

THE QUEEN'S BENCH
WINNIPEG CENTRE

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

B E T W E E N:

CAMERON STEPHENS FINANCIAL CORPORATION,

Applicant,

- and -

5448124 MANITOBA LTD.,

Respondent.

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

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Client File No. 98665-1 DJAC

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INTRODUCTION AND PURPOSE OF THE SECOND REPORT

1. On October 16, 2015, the Honourable Mr. Justice Dewar issued an Order (the **"Appointment Order"**) appointing Grant Thornton Limited as receiver (the **"Receiver"**) of all of the assets, undertakings and property of 5448124 Manitoba Ltd. (**"544"** and/or the **"Company"**). A copy of the Appointment Order and Endorsement is attached as **Appendix 1** to this Second Report (**"Second Report"**) of the Receiver.
2. At the October 27, 2015 return date and upon review of the Receiver's First Report to the Court ("First Report") Justice Dewar issued an Amended and Restated Order (the **"Amended and Restated Order"**). Copies of the First Report and the Amended and Restated Order are attached as **Appendix "2"** and **Appendix "3"** to this Second Report of the Receiver.
3. The purpose of the Second Report is to outline the Receiver's activities and findings since the issuance of the Amended and Restated Order and to provide the Court with an evidentiary basis to determine whether to grant the relief sought by the Receiver as follows:
 - a) Approving the Receiver's request to increase the Receiver's borrowing limit from \$250,000.00 to \$458,800 (not including capitalized interest and costs) based on the 2016 Budget prepared by A.S.H. Management Group Inc. (**"A.S.H."**) discussed later in this report;
 - b) Approving the Receiver's Interim Statement of Receipts and Disbursements for the period from October 16, to March 17, 2016;
 - c) Approving the fees and disbursements of the Receiver and its counsel, Taylor McCaffrey LLP (**"Taylor"**) for the period up to February 29, 2016;
 - d) Approving and sealing the Loan Agreement between Cameron Stephens Financial Corporation and the Receiver dated March 9, 2016; and

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

SCOPE AND TERMS OF REFERENCE

- 4. In preparing this Second Report, the Receiver has relied upon unaudited financial information, the Company's records, financial information and projections and discussions with the Company's former management and contractors. While the Receiver reviewed various documents provided by the Company and believes that the information therein provides a fair summary of the transactions as reflected in the documents, such work does not constitute an audit or verification of such information for accuracy, completeness or compliance with Generally Accepted Accounting Principles ("GAAP") or International Financial Reporting Standards ("IFRS"). Accordingly, the Receiver expresses no opinion or other form of assurance with respect to such information except as expressly stated herein.
- 5. Some of the information used in preparing this Second Report consists of financial projections. The Receiver cautions that these projections are based upon assumptions about future events and conditions that are not ascertainable. The Company's actual results may vary from the financial projections, even if the hypothetical and probable assumptions contained therein materialize, and the variations could be significant. The Receiver's review of the future oriented information used to prepare this Second Report did not constitute an audit of such information under GAAP or IFRS.
- 6. This Second Report has been prepared for the use of this Court and the Company's stakeholders as general information relating to the Company and for the purpose of assisting the Court in making a determination of whether to approve the relief sought. Accordingly, the reader is cautioned that the Second Report may not be appropriate for any other purpose. The Receiver will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of the Second Report contrary to the provisions in this paragraph.

7. Capitalized terms not defined in this Second Report are as defined in the Appointment Order. All references to dollars are in Canadian currency unless otherwise noted.
8. Copies of this Second Report and all Orders issued in these proceedings are available on the Receiver's website at:

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

PARTIES

9. 544 is a company incorporated pursuant to the laws of Manitoba that owns and operates a three story residential apartment building at 519 Burnell Street ("**Burnell**" and/or "**Property**"), Winnipeg, Manitoba.
10. The registered head office of the Company is located at 910 – 388 Portage Avenue, Winnipeg, Manitoba (the "**Head Office**").
11. Susannah Simes ("**Simes**") and Russell Knight ("**Knight**") are the officers and directors of the Company.
12. GTAC Investments Corp. ("**GTAC**") was identified by Knight as the proposed purchaser for Burnell.
13. Cameron Stephens Financial Corporation ("**CSFC**") is a secured creditor of the Company and holds a first charge real property mortgage and personal property security against the Company's assets as well as holding personal guarantees of Simes and Knight. The Receiver has received an independent security opinion from Taylor acknowledging that CSFC's security is duly perfected and enforceable in accordance with its terms.

THE RECEIVER'S ACTIVITIES

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

- a) Registered a charge for the Receivership on title;
- b) Requested and received from the Receiver's counsel an independent security opinion on the security held by CSFC, subject to the usual qualifications;
- c) Attended at the Head Office of the Company to collect various financial information of the Company and to collect the rents received from the Canadian Red Cross, who were paying the rents for certain Manitoba Flood Victims;
- d) Corresponding and engaging in numerous discussions with operational stakeholders;
- e) Contacted the insurer for the Company to add the Receiver as a loss payee;
- f) Reviewed the rent roll provided by the Company and updated it for rents collected by the Receiver for November, December 2015 and January 2016;
- g) Issued payments for expenses incurred for the building until a new property manager was engaged;
- h) Held discussions and corresponded with Knight regarding, among other things, the contemplated purchase and sale transaction between GTAC ("GTAC" or the "Purchaser") and the Company, as discussed below;
- i) Held discussions and corresponded with GTAC regarding, among other things, the contemplated purchase and sale transaction between GTAC and the company, as discussed below;
- j) Held discussions and corresponded with Diverso Energy Inc, a company that specializes in installing Geo-Thermal Heating and Cooling Systems that had made arrangements with GTAC to install a geo-thermal system,

to remove their equipment and materials brought to the 519 Burnell property given there was no evidence that a sale transaction existed or could be closed;

- k) Retained the two contractors that lived at the building that were previously providing security services at the premises;
- l) Worked with Knight's son, Jared Knight, who had been acting as the site superintendent for the property, to oversee the day to day operations, while the Receiver sought quotes from other property management companies to take over the full time management of the property;
- m) Sought and obtained quotes for property management services for the property and the Receiver negotiated and engaged A.S.H. as the property manager;
- n) Held discussions and corresponded with A.S.H. regarding issuing notices to the tenants of the Receivership and the change in property manager, inspection of all the units to determine the overall state and tenancy of the units in the building and to identify any issues relating to health and safety or the marketability of the units;
- o) Requested that A.S.H. prepare a preliminary operational and priority repair budget for 2016 ("the Budget") and worked with A.S.H. to finalize the Budget so as to determine the initial funding requirements and the expenses for the building;
- p) Requested A.S.H. review existing insurance policies of the Company to confirm same carried adequate coverage's for Burnell and asked A.S.H. to obtain a quotation for coverage's from their insurance carrier;
- q) Requested A.S.H. to contact the City of Winnipeg, Building Department to determine what the issues are surrounding the occupancy permit deficiency;

- r) Setup and posted information relating to this filing on the Receiver's website including the First Report and the Amended and Restated Order;
 - s) Held discussions and corresponded with CSFC on various matters including engagement of A.S.H. as the property manager, current state of the building, required priority expenditures to correct health and safety concerns, the Budget and the marketability and security of the building;
 - t) Negotiated financing for the Receiver's existing borrowing limit to cover the initial cash outlays required by the Receiver to fund expenditures; and
 - u) Negotiated a form of borrowing agreement between CSFC and the Receiver.
15. The Receiver has not proceeded with commissioning its own appraisal of Burnell at this time as there are a number of issues listed above and discussed later in this report that need to be addressed first as these issues would adversely affect the valuation if the appraisal was completed now in the buildings current state.

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

16. As set out in the First Report, there has been no evidence adduced to enable the Receiver to conclude that the alleged Asset Purchase and Sale Agreement between 544 and GTAC ("APS") is legitimate, commercially reasonable, can be funded or closed.
17. After the Amended and Restated Order was issued, the Receiver continued to hold discussions and corresponded with both Knight and GTAC regarding their ability to enter into and fund an APS for Burnell. However, the last communication was on December 7, 2015 when the Receiver requested a meeting with GTAC for December 10, 2015. The Receiver received no response to this request nor any further communication from GTAC.

18. As set out in the First Report GTAC's ability to purchase and finance Burnell was contingent upon the School sale closing first (a property owned by a related company which is not party to this action). The Receiver has received no information to date to suggest that the School closing has taken place or any other information to change its prior assessment as to GTAC's ability to fund or close an APS.
19. Prior to the Receiver's appointment, GTAC made arrangements with Diverso Energy Inc. ("Diverso") to supply and install a Geo-Thermal Heating and Cooling System for the building. When GTAC failed to meet with the Receiver to discuss a possible purchase and sale agreement, the Receiver made several requests to Diverso to remove their materials and equipment it had stored on the Burnell parking lot. The materials and equipment were substantially removed by December 30, 2015.

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

20. After the Amended and Restated Order was issued, the Receiver contacted the critical vendors to request the continuation of services. These vendors included Manitoba Hydro, Shaw Cable, Progressive Waste Management and BFL Canada, the broker that dealt with the insurance for the property. In addition, the Receiver retained the two contractors that were previously engaged by the Company as they handled the security for the property.
21. The Company's prior bookkeeper assisted the Receiver in preparing monthly invoices for November 2015, December and January 2016 to the Manitoba Red Cross, the entity which had been paying the rents for certain tenants.
22. A number of tenants at Burnell were having their rent paid by the Manitoba government under an Employment and Assistance Program. The Receiver directed those rents to be forwarded to the Receiver's office.

23. Until it was able to retain a Property Manager, the Receiver worked with Knight's son, Jared, as the interim property manager as he was the previous site superintendent, responsible for general repairs, lease up of the units, collection of rent and evictions. Jared was not retained by the Receiver and Knight advised he would assume responsibility for compensating his son for these services until the Receiver engaged a new property manager.
24. During the week of October 26 to October 29, 2015 the Receiver solicited quotes for property management services from a number of property management companies. References for property managers were requested from the Receiver's counsel, the Receiver's local office in Winnipeg, the debtor and CSFC. Of the seven companies contacted only two companies were prepared to provide proposals for Burnell. After reviewing the proposals received and consulting with CSFC, the Receiver commenced negotiations and finalized the property management agreement with A.S.H. on December 17, 2015, a copy of which is attached hereto as Appendix 4.

STATE OF 519 BURNELL

25. As disclosed in the Receiver's First Report, less than one half of the units in Burnell are occupied. Only 13 of the 21 basement units can be occupied until the occupation permit issue is resolved. Rent revenues have either eroded significantly in the months leading up to the receivership or the Rent revenues were not as originally stated and the Receiver has determined that the Property does not generate sufficient cash flow from existing operations to meet expenses. The Property requires significant attention in order to stabilize it and ready it for a sale.
26. After it was engaged on December 17, 2015 A.S.H. notified the tenants that it required access to all units to perform an inspection to determine:
 - a) The state of the units and identify any health and safety related issues;

- b) If the unit was occupied or vacant so as to confirm if the rent roll was correct or not;
 - c) If the tenant in the unit was in fact the tenant on the rent roll; and
 - d) If the level of repairs required to enable A.S.H. to prepare an operating and capital budget for the property for 2016.
27. A.S.H.'s inspection of the property revealed a number of issues that would need to be addressed as soon as adequate funding was available. The following is a list of the priority expenditures, and costs, listed by A.S.H. to address health and safety matters as well as the future marketability of the vacant units:
- a) Annual Fire Alarm Testing and correction of deficiencies \$10,207.00;
 - b) Electrical Inspections to restore hydro service to various units \$6,600.00;
 - c) Pest Control for rodent infestation \$2,300.00;
 - d) Locksmith to rekey all doors and change handles sets \$13,092.00;
 - e) Purchase fridge/stoves for vacant units that will be ready to be rented \$10,000.00;
 - f) Purchase coin/card operated laundry equipment \$15,467.00;
 - g) Replacement of broken windows \$1,600.00; and
 - h) Cleaning of units including removal of old furniture, fresh paint \$6,811.00.
- (hereinafter "Priority Expenditures")
28. A.S.H. and the Receiver have also been in contact with the City of Winnipeg to determine the outstanding occupancy permit issues affecting the occupation of eight basement units. In discussions with the City, A.S.H. and the Receiver have determined that there are two matters affecting the occupancy permit for the building. The first relates to a rezoning of the property from R2 – Residential Two-Family District to a RMF-L Residential Multi-Family Large District. This would allow the construction of an additional eight dwelling units within the building raising the number of rentable units from eighty to eighty-eight units. A

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

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

2016 BUDGET FOR THE PROPERTY AND BORROWING LIMIT INCREASE

30. Based upon the state of the building at the time of Receiver appointment, Burnell does not have sufficient revenue to meet expenses, let alone pay for the Priority Expenditures or professional fees from available cash flow. While the Receiver had initially understood that CSFC would make initial advances to the Receiver under the borrowing charge to make up for the cash flow shortfall, it became apparent that CSFC required a budget acceptable to it before it would make any advance.
31. One of A.S.H.'s responsibilities under the management agreement was to prepare a 2016 operating budget which would enable the Receiver to ascertain the funding necessary. Throughout the first half of January, 2016 A.S.H. and the Receiver worked through the cash flows, Priority Expenditures and other expenditures

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

32. The 2016 budget included the costs of the Receiver and its counsel to date and the estimated professional costs for the balance of 2016, based on certain assumptions. (As the cost estimates to finish the units and address the Zoning and Building code issues discussed above were not available, A.S.H. and the Receiver utilized a \$50,000.00 contingency pending receipt of further information). Attached as Appendix "6" is a copy of the estimated 2016 Budget for the Burnell property ("Budget") disclosing that the Receiver's funding needs to compensate for the cumulative cash flow shortfall would significantly exceed its current borrowing authority under the Amended and Restated Order.
33. During the Receiver's consultations with CSFC at the end of January, 2016 it became apparent that although CSFC wanted the Receiver to proceed with the Priority Expenditures, it was not yet in a position to authorize funding. In addition to the Budget, CSFC requested and was provided with copies of both the Receiver's and its counsel's accounts. The Receiver continued to dialogue with CSFC throughout February to reach consensus on management of the Property including the nature and extent of the Receiver's role, work to be done, the Budget and the funding necessary.
34. On February 19, 2016 CSFC advised the Receiver that it had obtained approval to provide a credit facility to the Receiver for up to a maximum of \$458,800.00 based on the existing Budget. As the Receiver's existing borrowing authority under the Amended Order is currently limited to \$250,000.00 any advances to be made over and above \$250,000.00 would be subject to obtaining a Court Order increasing the Receiver's borrowing charge. CSFC also advised that it would be necessary to prepare a formal Loan Agreement between it and the Receiver before the initial advance under the credit facility could be made.

35. On March 9, 2016 CSFC and the Receiver were able to finalize and execute the Loan Agreement, a true copy of which will be filed separately with the Court as Confidential Appendix 1 ("Loan Agreement"). It is the Receiver's view that while it is appropriate for the Court to have full disclosure of the conditions under which the Receiver is borrowing to sustain operations it could be prejudicial to the interests of the stakeholders as well as any future sales process if public disclosure occurred at this time and as such the Receiver requests that the Loan Agreement be the subject of a Sealing Order until further Order of this Court.
36. On or about March 14, 2016 CSFC advanced the initial \$250,000.00 to the Receiver. The Receiver has accordingly directed A.S.H. to have the Priority Expenditures completed and will be making arrangements to pay its outstanding obligations. In order to access the balance of the funding under the Loan Agreement which will enable the Receiver to operate the Property in accordance with the existing Budget, with a view to proceeding with a sales and marketing process, it is necessary to increase the Receiver's borrowing charge limit under the Amended and Restated Order.

ADDITIONAL COSTS NOT PREVIOUSLY IDENTIFIED

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

RECEIPTS AND DISBURSEMENTS OF THE RECEIVERSHIP

38. Attached as Appendix "7" is the Receiver's Interim Statement of Receipts and Disbursements for the period October 27, 2015 to March 17, 2016.
39. The Receiver notes that there is one Receiver Certificate issued to CSFC for \$250,000.00 to cover the initial operational expenses and priority repairs required at the property. As at March 17, 2016, the Receiver held \$97,953.60 in its bank accounts.

RECEIVER'S FEES AND DISBURSEMENTS

40. Pursuant to paragraph 18 of the Appointment Order, the Receiver and its counsel may pass their accounts from time to time.
41. The Receiver seeks to have its fees and disbursements, including those of its legal counsel, approved by the Court. The Receiver and its counsel have maintained detailed records of their professional time and costs.
42. Total fees, disbursements and applicable taxes of the Receiver for services provided from the beginning of its engagement through to February 29, 2016 totals \$114,643.68. Attached as Appendix "8" are true copies of the Receiver's statements of account including the detailed time and disbursement record.
43. Taylor has acted as the Receiver's legal counsel on all matters relating to this proceeding. Total fees, disbursements and applicable taxes for Taylor from the commencement of its engagement through to February 29, 2016 is \$41,414.38. Attached as Appendix 9 hereto are true copies of the statements of account rendered by Taylor which include the detailed time and disbursement breakdown.
44. It is the Receiver's opinion that the fees and disbursements of the Receiver and Taylor are fair and reasonable, justified in the circumstances and accurately reflect the work done by the Receiver and on behalf of the Receiver by its legal counsel in connection with the receivership and the administration of the property of the Company from commencement of the engagement to February 29, 2016.

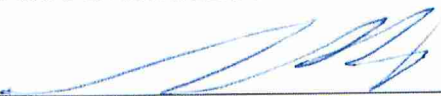
The Receiver recommends approval of both its own and Taylor's accounts by this Honourable Court.

CONCLUSION

45. The Receiver believes it is an appropriate time to report to the Court on its activities to date and to seek the increase in the Receiver's borrowing limit to adequately fund operations and obtain approval for its activities to date. CSFC has been consulted and supports the recommendations of the Receiver as set out herein.
46. Accordingly, for reasons set out in this Second Report, the Receiver respectfully requests an Order in the form outlined in paragraph 3 above.

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

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

Per: 

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

APPENDIX 1

FILED IN THE
COURT OF
QUEEN'S BENCH

Digitally signed
by Sandra
Prairie
Date:
2015.10.16
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File No. CI 15-01-97928

THE QUEEN'S BENCH

Winnipeg Centre

IN THE MATTER OF:

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

BETWEEN:

CAMERON STEPHENS FINANCIAL CORPORATION

Applicant

- and -

5448124 MANITOBA LTD.

Respondent

**ORDER
(appointing receiver)**

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**THE QUEEN'S BENCH
WINNIPEG CENTRE**

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

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

BETWEEN

CAMERON STEPHENS FINANCIAL CORPORATION

Applicant

- and -

5448142 MANITOBA LTD.

Respondent

**ORDER
(appointing Receiver)**

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

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

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

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA Grant Thornton Limited is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "Property").

