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

BETWEEN:

CAMERON STEPHENS FINANCIAL CORPORATION,

Applicant,

- and -

5448124 MANITOBA LTD.,

Respondent.

SIXTH REPORT TO THE COURT OF GRANT THORNTON LIMITED IN ITS CAPACITY AS RECEIVER OF THE RESPONDENT DATED: MAY 1, 2019

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INTRODUCTION AND PURPOSE OF THE SIXTH 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**").

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**"). A copy of the Amended and Restated Order is attached as **Appendix "1"**.

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 approving the Receiver's Second Report and the relief sought.

4. The Receiver issued its Third Report ("**Third Report**") on August 5, 2016 which among other things sought an increase to the Receiver's borrowing limit to $1,208,800.00. On August 17, 2016, the Honourable Mr. Justice Dewar issued an Order approving the Receiver's Third Report and the relief sought.

5. The Receiver issued its Fourth Report ("**Fourth Report**") on April 13, 2017 to update the Court and the stakeholders on the Service List on the Receiver's activities and findings since the issuance of the Third Report. The Receiver with the concurrence of the Applicant, Cameron Stephens Financial Corporation ("**CSFC**") decided that it would defer bringing on an interim motion to approve the Receiver's conduct and pass accounts until further directions were required. A copy of the Fourth Report is attached as **Appendix "2"**.

6. The Receiver issued its Fifth Report ("**Fifth Report**") on March 29, 2018 to update the Court and the stakeholders on the Service List on the Receiver's activities and findings since the issuance of the Fourth Report. The Receiver with the concurrence of CSFC again decided that rather than bring an interim motion to approve the Receiver's conduct to wait and pass its accounts until further directions were required. A copy of the Fifth Report is attached as **Appendix "3"**.

7. The purpose of this Sixth Report of the Receiver ("**Sixth Report**") is to outline the Receiver's activities and findings since the issuance of the Fifth Report and to provide the Court with an evidentiary basis to determine whether to grant relief sought by the Receiver as follows:

   a. Approving the Broker Selection Process (defined herein) conducted by the Receiver to identify and invite independent real estate brokers to submit proposals to market the Property (defined herein) for sale, approving the real estate broker selected and approves the Receiver's execution of the

Colliers Listing Agreement (defined herein) to engage Colliers International and its representatives, as the real estate broker to market the Property;

b. Approving the Sale Process (defined herein) to market and sell the Property and authorizing the Receiver and/or Colliers (with prior approval of the Receiver) to negotiate any terms and conditions of a sale as the Receiver, in its discretion; may deem appropriate with any such sale being subject to further approval of this Court;

c. Approving the Second, Third and Fourth Loan Amending Agreements entered into between the Receiver and CSFC;

d. Approving the Receiver's interim statement of receipts and disbursements for the period from October 27, 2015 to March 31, 2019;

e. Approving the fees and disbursements of the Receiver for the period from August 1, 2016 to March 31, 2019 totaling $143,828.12;

f. Approving the fees and disbursements of the Receiver's counsel, Taylor McCaffrey LLP ("**Taylor McCaffrey**") for the period from August 1, 2016 to March 31, 2019 totaling $41,983.91;

g. Sealing such confidential appendices as referred to herein; and

h. Approving the Fourth Report, Fifth Report and this Sixth Report and the conduct and activities of the Receiver described therein.

SCOPE AND TERMS OF REFERENCE

8. In preparing this Sixth Report, the Receiver has relied upon unaudited financial information, the Company's records, financial projections and discussions with the Company's current property manager A.S.H. Management Group Inc. ("**A.S.H**") and contractors. The Receiver's work does not constitute an audit or verification of such information for accuracy, completeness or compliance with Generally Accepted Accounting Principles ("**GAAP**"), Generally Accepted Auditing Standards ("**GAAS**") or International Financial Reporting Standards ("**IFRS**"). Accordingly, the Receiver expresses no opinion or other form of assurance pursuant to GAAP, GAAS or IFRS with respect to such information.

9. Some of the information used in preparing this Sixth 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 Sixth Report did not constitute an audit of such information nor its compliance with GAAP, GAAS or IFRS.

10. This Sixth 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 this Sixth 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 this Sixth Report contrary to the provisions in this paragraph.

11. Capitalized terms not defined in this Sixth Report are as defined in the Appointment Order and the Amended and Restated Order. All references to dollars are in Canadian currency unless otherwise noted.

12. Copies of this Sixth Report, the previous reports and all Orders issued in these proceedings are available on the Receiver's website at:

https://www.grantthornton.ca/en/service/advisory/creditor-updates/#5448124-Manitoba-Ltd

PARTIES

13. 544 is a company incorporated pursuant to the laws of Manitoba that owns and operates 519 Burnell Street, Winnipeg, Manitoba (the "**Property**").

14. The registered head office of the Company is located at 910 – 388 Portage Avenue, Winnipeg, Manitoba.

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

16. 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 McCaffrey acknowledging that CSFC's security is duly perfected and enforceable in accordance with its terms.

THE RECEIVER'S ACTIVITIES

17. Since the date of the Receiver's Fifth Report, the Receiver has completed the following:

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

b. Extended the term of the Loan Agreement and subsequent Loan Amending Agreements between the Receiver and CSFC to December 31, 2019 (the "**Fourth Loan Amending Agreement**"), a copy of which is attached hereto as **Appendix "4"**;

c. Requested and received funding under the Loan Agreement and the Fourth Amended Loan Agreement so that the Receiver could provide advances to A.S.H. to enable it to cover the cash outlays (including capital expenditure costs incurred for work completed on the Property) incurred on behalf of the Receiver that are in excess of the rental receipts;

d. Filed statutory 246(2) notices as required by the Bankruptcy and Insolvency Act ("**BIA**");

e. Filed the Company's corporate income tax return for the year ending May 14, 2018;

f. Executed the Statement of Values as at March 2, 2019 to maintain the insurance of the Property;

g. Reviewed and considered the operating budget prepared by A.S.H. for the period January 1, 2019 to December 31, 2019;

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

i. Worked with A.S.H. and CSFC to determine further improvements needed to the building to make the units more marketable for future tenants;

j. Worked with A.S.H., CSFC and various contractors to determine the Remaining Work (defined herein) to the Property's basement units to present them as complete and tenantable prior to commencing a sale process for the sale of the Property;

k. Conducted and managed the Broker Selection Process (defined herein) to engage an independent real estate broker to market and sell the Property (subject to the approval of this Court);

l. Liaising with the prospective real estate broker to prepare a sale process for the sale of the Property, for the purpose of seeking the approval of such a process from this Court; and

m. Posted information on the Receiver's website including the Receiver's Sixth Report.

COMPLETION OF THE REMAINING WORK

18. As indicated in the Fifth Report, on or around March 19, 2018, Hedman Construction Ltd. (**"Hedman"**) submitted an application with the City of Winnipeg (the **"City"**) to obtain a Building Permit to install the basement ventilation system and to complete work to the 14 basement units to bring them to a rent-ready state (the **"Remaining Work"**). The completion of the Remaining Work would allow all 80 units within the Property to be tenantable prior to commencing a sale process to market and sell the Property. 19. On or around March 20, 2018, the City advised that the plans submitted with the application, illustrating the Remaining Work, did not match the current architectural and mechanical plans of the Property's basement level that the City had on file. Without such plans, the City was not willing to provide the Building Permit.

19. From March 20, 2018 to May 9, 2018, the following activities were undertaken by A.S.H. and select contractors:

   a. Requested the City to provide to A.S.H and Hedman the current architectural and mechanical plans of the basement level of the Property that were in the possession of the City;

   b. Received from the City such plans, it had on file. It was determined by the Receiver, with the input of CSFC, A.S.H and Hedman that the most economic and timely manner to update these plans would be to engage Pinchin Ltd. (**"Pinchin"**) to illustrate the Remaining Work;

   c. Received from Pinchin the updated draft plans for which Hedman and the City agreed these to be acceptable; and

   d. Hedman finalized and submitted to the City, the updated plans with the application to receive a Building Permit to complete the Remaining Work.

20. On June 4, 2018, the Building Permit to complete the Remaining Work to the basement units was received from the City.

21. Hedman provided to the Receiver, a costed quote to complete the Remaining Work totaling $261,436 (before any applicable HST/GST) and estimated the completion of such work by approximately August 31, 2018. The Receiver, with the input of CSFC, agreed to this costed quote. Attached as **Appendix "5"** is a copy of Hedman's costed quote and estimated timeframe.

22. On July 5, 2018, A.S.H. met with Hedman and a foundation specialist contractor to review some complications experienced whilst completing the Remaining Work. It was noted that the Property was experiencing a high water table which would require unforeseen work to be completed to prevent any damage to the Property. An additional costed quote (a copy is enclosed as **Appendix "6"**) for this work was received, bringing the total of all the Remaining Work to be

$296,894 (before any applicable HST/GST). The Receiver, with the input of CSFC, approved this additional cost and work.

23. The Remaining Work was funded via available cash drawn down from the credit facilities provided by CSFC to the Receiver, as well as from surplus cash generated from operations.

24. The Remaining Work has been completed.

25. On September 27, 2018, Hedman lodged a notice with the City to request a Building Occupancy Permit to approve the completed Remaining Work and allow the basement units to be available to tenant.

26. After some complications with the City, the final Building Occupancy Permit was received dated October 15, 2018. A copy of this permit is attached as **Appendix "7"**.

MANAGEMENT OF THE PROPERTY AND ITS OPERATIONS

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

28. As at March 31, 2019, tenants occupied 74 of 80 units, representing an occupancy level of 92.50%.

29. A.S.H has actively incentivized the market to occupy all available units within the Property.

REAL ESTATE BROKER SELECTION PROCESS (PRE-SALE PROCESS)

30. Although the Amended and Restated Order provided the Receiver with authority to market and sell the Property subject to Court approval, it was determined in consultation with CFSC to delay proceeding with a sales process until the necessary remedial efforts had been completed and the occupancy levels improved to optimize recoveries.

31. Based on the occupancy levels disclosed above and that to the best of the Receiver's knowledge no further remedial efforts are required, the Receiver, with the input of CSFC, consider it is now an appropriate time to market and sell the Property.

32. The Receiver, with the input of CSFC, formulated a process to invite five (5) independent real estate brokers, to each submit to the Receiver a proposal by April 11, 2019, to market and sell the Property (the "**Real Estate Broker Selection Process**").

33. The Receiver identified the following real estate brokers (the "**Prospective Brokers**") to invite to submit a proposal:

    a. Mr. Don White (Executive Vice-President) of Colliers International;

    b. Ryan Behie (Vice-President & Managing Director) of CBRE;

    c. Trevor Clay (Principal) of Capital Commercial Real Estate Services Inc.;

    d. Jack Hurtig (Vice-President, Real Estate Brokerage) of ASH Management Group Inc.; and

    e. Mark Scaletta (Sales Associate – Industrial) of Shindico.

34. On March 29, 2019, the Receiver contacted each of the Prospective Brokers by phone to invite them to partake in the Real Estate Broker Selection Process as well as sending the Prospective Brokers the following documents (a template of these combined documents is available as **Appendix "8"**):

    a. A letter inviting the Prospective Brokers to the opportunity and amongst other things, request that each proposal include:

        i. The Prospective Broker's experience and accolades;

        ii. Their firm's experience and accolades;

        iii. Sales made within the last 24 months similar to the Property;

        iv. An overview on the current market with reference to properties similar to the Property;

        v. Whether the Prospective Broker recommends any minor 'cosmetic' works be completed to the Property to ready it for sale;

        vi. The Prospective Broker's proposed listing price and estimated sale price of the Property;

        vii. The Prospective Broker's proposed commission;

        viii. A marketing plan and budget, complete with a marketing timeline and list of mediums / channels the Prospective Broker proposes to market the Property;

        ix. Whether the Prospective Broker would recommend a joint listing with another Prospective Broker to leverage each other's reach (i.e. a regional, national or international realtor);

        x. Recommended method of sale (i.e. EOI, auction, etc.);

xi. The recommended target market for the Property;

xii. Any anticipated transaction conditions, covenants and warranties; and

xiii All material aspects of a proposed listing agreement (preferably a draft listing agreement would be provided).

b. A current overview of the Property and publicly available details of the Property; and

c. A confidentiality agreement available for execution by the Prospective Brokers, should they wish to obtain confidential information relating to the Property to assist in preparing their proposal.

35. A secure data room was created to share confidential information with Prospective Brokers who executed the confidentiality agreement.

36. On April 1, 2019, one of the Prospective Brokers withdrew from the Real Estate Broker Selection Process. It was the Receiver's opinion that there remained a sufficient number of Prospective Brokers to complete the Real Estate Broker Selection Process in a commercially reasonable manner.

37. All Prospective Brokers were given the opportunity to conduct a site visit of the Property.

38. Throughout the Real Estate Broker Selection Process, the Receiver responded to various questions and requests for information relating to the Property, from Prospective Brokers.

39. On April 11, 2019 (being the deadline the Receiver imposed to receive all proposals), a further Prospective Broker advised the Receiver that they would not be submitting a proposal.

40. By the close of business April 11, 2019, the Receiver had received proposals from the three (3) remaining Prospective Brokers to market and sell the Property. These proposals are available at this Court's request.

41. On April 17, 2019, the Receiver travelled to Winnipeg, Manitoba to meet with two (2) of the Prospective Brokers to discuss in person their submitted proposals. Representatives of CSFC were also in attendance to provide their input. Although one of the Prospective Brokers was unable to attend the in-person interview, the Receiver and CSFC were able to interview them *via* teleconference on April 12, 2019.

THE RECEIVER'S COMMENTS

42. The Receiver is of the view that it has adequately canvassed the market to identify and invite regional, national and international Prospective Brokers to submit their proposals to market and sell the Property.

43. The Receiver is also of the view that it has provided adequate resources to enable all Prospective Brokers to consider and understand details specific to the Property to allow the Prospective Brokers to submit meaningful proposals.

44. After carefully reviewing the proposals of the Prospective Brokers, and in consultation with CSFC, the Receiver concluded that Colliers International (**"Colliers"**) was the appropriate broker to be engaged. In particular, Colliers:

    a. demonstrated its experience in marketing and selling multi-family residential blocks, similar to the Property, within Winnipeg in the last 24 months;

    b. demonstrated a good understanding of the Winnipeg market and potential purchasers who would be interested in the sale of the Property; and

    c. presented an appropriate estimated pricing of the Property based on a detailed valuation of historical sales similar to the Property and current rental income achieved within the Winnipeg market.

45. The Receiver therefore requests the Court approve and authorize the following:

    a. approve the Broker Selection Process undertaken by the Receiver; and

    b. approve the Receiver's execution of the listing agreement submitted by Colliers International (the "**Colliers Listing Agreement**") and to engage Colliers and its representatives, to market and sell the Property. Attached as **Appendix "9"** is a copy of the Colliers Listing Agreement.

PROPOSED SALE PROCESS

46. The proposed sale process is designed to market the Property for sale and to seek all offers from potential purchasers to be received by a set bid date (the **"Sale Process"**). The Sale Process will be managed by Colliers with guidance from the Receiver and input from the representatives of CSFC.

47. In summary, the Sales Process will be conducted substantially in the following manner:

Phase 1: Pre-Marketing, Estimated Timeframe: 14 days

48. During Phase 1, the Receiver and Colliers will:

a. execute the Colliers Listing Agreement (subject to the approval of this Court);

b. establish a set bid date to receive all offers to acquire the Property;

c. establish the conditions for all offers to be considered, including the provision of a deposit and evidence of financial capability to close;

d. have commissioned the below reports pertaining to the Property, as prepared by specialist contractors, engaged during the receivership:

   i. a Building Condition Assessment report;

   ii. an Environmental Site Assessment report;

   iii. a Centralized Property Search report; and

   iv. a Residential Tenancies Branch rental status report.

e. develop documentation including, but not limited to:

   i. marketing materials, including: online and print advertisements, brochures, presentations, a marketing offering memorandum, etc.

   ii. a form of non-disclosure agreement (the "**NDA**") to be executed in order to obtain a copy of confidential information relating to the Property and to further participate in the proposed Sale Process;

   iii. a form of offer; and a form of Asset Purchase Agreement ("**APA**").

f. establish a data room (the "**Data Room**") containing, among other things, operational reports, reports and assessments relating to the Property and, any other information to be shared with Potential Purchasers (defined herein) subsequent to receiving an executed NDA; and

g. develop the list of potential purchasers interested in the acquisition of the Property ("**Potential Purchasers**"), already identified by Colliers as presented in its submitted proposal.

<u>Phase 2: Marketing the Property, Estimated Timeframe: 21 days</u>

49. During Phase 2, Colliers will:

a. launch the formal marketing campaign and circulate a marketing offering memorandum to the identified Potential Purchasers which provides a high level overview of the sale of the Property;

b. publish online and print advertisements in prominent media outlets both regionally and nationally (including, but not limited to: the Winnipeg Free Press, the Vancouver Sun, Calgary Herald, the Globe and Mail and the Financial Post);

c. directly communicate with all Potential Purchasers who have expressed interest in the sale of the Property or who Colliers and the Receiver consider to be interested in the sale of the Property;

d. allow any Potential Purchasers who execute the NDA to access the data room;

e. permit Potential Purchasers to inspect the Property;

f. maintain the Data Room;

g. collect offers, deposits and evidence of financial capability to close; and

h. seek clarification with respect to offers where required and conduct negotiations.

<u>Phase 3: Entering into APA, Estimated Timeframe: 7 days</u>

50. During Phase 3, the Receiver and Colliers will:

a. with input from representatives of CSFC, review and consider all offers received from the Potential Purchasers at the closure of the bid date;

b. if there is more than one acceptable offer, determine the offer that, in the Receiver's view, with input from Colliers and the representatives of CSFC, is superior (the "**Superior Offer**") with consideration of, among other things, the following factors:

i. the value offered;

ii. the terms and conditions of the offer;

iii. the Receiver's opinion of the likelihood of successfully completing the transaction contemplated by the offer; and

iv. inform the offeror of the Superior Offer that their offer will be proceeding, negotiate and execute an APA with said offeror, subject to court approval (the "**Successful Purchaser**").

<u>Phase 4: Due diligence and closing, Estimated Timeframe: To Be Determined</u>

51. During Phase 4, the Receiver and Colliers will:

a. liaise with the Successful Purchaser to complete their due diligence and satisfy any other conditions of the APA (if any);

b. close and complete the sale of the Property to the Successful Purchaser;

c. seek Court approval of the sale to the Successful Purchaser;

d. if the sale contemplated above does not close, consider alternate offers and if selected by the Receiver, seek Court approval and close and complete the sale of the Property; and

e. return deposits to unsuccessful purchasers.

52. The Receiver is optimistic that the timeframe to complete due diligence will be brief as the Receiver will have uploaded the Property reports to the data room.

53. The Receiver shall have discretion to amend or vary the Sale Process in order to maximize value for stakeholders, including the ability to terminate the Sale Process if the Receiver believes that it is appropriate in the circumstances.

THE RECEIVER'S COMMENTS

54. The sale of the Property shall be conditional upon this Court's approval of the recommended purchaser(s) and the terms of the agreement(s) of purchase and sale. The Receiver will attend before this Court upon the completion of the Sale Process to seek approval of the recommended purchaser(s) and the agreement(s) of purchase and sale prior to closing any sale transaction(s). All offers shall remain open for acceptance by the Receiver until the earlier of the Court approval of the Successful Purchaser or ten (10) days after the Court approval hearing.

55. The Receiver is of the view that the proposed Sale Process is appropriate to market and sell the Property for the following reasons:

a. the proposed Sale Process (including the estimated timeframes) was recommended to the Receiver by Colliers, who are a well-established real estate firm within the Winnipeg market (as well as North America) and have many years of experience in selling multi-family residential buildings, similar to the Property;

b. the proposed Sale Process will market the Property to a wide range of Potential Purchasers through various online and print advertising that will be made available in mediums published regionally, nationally and internationally;

c. the Receiver has mitigated the closing risk of a transaction by providing reports and materials to Potential Purchasers during Phase 2 of the Sale

Process which would have otherwise likely been obtained by the Successful Purchaser during Phase 4 of the Sale Process; and

d. the estimated timeframes of the Sale Process are similar to the timeframes listed in the two other Prospective Broker's proposals received.

56. For the reasons set out above, the Receiver requests this Court approve the proposed Sale Process and authorize the Receiver and Colliers (with prior approval of the Receiver) to negotiate any terms and conditions of a sale as the Receiver, in its discretion, may deem appropriate.

SUMMARY OF HISTORICAL FINANCIAL RESULTS AND 2019 BUDGET

57. The table presented over the page shows the following financial statements as prepared by A.S.H. on cash bases:

a. Historical financial results from January 1, 2017 to December 31, 2017 and January 1, 2018 to December 31, 2018 (the "**Historical Financial Results**"); and

b. A draft budget forecasting financial results from January 1, 2019 to December 31, 2019 (the "**Draft Budget**"). A copy of the Draft Budget is attached as **Appendix "10"**.

	Actuals 2017 ($)	Actuals 2018 ($)	Actuals 2017 - 2018 Change ($)	Draft Budget 2019 ($)	Draft Budget 2018 - 2019 Change ($)
Cash Inflows (Total Income)	572,399	595,949	23,550	738,116	142,167
Cash Outflows					
Operating Expenses					
Utilities	(80,233)	(73,908)	6,325	(79,160)	(5,252)
General Administration	(184,505)	(182,709)	1,796	(168,210)	14,499
Repairs & Maintenance	(70,994)	(44,167)	26,827	(54,960)	(10,793)
Total Operating Expenses	(335,732)	(300,784)	34,948	(302,330)	(1,546)
Net Cashflow (Deficiency) from Operations	236,667	295,165	58,498	435,786	140,621
Non-Operating Expenses					
Property Taxes	(44,177)	(46,077)	(1,900)	(43,744)	2,333
Capital Expenditure	(232,088)	(356,208)	(124,120)	(26,500)	329,708
Total Non-Operating Expenses	(276,265)	(402,285)	(126,020)	(70,244)	332,041
Net Cashflow (Deficiency) for the Period	(39,598)	(107,120)	(67,522)	365,542	472,662

58. A comparison of the Historical Financial Results shows the Receiver and A.S.H. achieved a greater net cash inflow from operations in 2018 ($295,165) compared to 2017 ($236,667) from operating the Property which appears to be largely due to

all 80 units being available for occupancy during the latter part of 2018 and less repairs & maintenance costs paid.

59. The Draft Budget assumes all 80 units are occupied for majority of 2019. Minimal capital expenditure costs are forecast to be required.

60. The Draft Budget forecasts net cash flow to be $365,542 by December 31, 2019. This represents the first period during the receivership in which the Property will earn a significant cash surplus and therefore, the Receiver is of the view that this further supports its recommendation to now market the Property for sale.

UPDATE ON FUNDING FROM CSFC

61. Since the Fifth Report, the Receiver and CSFC agreed to extend the expiry date on the existing credit facilities to December 31, 2019.

62. As at the date of this report, the Receiver has requested and received eight advances from CSFC totaling $1,208,800.00. The additional advance ($172,097.39) made since the Fifth Report was required to fund capital expenditure required to complete the Remaining Work.

63. The Receiver does not anticipate an increase to be required to the borrowing limit of the credit facilities provided by CSFC to the Receiver, as operations of the Property are forecast to generate sufficient cash inflows, as per the Draft Budget.

RECEIPTS AND DISBURSEMENTS OF THE RECEIVERSHIP

64. The total interim receipts and disbursements of the receivership include those reported by both the Receiver and A.S.H.

65. Attached as **Appendix "11"** is the Receiver's Interim Statement of Receipts and Disbursements for the period October 27, 2015 to March 31, 2019.

66. Attached as **Appendix "12"** is A.S.H.'s Interim Statement of Receipts and Disbursements for the period December 17, 2015 to March 31, 2019.

67. The Receiver notes that there are eight Receiver's Certificates issued to CSFC totaling $1,208,800.00 to cover the initial and ongoing operational expenses and capital expenditure required at the Property. As at March 31, 2019, the Receiver held $55,455 in its bank account and A.S.H. held $258,022.

PROFESSIONAL FEES AND DISBURSEMENTS

68. Pursuant to paragraph 18 of the Amended and Restated Order, the Receiver and its counsel may pass their accounts from time to time.

69. At the last appearance before the Court on August 16, 2016 the Receiver's professional fees and disbursements, including those of its legal counsel (Taylor

McCaffrey LLP), up to July 31, 2016 were approved. Since that hearing, the Receiver has filed and served upon the Service List its Fourth Report and Fifth Report which detail the fees and disbursements up to December 31, 2017. The Receiver now seeks to have these fees and disbursements approved by this Court together with the fees and disbursements incurred from January 1, 2018 to March 31, 2019 as detailed below.

70. Provided below are the total fees, disbursements and applicable taxes of the Receiver for services provided:

a. From August 1, 2016 to February 28, 2017 totaling $52,235.67. True copies of the Receiver's statements of account including the detailed time and disbursement records for the above period were enclosed with the Fourth Report;

b. From March 1, 2017 through to December 31, 2017 totaling $37,411.26. True copies of the Receiver's statements of account including the detailed time and disbursement records for the above period were enclosed with the Fifth Report; and

c. From January 1, 2018 to March 31, 2019 totaling $54,181.19. Attached as **Appendix "13"** are true copies of the Receiver's statements of account including the detailed time and disbursement records.

71. Taylor McCaffrey has acted as the Receiver's legal counsel on all matters relating to this proceeding. Provided below are the total fees, disbursements and applicable taxes of Taylor McCaffrey for services provided:

a. From August 1, 2016 to February 28, 2017 totaling $19,675.55. True copies of Taylor McCaffrey's statements of account including the detailed time and disbursement records for the above period were enclosed with the Fourth Report;

b. From March 1, 2017 through to December 31, 2017 totaling $12,102.12. True copies of Taylor McCaffrey's statements of account including the detailed time and disbursement records for the above period were enclosed with the Fifth Report; and

c. From January 1, 2018 to March 31, 2019 totaling $10,206.24. Attached as **Appendix "14"** hereto are true copies of the statements of account rendered by Taylor McCaffrey which include the detailed time and disbursement breakdown.

THE RECEIVER'S COMMENTS

72. 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 receivership to March 31, 2019. The Receiver requests this Court approve both its own and Taylor McCaffrey's accounts of their fees and disbursements as listed above.

ADDITIONAL APPRAISAL OF THE PROPERTY

73. As mentioned in the Fourth Report, the Receiver is in possession of a copy of the Stevenson Report dated February 5, 2013 and that it was the intention of the Receiver to seek this Court to seal the report at a later time when further directions were required. The Receiver now requests to file a copy of the Stevenson Report with this Court under a Sealing Order (attached as **Confidential Appendix "1"**) as public disclosure of this report could be prejudicial to the Sale Process. A copy of a redacted version of the Stevenson Report is attached as **Appendix "15"**.

CONCLUSION

74. The Receiver believes it is an appropriate time to report to the Court on its activities to date, seek approval for the Broker Selection Process and authorize the Receiver to engage Colliers, approve the Sale Process, seek approval of the interim statement of receipts and disbursements of the receivership, to seek the approval of the Receiver and its legal counsel's reasonable fees and disbursements, to file a copy of the Stevenson Report with this Court under a Sealing Order and, to seek the approval of the Fourth Report, Fifth Report and this Sixth Report and, the relief sought in each report. CSFC has been consulted and supports the recommendations of the Receiver as set out herein.

75. Accordingly, for reasons set out in this Sixth Report, the Receiver respectfully requests an Order in the form outlined in paragraph 7 of this Sixth Report.

