COURT FILE NUMBERS	1901-04336	Clerk's Stamp
COURT	COURT OF QUEEN'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
APPLICANTS	MAYNBRIDGE CAPITAL INC.	
RESPONDENTS	GENCO HOLDINGS LTD., GENCO (WALDEN) LTD., PALI BEDI, TARLOK TATLA, JASBIR HANS, SOLO LIQUOR HOLDINGS LTD. and SOLO LIQUOR STORES LTD.	
DOCUMENT	FIFTH REPORT OF THE RECEIVER JUNE 24, 2020	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	<u>RECEIVER</u> ERNST & YOUNG INC. Calgary City Centre 2200, 215 2nd Street SW Calgary, AB T2P 1M4 Attention: Peter Chisholm / Dylan Holwell Telephone: (403) 206-5061 / (403) 206-5431 Fax: (403) 206-5075 Email: peter.chisholm@ca.ey.com / dylan.holwell@ca.ey.com <u>COUNSEL</u> FASKEN MARTINEAU DUMOULIN LLP First Canadian Centre 350 – 7th Avenue SW, Suite 3400 Calgary, AB T2P 3N9 Attention: Travis Lysak Telephone: (403) 261-5501 Email: tlysak@fasken.com	

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APPENDICES

INTRODUCTION

1. Ernst & Young Inc. ("EYI") was appointed Receiver (the "Receiver") of Genco Holdings Ltd.'s right, title and interest in certain real property municipally located at 608 – 7th Street SW, 735 – 6th Avenue SW, and 739 – 6th Avenue SW, Calgary, Alberta, and any personal property related to it (collectively, the "608 Property"), pursuant to an Order (the "Maynbridge Receivership Order") dated April 5, 2019 (the "Maynbridge Receivership Date").

2. The Maynbridge Receivership Order also appointed EYI as Receiver of the property, assets and undertakings of Genco (Walden) Ltd. ("Genco Walden"). The primary asset of Genco Walden was its interest in real property municipally located at 19605 Walden Blvd. SE, Calgary, Alberta, including any personal property related to it ("Walden").

3. The Maynbridge Receivership Order authorized the Receiver, among other things, to take possession and control of the 608 Property, to receive, protect and maintain control of the 608 Property, and to market and solicit offers to purchase the 608 Property.

4. The purpose of this fifth report of the Receiver (the "Fifth Report") is to provide this Honourable Court with the Receiver's comments on:

   a) the activities of the Receiver since the Maynbridge Receivership Date, including a statement of receipts and disbursements and summary of the sales solicitation process undertaken in respect of the 608 Property;

   b) the agreement of purchase and sale (the "PSA") between the Receiver and Maynbridge Capital Inc., or its wholly-owned subsidiary nominee ("Maynbridge" or the "Purchaser"), for the sale of the 608 Property (the "608 Transaction"), and the Receiver's request for approval of the 608 Transaction;

   c) the request to approve the fees and disbursements of the Receiver and its legal counsel in these receivership proceedings; and

   d) the Receiver's recommendations.

BACKGROUND

5. Genco Holdings Ltd. ("Genco Holdings") is a corporation incorporated pursuant to the laws of the Province of Alberta with registered offices in Calgary, Alberta. Genco Holdings is in the business of real estate development and sales/leasing.

6. The 608 Property consists of a condemned six-storey commercial building and adjacent lands previously used for surface level parking. The 608 Property has no tenants and no material sources of revenue.

7. Prior to the Maynbridge Receivership Date, in or around February 2017, an order was issued by the City of Calgary under the Municipal Government Act against Genco Holdings (the "MGA Order"), requiring Genco Holdings, among other things, to undertake asbestos abatement and demolish the condemned building located on the 608 Property by June 30, 2017, and November 30, 2017, respectively.

8. Genco Holdings received extensions from the City of Calgary to the abatement and demolition timelines under the MGA Order; however, all extensions were exhausted at the Maynbridge Receivership Date.

9. The MGA Order is registered on title to the 608 Property and therefore requires any purchaser of the 608 Property to immediately perform abatement and undertake the demolition of the condemned building located thereon.

10. As at the Maynbridge Receivership Date, the aggregate indebtedness owed to Maynbridge by Genco Holdings and Genco Walden, the primary secured creditor respecting the 608 Property and Walden, totalled approximately $18.3 million.

11. On June 10, 2019, this Honourable Court granted an Order (the "June 10 Order") approving, amongst other things, a sales process for Walden and the 608 Property.

12. On July 9, 2019, this Honourable Court granted an Order (the "July 9 Order") approving, amongst other things, an immediate distribution to Maynbridge of all Walden Net Rents (as defined in the July 9 Order) collected as at the date of the July 9 Order, and further distributions of Walden Net Rents collected during the receivership, from time to time, as and when the Receiver sees fit.

13. The Receiver entered into an agreement of purchase and sale with G&E Vending Ltd. dated August 30, 2019, pursuant to which Walden was sold for cash consideration of $13.65 million (the "Walden Transaction").

14. The Walden Transaction was approved by this Honourable Court pursuant to an Order dated September 20, 2019. The Walden Transaction closed on October 21, 2019.

15. As at the date of this Fifth Report, the Receiver has distributed approximately $12.9 million to Maynbridge, comprised of $12.6 million of net sale proceeds from the Walden Transaction, $200,000 related to net rents collected by the Receiver from tenants during the receivership, and $67,000 via advances from Genco Walden to the Receiver's segregated trust account established for Genco Holdings in respect of the 608 Property.