RECEIVER'S POWERS

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

- a. to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- b. to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes (exclusive of those locks and/or security codes at 910-388 Portage Ave, Winnipeg), the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- c. to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- d. to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel, property management companies and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- e. to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- f. to receive and collect all monies, rents and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- g. to settle, extend or compromise any indebtedness owing to the Debtor;
- h. to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;

- i. to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- j. to complete and close, on the Debtor's behalf, the transaction contemplated by the Offer to Purchase Real Estate – Commercial between the Debtor, as vendor, and GTAC Investment Corp., as purchaser, dated September 17, 2015, with respect to the real property municipally known as 519 Burnell St., Winnipeg;
- k. to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- l. to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- m. to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- n. to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- o. to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- p. to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and

- q. to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

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

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

- 5. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, property management companies, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control. shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.
- 6. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the

"Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 6 or in paragraph 7 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

7. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such

goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

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

PIPEDA

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Environmental Act* (Manitoba), the *Water Resources Conservation Act* (Manitoba), the *Contaminated Sites Remediation Act* (Manitoba), the *Dangerous Goods Handling and Transportation Act* (Manitoba), the *Public Health Act* (Manitoba) or the *Workplace Health and Safety Act* (Manitoba) and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The

Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.
19. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of this Court, but nothing herein shall fetter this Court's discretion to refer such matters to a Master of this Honourable Court.
20. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands,

against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$100,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.
22. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
23. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.
24. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

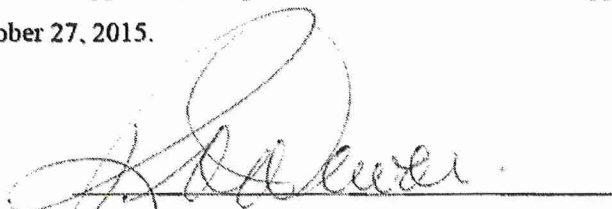
SERVICE AND NOTICE

25. THIS COURT ORDERS that the Applicant and the Receiver be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Respondent's creditors or other interested parties at their respective addresses as last shown on the records of the Respondent and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing. Interested persons who do not send a request, in writing, to counsel for the Applicant to be added to the service list (hereinafter defined) shall not be required to be served further in these proceedings.
26. THIS COURT ORDERS that counsel for the Applicant shall prepare and provide to the Receiver a service list to be kept current by the Receiver (the "Service List") containing the name and contact information (which may include the address, telephone number and facsimile number or e-mail address) for service to: the Applicant; the Receiver; and each creditor or other interested party who has sent a request, in writing, to counsel for the Receiver to be added to the Service List. The Service List shall indicate whether each person on the Service List has elected to be served by e-mail or facsimile, and failing such election the Service List shall indicate service by e-mail. The Service List shall be posted on the website of the Receiver at the address indicated in paragraph 27 herein. **For greater certainty, creditors and other interested persons who have received notice of this Order and who do not send a request, in writing, to counsel for the Receiver to be added to the Service List shall not be required to be further served in these proceedings.**
27. THIS COURT ORDERS that the Applicant, the Receiver, and all parties on the Service List may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Receiver may post a copy of any or all such materials on its website at www.GrantThornton.ca/519Burnell.

GENERAL

28. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
29. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.
30. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
31. THIS COURT ORDERS that the costs of this Application may be spoken to at a future time upon notice to the Respondent.
32. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.
33. THIS COURT ORDERS that the Applicant, Respondent and Receiver shall appear before me at 12:45 PM on October 27, 2015.

October 16, 2015


Dewar J

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Grant Thornton Limited, the receiver (the "Receiver") of the assets, undertakings and properties of 5448124 Manitoba Ltd. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of The Queen's Bench, Winnipeg Centre (the "Court") dated the 29th day of September, 2015 (the "Order") made in an action having Court file number CI 15-01-97799, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$100,000 which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

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

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

DATED the ____ day of _____, 20__.

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

Per:

Name:

Title:

APPENDIX 2

Court File No. CI15-01-97928

**THE QUEEN'S BENCH
WINNIPEG CENTRE**

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

B E T W E E N:

CAMERON STEPHENS FINANCIAL CORPORATION,

Applicant,

- and -

5448124 MANITOBA LTD.,

Respondent.

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

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

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- Appendix 1** Appointment Order of Mr. Justice Dewar dated October 16, 2015
- Appendix 2** GTAC Offer to Purchase Real Estate - Commercial for 519 Burnell Street dated September 17, 2015
- Appendix 3** Lake St. Martin Band Council Resolution dated April 8, 2015
- Appendix 4** Email from Receiver to Russ Knight dated October 22, 2015, re: Receiver's request for information relating to 519 Burnell Street purchase agreement, deposit books and rent roll arrears
- Appendix 5** Email from Russ Knight to Receiver dated October 23, 2015, re: no sales process by 5448124 Manitoba Ltd. for sale of 519 Burnell Street
- Appendix 6** Quickbooks summary of Rents Collected for 519 Burnell from November 2014 to October 2015
- Appendix 7** November 2014 Rent Roll provided by 5448124 Manitoba Ltd. to Cameron Stephens Financial Corporation
- Appendix 8** Email from Russ Knight to Receiver dated October 21, 2015, re: current occupancy and explanation of difference from the August, 2015 Rent Roll in his affidavit sworn October 2, 2015 (see Exhibit E)
- Appendix 9** Occupancy permit from City of Winnipeg and email dated October 20, 2015 from Russ Knight to Receiver, re: current status of the issue
- Appendix 10** Email from Russ Knight to Receiver dated October 21, 2015, re: geo-thermal system work and its costs

CONFIDENTIAL APPENDICES

(to be filed separately under seal)

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

INTRODUCTION AND PURPOSE OF THE FIRST REPORT

1. On October 16, 2015, the Honourable Mr. Justice Dewar issued an Order (the "**Appointment Order**") appointing Grant Thornton Limited as receiver (the "**Receiver**") of all of the assets, undertakings and property of 5448124 Manitoba Ltd. ("**544**"), (the "**Company**"). A copy of the Appointment Order and Endorsement is attached as **Appendix 1** to this first report ("**First Report**") of the Receiver.
2. The purpose of the First Report is to first outline the Receiver's activities and findings since the appointment of the Receiver. Further, to provide the Court with an evidentiary basis to determine whether to grant the relief sought by the Applicant to provide the Receiver with the authority to market the apartment building at 519 Burnell Street ("Burnell") for sale. Further, to recommend that the Court issues an order:
 - a) Approving the First Report and the conduct and activities of the Receiver described therein;
 - b) Granting a temporary sealing order with respect to Confidential Appendices "1" and "2" of this First Report until further order of the Court;
 - c) Amending and restating the Appointment Order to include the following:
 - i. Increasing the Receiver's authorization to borrow funds and the Receiver's borrowing charge to \$250,000 from \$100,000;
 - ii. Authorizing the Receiver to take the necessary steps to prepare Burnell for sale and take other steps to preserve, protect and improve the Respondent's property without regard for the terms and conditions of the APS (as herein after defined) and related arrangements;
 - iii. Revise paragraph 17 of the Appointment Order so that it is consistent with the Limitation on the Receiver's Liability set out in the Model Template Receivership Order.

SCOPE AND TERMS OF REFERENCE

3. In preparing this First Report, the Receiver has relied upon unaudited financial information, the Companies' records, financial information and projections and discussions with the Companies' management and employees. While the Receiver reviewed various documents provided by the Companies and believes that the information therein provides a fair summary of the transactions as reflected in the documents, such work does not constitute an audit or verification of such information for accuracy, completeness or compliance with Generally Accepted Accounting Principles ("GAAP") or International Financial Reporting Standards ("IFRS"). Accordingly, the Receiver expresses no opinion or other form of assurance with respect to such information except as expressly stated herein.
4. Some of the information used in preparing this First Report consists of financial projections. The Receiver cautions that these projections are based upon assumptions about future events and conditions that are not ascertainable. The Companies' actual results may vary from the financial projections, even if the hypothetical and probable assumptions contained therein materialize, and the variations could be significant. The Receiver's review of the future oriented information used to prepare this First Report did not constitute an audit of such information under GAAP or IFRS.
5. This First Report has been prepared for the use of this Court and the Companies' stakeholders as general information relating to the Companies and for the purpose of assisting the Court in making a determination of whether to approve the relief sought. Accordingly, the reader is cautioned that the First Report may not be appropriate for any other purpose. The Receiver will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of the First Report contrary to the provisions in this paragraph.
6. Capitalized terms not defined in this First Report are as defined in the Appointment Order. All references to dollars are in Canadian currency unless otherwise noted.
7. Copies of this First Report and all Orders and Endorsements issued in these proceedings will be available on the Receiver's website at:

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

PARTIES

8. 544 is a company incorporated pursuant to the laws of Manitoba that owns and operates a three story residential apartment building at 519 Burnell Street, Winnipeg, Manitoba.
9. The registered head office of the Company is located at 910 – 388 Portage Avenue, Winnipeg, Manitoba (the “**Head Office**”).
10. Susannah Simes (“**Simes**”) and Russell Knight (“**Knight**”) are the officers and directors of the Company.
11. Cameron Stephens Financial Corporation (“**CSFC**”) is a secured creditor of the Company and holds a real property mortgage and personal property security against the Company’s assets as well as holding personal guarantees of Simes and Knight.

CONSERVATORY AND PROTECTIVE MEASURES

12. Since the date of its appointment, the Receiver has completed the following:
 - a) attended at the Head Office of the Company to confirm the premises were not solely being used by the Company and as such the Receiver did not take possession;
 - b) held discussions and corresponded with Knight regarding, among other things, the contemplated purchase and sale transaction between GTAC and the Company, as discussed below;
 - c) conducted a site visit of Burnell to ascertain the state of Burnell and to determine if there were any immediate health and safety concerns;
 - d) secured certain books and records of the Company that were provided by the Company and Knight to the Receiver (the “**Records**”);
 - e) secured the bank accounts of the Company and arranged for the transition of banking to the Receiver’s accounts;

- f) sent a request to Canada Post to redirect the Company's mail to the Receiver's office which mail includes rent cheques issued by the Red Cross and the Manitoba Employment and Income Assistance Program;
 - g) reviewed existing insurance policies of the Company to confirm same was in effect and carried adequate coverage's for Burnell;
 - h) created a preliminary budget to establish the estimated borrowing of funds necessary to fund the key disbursements required to stabilize the Company's operations;
 - i) corresponded and held a discussion with the proposed purchaser of Burnell, GTAC Investments Corp ("GTAC"), to determine its ability to fund and close the contemplated purchase and sale transaction between GTAC and the Company, as discussed below;
 - j) confirmed with the Company that there are no employees and was advised by the Company that anyone working at Burnell is on contract and provides invoices with no source deductions withheld;
 - k) reviewed the rent roll issued by the Company for the CSFC advance and the use of the funds from the CSFC advance;
 - l) reviewed the Company's available records relating to the rent collected by the Company for the period of November 2014 to October 2015, as discussed below;
 - m) setup and posted information relating to this filing on the Receiver's website including this First Report;
 - n) prepared and issued all statutory notices pursuant to sections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act* (the "BIA"); and
 - o) provided stakeholders with regular updates on the status of the receivership.
13. The Receiver has not proceeded with the following actions and is waiting until it has reported its findings regarding the Purchase and Sale Agreement ("APS") between GTAC and the Company to this Court, as discussed below:
- a) Registering a charge against Burnell for the Receivership;

- b) Notifying the tenants of the Receivership and the intentions of the Receiver;
- c) Contacting the insurer for the Company to add the Receiver as a loss payee;
- d) Terminating the services of the contractors working at Burnell;
- e) Contacting utilities to place the utility accounts in the name of the Receiver;
- f) Commissioned its own appraisal of Burnell;
- g) Investigated the issues with the City of Winnipeg surrounding Burnell's building permit issue, as discussed below;
- h) Sought or engage new property management to assist with stabilizing and renting up of Burnell; and
- i) Assess and budgeting the level of repairs required for Burnell.

APPRAISALS FOR 519 BURNELL

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

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

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

(emphasis added)

15. These assumptions do not reflect the true state of the property as of the effective date, to the date of CSFC advanced financing or today.
16. It is the Receiver's view that while it is appropriate for the Court to be aware of these appraisals their public disclosure could be prejudicial to the Receiver's conduct of a future sales process and, as such, should be the subject of a sealing order until further order of this Court.

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

17. The Receiver arranged a meeting with Knight on October 19, 2015. The purpose of the meeting was to discuss the APS between the Company and GTAC Investment Corp. that is scheduled to close on October 30, 2015. A copy of the APS is attached as **Appendix "2"**. During the meeting, the Receiver asked Knight if he had any other documents to support the legitimacy of the APS and that the Purchaser had the ability to close the transaction. The Receiver received no such documents from Knight at this meeting.
18. During the meeting, Knight explained that the Purchaser's ability to close the transaction between GTAC and the Company was subject to the closing of another purchase and sale agreement that Knight, on behalf of 5750351 Manitoba Ltd. had entered into with GTAC relating to a school on Ness Avenue, Winnipeg (the "**School**"). The School sale had to close first, and once closed would enable funding to be made available for the APS for Burnell. Knight stated that the School is the first of several properties that GTAC was purchasing and that upon each sale being closed, it would allow funding to be advanced for the next purchase in the string of property purchases. Burnell is the second property in this string of property purchases after the School.

19. While Knight has filed an affidavit containing documents from various 3rd party groups that fund Aboriginal Investment initiatives, these documents have no specific reference to advances being made to GTAC for the specific use to purchase Burnell.
20. On October 20, 2015, Knight arranged a meeting with himself, the Receiver and GTAC represented by Jeff Seddon ("**Seddon**"). Seddon provided a similar, but more detailed explanation on the structure of the proposed APS transaction than Knight. Seddon advised that there are various aboriginal lender support programs to advance funds for aboriginal initiatives on the basis of "Own Source Revenue". Own Source Revenue was explained as loans funded on revenue streams produced by businesses owned in full or in part by the Bands, as defined below. Own Source Revenue is in contrast to the conventional method a bank or lender would normally secure their loan which is by taking a charge against the property. He indicated that two bands, Lake St. Martin ("**LSM**") and Ebb and Flow First Nation ("**EFFN**") (LSM and EFFN are hereinafter collectively referred to as the "**Bands**") established a joint venture for economic development. Seddon advised that the Bands had access to different funding programs and that EFFN had loan funds available from a video lottery terminal business they own, which would be used to purchase the School from 5750351 Manitoba Ltd. Seddon and Knight advised that LSM is renting the School for various educational programs and to hold and conduct band meetings. Once the School is purchased, the rental income generated from the School would allow the Bands to borrow against it, which funds would then be used to purchase Burnell.
21. The Receiver advised Seddon that while it appreciated Seddon's more detailed explanation of the process, the Receiver required documentary evidence such as agreements and contracts between GTAC and the Bands, and documentation such as a comfort letter or some other similar notice that confirms GTAC has the necessary funding arranged to close the transaction.
22. To date, the \$100,000.00 deposit contemplated in the APS be paid by GTAC to CSFC has not been received by the Receiver, the Company or CSFC.

23. In discussions with the Company since the Receivership Order was granted, there appears to be a number of terms that form part of or are related to the proposed APS transaction that are not detailed in the APS. Knight has advised verbally that the following arrangements are part of or related to the contemplated transaction:
- a. 31 units indicated by Knight in his August 2015 rent roll as being rented are “reserved” for LSM to be taken over immediately upon the closing of the APS and as such the Company was not actively seeking renters for those units;
 - b. Rent arrears owing by LSM are to be dealt with as an adjustment on closing the APS. The Receiver to date has been unable to verify the rent arrears;
 - c. The Company has allowed the commencement of construction of a geo-thermal installation at Burnell by a contractor engaged by GTAC in anticipation of GTAC closing and completing the APS; and
 - d. Although the Company has stated it is not a party to any agreements relating to the geo-thermal work, it appears that the Company has made a \$50,000 payment relating to this work. Knight advised the Receiver that the payment will be recovered on the closing of the School purchase.
24. Knight has repeatedly made reference in these proceeding to a “Band Council Resolution” (“BCR”) which was included in his affidavit as Exhibit B and which is attached as **Appendix “3”** to this First Report. In reviewing the BCR, there are references that people from LSM would be occupying Burnell and that a geo-thermal system would be installed at Burnell. The BCR refers to an anticipated “Joint Venture Agreement” with 5750351 MANITOBA LTD. Neither the Company nor GTAC are referred to in the BCR.
25. Despite several requests by the Receiver to Knight for more details on the APS along with other information relating to rent collected and the rent roll arrears of the Company,

- the information remains outstanding. A copy of the emails from the Receiver to Knight requesting this information are attached as **Appendix "4"**.
26. Russ Knight advised the Receiver that no sales process, which canvassed the market, was undertaken nor was Burnell listed for sale prior to entering into the APS. A copy of the email from Knight to the Receiver advising it of this information is attached as **Appendix "5"**.
 27. The Receiver has reviewed and considered the APS, met with parties to the APS and repeatedly requested documentation to assist the Receiver in its assessment. The Receiver has no evidence that the APS is legitimate, or that it is commercially reasonable, that GTAC has the financial capability to complete the transaction or that it can be closed.
 28. GTAC has confirmed the funding for Burnell is contingent upon the School sale closing first. That sale is not a matter within this proceeding and the Receiver cannot assess whether or not this closing will occur.

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

29. The Receiver has had to rely on the data entered into Quickbooks by the Company regarding the rent for Burnell as the Company did not provide the Receiver with its deposit books despite requests for same. Furthermore, Knight advised the Receiver that the Company's bookkeeper was out of town. A summary of the rent recorded in Quickbook for the period November 2014 to October 2015 and the current Accounts Receivable Aging Summary is attached as **Appendix "6"**.
30. The Receiver reviewed the rental revenue from the Quickbooks data recorded by the Company for the period November 1, 2014 to October 20, 2015. The Receiver has compared the monthly income for November 2014 recorded by the Company to the rent roll for November 2014. The phrase "certified true" was written on the November rent rolls given by the Company to CSFC. The Receiver's analysis provides that the number of units paying rent and the amount of rent paid (\$75,066.00) in November 2014 were substantially lower than represented (\$158,275.00) in the "certified true" rent roll. A copy

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

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

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

STATE OF 519 BURNELL

33. During the site visit, the Company brought to the Receiver's attention an issue regarding the building permits requested for Burnell during the initial renovations of Burnell. Burnell originally had 80 units and through renovations was expanded to 88 units. The permits pulled for electrical, plumbing and mechanical were for 88 units, but the main building permit was issued for only 80 units. As a result, the building has occupancy permits for the first, second and third floors but the permits for the majority of the basements units are still pending due to the work in the basement being incomplete. In addition, Knight advised the Receiver that the basement had moisture issues which have only partially been addressed and were a further reason most of the basement units were not rentable. A review of the entries made in Quickbooks again indicates only one or two units in the basement appeared to be rented from November 2014 to present. A copy of the interim occupancy permit and email from Knight related to the occupancy permit issue are attached as **Appendix "9"**.
34. During the Receiver's site visit of Burnell, it was discovered that a portion of the parking lot was fenced off and there was a large amount of construction materials and equipment stored in the fenced area. The Receiver inquired as to the nature of the work that was being conducted. The Company advised that GTAC had engaged a geo-thermal contractor to install a geo-thermal system at Burnell. The Company was not party to this agreement. This contractor has been retained to install geo-thermal systems on each of the properties GTAC is intending to purchase. GTAC had engaged the geo-thermal contractor in anticipation of completing the APS. Knight advised the Receiver that approximately \$50,000.00 of work had been done and an additional \$100,000.00 of materials were onsite. Knight further advised that he understood the total contract was worth a few million dollars. The Receiver advised Knight that the work needed to cease immediately pending the outcome of the Receiver determining the validity and ability of GTAC to complete the APS. The Receiver further advised Knight that the Receiver was not responsible to pay the contractor, nor did the Receiver have funds to do so. A copy of the email sent to the Receiver regarding the geo-thermal issue is attached as **Appendix "10"**.