(THE REMAINDER OF THE PAGE IS INTENTIONALLY LEFT BLANK. SIGNATURE PAGE FOLLOWS)

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 1st day of May, 2019.

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, CIRP, LIT
Senior Vice-President

APPENDIX 1

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**

BETWEEN:

CAMERON STEPHENS FINANCIAL CORPORATION

Applicant

- and –

5448124 MANITOBA LTD.

Respondent

AMENDED & RESTATED ORDER
(appointing receiver)

FOGLER, RUBINOFF LLP
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Tel: 416.864.9700
Fax: 416.941.8852

Lawyers for Applicant

Original Court Copy

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 2

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.

FOURTH REPORT TO THE COURT OF GRANT THORNTON LIMITED IN ITS CAPACITY AS RECEIVER OF THE RESPONDENT DATED: APRIL , 2017

TAYLOR McCAFFREY LLP
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Client File No. 98665-1 DJAC

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INTRODUCTION AND PURPOSE OF THE FOURTH 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 Fourth Report ("**Fourth 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 Fourth 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 approving the Receiver's Second Report and the relief sought (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 Fourth Report of the Receiver.

4. The Receiver issued its Third Report ("**Third Report**") on August 5, 2016 which among other things sought an increase to the Receiver's borrowing limit. On August 17, 2016, the Honourable Mr. Justice Dewar issued an Order approving the Receiver's Third Report and the relief sought (the "**August 17, 2016 Order**"). A copy of the Third Report (without appendices) and the August 17, 2016 Order are attached as **Appendix "6" and "7"** to this Fourth Report of the Receiver.

5. The purpose of the Fourth Report is to outline the Receiver's activities and findings since the issuance of the Third Report to the stakeholders. At this juncture it is not the Receiver's intention to bring a motion to the Court until such time as further directions are required.

SCOPE AND TERMS OF REFERENCE

6. In preparing this Fourth 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 as well as information from the current property manager A.S.H Management Group Inc. ("**A.S.H**"). While the Receiver reviewed various documents 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.

7. Some of the information used in preparing this Fourth 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 Fourth Report did not constitute an audit of such information under GAAP or IFRS.

8. This Fourth 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 when this matter next comes on before it. Accordingly, the reader is cautioned that the Fourth 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 Fourth Report contrary to the provisions in this paragraph.

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

10. Copies of this Fourth 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

11. 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.

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

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

14. 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 McCaffrey LLP ("**Taylor**") acknowledging that CSFC's security is duly perfected and enforceable in accordance with its terms.

THE RECEIVER'S ACTIVITIES

15. Since the date of the Receiver's Third Report, the Receiver has completed the following:

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

b. Requested and received funding under the Amended Loan Agreement between the Receiver and CSFC dated August 4, 2016 (the "**Amended 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;

c. Filed statutory 246(2) notices as required by the BIA;

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

e. Prepared comparison reports of the monthly budget to actual results and provided the reports to CSFC and A.S.H.;

f. Provided advances to A.S.H. to engage Pinchin Environmental ("**Pinchin**") to supervise and oversee the mold remediation work to be done in the basements units to resolve the basement dampness and resulting mold growth issues (the "**Basement Dampness Issues**") as previously detailed in the Receiver's Third Report;

g. Worked with its legal counsel to settle 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;

h. Assessed with A.S.H. and CSFC the appropriate adjustments to make to the monthly rental rates to estimated market values which has resulted in 50 apartments that are being leased at the Property as of March 1, 2017, up from 28 leased as at the date of the Appointment Order;

i. Worked with and provided information relating to the property to Potential Purchasers who had signed a confidentiality agreement who had expressed an unsolicited interest in the Property with the objective of identifying a "Stocking Horse" bidder for a future sale process;

j. Worked with A.S.H., CSFC and two engineering firms to determine various possible solutions to correct the Basement Dampness Issue as detailed in the Receiver's Third Report and discussed further in this Fourth Report;

k. Worked with A.S.H. and CSFC to determine further improvements needed to the building to make the units more marketable for future tenants;

l. Requested A.S.H. to look into the zoning application that seeks approval to increase the number of rentable units from 80 to 88 units that expires in September 2017 and whether or not the existing application could be transferred or extended or if a new application needed to be filed which is discussed in more detail later in this report;

m. Amended the Second Amending Loan Agreement to amend the expiry date of the current loan agreement being December 31, 2016 to December 31, 2017; and

n. Posted information on the Receiver's website including the Receiver's Fourth Report.

MANAGEMENT and OPERATIONS OF 519 BURNELL

16. 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.

17. Since the Receiver's Third Report was issued, A.S.H. entered into a further nineteen leases up to March 1, 2017. A further reduction in the monthly rental rate or additional incentives will be contemplated if additional tenants are not found in due course for the other unleased units.

18. A.S.H. has been aggressively marketing the units and offering various incentives to potential tenants. As of March 1, 2017, the building had 50 rented units and the operations are almost at breakeven cash flow before debt service, capital expenditures and professional fees.

STATE OF 519 BURNELL

19. As discussed in the Third Report, A.S.H. rectified a number of issues that were identified as **Priority Expenditures** as defined and detailed in the Second Report.

20. As also reported in the Third Report, the Receiver learned that the basement walls and foundation were damp as a result of either the grading of the Property and/or the foundation's exterior seal. Dampness in the exterior wall had penetrated through to the interior walls in the basement resulting in significant mold growth in the walls and floors. All basement tenants were either relocated to the upper floors or vacated voluntarily.

21. As detailed in the Receiver's Third Report, Pinchin conducted a review of the basement interior and determined the extent of mold infestation, prepared a scope of work for the affected units including sealing off the basement, tendered the scope of work to various contractors and prepared a summary of their findings and quotations to remediate all the affected basement units.

22. After approval of the Receiver's Third Report and the increase to the Receiver's borrowing limit, the Receiver obtained an advance under the Amended Loan Agreement and approved A.S.H. engaging Pinchin to act as the general contractor for the basement units remediation work.

23. Pinchin completed the basement units work in or about October, 2016. However, when A.S.H. conducted an inspection in late January, 2017 it identified signs of moisture and early signs of reoccurring mold growth on the basement wall.

24. Pinchin re-visited the site on February 2, 2017 and reported as follows:

    a) there is new mold growth present in about 10 spots on the lower 6-8 inches of the hallway walls as well as spalling on the lower two feet of 60% of the hallway walls;

    b) there was no water dripping down the wall or pooled on the floor and the relative humidity was normal at 26.7 % and the temperature was 17.5 C;

    c) the basement is heated by radiant baseboard heaters therefore little to no air movement is present;

    d) the lack of insulation on areas of the exterior brick walls can cause thermal bridging and condensation to form. The lack of air movement doesn't allow the surface moisture to evaporate easily; and

    e) the moisture sits and collects on the surface of the walls causing the spalling and mold growth.

25. Pinchin recommended a long term solution which would improve ventilation and air movement in the redevelopment of the area. In the short term, Pinchin recommended (1) the areas where the mold is present be washed and scrubbed and (2) to place air movers in the basement hallways to aid with the existing lack of air movement.

26. The Receiver approved the $3,500.00 cost estimate to wash and scrub the walls and will proceed to obtain air movers to assist with temporary air movement in the basement until a permanent solution can be implemented.

INVESTIGATION INTO THE CAUSE OF BASEMENT DAMPNESS ISSUE

27. As indicated in the Third Report, A.S.H. had 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 Issue. Ultimately, Crosier was retained to provide a solution.

28. After Pinchin's remediation work was completed, Crosier was requested to re-attend to review the inside of the perimeter walls of the basement so that they could comment and confirm whether or not their initial findings of the foundation wall and corrective action to be taken was still applicable or not.

29. Crosier has reviewed the perimeter walls and stands by their initial findings and the course of action to correct the issue. Crosier's review did determine that the perimeter walls have been insulated with a spray foam, which will make the outside of the walls even colder and any water that enters the wall system will have a greater opportunity to freeze which Crozier indicated would accelerate the deterioration of the wall. Crosier has also indicated that the spray foam insulation should be removed but the cost should be covered in the contingency noted in their original quotation. A copy of Crozier's follow up recommendations are attached as **Appendix "8".**

30. The Receiver is still of the opinion that the estimated cost provided by Crosier contained in Confidential Appendix "2" in the Third Report should not be made public at this time as it could negatively impact a future tender process for the work, if required.

31. CSFC engaged its own engineer, Tetra Tech, to provide an assessment of the Basement Dampness Issue. It is Tetra Tech's assessment that the cause of the Basement Dampness Issue is improper grading of the ground around the building. Tetra Tech suggests that once the grading is corrected, the scope of work recommended by Crosier may not be necessary.

32. Superior Asphalt Paving Co. Ltd ("**SAPCL**") was engaged to correct the grading around the building in accordance with Tetra Tech's directions. A copy of the SAPCL quotation is attached as **Appendix "9"** and the work was completed in October, 2016.

33. The Receiver, A.S.H. and CSFC are waiting for spring when ground water levels should be at their highest to determine if the grading work has corrected the Basement Dampness Issue.

PRE-RECEIVERSHIP CITY OF WINNIPEG BY-LAW INFRACTION

34. As noted in the Third Report, 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 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. Following discussions between the Receiver's counsel and the Crown Prosecutor the fine for the original infraction was paid and any other charges contemplated waived.

JULY 2016 TO JUNE 2017 BUDGET and CURRENT FUNDING REQUIREMENTS

35. Although significant efforts have been made to rehabilitate the building, Burnell still does not generate sufficient cash flow to meet required expenditures and professional fees without the funding provided by CSFC to the Receiver.

36. A.S.H. continues to provide monthly reporting updates which include financial information such as income statements, bank reconciliations, tenant receivables, rent rolls, accounts payable, accrual reports and status report of various aspects of the Property's operations which helps enable the Receiver to ascertain ongoing funding requirements.

37. A redacted and unredacted July 2016 to June 2017 Recasted Budget was included in the Third Report as Appendix "7" and Confidential Appendix "3" that indicated 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 ("**Recast Budget**").

38. Based upon the Recast Budget, this Court approved the increase in the Receiver's borrowing limit to $1,208,800.00 by Order signed August 17, 2016 and approved the Amended Loan Agreement dated August 8, 2016 between CSFC and the Receiver.

39. On or about December 23, 2016 CSFC and the Receiver agreed to extend the expiry date on the existing credit facilities to December 31, 2017. Attached as **Appendix "10"** is a true copy of the Second Loan Amending Agreement.

40. To date, the Receiver has requested and received five advances from CSFC totaling $848,000. There remains $ 360,000 of borrowing limit available to the Receiver. Given there are currently no significant expenditures planned, a further increase in the borrowing limit is not required at this time.

SALES PROCESS - EXPRESSIONS OF INTEREST

41. As indicated in the Third Report, a sales process was not being contemplated until certain milestones for the property were achieved. Some of those milestones have been completed which are;

    a) completion of the Priority Expenditures work; and

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

42. Some of the milestones for the property that are still ongoing include;

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

    b) potentially completing the work on the basement units that were remediated for mold in addition to those units that are subject to zoning and occupancy permit requirements that are incomplete.

43. In or about August 19, 2016 unsolicited expressions of interest in the property were received from two different parties (the "**Potential Purchasers**").

44. A.S.H. conduct site tours with each of the Potential Purchasers. The Receiver also provided financial information relating to the operations of the property along with such other information received on mold remediation, the Crozier report on the Dampness Issue, unit sizes and layouts and environmental reports.

45. Both Potential Purchasers declined to make an offer after they completed their due diligence.

46. The Receiver is of the view that it would be premature to conduct a formal, widely marketed sales process at this time.

47. Once the Receiver has determined the effectiveness of the grading work completed last fall on the basement dampness issue it can determine what additional steps, if any, must be taken and then reassess whether the property is ready to be marketed.

ADDITIONAL APPRAISAL OF THE PROPERTY

48. The Receiver was advised that CSFC was intending to engage an appraiser so they could obtain their own appraisal for the property. CSFC advised the Receiver that they were having problems finding an appraiser that did not have any conflicts.

49. In or about October 5, 2016 the Receiver became aware of the existence of an appraisal for the property which had not been revealed in 544's records. While CSFC was endeavoring to obtain its own independent appraisal, it was advised by Stevenson Advisors ("**Stevenson**") that it had previously conducted an appraisal for 544 in 2015. Based upon this information the Receiver contacted Stevenson and arrangements were made to provide it with a copy of the Stevenson Appraisal dated February 5, 2013 ("Stevenson Report"). The Receiver's intention is to file a copy of this appraisal with the Court but not until such time as it has first obtained a Sealing Order as public disclosure thereof could be prejudicial to a sales process. On an interim basis, the Receiver is prepared to provide a copy of the Stevenson Report to stakeholders who are prepared to sign an appropriate undertaking confirming that they will maintain the confidentiality as if such Sealing Order is in place and make no disclosure thereof pending further order of the court.

ZONING APPLICATION STATUS AND COMPLETION OF WORK

50. As disclosed in the Second and Third Reports, only 14 of the 22 basement units could be occupied until the outstanding Occupation Permit issue with the City is resolved. Resolution of this issue is contingent on re-zoning the property for R2-Residential Two-Family District to a RMF-L Residential Multi-Family Large District as well as completing building code deficiencies. Although the City approved the re-zoning it was contingent upon satisfaction of various conditions on or before September, 2017.

51. At the Receiver's request A.S.H. made the following inquiries to the City of Winnipeg:

    a) Can the zoning application expiry date be extended?

    b) Is the zoning application (which is currently registered to Stratfield Homes) transferable to the Receiver or a Potential Purchaser?

52. The City of Winnipeg advised that the expiry date cannot be extended. The current application cannot be transferred to another person or entity. The City further indicated that once the current application expires, an entirely new application must be filed and the usual approval process completed before the Occupation Permit can be granted.

53. CSFC and the Receiver are aware that there will be added costs to incur to resubmit a new zoning application if the work required under the current approved zoning application is not completed by the expiry date. However, until such time as the Basement Dampness Issue is corrected, the balance of the work required to complete the zoning application cannot be undertaken.

RECEIPTS AND DISBURSEMENTS OF THE RECEIVERSHIP

54. Attached as Appendix "11" is the Receiver's Interim Statement of Receipts and Disbursements for the period October 27, 2015 to February 28, 2017.

55. Attached as Appendix "12" is A.S.H.'s Interim Statement of Receipts and Disbursements for the period December 17, 2015 to February 28, 2017.

56. The Receiver notes that there are five Receiver Certificates issued to CSFC for a total of $848,000.00 to cover the initial and ongoing operational expenses and priority repairs required at the property. As at February 28, 2017, the Receiver held $107,814.30 in its bank accounts and A.S.H. held $5,216.30.

RECEIVER'S FEES AND DISBURSEMENTS

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

58. The Receiver seeks to have its fees and disbursements, including those of its legal counsel, approved by the Court at the next hearing of this matter. The Receiver and its counsel have maintained detailed records of their professional time and costs.

59. Total fees, disbursements and applicable taxes of the Receiver for services provided from August 1, 2016 through to February 28, 2017 totals $52,235.67. Attached as Appendix "13" are true copies of the Receiver's statements of account including the detailed time and disbursement records.

60. 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 August 1, 2016 through to February 28, 2017 is $19,675.55. Attached as Appendix "14" hereto are true copies of the statements of account rendered by Taylor which include the detailed time and disbursement breakdown.

61. 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 28, 2017. The Receiver recommends approval of both its own and Taylor's accounts by this Honourable Court at the next hearing of this matter.

CONCLUSION

62. The Receiver believes it is an appropriate time to report to the Court on its activities since the Third Report and will in due course bring a motion for approval for its activities to date. CSFC has been consulted and supports the recommendations of the Receiver as set out herein.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this day of April, 2017.

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, LIT
Senior Vice-President

APPENDIX 3

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.

FIFTH REPORT TO THE COURT OF GRANT THORNTON LIMITED
IN ITS CAPACITY AS RECEIVER OF THE RESPONDENT
DATED: MARCH XX, 2018

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Winnipeg, Manitoba, R3C 4K5

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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:

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Applicant,

- and -

5448124 MANITOBA LTD.,

Respondent.

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Appendix 2	Redacted 2018 Budget
Appendix 3	Third Loan Amending Agreement dated November 28, 2017
Appendix 4	City of Winnipeg – Board of Revision Order dated January 22, 2018
Appendix 5	City of Winnipeg – Order Work Without Permit dated April 12, 2017
Appendix 6	May 31/June 1, 2017 Basement Site Meeting Notes and Requirements
Appendix 7	Hedman June 19, 2017, Basement Demolition Quote
Appendix 8	Final Building Occupancy Permit dated January 9, 2018
Appendix 9	Receiver's Interim Statement of Receipts and Disbursements for the period October 16, 2015 to December 31, 2017
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INTRODUCTION AND PURPOSE OF THE FIFTH REPORT

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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").

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 approving the Receiver's Second Report and the relief sought (the "April 8, 2016 Order").

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5. The Receiver issued its Fourth Report ("Fourth Report") on April 13, 2017 to update the Court on the Receiver's activities and findings since the issuance of the Third Report. A copy of the Fourth Report (without appendices) is attached as Appendix "1" to this Fifth Report of the Receiver ("Fifth Report").

6. The purpose of the Fifth Report is to outline the Receiver's activities and findings since the issuance of the Fourth Report. At this juncture it is not the Receiver's intention to bring a motion to the Court until such time as further directions are required.

SCOPE AND TERMS OF REFERENCE

7. In preparing this Fifth 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 as well as information from the current property manager A.S.H Management Group Inc. ("A.S.H"). While the Receiver reviewed various documents 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.

8. Some of the information used in preparing this Fifth 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 Fifth Report did not constitute an audit of such information nor its compliance with GAAP or IFRS.

9. This Fifth 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 when this matter next comes on before it. Accordingly, the reader is cautioned that the Fifth 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 Fifth Report contrary to the provisions in this paragraph.

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

11. Copies of this Fifth Report, the previous reports and all Orders issued in these proceedings are available on the Receiver's website at:

https://www.grantthornton.ca/en/service/advisory/creditor-updates/#5448124-Manitoba-Ltd

PARTIES

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

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

15. 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 McCaffrey LLP ("Taylor") acknowledging that CSFC's security is duly perfected and enforceable in accordance with its terms.

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16. Since the date of the Receiver's Fourth Report, the Receiver has completed the following:

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

    b. Requested and received funding under the Amended Loan Agreement between the Receiver and CSFC dated August 4, 2016 (the "Amended 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;

    c. Filed statutory 246(2) notices as required by the BIA;

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

    e. Worked with A.S.H. to engage a consultant to file a property tax assessment appeal for the property;

    f. Working with A.S.H and CSFC to decide the best course of action relating to resolve the zoning and variance application that conditionally increase the number of units in the building from 80 to 88 and providing funding for same to A.S.H. to engage contractors to supervise and oversee the work to be done;

    g. Assessed with A.S.H. and CSFC the appropriate adjustments to make to the monthly rental rates to estimated market values which has resulted in 63 of the 66 apartments that are available for lease being leased at the Property as of December 31, 2017, up from 28 leased as at the date of the Appointment Order;

    h. Worked with A.S.H., CSFC and various contractors to determine additional measures to enhance the existing corrective measures taken to date to correct the Basement Dampness Issue as detailed in the Receiver's Fourth Report and discussed further in this Fifth Report;

    i. Worked with A.S.H. and CSFC to determine further improvements needed to the building to make the units more marketable for future tenants;

    j. Amend the expiry date of the current loan agreement to December 31, 2018;

k. Posted information on the Receiver's website including the Receiver's Fifth Report; and

l. Working with A.S.H. to obtain pricing to complete the basement units buildout and installation of a proper ventilation and air recirculation system for the basements units and seeking authorization from CSFC to provide funding, as required for same.

MANAGEMENT AND OPERATIONS OF 519 BURNELL

17. As disclosed in the Receiver's First 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. Due to the Receiver's and A.S.H.'s efforts the Fourth Report was able to disclose that 50 of the 66 rentable units had been leased by March 1, 2017.

18. Since the Receiver's Fourth Report was issued, a further 13 units have been leased as of December 31, 2017 making the Property at nearly full occupancy for the units that are currently available for occupancy. Rental incentives have been discontinued and increases to monthly rental rates are being implemented where appropriate.

STATE OF 519 BURNELL/BASEMENT DAMPNESS ISSUE UPDATE

19. As discussed in the Third Report, the Receiver learned that the basement walls and foundation were damp as a result of either the grading of the Property and/or the foundation's exterior seal. As a result all basement units could not be occupied and their tenants had to be relocated.

20. As detailed in the Receiver's Third Report, Pinchin conducted a review of the basement interior and determined the extent of mold infestation, prepared a scope of work for the affected units including sealing off the basement, tendered the scope of work to various contractors and prepared a summary of their findings and quotations to remediate all the affected basement units.

21. As set out in the Fourth Report:

a) Pinchin was engaged as the general contractor for the basement unit remediation work. This work was completed October, 2016; and

b) Superior Asphalt Paving Co. Ltd ("SAPCL") was engaged to correct the grading around the building and the work was completed in October, 2016.

22. As further discussed in the Fourth Report, A.S.H.'s inspection of the basement in late January, 2017 identified moisture and early signs of reoccurring mold growth on the basement wall.

23. The Basement Dampness Issue was investigated again by Pinchin. Following its on-site inspection on February 2, 2017 Pinchin concluded the moisture and mold was the result of poor air movement and condensation caused by the lack of insulation on the exterior walls.

24. After the Spring thaw in 2017 it was apparent that the grading work carried out by SAPCL had significantly improved the dampness issue.

25. The Receiver, A.S.H. and CSFC canvassed what other improvements would divert water from the building and determined that the following work in the courtyard would be appropriate:

    a) Excavate 2 drainage trenches, each east to west, centrally located running parallel to left and right of the main center footpath, gradual slope at approximately 2% gradient, terminating at street frontage of property courtyard; and

    b) Re-grade area after lining and filling trenches with appropriate materials to support proper drainage.

    SAPCL was engaged and this work was completed in October, 2017.

26. There have been no further instances of water leakage or mold growing in the basement since SAPCL and Pinchin completed the work detailed above.

FINANCIAL HIGHLIGHTS SUMMARY

27. The chart below highlights the improvements in revenue generated between 2016 and 2017 and the reductions in operating expense resulting in a net improvement to cash flow of $ 526,960. Revenues are anticipated to increase further in the latter half of 2018 once the renovations are completed in the basement units and they become available for rent.

5448124 Manitoba Ltd
Comparative Financial Highlights
For the 12 months Ended December 31, 2016 and 2017

	2016	2017	Change ($)
Total Revenue	346,272	572,399	226,127
Utilities	119,451	80,233	(39,218)
General & Administration	319,775	228,682	(91,093)
Repair & Maintenance	293,728	70,994	(222,734)
Total Operating Expenses	732,954	379,909	(353,045)
Capital Expenditures	179,876	232,088	52,212
Net Cashflow (Deficiency) for the Period	**$ (566,558)**	**$ (39,598)**	**$ 526,960**

2018 BUDGET AND CURRENT FUNDING REQUIREMENTS

28. Significant efforts have been made to rehabilitate the building, and Burnell is now generating sufficient cash flow to meet required normal operational expenditures and professional fees. Some funding from CSFC is still required to address the capital expenditure costs for the basement units and HVAC system that will be required to bring the units to a "rent-ready" state. This will be discussed in more detail later in this report.

29. A.S.H. continues to provide monthly reporting updates which include financial information such as income statements, bank reconciliations, tenant receivables, rent rolls, accounts payable, accrual reports and status report of various aspects of the Property's operations which helps enable the Receiver to ascertain ongoing funding requirements.

30. The 2018 Budget (the "2018 Budget") prepared provides the operating cash requirements for the property including the estimated costs of the Receiver and its

counsel for the period ending December 31, 2018. The 2018 Budget was developed by the Receiver from information provided by A.S.H. The Receiver has attached as Appendix 2 a redacted version of the 2018 Budget which provide the operational funding requirements but redacts the estimated costs related to the HVAC and basement buildout work until such time as the work is awarded and completed. Once the work has been awarded and completed an unredacted copy of the budget will be circulated. In the event that a stakeholder requires the unredacted information the Receiver is prepared to provide a copy once the stakeholder signs an appropriate undertaking confirming that it will maintain confidentiality as if a Sealing Order is in place and make no disclosure thereof pending further Order of this Court.

31. On November 28, 2017, CSFC and the Receiver agreed to extend the expiry date on the existing credit facilities to December 31, 2018. Attached as Appendix "3" is a true copy of the Third Loan Amending Agreement confirming same.

32. To date, the Receiver has requested and received seven advances from CSFC totaling $1,036,702.61. The additional advances made since the Fourth Report were required to support ongoing operational expenditures, fund the work required to address the Basement Dampness Issue and the Zoning and Variance Applications that had been commenced prior to the Receivership. There remains $ 172,097.39 of borrowing limit available to the Receiver.

33. The expenditures planned for 2018 are not anticipated to require a further increase in the borrowing limit.

SALES PROCESS - EXPRESSIONS OF INTEREST

34. As indicated in the Fourth Report, a sales process was not being contemplated until certain milestones for the property were achieved. Although most of these milestones have been completed it is the Receiver's recommendation that it is still premature to conduct a formal widely marketed sales process until the work to complete the basement (as detailed below) has been completed. The Receiver has reviewed this approach with CSFC who is in agreement with same.

ADDITIONAL APPRAISAL OF THE PROPERTY

35. CSFC has engaged an appraiser to conduct its own appraisal of the Property. The Receiver and A.S.H. have fully cooperated with CSFC's appraiser's information and access requests.

PROPERTY TAX ASSESSMENT APPEAL

36. On June 12, 2017, A.S.H. advised the Receiver that the City of Winnipeg's proposed tax assessment for Burnell proposed a value of $ 3,723,000 to be used for the property for 2017 and 2018.

37. Based upon the recommendations of A.S.H. and Stevenson Advisors ("Stevenson") a Property Tax Appeal was filed on June 26, 2017.39. On January 29, 2018, Stevenson advised the Receiver that the City of Winnipeg, Board of Revision ("BOR") met on January 18, 2018 and accepted Stevenson's valuation of the property of $2,926,000. A copy of the BOR Order is attached as Appendix "4".

ZONING APPLICATION STATUS AND COMPLETION OF WORK

38. As disclosed in the Second, Third and Fourth Reports, only 14 of the 22 basement units could be occupied until the outstanding Occupation Permit issue with the City was resolved. Resolution of this issue was contingent on re-zoning the property for R2-Residential Two-Family District to a RMF-L Residential Multi-Family Large District as well as completing various building code deficiencies. Although the City approved this re-zoning it was contingent upon satisfaction of various conditions on or before September, 2017 which the Receiver was endeavouring to address with A.S.H.'s assistance.

39. However, on May 11, 2017, A.S.H. received notice of a fine for $ 1,015 issued from the City of Winnipeg due to an "Order Work Without Permit" dated April 12, 2017, a copy of which is attached hereto as Appendix 5. The Order was in respect of a By-law Violation Notice which had originally been issued on October 11, 2016 (the "October 11 Violation"). The City had sent the October 11 Violation to 544's corporate office instead of A.S.H. or the Receiver.

40. Receipt of the October 11 Violation prompted the Receiver to make further inquiries with the City to ascertain the reason for the notice. When initial inquiries through A.S.H. did not provide the necessary answer Taylor conducted its own investigations.

41. On May 23, 2017, Taylor reported that the Company's rezoning and subdivision efforts and the temporary Variance Order granted in 2015 did not authorize 544 to construct the additional 8 basement units. The September 2015 approval was a conditional approval; these conditions (payment of fees, and the plan of subdivision and by-law referred above being completed and registered) had to be satisfied before a building permit to construct the additional units would be issued. Given 544's construction of these units prior to the Receivership without a building permit, this was a clear violation.

