
Plus 5 % GST	328.95
Plus 8 % PST	526.32

ALLOCATED EXPENSES & DISBURSEMENTS (GST Only)

Electronic Research Access Fee	81.60
Reproduction Charges	34.95
Phone/Fax	3.32

Total Expenses & Disbursements	$119.87
Plus 5% GST	5.99

BALANCE DUE OUR OFFICE	**$7,560.13**

DJACKSON/GSTOCK

TERMS: DUE UPON RECEIPT: Interest on accounts over 30 days will be charged at the interest rate prescribed from time to time by section 161 of the Income Tax Act (Canada).

E & O.E