RECEIVER'S PROPOSED COURSE OF ACTION

35. The Receiver proposes the following course of action:

- a) The Receiver would immediately be seeking to engage a new proper management company to assist with stabilizing the operations and the lease up of the building;
- b) The Receiver would not allow any further construction of the geo-thermal system at Burnell that was contracted by GTAC subject to a review of this project and confirmation of financing should the project prove justified;
- c) It would be the Receiver's intention to discontinue reserving units for LSM's sole use and actively market the units for rent;
- d) The Receiver would register a charge against Burnell for the Receivership;
- e) The Receiver would notify the tenants of the Receivership and the intentions of the Receiver;
- f) The Receiver would contact the insurer for the Company to add the Receiver as a loss payee;
- g) The Receiver would terminate the services of the contractors working at the property;
- h) The Receiver would contact utilities to place the utility accounts in the name of the Receiver;
- i) The Receiver would commission its own appraisal of Burnell.

OTHER CONCERNS

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

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

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

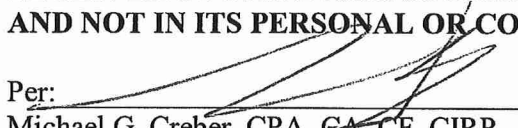
CONCLUSION

39. Under the original application filed by CSFC, the Applicant requested the Receiver be granted the following power "to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate". The Receiver has been unable to confirm that the APS can be closed and has been unable to confirm that the APS is valid, legitimate and commercially reasonable.
40. Burnell requires significant attention in order to stabilize it and ready it for a sale. The required actions might contravene arrangements made by the Company related to or contemplated by the APS transaction.

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

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

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

Per: 

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

APPENDIX 3

THE QUEEN'S BENCH

Winnipeg Centre

IN THE MATTER OF:

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

B E T W E E N:

CAMERON STEPHENS FINANCIAL CORPORATION

Applicant

- and -

5448124 MANITOBA LTD.

Respondent

AMENDED & RESTATED ORDER
(appointing receiver)

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Lawyers for Applicant

**THE QUEEN'S BENCH
WINNIPEG CENTRE**

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

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'

The Honourable Mr. Justice Dewar

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

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

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

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

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

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

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

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

DATED the ____ day of _____, 20__.

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

Per:

Name:

Title:

APPENDIX 4

THIS MANAGEMENT AGREEMENT made the 17th day of December, 2015.

BETWEEN:

**GRANT THORNTON LIMITED AS RECEIVER AND MANAGER FOR
5448124 MANITOBA LTD., and not in its personal capacity**

(hereinafter referred to as the "Receiver")

OF THE FIRST PART

- and -

A.S.H. MANAGEMENT GROUP INC.

(hereinafter referred to as the "Manager")

OF THE SECOND PART

MANAGEMENT AGREEMENT

**519 BURNELL STREET
WINNIPEG, MANITOBA**



THIS MANAGEMENT AGREEMENT made the 17th day of December, 2015.

BETWEEN:

**GRANT THORNTON LIMITED AS RECEIVER AND MANAGER FOR
5448124 MANITOBA LTD., and not in its personal capacity**

(hereinafter referred to as the "Receiver")

OF THE FIRST PART

- and -

A.S.H. MANAGEMENT GROUP INC.

(hereinafter referred to as the "Manager")

OF THE SECOND PART

WHEREAS the Receiver has been Court appointed to act on behalf of a property ownership to represent its interests with respect to the management of a residential apartment building, comprised of eighty-eight (88) apartments, located in the City of Winnipeg, in the Province of Manitoba and civically addressed as 519 Burnell Street (hereinafter called the "Project");

AND WHEREAS the Receiver desires to engage the Manager as the property manager for the Project for a term of three (3) months, commencing the 17th day of December, 2015 and ending the 16th day of March, 2016; and continuing thereafter on a month-to-month basis, pursuant to the terms hereof and the Manager has agreed to accept such engagement as the Manager of the Project subject to the terms and conditions hereinafter set forth.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises and the mutual covenants and agreement hereinafter set forth the parties hereto covenant and agree as follows.

1. The Receiver hereby engages the Manager and the Manager hereby agrees to act as the Manager of the Project for a term of three (3) months, commencing December 17th, 2015 and ending March 16th, 2016; and continuing thereafter on a month-to-month basis unless sooner terminated pursuant to the terms hereof.
2. During the term hereof:
 - (a) subject to the fulfillment of the obligations of the Receiver hereunder, the Manager shall manage the Project in a proper, lawful and businesslike manner and to the best advantage of the Receiver. Without derogating from the generality hereof it shall be the duty of the Manager during the term hereof to



perform and carry out all of those services as set out in Schedule "A" attached hereto; and

- (b) the Manager shall deposit all rents and revenue and all tenants' security deposits in separate interest bearing trust accounts and all interest earned thereon (subject to statutory obligations to tenants) shall be credited to the account of the Receiver;
3. The Receiver shall pay to the Manager, during the term hereof for the management of the Project and the services described in Schedule "A" attached hereto a flat monthly fee in the amount of \$7,500.00 plus applicable taxes, payable monthly in advance for the first six (6) months of the term, and, as of and from the seventh (7th) month of the term, a flat monthly fee in the amount of \$5,000.00 plus applicable taxes, payable monthly in advance (the "Management Fee")
4. To the extent that such amounts are not reflected in the Budget (as hereinafter defined) in addition to the remuneration as set forth in paragraph 3 hereof the Manager shall, provided that the prior written approval of the Receiver is first obtained, be entitled to be reimbursed or charge for and to retain out of any monies collected during the term hereof the amount of all out-of-pocket expenses and disbursements made during the term hereof which disbursements and expenses may, without restricting the generality of the foregoing, include the following:
- (a) the salaries of such personnel to assist in management and leasing with prior written approval from the Receiver as would be reasonable and in accordance with normal management practices in like circumstances, prevalent in the Province of Manitoba; and
 - (b) reasonable sundry expenses, such as travel expenses (including mileage, gasoline and accommodations); advertising; courier and postage charges; collection charges; long distance telephone and fax charges; and, photocopies properly incurred by the Manager in the performance of its duties herein.
5. The Manager shall immediately upon its engagement hereunder create and provide to the Receiver for written approval an initial operating (once approved, the "Operating Budget") and capital budget (once approved, the "Capital Budget" and, collectively with the Operating Budget, the "Budget") for the operation of the Project. The Manager shall make any changes to the Operating Budget and the Capital Budget requested by the Receiver.
6. Notwithstanding the provisions of Schedule "A", the Receiver hereby authorizes and directs the Manager that from all rent and all other monies of the Project received by it, to disburse same, to the extent such rent and other monies are sufficient, as follows and in the following priority:
- (a) to pay the Management Fee;
 - (b) to pay as incurred all disbursements and expenses of the Project as set out in the Budget; to the extent that any disbursements or expenses exceed the amount contemplated in the Operating Budget by more than ten (10%) percent,
- 

or the Capital Budget by more than five (5%) percent the Manager shall require the prior written approval of the Receiver before incurring any such expense;

- (c) to establish a reasonable operating reserve, with prior written consent of the Receiver equal to one (1) month's worth of operating expenses for the Project as detailed in the Operating Budget, during the term hereof from any monies received in excess of the total amount of the expenditures required to be made in operating the Project; and
- (d) to distribute funds to the Receiver.

To the extent that there are funds in the bank account of the Project established and maintained by the Manager under this Agreement in excess of the amount required under the Budget and in excess of a one month operating reserve approved by the Receiver, such funds shall be released to the Receiver on a monthly basis, which funds shall be distributed to the Receiver on or before the tenth (10th) day of the next ensuing month. If the Manager anticipates an operating shortfall, it will provide as much notice as reasonably possible to allow the Receiver time to allow for funding of such expenses but, in any event, the Receiver shall be provided with no less than thirty (30) days' notice of such operating shortfall.

All monies paid to the Manager under this provision of this Agreement shall be received in trust for the Receiver and shall be deposited in the Manager's Trust Accounts set up on behalf of the Project. Notwithstanding anything to the contrary herein contained, the Manager shall not be obliged in any manner whatsoever to advance any of its own funds to the Project to fulfill its obligations hereunder.

- 7. The Manager shall not be liable to the Receiver for any arrears in collection of all rentals or other payments due from all tenants or any one with respect to the operation of the Project or as a result of any damage or other loss whatsoever or howsoever affecting the Project or for anything which it may do or refrain from doing unless any resulting damage, loss, injury or liability has been caused by the negligence or willful misconduct of the Manager or those for whom it is in law responsible; nor shall the Manager be liable to the Receiver for failure to perform any of the obligations set forth in this Agreement if such failure is occasioned by or results from destruction or damage to the Project by fire or other cause, a strike or lock-out, a civil commotion or disturbance, an act of God or any other act or cause which is beyond the reasonable control of the Manager, except if due to the negligence or willful misconduct of the Manager or those for whom it is in law responsible. The Manager shall, in regard to any negligence or willful misconduct of the Manager or of those for whom it is law responsible, and as referenced above in this Paragraph 7, indemnify and save the Receiver (and those for whom it is in law responsible) completely free and harmless from any and all damages, losses, injuries, claims, suits, actions, obligations, liabilities, costs, expenses and fees including, without limitation, professional and legal fees, arising directly, indirectly or in any manner whatsoever in connection with or resulting from such negligence or willful misconduct.
- 8. In the event the Receiver notifies the Manager that the Receiver wishes to terminate this Agreement for reasons other than cause, the Receiver shall pay to the Manager a fee equal to the management fee earned by the Manager in the month immediately preceding the notice of termination for each month remaining on the term of this Agreement (for clarity, if the term is then on a month-to-month basis, the Receiver shall



only be responsible for the Management Fee payable in the month following the month in which notice of termination is given. Such payment shall be remitted by the Receiver to the Manager at the time the notice of termination is served upon the Manager.

9. The parties hereto agree, each with the other, to save each other harmless from all claims, demands, suits, actions, losses or damages in connection with the leasing and management of the Project otherwise than through the negligence or wilful default on the part of such party provided that any recourse against the Receiver shall be limited to all of the assets, undertakings and properties of 5448124 Manitoba Ltd. acquired for, or used in relation to a business carried on by 5448124 Manitoba Ltd., including all proceeds thereof.
10. Any notice between the parties hereto shall be valid and effective if given by registered letter postage prepaid (unless at the time of mailing or within forty-eight (48) hours thereof there shall be a strike, interruption or lock-out in the postal services in which case service shall be personal) or if given personally, or electronically, addressed as follows:

To the Receiver: Grant Thornton Limited,
Receiver and Manager for
5448124 Manitoba Ltd.
200 King Street West, 11th Floor
Toronto, Ontario
M5H 3T4

Attention: Jan Oros, Manager and
Attention: Michael Creber, Partner

With a copy to: Taylor McCaffrey LLP
9th Floor, 400 St. Mary Avenue
Winnipeg, Manitoba
R3C 4K5

Attention: David Jackson

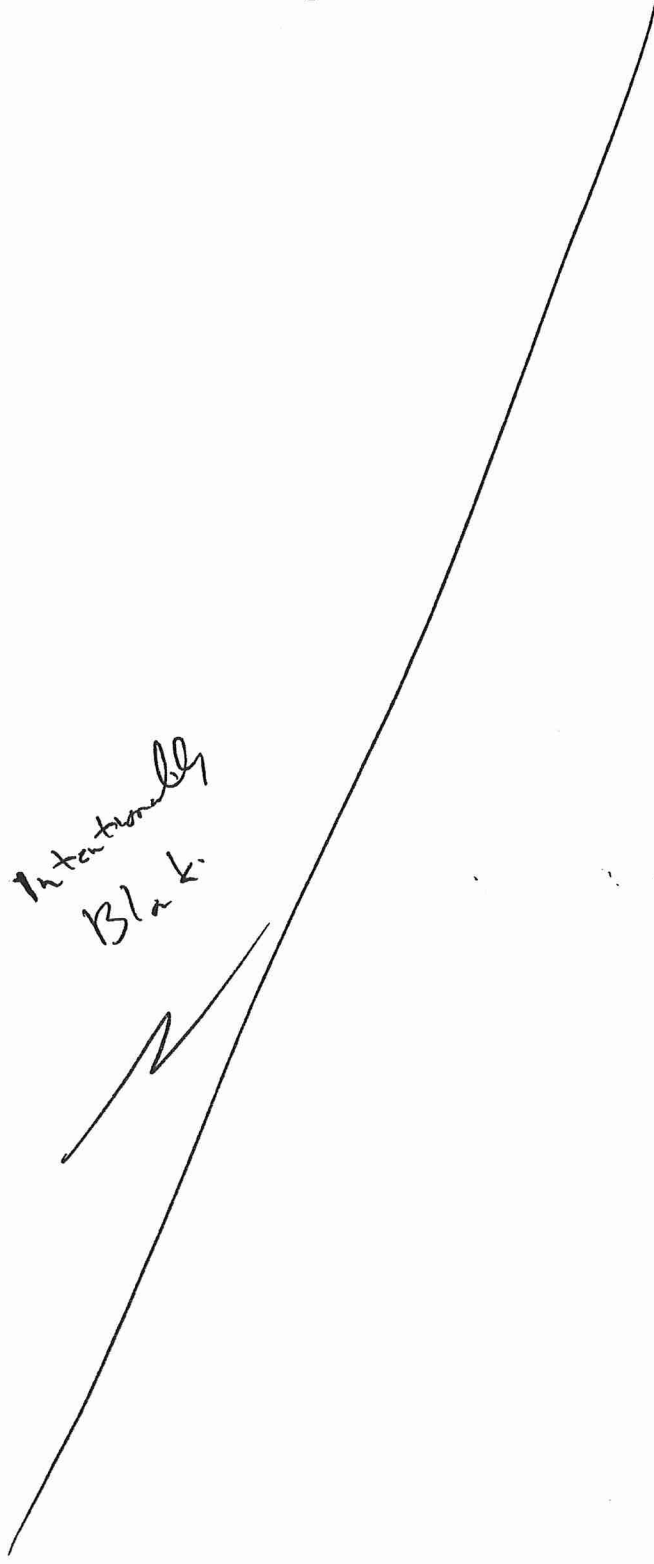
To the Manager: A.S.H. Management Group Inc.
233 Portage Avenue, Suite 100
Winnipeg, Manitoba
R3B 2A7

Attention: Grant Stevenson,
President

Any notice (and copy thereof if required as aforesaid) sent by registered mail shall be deemed to have been delivered three (3) days after it was deposited in Her Majesty's postal system. Any notice (and copy thereof if required as aforesaid) delivered personally shall if delivered prior to 4:00 p.m. on the day of service be deemed to have been delivered on said day and if delivered after 4:00 p.m. on said day shall be deemed to have been delivered the following day after service. Any notice if given by electronic communication, notice shall be deemed given on the day of transmittal thereof if given during normal business hours of the recipient and on the business day during which such normal business hours next occur if not given during such hours on any day.



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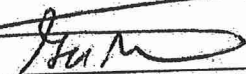
IN WITNESS WHEREOF the parties hereto have hereunto caused their corporate seals to be affixed duly attested to by the hands of their proper officers in that behalf as of the day and year first above written.

GRANT THORNTON LIMITED AS RECEIVER
AND MANAGER FOR
5448124 MANITOBA LTD., and not in its personal
capacity

Per: 

Michael Creber, Partner

A.S.H. MANAGEMENT GROUP INC.

Per: 

Grant Stevenson, President

THIS IS SCHEDULE "A" referred to in a certain Management Agreement dated as of the 17th day of December, 2015 and made between Grant Thornton Limited as Receiver and Manager for 5448124 Manitoba Ltd., and not in its personal capacity, of the First Part and A.S.H. Management Group Inc., of the Second Part.

Without limiting the obligations of the Manager set forth in the Agreement to which this Schedule "A" is attached:

1. The Manager will manage the Project in a proper, lawful and businesslike manner and to the best advantage of the Receiver from time to time of the Project.
2. Without derogating from the generality of the foregoing provision, it shall be the duty of the Manager:
 - (a) to collect on behalf of the Receiver all monies from time to time falling due for payment to the Receiver and to deposit all such monies in the bank accounts to be maintained by the Manager for the benefit of the Project;
 - (b) to pay and discharge out of the monies so collected all utilities, insurance premiums, rents and other outgoing as outlined in the Budget and to pay for all repairs to the Project or any part thereof properly being the responsibility of the Receiver pursuant to the Budget;
 - (c) to purchase all necessary supplies in accordance with the Budget, and to make, enter into and execute contracts for electricity, gas, telephone, refuse disposal, and for any other utilities, supplies and services which the Manager shall reasonably consider advisable, all at the expense of the Receiver. Any rebate or discount obtained by the Manager in connection with any of the foregoing expenditures shall be the property of the Receiver;
 - (d) to ensure that proper records relating to the Project are maintained at all times on behalf of the Receiver and that such records are at all reasonable times available for inspection by the Receiver and the authorized agents and auditors of the Receiver;
 - (e) to pay any reasonable fees or costs which may be due and payable in connection with the leasing of the rental units within the Project in accordance with the Budget;
 - (f) to set up and maintain rental and revenue records and collect all rents and other revenue, including additional rent, realty taxes, maintenance and other charges (if any) payable by the tenants of the Project and hold such rents and other revenue in separate interest bearing trust accounts and to maintain a careful vigilance over the collection of all such rents and other sums so as to ensure, so far as may be possible, that the same are paid when due;
 - (g) to maintain adequate payroll records with respect to all persons engaged to work in the Project and to make all payroll reports and returns required by law, and to make and remit to the proper authorities all income tax deductions, unemployment insurance and workmen's compensation payments and any other



similar deductions or payments which may from time to time be applicable to such persons;

- (h) if provided for in the Budget, to pay all municipal realty taxes, rates and assessments, including local improvement rates as they become due and payable from time to time, either by direct payment to the municipality or by periodic payments as may be required pursuant to the provisions of the financing of the Project and to cooperate with the Receiver in connection with the entering and processing of any assessment, appeal or other litigation which may from time to time affect the Project; and, in accordance with the Budget, to pay all bills as they become due (or earlier in order to take advantage of discounts) incurred in the operation of the Project, including utility charges, advertising costs, wages, insurance premiums, heating and cooling charges, costs of decorating, costs of repairs and other operating expenditures incurred in the operation of the Project and not otherwise provided for in this Agreement;
- (i) to give and render at all proper times notices and statements required to be sent to tenants of the Project;
- (j) to keep complete, current and accurate books of account and other records required by the Receiver maintained on an accrual basis in accordance with generally accepted accounting principles consistently applied and shall keep vouchers, statements, receipts, bills and invoices, employment records and other records in accordance with standard business practices and in such form as may be approved in writing by the Receiver covering all collections, disbursements and other data in connection with the Project; permit the Receiver or any person designated by the Receiver (as well as any regulatory authority with jurisdiction over the Receiver), at any reasonable time, after reasonable notice to the Manager at such person's or the Project's expense to audit the books, records and accounts of the Manager relating to the Project, and the Manager will exhibit such books, records and accounts to any such regulatory authority or any person designated by the Receiver for that purpose; PROVIDED HOWEVER, if any such audit indicates overcharges by the Manager, the Manager shall promptly reimburse the Receiver for such overcharges;

The Manager shall keep all books, accounts and records required to be kept under the terms of this Agreement on a current basis and in a safe place and shall store the same at the Project or at the office of the Manager's principal place of business, in Winnipeg, Manitoba, and/or any other storage facility, chosen by the Manager and the Receiver in Winnipeg for a period of not less than six (6) years, and the Manager shall permit the Receiver, or any person designated by the Receiver at any reasonable time at such person's or the Receiver's expense, to inspect, review and copy and otherwise reproduce such books, records and accounts after reasonable notice to the Manager;