42. The City of Winnipeg advised Taylor that the Receiver had until July 11, 2017 to rectify the violation otherwise the Property's Occupancy Permit would be annulled. The options available to the Receiver were to either:

    a) remove all of the 8 units. The time to complete this work is within the original 30 day period set out in the City's Order Work Without Permit. Counsel advised that if the removal and restoration work is being undertaken, the City would likely not take further steps under the Order. Once the removal and restoration work is completed, the City would need to re-inspect the premises to confirm compliance with the existing R2 zoning ("Option 1"); or

    b) complete the rezoning and subdivision process, following which a building permit could be applied for to allow the work to complete the 8 suites. This would require fees to be paid (in 2015 the amount was approximately $9,000) and a surveyor engaged to prepare the plan of subdivision. Once prepared, the plan would need to be approved at the land titles office, which can take at least 8 weeks, and all other work was required to be completed by September 2017 ("Option 2").

43. The Receiver, with CSFC's input, weighed the different factors in determining which option was commercially reasonable. On May 25, 2017, the Receiver concluded that it was best to proceed with Option 1 given that:

    a) it could be completed within the timelines required;

    b) the costs involved were less than the costs required with Option 2 and therefore did not require an increase to the borrowing limit; and

    c) did not impact the ongoing work being done to resolve the Basement Dampness Issue.

    CSFC concurred with the Receiver's decision.

44. The Receiver advised A.S.H. to immediately contact several contractors and expedite obtaining pricing for Option 1 and their availability to complete the demolition work.

45. A.S.H. contacted several contractors to determine availability and Hedman Construction Ltd. ("Hedman") advised they could commence the work immediately. On May 31, 2017, a site meeting was arranged with A.S.H., Hedman and a City of Winnipeg building inspector (the "Inspector") to identify the eight units to be removed and any other associated work that was required. Hedman provided A.S.H. a memo summarizing the May 31 site meeting. On June 1, 2017, the Inspector, in an email, provided A.S.H. and Hedman specific details on the units to be removed and other work to be completed. Hedman was requested to

expedite the cost to complete this work. A copy of the May 31 Hedman memo and June 1 Inspector's email are attached as Appendix **"6"**.

46. On June 19, 2017, Hedman provided their quotation to perform the work required as specified by the Inspector which was for $ 76,511+GST. A copy of the Hedman quotation is attached as Appendix **"7"**.

47. Following consultation with CSFC the Receiver approved the Hedman quotation and instructed it to proceed with the work at the earliest opportunity.

48. Hedman began the demolition work of the eight basement units on August 2, 2017 and the work was completed on or about October 1, 2017. On completion of the demolition work, A.S.H. and Hedman requested issuance of the permanent Occupancy Permit.

49. On October 20, 2017, the Inspector advised that as he was finalizing the paperwork to issue the final Occupancy Permit, but noted he was waiting on the final electrical inspection report and as a result could not issue the final Occupancy Permit. On October 23, 2017, A.S.H. was advised by Hedman that the final electrical inspection permit related to the demolition of the eight units had passed and the final Occupancy Permit was expected imminently.

50. However, on October 31, 2017, a new problem arose. The City advised Hedman that the electrical permits that had been issued back in 2012 and 2015 (the "2012 and 2015 Permits") had not received final electrical and inspection reports.

51. While A.S.H. and Hedman were working to close out the 2012 and 2015 Permits, the Inspector issued the building an Interim Occupancy Permit.

52. On January 9, 2018, the final Occupancy Permit was issued. A copy of which is attached hereto as Appendix **"8"**.

BASEMENT UNITS BUILDOUT AND BASEMENT VENTILATION INSTALLATION

53. Upon the building obtaining the final Occupancy Permit on January 9, 2018, the Receiver requested A.S.H. to discuss with Pinchin and another HVAC contractor what was necessary to finalize the basement ventilation system design and costs. A.S.H also obtained a quotation to finish off the work in the remaining basement units to bring them to a rent-ready state. Although the proposed work will not require an increase in the Receiver's existing borrowing limit the Receiver has reviewed the situation with CSFC who agrees the work should proceed. Hedman is currently making application for the required Building Permit from the City of Winnipeg before proceeding with the work.

RECEIPTS AND DISBURSEMENTS OF THE RECEIVERSHIP

54. Attached as Appendix "9" is the Receiver's Interim Statement of Receipts and Disbursements for the period October 27, 2015 to December 31, 2017.

55. Attached as Appendix "10" is A.S.H.'s Interim Statement of Receipts and Disbursements for the period December 17, 2015 to December 31, 2017.

56. The Receiver notes that there are seven Receiver Certificates issued to CSFC for a total of $1,036,702.61 to cover the initial and ongoing operational expenses and priority repairs required at the property. As at December 31, 2017, the Receiver held $107,828.84 in its bank accounts and A.S.H. held $148,427.53.

RECEIVER'S FEES AND DISBURSEMENTS

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

58. The Receiver seeks to have its fees and disbursements, including those of its legal counsel, approved by the Court at the next hearing of this matter. The Receiver and its counsel have maintained detailed records of their professional time and costs.

59. Total fees, disbursements and applicable taxes of the Receiver for services provided from March 1, 2017 through to December 31, 2017 totals $37,411.26. Attached as Appendix "11" are true copies of the Receiver's statements of account including the detailed time and disbursement records.

60. 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 March 1, 2017 through to December 31, 2017 is $12,102.12. Attached as Appendix "12" hereto are true copies of the statements of account rendered by Taylor which include the detailed time and disbursement breakdown.

61. 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 December 31, 2017. The Receiver recommends approval of both its own and Taylor's accounts by this Honourable Court at the next hearing of this matter.

CONCLUSION

62. The Receiver believes it is an appropriate time to report to the Court on its activities since the Fourth Report. The next time the Receiver brings this matter on before the Court it will seek approval for the activities summarized in this Report. CSFC has been consulted and supports the recommendations of the Receiver as set out herein.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this day of March, 2018.

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, LIT
Senior Vice-President

APPENDIX 4

THIS FOURTH LOAN AMENDING AGREEMENT made this 30th day of November, 2018, 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 "**Original Loan Agreement**") as amended by a certain Loan Amending Agreement dated the 4th day of August, 2016 (the "**Loan Amending Agreement**") and a certain Second Loan Amending Agreement dated the 23rd day of December, 2016 and a certain Third Loan Amending Agreement dated the 28th day of November, 2018 (collectively, with the Original Loan Agreement and the Loan Amending Agreement, the "**Loan Agreement**");

AND WHEREAS the Borrower and the Lender have agreed to amend the Loan Agreement to extend the Maturity Date as more particularly set out herein;

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 Maturity Date

The Borrower and the Lender hereby agree that the Loan Agreement is amended as follows:

> the "*December 31, 2016*" date contained in Section 2.04(a) of the Original Loan Agreement, as subsequently replaced with December 31, 2017 and then with December 31, 2018, is hereby replaced with "*December 31, 2019*".

2.02 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 Fourth 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	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		MLT Aikins LLP 30th Floor - 360 Main Street | Winnipeg, MB R3C 4G1 T+ 1.204.957.4663 F+ 204.957.4285 Attention: J.J. Burnell jburnell@mltaikins.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 Fourth 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 Fourth 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.

3.07 Applicable Law

This Fourth 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 Fourth 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 Fourth Loan Amending Agreement respecting non-assignability by the Borrower, this Fourth 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 Fourth 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 Fourth Loan Amending Agreement by signing any counterpart of it. This Fourth 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 Fourth 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 capacitv

Per: ______________________
Michael G. Creber
Senior Vice President

Per: ______________________

CAMERON STEPHENS FINANCIAL CORPORATION

Per: ______________________

Per: ______________________

IN WITNESS WHEREOF the parties hereto have duly executed this Fourth 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: ____________________

Per: ____________________

APPENDIX 5

HEDMAN

CONSTRUCTION LTD.

February 20, 2018

ASH Management Inc.
233 Portage Avenue, Suite 100
Winnipeg, MB

Attention: Grant Stevenson

Dear Grant:

Re: 519 Burnell

Here is a pricing summary of where we're at on 519 Burnell at present:

1.	Rebuild 14 suites as per October 23rd pricing.	$	126,391.00
2.	HVAC pricing based on Pinchin design as per February 5th quote.	$	76,624.90
	(14) Non-ducted range hoods	$	3,430.00
	(14) Fresh air transfers for bedrooms	$	7,438.00
	Drywall bulkheads to conceal ductwork	$	18,480.00
3.	Missing items and appliances as per attached.	$	29,072.00
	Grand Total Feb. 20, 2018	**$**	**261,435.90**
			+ G.S.T.

Not Included:

- Engineering fees.
- Any work in public corridors except as required for new HVAC system.

Please call me if you have any questions or comments. Thanks.

Yours truly,
HEDMAN CONSTRUCTION LTD.

David Hedman
President

DH/lml

557 Marion Street, Winnipeg, MB R2J 0J9 204-284-0277 PHONE 204-477-9088 FAX admin@hedmanconst.com E-MAIL
www.hedmanconst.com

HEDMAN
CONSTRUCTION LTD.

February 20, 2018

519 BURNELL
REPLACE MISSING ITEMS IN 14 SUITES

1.	Kitchen uppers and lowers	(1) 6'		1,700.00
		(1) 2'-5"		675.00
		(1) 7'-5"		2,100.00
		(2) 5'-6"		3,050.00
	Lowers only	(1) 6'		1,250.00
	Counter top only	(1) 5'-6"		300.00
	Drawers, door, covers, etc.			400.00
	New rated suite door			300.00
2.	New appliances (Coast)			16,654.00
				26,429.00
			Fee 10%	2,643.00
			TOTAL	**$29,072.00**
				+ G.S.T.

557 Marion Street, Winnipeg, MB R2J 0J9 204-284-0277 PHONE 204-477-9088 FAX admin@hedmanconst.com E-MAIL
www.hedmanconst.com

COAST APPLIANCES
Brands You Want, Expertise You Need

QUOTE

Invoice #	O00011473
Date	Page
2/16/2018	Page 1 of 2
Ref #	PO #
Date Printed	Time Printed
Feb 16, 2018	12:07 pm

#3 - 1421 St James Street
Winnipeg, MB R3H 0Y9
PHONE: (204) 786-8811
FAX: (204) 775-4618
SERVICE TOLL FREE:

Visit our website at WWW.COASTAPPLIANCES.COM

GST# 81398 6668

Bill To:
HEDMAN CONSTRUCTION LTD
557 MARION ST
WINNIPEG, MB R3H0Y9

Ship To: ER509
HEDMAN CONSTRUCTION LTD
519 BURNELL
WINNIPEG, MB R3H0Y9
(204) 479-3146

Customer #	Ship Via	Payment Type	Salesperson	Schedule Date
ER509	RSR Transport	COD	Dean Laycock	Apr 27, 2018

QTY	MODEL / ITEM #	DESCRIPTION	LIST PRICE	YOUR PRICE	TOTAL
14	SYFF123C1W	12.3 CUFT TOP MOUNT FRIDGE R/H WHITE	599.00	515.00	7,210.00
14	SER241WC	24 INCH FREESTANDING ELECTRIC RANG	619.00	555.00	7,770.00
1		Package Freight Allowance		476.00	476.00
29					

16 654.40 + GST)

APPLIANCE PROTECTION PLAN ☐ YES ☐ NO REMOVAL OF OLD UNITS ☐ YES ☐ NO

* All authorized returned products will be subject to a 30 % restocking charge.
* Orders must be paid in full upon scheduling delivery.
* Please inspect product condition immediately for physical defects shipping damage.
* We offer no other implied warranty, return or exchange policy.
* Appliance being hauled away must be disconnected and uninstalled prior to delivery
* New appliances are warranted by the manufacturer only, unless an extended service plan is purchased.

SUB TOTAL	15,456.00
ECO LEVY	0.00
MBP	1,198.40
GST	772.80
TOTAL	17,427.20
PAYMENT	0.00
BALANCE	17,427.20

NOW 16 LOCATIONS TO SERVE YOU

Canadian Home Builders' Association

APPENDIX 6

FOUNDATIONS

&

RENOVATIONS

"we do it all"

waterproofing

structural repairs

drainage systems

sump pits including the patented Saber Sump Pit

flood protection systems

concrete flatwork

underpinning and piling

leveling

Name: David Heman
Email: davidh@hedmanconst.com
Address: 519 Burnell St
Phone: 204-479-3146

Date: July 12, 2018

Project #: Ron McDuffe

Saber Industries will supply all labour, materials and equipment to perform work as discussed below. Any additional work carried out but not written below will be charged for. All debris resulting from work carried out by Saber Industries will be removed. Contractor will carry minimum FIVE MILLION DOLLARS public liability insurance.

Excavation Permit #E0685 Use of Street Permit #H13813 Workers Compensation #113235

Saber Industries Inc. is not responsible for trees or shrubs in area of repair.
GUARANTEE APPLIES TO WORK IN AREA OF REPAIR ONLY

Description of work and material

- 4 sump pits, 5 feet deep at $4,000.00 each.
- Tile lines to sump pit from light wells $110.00 per foot.

NOTE: Saber to supply sump pits and new sump pumps.

NOTE: Saber is not supplying electrical and plumbing.

Labour, Material: $ 16,000.00 GST: $800.00 Total: $16,800.00

Saber is proud to be COR certified.

Terms: Payment Due Upon Completion of Contract, *24% per annum charged on overdue accounts. Saber accepts cheque, cash, Visa or MasterCard (If paying by credit card, anything over $500.00 has to be pre-approved by the office before project begins). Any contracts $10,000.00 or more will require a 15% deposit. (Depending on contract, progress payments may be required).*

NOTE: ***Please email saberind@mts.net if you would like to confirm project.***

18 Datomar Rd.
Headingley MB R4H 0A1 P:204.633.4750
F:204.633.4749
saberind@mts.net

APPENDIX 7

Winnipeg

BUILDING OCCUPANCY PERMIT

Planning, Property and Development Department
Service de l'urbanisme, des biens et de l'aménagement
4th Floor, 65 Garry Street • 65, rue Garry, quatrième étage
Winnipeg • Manitoba R3C 4K4

This permit issued pursuant to Winnipeg Building By-law No. 4555/87, and amendments thereto, confirms that the following use(s) and tenant(s) is/are allowed on the premises described herein:

519 BURNELL ST LOWER LEVEL
DWELLING, MULTI-FAMILY
REPAIR
"LANDLORD WORK"
OCCUPANCY CLASS: C (DIV 1, 4304/86)

Building Occupancy Permit No.
171185/2018
Re: Building Permit No.
110778/2018

October 15, 2018
Date

Deyan Momtchilov for
Manager of Development and Inspections

This permit to be posted in a prominent position in the entrance of the building/unit and must not be removed except upon the authority of the Manager of Development and Inspections.

APPENDIX 8

Grant Thornton
An instinct for growth™

Grant Thornton LLP
11th Floor
200 King Street West, Box 11
Toronto, ON
M5H 3T4

T +1 416 366 0100
F +1 416 360 4949

[Broker]

[Address]

Via Email: [email]

March 27, 2019

Dear [**Broker**]

RE: Invitation to submit a marketing and sale proposal for 519 Burnell St, Winnipeg, MB

Grant Thornton Limited ("**GTL**") was appointed as receiver and manager (in such capacities, the "**Receiver**"), without security, of all 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, on October 16, 2015.

The Receiver is seeking submissions to market and sell certain property of the Debtor, being 519 Burnell Street, Winnipeg, MB, R3G 2B3 (the "**Property**").

The Property is a multi-tenant residential apartment building comprised of 80 apartments. Please see enclosed as '**Appendix A'**, further details pertaining to the Property.

The Receiver intends to engage a broker to list the Property for sale in a court-approved sales process (the "**Sales Process**"). Prospective brokers wishing to submit a marketing and sale proposal for the Property must make its submission by April 10, 2019 to the Receiver. Proposals should include, but not limited to, the items noted below:

- The realtor's experience and accolades;
- Their firm's experience and accolades;
- Sales made within the last 24 months similar to the Property;
- An overview on the current market with reference to properties similar to the Property;
- Whether the realtor recommends any minor 'cosmetic' works be completed to the Property to ready it for sale;
- The realtor's proposed listing price and estimated sale price of the Property;
- The realtor's proposed commission;

- A marketing plan and budget, complete with a marketing timeline and list of mediums / channels the realtor proposes to market the Property;
- Whether the realtor would recommend a joint listing with another realtor to leverage each other's reach (i.e. a regional, national or international realtor);
- Recommended method of sale (i.e. EOI, Auction, etc.);
- The recommended target market for the Property;
- Any anticipated transaction conditions, covenants and warranties; and
- All material aspects of a proposed listing agreement (preferably a draft listing agreement would be provided).

The Receiver can provide additional information on the Property upon the return of a fully executed Confidentiality Agreement as provided in '**Appendix B**'.

Should you have any questions, please contact Aaron Previte via e-mail at Aaron.Previte@ca.gt.com or via telephone at (416) 607-4566.

Yours sincerely

GRANT THORNTON LIMITED

Solely in its capacity as Receiver of 5448124 Manitoba Ltd,
and not in its personal or corporate capacity

Appendix A – Property Summary

519 Burnell Street, Winnipeg, MB, R3G 2B3

The Property is a multi-tenant residential apartment building comprised of 80 apartments. Recently, 14 lower-level apartments were renovated and refurbished. On October 15, 2018, the City issued a Final Occupancy Permit in respect to these completed works. The 14 lower-level apartments are available to tenant. The Property contains a rental office and apartment for the onsite caretaker and manager.

Building Facts:

SITE DESCRIPTION	
Legal Description	Plan 775, Block 3, Lots 42-47 and Plan 33661, Lot 28
Site Area	approximately 28,052 sq. ft.
Year of Construction	approximately 1913
Number of Floors	3-1/2 storey walk up apartment building
Building Description	Masonry and wood construction
Physical Characteristics	Apartments ranging in size of approximately 650 to 900 sq. ft., for 1 and 2 bedroom apartments
Gross Building Area	approximately 51,124 sq. ft. + lower level
Property Taxes Assessable Value (2018 / 2019)	$2,926,000 Roll number: 13030432100

Confidentiality Agreement

Grant Thornton Limited
in its capacity as the Court-appointed Receiver and Manager (the "Receiver"), without security, of all 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.
11th Floor,
200 King Street West, Box 11
Toronto, ON M5H 3T4

E-Mail: Aaron.Previte@ca.gt.com

Attention: Aaron Previte

Dear Sir:

Re: Confidentiality Agreement

The Receiver is seeking submissions to market and sell certain property of the Debtor, being 519 Burnell Street, Winnipeg, MB, R3G 2B3 (the "**Property**"). In this regard, we have requested that you provide us with certain information and documentation relating to the Property so that we may consider same, for the purpose of submitting a marketing and sale proposal complete with all details requested ("**proposal**"), as per your letter dated March 29, 2019. Any information or documentation received by us from the Receiver and/or A.S.H. Management Group Inc. in its capacity as the property manager (the "**Property Manager**"), including without limitation:

- any information, oral or written, which may be provided to us during the course of preparing our proposal to market and sell the Property, whether provided by the Receiver or the Property Manager or their agents or representatives;

- all analyses, notes, summaries, compilations, data, forecasts, studies or other documentation prepared by us or our representatives containing or based upon, in whole or in part, any such furnished information or reflecting our review of, and interest in, the Property, including any such notes, analyses, etc. in machine readable form stored in any computer memory, on any magnetic, optical or magneto-optical disk or in or on any other contrivance whatsoever;

- non-public financial and business information and documents hereafter furnished to us or obtained by us from the Receiver or the Property Manager or their agents or representatives relating to the Property or the affairs of the Receiver or Property Manager,

(all such information and documentation being hereafter referred to as "**Information**") will be subject to this Agreement.

As a condition of and in consideration of the provision of such Information, we agree as follows:

1. All Information will be kept confidential and will not, without the prior written consent of the Receiver, be disclosed by us or our Representatives (as hereafter defined) in any manner whatsoever, in whole or in part, other than to the Representatives (subject to the limitations set forth below) and no Information shall be used by us or our Representatives other than in connection with our proposal. We recognize and acknowledge the competitive value and confidential nature of the Information, and that the Information and all rights, title and interest thereto shall remain the exclusive property of the Receiver.

2. Neither we nor our officers, directors, employees, agents, professional advisors, affiliates, parents, subsidiaries together with their respective officers, directors, employees, professional advisors and agents or representatives (hereinafter referred to as the "**Representatives**") will directly or indirectly, deal with, use, exploit, or disclose or release to any third party, any of the Information now or hereafter received or obtained by us, without your prior written consent, provided however, that any such Information may be disclosed to our Representatives, who we determine need to know such Information, solely for the purpose of preparing a proposal as described above, it being agreed that such individuals shall be similarly obligated to treat such information confidentially. We will maintain a list, available to you, of individuals to whom such Information is disclosed. All obligations as to non-disclosure by us shall cease as to any part of such Information to the extent that such Information is or becomes public other than as a result of acts by us or our Representatives. We will be responsible for any breach of this Agreement by our Representatives.

3. In the event that we or anyone to whom we transmit the Information pursuant to this Agreement is required by law to disclose any of the Information, we will provide you with prompt written notice so that you may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Agreement. In the event that such a protective order or other remedy is not obtained, or that you waive compliance with the provisions of this Agreement, we or our Representatives will furnish only that portion of the Information which is legally required and we will use our best efforts to obtain reliable assurance that confidential treatment will be accorded the Information.

4. In the event we are not successfully appointed the realtor to market and sell the Property on behalf of the Receiver, we will return to the Receiver all copies of the Information in our possession or in the possession of our Representatives, and we will destroy all copies of any analyses, compilations, studies or other documents prepared by us for our internal use which are based in whole or in part on such Information. Return of such documents shall in no event relieve us of any obligation of confidentiality contained herein in respect of such Information.

5. It is understood and agreed that we will not approach the Property Manager, its employees or their principals either directly or indirectly without the prior written consent of the Receiver.

6. Without the prior written consent of the Receiver, we will not, and will direct our Representatives not to, disclose to any person either the fact that disclosures or negotiations are taking place concerning a possible transaction in respect of the Property, or any of the terms, conditions or other facts with respect to any such possible transaction, including the status thereof.

7. That in the event we are not successfully appointed the realtor to market and sell the Property on behalf of the Receiver, neither we nor our Representatives shall use any of the Information in furtherance of our business, or the business of anyone else, unless such Information has become public other than as a result of acts by us or our Representatives.

8. It is understood that the Receiver will arrange for appropriate contacts for due diligence purposes. All communications regarding the sale of the Property, requests for additional Information, request for management meetings, and discussions or questions regarding sale procedures, will be submitted or directed to the Receiver.

9. We understand and acknowledge that the Receiver, the Property Manager and their directors, officers and employees make no representation or warranty, expressed or implied, as to the accuracy or completeness of the Information and shall have no liability to us or any other person resulting from our use of the Information.

10. This Agreement shall be in full force and effect for a period commencing on the date hereof and expiring on the fifth anniversary of the date hereof.

11. This Agreement shall be governed by and construed in accordance with the laws of the Province of Manitoba and we irrevocably attorn to the jurisdiction of courts of such province.

12. We acknowledge that this Agreement does not impose any obligation upon the Receiver or the Property Manager to provide Information to us.

13. We accept the Information furnished and to be furnished concerning the Property subject to the conditions set forth in this letter.

14. No copies or any reproductions of any of the Information will be made or allowed to be made except: (a) in the form of notes, analyses or compilations made by our Representatives during the inspection or examination of the Information to assist us in our proposal, or (b) as permitted in writing by the Receiver.

15. Any waiver of any breach of this Agreement by us or our Representatives shall be of no effect unless in writing and no such waiver shall operate or be construed as a waiver as of the same or any other breach on a subsequent occasion.

16. In the event that any one or more of the provisions, or parts of any provisions, contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, the same shall not invalidate or otherwise affect any other provisions hereof and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

17. In the event of we, or our Representatives, breach any of the obligations under this Agreement, we shall give notice to the Receiver of the nature of such breach. We acknowledge and agree that the Receiver would not have an 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). We further agree 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.

18. The agreements made in this Agreement will enure to the benefit of, and may be enforced by, the Receiver and the Property Manager and their respective successors and assignors.

The undersigned hereby confirms that the foregoing accurately reflects its understanding of the matters hereinbefore set forth and described and agrees to be bound by the terms thereof.

DATED this _____ day of __________________, 2019.

Company Name: ______________________________

Contact Person:

Name: ______________________________

Title: ______________________________

APPENDIX 9

EXCLUSIVE AUTHORITY TO SELL

THIS AGREEMENT dated the 29th day of April, 2019 (the "**Effective Date**").

Between:	GRANT THORNTON LIMITED solely in its capacity as court-appointed Receiver and manager of 5448124 Manitoba Ltd., and of all of the assets, undertakings and property of 5448124 Manitoba Ltd., and not in its personal capacity	**(the "Vendor")**
And:	DON WHITE INC., operating as COLLIERS INTERNATIONAL, DON WHITE	**(the "Agent")**

In consideration of the services of the Agent, the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Vendor and the Agent, the Vendor hereby appoints and authorizes the Agent to act as its exclusive agent for the purposes of selling those lands municipally known as 519 Burnell Street in Winnipeg, Manitoba, and legally described as:

Lots 42 to 47 Block 3 Plan 775 WLTO **(the "Property")**
In RL 65 Parish of St James

SP Lot 28 Plan 33661 WLTO
In RL 63 to 65 Parish of St James

at a purchase price of $7,615,000.00, payable in full on the closing of the purchase of the Property on the following terms and conditions:

1. **Term**

This Agreement shall commence on the Effective Date and shall be irrevocable until it expires at one minute before midnight on September 30th, 2019 (the "**Term**"). Notwithstanding anything contained herein to the contrary, if an offer to purchase or sell has been accepted by the Vendor and a purchaser, and the offer to purchase or sell is subject to any conditions, and if the date for removal of the condition or conditions (the "**Condition Removal Date**") extends beyond the date set out in this paragraph, then this Agreement shall be extended and shall continue in full force and effect to the later of:

(a) 90 days after the Condition Removal Date; or

(b) the date set out in this paragraph, whichever is the later.

2. **Agent's Responsibilities**

The Agent shall, and shall cause Don White (the "**Representative**") to:

(a) devote themselves diligently to the sale of the Property;

(b) promote and protect the best interests of the Vendor;

(c) consult with the Vendor on a periodic basis and as requested by the Vendor from time to time;

(d) take reasonable steps to determine the material facts in respect of the transaction and disclose such material facts to the Vendor, including the provision of current market data;

(e) co-operate with a third party broker, as directed by the Vendor, if (but only if) the third party broker provides evidence satisfactory to the Agent, acting reasonably, that it is retained to act on behalf of the purchaser;

(f) as and when instructed by the Vendor, negotiate any offer to purchase, present such offer to purchase to the Vendor along with recommendations for acceptance, rejection or counter offer and assist with the documentation and execution of the final agreement;

(g) ensure that all offers are in writing and are submitted promptly to the Vendor through the Agent, including offers received from other real estate companies or cooperating realtors; the Agent, for its self and the Representative, acknowledges that none of the Agent or the Representative has authority to accept any offers on behalf of the Vendor;

(h) endeavour to prolong all offers for an adequate period of time in order to facilitate review by the Vendor;

(i) provide liaison between the purchaser and the Vendor as required;

(j) provide personalized attention to the purchaser to create the best possible continuing relationship with the Vendor; and

(k) devote as much time to its duties pursuant to this Agreement as shall be requisite to achieve the objectives herein contemplated.