- (k) the Manager shall prepare and submit to the Receiver on or before the tenth (10th) day of each month, the preceding month's financial statement, including the Manager's compensation (including a breakdown of out of pocket expenses and disbursements) during the immediately preceding month. Such report shall
- 

include vacancy report and any other information the Receiver may reasonably request of the Manager; and

- (i) to maintain tenants' security deposits in interest bearing trust accounts separate and apart from all other funds owned or managed by the Manager. Any interest earned thereon not paid to tenants shall be credited to the Receiver.
3. Notwithstanding anything herein to the contrary, the Manager shall not expend or commit to expend in any calendar year more an amount greater than ten (10%) percent of the Operating Budget in excess of the Operating Budget and/or an amount greater than five (5%) percent of the Capital Budget in excess of the Capital Budget for the purposes of repairing, maintaining and replacing the Project or any of its components without the prior written approval of the Receiver or its representatives.
4. The Manager shall be available to attend all meetings of the Receiver to provide information relating to the Project.
5. The Manager shall be responsible to prepare and submit an update to the contemplated Budget under Section 5 of the Agreement to which this Schedule "A" is attached for the ensuing calendar year at least sixty (60) days prior to the expiry of the previous calendar year.
6. The Manager's duties with respect to the residential leasing of the Project shall be as follows:
 - (a) to prepare and complete a suitable Tenancy Agreement and enter into such Tenancy Agreements for and on behalf of the Project;
 - (b) to carry out physical inspections of the Project from time to time and, subject to the provisions hereof to make or cause to be made such repairs thereto as may be necessary to maintain the Project in a state of repair as befits well managed and maintained residential rental housing, including without limitation, repairs, be they ordinary or capital in nature;
 - (c) to advertise from time to time the availability for rent of rental units located within all of the Project;
 - (d) to offer for lease and to lease rental units in the Project which are available for leasing;
 - (e) to negotiate, as may seem to it appropriate, the renewal and termination of leases;
 - (f) to provide such services as may be necessary and convenient to coordinate the preparation of rental units within the Project for tenants, all in such manner as may be provided in leases relating to the Project;
 - (g) to pay any fees or costs which may be due and payable in connection with the leasing of the rental units within the Project in accordance with the Budget;

- (h) to supervise the moving in and moving out of tenants of the Project so as to result in a minimum disturbance to the Project or inconvenience to the tenants thereof;
- (i) to give and render at all proper times notices and statements required to be sent to tenants of the Project;
- (j) to take such steps as may be required and to make any and all applications generally under and comply with the provisions of any rent review legislation of the Province of Manitoba;
- (k) the Receiver shall pay to the Manager a fee in the amount of Fifty (\$50.00) Dollars for each attendance by the Manager at the Residential Tenancies Branch and all hearings attended by the Manager on behalf of the Receiver and at the Receiver's request. In addition, the Receiver shall pay to the Manager a fee of ten (10%) percent of the first year's approved increase "above the guideline" application, if prepared by the Manager;
- (l) in the event the Manager supervises the construction and installation of tenant improvements or capital refurbishments to the Project, the Receiver shall pay to the Manager, upon prior written approval by the Receiver, a supervision fee calculated as a percentage of the total cost of said tenant improvements or capital refurbishments as follows:

<u>Cost</u>	<u>Percentage of Cost Payable as Fee</u>
(a) Up to \$5,000	Nil
(b) Amounts over \$5,000	5% of total amount



APPENDIX 5

Minute No. 563

Report – Executive Policy Committee – September 16, 2015

**Item No. 5 Subdivision and Rezoning – 519 Burnell Street
 (Daniel McIntyre Ward)
 File DASZ 12/2015 [c/r DAV 122536/2015D]**

COUNCIL DECISION:

Council concurred in the recommendation of the Executive Policy Committee and adopted the following:

1. That the Winnipeg Zoning By-law No. 200/2006 be amended by rezoning the planned area as shown on Schedule "A" for File DASZ 12/2015 dated June 30, 2015 to an "RMF-M" Residential Multi-Family (Medium) District.
2. That the plan of subdivision proposed under File DASZ 12/2015 be approved for preparation as a plan of subdivision by a Manitoba Land Surveyor in accordance with Schedule "A" for File DASZ 12/2015 dated June 30, 2015 with such minor changes as may be required, and for registration in the Winnipeg Land Titles Office.
3. That in lieu of the dedication of land, the Developer shall provide a cash payment representing 10% of the appraised value of the Development Application, as determined by the City.
4. That the Director of Planning, Property and Development be authorized to certify any documents in connection therewith.
5. That in the event the matter is not proceeded with expeditiously and the by-law is not passed within two (2) years after adoption of the report by Council, the matter shall be deemed to be concluded and shall not be proceeded with unless an extension of time is applied for prior to the expiry of the two (2)-year period and Council approves the extension.
6. That the Director of Legal Services and City Solicitor be requested to prepare the necessary by-law in accordance with the above.
7. That the subdivision section of the by-law shall come into force and effect upon registration of the Plan of Subdivision in the Winnipeg Land Titles Office.
8. That the zoning section of the by-law shall come into force and effect when the Plan of Subdivision is registered in the Winnipeg Land Titles Office.

Report – Executive Policy Committee – September 16, 2015**COUNCIL DECISION (continued):**

9. That the plan of subdivision shall be approved and signed by the Director of Planning, Property and Development within one (1) year from the date the by-law is passed, failing which the matter shall be deemed to be concluded and shall not be proceeded with unless an extension of time is applied for prior to the expiry of the one-year period and Council approves the extension.
10. That in the event the necessary City of Winnipeg mylar approval signatures have not been secured within twelve (12) months after adoption of the by-law, the matter shall be deemed to be concluded and shall not be proceeded with unless an extension of time is applied for prior to the expiry of this twelve (12) month period and the extension is subsequently approved by Council.
11. That the Director of Legal Services and City Solicitor be requested to do all things necessary for implementation in accordance with the terms of The City of Winnipeg Charter.

Report – Executive Policy Committee – September 16, 2015

DECISION MAKING HISTORY:

Moved by His Worship Mayor Bowman,

That the recommendation of the Executive Policy Committee be adopted
by consent.

Carried

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On September 16, 2015, the Executive Policy Committee concurred in the recommendation of the City Centre Community Committee and submitted the matter to Council.

COMMUNITY COMMITTEE RECOMMENDATION:

On July 7, 2015, the City Centre Community Committee concurred in the recommendation of the Winnipeg Public Service and, via the Priority Rezoning Process, submitted its recommendation to the Executive Policy Committee.

**RE: Subdivision and Rezoning – 519 Burnell Street
File DASZ 12/2015**

For submission to: Executive Policy Committee

**Prepared by: K. McMillan, Committee Clerk
City Centre Community Committee**

Report date: July 8, 2015

COMMUNITY COMMITTEE RECOMMENDATION:

On July 7, 2015, the City Centre Community Committee concurred in the recommendation of the Winnipeg Public Service and, via the Priority Rezoning Process, recommended to the Executive Policy Committee:

1. That the Winnipeg Zoning By-law No. 200/2006 be amended by rezoning the planned area as shown on Schedule “A” for File DASZ 12/2015 dated June 30, 2015 to an “RMF-M” Residential Multi-Family (Medium) District.
2. That the plan of subdivision proposed under File DASZ 12/2015 be approved for preparation as a plan of subdivision by a Manitoba Land Surveyor in accordance with Schedule “A” for File DASZ 12/2015 dated June 30, 2015 with such minor changes as may be required, and for registration in the Winnipeg Land Titles Office.
3. That in lieu of the dedication of land, the Developer shall provide a cash payment representing 10% of the appraised value of the Development Application, as determined by the City.
4. That the Director of Planning, Property and Development be authorized to certify any documents in connection therewith.
5. That in the event the matter is not proceeded with expeditiously and the by-law is not passed within two (2) years after adoption of the report by Council, the matter shall be deemed to be concluded and shall not be proceeded with unless an extension of time is applied for prior to the expiry of the two (2)-year period and Council approves the extension.
6. That the Director of Legal Services and City Solicitor be requested to prepare the necessary by-law in accordance with the above.
7. That the subdivision section of the by-law shall come into force and effect upon registration of the Plan of Subdivision in the Winnipeg Land Titles Office.

8. That the zoning section of the by-law shall come into force and effect when the Plan of Subdivision is registered in the Winnipeg Land Titles Office.
9. That the plan of subdivision shall be approved and signed by the Director of Planning, Property and Development within one (1) year from the date the by-law is passed, failing which the matter shall be deemed to be concluded and shall not be proceeded with unless an extension of time is applied for prior to the expiry of the one-year period and Council approves the extension.
10. That in the event the necessary City of Winnipeg mylar approval signatures have not been secured within twelve (12) months after adoption of the by-law, the matter shall be deemed to be concluded and shall not be proceeded with unless an extension of time is applied for prior to the expiry of this twelve (12) month period and the extension is subsequently approved by Council.
11. That the Director of Legal Services and City Solicitor be requested to do all things necessary for implementation in accordance with the terms of The City of Winnipeg Charter.

The City Centre Community Committee provided the following supporting reasons for its recommendation:

1. The project adds some additional density and comes with some significant improvements to the look of the property without having much of an impact on the surrounding area.
2. Provides some needed housing in the area.

PUBLIC HEARING SUMMARY

File: DASZ 12/2015

Before: City Centre Community Committee
Councillor Orlikow, Chairperson
Councillor Gerbasi

Public Hearing: July 7, 2015
Council Building, 510 Main Street

Applicant: Stratfield Homes (John Friesen)

Subject:



Premises Affected: 519 Burnell Street

- Exhibits Filed:
1. Application dated April 27, 2015
 2. Notification of Public Hearing dated May 11, 2015
 3. Manitoba Status of Titles 2291538/1, 2291534/1
 4. Letter of authorization dated April 13, 2015 from Russ Knight, 5448124 Manitoba Ltd. to John Friesen (Stratfield Homes)
 5. Surveyor's Building Location Certificate and sketch dated January 24, 2011
 6. Plans (4 pages)
 7. Report from the Urban Planning Division dated June 30, 2015
 8. Revised Report from the Urban Planning Division dated July 7, 2015
 9. Inspection Report
 10. Recording of Representations of public hearing

REPRESENTATIONS:

In Support:

John Friesen
Russ Knight

In Opposition:

Nil

For Information:

Nil

For the City:

Mr. M. Robinson, Senior Planner, Planning, Property and Development Department
Mr. A. Ross, Planner, Planning, Property and Development Department

Exhibit “8” referred to in File DASZ 12/2015

REVISED ADMINISTRATIVE REPORT

Title: DASZ 12/2015 – 519 Burnell ST

Issue: For consideration at the public hearing for a Subdivision and Rezoning for DASZ 12/2015 – 519 Burnell ST

Critical Path: City Centre Community Committee as per the Development Procedures By-law and *The City of Winnipeg Charter*.

AUTHORIZATION

Author	Department Head	CFO	CAO
B. Smith	n/a	n/a	

RECOMMENDATIONS

1. That The Winnipeg Zoning By-law No. 200/2006 be amended by rezoning the planned area as shown on Schedule “A” for File DASZ 12/2015 dated June 30, 2015 to an “RMF-M” Residential Multi-Family (Medium) District.
2. That the plan of subdivision proposed under File DASZ 12/2015 be approved for preparation as a plan of subdivision by a Manitoba Land Surveyor in accordance with Schedule “A” for File DASZ 12/2015 dated June 30, 2015 with such minor changes as may be required, and for registration in the Winnipeg Land Titles Office.
3. That in lieu of the dedication of land, the Developer shall provide a cash payment representing 10% of the appraised value of the Development Application, as determined by the City.
4. That the Director of Planning, Property and Development be authorized to certify any documents in connection therewith.
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6. That the Director of Legal Services and City Solicitor be requested to prepare the necessary by-law in accordance with the above.
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8. That the zoning section of the by-law shall come into force and effect when the Plan of Subdivision is registered in the Winnipeg Land Titles Office.
9. That the plan of subdivision shall be approved and signed by the Director of Planning, Property and Development within one (1) year from the date the by-law is passed, failing which the matter shall be deemed to be concluded and shall not be proceeded with unless an extension of time is applied for prior to the expiry of the one-year period and Council approves the extension.
10. That in the event the necessary City of Winnipeg mylar approval signatures have not been secured within twelve (12) months after adoption of the by-law, the matter shall be deemed to be concluded and shall not be proceeded with unless an extension of time is applied for prior to the expiry of this twelve (12) month period and the extension is subsequently approved by Council.
11. That the Director of Legal Services and City Solicitor be requested to do all things necessary for implementation in accordance with the terms of The City of Winnipeg Charter.

REASON FOR THE REPORT

- The applicant is proposing to subdivide and rezone the land from a "R2" Residential Two-Family District to a "RMF-L" Residential Multi-Family (Large) District in order to support the addition of eight (8) units to the basement of an existing apartment building. The rezoning will bring the building into compliance for density. The subdivision will consolidate the existing seven (7) lots into one lot.
- Rezoning applications require a Public Hearing as per the *Development Procedures By-law* and *The City of Winnipeg Charter*.
- The Report is being submitted for the Committee's consideration of the development application at the Public Hearing.

IMPLICATIONS OF THE RECOMMENDATIONS

If the recommendations of the Urban Planning Division are concurred in, the property will be rezoned and subdivided.

CONSULTATION

In preparing this Report there was consultation with:

N/A

SUBMITTED BY

<i>Department</i>	<i>Planning, Property and Development</i>
<i>Division</i>	<i>Urban Planning</i>
<i>Prepared by</i>	Andrew Ross, MCP, MCIP
<i>Date:</i>	July 7, 2015
<i>File No.</i>	DASZ 12/2015

APPENDIX 'A'

DATE: July 7, 2015
FILE: DASZ 12/2015
RELATED FILES: N/A
COMMUNITY: City Centre Community
NEIGHBOURHOOD #: 1.112

SUBJECT: To subdivide and rezone the land presently zoned "R2" Residential Two-Family District to a "RMF-L" Residential Multi-Family (Large) District.

LOCATION: 519 Burnell St
LEGAL DESCRIPTION: LOT 42/47 BLOCK 3 PLAN 775 65 ST JA LOT 28 PLAN 33661 63/65 ST JA



APPLICANT: Starfield Homes (John Friesen)
298 Scotswood Drive, Winnipeg, Manitoba, R3R 3H3

OWNER: 5448124 Manitoba Ltd.
388 Portage Ave. Unit 906
Winnipeg MB R3C 0C8

RECOMMENDATION: Approval

SITE DESCRIPTION

- The subject property, currently zoned "R2" Residential Two-Family, is located on the east side of Burnell Street, one block south of Ellice Avenue in the St. Matthews neighborhood of the Daniel McIntyre ward.
- The subject property is 28,034 sq. ft. in size.
- The property currently contains an apartment building with 80 units.



Figure 1: Air photo of the location of subject property and surrounding area (2014).

The immediate area is characterized primarily by a mix of housing types and densities, as well as commercial, office and mixed use a block north on Ellice Avenue. The site is located close to regular transit service one block north on Ellice Avenue and one block east on Arlington Street. Immediately adjacent land uses include:

- North:** Commercial, office and commercial/residential mixed uses zoned “C2” – Commercial Community
- South:** Single family residential uses zoned “R2” – Residential Two-Family
- East:** Single family, two-family and vacant land uses zoned “R2” – Residential Two-Family
- West:** Multiple family uses zoned “R2” – Residential Two-Family



Figure 2: Zoning context

DESCRIPTION OF THE PROPOSED DEVELOPMENT

The applicant seeks a rezoning and subdivision in order to add eight (8) units to an existing 80- unit multiple family apartment building, and to consolidate the existing seven (7) lots that are currently on the title.

Reason for application

The existing apartment building exceeds the number of units that are allowed in the “R2” District, and it therefore has a non-conforming density. Adding units to the building triggers a need to rezone the property to RMF-L, which is the only district that can accommodate the desired number of units on this lot. Rezoning to “RMF-L” will bring this property and its number of units into compliance with the Winnipeg Zoning By-Law.

ANALYSIS AND ISSUES

OurWinnipeg

The applicant indicates that the units in this building are to be rented at affordable levels similar to existing suites in the building. OurWinnipeg (Section 01-4) supports affordable housing.

City of Winnipeg Housing Policy

The City of Winnipeg Housing Policy encourages retention of affordable housing, rental units, and infill development (Policy B2).

Complete Communities Direction Strategy

As per the Complete Communities Direction Strategy, the proposed development falls within Areas of Stability – Mature Communities policy area. Key policies guiding development within Areas of Stability include:

- Support low to moderate change in low-density neighbourhoods through development and redevelopment that is complimentary to the existing scale, character and built form.
- Support Complete Communities by ensuring diverse and high quality housing stock.
- In order to meet the full life-cycle of housing needs within the community, promote a mix of housing type and tenure, such as duplexes, low rise apartments, secondary suites, semi-detached homes, townhouses.

This proposal adds a moderate amount of density to an existing older apartment building that has been a fixture within the neighbourhood for more than 100 years (built in 1914).

The additional units will not be noticeable from the street. The development provides added rental opportunities in an area that has a demand for rental accommodation.

Daniel McIntyre/St. Matthews Housing Plan 2013-2017

The Daniel McIntyre/St. Matthews Housing Plan has goals which reflect these three main areas of concern, as well as the need for advocacy and education. Goals relevant to this development are as follows:

- Stabilize and increase the number of units of housing available in the Daniel McIntyre/St. Matthews neighbourhoods, while maintaining the current ratio of rental units to owner-occupied units.
- Ensure that housing reflects the mixed-income characteristics of the Daniel McIntyre/St. Matthews neighbourhoods, and is financially accessible to all households.

This development complements the above goals of the Housing Plan.

Parking and transportation

Due to space limitations on the lot, there is no opportunity to increase the provision of parking spaces. The subject property is however in very close proximity to regular east/west transit service (Ellice Avenue – 60m away) and north/south transit service (Arlington Street – 60m way). In addition, the property is one block away from a bike lane (St. Matthews Avenue) and a proposed Neighbourhood Greenway (Banning Street). Cycling is common in the area as is use of transit services and consequently, it is possible to live in this location without owning a vehicle.

The applicant indicates that a group has signed a 20 year lease on the building and that most residents of the building do not own vehicles.

In lieu of providing additional parking, the Urban Planning Division is recommending that the applicant construct a bicycle lock up facility within the building for a minimum of 12 bicycles.

Site improvements

As part of the rezoning, the applicant has agreed to upgrade the garbage dumpster area with an enclosure, add trees and seating the courtyard, and add wrought-iron fencing and shrubs in front of the parking area to screen it from the street. These site plan adjustments will enhance the appearance of the property from the street and from the lane.

SUMMARY

The Urban Planning Division supports the rezoning and subdivision for the following key reasons:

- The proposal adds eight (8) affordable residential units to an existing building in a Mature Community, helping to address Winnipeg's rental supply shortage.
- The change in units will not be noticeable from the street.
- The applicant is providing bicycle lock up facilities for a minimum of 12 bicycles.
- The applicant has agreed to provide site improvements including trees, seating and fencing.

RECOMMENDATIONS

The Urban Planning Division recommends that the application be approved and that the subject property be rezoned to a "RMF-M" Residential Multi-Family (Medium) District.

This Report Submitted by:
Planning, Property and Development Department
Urban Planning Division

Report Prepared by: Andrew Ross
PPD File # DASZ 12/2015 – 519 Burnell ST

Schedule "A" for File No. DASZ 12/2015, City Centre Community Committee, June 30, 2015

By-Law No. _____ Atlas Sheet No. _____ N Z22 CITY CENTRE COMMUNITY	File No. DASZ 12/15 Explanation An application for the approval of the plan of subdivision shown outlined below and for a proposed zoning change to By-law No. 200/2006 by rezoning the land located at 519 Burnell Street from an "R2" RESIDENTIAL TWO-FAMILY DISTRICT to an "RMF-L" RESIDENTIAL MULTI-FAMILY (LARGE) DISTRICT to allow for the expansion of an existing multi-family dwelling by the construction of eight (8) additional dwelling units as shown outlined below.
---	--

THIRD READING : _____	EFFECTIVE DATE : _____
ZONING AGREEMENT : YES ☐ NO ☐	CAVEAT No. _____

APPENDIX 6

519 BURNELL STREET (Project# 00174)

[illegible]

510 BURNELL STREET (Project# 00174)

	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Appliance repairs	166	83	83	83	83	83	83	83	83	83	83	996
Asbestos Testing/Removal/Maintenance	16	8	8	8	8	8	8	8	8	8	8	96
Cleaning supplies	1,025	125	125	-	125	125	125	125	-	125	125	2,275
Cleaning - C/A	3,675	-	-	-	-	-	-	-	-	-	-	3,675
Electrical - C/A	416	208	208	208	208	208	208	208	208	208	208	2,496
Electrical - ensuite	6,873	73	73	73	73	73	73	73	73	73	70	7,600
Fire control R & M	334	167	167	167	167	167	167	167	167	167	167	2,004
Fire control - contract	130	65	65	65	65	65	65	65	65	65	65	780
Flooring R&M - ensuite	100	50	50	50	50	50	50	50	50	50	50	600
Hot Water tank repair/maintenance	134	67	67	67	67	67	67	67	67	67	67	804
Intercom	-	1,000	-	-	-	-	-	-	-	-	-	1,000
laundry Room	167	83	83	83	83	83	83	83	83	83	83	997
Lighting- ca	167	83	83	83	83	83	83	83	83	83	83	997
Lighting - ensuite	100	50	50	50	50	50	50	50	50	50	50	600
Lighting - CA	83	42	42	42	42	42	42	42	42	42	42	503
Locksmith - CA	67	33	33	33	33	33	33	33	33	33	33	397
Locksmith - ensuite	133	67	67	67	67	67	67	67	67	67	67	803
Maintenance supplies	83	42	42	42	42	42	42	42	42	42	42	503
Mats	167	83	83	83	83	83	83	83	83	83	83	997
Painting/Wall repair - ca	167	83	83	83	83	83	83	83	83	83	83	997
Painting/Wall repair - ensuite	108	54	54	54	54	54	54	54	54	54	54	648
Pest control - ca	2,300	292	292	292	292	292	292	292	292	292	292	5,220
Pest control - ensuite	167	83	83	83	83	83	83	83	83	83	83	997
Plumbing-CA	167	83	83	83	83	83	83	83	83	83	83	997
Plumbing - ensuite	133	67	67	67	67	67	67	67	67	67	67	803
Tubs/tile/millwork	1,278	1,278	969	969	660	42	42	42	42	42	42	5,404
Waste removal	33	33	33	33	33	33	33	33	33	33	33	367
Window coverings repair	67	67	67	67	67	67	67	67	67	67	67	733
Window/Doors/Screens - C/A	67	67	67	67	67	67	67	67	67	67	67	733
Windows/doors/screen - ensuite	-	-	-	-	-	-	-	-	-	-	-	-
Property taxes	7,068	3,534	3,534	3,534	3,534	3,534	3,534	3,534	3,534	3,534	3,534	42,408
Exterior bldg repair	334	167	167	167	167	167	167	167	167	167	167	2,004
Appliance - Fridge - RTB Capital	5,000	-	5,000	-	5,000	-	6,000	-	-	-	-	21,000
Appliance - Stove - RTB Capital	5,000	-	5,000	-	4,000	-	-	-	-	-	-	14,000
Appliance - Slove - RTB Capital	-	-	-	-	-	-	-	-	-	-	-	-
Cabinetry Countertop Repl RTB	-	42	42	42	42	42	42	42	42	42	42	462
Electrical - En - RTB Capital	10,207	167	167	167	167	167	167	167	167	167	167	11,877
Fire control - C/A - RTB Capital	250	250	250	250	250	250	250	250	250	250	250	2,750
Flooring repl - En RTB Capital	-	-	-	-	-	-	-	-	-	-	-	-
HVAC - CA - RTB Capital	-	-	-	-	-	-	-	-	-	-	-	-
HVAC - Ensuite - RTB Capital	-	-	-	-	-	-	-	-	-	-	-	-
Lighting - CA - Interior - RTB Capital	-	-	-	-	-	-	-	-	-	-	-	-
Laundry room upgrades - RTB	15,467	-	-	-	-	-	-	-	-	-	-	15,467
Locksmith - C/A - RTB Capital	13,092	42	42	42	42	42	42	42	42	42	42	13,512
Painting - En - RTB - Capital	833	833	833	833	833	833	833	833	833	833	833	9,163

519 BURNELL STREET (Project# 00174)
2016 BUDGET & CUMULATIVE CASHBURN AS AT JANUARY 24, 2016

	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Plumbing - CA-RTB - Capital	167	167	167	167	167	167	167	167	167	167	167	1,837
Plumbing - ensuite-RTB - Capital	83	83	83	83	83	83	83	83	83	83	83	913
Security R & M - RTB Capital	578	-	-	-	-	-	-	-	-	-	-	578
Tubs/tile/millwork - RTB Capital	83	83	83	83	83	83	83	83	83	83	83	913
Window covering replacement-ensuite	333	333	333	333	333	333	333	333	333	333	333	3,663
Window/Doors/Screens - C/A	666	333	333	333	333	333	333	333	333	333	333	3,996
Windows/doors/screen - en RTB Capital	1,850	250	250	250	250	250	250	250	250	250	250	4,350
Contingency - non-recurring	-	5,000	22,500	22,500	-	-	-	-	-	-	-	50,000
Security deposit reimbursements	4,000	2,000	1,000	450	-	-	-	-	-	-	-	7,450
EXPENSES - TOTAL	145,774	87,346	83,637	73,287	48,628	34,285	37,685	30,185	29,635	29,885	30,132	630,477
NET INCOME/LOSS	(99,127)	(43,210)	(33,605)	(18,255)	8,369	22,712	19,312	26,812	27,362	27,112	26,865	(35,654)

Monthly cashburn from Operations

Receiver Fees to December 31, 2015
Legal fees to December 31, 2015

Receiver Fees Monthly Estimate 2016 (see Note 2)
Legal Fee Monthly Estimate 2016 (see Note 2)

Monthly Cashburn Including Professional Fees

Cumulative Cashburn for 2016

(99,127)	(43,210)	(33,605)	(18,255)	8,369	22,712	19,312	26,812	27,362	27,112	26,865
89,873										
32,378										
20,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
3,000	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
(244,378)	(54,710)	(45,105)	(29,755)	(3,131)	11,212	7,812	15,312	15,862	15,612	15,365
(244,378)	(299,086)	(344,193)	(373,948)	(377,079)	(365,867)	(358,055)	(342,743)	(326,881)	(311,269)	(295,904)

Note 1: Assumption is collectable rent is received in the month earned.

Note 2: Time related to reviewing monthly operational reports from Ash and reporting/discussions with Secured Lender and counsel as needed. This excludes time charges related to court attendances and preparation for same and time for other major non-recurring matters such as a sale process.

E&OE

APPENDIX 7

District of Manitoba
Estate File No. 21-081476
Court File No.: C115-01-97928

**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
MARCH 17, 2016**

RECEIPTS

Rental Receipts	\$	91,800
Advance from Secured Creditor		250,000
Interest Income		37

Total Receipts

\$ 341,837

RECEIVERSHIP DISBURSEMENTS

Fees Paid to Official Receiver		70
Administrative Fees		275
HST Paid		2,122
Bank Charges		15
Security		18,300
Utilities		23,619
Advance to Property Manager		50,000
Property Management		10,887
Waste Disposal		105
Repairs and Maintenance		53
Insurance		11,040
Legal Fees	\$	39,582
GST on Legal Fees		1,832
Receivers Fees	\$	76,091
HST on Receivers Fees		9,892

Total Disbursements

243,883

RECEIPTS LESS DISBURSEMENTS

\$ 97,954

APPENDIX 8



Court File No. CI-15-01-97928

THE QUEEN'S BENCH

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

CAMERON STEPHENS FINANCIAL CORPORATION

Applicant

-and-

5448124 MANITOBA LTD.

Respondent

BILL OF COSTS

To professional services rendered as Court-Appointed Receiver for the period from September 13, 2015 to October 31, 2015.

<u>Date</u>	<u>Description</u>	<u>Hours</u>
September 13, 2015	<u>Michael Creber</u> Meeting with D. Minor; Discussion with legal counsel; Review documentation.	1.20 hours
September 14, 2015	<u>Michael Creber</u> Correspondence with Cameron/Foglers; Planning.	0.40 hours
September 14, 2015	<u>Jan Oros</u> Review loan materials and emails from client, check internet for information on the file and building.	0.50 hours
September 15, 2015	<u>Michael Creber</u> Correspondence with Cameron/Foglers; Planning.	0.60 hours

September 15, 2015	<u>Jan Oros</u>	Prepare action list and considerations for the Burnell file and send to M. Creber for review.	0.50 hours
September 16, 2015	<u>Michael Creber</u>	Correspondence with Fogler/Cameron; Review rent roll ; Review loan documents.	0.40 hours
September 17, 2015	<u>Michael Creber</u>	Correspondence with Fogler/Cameron; Review demand letters; Discussion with legal counsel; Review title search.	1.40 hours
September 18, 2015	<u>Michael Creber</u>	Correspondence with legal; Planning; Review draft court materials.	0.80 hours
September 18, 2015	<u>Jan Oros</u>	Review further information provided by client, review emails from client and counsel.	0.50 hours
September 20, 2015	<u>Michael Creber</u>	Planning; Review draft court materials.	1.10 hours
September 20, 2015	<u>Jan Oros</u>	Review draft order and provide comment/feedback for consideration to M. Creber.	0.25 hours
September 21, 2015	<u>Michael Creber</u>	Review draft court materials; Discussion with legal counsel; Correspondence re: legal issues.	0.90 hours
September 22, 2015	<u>Michael Creber</u>	Correspondence and discussion with legal counsel; Forbearance matters; Planning.	1.30 hours
September 22, 2015	<u>Jan Oros</u>	Review amended draft court order, conference call with the banks counsel providing update on the file, prepare engagement letter for monitoring.	0.50 hours

September 23, 2015	<u>Michael Creber</u>	
	Correspondence with Cameron; Planning.	0.40 hours
September 24, 2015	<u>Michael Creber</u>	
	Correspondence with Cameron; Correspondence with Fogler/Cameron; Review and execute consent; Forbearance matters; Planning.	0.60 hours
September 24, 2015	<u>Jan Oros</u>	
	Review emails from counsel, review forbearance agreement, provide comments/concerns to M. Creber.	0.60 hours
September 25, 2015	<u>Michael Creber</u>	
	Correspondence with Fogler/Cameron.	0.30 hours
September 25, 2015	<u>Jan Oros</u>	
	Call with receiver's local counsel to discuss next steps and action plan.	0.25 hours
September 27, 2015	<u>Michael Creber</u>	
	Premises security matters.	0.20 hours
September 27, 2015	<u>Jan Oros</u>	
	Review updated draft order and motion materials.	0.25 hours
September 28, 2015	<u>Michael Creber</u>	
	Discussion with legal counsel; Planning; Correspondence with Cameron; Correspondence with company; Review court material; Planning.	1.60 hours
September 28, 2015	<u>Jan Oros</u>	
	Review emails from counsel and materials being submitted; Discuss file objectives with M. Creber, make travel arrangements.	1.15 hours
September 29, 2015	<u>Michael Creber</u>	
	Update re: court hearing and planning; Planning.	1.20 hours

September 29, 2015	<u>Jan Oros</u>	• Attend at court hearing, pre & post hearing meetings to discuss strategy and planning for next hearing.	5.50 hours
September 30, 2015	<u>Michael Creber</u>	• Planning.	0.30 hours
September 30, 2015	<u>Jan Oros</u>	• Provide update and list of questions for debtor and send to M. Creber to review.	3.65 hours
October 2, 2015	<u>Michael Creber</u>	• Correspondence with Cameron.	0.20 hours
October 5, 2015	<u>Michael Creber</u>	• Correspondence and discussion with Cameron and legal counsel.	0.90 hours
October 5, 2015	<u>Jan Oros</u>	• Conference call with counsel and lender to discuss plans for this week, review affidavit sworn by debtor.	0.50 hours
October 6, 2015	<u>Michael Creber</u>	• File status update and planning.	0.40 hours
October 6, 2015	<u>Jan Oros</u>	• Review further affidavits filed and court transcript of prior week's hearing.	0.25 hours
October 7, 2015	<u>Michael Creber</u>	• File status update and planning.	0.60 hours
October 7, 2015	<u>Jan Oros</u>	• Review motion materials and exhibits, call with counsel after hearing.	1.50 hours
October 12, 2015	<u>Michael Creber</u>	• Correspondence with Cameron; File status update and planning.	0.30 hours

October 13, 2015	<u>Michael Creber</u>	
	Correspondence with Cameron.	0.10 hours
October 14, 2015	<u>Michael Creber</u>	
	Legal correspondence and discussion; File status update and planning.	0.70 hours
October 15, 2015	<u>Michael Creber</u>	
	Banking matters; Correspondence with Cameron and counsel; Planning; Legal correspondence and discussions; File status update and planning.	1.10 hours
October 15, 2015	<u>Jan Oros</u>	
	Review emails from counsel being exchanged with debtor.	0.50 hours
October 16, 2015	<u>Michael Creber</u>	
	Correspondence with Cameron and counsel; File status update and planning.	1.40 hours
October 16, 2015	<u>Jan Oros</u>	
	Review order with Counsel, discuss issues to be addressed right away, discuss action plan.	0.75 hours
October 17, 2015	<u>Michael Creber</u>	
	Correspondence with company.	0.20 hours
October 17, 2015	<u>Jan Oros</u>	
	Review order and propose action plan to M. Creber for consideration, confirm meeting with debtor.	0.25 hours
October 19, 2015	<u>Michael Creber</u>	
	Review appraisals; Banking matters; Correspondence with Cameron; Planning; Correspondence with company; Web maintenance.	0.90 hours
October 19, 2015	<u>Jan Oros</u>	
	Meet with debtor, discuss proposed APS, discuss operations, rents collected and rent arrears, discuss if the company has employees, conduct site visit, discuss site issues, discuss findings with counsel, create summary of issues discussed and discovered for court report.	10.00 hours

October 19, 2015	<u>Rosa Wilford</u>	Correspondences with team, follow instructions, letters, phone calls, freeze accounts and general banking administration.	1.50 hours
October 20, 2015	<u>Michael Creber</u>	Correspondence with Cameron; Planning; Correspondence with company.	0.60 hours
October 20, 2015	<u>Jan Oros</u>	Review QuickBooks data received, correspond with debtor for information, meet with proposed purchase and discuss details of the transaction, discuss matters with counsel, commence drafting report, pull materials and exhibits together for report.	10.00 hours
October 20, 2015	<u>Rosa Wilford</u>	Follow instructions from team, fax, phone calls with bank, correspondences, and general banking administration.	1.50 hours
October 21, 2015	<u>Michael Creber</u>	Correspondence with Cameron; Planning; Correspondence with company; Web maintenance; Review rent roll and analysis.	1.60 hours
October 21, 2015	<u>Jan Oros</u>	Draft First report to court, create schedules for appendices, communicate with client, review insurance information received, review and respond to information provided by debtor, provided draft for counsel's review and comments, forward draft to M. Creber's review.	6.50 hours
October 21, 2015	<u>Rosa Wilford</u>	Follow instructions from team, correspondence with Bank, and general banking administration.	0.30 hours
October 22, 2015	<u>Michael Creber</u>	Correspondence with company; Correspondence and discussion re: potential purchaser; Legal correspondence and discussions.	0.90 hours

October 22, 2015	<u>Jan Oros</u> Send emails to debtor requesting further information regarding various matters, respond to queries from M. Creber and counsel.	3.00 hours
October 23, 2015	<u>Michael Creber</u> Correspondence and discussion with legal; Correspondence and discussion with Cameron; Planning and status update; Web maintenance; Correspondence and discussion re: potential purchaser.	4.40 hours
October 23, 2015	<u>Jan Oros</u> Review emails and respond as required from M. Creber, counsel and debtor.	0.50 hours
October 24, 2015	<u>Michael Creber</u> Draft court report and related materials; Review documents and file update; Correspondence with company; Correspondence with legal counsel.	5.10 hours
October 24, 2015	<u>Jan Oros</u> Worked on First Report of Receiver, discuss changes with M. Creber.	4.00 hours
October 25, 2015	<u>Michael Creber</u> Draft report; Discussion and correspondence with legal counsel; Discussion and correspondence with Cameron.	5.20 hours
October 25, 2015	<u>Jan Oros</u> Worked on First Report of Receiver, discuss changes with M. Creber; Update appendices for the report, reviewed comments from counsel.	5.00 hours
October 26, 2015	<u>Michael Creber</u> Correspondence and discussion with secured creditor and counsel; Correspondence with legal counsel; Draft report; Court materials; Review appraisal; Correspondence with company; Correspondence and discussion re: potential purchaser; Correspondence with property managers.	5.60 hours

October 26, 2015	<u>Jan Oros</u>	Finalize 245 notice; Finalize court hearing materials and return signed copy of 1st report to counsel for filing.	2.00 hours
October 27, 2015	<u>Michael Creber</u>	Update re: court hearing; Planning; Notices and correspondence; Correspondence and discussion re: potential purchaser.	2.60 hours
October 27, 2015	<u>Jan Oros</u>	Attend court hearing to get judge's ruling, respond to call from OSB, meeting with counsel to discuss next steps and plan.	4.70 hours
October 28, 2015	<u>Jan Oros</u>	Meet with debtor to discuss transition of the property and obtain information needed regarding current rent roll, hydro account responsibility, contact various property management companies to discuss PM proposals, prepare summary of activities for M. Creber and counsel, request for order and 1st Report to be posted to website, contact insurance, obtain information on residential tenancies branch agreements for the units.	6.50 hours
October 29, 2015	<u>Jan Oros</u>	Collect rent cheques received from the debtor, meet with potential property manager and do site visit to assess property management needs.	3.75 hours
October 29, 2015	<u>Rosa Wilford</u>	Follow instructions from team, setup new bank account, correspondences, letter, wire instructions and general banking administration.	1.00 hours
October 30, 2015	<u>Jan Oros</u>	Prepare deposit vouchers for input into ascend, update November rent roll with cheques received from EI, call with debtor with update on APS, contact Manitoba Hydro and Shaw to advise of receivership, prepare payment voucher for insurance, contact geo thermal company to advise of receivership and to cease any activity on the site until APS is concluded, prepare summary of the weeks' activities and report to client and M. Creber.	2.30 hours

Time Charges and Expenses

M. Creber, Sr. Vice President	45.50 hours @	\$ 550.00 per hour	\$ 25,025.00
J. Oros, Manager	75.65 hours @	\$ 270.00 per hour	\$ 20,425.50
R. Wilford, Manager	4.30 hours @	\$ 225.00 per hour	\$ 967.50
	<u>125.45</u>	<u>\$ 370.01</u>	<u>\$ 46,418.00</u>
5% Technology and Administration			\$ 2,320.90
			<u>\$ 48,738.90</u>

Disbursements (Travel)

Mail Redirection	\$ 180.22
Travel	\$ 4,049.44
	<u>\$ 4,229.66</u>

Total Time and Disbursements

	\$ 52,968.56
HST (13%)	\$ 6,885.91
Total Due	<u>\$ 59,854.47</u>



Court File No. CI-15-01-97928

THE QUEEN'S BENCH

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

CAMERON STEPHENS FINANCIAL CORPORATION

Applicant

-and-

5448124 MANITOBA LTD.

Respondent

BILL OF COSTS

To professional services rendered as Court-Appointed Receiver for the period from November 1, 2015 to November 30, 2015.