3. Vendor's Responsibilities

(a) the Vendor hereby authorizes the Agent, to the extent that such information is not available from the Vendor following a request therefor by the Agent and with the written consent of the Vendor, to make enquiries of civic or municipal officers and employees, and to make inquiries of any parties holding mortgages, agreements for sale or other charges on the Property, to obtain particulars relating to the Property;

(b) the Vendor covenants and agrees with the Agent to refer all enquiries regarding the purchase of the Property to the Agent as soon as reasonably possible;

(c) the Vendor covenants and agrees with the Agent to bring to the Agent's attention all offers submitted to it before considering acceptance or rejection;

(d) the Vendor will provide such documents, to the extent that such documents are in its' possession or commercially reasonable control (i.e. plans, surveys, blueprints, environmental reports, structural reports, HVAC service reports, mechanical reports, service contracts and the like) as the Agent may reasonably require to effectively market the Property, provided that that such documents shall be made available to prospective purchasers on the basis that they are for information only and are without representation or warranty by any of the Vendor, its employees, agents, officers or directors or the Agent as to the accuracy of the information contained in such documents;

(e) the Vendor will allow the Agent to show prospective purchasers the Property during reasonable hours, subject always to the rights of tenants of any of the Property;

(f) the Vendor covenants and agrees to provide, for the benefit of the Agent, a direction with respect to the payment of the commission to the Agent from the purchase price proceeds; and

(g) The Vendor agrees that following the closing of the sale of the Property the Agent and Colliers International are permitted to advertise the sale of the Property. The Vendor further agrees that with the express consent of the Purchaser, the Agent and Colliers International can also disclose the purchase price.

Notwithstanding anything else contained herein, the Vendor reserves the right in its sole discretion to accept or reject any offer to purchase the Property submitted by the Agent regardless of the purchase price or other terms included in any such offer to purchase without giving any notice of its respective reasons and without thereby incurring any liability to the Agent.

4. Agent's Commission

The Vendor shall pay the Agent a base plus bonus based commission, in accordance with Schedule "A", of three percent (3.0%) of the purchase price payable to purchase the Property plus applicable taxes (including, but not limited to Goods and Services Taxes). If the Property is sold in co-operation with a third party broker, the commission shall be shared on a 60:40 basis in favour of the Agent. The Agent shall have the sole responsibility for payment of any co-operating third party broker's commission.

The commission shall be earned only if and when:

either:

(i) the Vendor accepts a binding offer to purchase the Property during the Term, whether or not the purchaser was introduced to the Vendor or the Property by the Agent, and the sale and purchase of Property is completed pursuant to such offer, or

(ii) within six (6) months after the expiration of the Term, the Vendor accepts an offer to purchase the Property from: a party who was introduced to the Vendor or the Property by the Agent during the Term in accordance with Section 5(a) or; a party the Vendor should have referred to the Agent in accordance with Sections 3(b) or 3(c), and the sale and purchase of Property is completed pursuant to such offer.

Subject to Section 5, any commission shall be due and payable to the Agent upon the closing of the sale of a Property. **"Closing"** shall mean the date on which title to the Property has issued in the name of the purchaser in the Land Titles Office and the Vendor has been paid the full consideration due to it on the closing.

Any deposit tendered with an offer to purchase accepted by Vendor shall be made payable to and be held by the Agent, In Trust. The Agent shall be entitled to set off the commission, once payable in accordance with this Agreement, from the deposit held by the Agent and will thereafter immediately remit any balance to the Vendor or its solicitors.

Notwithstanding anything else contained herein, there shall be no commission or Failed Sale Commission (as defined herein) earned by or payable to the Agent in the event that a secured creditor purchases, or forecloses on, the Property.

5. Agent's Commission If Transaction Does Not Close

If a transaction for which the Agent would have been entitled to a commission (a **"Failed Sale Commission"**) under Section 4 fails to close:

(a) and the purchaser forfeits or otherwise pays all or any of the deposit to the Vendor, then the Vendor shall pay to the Agent the lesser of:

(i) one-half of the amount by which such deposit exceeds the Vendor's legal costs in respect of such failed transaction; or

(ii) the commission which the Agent would have earned in respect of such sale if it had closed; or

(b) owing to the willful defaults of the Vendor, then the Vendor shall pay to the Agent the full amount of the commission which the Agent would have been entitled to under Section 4,

Provided that if the Property is subsequently sold and a commission is earned and becomes payable to the Agent pursuant to Section 4, the amount of such commission shall be reduced by the amount of any Failed Sale Commission(s) received by or owing to the Agent.

6. Legal Advice

The Vendor acknowledges that the Agent has recommended that they obtain advice from their legal Counsel prior to signing this document. The Vendor further acknowledges that the information provided by the Agent is not to be construed as expert legal, environmental or tax advice and the Vendor is cautioned not to rely on such information without seeking specific legal, environmental or tax advice with respect to their unique circumstances.

7. Disclosure

The Vendor acknowledges the Agent's obligation to disclose all material facts known to the Vendor, including but not limited to environmental and latent defect information and has, or will accordingly, ensure to the best of its knowledge provide the Agent with any known information in this regard.

8. Representation by Agent

The Vendor acknowledges and agrees that the Agent has the exclusive listing for the purposes of selling the Property as further described in this Agreement and the Agent and its licensees and the Representative shall not represent any other party to a transaction involving the Property without the express written consent of the Vendor.

9. Condition Precedent

This Agreement and the obligations of the parties hereunder is conditional upon the Vendor receiving the approval of this Agreement from the Court of Queen's Bench, Manitoba, in a form satisfactory to the Vendor in its sole and absolute discretion, on or before May 10, 2019, failing which, this Agreement shall become null and void and of no further force and effect.

10. Miscellaneous

(a) The Agent will notify the Vendor in writing within ten days after the expiration of the Term of all those potential purchasers who were introduced to the Property by the Agent during the Term and in respect of whom the Agent is entitled to a commission pursuant to Section 4(a)(ii) of this Agreement;

(b) Neither party to this Agreement shall be entitled to assign this Agreement or any interest herein;

(c) This Agreement shall be binding on the successors and assigns of the parties hereto;

(d) This Agreement shall be governed by the laws of the Province of Manitoba;

(e) Any amendments to this Agreement are to be in writing signed by both parties;

(f) There are no representations, warranties, guarantees, promises or agreements other than made herein;

(g) The Agent acknowledges that the Vendor is acting as a court-appointed receiver and that, accordingly, the Vendor may require any offer to purchase to contain certain terms and conditions that might not otherwise be contained in an offer to purchase; and

(h) This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed either in original, faxed or electronic mail forms. In the case of transmission by facsimile or electronic mail.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year on page one.

GRANT THORNTON LIMITED
solely in its capacity as court-appointed Receiver and manager of 5448124 Manitoba Ltd., and of all of the assets, undertakings and property of 5448124 Manitoba Ltd., and not in its personal capacity

Per: ______________________________
Name: Michael G. Cuber

I am authorized to bind the corporation.

DON WHITE INC.,
operating as COLLIERS INTERNATIONAL DON WHITE

Per: ______________________________
Don White
PRESIDENT

Schedule A

Estimated Commission Structure

Sale Price	Base Fee 3.0%	Bonus 5.0% Over $6,900,000	Total Fee	Total Commission Rate Payable
$6,900,000	$207,000	$0	$207,000	3.0%
$7,100,000	$213,000	$10,000	$223,000	3.1%
$7,300,000	$219,000	$20,000	$239,000	3.3%
$7,500,000	$225,000	$30,000	$255,000	3.4%
$7,650,000	$229,500	$37,500	$267,000	3.5% (Max %)
$7,700,000	$231,000	$38,500	$269,500	3.5% (Max %)
$7,900,000	$237,000	$39,500	$276,500	3.5% (Max %)

APPENDIX 10

DRAFT

Thelmo Mansions/519 Burnell St. (00174)

2019 Budget

Period = Janaury 1 to December 31, 2019

Book = Accrual ; Tree = ash_is

		Actual	Budget	Budget	Budget
		Jan to July 2018	Jan to July 2018	Jan to Dec 2018	Jan to Dec 2019
	REVENUE				
	Rent Residential (Potential)	79,598	79,598	136,968	-
(1)	Rent - Residential	402,170	402,313	692,283	842,707
	Parking - Exterior Res	5,158	5,040	8,640	7,620
	Discount - Rent	(49,768)	(51,737)	(88,689)	(105,924)
(1)	Discount Rent (potential)	(9,800)	(9,800)	(16,800)	-
(2)	Discount - Employee	(1,755)	(1,715)	(2,940)	-
	Vacancy	(87,805)	(79,598)	(136,968)	(16,854)
	Miscellaneous Income Residential	-	392	667	667
	Interest Income	955	56	100	100
	Late Rent Fees	565	469	800	800
	Laundry Income	6,800	5,250	9,000	9,000
	REVENUE - TOTAL	346,118	350,268	603,061	738,116
	EXPENSES				
	ENSUITE RECOVERIES				-
	Appliance Repairs Recovery	(225)	-	-	-
	Cleaning Recovery	(594)	-	-	-
	Flooring Replacement Recovery (in-suite)	(550)	-	-	-
	Locksmith Recovery	90	-	-	-
	Waste Removal Recovery	28	-	-	-
	Laundry Card Recovery	(30)	-	-	-
	ENSUITE RECOVERIES - TOTAL	(1,281)	-	-	-
	NON-RECOVERABLE EXPENSES				-
	UTILITIES				
	Hydro - C/A	15,924	17,900	28,000	28,000
	Hydro - Gross/Vacancy	13,614	9,000	14,000	14,000
	Phone - Onsite Cellular	-	469	800	-
	Phone - Enterphone/Intercom	335	469	800	800
	Phone - Security Alarm	199	210	360	360
	Water	20,648	21,000	36,000	36,000
	UTILITIES - TOTAL	50,720	49,048	79,960	79,160
	GENERAL & ADMINISTRATION				
	Administration	1,696	2,919	5,000	3,500
	Advertising/Promotional	4,325	3,500	10,000	10,000
	Bad Debts	8,096	7,000	14,000	14,000
	Bank/Account Charges	1,020	1,750	3,000	3,000
	Collection & Credit Checks	873	875	1,500	1,500
	Insurance - Premium	14,717	15,456	26,500	26,500
	Office/Onsite Expenses	169	581	1,000	1,000
	Professional Fee - Legal	-	2,500	5,000	1,000
	Professional Fee - Other	550	581	1,000	1,000
	Property Management Fee	36,750	36,750	63,000	63,000
	Security Deposit Interest	21	35	60	60
	Wages - Miscellaneous	823	-	650	650
	Wages - Site Staff	28,544	25,081	43,000	43,000
	GENERAL & ADMINISTRATION - TOTAL	97,584	97,028	173,710	168,210
	REPAIRS & MAINTENANCE - EXTERIOR				
	Fence Repair (not for parking lot)	-	100	100	-
	Grounds Maintenance/Landscaping	-	1,000	1,000	-
	Lighting - Exterior	666	294	500	500
	Painting/Wall Repair - Exterior	-	1,000	1,000	500
	Parking Lot/Roadways - Line Painting	52	500	500	-
	Parking Lot/Roadways - Other	-	750	1,500	500
	Roof Repair	945	1,400	2,400	1,200
	Signage - Exterior	113	-	-	-
	Snow Removal/Sanding	(1,000)	4,000	6,000	2,000
	REPAIRS & MAINTENANCE - EXTERIOR - TOTAL	776	9,044	13,000	4,700
	REPAIRS & MAINTENANCE - INTERIOR				
	Appliance - Repair	903	581	1,000	1,000
	Cabinetry/Countertop Repair/Maintenance	32	469	800	800
	Cleaning Supplies	993	1,456	2,500	2,500
	Cleaning Contract	-	2,500	2,500	2,500
	Cleaning - C/A	1,573	1,250	2,500	2,500
	Cleaning - (in-suite)	231	700	1,200	1,200
	Electrical - C/A	322	1,456	2,500	1,500
	Electrical - (in-suite)	662	1,169	2,000	1,000
	Fire Control Repair & Maintenance	4,156	1,456	2,500	4,000
	Fire/Safety Control - (in-suite)	-	469	800	800
	Fire Control Contract	678	910	1,560	1,560
	Flooring Repair/Maintenance - (in-suite)	63	350	600	600
	Hot Water Tank Repair/Maintenance - (in-suite)	401	1,750	3,000	2,000
	HVAC - C/A	593	700	1,200	1,200
	HVAC - (in-suite)	266	700	1,200	1,000

Thelmo Mansions/519 Burnell St. (00174)

2019 Budget

Period = Janaury 1 to December 31, 2019

Book = Accrual ; Tree = ash_is

		Actual	Budget	Budget	Budget
		Jan to July 2018	Jan to July 2018	Jan to Dec 2018	Jan to Dec 2019
	Enterphone/Intercom Repair/Maintenance	158	294	500	500
	Kitchen Backsplash Repair/Maintenance	69	-	-	-
	Laundry Room Repair/Maintenance	107	581	1,000	500
	Lighting - C/A - Interior	147	581	1,000	500
	Lighting - (in-suite)	52	350	600	600
	Locksmith - C/A	226	875	1,500	1,000
	Locksmith - (in-suite)	1,834	1,169	2,000	2,000
	Maintenance Supplies	257	469	800	800
	Mats	277	294	500	500
	Painting/Wall Repair - C/A - Interior	184	666	1,000	1,000
	Painting/Wall Repair - (in-suite)	2,799	2,919	5,000	5,000
	Pest Control - C/A	-	581	1,000	1,000
	Pest Control - (in-suite)	-	581	1,000	1,000
	Plumbing - C/A	102	1,519	2,600	1,200
	Plumbing - (in-suite)	1,456	3,500	6,000	3,000
	Security Contract	210	2,800	4,800	1,000
	Tubs/Tile/Tub Surround Repair/Maintenance	32	581	1,000	1,000
	Waste Removal	2,452	1,400	2,400	4,000
	Water Damage - (in-suite)	1,050	-	-	-
	Windows/Doors/Screens - Interior	-	581	1,000	500
	Windows/Doors/Screens - (in-suite)	139	875	1,500	1,000
	REPAIRS & MAINTENANCE - INTERIOR - TOTAL	22,424	36,532	61,060	50,260
	PROPERTY TAXES				
	Property Taxes	23,559	25,515	43,744	43,744
	Property Tax Appeal Cost	5,225	-	-	-
	PROPERTY TAXES - TOTAL	28,784	25,515	43,744	43,744
	NON-RECOVERABLE EXPENSES - TOTAL	200,288	217,167	371,474	346,074
	CAPITAL EXPENDITURES (RTB)				-
(4)	Professional Fee - Other - RTB Capital	5,503	-	-	
(5)	Demolition (in-suite) - RTB Capital	8,380	-	-	
(6)	Roof Replacement - RTB Capital	1,241	-	-	-
	Appliance - Fridge - RTB Capital	3,632	7,000	12,000	2,000
	Appliance - Stove - RTB Capital	3,000	7,000	12,000	2,000
	Cabinetry/Countertop Replacement - RTB Capital	-	1,169	2,000	1,000
	Electrical - (in-suite) - RTB Capital	-	581	1,000	500
	Fire Control - C/A - RTB Capital	-	1,169	2,000	2,000
	Flooring Replacement - (in-suite) - RTB Capital	3,292	2,919	5,000	5,000
	Locksmith - C/A - RTB Capital	346	294	500	500
(7)	Painting/Wall Repair - (in-suite) - RTB Capital	12,694	5,831	10,000	6,000
	Plumbing - C/A - RTB Capital	-	581	1,000	1,000
	Plumbing - (in-suite) - RTB Capital	959	2,331	4,000	1,000
	Tub/Tile/Tub Surround - RTB Capital	-	581	1,000	1,000
	Window Covering Replacement - (in-suite) - RTB Capital	331	-	-	-
	Windows/Doors/Screens - Interior - RTB Capital	-	1,169	2,000	2,000
	Windows/Doors/Screens - (in-suite) - RTB Capital	2,727	4,375	7,500	2,500
	CAPITAL EXPENDITURES (RTB) - TOTAL	42,105	35,000	60,000	26,500
	EXPENSES TOTAL	242,393	252,167	431,474	372,574
	NET INCOME/LOSS	**105,006**	**98,101**	**171,587**	**365,542**
	NET CASH FLOW (DEFICIENCY) FOR PERIOD	105,006	98,101	171,587	365,542

(prepared by management without audit)

NOTE:

(1) Rent/Discount - 2019 Budget includes the basement suites as they are rady for occupancy.

(2) Discount-employee - discount removed, caretaker lives offsite.

(3) Hydro (gross/vacancy) - 2019 budget increased to more closely reflect 2018 actual expenses.

(4) Professional fee-Other-RTB Capital - 2018 expenses includes professional fees regarding basement suite demolition rebuild.

(5) Demolition (in-suite) RTB Capital - 2018 expenses are for the demolition of the basement suites

(6) Roof Replacement -RTB Capital - 2018 expenses includes roof repairs.

(7) Painting/wall repair (In-suite) RTB Capital - 2018 expenses include suite painting of fifteen (15) suites

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

RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD ENDING MARCH 31, 2019

RECEIPTS		
Rental Receipts		91,800
Advance from Secured Creditor		1,208,800
Interest Income		2,699
Total Receipts		**1,303,299**
RECEIVERSHIP DISBURSEMENTS		
Fees Paid to Official Receiver		70
Administrative Fees		275
HST Paid		2,122
Bank Charges		124
Security		18,300
Utilities		23,619
Advance to Property Manager		857,831
Property Management		10,887
Waste Disposal		105
Repairs and Maintenance		53
Insurance		11,040
Legal Fees	93,457	
GST on Legal Fees	6,965	100,422
Receivers Fees	197,341	
HST on Receivers Fees	25,654	222,995
Total Disbursements		**1,247,843**
RECEIPTS LESS DISBURSEMENTS		**55,456**

APPENDIX 12

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 MARCH 31, 2019

RECEIPTS	
Rental Receipts	1,603,122
Interest earned on bank account	1,678
Miscellaneous Income (laundry)	2,740
Advance from Receiver	857,798
Total Receipts	**2,465,338**
RECEIVERSHIP DISBURSEMENTS	
Advertising	38,388
Appliance purchases	110,245
Insurance	84,716
Office	48,128
Property management	216,295
Property taxes, incl appeal cost	147,318
Repairs and Maintenance	1,069,831
Salaries & benefits	182,269
Security Deposit Refunds	15,198
Utilities	294,926.81
Total Disbursements	**2,207,316**
RECEIPTS LESS DISBURSEMENTS	**258,023**

APPENDIX 13

Exhibit "B"

5448124 Manitoba Ltd.
Summary of Fees of the Receiver
For the period from January 1, 2018 to March 31, 2019

Period	Hours		Fees		Disbursements		Subtotal		HST		Total
January 1-31, 2018	15.80	$	6,009.94	$	-		6,009.94		781.29	$	6,791.23
February 1-28, 2018	9.65	$	4,034.36	$	-		4,034.36		524.47	$	4,558.83
March 1-31, 2018	16.75	$	6,274.28	$	-		6,274.28		815.66	$	7,089.94
April 1-30, 2018	4.90	$	2,008.65	$	10.74		2,019.39		262.52	$	2,281.91
May 1-31, 2018	3.35	$	1,563.45	$	-		1,563.45		203.25	$	1,766.70
June 1-30, 2018	1.35	$	481.95	$	-		481.95		62.65	$	544.60
July 1-31, 2018	4.45	$	1,832.25	$	-		1,832.25		238.19	$	2,070.44
August 1-31, 2018	5.65	$	2,171.40	$	-		2,171.40		282.28	$	2,453.68
September 1-30, 2018	9.75	$	3,143.70	$	-		3,143.70		408.68	$	3,552.38
October 1-31, 2018	18.40	$	6,291.60	$	-		6,291.60		817.91	$	7,109.51
November 1-30, 2018	5.33	$	2,390.43	$	11.16		2,401.59		312.21	$	2,713.80
December 1, 2018 to January 31, 2019	3.30	$	1,360.28	$	-		1,360.28		176.84	$	1,537.12
February 1-28, 2019	5.05	$	1,607.29	$	-		1,607.29		208.95	$	1,816.24
March 1-31, 2019	18.90	$	8,756.48	$	-		8,756.48		1,138.34	$	9,894.82
	122.63	**$**	**47,926.06**	**$**	**21.90**	**$**	**47,947.96**	**$**	**6,233.23**	**$**	**54,181.19**

Average Hourly Rate is $ 390.82

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

BN 12738 4717 RT0001
Client #200425
Invoice#LSON-4049

To professional services rendered as Court-Appointed Receiver for the period from January 1, 2018 to January 31, 2018.

Date	**Full Name**	**Time**	**Detail**
January 4, 2018	Rosa Wilford	0.10	Review estate bank account and reconcile December statement.
January 9, 2018	Jan Oros	0.25	Review update from Ash, respond to Ash & lenders comments.
January 15, 2018	Rosa Wilford	0.25	Review estate bank account, follow internal email instructions, prepare, post and issue cheque.
January 17, 2018	Jan Oros	0.30	Review Ash December 2017 reporting package, email to Ash.
January 18, 2018	Michael Creber	0.90	Review reporting; planning.

Date	Full Name	Time	Detail
January 18, 2018	Jan Oros	0.30	Review email from Ash, internal correspondence re: budget and court report, respond to CS inquiry on payment issued.
January 22, 2018	Jan Oros	0.50	Review budget and internal correspondence re: same, review and respond to email from lender, forward copy of budget to lender and seek comments.
January 22, 2018	Michael Creber	1.20	Review 2018 budget and correspondence re same.
January 23, 2018	Jan Oros	0.50	Review and respond to email from Ash and lender.
January 25, 2018	Michael Creber	0.70	Correspondence and document review; planning.
January 27, 2018	Jan Oros	4.25	Draft receiver's 5th court report.
January 28, 2018	Jan Oros	4.25	Draft receiver's 5th court report.
January 29, 2018	Rosa Wilford	0.75	Review, follow and respond to email instructions from team re Banking: review ledger for outstanding payments, prepare disbursements, post entries, issue cheques, and provide updated report and general banking and filing administration.
January 29, 2018	Michael Creber	0.90	Planning; review draft report; correspondence.
January 29, 2018	Jan Oros	0.30	Review comments on draft report, review email from consultant for property tax appeal.
January 30, 2018	Rosa Wilford	0.25	Prepare disbursement, post entries, issue cheque, email and general banking and filing administration.
January 31, 2018	Jan Oros	0.10	Review email from contractor.

<u>**Time Charges and Expenses**</u>

M . Creber, Sr. Vice President	3.70	hours @	$595.00	per hour	$ 2,201.50
J. Oros, Manager	10.75	hours @	$295.00	per hour	$ 3,171.25
R. Wilford, Manager	1.35	hours @	$260.00	per hour	$ 351.00
	15.80				$ 5,723.75
5% Technology and Administration					$ 286.19
					$ 6,009.94
HST (13%)					$ 781.29
Total Due					**$ 6,791.23**

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

BN 12738 4717 RT0001
Client #200425
Invoice#LSON-4149

To professional services rendered as Court-Appointed Receiver for the period from February 1, 2018 to February 28, 2018.

Date	**Full Name**	**Time**	**Detail**
February 2, 2018	Jan Oros	0.25	Review emails from Ash regarding renovation costs for basement units and HVAC system.
February 5, 2018	Michael Creber	0.60	Correspondence; planning.
February 5, 2018	Jan Oros	0.25	Review emails from Ash, call with Ash, respond to emails with lender.
February 8, 2018	Michael Creber	0.10	Correspondence.
February 9, 2018	Michael Creber	0.20	Correspondence.
February 11, 2018	Rosa Wilford	0.10	Review estate bank account and reconcile January statement.
February 12, 2018	Michael Creber	1.10	File status update; conference call.

Date	Full Name	Time	Detail
February 12, 2018	Jan Oros	1.00	Conference call with the Lenders and Ash Management and staff to discuss HVAC and build out of the basement units, funding requirements and cash flow, call with Ash to discuss status of work and permits, review follow up emails regarding same.
February 13, 2018	Rosa Wilford	0.50	Review estate bank account, follow internal email instructions, prepare, post and issue cheque; Review estate bank account and reconcile January statement.
February 13, 2018	Jan Oros	0.20	Review emails from Ash & contractor.
February 15, 2018	Michael Creber	0.10	Construction and permit documents.
February 15, 2018	Jan Oros	0.25	Complete permit forms to be signed and returned to Ash.
February 16, 2018	Michael Creber	0.10	Correspondence.
February 16, 2018	Rosa Wilford	0.10	Review banking reports and approve monthly estate balances.
February 16, 2018	Jan Oros	2.00	Prepare budget/cash flow for 2018 including CAPEX work being contemplated, call/emails with ASH to discuss same.
February 20, 2018	Michael Creber	1.10	Review reporting; review draft budgets; file status update.
February 20, 2018	Jan Oros	0.25	Review email from lender, review email from Ash, review budget and cash flow with new repair quotes.
February 22, 2018	Jan Oros	0.40	Review email from the lender, review email from ASH, review budget and cash flow.
February 23, 2018	Jan Oros	0.20	Internal correspondence, review emails from ASH, review email from the lender.
February 26, 2018	Jan Oros	0.20	Review email from ASH on permit request for the basement work.
February 27, 2018	Michael Creber	0.10	Correspondence and planning.

Date	Full Name	Time	Detail
February 27, 2018	Jan Oros	0.25	Send email to lender requesting approval of the budget for 2018.
February 28, 2018	Jan Oros	0.30	Internal discussions re: report and file status, review email from counsel.
March 2, 2018	Jan Oros	0.40	Update draft report, review additional information received to be included in the receiver's report.

Time Charges and Expenses

M . Creber, Sr. Vice President	3.40	hours @	$595.00	per hour	$ 2,023.00
J. Oros, Manager	5.55	hours @	$295.00	per hour	$ 1,637.25
R. Wilford, Manager	0.70	hours @	$260.00	per hour	$ 182.00
	9.65				$ 3,842.25
5% Technology and Administration					$ 192.11
					$ 4,034.36
HST (13%)					$ 524.47
Total Due					**$ 4,558.83**

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

BN 12738 4717 RT0001
Client #200425
Invoice#LSON-4248

To professional services rendered as Court-Appointed Receiver for the period from March 1, 2018 to March 31, 2018.

Date	**Full Name**	**Time**	**Detail**
March 2, 2018	Jan Oros	0.40	Update draft report, review additional information received to be included in the receiver's report.
March 5, 2018	Jan Oros	0.50	Review info to be included in the draft receiver's report.
March 6, 2018	Jan Oros	0.30	Review/reply to emails.
March 7, 2018	Jan Oros	1.50	Update draft of the receiver's court report.
March 8, 2018	Michael Creber	0.90	File status update; review draft report and discussion re same.
March 8, 2018	Jan Oros	1.50	Update draft court report, update and format report for final review.