<u>Date</u>	<u>Description</u>	<u>Hours</u>
November 1, 2015	<u>Michael Creber</u> • Banking matters.	0.10 hours
November 2, 2015	<u>Rosa Wilford</u> • Review account, receipts, entries and general banking administration.	1.00 hours
November 3, 2015	<u>Michael Creber</u> • Correspondence with Cameron.	0.10 hours
November 4, 2015	<u>Michael Creber</u> • Correspondence with Cameron.	0.10 hours

November 4, 2015	<u>Rosa Wilford</u> • Save documents on server. Follow instructions from team, disbursement, emails and general banking administration.	0.30 hours
November 5, 2015	<u>Michael Creber</u> • File status update; Discussion with legal ; Property manager matters.	1.60 hours
November 5, 2015	<u>Michael Creber</u> • Correspondence with legal counsel; Status update; Discussion with Cameron.	0.60 hours
November 5, 2015	<u>Jan Oros</u> • Review emails, follow up with Shaw cable, Manitoba hydro, prepare comparison of property management proposals for client, call with client and discuss with M. Creber.	2.50 hours
November 5, 2015	<u>Rosa Wilford</u> • Correspondence, follow instructions, email with Bank, review account, disbursements and general banking administration.	0.70 hours
November 6, 2015	<u>Jan Oros</u> • Review and respond to emails from debtor, advise on banking for rents received, respond to call from progressive waste, respond to queries from client.	0.50 hours
November 8, 2015	<u>Michael Creber</u> • Banking; File status update.	0.70 hours
November 9, 2015	<u>Michael Creber</u> • Correspondence and meeting with Cameron.	1.60 hours
November 9, 2015	<u>Jan Oros</u> • Call with client and M. Creber, review waste contract, and follow up with Shaw Cable.	0.50 hours
November 9, 2015	<u>Rosa Wilford</u> • Review and follow email instructions from team, correspondences, wire instructions, respond to emails, phone calls and general banking administration; Scan and save documents on server.	1.80 hours

November 10, 2015	<u>Michael Creber</u>	
	Tax matters.	0.10 hours
November 10, 2015	<u>Jan Oros</u>	
	Calls /emails with M. Creber regarding operational matters; Discuss Property Manager Agreement and forward to counsel for review.	0.40 hours
November 10, 2015	<u>Rosa Wilford</u>	
	Review account with Bank, correspondences, follow instructions from team, emails and phone calls with Bank, requesting transfer of funds from freeze account, correspondence and phone call with S. Gabor, receipt, posting entries and general banking administration.	1.25 hours
November 11, 2015	<u>Michael Creber</u>	
	Banking matter; Tax matters; Seddon deal status; Rent roll review.	0.60 hours
November 11, 2015	<u>Jan Oros</u>	
	Emails /correspondence with creditors, debtor, follow up with debtor's bookkeeper.	0.75 hours
November 11, 2015	<u>Rosa Wilford</u>	
	Respond to emails, attending queries, and general banking administration; Scan and save documents on server.	0.25 hours
November 12, 2015	<u>Michael Creber</u>	
	Tax matters.	0.10 hours
November 12, 2015	<u>Jan Oros</u>	
	Emails /correspondence with creditors, debtor, follow up with debtor's bookkeeper, forward management agreement to counsel to review.	0.55 hours
November 12, 2015	<u>Rosa Wilford</u>	
	Review account, disbursements, cheques and general banking administration.	0.40 hours
November 13, 2015	<u>Michael Creber</u>	
	Correspondence with Cameron; File update.	0.20 hours

November 13, 2015	<u>Jan Oros</u>	Emails /correspondence with creditors, debtor, and follow up with debtor's bookkeeper; Follow up on status of possible aps from debtor.	0.75 hours
November 13, 2015	<u>Rosa Wilford</u>	Review, approve October 2015 estate balances.	0.10 hours
November 16, 2015	<u>Michael Creber</u>	Correspondence with Cameron; Correspondence with legal; Banking matters.	1.60 hours
November 16, 2015	<u>Jan Oros</u>	Emails with Property Manager, review info for hydro accounts provided by bookkeeper, follow up with new property mgr.	1.25 hours
November 16, 2015	<u>Rosa Wilford</u>	Scan and save documents on server.	0.25 hours
November 17, 2015	<u>Michael Creber</u>	Prepare for and discussion and correspondence with potential property manager.	1.10 hours
November 17, 2015	<u>Jan Oros</u>	Update rent roll for arrears, communications with ASH management regarding management proposal, correspond with debtors and vendors, calls email with client and M. Creber.	2.75 hours
November 18, 2015	<u>Michael Creber</u>	Correspondence with Cameron; Correspondence with legal; Banking matters.	0.30 hours
November 18, 2015	<u>Jan Oros</u>	Follow up with debtor, follow up with vendors, and follow up on rents collected.	0.75 hours
November 18, 2015	<u>Rosa Wilford</u>	Follow instructions from team, phone call, posting entries, disbursements and general banking administration.	0.50 hours

November 19, 2015	<u>Michael Creber</u>	Correspondence re: potential transaction; Correspondence re: services.	0.20 hours
November 19, 2015	<u>Jan Oros</u>	Follow up with counsel on management agreement, communication with debtor and his bookkeeper; Follow up with Geo thermal contractor.	1.15 hours
November 20, 2015	<u>Michael Creber</u>	Correspondence re: potential transaction; Correspondence re: services; Correspondence and discussion with Cameron.	0.60 hours
November 20, 2015	<u>Jan Oros</u>	Review emails from debtor and geothermal contractor, review and respond to emails from counsel.	0.50 hours
November 22, 2015	<u>Michael Creber</u>	Correspondence with Cameron.	0.10 hours
November 23, 2015	<u>Jan Oros</u>	Follow up with counsel on Property Manager Agreement.	0.10 hours
November 24, 2015	<u>Michael Creber</u>	Banking matter; Review draft agreement re: property manager and correspondence re: same.	1.60 hours
November 24, 2015	<u>Jan Oros</u>	Review Property Manager Agreement prepared by counsel and provides feedback.	0.25 hours
November 25, 2015	<u>Rosa Wilford</u>	Follow instructions from team, receipts, correspondence with Bank, posting entries and general banking administration.	0.50 hours
November 26, 2015	<u>Michael Creber</u>	Banking matter; Correspondence with Company; Correspondence re: construction materials.	0.20 hours

November 26, 2015 **Jan Oros**

- Review payments to be issued to security staff, prepare chq requisitions, review emails from debtor, and follow up with Geo thermal contractor to remove his equipment from the site. 0.75 hours

November 26, 2015 **Rosa Wilford**

- Responding to emails, attending queries, preparing invoices for disbursements, cheques and general banking administration; Scan and save documents on server. 1.60 hours

November 27, 2015 **Jan Oros**

- Follow up with debtor regarding issues to deposit cheques for security staff, review and respond to calls/emails from Manitoba hydro, update Property Manager on status of contract. 0.50 hours

November 30, 2015 **Jan Oros**

- Review and respond to call from insurance agent, request payment voucher for insurance to be paid. 0.25 hours

Time Charges and Expenses

M. Creber, Sr. Vice President	11.50 hours @	\$ 550.00 per hour	\$ 6,325.00
J. Oros, Manager	14.20 hours @	\$ 270.00 per hour	\$ 3,834.00
R. Wilford, Manager	8.65 hours @	\$ 225.00 per hour	\$ 1,946.25
	<u>34.35</u>	<u>\$ 352.41</u>	<u>\$ 12,105.25</u>
5% Technology and Administration			\$ 605.26
			<u>\$ 12,710.51</u>

Disbursements (Travel)

Courier and postage	\$ 118.49
Travel	\$ 894.41
	<u>\$ 1,012.90</u>

Total Time and Disbursements	<u>\$ 13,723.41</u>
HST (13%)	\$ 1,784.04
Total Due	<u><u>\$ 15,507.46</u></u>



Court File No. CI-15-01-97928

THE QUEEN'S BENCH

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

CAMERON STEPHENS FINANCIAL CORPORATION

Applicant

-and-

5448124 MANITOBA LTD.

Respondent

BILL OF COSTS

To professional services rendered as Court-Appointed Receiver for the period from December 1, 2015 to December 31, 2015.

<u>Date</u>	<u>Description</u>	<u>Hours</u>
December 1, 2015	<u>Michael Creber</u> • Discussion with counsel re: property management agreement; Planning; Banking and rent matters.	0.90 hours
December 1, 2015	<u>Jan Oros</u> • Review emails from hydro, follow up with PM, and respond to debtor regarding cheques received for rent.	0.15 hours
December 1, 2015	<u>Rosa Wilford</u> • Follow instructions from team, disbursements, email and general banking administration.	0.25 hours
December 2, 2015	<u>Michael Creber</u> • Review draft security opinion.	0.60 hours

December 2, 2015	<u>Jan Oros</u>	Review emails from counsel, follow up with PM regarding garbage cleanup order, follow up with geothermal contractor.	0.35 hours
December 3, 2015	<u>Michael Creber</u>	Review draft agreement; Correspondence and discussion with Cameron; Correspondence with property manager; Banking matters; Review rent role.	1.40 hours
December 3, 2015	<u>Jan Oros</u>	Call with M. Creber, update rent roll tracker, follow up with PM, review email with PM agreement, emails with Manitoba Hydro, and follow up with debtor.	1.25 hours
December 3, 2015	<u>Rosa Wilford</u>	Correspondences with Bank and team, follow instructions and respond to queries, receipts, bank deposits, posting entries, reports and general banking administration.	2.50 hours
December 4, 2015	<u>Jan Oros</u>	Review emails, respond to vendors, follow up with Geothermal contractor.	0.50 hours
December 4, 2015	<u>Rosa Wilford</u>	Review emails, revise bank deposits, correspondences with Bank and team, posting entries, update reports and general banking administration.	1.00 hours
December 6, 2015	<u>Michael Creber</u>	Correspondence and planning.	0.10 hours
December 7, 2015	<u>Michael Creber</u>	Planning and status update; Correspondence re: construction equipment.	0.30 hours
December 7, 2015	<u>Jan Oros</u>	Emails with debtor, call with prospective purchaser, discuss rents with M. Creber.	0.25 hours

December 8, 2015	<u>Jan Oros</u>	Respond to Manitoba hydro inquiries, review emails from debtor bookkeeper, and follow up with EI on cheques for rent to collect.	0.25 hours
December 8, 2015	<u>Rosa Wilford</u>	Follow instructions from team, receipts, posting entries and general banking administration.	0.30 hours
December 8, 2015	<u>Valerie Naccarato</u>	General banking administration.	0.10 hours
December 9, 2015	<u>Michael Creber</u>	Property manager matters.	0.30 hours
December 9, 2015	<u>Jan Oros</u>	Review email from debtor on rents collected, review email from Ash, call with EI office to discuss collection of future tenant rents and redirection of the mail.	0.40 hours
December 10, 2015	<u>Michael Creber</u>	Correspondence and discussion with Cameron; Correspondence with property manager.	0.40 hours
December 10, 2015	<u>Jan Oros</u>	Update rent roll tracker, email to EI program to update mailing of those tenant rent cheques.	0.85 hours
December 11, 2015	<u>Michael Creber</u>	Review property management documents and correspondence re: same; Discussion and correspondence with legal counsel; Insurance matters; File status review and planning; Review rent roll summary for 2015 and discussion re: same.	1.20 hours
December 11, 2015	<u>Jan Oros</u>	Prepare rent roll summary of arrears for period January to October 2015, send security invoices for payment, review emails from counsel, complete insurance survey for Ash management.	2.60 hours

December 11, 2015	<u>Rosa Wilford</u> Follow instructions from team, receipts, posting entries, disbursements, cheques and general banking administration; Scan and save documents on server.	1.20 hours
December 14, 2015	<u>Michael Creber</u> Finalize property manager arrangements; Banking deposits and disbursements.	0.60 hours
December 14, 2015	<u>Jan Oros</u> Review/respond to emails with counsel regarding collection of rents, PM agreement changes, vendor inquiries, review incoming invoices to be issued payment.	0.40 hours
December 14, 2015	<u>Rosa Wilford</u> Follow instructions from team, setup disbursements, cheques, receipts, posting entries and general banking administration; Scan and save documents on server.	2.20 hours
December 15, 2015	<u>Michael Creber</u> Property manager matters.	0.30 hours
December 15, 2015	<u>Jan Oros</u> Review/respond to emails with counsel regarding collection of rents, PM agreement changes, vendor inquiries, review incoming invoices to be issued payment.	0.50 hours
December 15, 2015	<u>Rosa Wilford</u> Follow instructions from team, disbursements, cheques and general banking administration; Scan and save documents on server.	0.70 hours
December 16, 2015	<u>Michael Creber</u> Property manager matters.	0.80 hours
December 16, 2015	<u>Jan Oros</u> Review/respond to emails with counsel regarding collection of rents, PM agreement changes, vendor inquiries, and follow up with EI office regarding tenant rents, review incoming invoices to be issued payment.	0.70 hours

December 17, 2015	<u>Michael Creber</u>	Correspondence property manager; Correspondence with Cameron; Property manager matters.	0.20 hours
December 17, 2015	<u>Jan Oros</u>	Review/respond to emails with counsel regarding collection of rents, PM agreement changes, vendor inquiries, and follow up with EI office regarding tenant rents, review incoming invoices to be issued payment.	0.70 hours
December 17, 2015	<u>Rosa Wilford</u>	Scan and save documents on server.	0.25 hours
December 18, 2015	<u>Michael Creber</u>	Correspondence with Cameron; File status review and planning; Property manager matters.	0.70 hours
December 18, 2015	<u>Jan Oros</u>	Review/respond to emails with counsel regarding collection of rents, PM agreement changes, vendor inquiries, and follow up with EI office regarding tenant rents, review incoming invoices to be issued payment.	0.60 hours
December 18, 2015	<u>Rosa Wilford</u>	Follow instructions from team, disbursements, posting entries, cheques, receipts, template and general banking administration.	1.25 hours
December 21, 2015	<u>Michael Creber</u>	Insurance matters; Discussion with Fogler; Correspondence with property manager; Discussion with legal; Correspondence re: construction equipment.	0.40 hours
December 21, 2015	<u>Jan Oros</u>	Review emails form weekend from ash management, send email to Shaw, prepare payment voucher, review emails from debtor.	2.00 hours

December 21, 2015	<u>Rosa Wilford</u>	Follow instructions from team, review account, correspondences and phone calls with Bank, respond to queries, void payments, disbursements, re issue cheques and general banking administration.	1.80 hours
December 22, 2015	<u>Michael Creber</u>	File status review; Prepare for and meet with Cameron and Foglers.	1.10 hours
December 22, 2015	<u>Jan Oros</u>	Send information to Ash for transition of property manager role, respond to debtor inquiries, call with M. Creber to discuss file, respond to hydro and Shaw inquiries, and review payments to be issued.	1.00 hours
December 22, 2015	<u>Rosa Wilford</u>	Correspondences with team, follow instructions, disbursements, cheques, adjusting entries, provide reports and general banking administration; Scan and save documents on server.	2.00 hours
December 23, 2015	<u>Jan Oros</u>	Discuss file with M. Creber, follow up with geothermal contractor to remove assets from site, forward info over to Ash management for transition of responsibilities.	0.50 hours
December 23, 2015	<u>Rosa Wilford</u>	Review and reconcile November 2015 bank statements.	0.10 hours
December 23, 2015	<u>Valerie Naccarato</u>	Preparation of bank slip deposit, post entries and general banking administration.	0.40 hours
December 24, 2015	<u>Jan Oros</u>	Call with Ash management to discuss findings of site visit and inspection, discuss coverage for holiday period, and respond to vendor inquiries.	0.75 hours

December 28, 2015 **Michael Creber**

- Draft correspondence with Cameron; Correspondence with property manager 0.30 hours
- .