Date	Full Name	Time	Detail
March 9, 2018	Michael Creber	0.20	Draft report.
March 9, 2018	Jan Oros	0.50	Finalize draft report, review information to finalize R&D and budget for the report.
March 14, 2018	Jan Oros	3.00	Prepare and finalize appendices for the court report.
March 15, 2018	Jan Oros	2.00	Prepare 2016 yearend tax return and send to CRA.
March 16, 2018	Jan Oros	2.00	prepare corporate tax return for the 2017 year end
March 18, 2018	Rosa Wilford	0.10	Review estate bank account and reconcile February statement.
March 19, 2018	Jan Oros	0.10	Call with CRA re: status of corporate tax return filings.
March 20, 2018	Jan Oros	0.20	Internal correspondence; Discussions and correspondence with our counsel.
March 21, 2018	Jan Oros	0.20	Internal correspondence; Discussions and correspondence with our counsel.
March 22, 2018	Michael Creber	0.40	review reporting
March 22, 2018	Jan Oros	0.40	Internal correspondence; Discussions and correspondence with our counsel.
March 23, 2018	Michael Creber	1.90	File status update; review draft report and related correspondence.
March 23, 2018	Jan Oros	0.20	Internal correspondence; Discussions and correspondence with our counsel.
March 23, 2018	Rosa Wilford	0.10	Review banking reports and approve monthly estate balances.
March 27, 2018	Rosa Wilford	0.25	Prepare disbursement, post entries, issue cheque, email and general banking and filing administration.
March 28, 2018	Michael Creber	0.10	Correspondence and discussion.

<u>**Time Charges and Expenses**</u>

M . Creber, Sr. Vice President	3.50	hours @	$595.00	per hour	$ 2,082.50
J. Oros, Manager	12.80	hours @	$295.00	per hour	$ 3,776.00
R. Wilford, Manager	0.45	hours @	$260.00	per hour	$ 117.00
	16.75				$ 5,975.50
5% Technology and Administration					$ 298.78
					$ 6,274.28
HST (13%)					$ 815.66
Total Due					**$ 7,089.94**

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

BN 12738 4717 RT0001
Client #200425
Invoice#LSON-4337

To professional services rendered as Court-Appointed Receiver for the period from April 1, 2018 to April 30, 2018.

Date	**Full Name**	**Hours**	**Detail**
April 2, 2018	Michael Creber	0.20	Execute report; planning.
April 5, 2018	Michael Creber	0.10	WEB maintenance.
April 9, 2018	Rosa Wilford	0.10	Review estate bank account, post accrued interest and reconcile March statement.
April 12, 2018	Rosa Wilford	0.60	Review banking reports and approve monthly estate balances. Follow internal email instructions from team re Banking; Review ledger, prepare disbursement requisition forms, post entries and issue cheques.

Date	Full Name	Hours	Detail
April 13, 2018	Aaron Previte	0.90	Correspondence with ASH Management and CSFC regarding renovations; Internal discussions regarding renovations; Internal discussions regarding teleconference with all parties; Review lodgments.
April 16, 2018	Aaron Previte	0.70	Attend conference call with Secured Creditor, ASH Management and others to receive update on building and renovations.
April 16, 2018	Michael Creber	1.40	Prepare for and attend conference call; planning.
April 18, 2018	Aaron Previte	0.40	Finalize 246(2) notice. Read through March 2018 monthly property report.
April 20, 2018	Michael Creber	0.10	Correspondence.
April 20, 2018	Aaron Previte	0.40	Read through March 2018 monthly report and provide follow up questions to ASH regarding report; Email Secured Creditor March 2018 report.

Time Charges and Expenses

M . Creber, Sr. Vice President	1.80	hours @	$595.00	per hour	$ 1,071.00
A. Previte, Manager	2.40	hours @	$275.00	per hour	$ 660.00
R. Wilford, Manager	0.70	hours @	$260.00	per hour	$ 182.00
	4.90				$ 1,913.00
5% Technology and Administration					$ 95.65
					$ 2,008.65
Disbursement (courier)					$ 10.74
					$ 2,019.39
HST (13%)					$ 262.52
Total Due					**$ 2,281.91**

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

BN 12738 4717 RT0001
Client #200425
Invoice#LSON-4427

To professional services rendered as Court-Appointed Receiver for the period from May 1, 2018 to May 31, 2018.

Date	Full Name	Hours	Detail
May 1, 2018	Michael Creber	0.10	Correspondence
May 3, 2018	Rosa Wilford	0.10	Review estate bank account and reconcile April statement.
May 3, 2018	Michael Creber	0.20	Correspondence and document review
May 10, 2018	Rosa Wilford	0.10	Review banking reports and approve monthly estate balances.
May 11, 2018	Rosa Wilford	0.10	Annual Banking Report: Review estate accounts; Prepare Directive 5R5 draft for review; Prepare schedules for e-file; General banking administration.

Date	Full Name	Hours	Detail
May 14, 2018	Aaron Previte	0.20	Read through April 2018 management report; Circulate report to Secured Creditor.
May 14, 2018	Michael Creber	0.70	Review reporting; Correspondence property manager; File status update;
May 18, 2018	Aaron Previte	0.50	Discussions and correspondence with ASH Management regarding request from Secured Creditor; Internal correspondence regarding request from Secured Creditor.
May 18, 2018	Michael Creber	0.70	Correspondence and file status update;
May 23, 2018	Rosa Wilford	0.25	Review internal email instructions from team re Banking; Prepare disbursement requisition; Post entries; Issue cheques.
May 24, 2018	Michael Creber	0.10	Correspondence
May 24, 2018	Aaron Previte	0.30	Read through correspondence from ASH Management regarding basement updates; Circulate internally.

<u>**Time Charges and Expenses**</u>

M . Creber, Sr. Vice President	1.80	hours @	$595.00	per hour	$ 1,071.00
A. Previte, Manager	1.00	hours @	$275.00	per hour	$ 275.00
R. Wilford, Manager	0.55	hours @	$260.00	per hour	$ 143.00
	3.35				$ 1,489.00
5% Technology and Administration					$ 74.45
					$ 1,563.45
HST (13%)					$ 203.25
Total Due					**$ 1,766.70**

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

BN 12738 4717 RT0001
Client #200425
Invoice#LSON-4504

To professional services rendered as Court-Appointed Receiver for the period from June 1, 2018 to June 30, 2018.

Date	**Full Name**	**Hours**	**Detail**
June 5, 2018	Michael Creber	0.10	Correspondence.
June 6, 2018	Aaron Previte	0.20	Read through various emails regarding Building Permit and costings.
June 8, 2018	Michael Creber	0.20	Correspondence; planning.
June 11, 2018	Rosa Wilford	0.10	Review estate bank account and reconcile May statement.
June 14, 2018	Rosa Wilford	0.10	Review banking reports and approve monthly estate balances.

Date	Full Name	Hours	Detail
June 15, 2018	Rosa Wilford	0.25	Review internal email instructions from team re Banking; Prepare disbursement requisition; Post entries; Issue cheque.
June 18, 2018	Rosa Wilford	0.10	General banking and filing administration.
June 27, 2018	Aaron Previte	0.30	Review May 2018 report and correspondence with ASH Management regarding same.

Time Charges and Expenses

M . Creber, Sr. Vice President	0.30	hours @	$595.00	per hour	$	178.50
A. Previte, Manager	0.50	hours @	$275.00	per hour	$	137.50
R. Wilford, Manager	0.55	hours @	$260.00	per hour	$	143.00
	1.35				$	459.00
5% Technology and Administration					$	22.95
					$	481.95
HST (13%)					$	62.65
Total Due					**$**	**544.60**

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

BN 12738 4717 RT0001
Client #200425
Invoice#LSON-4597

To professional services rendered as Court-Appointed Receiver for the period from July 1, 2018 to July 31, 2018.

Date	Full Name	Hours	Detail
July 4, 2018	Aaron Previte	0.30	Various correspondence with ASH Management regarding May 2018 report.
July 6, 2018	Michael Creber	0.60	Review reporting and correspondence; construction matters; file status update.
July 9, 2018	Rosa Wilford	0.20	Review estate bank account and reconcile June statement; Review monthly trusteed summary report for July 2018; Post accrued interest.
July 11, 2018	Michael Creber	0.10	Correspondence.

Date	Full Name	Hours	Detail
July 12, 2018	Aaron Previte	0.50	Various correspondence with ASH management and Secured Creditor regarding monthly reporting.
July 12, 2018	Michael Creber	0.30	Correspondence.
July 13, 2018	Aaron Previte	0.30	Review June 2018 report and correspondence with ASH Management regarding same.
July 16, 2018	Aaron Previte	0.40	Review updated June 2018 monthly report; Circulate June 2018 monthly report to Secured Creditor; Correspondence with ASH regarding R&D needed for s246(2) report.
July 17, 2018	Michael Creber	0.40	Review reporting; file status update.
July 17, 2018	Rosa Wilford	0.10	Review banking reports and approve monthly estate balances.
July 18, 2018	Rosa Wilford	0.25	Review internal email instructions from team re Banking; Prepare disbursement requisition form; Post entries; Issue cheque. General banking administration.
July 19, 2018	Aaron Previte	0.50	Investigate receivership borrowing limit; Correspondence with ASH Management re: limit.
July 19, 2018	Michael Creber	0.30	Cash flow and funding.
July 19, 2018	Valerie Naccarato	0.10	General banking administration.
July 24, 2018	Aaron Previte	0.10	Internal correspondence re: ITR for May 14, 2018.

Time Charges and Expenses

M . Creber, Sr. Vice President	1.70	hours @	$595.00	per hour	$ 1,011.50
A. Previte, Manager	2.10	hours @	$275.00	per hour	$ 577.50
R. Wilford, Manager	0.55	hours @	$260.00	per hour	$ 143.00
V. Naccarato, Analyst	0.10	hours @	$130.00	per hour	$ 13.00
	4.45				$ 1,745.00
5% Technology and Administration					$ 87.25
					$ 1,832.25
HST (13%)					$ 238.19
Total Due					**$ 2,070.44**

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

BN 12738 4717 RT0001
Client #200425
Invoice#LSON-4675

To professional services rendered as Court-Appointed Receiver for the period from August 1, 2018 to August 31, 2018.

Date	**Full Name**	**Hours**	**Detail**
August 10, 2018	Rosa Wilford	0.10	Review estate bank account and reconcile July statement.
August 13, 2018	Rania Erian	0.50	General file administration.
August 14, 2018	Aaron Previte	0.90	Various correspondence with ASH re: receipts and disbursements reporting and financial statements for tax return; Various correspondence with GT Tax re: income tax return preparation; Follow up July 2018 monthly report.
August 15, 2018	Michael Creber	1.20	Review reporting; file status update and planning.

Date	Full Name	Hours	Detail
August 15, 2018	Aaron Previte	1.10	Read through July 2018 monthly report and circulate to Secured Creditor; Various discussions with ASH re: R&D for s246 report; Review file and prior R&D reports.
August 16, 2018	Rosa Wilford	0.10	Review banking reports and approve monthly estate balances.
August 17, 2018	Rosa Wilford	0.25	Review internal email instructions from team re Banking; Review invoices; Prepare disbursement requisition forms; Post entries; Issue cheque; General banking administration.
August 21, 2018	Valerie Naccarato	0.10	General banking administration.
August 27, 2018	Michael Creber	0.20	Legal correspondence.
August 28, 2018	Michael Creber	0.40	Legal correspondence; planning.
August 30, 2018	Aaron Previte	0.20	Discussions with ASH Management re: receipts and payments required for statutory reporting purposes.
August 30, 2018	Michael Creber	0.10	Correspondence.
August 31, 2018	Aaron Previte	0.50	Review receipts and payments prepared for statutory requirements and correspondence with ASH Management re same.

Time Charges and Expenses

M . Creber, Sr. Vice President	1.90	hours @	$595.00	per hour	$	1,130.50
A. Previte, Manager	2.70	hours @	$275.00	per hour	$	742.50
R. Wilford, Manager	0.45	hours @	$260.00	per hour	$	117.00
R. Erian, Analyst	0.50	hours @	$130.00	per hour	$	65.00
V. Naccarato, Analyst	0.10	hours @	$130.00	per hour	$	13.00
	5.65				$	2,068.00
5% Technology and Administration					$	103.40
					$	2,171.40
HST (13%)					$	282.28
Total Due					**$**	**2,453.68**

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

BN 12738 4717 RT0001
Client #200425
Invoice#LSON-4759

To professional services rendered as Court-Appointed Receiver for the period from September 1, 2018 to September 30, 2018.

Date	Full Name	Hours	Detail
September 4, 2018	Rania Erian	0.50	General file administration.
September 5, 2018	Michael Creber	0.20	File status update; correspondence.
September 5, 2018	Aaron Previte	0.20	Correspondence with ASH Management re: Hedman's construction timetable.
September 7, 2018	Aaron Previte	1.90	Prepare s246(2) report and receipts and disbursements; Discussions with ASH Management re: tax return; Consider supporting documents for tax return; Correspondence with GT Tax re: tax return.

Date	Full Name	Hours	Detail
September 10, 2018	Rosa Wilford	0.25	Review internal email instructions from team re Banking; Review invoices; Prepare disbursement requisition forms; Post entries; Issue cheque. General banking administration.
September 10, 2018	Michael Creber	0.20	Statutory reporting.
September 10, 2018	Aaron Previte	0.30	Arrange and collate s246(2) report for filing; Follow up on August monthly report.
September 10, 2018	Rania Erian	0.20	Efile 246(2) statement with the OSB and general administration.
September 11, 2018	Rosa Wilford	0.10	Review estate bank account and reconcile August statement.
September 12, 2018	Aaron Previte	0.40	Review August 2018 monthly report and circulate to Secured Creditor; Legal correspondence.
September 13, 2018	Rosa Wilford	0.10	Review banking reports and approve monthly estate balances.
September 17, 2018	Michael Creber	0.60	Review reporting; correspondence legal.
September 18, 2018	Aaron Previte	0.40	Various correspondence with ASH re: funding; Look into funding options and consider same.
September 19, 2018	Aaron Previte	0.30	Correspondence with ASH Management re cash funding and consider same.
September 20, 2018	Aaron Previte	0.30	Update cash analysis and correspondence with ASH Management re: same.
September 21, 2018	Aaron Previte	0.20	Read through legal correspondence.
September 24, 2018	Michael Creber	0.30	File status update; funding analysis.
September 24, 2018	Aaron Previte	0.30	Correspondence with ASH Management re: funding request; Internal discussions re: funding request; Internal correspondence re: tax return.

Date	Full Name	Hours	Detail
September 25, 2018	Aaron Previte	1.10	Prepare funding request and collate documents for same; Draft correspondence to Secured Creditor re: funding request; Internal discussions re: funding request; Correspondence with ASH Management re: funding request.
September 27, 2018	Aaron Previte	0.50	Prepare for and attend meeting with GT Tax re: income tax return.
September 27, 2018	Alice Guo	0.50	Internal meeting to discuss income tax returns.
September 28, 2018	Rosa Wilford	0.50	Review internal instructions re Banking; Correspondences with Bank; Review print screens for expecting wire; Prepare receipt and disbursement requisition forms; Post entries; Email team notification of wire; General banking administration.
September 28, 2018	Aaron Previte	0.40	Various correspondence with the Secured Creditor, ASH Management and internally re: funding request.

Time Charges and Expenses

M . Creber, Sr. Vice President	1.30	hours @	$595.00	per hour	$	773.50
A. Guo, Tax Sr. Analyst	0.50	hours @	$300.00	per hour	$	150.00
A. Previte, Manager	6.30	hours @	$275.00	per hour	$	1,732.50
R. Wilford, Manager	0.95	hours @	$260.00	per hour	$	247.00
R. Erian, Analyst	0.70	hours @	$130.00	per hour	$	91.00
	9.75				$	2,994.00
5% Technology and Administration					$	149.70
					$	3,143.70
HST (13%)					$	408.68
Total Due					**$**	**3,552.38**

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

BN 12738 4717 RT0001
Client #200425
Invoice#LSON-4818

To professional services rendered as Court-Appointed Receiver for the period from October 1, 2018 to October 31, 2018.

Date	**Full Name**	**Hours**	**Detail**
October 1, 2018	Aaron Previte	0.30	Various correspondence with ASH Management re: funding and receipt of funds.
October 1, 2018	Valerie Naccarato	0.10	General banking administration.
October 1, 2018	Rosa Wilford	0.50	Review internal email instructions re Banking wire transfer; Draft letter to Bank; Prepare disbursement requisition forms: Email correspondences to and from Bank for authorization of transfer; Posting entries; Email wire confirmation to team. General banking administration.

Date	Full Name	Hours	Detail
October 1, 2018	Michael Creber	0.30	Correspondence and file status update.
October 2, 2018	Rosa Wilford	0.25	Review internal instructions from team re Banking; Prepare disbursement requisition forms; Post entries; Issue cheque; General banking administration.
October 2, 2018	Aaron Previte	0.90	Prepare for and attend meeting with Secured Creditor and ASH Management to discuss sale matters and internal discussions re: same; Review 2019 budget.
October 2, 2018	Michael Creber	0.80	Prepare for and attend conference call; planning.
October 4, 2018	Valerie Naccarato	0.10	General banking administration.
October 5, 2018	Alice Guo	0.50	Call CRA re: authorized representative.
October 5, 2018	Aaron Previte	0.80	Read through various emails pertaining to the property; Review monthly report and correspondence with ASH Management re: same; Correspondence with the Secured Creditor re: monthly report; Attend to collating data needed for tax returns and internal correspondence re: same.
October 5, 2018	Michael Creber	0.80	Correspondence and reporting.
October 9, 2018	Aaron Previte	0.30	Correspondence with CSFC re: total debt for tax purposes; Attend to income tax matters.
October 10, 2018	Michael Creber	0.10	Correspondence.
October 10, 2018	Aaron Previte	0.80	Correspondence with various parties re: documents needed for income tax returns; Prepare workbook and supporting documents for income tax returns.
October 11, 2018	Alice Guo	1.50	Internal meeting to discuss income tax returns; Continue preparing income tax returns.

Date	Full Name	Hours	Detail
October 11, 2018	Aaron Previte	2.30	Continue preparing workbook for income tax returns and internal discussion re: same; Attend internal meeting to work through statements and income tax returns; Correspondence with various parties requesting further information required for income tax returns.
October 12, 2018	Rosa Wilford	0.10	Review estate bank account and reconcile September statement.
October 15, 2018	Aaron Previte	0.10	Internal correspondence re: income tax return.
October 16, 2018	Alice Guo	0.50	Internal meeting to discuss income tax returns; Continue preparing income tax returns.
October 16, 2018	Michael Creber	0.10	Correspondence.
October 16, 2018	Aaron Previte	1.50	Prepare workbook and reconcile financial statements to allow GT Tax to prepare income tax return; Internal meeting and correspondence re: income tax returns.
October 17, 2018	Michael Creber	0.10	Correspondence.
October 17, 2018	Alice Guo	4.25	Prepare 2018 T2; Document how the B/S and CAPEX is prepared; Prepare capital asset continuity for Sch 8; Add legal fees and Receiver fees in I/S; Scan CAPEX capitalized in book for Sch 1 adjustment; Research - is unpaid charges on the $9M loan constitute contingent liability? Call with Aaron for the existence of legel enforcement on the unpaid amounts.
October 17, 2018	Aaron Previte	0.30	Internal discussions and correspondence re: income tax return.
October 17, 2018	Rosa Wilford	0.10	Review banking reports and approve monthly estate balances.
October 26, 2018	Alice Guo	1.00	Finalize the documentation for 2018 T2 and email for review.

Time Charges and Expenses

M . Creber, Sr. Vice President	2.20	hours @	$595.00	per hour	$	1,309.00
A. Guo, Tax Sr. Analyst	7.75	hours @	$310.00	per hour	$	2,402.50
A. Previte, Manager	7.30	hours @	$275.00	per hour	$	2,007.50
R. Wilford, Manager	0.95	hours @	$260.00	per hour	$	247.00
V. Naccarato, Analyst	0.20	hours @	$130.00	per hour	$	26.00
	18.40				$	5,992.00
5% Technology and Administration					$	299.60
					$	6,291.60
HST (13%)					$	817.91
Total Due					**$**	**7,109.51**

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

BN 12738 4717 RT0001
Client #200425
Invoice#LSON-4855

To professional services rendered as Court-Appointed Receiver for the period from November 1, 2018 to November 30, 2018.

Date	**Full Name**	**Hours**	**Detail**
November 5, 2018	Rosa Wilford	0.25	Review internal instructions from team re Banking; Prepare disbursement requisition forms; Post entries; Issue cheque; General banking administration.
November 6, 2018	Aaron Previte	0.20	Read through various correspondence from our counsel re: loan extension.
November 8, 2018	Rosa Wilford	0.10	Review estate bank account and reconcile October statement.
November 10, 2018	Jin Wen	0.48	2018 T2 Tax Return Review
November 12, 2018	Jin Wen	0.25	2018 T2 review and sign-off

Date	Full Name	Hours	Detail
November 12, 2018	Alice Guo	0.75	Prepare CRA cover letter and the final PDF package. Coordinate with Aaron for the paper filing process.
November 12, 2018	Michael Creber	0.20	loan documentation;
November 12, 2018	Aaron Previte	0.50	Read through legal correspondence; Correspondence with ASH re: October report; Various internal correspondence re: tax returns;
November 13, 2018	Aaron Previte	0.10	Follow up on monthly report
November 14, 2018	Michael Creber	0.20	review reporting
November 14, 2018	Aaron Previte	0.30	Read through October monthly report and correspondence with Secured Creditor re: same; Correspondence with ASH re: remaining construction costs.
November 18, 2018	Rosa Wilford	0.10	Review banking reports and approve monthly estate balances.
November 19, 2018	Michael Creber	0.60	legal correspondence and documents
November 19, 2018	Aaron Previte	0.20	Read through SOC and SOD.
November 20, 2018	Michael Creber	0.50	legal correspondence and documents; loan document matters;
November 21, 2018	Michael Creber	0.10	loan document matters
November 26, 2018	Michael Creber	0.10	loan document matters
November 26, 2018	Aaron Previte	0.30	Read through amended loan agreement and arrange for execution.
November 27, 2018	Michael Creber	0.10	loan document matters

Time Charges and Expenses

M . Creber, Sr. Vice President	1.80	hours @	$595.00	per hour	$	1,071.00
J. Wen, Senior Manager	0.73	hours @	$570.00	per hour	$	416.10
A. Guo, Tax Sr. Analyst	0.75	hours @	$310.00	per hour	$	232.50
A. Previte, Manager	1.60	hours @	$275.00	per hour	$	440.00
R. Wilford, Manager	0.45	hours @	$260.00	per hour	$	117.00
	5.33				$	2,276.60
5% Technology and Administration					$	113.83
					$	2,390.43
Disbursement (courier)					$	11.16
					$	2,401.59
HST (13%)					$	312.21
Total Due					**$**	**2,713.80**

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

BN 12738 4717 RT0001
Client #200425
Invoice#LSON-4989

To professional services rendered as Court-Appointed Receiver for the period from December 1, 2018 to January 31, 2019.

Date	**Full Name**	**Hours**	**Detail**
December 7, 2018	Aaron Previte	0.10	Follow up November monthly report.
December 12, 2018	Aaron Previte	0.30	Review November monthly report and issue to Secured Creditor.
December 16, 2018	Rosa Wilford	0.10	Review estate bank account and reconcile November statement.
December 19, 2018	Rosa Wilford	0.10	Review banking reports and approve monthly estate balances.
January 8, 2019	Rosa Wilford	0.10	Review estate bank account and reconcile December statement.
January 14, 2019	Rosa Wilford	0.10	Review banking reports and approve monthly estate balances.

Date	Full Name	Hours	Detail
January 17, 2019	Aaron Previte	0.20	Follow up ASH management for monthly report for December; Correspondence with ASH management re: preparation of R&D for s246 lodgment.
January 22, 2019	Aaron Previte	0.30	Read through monthly report and circulate to the secured creditor. Correspondence with ASH management re: timing to receive report.
January 28, 2019	Aaron Previte	0.10	Follow up with ASH management re: R&D needed for s246 notice.
January 29, 2019	Aaron Previte	0.60	Prepare 246(2) notice and SRD's; Correspondence with ASH management re: cashbook SRD.
January 30, 2019	Michael Creber	0.20	File status update.
January 31, 2019	Michael Creber	0.90	246 report; Property management report and related correspondence.
January 31, 2019	Aaron Previte	0.20	Review and process payment; Arrange for 246(2) notice to be lodged.

Time Charges and Expenses

M . Creber, Sr. Vice President	1.10	hours @	$595.00	per hour	$	654.50
A. Previte, Manager	1.80	hours @	$295.00	per hour	$	531.00
R. Wilford, Manager	0.40	hours @	$275.00	per hour	$	110.00
	3.30				$	1,295.50
5% Technology and Administration					$	64.78
					$	1,360.28
HST (13%)					$	176.84
Total Due					**$**	**1,537.12**

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

BN 12738 4717 RT0001
Client #200425
Invoice#LSON-5071

To professional services rendered as Court-Appointed Receiver for the period from February 1, 2019 to February 28, 2019.

Date	**Full Name**	**Hours**	**Detail**
February 1, 2019	Rosa Wilford	0.25	Review internal email instructions from team re Banking; Review payment requests; Prepare disbursement requisition forms Post entries; Issue cheque; General banking administration.
February 7, 2019	Aaron Previte	0.40	Review January 2019 monthly report and correspondence with secured creditor re: same.
February 7, 2019	Rosa Wilford	0.50	Review internal email instructions from team re Banking; Review payment requests; Prepare disbursement requisition forms Post entries; Issue cheques; General banking administration.
February 8, 2019	Michael Creber	0.20	Review reporting; planning.

Date	Full Name	Hours	Detail
February 9, 2019	Rosa Wilford	0.10	Review estate bank account and reconcile January statement.
February 10, 2019	Rosa Wilford	0.10	Review banking reports and approve monthly estate balances.
February 15, 2019	Aaron Previte	0.10	Correspondence with counsel re: invoice.
February 19, 2019	Aaron Previte	0.10	Review invoice from counsel and correspondence re: same.
February 20, 2019	Aaron Previte	0.10	Read through email from Secured Creditor and discussions internally re: next steps.
February 22, 2019	Aaron Previte	3.10	Consider all events of proposed sales process and internal discussions re: same; Prepare memorandum on proposed sales process; Internal discussions re: local realtors.
February 25, 2019	Aaron Previte	0.10	Planning; Internal discussions re: local realtors.

Time Charges and Expenses

M . Creber, Sr. Vice President	0.20	hours @	$595.00	per hour	$	119.00
A. Previte, Manager	3.90	hours @	$295.00	per hour	$	1,150.50
R. Wilford, Manager	0.95	hours @	$275.00	per hour	$	261.25
	5.05				$	1,530.75
5% Technology and Administration					$	76.54
					$	1,607.29
HST (13%)					$	208.95
Total Due					**$**	**1,816.24**

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

BN 12738 4717 RT0001
Client #200425
Invoice#LSON-5144

To professional services rendered as Court-Appointed Receiver for the period from March 1, 2019 to March 31, 2019.

Date	**Full Name**	**Hours**	**Detail**
March 4, 2019	Rania Erian	0.50	General administration.
March 4, 2019	Michael Creber	0.70	Prepare for and attend conference call with secured creditor.
March 5, 2019	Michael Creber	0.10	Sales process.
March 5, 2019	Aaron Previte	0.30	Update marketing and sale memorandum.
March 6, 2019	Michael Creber	0.10	Sales process.
March 7, 2019	Rosa Wilford	0.10	Review estate bank account and reconcile February statement.
March 8, 2019	Michael Creber	0.40	Sales process; Review reporting.

Date	Full Name	Hours	Detail
March 8, 2019	Aaron Previte	0.60	Correspondence with ASH Management re: February report; Review February monthly report and circulate to Secured Creditor; Update overview of marketing and sale plan; Correspondence with Secured Creditors re: call on proposed sale.
March 11, 2019	Rosa Wilford	0.30	Review internal email instructions from team re Banking; Review payment requests; Prepare disbursement requisition forms Post entries; Issue cheque; General banking administration.
March 11, 2019	Michael Creber	0.90	Sales process.
March 11, 2019	Aaron Previte	0.50	Prepare for and attend meeting with the Secured Creditors re: sale and marketing overview.
March 13, 2019	Rosa Wilford	0.10	Review banking reports and approve monthly estate balances.
March 13, 2019	Valerie Naccarato	0.10	General banking administration.
March 14, 2019	Michael Creber	0.40	Sales process.
March 14, 2019	Aaron Previte	2.20	Internal correspondence re: sales and marketing process; Draft correspondence to counsel re: same; Prepare letter to brokers requesting proposals, confidentiality agreement and property summary.
March 15, 2019	Michael Creber	0.30	Sales process.
March 15, 2019	Jason Kanji	0.70	Internal meeting re: Receivership proceedings and sale process.
March 18, 2019	Michael Creber	0.20	Sales process.
March 20, 2019	Aaron Previte	0.20	Correspondence with secured creditors re: next steps; Internal discussions re: next steps; Correspondence with counsel re: call to discuss proposed sale.
March 20, 2019	Michael Creber	0.90	Sales process.
March 21, 2019	Michael Creber	0.10	Sales process.
March 22, 2019	Aaron Previte	0.50	Update sale memorandum; Internal discussions and correspondence re: sale; Review receivership funding position.
March 22, 2019	Michael Creber	0.90	Sales process.
March 24, 2019	Michael Creber	0.40	Sales process.

Date	Full Name	Hours	Detail
March 25, 2019	Aaron Previte	0.40	Attend call with counsel to discuss sale overview.
March 25, 2019	Michael Creber	1.20	Discussion legal counsel; Sales process.
March 26, 2019	Aaron Previte	0.30	Update NDA and letter requesting submissions from brokers.
March 27, 2019	Aaron Previte	0.50	Internal discussions re: next steps; Correspondence with counsel re: draft invitation package; Correspondence with the Secured Creditors re: sale process and timing.
March 27, 2019	Michael Creber	0.40	Sales process.
March 28, 2019	Aaron Previte	0.30	Correspondence with secured creditors re: realtor interviews; Review counsels recommended changes to package to send realtors and incorporate same.
March 28, 2019	Michael Creber	0.90	Sales process.
March 29, 2019	Michael Creber	1.90	Sales process.
March 29, 2019	Aaron Previte	1.50	Correspondence with counsel re: package to send to realtors with respect to opportunity; Finalize invitation packages specific to each prospective realtor; Various discussions and correspondence with realtors re: opportunity to submit proposal for sale of the property; Create register to track dealings with realtors; Planning; Correspondence with Secured Creditor re: brief update.

Time Charges and Expenses

M . Creber, Sr. Vice President	9.80	hours @	$595.00	per hour	$	5,831.00
A. Previte, Manager	7.30	hours @	$295.00	per hour	$	2,153.50
R. Wilford, Manager	0.50	hours @	$275.00	per hour	$	137.50
J. Kanji, Sr. Associate	0.70	hours @	$195.00	per hour	$	136.50
R. Erian, Analyst	0.50	hours @	$135.00	per hour	$	67.50
V. Naccarato, Analyst	0.10	hours @	$135.00	per hour	$	13.50
	18.90				$	8,339.50
5% Technology and Administration					$	416.98
					$	8,756.48
HST (13%)					$	1,138.34
Total Invoice Due					**$**	**9,894.82**

APPENDIX 14

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
M5H 3T4

Attention: Michael Creber

DATE: APRIL 10, 2018

CLIENT/MATTER NO.: 98665 - 1

RESP. LAWYER: DJACKSON

INVOICE NO.: 569468

121712376

Re: Collections - 5448124 Manitoba Ltd. et al

FEES (GST & PST)

28/02/18	SGABOR	Telephone call from Diana Welsh at CRA; email to Jan Oros, re outstanding tax returns for 5448124 MB Ltd.	0.20	250.00	50.00
28/02/18	JACKSON	Telephone from Sam Gabor - CRA inquiry etc.	0.10	450.00	45.00
01/03/18	JACKSON	Correspondence from Jan Oros	0.10	450.00	45.00
09/03/18	SGABOR	E-Mails with J Oros and D Jackson	0.20	250.00	50.00
09/03/18	JACKSON	Review & respond to Jan Oros	0.10	450.00	45.00
09/03/18	JACKSON	Review & respond to Sam Gabor	0.10	450.00	45.00
15/03/18	SGABOR	E-Mail from J Oros	0.10	250.00	25.00
15/03/18	JACKSON	Correspondence from Jan Oros	0.10	450.00	45.00
16/03/18	JACKSON	Reviewing draft Fifth Report	0.60	450.00	270.00
19/03/18	JACKSON	Reviewing draft Fifth Report and revision of same	2.00	450.00	900.00
20/03/18	JACKSON	Revise Receiver's 5th report	0.50	450.00	225.00
20/03/18	JACKSON	Correspondence to Jan Oros & Michael Creber	0.20	450.00	90.00
20/03/18	JACKSON	Draft instructions to Dave Marshall	0.10	450.00	45.00
20/03/18	JACKSON	Correspondence from Jan Oros	0.10	450.00	45.00
21/03/18	JACKSON	Correspondence from Jan Oros	0.10	450.00	45.00
21/03/18	JACKSON	Reviewing Jan Oros comments on the draft report	0.20	450.00	90.00
21/03/18	JACKSON	Revise draft Fifth Report	0.30	450.00	135.00
21/03/18	JACKSON	Revise draft Fifth Report	0.30	450.00	135.00
21/03/18	JACKSON	Correspondence to Jan Oros	0.20	450.00	90.00
21/03/18	JACKSON	Correspondence from Jan Oros	0.10	450.00	45.00
22/03/18	JACKSON	Telephone to Jan Oros - revise redacted budget	0.30	450.00	135.00
22/03/18	JACKSON	Correspondence from Jan Oros	0.10	450.00	45.00
22/03/18	JACKSON	Correspondence to Jan Oros	0.10	450.00	45.00
23/03/18	SGABOR	E-Mails between D Jackson, J Oros and M Creber between March 9, 2018 and March 23, 2018, re Receiver's fifth report	1.00	250.00	250.00
23/03/18	JACKSON	Meeting with David Marshall	0.10	450.00	45.00
23/03/18	JACKSON	Revise 5th report with David Marshall's suggestions	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.

23/03/18	JACKSON	Revise document	0.10	450.00	45.00
23/03/18	JACKSON	Correspondence to Jan Oros	0.10	450.00	45.00
23/03/18	JACKSON	Review & respond to Jan Oros	0.10	450.00	45.00
23/03/18	JACKSON	Correspondence from Michael Creber	0.10	450.00	45.00
23/03/18	JACKSON	Revise Fifth Report	0.10	450.00	45.00
23/03/18	JACKSON	Correspondence from Jan Oros	0.10	450.00	45.00
23/03/18	JACKSON	Attendance at appendices	0.40	450.00	180.00
23/03/18	MARSHALL	Reviewing report draft and provide comments to D Jackson	0.80	450.00	360.00
26/03/18	JACKSON	Correspondence to Jan Oros	0.10	450.00	45.00
28/03/18	JACKSON	Correspondence from Rania Erian	0.10	450.00	45.00
29/03/18	JACKSON	Correspondence to Rania at GT	0.10	450.00	45.00
02/04/18	JACKSON	Correspondence from Michael Creber	0.10	450.00	45.00
02/04/18	JACKSON	Correspondence to Michael Creber	0.10	450.00	45.00
03/04/18	JACKSON	Attendance uploading Fifth Report etc.	0.20	450.00	90.00
03/04/18	JACKSON	Correspondence to Service List	0.10	450.00	45.00
04/04/18	JACKSON	Correspondence to Aaron Privite	0.10	450.00	45.00
05/04/18	JACKSON	Prepare service affidavit	0.10	450.00	45.00

TOTAL FEES (GST & PST) 4,290.00

D.R.M. Jackson 7.9 hrs. x $450.00/hr. = $3,555.00
D. Marshall .8 hrs. x $450.00/hr. = $360.00
S. Gabor 1.5 hrs. x $250.00/hr. = $375.00

TOTAL FEES	$4,290.00
Plus 5 % GST	214.50
Plus 8 % PST	343.20

ALLOCATED EXPENSES & DISBURSEMENTS (GST Only)

Reproduction Charges	24.30	
Total Expenses & Disbursements		$24.30
Plus 5% GST		1.22
BALANCE DUE OUR OFFICE		**$4,873.22**

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
M5H 3T4

Attention: Michael Creber

DATE: DECEMBER 10, 2018
CLIENT/MATTER NO.: 98665 - 1
RESP. LAWYER: DJACKSON
INVOICE NO.: 585679
GST NO.: 121712376

Re: Collections - 5448124 Manitoba Ltd. et al

FEES (GST & PST)

27/08/18	JACKSON	Telephone to JJ Burnell	0.10	480.00	48.00
27/08/18	JACKSON	Review & respond to JJ Burnell	0.10	480.00	48.00
27/08/18	JACKSON	Reviewing 2013 Stevenson appraisal confidentiality	0.20	480.00	96.00
27/08/18	JACKSON	Correspondence to Michael Creber	0.20	480.00	96.00
28/08/18	JACKSON	Correspondence from Michael Creber	0.10	480.00	48.00
28/08/18	JACKSON	Prepare for conference call with JJ Burnell and John Martens	0.30	480.00	144.00
28/08/18	JACKSON	Telephone from JJ Burnell	0.10	480.00	48.00
28/08/18	JACKSON	Telephone to Michael Creber (vm)	0.10	480.00	48.00
04/09/18	JACKSON	Correspondence from JJ Burnell	0.10	480.00	48.00
11/09/18	JACKSON	Correspondence to JJ Burnell/Stuart Blake et al	0.40	480.00	192.00
12/09/18	JACKSON	Correspondence from JJ Burnell	0.10	480.00	48.00
12/09/18	JACKSON	Correspondence to JJ Burnell	0.10	480.00	48.00
13/09/18	JACKSON	Correspondence from Jerry Marriott	0.10	480.00	48.00
14/09/18	JACKSON	Correspondence from Stuart Blake	0.10	480.00	48.00
20/09/18	JACKSON	Correspondence from JJ Burnell - Knight claim	0.10	480.00	48.00
20/09/18	JACKSON	Correspondence to Michael Creber	0.10	480.00	48.00
25/09/18	JACKSON	Correspondence from JJ Burnell	0.10	480.00	48.00
25/09/18	JACKSON	Correspondence to Michael Creber	0.10	480.00	48.00
04/10/18	JACKSON	Correspondence from Stuart Blake	0.10	480.00	48.00
04/10/18	JACKSON	Correspondence to Stuart Blake	0.10	480.00	48.00
23/10/18	JACKSON	Telephone from Stuart Blake	0.10	480.00	48.00
31/10/18	JACKSON	Correspondence from JJ Burnell	0.10	480.00	48.00
31/10/18	JACKSON	Reviewing 4th loan amendment	0.10	480.00	48.00
31/10/18	JACKSON	Correspondence to Michael Creber	0.10	480.00	48.00
05/11/18	FLEMING	Reviewing Fourth Loan Amending Agreement, review original loan agreement and subsequent amendments, e-mails with client	0.40	360.00	144.00
05/11/18	JACKSON	Review & respond to Jack Fleming	0.10	480.00	48.00
07/11/18	FLEMING	Reviewing e-mails, message to JJ Burnell	0.20	360.00	72.00
12/11/18	FLEMING	Reviewing and revise 4th loan amending agreement, e-mails with JJ	0.30	360.00	108.00

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.

		Burnell			
19/11/18	JACKSON	Reviewing pleadings in Russ knight law suit	0.20	480.00	96.00
19/11/18	JACKSON	Telephone to JJ Burnell	0.20	480.00	96.00
19/11/18	JACKSON	Correspondence to Michael Creber	0.20	480.00	96.00
20/11/18	JACKSON	Correspondence from JJ Burnell	0.10	480.00	48.00

TOTAL FEES (GST & PST)	2,196.00
TOTAL FEES	$2,196.00
Plus 5 % GST	109.80
Plus 8 % PST	175.68
BALANCE DUE OUR OFFICE	**$2,481.48**

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
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Fax 1-204-957-0945
Website: www.tmlawyers.com

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

Attention: Michael Creber

DATE: APRIL 24, 2019
CLIENT/MATTER NO.: 98665 - 1
RESP. LAWYER: DJACKSON
INVOICE NO.: 594343
GST NO.: 121712376

Re: Collections - 5448124 Manitoba Ltd. et al

FEES (GST & PST)

11/12/18	FLEMING	E-Mails to and from JJ. Burnell, review file	0.20	360.00	72.00
12/12/18	JACKSON	Review & respond to Jack Fleming	0.10	480.00	48.00
20/03/19	JACKSON	Correspondence Aaron Previte	0.10	480.00	48.00
20/03/19	JACKSON	Correspondence to Aaron Previte	0.10	480.00	48.00
25/03/19	JACKSON	Correspondence from Aaron Previte	0.10	480.00	48.00
25/03/19	JACKSON	Reviewing Previous Reports & Orders	0.60	480.00	288.00
25/03/19	JACKSON	Reviewing Receiver Memorandum re: Sale process	0.50	480.00	240.00
25/03/19	JACKSON	Attendance at conference call with Michael Creber & Aaron Previte	0.40	480.00	192.00
25/03/19	JACKSON	Review & revise service list	0.20	480.00	96.00
28/03/19	JACKSON	Reviewing invitation	0.20	480.00	96.00
28/03/19	JACKSON	Reviewing draft invi tation& confidentiality agreement	0.50	480.00	240.00
28/03/19	JACKSON	Attendance at consultation with Dave Marshall on property work description	0.10	480.00	48.00
28/03/19	JACKSON	Prepare response to Receiver's inquiry on draft invitation	0.70	480.00	336.00
28/03/19	JACKSON	Draft Order re: sales process, loan & related approvals	0.80	480.00	384.00
28/03/19	JACKSON	Correspondence from Aaron Previte	0.10	480.00	48.00
29/03/19	JACKSON	Review, revise and respond to Aaron Previte re: property description	0.30	480.00	144.00
29/03/19	JACKSON	Review & respond to Aaron Previte regarding Occupancy permits	0.20	480.00	96.00
29/03/19	JACKSON	Correspondence from Aaron Previte	0.10	480.00	48.00

TOTAL FEES (GST & PST) 2,520.00
D.R.M. Jackson 5.1 hrs. x $480.00 = $2,448.00
J. Fleming .2 hrs. x $360.00/hr. = $72.00

TOTAL FEES	$2,520.00
Plus 5 % GST	126.00
Plus 8 % PST	201.60

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.

ALLOCATED EXPENSES & DISBURSEMENTS (GST Only)

Reproduction Charges	3.75	
Total Expenses & Disbursements		$3.75
Plus 5% GST		0.19
BALANCE DUE OUR OFFICE		**$2,851.54**

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

APPENDIX 15

Prospective Appraisal
Of An 88 Unit Apartment Project
As at February 5, 2013

519 Burnell Street
Winnipeg, Manitoba

Our File #13-2019

PREPARED FOR: 5448124 MANITOBA LTD.
SUITE 902-388 PORTAGE AVENUE
WINNIPEG, MB
R3C 0C7

Stevenson Advisors
UNIT 200, 260 ST. MARY AVENUE
WINNIPEG, MANITOBA R3C 0M6
TEL. 204.956.1901
FAX. 204.956.0050
www.stevenson.mb.ca

February 7, 2013

Mr. Russ Knight
5448124 MANITOBA LTD.
Suite 902-388 Portage Avenue
Winnipeg, MB
R3C 0C7

Dear Mr. Knight:

RE: OUR FILE NO. 13-2019
PROSPECTIVE APPRAISAL REPORT OF 519 BURNELL STREET APARTMENT PROJECT WINNIPEG, MANITOBA

In accordance with your instructions we have inspected the above noted property, more fully described elsewhere in this report, for the purpose of estimating its prospective market value. After consideration of the available information, it is our opinion the prospective market value of the fee simple interest in the subject property, as at February 5, 2013 is:

[redacted]

**Subject to hypothetical conditions and extraordinary assumptions as outlined in the report.*

The reader is directed to Hypothetical Conditions and Extraordinary Assumptions (Introduction – Page 3-4) that are fundamental to the valuation of the subject property.

A description of the subject property, neighbourhood, and supporting data is provided in the attached report. The appraisal has been prepared in conformity with the Canadian Uniform Standards of Professional Appraisal Practice of the Appraisal Institute of Canada.

This letter is invalid as an opinion of value if detached from the report, which contains the text, exhibits, and addenda materials.

Yours truly,
Stevenson Advisors Ltd.

Kassy Phillips-Hnatyshyn, BA
Appraisal Consultant

Brett W. Ferguson, BSc, AACI, PApp, MRICS
Review Appraiser

KP/bd

Table of Contents

Executive Summary

SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

Address of Subject Property	519 Burnell Street, Winnipeg, Manitoba.
Legal Description (in brief)	SP Lot 28, Plan 33661 and Lots 42 to 47, Block 3, Plan 775.
Purpose	Determine the prospective market value of the fee simple interest.
Function	To assist in matters relating to mortgage financing.
Lot Size	28,053 sq.ft.
Building Size	Plan Area: 16,881 sq.ft.[1] Gross Upper Area: 50,643.sq.ft.
Number of Units	88
Zoning	R2
Assessment (2013)	$567,000
Property Taxes (2012)	$8,296.58
Highest and Best Use	Multi-Family Residential
Date of Appraisal	February 5, 2013
Estimates of Value:	
Cost Approach	Not determined
Income Approach	[redacted]
Direct Comparison Approach	[redacted]
Final Value Conclusion	[redacted] **Subject to hypothetical conditions and extraordinary assumptions as outlined in the report.*

[1] Source for Plan and Gross Area Measurements: City of Winnipeg Property Assessment records

PHOTOGRAPH OF SUBJECT PROPERTY

SUBJECT PROPERTY
519 Burnell Street, Winnipeg, Manitoba

INTRODUCTION

PROPERTY ADDRESS

519 Burnell Street
Winnipeg, Manitoba

LEGAL DESCRIPTION

The current legal description of the subject property is:

> CT # 2291534 - Lots 42 to 47, Block 3, Plan 775 WLTO in RL 65, Parish of St James.
>
> CT # 2291538 – SP Lot 28, Plan 33661 WLTO in RL 63 to 65, Parish of St James.

PURPOSE OF THE APPRAISAL

The purpose of report is to estimate the prospective market value of the fee simple interest in the subject property, subject to completion of construction as per specifications outlined within this report.

FUNCTION

The intent of this report is to assist the client in matters relating to placement of first mortgage financing.

EFFECTIVE DATE

February 5, 2013.

DEFINITION OF MARKET VALUE

Market Value is defined as "the most probable price which a property should bring in a competitive and open market as of the specified date under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus."

Implicit in this definition is the consummation of a sale as of a specific date and the passing of title from seller to buyer under conditions whereby:

- buyer and seller are typically motivated;
- both parties are well informed or well advised, and acting in what they consider their best interests;
- a reasonable time is allowed for exposure in the open market;
- payment is made in terms of cash in Canadian dollars or in terms of financial arrangements comparable thereto; and

- the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. [2]

DEFINITION OF PROSPECTIVE MARKET VALUE

A forecast of the value expected at a specified future date. A prospective value opinion is most frequently sought in connection with real estate projects that are proposed, under construction, or under conversion to a new use, or that have not achieved sellout or a stabilized level of long-term occupancy at the time the appraisal report is written.

PROPERTY RIGHTS APPRAISED

The property rights appraised are those of the fee simple ownership.

It is held in perpetuity, carrying with it the right to sell, lease, or give it away, and is subject only to restrictions held by the Crown i.e. taxation, expropriation, police power, and escheat. Partial or sub-interests, such as leasehold, can be created by the fee simple owner, granting some of those rights to another for a stated period under certain conditions.

EXPOSURE TIME

Reasonable exposure time may be defined as follows: "The estimated length of time the property interest being appraised would have been offered in the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market".

Exposure time can vary for various types of real estate under different market conditions and is always presumed to occur prior to the effective date of the appraisal. This is substantiated by related facts in the appraisal e.g. the use of current cost information, the analysis of historical sales information, and the analysis of future income expectancy estimated from the effective date of the appraisal.

The estimate of reasonable exposure time is not intended to be a prediction of a date of sale, but is instead an integral part of the analysis conducted during the appraisal assignment. Our estimate of the probable exposure time for the property is six to twelve months.

MARKETING TIME

Marketing time, on the other hand, may be defined as a reasonable estimate of the amount of time it might take to sell a property interest in real estate at the estimated market level during the period immediately after the effective date of the appraisal.[3]

---

[2] *Source: 2010 Canadian Uniform Standards*

A reasonable marketing time for the subject property is also estimated to be six to twelve months.

SCOPE OF THE APPRAISAL

The subject property was personally inspected and photographed by Kassy Phillips-Hnatyshyn, on February 5, 2013. Ms. Phillips-Hnatyshyn undertook all data collection and analysis performed in completing the report. Brett Ferguson, Review Appraiser provided guidance and final review of this report, but did not inspect the subject property. The appraisal is based on data that has been collected through the normal course of business and has been confirmed wherever possible. Information has been supplied by the Winnipeg Real Estate Board (Multiple Listing data and MAAP database), the local municipal authorities, the Winnipeg Land Titles Office, Johnson Market Report, property managers, leasing agents, vendors, purchasers, and several unofficial sources, including the records of the Stevenson Real Estate Group. Unless otherwise noted in the report, the interiors of the comparable properties have not been inspected, neither vendors nor purchasers in the event of sales, nor landlords and tenants in the case of leases, have been contacted for particulars of the individual transactions.

Aside from the standard assumptions and limiting conditions that are a fundamental component of an appraisal report as prescribed by the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP), sometimes it is necessary to identify hypothetical conditions or extraordinary assumptions that been adopted in the analysis carried out. For purposes of reasonable analysis, and to comply with the requested valuation parameters as provided by the client, it has been necessary to appraise the subject property under hypothetical conditions as outlined below. The extraordinary assumptions that are outlined refer to the hypotheses, which if not true or achieved, could alter the value conclusions reached.

Hypothetical Conditions

1) *The value is based on all eighty-eight suites that have not yet been fully renovated as of the effective date of the appraisal, will be renovated to the standards as outlined in the estimated cost of repairs information provided by the owner.*

Extraordinary Assumptions

1) *The valuation of the subject property has been carried out based on the assumption of the afore-mentioned hypothetical condition #1. It is assumed that the improvements will be completed commensurate with local market standards, and completed in a timely manner. It is assumed that there are no impediments, legal, physical, or other, to the planned development. If the hypotheses were not made, it is likely that the appraiser's opinions and conclusions would be subject to change.*

---

[1] *Canadian Uniform Standards*

ENVIRONMENTAL CONCERNS

Unless otherwise stated in this report, the presence of hazardous substances, including without limitation, asbestos, polychlorinated biphenyls, petroleum, agricultural chemicals, or other contaminants, was not called to the attention of or nor did the appraiser become aware of during the course of the inspection.

The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. He is not, however, qualified to test such substances or conditions. The presence of such substances, such as asbestos, urea formaldehyde foam insulation, other similar hazardous substances, or environmental conditions, may affect the value of the property. The value estimate therefore is predicated on the assumption that there is no such condition on or in the property or in such proximity that would cause a loss in value. No responsibility is assumed for any conditions, or any expertise or engineering knowledge required discovering them.

In the course of our investigation, we have reviewed the Contaminated Sites Registry maintained by the Department of Conservation - Province of Manitoba. The subject site is not referenced in the list. Because this appraisal is not intended to determine the presence or absence of environmental risk, should more particulars or detail be required, a qualified environmental professional should be consulted.

CURRENT OWNERSHIP

Winnipeg Land Title Office (WLTO) records indicate the ownership of the subject property as follows:

5448124 Manitoba Ltd.
Certificate of Title Numbers 2291534 and 2291538

ENCUMBRANCES

Winnipeg Land Title Office (WLTO) records indicate the following active charges currently registered against the subject property.

CT 2291534

Registration No.	*Type*	*From/To*	*Consideration*	*Registration Date*
3749278	Caveat	From: The City of Winnipeg To: Harold Dick As Agent Description: Vacant and Derelict Buildings By-Law No 35/2004	-	2009/03/19
4034237	Caveat	From: The City of Winnipeg To: By Agent: Harold Dick Description: Derelect Bldg Prelim Order By-Law 89/2010	-	2011/02/01
4062051	Mortgage	From: 5448124 Manitoba Ltd. To: TCC Mortgage Holdings Inc.	$3,000,000	2011/04/20

4062052	Caveat	From: TCC Mortgage Holdings Inc. To: Robert B. Giesbrecht As Agent Description: Assignment of Rents and Leases	-	2011/04/20
4062053	Personal Property Security Notice	From: TCC Mortgage Holdings Inc. To: Robert B. Giesbrecht As Agent Description: Expires on 2013/04/18	-	2011/04/20
4317783	Mortgage	From: 5448124 Manitoba Ltd. To: Jaycap Financial Ltd.	$5,300,000	2013/01/18
4317784	Caveat	From: Jaycap Financial Ltd. By Agent: Doug E. Fawcett Description: Assignment of Rents and Leases	-	2013/01/18
4317785	Personal Property Security Notice	From: Jaycap Financial Ltd. By Agent: Doug E. Fawcett Description: Interest Expires 2018/01/15	-	2013/01/18
4318842	Builders Lien	From: Lucas & Associates Ltd. Against: 5448124 Manitoba Ltd.	$115,106.11	2013/01/22

CT 2291538

Registration No.	*Type*	*From/To*	*Consideration*	*Registration Date*
3749278	Caveat	From: The City of Winnipeg To: Harold Dick As Agent Description: Vacant and Derelict Buildings By-Law No 35/2004	-	2009/03/19
4062051	Mortgage	From: 5448124 Manitoba Ltd. To: TCC Mortgage Holdings Inc.	$3,000,000	2011/04/20
4062052	Caveat	From: TCC Mortgage Holdings Inc. To: Robert B. Giesbrecht As Agent Description: Assignment of Rents & Leases	-	2011/04/20
4062053	Personal Property Security Notice	From: TCC Mortgage Holdings Inc. To: Robert B. Giesbrecht As Agent Description: Expires on 2013/04/18	-	2011/04/20
4317783	Mortgage	From: 5448124 Manitoba Ltd. To: Jaycap Financial Ltd.	$5,300,000	2013/01/18
4317784	Caveat	From: Jaycap Financial Ltd. By Agent: Doug E. Fawcett Description: Assignment of Rents and Leases	-	2013/01/18
4317785	Personal Property Security Notice	From: Jaycap Financial Ltd. By Agent: Doug E. Fawcett Description: Interest Expires 2018/01/15	-	2013/01/18

There are several caveats registered against the subject building with regards to vacant and derelict buildings. Copies of these documents can be found in the appendix materials. Our client is currently working with the City in order to fulfil all of the needed requirements and have these caveats removed against the subject property.

A copy of the titles to the subject property has been included in appendix materials. The appraisal is based upon the assumption that there are no encumbrances that have a significant impact on the allowable use or development potential of the subject site.

SALES HISTORY

The current titles were created April 9, 2008 for a transfer of land from 5307296 Manitoba Ltd. to 5448124 Manitoba Ltd., for a consideration of $450,000 and a sworn value of $625,000. We are not aware of any subsequent listing or sale activity involving the subject property.

PROPERTY DETAILS

SITE DESCRIPTION

The subject property has been plotted on a sketch provided by the City of Winnipeg Surveys and Mapping Department (see following page).