December 30, 2015 **Michael Creber**

- Correspondence. 0.20 hours

Time Charges and Expenses

M. Creber, Sr. Vice President	9.80	hours @	\$	550.00	per hour	\$	5,390.00
J. Oros, Manager	13.75	hours @	\$	270.00	per hour	\$	3,712.50
R. Wilford, Manager	13.55	hours @	\$	225.00	per hour	\$	3,048.75
V. Naccarato, Analyst	0.50	hours @	\$	120.00	per hour	\$	60.00
	37.60					\$	12,211.25
5% Technology and Administration						\$	610.56
						\$	12,821.81

Disbursements

Courier	\$	19.42
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Total Time and Disbursements

	\$	12,841.23
HST (13%)	\$	1,669.36
Total Due	\$	14,510.59



Court File No. CI-15-01-97928

THE QUEEN'S BENCH

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

CAMERON STEPHENS FINANCIAL CORPORATION

Applicant

-and-

5448124 MANITOBA LTD.

Respondent

BILL OF COSTS

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

<u>Date</u>	<u>Description</u>	<u>Hours</u>
January 4, 2016	<u>Jan Oros</u> Review emails and respond, review rents collected from EI and forward details to Ash Management, send letter to client regarding GT's role, review expenses to be paid.	1.00 hours
January 4, 2016	<u>Rosa Wilford</u> Receipts, posting entries and general banking administration.	0.75 hours
January 4, 2016	<u>Valerie Naccarato</u> Deposit at Bank.	0.10 hours
January 5, 2016	<u>Jan Oros</u> Emails/calls with Ash Management regarding expenses, building staffing, rents collected and received.	0.75 hours

January 5, 2016	<u>Rosa Wilford</u>	Correspondence with Bank, review direct deposits, receipts, posting entries; Disbursements, cheque and general banking administration.	1.25 hours
January 6, 2016	<u>Jan Oros</u>	Review and respond to emails from Ash Management, review incoming expenses to be paid.	0.15 hours
January 7, 2016	<u>Jan Oros</u>	Review/respond to calls/emails from Ash Management, review expenses received for payment, respond to R. Wilford regarding rent cheque received, forward rental cheques info received to Ash to update rent roll.	0.75 hours
January 7, 2016	<u>Valerie Naccarato</u>	Deposit at Bank.	0.10 hours
January 8, 2016	<u>Jan Oros</u>	Summarize hydro invoices onto worksheet and send to Ash Management to confirm information on vacant units is correct based on usage, emails with MB Hydro, emails with Ash.	0.35 hours
January 8, 2016	<u>Valerie Naccarato</u>	Prepare bank reconciliation.	0.20 hours
January 11, 2016	<u>Jan Oros</u>	Respond to queries from Ash Management, review quotes for work to be completed at the building, request further information and budget.	0.85 hours
January 11, 2016	<u>Rosa Wilford</u>	Follow instructions from team, email, disbursements and general banking administration.	0.25 hours
January 12, 2016	<u>Michael Creber</u>	Review correspondence; File status review and planning.	0.90 hours

January 12, 2016	<u>Jan Oros</u>	Respond to queries from Ash Management prior Red Cross rents collected, expenses to include in the budget, other info for the budget.	0.50 hours
January 12, 2016	<u>Rosa Wilford</u>	Scan and save documents on server.	0.50 hours
January 13, 2016	<u>Michael Creber</u>	File update.	0.20 hours
January 13, 2016	<u>Jan Oros</u>	Respond to inquiries from Ash Management; Respond to call from EI office regarding benefits paid by tenants, review budget prepared by Ash and request for further information.	0.75 hours
January 13, 2016	<u>Rosa Wilford</u>	Review banking, correspondences with Bank, respond to queries, returned item, posting entries, email and general banking administration; Scan and save documents on server.	1.00 hours
January 14, 2016	<u>Michael Creber</u>	Review with property managers correspondence and documents; Correspondence with Cameron Stevens; Review and discuss draft budget and cash requirements.	0.90 hours
January 14, 2016	<u>Jan Oros</u>	Review budget created by Ash, take budget provided and create draft interim cashflow statement to determine amount of borrowing required, respond to emails from Ash, call with Ash to get more details in budget, discuss budget/cashflow with M. Creber.	2.50 hours
January 15, 2016	<u>Michael Creber</u>	Correspondence with legal; Correspondence re: budget; Planning.	0.40 hours

January 15, 2016	<u>Jan Oros</u>	Review emails from Ash, review revised draft budget created by ash, review counsel's comments on increasing receiver borrowing limits, review expenses to be paid.	1.15 hours
January 18, 2016	<u>Michael Creber</u>	Review and discuss draft budget; Correspondence with property manager; Property tax matter.	0.70 hours
January 18, 2016	<u>Jan Oros</u>	Call with property manager to discuss 2016 budget, review email from Manitoba hydro, prepare voucher for payment of invoices.	0.50 hours
January 19, 2016	<u>Jan Oros</u>	Call with property manager to discuss 2016 budget, review email from Manitoba hydro, prepare voucher for payment of invoices.	0.70 hours
January 19, 2016	<u>Rosa Wilford</u>	Prepare disbursement, cheques, review account, respond to queries and general banking administration.	2.00 hours
January 20, 2016	<u>Michael Creber</u>	Review and discuss draft budget; Correspondence with property manager; Correspondence with secured creditor; Correspondence and discussion with legal.	1.40 hours
January 20, 2016	<u>Jan Oros</u>	Call with property manager to discuss 2016 budget, review email from Manitoba hydro, prepare voucher for payment of invoices, discuss budget with M. Creber.	0.50 hours
January 21, 2016	<u>Michael Creber</u>	Correspondence and discussion with legal; Correspondence with property manager.	0.40 hours
January 21, 2016	<u>Rosa Wilford</u>	Scan and save documents on server.	0.30 hours

January 22, 2016	<u>Michael Creber</u>	File status review; Review draft cash flows; Review SRD; Correspondence and planning.	1.10 hours
January 22, 2016	<u>Jan Oros</u>	Meeting with M. Creber, update budget from Ash Management to create cash burn schedule, prepare agenda for Monday call, prepare SRD of receivers account.	1.25 hours
January 22, 2016	<u>Rosa Wilford</u>	Follow instructions, disbursements, cheques and general banking administration.	0.60 hours
January 24, 2016	<u>Michael Creber</u>	Review draft agenda and reporting; Planning; Banking.	0.90 hours
January 25, 2016	<u>Michael Creber</u>	Prepare for and attend call with secured creditor and legal counsel; Correspondence with property manager.	1.20 hours
January 25, 2016	<u>Jan Oros</u>	Conference call with counsel, M. Creber, secured creditors counsel and representative to discuss budget and cash requirements, review expenses to be paid and mail from MB hydro.	0.75 hours
January 26, 2016	<u>Valerie Naccarato</u>	Prepare disbursements, post entries and general banking administration.	0.50 hours
January 27, 2016	<u>Jan Oros</u>	Prepare statutory 246(2) notice and SRD for December 31, 2015.	0.35 hours
January 28, 2016	<u>Michael Creber</u>	Correspondence with secured creditor; Review and finalize 246 Notice; Correspondence with property manager.	0.70 hours

January 28, 2016

Jan Oros

- Drafting second report to court, prepare proposed response to secured lender and send to M. Creber for comment; Respond to property manager email re: operational matters. 2.50 hours

January 29, 2016

Michael Creber

- Correspondence with secured creditor; Correspondence with legal; Correspondence with property manager. 0.60 hours

January 29, 2016

Jan Oros

- Drafting report to court, prepare proposed response to secured lender after discussions with M. Creber; Respond to property manager emails re: operational matters, request conference call with counsel for following up. 2.50 hours

Time Charges and Expenses

M. Creber, Sr. Vice President	9.40 hours @	\$ 550.00 per hour	\$ 5,170.00
J. Oros, Manager	17.80 hours @	\$ 280.00 per hour	\$ 4,984.00
R. Wilford, Manager	6.65 hours @	\$ 235.00 per hour	\$ 1,562.75
V. Naccarato, Analyst	0.90 hours @	\$ 120.00 per hour	\$ 108.00
	<u>34.75</u>		<u>\$ 11,824.75</u>
5% Technology and Administration			<u>\$ 591.24</u>
			<u>\$ 12,415.99</u>
HST (13%)			<u>\$ 1,614.08</u>
Total Due			<u><u>\$ 14,030.07</u></u>

Court File No. CI-15-01-97928

THE QUEEN'S BENCH

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

CAMERON STEPHENS FINANCIAL CORPORATION

Applicant

-and-

5448124 MANITOBA LTD.

Respondent

BILL OF COSTS

To professional services rendered as Court-Appointed Receiver for the period from February 1, 2016 to February 29, 2016.

<u>Date</u>	<u>Description</u>	<u>Hours</u>
February 1, 2016	<u>Jan Oros</u> Review email from Ash regarding rent roll, expenses, laundry room costs, call with property manager to discuss rent arrears.	0.50 hours
February 2, 2016	<u>Michael Creber</u> Correspondence and discussion with legal counsel; File status review and planning.	1.20 hours
February 2, 2016	<u>Jan Oros</u> Conference call with counsel and M. Creber, emails with property manager re: operational matters.	0.75 hours
February 2, 2016	<u>Valerie Naccarato</u> General banking administration.	0.10 hours

February 3, 2016	<u>Michael Creber</u>	
	Correspondence with property manager.	0.20 hours
February 3, 2016	<u>Jan Oros</u>	
	Update court report with M. Creber changes, review and respond to emails from Ash.	0.75 hours
February 4, 2016	<u>Jan Oros</u>	
	Follow up with Ash regarding occupancy permit issue and info needed from city to get quote of costs for court report and justify budget and borrowing limit increase.	0.25 hours
February 5, 2016	<u>Jan Oros</u>	
	Call with counsel to discuss occupancy permit issue.	0.15 hours
February 8, 2016	<u>Michael Creber</u>	
	Correspondence with property manager; File status update; Review draft report.	1.20 hours
February 8, 2016	<u>Jan Oros</u>	
	Call from MB hydro, call from tenant looking for rent receipt.	0.15 hours
February 9, 2016	<u>Michael Creber</u>	
	Planning; Correspondence re: funding; Review draft report.	1.30 hours
February 9, 2016	<u>Jan Oros</u>	
	Update 2nd report with M. Creber changes, discuss file with M. Creber, calls/emails with Ash regarding tenant receipt requests for rent paid, review of Hydro payment issued.	0.35 hours
February 10, 2016	<u>Michael Creber</u>	
	Correspondence re: city permit matters; Correspondence re: draft report and court materials; Correspondence with legal.	0.10 hours
February 10, 2016	<u>Jan Oros</u>	
	Review and respond to counsel emails with City of Winnipeg regarding access to information relating to occupancy permit matter, forwarding details to Ash Management for follow up.	0.35 hours

February 11, 2016	<u>Michael Creber</u>	Correspondence re: permit and zoning; Correspondence with property manager; Correspondence with legal.	0.60 hours
February 11, 2016	<u>Jan Oros</u>	Review and respond to emails from ASH and city of Winnipeg regarding occupancy permit issues relating to the basement units.	0.60 hours
February 12, 2016	<u>Michael Creber</u>	Correspondence re: permit and zoning; Correspondence with property manager; Correspondence with legal.	0.50 hours
February 12, 2016	<u>Jan Oros</u>	Review emails form property manager and counsel, prepare deposit and payment vouchers and input into simply accounting.	0.75 hours
February 16, 2016	<u>Michael Creber</u>	Correspondence with legal; File status update; Review correspondence; Correspondence with property manager; Review payables; Bank balance and assessment re: same.	1.20 hours
February 17, 2016	<u>Michael Creber</u>	Discussion with legal; Correspondence with property manager; Correspondence with legal.	0.90 hours
February 17, 2016	<u>Jan Oros</u>	Call with Ash to discuss their recent updates and emails, discuss approval to pay payables and outstanding invoices, call with M. Creber to discuss file particulars.	0.50 hours
February 18, 2016	<u>Jan Oros</u>	Call with secured lenders representative on funding update, review email from counsel.	0.10 hours
February 19, 2016	<u>Michael Creber</u>	Correspondence with property manager; Voice mail from secured creditor.	0.10 hours

February 19, 2016	<u>Jan Oros</u>	Review email from ASH Management on status of zoning, review call from secured lender regarding status of lending for receiver's certificate.	0.15 hours
February 22, 2016	<u>Michael Creber</u>	Correspondence with legal.	0.10 hours
February 22, 2016	<u>Jan Oros</u>	Call/email from counsel regarding funding from secured creditor and borrowing mechanism.	0.15 hours
February 22, 2016	<u>Rosa Wilford</u>	Disbursements, cheque and general banking administration.	0.20 hours
February 24, 2016	<u>Michael Creber</u>	Loan agreement.	0.30 hours
February 24, 2016	<u>Jan Oros</u>	Review draft loan agreement provided by secured lender and send comments to counsel.	0.25 hours
February 24, 2016	<u>Rosa Wilford</u>	Void payments; Scan and save documents on server.	0.25 hours
February 25, 2016	<u>Michael Creber</u>	Correspondence re: permit and zoning.	0.30 hours
February 26, 2016	<u>Michael Creber</u>	Review draft loan document; Discussion and correspondence with legal; Conference call with lender; Correspondence with property manager; Planning; Correspondence re: permit and zoning.	2.10 hours
February 26, 2016	<u>Jan Oros</u>	Review emails form counsel, forward information requested by counsel.	0.25 hours

February 27, 2016	<u>Michael Creber</u>	
	Correspondence re: court materials; Planning.	0.30 hours
February 28, 2016	<u>Michael Creber</u>	
	File status review and planning.	0.30 hours
February 29, 2016	<u>Michael Creber</u>	
	Review discussion and correspondence re: loan document; Court matters; Property basement issues; Correspondence re: permit and zoning.	1.60 hours
February 29, 2016	<u>Jan Oros</u>	
	Review changes to draft loan agreement and send to counsel, follow up with ASH on status of funds to pay expenses, update court report based on new info for occupancy permit, loan agreement pending with CSFC, call with Ash to discuss funding availability for insurance, discuss zoning and building code issues and timing of when work is to be completed.	1.75 hours

Time Charges and Expenses

M. Creber, Sr. Vice President	12.30	hours @	\$	550.00	per hour	\$	6,765.00
J. Oros, Manager	7.75	hours @	\$	280.00	per hour	\$	2,170.00
R. Wilford, Manager	0.45	hours @	\$	235.00	per hour	\$	105.75
V. Naccarato, Analyst	0.10	hours @	\$	120.00	per hour	\$	12.00
	20.60					\$	9,052.75
5% Technology and Administration						\$	452.64
						\$	9,505.39
HST (13%)						\$	1,235.70
Total Due						\$	10,741.09

APPENDIX 9

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

DATE: NOVEMBER 5, 2015
CLIENT/MATTER NO.: 98665 - 1
RESP. LAWYER: DJACKSON
INVOICE NO.: 516241
121712376

Attention: Michael Creber

Re: In the Matter of the Receivership of 5448124 Manitoba Ltd.

FEES (GST & PST)

17/09/15	JACKSON	Attendance at conference call with Michael Creber, Josh Freeman and Greg Azeff	0.40	450.00	180.00
17/09/15	JACKSON	Correspondence to Josh Creber	0.10	450.00	45.00
17/09/15	JACKSON	Reviewing Companies branch, PPSA & LTO searches	0.10	450.00	45.00
17/09/15	JACKSON	Correspondence to Michael Creber	0.10	450.00	45.00
17/09/15	JACKSON	Attendance at various calls with Bruce Caplan and revisions to Supplement to third report	0.30	450.00	135.00
17/09/15	JACKSON	Correspondence to Service List	0.10	450.00	45.00
18/09/15	SGABOR	Telephone call with D Jackson, re upcoming receivership	0.10	170.00	17.00
18/09/15	JACKSON	Correspondence from Josh Freeman	0.10	450.00	45.00
18/09/15	JACKSON	Draft consent form	0.10	450.00	45.00
18/09/15	JACKSON	Correspondence to Josh Freeman	0.10	450.00	45.00
20/09/15	JACKSON	Correspondence from Michael Creber	0.10	450.00	45.00
20/09/15	JACKSON	Reviewing proposed receivership order	0.40	450.00	180.00
20/09/15	JACKSON	Correspondence to Josh Freeman - comments on draft order	0.20	450.00	90.00
20/09/15	JACKSON	Draft email to Sam Gabor re: Rehabilitation notice schemes	0.10	450.00	45.00
20/09/15	JACKSON	Review & respond to Michael Creber	0.10	450.00	45.00
21/09/15	JACKSON	Telephone from Michael Creber	0.30	450.00	135.00
21/09/15	JACKSON	Review & respond to JJ Burnell	0.10	450.00	45.00
22/09/15	SGABOR	Reviewing initial receivership order; emails to and from D Jackson, re next steps as potential counsel for receiver	0.60	170.00	102.00
22/09/15	JACKSON	Correspondence from Josh Freeman	0.10	450.00	45.00
22/09/15	JACKSON	Reviewing draft monitoring engagement	0.10	450.00	45.00
22/09/15	JACKSON	Correspondence to Michael Creber	0.10	450.00	45.00
24/09/15	JACKSON	Correspondence from Josh Freeman	0.10	450.00	45.00
24/09/15	JACKSON	Reviewing revisions to the draft receivership order	0.20	450.00	90.00
24/09/15	JACKSON	Correspondence to Josh Freeman	0.10	450.00	45.00
24/09/15	JACKSON	Correspondence to Jan Oros	0.10	450.00	45.00
24/09/15	JACKSON	Correspondence from Michael Creber	0.10	450.00	45.00

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

E & O.E.

25/09/15	SGABOR	Meeting with D Jackson, re prepare for receivership; voicemail from D Jackson, re potential sale of building by receiver	0.80	170.00	136.00
25/09/15	JACKSON	Correspondence from Jan Oros	0.10	450.00	45.00
25/09/15	JACKSON	Meeting with Sam Gabor - discuss action plan for proposed receivership	0.20	450.00	90.00
25/09/15	JACKSON	Telephone to JJ Burnell	0.10	450.00	45.00
25/09/15	JACKSON	Reviewing Notice of Application, draft Order & Affidavit	0.60	450.00	270.00
25/09/15	JACKSON	Telephone to Jan Oros	0.40	450.00	180.00
25/09/15	JACKSON	Correspondence to Josh Freeman	0.10	450.00	45.00
25/09/15	JACKSON	Correspondence from Josh Freeman	0.10	450.00	45.00
25/09/15	JACKSON	Correspondence to Josh Freeman	0.10	450.00	45.00
25/09/15	JACKSON	Correspondence from Michael Creber	0.10	450.00	45.00
25/09/15	JACKSON	Draft email to Sam Gabor re: receivership concerns	0.10	450.00	45.00
27/09/15	SGABOR	Reviewing court materials, Residential Tenancies Act and other materials in preparation for call with Receiver and applicant's counsel and Tuesday hearing	2.70	170.00	459.00
28/09/15	SGABOR	Prepare for call with Grant Thorton and Applicant's counsel; phone call with Grant Thorton and Applicant's counsel, re additions to order for Tuesday Receivership motion	0.70	170.00	119.00
28/09/15	SGABOR	Revise receivership Order; email to Court; call with applicant's counsel; call with J Oros	0.90	170.00	153.00
28/09/15	SGABOR	Reviewing Residential Tenancies Act, re notice of change of landlord	0.60	170.00	102.00
28/09/15	SGABOR	E-Mail from J Oros, re notice to tenants	0.20	170.00	34.00
29/09/15	SGABOR	Prepare for Receiver appointment motion; meeting with J Oros; attendance at hearing for appointment of receiver	2.80	170.00	476.00
29/09/15	SGABOR	Meeting with J Freeman, J Burnell, J Oros, after first court appearance, re next steps for potential receivership	0.90	170.00	153.00
29/09/15	JACKSON	Review & respond to Sam Gabor	0.10	450.00	45.00
05/10/15	SGABOR	Telephone call with Applicant, Applicant's counsel and agent and Grant Thornton; reviewing affidavit of Russ Knight	0.70	170.00	119.00
05/10/15	SGABOR	Reviewing affidavit of Russ Knight	0.10	170.00	17.00
07/10/15	SGABOR	Reviewing cross examination transcript of R Knight; attendance at contested motion to appoint receiver; phone call with J Oros, re court proceeding; email to D Jackson	5.70	170.00	969.00
08/10/15	JACKSON	Reviewing status with Sam Gabor	0.10	450.00	45.00
09/10/15	SGABOR	Meeting with D Jackson, re update on proceeding	0.60	170.00	102.00
09/10/15	JACKSON	Meeting with Sam Gabor - status update	0.20	450.00	90.00
14/10/15	JACKSON	Correspondence from Josh Freeman	0.10	450.00	45.00
15/10/15	SGABOR	Telephone call with Jan Oros; telephone call with D Jackson; email to counsel, re additional language to Order	0.90	170.00	153.00
15/10/15	JACKSON	Correspondence from David Minor	0.10	450.00	45.00
15/10/15	JACKSON	Correspondence to David Minor	0.10	450.00	45.00