The subject site is located within the central quadrant of the city, within the neighbourhood commonly known as the West End. Specifically, the site is located on the west side of Burnell Street, just south of Ellice Avenue.

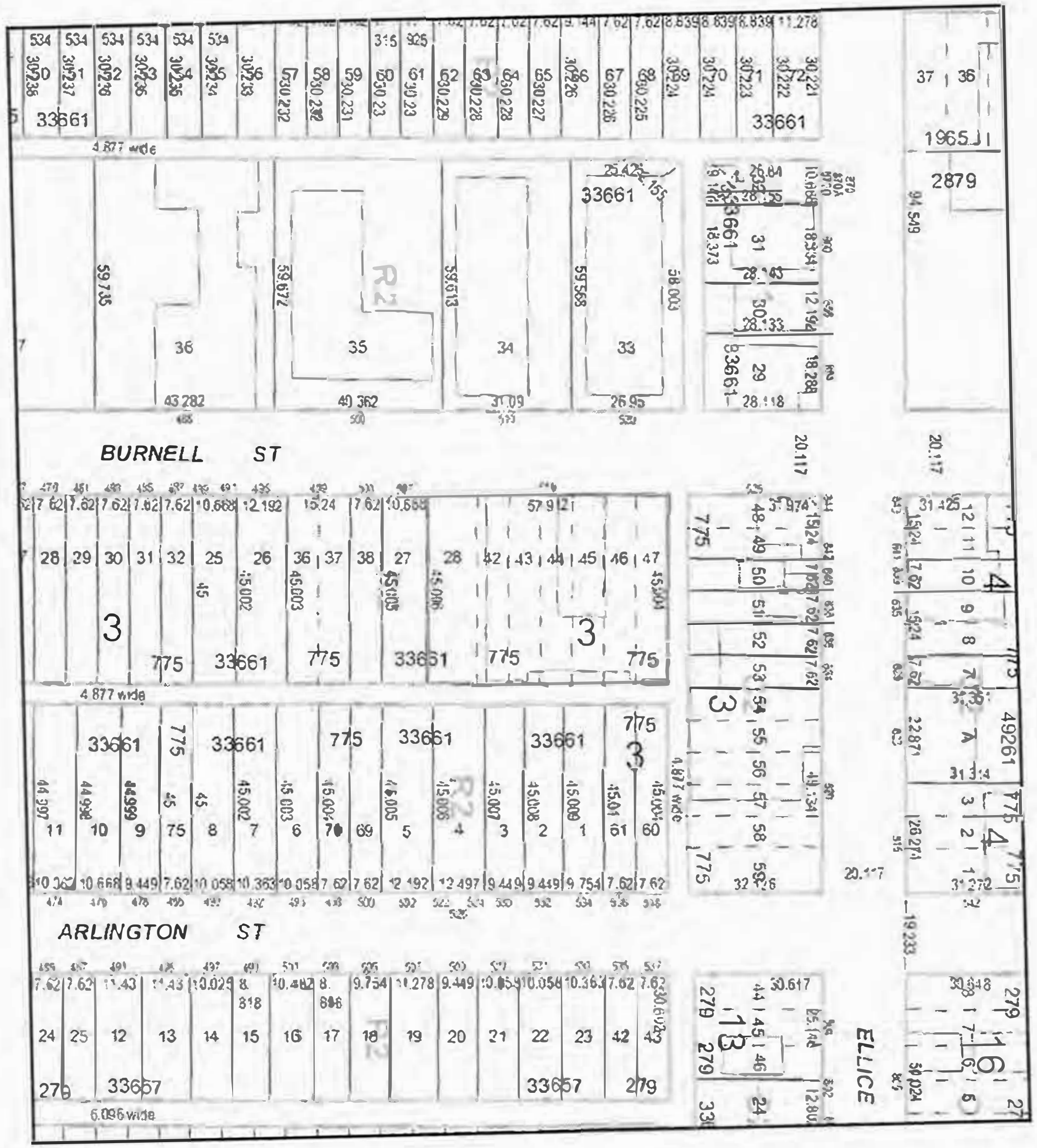
The site has a rectangular shape with 190.0 feet fronting Burnell Street to the west and side yard boundaries of 147.65 feet. The total site area is 28,053 square feet.

The site is improved with a three-storey masonry apartment building that occupies approximately 60 percent of the site. The remaining portion of the site (along the south side of the site) that is believed to be gravel covered (was snow covered at time of inspection), and will be used for parking that can accommodate 24 vehicles.

Development surrounding the subject consists of several apartment buildings to the west, single-family residential houses to the south and east and commercial development to the north along Ellice Avenue.

Access to the site is gained through a rear public alley at the back (east side) of the building that can be accessed from either Burnell Street or Arlington street.

The site is fully serviced with all municipal services necessary for its operation, including water, sewer, hydro, telephone, and natural gas.


BURNELL ST
ARLINGTON ST
ELLICE

ZONING

R2 – Two Family

The "R1" and "R2" Districts are intended to provide for single and two-family units and where appropriate limited multi-family units in lower density neighbourhoods.

Bulk requirements are as follows:

Zoning District	Min. Lot Area (Sq.Ft.)	Min. Lot Width (Interior Lot)(Ft.)	Min. Lot Width (Reverse Corner Lot)(Ft.)	Front Yard (ft.)	Rear Yard (ft.)	Side Yard (ft.)	Rev. Cor. Side Yd. (Ft.)
R-2	5,000	50	55	20	25	5	10

Permitted uses are many and varied. The reader is directed to City of Winnipeg Zoning By-law Number 200/2006, which includes a comprehensive list of permitted and conditional uses for this zoning designation.

ASSESSMENT AND TAXES

The property is listed under the City of Winnipeg tax roll:

Address	*Roll Number*	*Assessed Value (2013)*	*Category*	*2012 Taxes*
519 Burnell Street	13-030432100	$567,000	Class 60	$8,296.58

The assessed value is the City of Winnipeg Property Assessment Department's estimate of the most probable selling price of the property had it been for sale at April 1, 2010 (reference year for assessment purposes). Copies of the assessment notice and tax bill are included in the appendix materials of this report. It should be noted that a general reassessment of all commercial real estate is currently underway for the 2014 tax year. This value is based on the current market value of the property as at April 1, 2012. As of the effective date of this appraisal, the proposed assessment had not yet been released for 2014.

DESCRIPTION OF IMPROVEMENTS

The subject site is improved with a three-storey masonry and wood building, reportedly constructed in 1914. According to records maintained by the City of Winnipeg Property Assessment department, the building has a plan area of 16,881 square feet, and a gross upper floor area of 50,643 square feet. A full basement area exists in the subject building. The concrete floors had been removed due to prior flooding in the basement. To date approximately 70% of the new concrete floors in the basement have been poured. The remaining 30% will take place over the next week.

The building is vacant and is currently undergoing an entire renovation to transform the building into a "like new" condition. The interior finish of the building was removed back to the structural components. At the time of inspection, renovations were well underway. The building is split into four phases. The first three phases consist of the main to third floors and the fourth phase is the basement. To date many of the suites in the first three phases have been completed. Occupancy for the first three phases is projected to be March 1, 2013. Once these suites are completed, progress will focus to the phase four basement units.

The subject building has been redeveloped into 88 apartment units. The unit breakout consists of 1 bachelor unit, 56 one-bedroom units and 31 two-bedroom units. The basement will consist of the 1 bachelor unit, 14 one-bedroom units and 7 two-bedroom units. The first through third floors will each consist of 14 one-bedroom units and 8 two-bedroom units. Each floor will also have a laundry room on it.

The building has all new wiring, electrical systems, heating & mechanical and plumbing. In addition as mentioned the basement will have all new concrete floors. Essentially all interior improvements have been ripped out and will/have been replaced. The budget for all of the renovations as per Hudson Bay Traders is approximately 3.9 million dollars.

The finish to the completed suites consists of laminate flooring, painted gyproc walls and ceilings with incandescent lighting. The unfinished suites will also be completed with the same materials. Each unit will include one to two bedrooms (with exception of the bachelor suite), a living room, kitchen and bathroom. All units will be furnished with a fridge and stove.

Work to be completed on the exterior will consist of roof and vent repairs, all new windows, the building will be repainted, a secure fence will be installed along the front elevation, landscaping work will be done, the parking lot will be asphalt surfaced, work will be done to the front porch and exterior lighting will be added. At the time of appraisal, the majority of the new windows had already been installed and the front of the building had been painted.

MARKET OVERVIEW

MANITOBA ECONOMY

(Excerpt from Manitoba Economic Highlights)[4]

Population

- As of July 1, 2012, Manitoba's population stood at 1,267,003, a one-year increase of 15,313 persons, for an annual growth of 1.2%. This is the third consecutive 12 month period of population growth ahead of the national rate.

Real Gross Domestic Product

- Preliminary estimates from the Manitoba Bureau of Statistics show Manitoba's real GDP expanded 2.2% in 2011.
- The Survey of Major Economic Forecasters projects that the Manitoba will grow 2.3% in 2012 and 2.2% in 2013.

Consumer Price Index

- In the first ten months of 2012 the Manitoba CPI increased 1.6%, fourth lowest and below the 1.7% increase for Canada.
- Tobacco & alcohol, food, shelter and transportation are boosting overall consumer prices while recreation and education along with clothing are easing pressure on prices.
- Manitoba CPI increased 3.0% in 2011, the fifth lowest among provinces and similar to the 2.9% Canadian increase.

Labour Market

- In the first eleven months of 2012, employment increased 0.8% or 5,000 jobs while the labour force expanded 0.7% or 4,900 new entrants.
- In 2011, Manitoba's employment increased 0.8%. Manitoba's labour force expanded 0.8%. The 2011 employment growth for Manitoba ranked seventh highest among provinces.
- In 2011, Manitoba's unemployment rate was 5.4%, second lowest behind Saskatchewan. The youth unemployment rate was 11.6%, third lowest in Canada.
- In the first eleven months of 2012, Manitoba's unemployment rate was 5.4%, third lowest among provinces and below the 7.3% national average.

[4] *http://www.gov.mb.ca/finance/pdf/highlights.pdf*

Economic Activity

- In the first nine months of 2012, manufacturing sales increased 1.9% compared to a 4.9% national increase and ranked sixth among provinces.
- In the first nine months of 2012, Manitoba retail sales increased 2.1%, below the Canadian increase of 3.2% and seventh best among provinces.
- In the first three quarters of 2012, Manitoba farm cash receipts were up 1.0%.
- In the first ten months of 2012, the value of Manitoba building permits increased 29%, the highest growth among provinces and above the national average of 12.1%.
- In the first nine months of 2012, business bankruptcies were down 33.3% in Manitoba. In Canada they were down 10.3%.
- In the first nine months of 2012, Manitoba exports increased 2.1%, while Canadian exports were up 3.8%.

Provincial Economic Outlook
BMO Capital Markets Economics
December 21, 2012

	Cda	BC	Alta	Sask	Man	Ont	Que	NB	NS	PEI	Nfld
Real GDP Growth (% change, chain-weighted)											
2010	3.2	3.0	3.3	4.0	2.4	3.0	2.5	3.1	1.9	2.6	6.1
2011	2.6	2.9	5.2	4.8	1.1	2.1	1.7	0.1	0.3	1.1	2.8
2012 f	2.1	2.5	3.4	3.1	2.6	2.0	1.2	1.0	1.8	1.4	1.0
2013 f	1.8	2.4	2.8	2.7	2.3	1.8	1.3	1.6	2.0	1.4	3.3
2014 f	2.3	2.6	3.1	2.9	2.4	2.3	1.9	1.6	2.1	1.5	1.3
Employment Growth (% change)											
2010	1.4	1.7	-0.4	0.9	1.9	1.6	1.8	-0.9	0.2	3.1	3.5
2011	1.5	0.8	3.8	0.3	0.7	1.8	1.0	-1.2	0.0	1.8	2.7
2012 f	1.1	1.7	2.7	2.1	0.8	0.7	0.4	0.0	0.9	0.8	1.8
2013 f	1.0	1.4	1.8	1.8	0.8	1.0	0.6	0.2	1.2	0.5	0.8
2014 f	1.2	1.6	1.5	1.3	0.9	1.2	0.8	0.6	1.0	0.3	0.3
Unemployment Rate (percent)											
2010	8.0	7.6	6.5	5.2	5.4	8.6	7.9	9.3	9.3	11.3	14.3
2011	7.5	7.5	5.4	5.0	5.4	7.8	7.7	9.6	8.8	11.5	12.6
2012 f	7.3	6.8	4.7	4.8	5.4	7.9	7.9	10.2	8.9	11.3	12.6
2013 f	7.2	6.6	4.5	4.7	5.4	7.8	7.9	10.5	8.6	11.3	12.4
2014 f	7.0	6.6	4.4	4.6	5.1	7.4	7.6	10.2	8.3	11.2	12.3
Housing Starts (thousands)											
2010	191	26.7	26.9	6.0	6.1	60.7	50.9	4.6	4.4	0.8	4.1
2011	193	26.3	25.5	7.1	5.9	67.6	48.2	3.3	4.7	1.0	3.5
2012 f	213	28.5	33.3	9.6	7.5	76.5	46.6	3.3	4.7	0.9	3.8
2013 f	190	23.5	32.5	8.8	7.2	64.0	42.0	2.9	4.9	0.8	3.6
2014 f	180	20.0	32.5	8.5	7.0	60.0	40.0	2.9	5.0	0.8	3.3
Consumer Price Index (% change)											
2010	1.8	1.4	1.0	1.3	0.8	2.4	1.3	2.1	2.2	1.8	2.4
2011	2.9	2.4	2.4	2.8	3.0	3.1	3.0	3.5	3.8	2.9	3.4
2012 f	1.6	1.1	1.2	1.7	1.6	1.5	2.1	1.8	1.9	2.0	2.2
2013 f	1.7	0.8	2.1	1.9	1.7	1.8	1.5	1.6	1.9	1.5	2.0
2014 f	2.0	1.7	2.2	1.9	1.8	2.1	1.8	1.7	2.0	1.7	2.1

CITY OF WINNIPEG – ECONOMIC OUTLOOK[5]

Winnipeg's economy continued to post modest growth in the second quarter at a pace similar to the first quarter. In their Autumn 2012 Metropolitan Outlook, the Conference Board of Canada revised their forecast for real GDP growth in Winnipeg in 2012 to 2% ($28.1 billion), down from 2.4%. Despite this adjustment, Winnipeg's projected GDP growth remains in line with the national average (2.2%) and in the middle of the pack among Canadian metropolitan areas.

In a year-over-year comparison to the second quarter of 2011, Statistics Canada reported that Winnipeg's job growth improved by 9,300 jobs or 2.3% outperforming the national average of 1%. Winnipeg's unemployment rate of 5.7% during the second quarter remained consistent with the previous year (5.6%). The industries where employment is projected to post strong growth in 2012 include business services (6.8%), service-producing industries (3%), and he manufacturing sector (2.1%).

The Conference Board projects healthy growth of retail sales in Winnipeg during 2012, though at a rate below the national average of 4.5%. Winnipeg's retail sales are expected to grow to $10.1 billion this year, an increase of 2.7% over the same period last year. Manitoba's average weekly earnings grew 2% to $822 during the second quarter, keeping pace with the national growth rate of 2.1%. Winnipeg's consumer price index at the end of the second quarter was the third-lowest among Canadian metropolitan areas at 1.6%, a benefit to the local retail sector.

During the first half of 2012, Winnipeg's building permit values ($750 million) spiked 37% over the same period last year—the second-highest increase among Canadian metropolitan areas. For the second consecutive quarter, non-residential building permit values advanced over 100% to $341 million. More than half of these building permits (62%) were for commercial projects and were primarily retail-related (e.g., Seasons of Tuxedo and St. Vital Centre renovations). In the first six months of 2012, Winnipeg's commercial office space experienced a drop in the vacancy rate by 2%, while the average rental rate ($12.24) remained stable.

Residential building permits valued at $409 million were up 5% over the same period last year due to continued growth in housing starts. Statistics Canada stated that total housing starts in Winnipeg during the second quarter were up 40% (1,922) over last year, and single-family housing starts rose 7% (945). The average selling price for a Winnipeg home continues to rise, climbing 6% during the second quarter to $253,464.

The Manitoba Bureau of Statistics reported that Manitoba's merchandise exports of $6.1 billion during the first half of 2012 rose 8.5% over the same period last year, led by exports to the Middle East, Africa, and Asia. The export goods experiencing the largest growth in the second quarter included farm

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[5] *http://www.economicdevelopmentwinnipeg.com/winnipegs-economy/quarterly-economic-highlights*

equipment, motor vehicle parts, and meat and grain products. Valued at $3.4 billion, exports to the United States jumped 13%, with more than half (54%) destined for the Midwest. During the first half of 2012, imports to Manitoba from Western Europe, Mexico, the United States, and Southeast Asia (valued at $9.7 billion) increased 28% over last year. Manitoba's manufacturing shipments of $7.7 billion in the first six months of 2012 experienced modest growth of 1.8%.

APARTMENT MARKET OVERVIEW

Market Analysis

Winnipeg's real estate markets in all sectors continue to reflect positively and show very minimal increasing vacancy rates over the past year as reflected in the following chart. This is particularly evident in the Apartment sector.

REAL ESTATE VACANCY RATE SUMMARY FOR WINNIPEG

Year	*Industrial*	*Office*	*Retail*	*Apartments*	*Townhouse*
2005	3.2%	5.3%	4.3%	1.7%	9.6%
2006	3.8%	5.7%	4.0%	1.3%	2.1%
2007	3.1%	5.9%	3.8%	1.5%	3.8%
2008	2.5%	3.7%	3.3%	1.0%	4.3%
2009	2.0%	5.4%	3.5%	1.1%	0.8%
2010	2.7%	6.5%	3.5%	0.8%	0.6%
2011	2.1%	7.0%	3.3%	1.1%	0.5%
2012	2.0%	6.3%	3.2%	1.7%	1.1%

Multiple Family Markets

According to the results of Canada Mortgage and Housing Corporation's Fall 2012 Rental Market Survey, apartment vacancy rates increased slightly from 1.1% in 2011 to 1.7 percent in October 2012. It is forecasted that rates will also rise slightly in 2013.

The 2012 Winnipeg CMA survey results show the 12th consecutive year that the vacancy rates were below 2.0 percent. Despite the rise, Winnipeg still has one of the lowest vacancy rates among all CMAs in Canada and is well below the national average vacancy rate of 2.6 percent. Overall net-migration to Manitoba declined 8 percent year-over-year in the first six months of 2012. Contributing to the decline over this period was a decrease in net international migration and an increase in interprovincial outflows. In addition to lower net-migration numbers, factors encouraging existing renters to make a move to homeownership persisted over the past year.

The principal drivers of Winnipeg's strong market are:

- Net migration to the Province and to the City of Winnipeg has dramatically improved.
- More seniors, for a variety of reasons, are opting for rental instead of home ownership.
- There is a continued shortage of listings in the resale market.
- The lack of adequate additions to the rental housing stock. (New construction minus demolition, refurbishment and conversion to condominium).

Positive household growth fueled by net in migration will continue to put demand pressures on all housing markets, including the multi residential market. This prime driver, including the other contributing factors mentioned earlier, will still be apparent in the market in the near future. The very low overall vacancy rate as well as rental increases above the rent control guidelines are expected to be prevalent throughout the year.

MULTIPLE FAMILY MARKET – MIDLAND

SUMMARY OF APARTMENT VACANCY RATES

Year	*Winnipeg CMA*	*Midland*
2005	1.7%	2.9%
2006	1.3%	2.5%
2007	1.5%	1.3%
2008	1.0%	1.4%
2009	1.1%	2.4%
2010	0.8%	1.6%
2011	1.1%	1.1%
2012	1.8%	1.7%

Within the census metropolitan area of Winnipeg, the Midland district contains approximately 9.1% of the total apartment supply, or some 4,797 units (892 bachelor, 2,820 one bedroom, 1,051 two bedroom and 34 three bedroom). 2012 vacancy figures for the Midland district are, 2.6% for bachelor units, 1.6% for one bedroom units, 1.2% for two bedroom units and "no vacancy" for three bedroom units.

According to CMHC, average monthly apartment rents within the Midland district in 2012 were $490 for bachelor units, $569 for one bedroom, $719 monthly for two bedrooms and the amount for three bedrooms was suppressed to protect confidentiality. This compares to $527, $704, $911 and $1,027 respectively for the city as a whole.

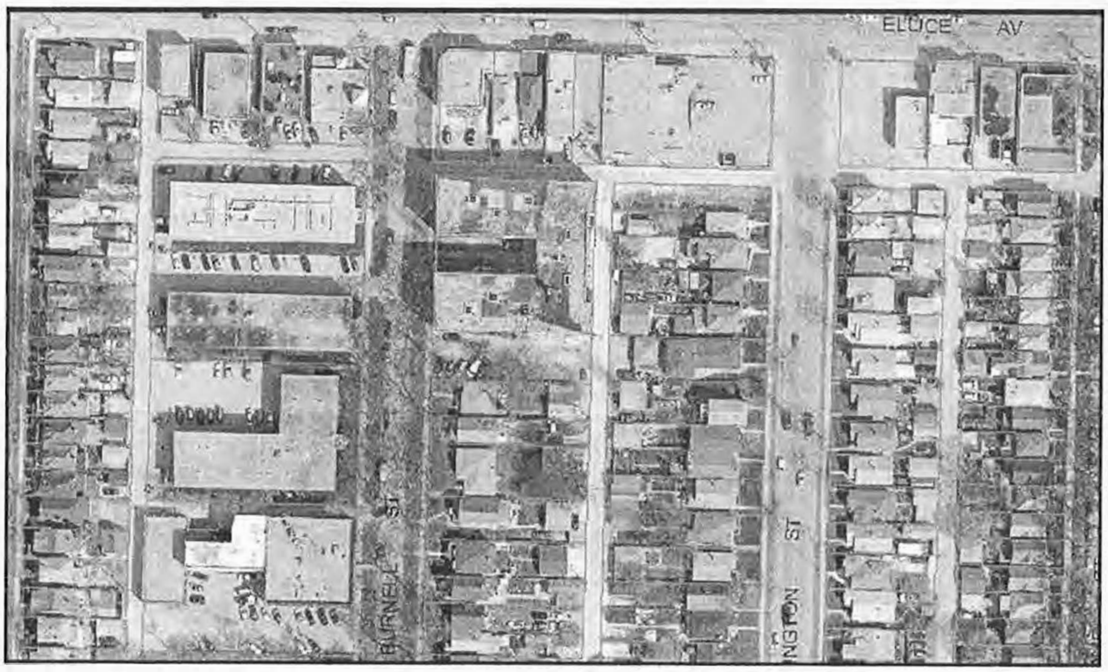
PROPERTY LOCATION AND NEIGHBOURHOOD ANALYSIS

The subject property is located in the Midland Market District of Winnipeg. This district is generally bounded by Notre Dame Avenue to the north, Sherbrook Street to the east, St. James Street to the west, and the Assiniboine River to the south.

The subject property is more specifically located on the east side of Burnell Street, just south of Ellice Avenue. Development in the area is primarily residential in the adjacent neighbourhoods, with commercial along Ellice, Sargent, Notre Dame and Portage Avenues.

All amenities including schools, shopping, and public transportation, are available within walking distance.

Location Map



HIGHEST AND BEST USE

INTRODUCTION

Highest and Best Use may be defined[6] as;

"That reasonably probable and legal use of vacant land or an improved property which is physically possible, appropriately supported, financially feasible, and that results in the highest value."

The highest and best use of a property is an economic concept that measures the interaction of four criteria:

- legal permissibility,
- physical possibility,
- financial feasibility,
- maximum profitability.

The concept of Highest and Best Use is fundamental to real property value. In one application of the concept, the property is considered as though vacant and available for development. In the other application, the highest and best use of the property as improved is estimated. This is because the highest and best use of the site as if vacant and available for development determines the value of the land, even if the property's existing improvement does not represent the highest and best use of the site.

Highest and Best use of land or a site is the use among all reasonable alternative uses that yields the highest present land value, after payment for labour, capital and co-ordination. The conclusion assumes that the parcel of land is vacant or can be made vacant by demolishing any improvements.

The single most important factor that influences any consideration of the most profitable likely use to which a property can be put is the zoning as it exists or, in some instances, the feasibility or possibility of rezoning to another or higher use.

[6] *Canadian Uniform Standards of Professional Appraisal Practice, effective 01/01/2010*

CONCLUSION

In summary, the site is zoned for multi-family residential development. Surrounding improvements in the immediate area consist of multi-family developments. It is therefore reasonable to conclude that as vacant the site would be developed with a multi-family residential project.

The existing improvement was originally constructed in 1914. The building is currently undergoing major renovations and all of the building interiors are being redone with exterior work completed as well. The structure is assumed to be in sound structural condition. It should continue to serve its intended function for many years to come. It is reasonable to conclude that the existing use represents a highest and best use of the subject property.

VALUATION AND FINANCIAL ANALYSIS

METHODOLOGY

There are three commonly used approaches taken to evaluating real property: the cost approach, the income approach, and the direct comparison approach. The approach utilized in any particular appraisal depends on the property type and the use of the appraisal as well as the quality and quantity of data available for analysis.

Cost Approach

The cost approach is based on the understanding that there is a relationship between value and cost. The approach is applied by estimating the value of the site and adding to it the depreciated value of improvements. The approach is particularly useful in evaluating relatively new improvements or those not frequently traded, and it has less application for properties with older buildings suffering from various forms of accrued depreciation.

Income Approach

The income approach measures the present worth of the future economic benefit of property ownership. In its simplest approach it assumes a relationship between the current net income and the value of the property. Its application involves a study of the actual and expected income from a property both from a quantitative and qualitative perspective, analysis of reductions in that income, such as anticipated vacancy, collection loss, operating expenses and long term maintenance, and the factoring of the derived net income into a value estimate based upon the expectations of investors in similar properties.

Direct Comparison Approach

The direct comparison approach involves a comparison of properties that have been listed for sale, have sold, or have received offers to purchase in order to derive an estimate of the value of a subject property. The validity of this approach is directly related to the number and comparability of properties sold that can be related to the subject as well as the quality of data available with which to conduct an adequate analysis.

ESTIMATE OF VALUE BY THE COST APPROACH

The Cost Approach assumes that a prudent purchaser will not pay more for a property than the cost of replacing or reproducing it in its present condition, providing there are no costly delays or economic factors which influence value. Inherent in this approach is the Principle of Substitution, which states that when several similar or commensurate commodities, goods, or services are available, the one with the lowest price attracts the greatest demand and widest distribution. It consists of four steps:

- Estimate the land value as if vacant.
- Estimate the building reproduction cost defined as the cost of creating an improvement identical to the subject in utility, size, and material.
- Estimate accrued depreciation from all causes and deduct this from the estimated reproduction cost of the building.
- Add the estimated vacant land value to the depreciated cost of the site improvements.

When dealing with older properties, including those remodelled, the cost approach is inherently weak. Accurate construction details are often not available and older construction techniques and materials are obsolete. Depreciation, which emanates from a number of causes, physical, functional, and external, can be very difficult to determine in an older property particularly where caused by demographic changes or a depressed real estate market. Additionally, the market itself does not generally relate depreciated cost with value and purchasers of real estate do not strongly consider this type of approach in determining the value of properties they wish to acquire, other than to determine the cost-to-cure physical deficiencies or problems.

As the market does not relate depreciated cost to value for properties such as the subject, the Cost Approach will not be utilized in this report.

ESTIMATE OF VALUE BY THE INCOME APPROACH

The Income approach to value is a method whereby the estimated net rental income of a property is capitalized at an appropriate rate consistent with the current market which reflects a return on and of the investment to produce a capital value of the improvement. The theory of this approach is that the value of a property is the present worth of the net income it will produce during the remainder of its productive life.

The income approach is of major importance in its application to income producing properties, as the probable future income is a prime consideration to prospective purchasers.

In estimating the value of the subject property by the income approach, careful consideration has been given to the following factors to ensure a reasonable and accurate estimate.

- Estimate Gross Annual Income of the property.
- Allowance for vacancy and uncollected rents.
- A stabilized annual level of operating expenses.
- Resultant net income of the property.
- Estimated quality and durability of the income stream.
- Selection of the Capitalization Rate.
- The appropriate technique to process the Net Income into a capital value.
- Capitalization of the annual net income to derive the indicated capital value.

INCOME ANALYSIS

The rental structure in the subject project will be to charge rents of [redacted]

[redacted]

[redacted] [redacted]

[redacted]

We have conducted a market survey of the subject area and surrounding areas and have researched comparable rents in order to establish whether the proposed rental rates in the subject property reasonably fall within market rental ranges. The results of our survey are contained in the following chart:

	Location	*Bachelor*	*One Bedroom*	*Two Bedroom*
Subject	***519 Burnell Street***	***$595***	***$750***	***$895***
1	559 Cathedral Ave	n/a	$750	$950-$1,025
2	122 Langside Street	$750	$795	$950
3	161 Langside Street	From $610		
4	578 Agnes Street	$590-$625	$725	n/a
5	247 Spence Street	n/a	$689	n/a
6	471 William Ave	n/a	$650	n/a
7	196 Balmoral St.	n/a	n/a	$850
8	217 Sherbrook St.	From $591		
9	199 Spence Street	n/a	$1,000	n/a
10	535 Victor Street	n/a	n/a	$925
11	178 Machray Ave	$575-$675	$825	$900
12	520 Burnell Street	n/a	$750	$875
Min		**$591**	**$689**	**$850**
Max		**$750**	**$1,000**	**$988**
Mean		**$637**	**$773**	**$915**

The comparable rental rates listed above offer some insight into what newly renovated units are renting for in the target market area. Comparable bachelor units are renting between $591 and $750 per month, one-bedroom units are renting between $689 and $1,000 per month, and comparable two-bedroom units are renting for $850 to $988 per month. Again, the data presented above represents apartment units which have been recently renovated in an attempt to quantify this unique market. As we can observe in our chart, the proposed rental rates within the subject property are in line with those examined in our market survey.

Based on our research, we have determined that the proposed rents are considered reasonable for the subject property, based on its age, upgraded condition and its marketplace. Therefore; the proposed rates will be utilized in the analysis.

Parking Income

The subject property has a total of 24 parking stalls available. These stalls will be made available for tenants on a monthly rental basis. Each stall is located outdoors and comes complete with electrical service. The stalls will rent for a proposed monthly charge o[redacted]

Similar property-types in the North End district of Winnipeg rent from $30-$50 per month. It can be expected that parking within the north end district would typically achieve a lower rate than properties located towards the central business district, as displayed in the chart below;

Index	**Address**	*Description*	*Rents/mo*
1	275-277 Balmoral St.	Exterior Parking	$40
2	85 Furby Street	Exterior Parking	$45
3	303 Assiniboine Avenue	Exterior Parking	$36
4	277 Langside Street	Exterior Parking	$30
5	445 Talbot Avenue	Exterior Parking	$30
6	600 Ross Avenue	Exterior Parking	$50
	Range		**$30-$50**
	Average		**$38.50**

In estimating the potential parking revenues to be expected from stabilized operations of the subject property, at 100 percent occupancy (parking), the gross parking revenue is[redacted]

Gross Income Calculation

Utilizing the proposed rents, the following estimate of gross income for the subject project is derived.

Additional income reflected in the analysis represents the revenue for the 24 outdoor parking stalls and laundry income.

Unit	# of units	Monthly Rent/Unit	Monthly Rent Potential	Annual Potential Rent
[redacted]				
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]				[redacted]
[redacted]				
[redacted]		[redacted]		[redacted]
[redacted]				[redacted]
[redacted]				[redacted]

Vacancy

As discussed in the Market Analysis section, the overall vacancy rate for the city of Winnipeg in 2012 was 1.7 percent. In the Midland zone, the overall vacancy rate in 2012 was at 1.8 percent. Further analysis indicates that vacancies were 1.6 percent in one-bedroom units and 1.2 percent in two bedroom units in the Midland District. For our analysis we have assumed a vacancy rate of 1.5 percent.

Estimated Annual Operating Expenses

Since the subject is vacant and still under renovation, there are no audited financial statements of project performance upon which to base our analysis. To arrive at our stabilized estimate of 2013 operating expenses, we have considered expenses observed in other similar apartment projects.

OPERATING EXPENSES	2013	Expense per Unit
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]

Operating Expenses - Commentary

Given that the analysis is based on completion of proposed renovations to the property, the operating expenses have been reconstructed based on the appraiser's experience with "typical" operating scenarios in similarly renovated buildings. The estimated expense to income ratio is [redacted] which is reasonable for a property where the tenants pay for hydro, and where energy efficiency has been improved.

Property Taxes

Actual 2012 property tax levies for the subject property totalled $8,296.58 as reported by the Winnipeg Real Estate Board. Assuming completion of the subject building, property taxes are expected to jump significantly. Based on similar buildings a rate of [redacted] has been estimated.

Insurance

Insurance in comparable buildings is shown to range between $100 to $150 per unit. Using the mid-range the property insurance expense for the subject building is estimated at [redacted]

Repairs and Maintenance

Expenses in this category are specific to each property and depend on a number of variables including the age of the property, the extent of mechanical services, the overall size of the rental units, and the overall maintenance routine of the property owner. Based on previous experience, property managers have indicated that annual average costs in this expense category for this property type, range from $700 to $1,000 per unit. Based on the proposed renovations and the rehabilitated condition of the building upon completion, a repair and maintenance expense near the midpoint of this range would be anticipated.

The total repair and maintenance allowance used in the analysis will be [redacted]

Administration

These would include professional fees such a property listing and accounting services as well as all forms of advertising fees. These fees are estimated to total [redacted] per year for the subject property.

Utilities

The subject building has individually metered hydro service, with tenants responsible for their own hydro consumption. Therefore, the cost of electrical service borne by the landlord includes only that having to do with common areas. The landlord will be responsible for the cost of common area electricity and sewer and water charges.

Based on charges in comparable buildings an amount o[redacted] has been used for common area electrical charges and water has been estimated at [redacted] The total amount for utility charges for 2013 has been estimated a[redacted]

Caretaker and On-site Management

Based on our experience, caretaking and on-site management typically ranges from [redacted] per suite per month. The subject property is an 88-suite three storey walk-up apartment building that will be completely remodelled, typically commanding an expense at the lower end of the range. An allowance of [redacted] is considered reasonable and will be utilized in the analysis.

Property Management

Typical costs for property management services range from 3.0% - 5.0% of gross revenue. The lower figure would typically apply to larger complexes where management costs can be spread over a broader base. The overall relationship with the property manager is also a relevant factor. In speaking with local property management firms, we are able to conclude that a building of this size, nature and in this location, would typically command a 5% management fee. This rate will be considered to be appropriate for a property of this age and size and results in a prospective expense of [redacted]

NET OPERATING INCOME SUMMARY

Effective Gross Income:	[redacted]
Less Operating Expenses:	[redacted]
Estimated Net Operating Income:	[redacted]

Capitalization

Capitalization is the process of converting income from a property into an expression of value. A capitalization rate is a conversion factor, appropriate to the property being appraised that is, applied to the income stream to convert it into an indication of the market value. It is the rate, commensurate with the risk presented, by which an income stream is discounted to a present worth.

Direct Capitalization Method Using the Overall Market Rate

This method is the most direct of the different methods of estimating overall rates. An analysis of comparable properties is made having similar investment features, expense ratios, financing availability, and property-type. An overall capitalization rate is calculated by dividing the appropriate net income by the sale price of the property. This overall rate does not explain the yield or rate of return on the investment. It merely expresses the relationship between the sale price and the net income at the date of sale.

The following chart provides an indication of actual capitalization rates considered appropriate in the analysis of the subject property.

MARKET DERIVED DIRECT CAPITALIZATION RATES

Sale No.	*Address*	*Sale Price*	*# of Suites*	*Sale Date*	*Overall Rate**
1	706 Beach Avenue	$599,000	6	January 2013 (pending sale)	5.8%
2	Sutherland Avenue	$405,000	18	January 2011	5.2%
3	Kingsford Avenue	$630,000	9	August 2011	4.8%
4	Machray Avenue	$705,000	12	November 2011	6.6%
5	Edison Avenue	$5,542,000	68	June 2011	4.6%
6	Berry Street	$1,875,000	29	July 2011	4.9%
7	Young Street	$950,000	16	October 2011	5.0%
8	Henderson Highway	$600,000	11	April 2011	6.5%

** Supporting information held in the files of Stevenson Advisors Ltd.*

Recent transactions suggest capitalization rates ranging approximately from 4.8 percent to 6.6 percent, with a mean of 5.4 percent for apartment buildings within the Winnipeg marketplace.

In examining capitalization rates for apartment buildings more closely, it must be recognized that two different scenarios exist in the apartment market. Capitalization rates for apartment buildings which have renovation potential or condominium conversion potential will typically be lower than buildings which are being acquired for their existing revenue potential. Buildings which have renovation or conversion potential may be purchased at a premium due to a future expected income following the renovation. These types of transactions artificially lower the capitalization rates on the properties due to the premium paid for the future benefit. This future benefit is not reflected in the current income, hence the artificially compresses capitalization rate. Capitalization rates for buildings which are under renovation following their sale range from 4.5 to 5.5 percent generally speaking. A more reasonable cap rate for an "as is" sale would be in the range of 6.0 to 7.0 percent.

The subject property is in its finishing stages of undergoing a large-scale renovation, and the nature of this appraisal report is to provide a "prospective market value" assuming that all renovation work has been completed. The next major contributing factor that needs to be considered in determining the appropriate capitalization rate is the location, and the risk that is associated with this factor. The subject property is located in a less desirable neighbourhood relative to some of the comparable capitalization rates used in our analysis; however, capitalization rate index numbers 1, 2, 4 and 7 are considered to be good comparables in terms of location and neighbourhood attributes. It is our opinion that the property carries a similar amount of risk as these comparables in particular, and slightly higher risk than what would be typically encountered in the overall Winnipeg market for similar properties. Giving consideration to the nature, location and investment potential of the subject property, a capitalization rate near [redacted] is considered appropriate for application to the estimated income stream for the subject property to determine its prospective market value.

Therefore, the valuation of the subject property is calculated as follows:

Net Operating Income / Rate = [redacted] [redacted] [redacted]

[redacted]

ESTIMATE OF VALUE BY THE INCOME APPROACH

[redacted] [redacted]

ESTIMATE OF VALUE BY THE DIRECT COMPARISON APPROACH

The Direct Comparison Approach entails in one form or another the adjustment of sales or other sales of usually dissimilar but comparable properties towards a reasonable degree of identity with the subject property. It is the most common approach to value and may be used to estimate value by comparison, or in conjunction with the Cost and Income Approaches.

Comparison is the basis of application of the Direct Comparison Approach because it requires the comparing and rating of the subject property with other comparable properties for which market data is shown. The direct comparison approach to value involves the use of sales data of all kinds in order to arrive at an estimate of market value. In this approach, the similarities between the subject property and other comparable properties are established and assessed.

Direct sales are good evidence of value because they represent the reactions of typical buyers. The direct comparison approach is justified on the principle of substitution, which affirms that a prudent purchaser will not pay more for a property than the price of an equally desirable substitute property available under similar conditions. The subject property is developed with 88 residential suites. For purposes of estimating the value of the subject property by the Direct Comparison Approach, sales of comparable apartment blocks in the Winnipeg marketplace were researched. The results are included in the following pages.

WINNIPEG – COMPARABLE APARTMENT SALES

COMPARABLE PROPERTY SALES

Index	Nbr	Street	Site Size (sq.ft.)	Age	Bldg Size (sq.ft.)	# Units	Sale Price	Sale Date	Sale Price per Unit
Subject	*519*	*Burnell Street*	[redacted]	[redacted]	[redacted]	[redacted]			
[redacted]		[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]		[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]		[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]		[redacted]	[redacted]		[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]		[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]		[redacted]
		[redacted]			[redacted]				[redacted]

COMPARABLE SALE NUMBER ONE

Property Address:	960 Archibald Street
# of Suites:	53
Age:	1963
Sale Price:	$4,750,000
Sale Date:	Pending
Sale Price per Suite:	$89,623
Vendor:	Bernie Sadowski
Purchaser:	Unknown
Comments:	Located in the Windsor Park area of southeast Winnipeg. At the time of sale the building was in average to good condition. Subsequent to the sale, the purchaser is planning on putting approximately 1.85 million dollars of renovations into the building to upgrade things such as the plumbing, electrical, refinish the kitchens, install new appliances etc.

COMPARABLE SALE NUMBER TWO

Property Address:	100 Killarney Street
# of Suites:	42
Age:	1969
Sale Price:	$4,063,500
Sale Date:	January 27, 2012
Sale Price per Suite:	$96,750
Vendor:	5684855 Manitoba Ltd.
Purchaser:	5982830 Manitoba Ltd.
Comments:	Located in the Fort Richmond area of Southwest Winnipeg. This property was on the derelict building list with the City of Winnipeg. Prior to the sale the owner was responsible for renovations consisting of new electrical, windows and stucco amongst others for a total of $635,000. The purchaser was responsible for additional renovations estimated at $1,470,000 and is planning on transforming the building into condo units.

COMPARABLE SALE NUMBER THREE

Property Address:	229 Kearney Street
# of Suites:	126
Age:	1972
Sale Price:	$12,911,790
Sale Date:	October 7, 2011
Sale Price per Suite:	$102,475
Vendor:	2413434 Manitoba Ltd.
Purchaser:	Marwest Kearney Ltd.
Comments:	Located in the St. Vital area of southeast Winnipeg. This property does not appear to have had any major renovations done to it prior to its sale. It is considered to be in good condition.

COMPARABLE SALE NUMBER FOUR

Property Address:	215-225 Edison Avenue
# of Suites:	68
Age:	1961/62
Sale Price:	$5,542,000
Sale Date:	June 3, 2011
Sale Price per Suite:	$81,500
Vendor:	C&T Holdings Ltd.
Purchaser:	215/225 Edison Avenue Ltd.
Comments:	Located in the East Kildonan area of northeast Winnipeg. The sale actually involves two neighbouring apartment properties combining for a total of 68 suites. The building had newer windows (replaced approx. 6 years ago). Some units had been updated over the years. The building was in average/good condition at the time of sale. The purchaser was planning to do building renovations after the sale.

COMPARABLE SALE NUMBER FIVE

Property Address:	59 Wilmot Place
# of Suites:	84
Age:	1962
Sale Price:	$9,532,700
Sale Date:	May 18, 2011
Sale Price per Suite:	$113,485
Vendor:	Lomast Investments Ltd. and Orah Investments Ltd.
Purchaser:	Wilmot Park Plaza Ltd.
Comments:	Located in the River/Osborne area of southwest Winnipeg. This property was renovated prior to its sale. Renovations included suite interiors and new windows. This apartment also has 2 elevators. It is considered superior in comparison to the subject and all other comparables.

ANALYSIS

The property sales included in the analysis have a varying degree of comparability to the subject; however they each involve the sale of walk-up apartment blocks (with the exception of sale no.5) with most renovated to some degree prior to the sales transaction taking place. This is an important aspect of our analysis due to the large spread in sale prices between renovated and non-renovated buildings. The apartment buildings in our analysis range in size from 42 to 126 units. The buildings range in vintage from 1961 to 1972. The majority of the buildings feature brick or concrete block construction.

Typically, valuation of apartment projects is carried out on a per suite basis. Based on this indicator, the unadjusted unit sale price indicated by the comparable sales ranges from [redacted] per suite. Based on the five comparable sales, the mean unadjusted price per suite is [redacted]

The low end of our sales comparable range is indicated by comparable number 4 on Edison Avenue. This sale consists of two adjacent apartment buildings located in the northeast quadrant of Winnipeg with a total of 68 suites. Prior to the sale the building was in average to good condition. The windows were newer having been installed approximately 6 years ago. The building was not renovated prior to the sale and this is reflected in the lower selling price per unit.

The high end of our range is defined by comparable sale number 5, which is an elevatored 84 suite block located on Wilmot Place in the River/Osborne neighbourhood of Winnipeg. This comparable is similar to the subject in terms of number of suites. However, the building and location are considered to be superior to that of the subject property.

The remaining three sales (Index Nos. 1-3) represented apartment blocks ranging in size from 42 to 126 units and selling prices per unit fron [redacted] per unit. Index 1 and 3 do not appear to have been renovated prior to their sales. Index 2 was sold without full renovations completed. The purchaser was required to carry out additional renovations on the building.

It is reasonable to conclude that the market value of the subject property should be valued within these typical market parameters. It is therefore reasonable to assume that a value for the subject building would fall somewhere within the indicated range. Factors to be considered in the final value decision weigh heavily on location and original building age.

After adjusting for various factors such as age, condition, date of sale (time adjustment), land coverage/parking, and building size our range changes to [redacted] with a mean of [redacted] Based on the indication of value provided by the comparable sales, a value conclusion near the mean of our range is considered to be appropriate for our subject property due to the new quality finish and major renovation that has been undertaken. A rate o[redacted]per suite is considered reasonable for the subject property.

It is therefore our opinion that the prospective market value of the subject property, as at the effective date of the report, is:

[redacted]	=	[redacted]
	=	[redacted]

ESTIMATE OF VALUE BY THE DIRECT COMPARISON APPROACH

[redacted]

RECONCILIATION OF VALUE ESTIMATES

Two approaches to value have been considered for the subject property and applied as being appropriate in its evaluation of current market value:

Cost Approach	Not Applicable
Income Approach	[redacted]
Direct Comparison Approach	[redacted]

The Cost Approach is usually used in appraising new or built-to-suit properties, when accrued depreciation is not an issue. As the subject improvements have a chronologic age of 99 years and suffer depreciation in several forms, this approach is not considered valid and will not be utilized.

The value estimate arrived at by the income approach was based on an analysis of projected revenue for the subject building. The rents and operating expenses were analyzed and compared to market experience in other buildings in the marketplace and a stabilized net operating income was developed. Appropriate methods of capitalization were considered and a final value estimate derived. A final value estimate developed in the income approach is thought to be the best approach upon which to base a value conclusion – the quantity and quality of data was adequate and the resultant value is thought to provide an accurate indication of the value of the subject property from the viewpoint of a typical investor.

The direct comparison approach involved the analysis of sales of apartment projects in the Winnipeg marketplace. This approach provides general support for the value obtained through income analysis. The properties had varying degrees of comparability based on their respective conditions and locations. Also, this approach does not adequately account for factors that relate specifically to the subject property such as vacancy, income/expenses and potential for increases in net income.

Having considered the data investigated, and all other factors that may affect value, it is our opinion that a fair and reasonable estimate of the prospective market value of the subject property, as at February 5, 2013, is supported by both approaches a [redacted]

FINAL ESTIMATE OF MARKET VALUE

[redacted] [redacted]*

**Subject to hypothetical conditions and extraordinary assumptions as outlined in the report.*

Appendix 1
Assumptions and Limiting Conditions

ASSUMPTIONS AND LIMITING CONDITIONS

1. This report has been prepared at the request of **5448124 Manitoba Ltd.** for the purpose of providing an estimate of the prospective market value of the fee simple interest in the subject property, as at February 5, 2013, of **519 Burnell Street, Winnipeg, Manitoba, Canada** for matters relating to placement of first mortgage financing. It is not reasonable for any person other than the person or those to whom this report is addressed to rely upon this appraisal without first obtaining written authorization from the client and the author of this report. This report has been prepared on the assumption that no other person will rely on it for any other purpose and all liability to all such persons is denied.

2. This report has been prepared at the request of the client(s) indicated above, and for the exclusive (and confidential) use of the recipient as named herein and for the specific purpose and function as stated herein. All copyright is reserved to the author and this report is considered confidential by the author and the client. Possession of this report, or a copy thereof, does not carry with it the right to reproduction or publication in any manner, in whole or in part, nor may it be disclosed, quoted from or referred to in any manner, in whole or in part, without the prior written consent and approval of the author as to the purpose, form and content of any such disclosure, quotation or reference.

   Without limiting the generality of the foregoing, neither all nor any part of the contents of this report shall be disseminated or otherwise conveyed to the public in any manner whatsoever or through any media whatsoever or disclosed, quoted from or referred to in any report, financial statement, prospectus, or offering memorandum of the client, or in any documents filed with any governmental agency without the prior written consent and approval of the author as to the purpose, form and content of such dissemination, disclosure, quotation or reference.

3. The estimated market value of the real property, which is appraised in this report, pertains to the value of the fee simple interest in the property.

4. The estimate of value contained in this report is founded upon a thorough and diligent examination and analysis of information gathered and obtained from numerous sources. Certain information has been accepted at face value, especially if there was no reason to doubt its accuracy. Other empirical data required interpretive analysis pursuant to the objective of this appraisal. Certain inquiries were outside the scope of this mandate. For these reasons, the analyses, opinions and conclusions contained in this report are subject to the following contingent and limiting conditions.

5. The property has been valued on the basis that title to the real property herein appraised is good and marketable.

6. The author of this report cannot accept responsibility for legal matters, questions of survey, opinions of title, hidden or unapparent conditions of the property, toxic wastes or contaminated materials, soil or sub-soil conditions, environmental, engineering or other technical matters, which might render this property more or less valuable than as stated herein. If it came to our attention as the result of our investigation and analysis that certain problems may exist, a cautionary note has been entered in the body of the report.

7. The legal description of the property and the area of the site were obtained from the Winnipeg Land Titles Office and City of Winnipeg Mapping Department, respectively. Further, the plans and sketches contained in this report are included solely to aid the recipient in visualizing the location of the property, the configuration and boundaries of the site and the relative position of the improvements on the said lands.

8. The property has been valued on the basis that the real property is free and clear of all value influencing encumbrances, encroachments, restrictions or covenants except as any be noted in this report and that there are no pledges, charges, lien or social assessments outstanding against the property other than as stated and described herein.

9. The property has been valued on the basis that there are no outstanding liabilities except as expressly noted herein, pursuant to any agreement with a municipal or other government authority, pursuant to any contract or agreement pertaining to the ownership and operation of the real estate or pursuant to any lease or agreement to lease, which may affect the stated value or saleability of the subject property or any portion thereof.

10. The property has been valued on the basis that the real property complies in all material respects with any restrictive covenants affecting the site and has been built and is occupied and being operated, in all material respects, in full compliance with all requirements of law, including all zoning, land use classification, building, planning, fire and health by-laws, rules, regulations, orders and codes of all federal, provincial, regional and municipal governmental authorities having jurisdiction with respect thereto. (It is recognized there may be work orders or other notices of violation of law outstanding with respect to the real estate and that there may be certain requirements of law preventing occupancy of the real estate as described in this report. However, such possible circumstances have not been accounted for in the appraisal process.)

11. Investigations have been undertaken in respect of matters, which regulate the use of land. However, no inquiries have been placed with the fire department, the building inspector, the health department or any other government regulatory agency, unless such investigations are expressly represented to have been made in this report. The subject property must comply with such regulations and, if it does not comply, its non-compliance may affect the market value of this property. To be certain of such compliance, further investigations may be necessary.

12. The property has been valued on the basis that all rents referred to in this report are being paid in full and when due and payable under the terms and conditions of the attendant leases, agreements to lease or other contractual agreements. Further, it is assumed that all rents referred to in this report represent the rental arrangements stipulated in the leases, agreements to lease or other contractual agreements pertaining to the tenants' occupancy, to the extent that such rents have not been prepaid, abated, or inflated to reflect extraordinary circumstances, and are fully enforceable notwithstanding that such documentation may not be fully executed by the parties thereto as at the date of this appraisal, unless such conditions have been identified and noted in this report.

13. The data and statistical information contained herein were gathered from reliable sources and are believed to be correct. However, these data are not guaranteed for accuracy, even though every attempt has been made to verify the authenticity of this information as much as possible.

14. The estimated market value of the property does not necessarily represent the value of the underlying shares, if the asset is so held, as the value of the shares could be affected by other considerations. Further, the estimated market value does not include consideration of any extraordinary market value of the property, unless the effects of such special conditions, and the extent of any special value that may arise there from, have been described and measured in this report.

15. Should title to the real estate presently be held (or changed to a holding) by a partnership, in a joint venture, through a co-tenancy arrangement or by any other form of divisional ownership, the value of any fractional interest associated therewith may be more or less than the percentage of ownership appearing in the contractual agreement pertaining to the structure of such divisional ownership.

16. In the event of syndication, the aggregate value of the limited partnership interests may be greater than the value of the freehold or fee simple interest in the real property, by reason of the possible contributory value of non-realty interests or benefits such as provision for tax shelter, potential for capital appreciation, special investment privileges, particular occupancy and income guarantees, special financing or extraordinary agreements for management services.

17. Should the author of this report be required to give testimony or appear in court or at any administrative proceeding relating to this appraisal, prior arrangements shall be made therefore, including provisions for additional compensation to permit adequate time for preparation and for any appearances, which may be required. However, neither this nor any other of these contingent and limiting conditions is an attempt to limit the use that might be made of this report should it properly become evidence in a judicial proceeding. In such a case, it is

acknowledged that it is the judicial body, which will decide the use of this report that best serves the administration of justice.

18. Because market conditions, including economic, social and political factors, change rapidly and, on occasion, without notice or warning, the estimate of market value expressed herein, as of the effective date of this appraisal, cannot necessarily be relied upon as any other date without subsequent advise of the author of this report

19. The value expressed herein is in Canadian dollars.

20. This report is only valid if it bears the original signature of the author.

Appendix 2
Certification by Kassy Phillips-Hnatyshyn, B.A. &
Brett W. Ferguson, BSc, AACI, P.App, MRICS
Stevenson Advisors Ltd.

RE: 519 BURNELL STREET, WINNIPEG, MANITOBA

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and is our personal, unbiased professional analyses, opinions and conclusions.
- We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved.
- Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- Our analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Canadian Uniform Standards of Professional Appraisal Practice and with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute of Canada.
- The Appraisal Institute of Canada reserves the right to review this report.
- I, Kassy Phillips-Hnatyshyn, made an interior inspection of the property that is the subject of the report on February 5, 2013.
- No one provided significant professional assistance to the persons signing this report.
- The value estimate contained in this report applies as of February 5, 2013. This date may be referred to as the *effective date of valuation*.
- The Appraisal Institute of Canada has a Mandatory Recertification Program for designated members. As of the date of this report, Brett W. Ferguson, AACI, have fulfilled the requirements of the program.
- The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

Final Estimate of Value

Having regard to all of the information contained in this report, it is our opinion that the prospective market of **519 Burnell Street, Winnipeg, Manitoba, Canada** referred to herein, at the effective date of valuation, February 5, 2013, is:

[redacted]

[redacted]

******Subject to hypothetical conditions and extraordinary assumptions as outlined in the report.***

Kassy Phillips-Hnatyshyn, B.A.
Appraisal Consultant

Brett W. Ferguson, B.Sc., AACI, P.App
V.P. & Manager (Review Appraiser)

Signed and sealed this 7th day of February, 2013 in the City of Winnipeg, Province of Manitoba

Appendix 3
Photographs Of Subject Property

Appendix 4
Title Search And Active Charges

Appendix 5

Tax And Assessment

Appendix 6
Caveats