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E & O.E

15/10/15	JACKSON	Correspondence from Jan Oros	0.10	450.00	45.00
15/10/15	JACKSON	Correspondence from Josh Freeman	0.10	450.00	45.00
15/10/15	JACKSON	Correspondence from David Minor	0.10	450.00	45.00
16/10/15	SGABOR	Reviewing materials and email sent from J Freeman, re joint venture agreement between Lake St. Martin and Ebb and Flow First Nation; attendance at motion to appoint receiver; phone call with J Oros and D Jackson, re status of Receivership Order; email to D Jackson, J Oros and M Creber, re status of Receivership Order and proceeding, next steps	5.40	170.00	918.00
16/10/15	JACKSON	Correspondence from Josh Freeman	0.10	450.00	45.00
16/10/15	JACKSON	Reviewing October 7th Order	0.10	450.00	45.00
16/10/15	JACKSON	Correspondence from Jan Oros	0.10	450.00	45.00
18/10/15	SGABOR	Reviewing Receivership Order	0.20	170.00	34.00
19/10/15	SGABOR	Attendance with Grant Thornton at meeting with R Knight, site visit of 519 Burnell, meetings with D Jackson and J Oros	8.00	170.00	1,360.00
19/10/15	JACKSON	Telephone from Sam Gabor	0.10	450.00	45.00
19/10/15	JACKSON	Reviewing Order	0.10	450.00	45.00
19/10/15	JACKSON	Meeting with Jan Oros & Sam Gabor	0.50	450.00	225.00
19/10/15	JACKSON	Correspondence from JJ Burnell	0.10	450.00	45.00
19/10/15	JACKSON	Meeting with Jan Oros & Sam Gabor	1.30	450.00	585.00
20/10/15	SGABOR	Meeting with D Jackson, meeting with J Oros	0.70	170.00	119.00
20/10/15	SGABOR	Telephone call with J Freeman; email to J Freeman, summary of events on October 19, 20; meeting with J Oros, re Russ Knight and Jeff Seddon meeting	1.00	170.00	170.00
20/10/15	JACKSON	Correspondence from Jan Oros	0.10	450.00	45.00
20/10/15	JACKSON	Meeting with Sam Gabor	0.20	450.00	90.00
20/10/15	JACKSON	Reviewing Sam's update	0.10	450.00	45.00
21/10/15	SGABOR	Meetings with D Jackson and J Oros, re Receiver's report; reviewing Receiver's report and revising with comments	2.10	170.00	357.00
21/10/15	JACKSON	Reviewing draft first receiver's report	0.20	450.00	90.00
21/10/15	JACKSON	Telephone from Sam Gabor - GTech offer etc.	0.10	450.00	45.00
21/10/15	JACKSON	Reviewing draft receiver's report and discussions with Sam Gabor regarding revisions	0.60	450.00	270.00
21/10/15	JACKSON	Meeting with Jan Oros	0.40	450.00	180.00
22/10/15	SGABOR	Reviewing report of receiver; reviewing law on commercially reasonable sales and transactions; determining next steps; meeting with D Jackson, re changes to receiver's report and Tuesday's Court appearance.	2.30	170.00	391.00
22/10/15	SGABOR	Meeting with D Jackson, re next steps for report, appearance on Tuesday and phone call with Receiver; meeting with T Kurbis, re solicitor's opinion on deal closing	1.10	170.00	187.00
22/10/15	JACKSON	Correspondence from Jan Oros - email chain with Russ Knight	0.10	450.00	45.00

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E & O.E

22/10/15	JACKSON	Meeting with Sam Gabor - review sale/report concerns	0.50	450.00	225.00
23/10/15	SGABOR	Prepare for phone call with Receiver; telephone call with Receiver; meeting with T Kurbis, re solicitor's comments on the deal; meeting with D Jackson and T Kurbis, re solicitor's comments on the deal; phone call and email to counsel for GTAC; telephone call with J Freeman, M Creber, D Minor, D Jackson, re Receiver's report and Tuesday's appearance	3.30	170.00	561.00
23/10/15	SGABOR	Reviewing Court materials for Tuesday sitting; draft amended and re-stated order	2.30	170.00	391.00
23/10/15	JACKSON	Correspondence from Josh Freeman	0.10	450.00	45.00
23/10/15	JACKSON	Correspondence to Josh Freeman	0.10	450.00	45.00
23/10/15	JACKSON	Attendance at conf. call with Michael Creber, Jan Oros & Sam Gabor	0.30	450.00	135.00
23/10/15	JACKSON	Correspondence from Russ Knight - re:sales process	0.10	450.00	45.00
23/10/15	JACKSON	Correspondence from Josh Freeman	0.10	450.00	45.00
23/10/15	JACKSON	Meeting with Tim Kurbis & Sam Gabor - necessary revisions to form of offer if receiver to close	0.20	450.00	90.00
23/10/15	JACKSON	Attendance at conf. call with Josh Freeman, Michael Creber, David M. & Sam Gabor	0.60	450.00	270.00
23/10/15	JACKSON	Meeting with Sam Gabor -review approach	0.20	450.00	90.00
23/10/15	KURBIS	Office Conference S. Gabor - brief/consult on possible purchase/sale transaction; review OP and consider issues arising; attendance D. Jackson - consult/advise on solicitor matters	0.60	410.00	246.00
25/10/15	SGABOR	Prepare first report of the receiver; meetings with D Jackson; phone calls with M Creber; prepare motion brief; prepare amended and restated order; prepare sealing order; emails to receiver, F Freeman, D Minor	7.00	170.00	1,190.00
25/10/15	JACKSON	Reviewing Para #17 of Order & discuss Michael Creber's comments with Sam Gabor	0.20	450.00	90.00
25/10/15	JACKSON	Meeting with Sam Gabor - conference call to Michael Creber	0.30	450.00	135.00
25/10/15	JACKSON	Attendance at review of revised draft First Report, discussions with Michael Creber & Sam Gabor, draft revisions etc.	3.00	450.00	1,350.00
26/10/15	SGABOR	Prepare for appearance in court, re receiver's submissions	2.00	170.00	340.00
26/10/15	SGABOR	Reviewing and revising First Report of Receiver; meetings with D Jackson; prepare Order for Court; Prepare Amended and Restated Order for Court; prepare book of authorities for Receiver motion; emails with receiver and applicant's counsel and applicant; phone call with	5.50	170.00	935.00

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

		counsel for GTAC; emails to counsel for GTAC; emails to D Jackson			
26/10/15	JACKSON	Correspondence from Josh Freeman	0.10	450.00	45.00
26/10/15	JACKSON	Revise draft order re:sealing/amending & restating	0.10	450.00	45.00
26/10/15	JACKSON	Review revised First Report and provide Sam with revisions	0.30	450.00	135.00
26/10/15	JACKSON	Review & respond to Sam Gabor re:Order revisions	0.10	450.00	45.00
26/10/15	JACKSON	Correspondence from Michael Creber	0.10	450.00	45.00
26/10/15	JACKSON	Review & respond to Michael Creber - re;draft amendments	0.10	450.00	45.00
26/10/15	JACKSON	Correspondence from David Minor	0.10	450.00	45.00
26/10/15	JACKSON	Correspondence to David Minor	0.30	450.00	135.00
26/10/15	JACKSON	Correspondence from Josh Freeman	0.10	450.00	45.00
26/10/15	JACKSON	Reviewing Sam Gabor's comments re: Gtech et al	0.10	450.00	45.00
26/10/15	JACKSON	Review & respondt to David Minor	0.10	450.00	45.00
26/10/15	JACKSON	Reviewing TIm Kurbis' summary of what's necessary to close the offer.	0.10	450.00	45.00
26/10/15	JACKSON	Prepare for court	1.00	450.00	450.00
26/10/15	KURBIS	Reviewing file documents; consider Receiver sale terms; review precedents; memorandum to D. Jackson/S. Gabor to advise on conveyancing matters	0.50	410.00	205.00
27/10/15	SGABOR	E-Mail to M Hanley, re geo-thermal contractor contact info; prepare submission for Court; meetings with D Jackson and J Oros; attendance in court, re receiver's submission; prepare Order and emails to Court	6.00	170.00	1,020.00
27/10/15	JACKSON	Correspondence from Michael Creber	0.10	450.00	45.00
27/10/15	JACKSON	Meeting with Sam Gabor - prep	0.30	450.00	135.00
27/10/15	JACKSON	Meeting with Jan Oros	0.30	450.00	135.00
27/10/15	JACKSON	Attend at court	2.00	450.00	900.00
27/10/15	JACKSON	Meeting with Jan Oros & Sam Gabor - post-court directions	0.20	450.00	90.00
27/10/15	JACKSON	Correspondence to Michael Creber	0.10	450.00	45.00
27/10/15	JACKSON	Correspondence to Jan Oros	0.10	450.00	45.00
27/10/15	JACKSON	Correspondence from Michael Creber	0.10	450.00	45.00
27/10/15	KAUK	E-mail from Sam, conduct federal database pre-search and LDRC search of 5750351 Manitoba Ltd., e-mail search results to Sam.	0.30	100.00	30.00
28/10/15	SGABOR	E-Mail Orders to service list; email, re updated service list; meeting with D Jackson, re TIPP Program; email from and to J Oros, re TIPP program payments	0.40	170.00	68.00
28/10/15	JACKSON	Correspondence from Jan Oros	0.10	450.00	45.00
28/10/15	JACKSON	Prepare PPSA receiver appointment notice	0.10	450.00	45.00
28/10/15	JACKSON	Prepare LTO Caveat re:receiver's charge etc.	0.20	450.00	90.00
28/10/15	JACKSON	Telephone to Sean Hicks - security review	0.10	450.00	45.00
28/10/15	JACKSON	Draft instructions to Sean Hicks	0.10	450.00	45.00
28/10/15	JACKSON	Correspondence to Michael Creber	0.10	450.00	45.00
28/10/15	JACKSON	Telephone with David King re:TIPP program default consequences	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

28/10/15	KURBIS	Office conference S. Gabor re Court attendance/solicitors' opinion matters; note to file	0.20	410.00	82.00
29/10/15	HICKS	Reviewing security documents and materials	1.50	240.00	360.00
29/10/15	JACKSON	Correspondence from Jan Oros- status update	0.10	450.00	45.00
30/10/15	HICKS	Reviewing security documents and materials; E-Mail to D. Jackson	1.10	240.00	264.00
30/10/15	JACKSON	Review & respond to Sean Hicks	0.10	450.00	45.00

TOTAL FEES (GST & PST) 22,779.00

D.R.M. Jackson 23.2 hrs. x \$450.00/hr. = \$10,440.00

T. Kurbis 1.3 hrs. x \$410.00/hr. = \$533.00

S. Hicks 2.6 hrs. x \$240.00/hr. = \$624.00

S. Gabor 65.6 hrs. x \$170.00/hr. = \$11,152.00

A. Kauk (paralegal) .3 hrs. x \$100.00/hr. = \$30.00

TOTAL FEES \$22,779.00
Plus 5 % GST 1,138.95
Plus 8 % PST 1,822.32

ALLOCATED EXPENSES & DISBURSEMENTS (GST Only)

Personal Property Search	18.00
Reproduction Charges	579.90
Documents/Titles Online	73.60
Phone/Fax	117.40
City of Winnipeg - Electronic Tax Search	12.00
File Administration Charge	45.00

DISBURSEMENTS INCURRED AS AGENT(Non-taxable)

Government/Court Registration, Filing Re: Caveat 85.00

Total Expenses & Disbursements \$930.90
Plus 5% GST 42.30

BALANCE DUE OUR OFFICE \$26,713.47

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

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

Attention: Michael Creber

DATE: JANUARY 18, 2016

CLIENT/MATTER NO.: 98665 - 1

RESP. LAWYER: DJACKSON

INVOICE NO.: 520334

121712376

Re: Collections - 5448124 Manitoba Ltd. et al

FEES (GST & PST)

02/11/15	SGABOR	E-Mails from D Jackson to S Hicks	0.10	170.00	17.00
02/11/15	JACKSON	Review & respond to Sean Hicks re:security review	0.10	450.00	45.00
04/11/15	HICKS	Draft opinion	1.80	240.00	432.00
04/11/15	HICKS	Revise draft opinion; E-Mail to D. Jackson	1.60	240.00	384.00
05/11/15	JACKSON	Telephone to Michael Creber	0.10	450.00	45.00
05/11/15	JACKSON	Correspondence to Michael Creber	0.10	450.00	45.00
06/11/15	SGABOR	Meeting with Phu to get rent money from Burnell; emails with Jan, re what to do with rent monies	0.20	170.00	34.00
09/11/15	SGABOR	Attendance at RBC to file rental monies	0.50	170.00	85.00
10/11/15	SGABOR	Attendance at RBC to deposit rent monies	0.40	170.00	68.00
10/11/15	JACKSON	Correspondence from Jan Oros - Ash management inquiry	0.10	450.00	45.00
10/11/15	JACKSON	Correspondence to Jan Oros	0.10	450.00	45.00
10/11/15	JACKSON	Draft instructions to Dave Marshall	0.10	450.00	45.00
12/11/15	JACKSON	Review & respond to Dave Marsall - property manager agreement	0.10	450.00	45.00
12/11/15	JACKSON	Correspondence to Jan Oros	0.10	450.00	45.00
12/11/15	JACKSON	Review & respond to Jan Oros on Ash Management contract	0.10	450.00	45.00
12/11/15	MARSHALL	Reviewing forms of managment agreement and email to D Jackson	0.40	395.00	158.00
16/11/15	JACKSON	Correspondence from Jan Oros	0.10	450.00	45.00
16/11/15	JACKSON	Correspondence from Jan Oros	0.10	450.00	45.00
18/11/15	JACKSON	Correspondence from Jan Oros	0.10	450.00	45.00
18/11/15	JACKSON	Correspondence to Jan Oros	0.10	450.00	45.00
18/11/15	JACKSON	Draft instructions to Dave Marshall - property management agreement	0.10	450.00	45.00
20/11/15	SGABOR	Meeting with Phu to collect rent monies	0.10	170.00	17.00
20/11/15	MARSHALL	Reviewing and revise management agreement.	1.10	395.00	434.50
23/11/15	SGABOR	Attendance at RBC, re depositing rent monies	0.40	170.00	68.00

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.

23/11/15	MARSHALL	Reviewing managment agreement revisison and revise and email to M Creber and J Oros.	0.50	395.00	197.50
30/11/15	JACKSON	Review & respond to Dave Marshall - property management agreement	0.10	450.00	45.00
30/11/15	OHEANY	E-Mail from D. Marshall, review file, email to Jan	0.30	150.00	45.00
01/12/15	SGABOR	Meeting with Phu to collect rent monies	0.10	170.00	17.00
01/12/15	JACKSON	Reviewing draft opinion	0.20	450.00	90.00
01/12/15	JACKSON	Correspondence to Michael Creber	0.10	450.00	45.00
01/12/15	OHEANY	E-Mails and discussions with D. Marshall, conference call, revise agreement	2.10	150.00	315.00
02/12/15	JACKSON	Correspondence from Michael Creber	0.10	450.00	45.00
02/12/15	JACKSON	Correspondence to Michael Creber - security review	0.10	450.00	45.00
02/12/15	JACKSON	Revise security opinion	0.10	450.00	45.00
02/12/15	JACKSON	Correspondence from Jan Oros	0.10	450.00	45.00
02/12/15	JACKSON	Correspondence from JJ Burnell	0.10	450.00	45.00
02/12/15	JACKSON	Correspondence to JJ Burnell	0.10	450.00	45.00
02/12/15	JACKSON	Correspondence from Michael Creber	0.10	450.00	45.00
03/12/15	SGABOR	Attendance at RBC to deposit cheques; email to J Oros, re cheque made out to Hudson Bay Traders Ltd.	0.50	170.00	85.00
03/12/15	JACKSON	Correspondence from Jan Oros	0.10	450.00	45.00
03/12/15	JACKSON	Correspondence from Michael Creber	0.10	450.00	45.00
06/12/15	JACKSON	Reviewing response from Diverso Engergy	0.10	450.00	45.00
07/12/15	JACKSON	Correspondence from Jan Oros	0.10	450.00	45.00
07/12/15	JACKSON	Correspondence from Sergio Almedia	0.10	450.00	45.00
08/12/15	SGABOR	Meeting with Phu to collect rent monies	0.10	170.00	17.00
09/12/15	OHEANY	E-Mails re indemnity language	0.10	150.00	15.00
11/12/15	JACKSON	Review & respond to Steven O'Heany re:management agreement	0.10	450.00	45.00
11/12/15	OHEANY	Telephone call and emails with M. Creber, amend agreement, discussions with D. Marshall, emails with D. Jackson	0.40	150.00	60.00
14/12/15	SGABOR	Attendance bank to deposit rent monies; email to J Oros, re deposit; instructions to assistant to send deposit slips to J Oros	0.70	170.00	119.00
16/12/15	OHEANY	E-Mails and revise agreement	0.40	150.00	60.00
21/12/15	JACKSON	Telephone from Josh Freeman	0.20	450.00	90.00
21/12/15	JACKSON	Telephone to Michael Creber	0.10	450.00	45.00
21/12/15	JACKSON	Correspondence to Josh Freeman	0.10	450.00	45.00
21/12/15	JACKSON	Correspondence from Jan Oros	0.10	450.00	45.00
22/12/15	JACKSON	Correspondence from Jan Oros	0.10	450.00	45.00
22/12/15	JACKSON	Correspondence to Jan Oros - advice re: involuntary bailee	0.30	450.00	135.00

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

22/12/15	JACKSON	Correspondence from Jan Oros	0.10	450.00	45.00
22/12/15	JACKSON	Correspondence from Sergio Almedia	0.10	450.00	45.00
23/12/15	SGABOR	Reviewing emails between Geothermal corp and receiver, re removal of equipment from Burnell Street	0.30	170.00	51.00
29/12/15	SGABOR	Attendance at RBC to deposit rent cheques	0.40	170.00	68.00
31/12/15	JACKSON	Telephone from Michael Creber (vm)	0.10	450.00	45.00
31/12/15	JACKSON	Review & revise draft letter for Michael Creber	0.20	450.00	90.00
31/12/15	JACKSON	Correspondence to Michael Creber	0.10	450.00	45.00

TOTAL FEES (GST & PST) 4,817.00

D.R.M. Jackson 5.2 hrs. x \$450.00/hr. = \$2,340.00

D. Marshall 2 hrs. x \$395.00/hr. = \$790.00

S. Hicks 3.4 hrs. x \$240.00/hr. = \$816.00

S. Gabor 3.8 hrs. x \$170.00/hr. = \$646.00

S. O'Heany 3.3 hrs. x \$150.00/hr. = \$495.00

TOTAL FEES \$4,817.00

Plus 5 % GST 240.85

Plus 8 % PST 385.36

ALLOCATED EXPENSES & DISBURSEMENTS (GST Only)

Electronic Research Access Fee	44.40
Documents/Titles Online	78.00
Phone/Fax	29.25
Bank of Canada Search	8.00
Reproduction Charges	31.05

DISBURSEMENTS INCURRED AS AGENT(Non-taxable)

Pay Account Re: Conference calls issued to Bell Conferencing Inc. 21.04

Total Expenses & Disbursements \$211.74

Plus 5% GST 9.54

BALANCE DUE OUR OFFICE \$5,664.49

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

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

DATE: MARCH 14, 2016
CLIENT/MATTER NO.: 98665 - 1
RESP. LAWYER: DJACKSON
INVOICE NO.: 523716
121712376

Attention: Michael Creber

Re: Collections - 5448124 Manitoba Ltd. et al

FEES (GST & PST)

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

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

E & O.E.

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

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

E & O.E

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

7,942.00

TOTAL FEES (GST & PST)

D.R.M. Jackson 11.9 hrs. x \$450.00/hr. = \$5,355.00

J. Fleming 6.4 hrs. x \$325.00/hr. = \$2,080.00

S. Gabor 1.6 hrs. x \$195.00/hr. = \$307.00

TOTAL FEES

Plus 5 % GST

Plus 8 % PST

\$7,942.00

397.10

635.36

ALLOCATED EXPENSES & DISBURSEMENTS (GST Only)

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

Total Expenses & Disbursements
Plus 5% GST

\$59.01

2.95

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

E & O.E

BALANCE DUE OUR OFFICE

\$9,036.42

DJAC/lb

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

E & O.E