16. The total indebtedness owed to Maynbridge by Genco Holdings, as at the date of this report, is approximately $6.9 million.

17. Additional information on Genco is available on the Receiver's website at www.ey.com/ca/genco.

TERMS OF REFERENCE AND DISCLAIMER

18. In preparing this Fifth Report, the Receiver has relied upon unaudited financial information, Genco Holdings' records, and discussions with management of Genco Holdings. The Receiver has not performed an audit, review or other verification of such information.

19. Capitalized terms not otherwise defined in this Fifth Report are as defined in the Maynbridge Receivership Order, or the First through Fourth Reports of the Receiver.

20. All references to dollars are in Canadian currency unless otherwise noted.

ACTIVITIES OF THE RECEIVER

21. Since its appointment, the Receiver's primary goals have been to ensure the 608 Property is insured and secured, to retain a selling agent to market and sell the 608 Property, and to complete the tasks necessary to market and sell the 608 Property.

Statement of Receipts and Disbursements

22. Table 1.0 below provides a summary of the receipts and disbursements of the Receiver for Genco Holdings in respect to the 608 Property, from the period of the Maynbridge Receivership Date to the date of this Fifth Report (the "Reporting Period"):

Genco Holdings Ltd.		Table 1.0
Statement of Receipts & Disbursements - 608 Property		
April 5, 2019 to June 24, 2020		
	Notes	$CAD
Opening cash - April 5, 2019		-
Receipts		
Receiver's Certificates (advances from Maynbridge)	a	67,000
Advertising revenue		2,888
Interest income		130
Total receipts		70,017
Disbursements		
Property management fees	b	21,572
Mobile security patrols and fencing	c	16,966
Building risk assessment and air monitoring	d	14,559
Insurance	e	4,605
Snow removal	f	3,504
Other (roof repair, garbage and graffiti removal, etc.)	g	8,565
Professional fees	h	-
Total disbursements		69,772
Ending cash balance - June 24, 2020		245

23. Notes to the Receiver's statement of receipts and disbursements are as follows:

a) Maynbridge advanced $67,000 to the Receiver to fund operating costs related to the 608 Property. Pursuant to the Maynbridge Receivership Order, the Receiver is authorized to borrow up to $250,000;

The July 9 Order authorized the Receiver to distribute Walden net rents (as defined in the July 9 Order) from time to time, as and when the Receiver sees fit. The Receiver has therefore distributed $67,000 of Walden net rents to Maynbridge during the Reporting Period, via advances to the Receiver's segregated trust account established for Genco Holdings and the 608 Property;

b) the Receiver paid $21,600 in property management fees during the Reporting Period;

c) approximately $17,000 of costs were incurred by the Receiver during the Reporting Period related to mobile security patrols and secure fencing to prevent unauthorized access to the 608 Property;

d) given the presence of a condemned building on the 608 Property, the Receiver engaged a structural engineering firm to complete a building envelope risk assessment, which included air monitoring, at a cost of $14,600;

e) the Receiver paid an insurance premium in the amount of $4,600 during the Reporting Period;

f) approximately $3,500 of costs related to snow and ice removal were incurred during the Reporting Period;

g) the Receiver incurred approximately $8,600 of other costs during the Reporting Period, primarily related to roof repairs arising from the building envelope risk assessment and graffiti and garbage removal; and

h) no professional fees were paid during the Reporting Period. The Receiver and its legal counsel are relying on the Receiver's Charge as security for its fees. Accrued professional fees of the Receiver and its legal counsel are proposed to be paid from proceeds of the 608 Transaction, as discussed later in this Fifth Report.

608 TRANSACTION

Sale Process

24. Pursuant to the June 10 Order, the Court approved a formal sale process (the "Sale Process") to solicit offers to purchase the 608 Property. The June 10 Order also approved the Receiver's retention of Cushman & Wakefield ULC (the "Real Estate Broker") to act as selling agent to market and sell the properties.

25. The Receiver and the Real Estate Broker entered into an exclusive listing agreement effective June 4, 2019 (the "Listing Agreement").

26. The following is a summary of the marketing activities undertaken by the Receiver and the Real Estate Broker in accordance with the Sale Process:

a) prepared (1) a non-confidential teaser letter (the "Teaser Letter") describing the opportunity to acquire the 608 Property and inviting participants of the Teaser Letter to express their interest pursuant to the Sale Process, (2) a non-disclosure agreement (the "NDA"), and (3) a confidential information memorandum ("CIM");

b) established and populated an electronic data room (the "Data Room") that contained due diligence materials relevant to the 608 Property;

c) on June 12, 2019, sent an electronic email communication (the "E-Blast") to its proprietary list of approximately 4,700 investors and other interested parties. The E-Blast contained the Teaser Letter and NDA, and on June 25, 2019, resent the E-Blast to approximately 2,200 recipients who did not view the original E-Blast;

d) between June 27 and July 5, 2019, advertised the Sale Process in print and online in the Calgary Herald; on June 27, 2019, a press release was issued describing the Sale Process in Canada Newswire. The Sale Process was also advertised in print in the July 2019 issue of Western Investor;

e) on July 1, 2019, sent a print advertisement to approximately 1,600 recipients; and

f) on July 3, 2019, sent the E-Blast to its commercial brokerage list, which includes other third party, local brokerages. On July 4, 2019, the E-Blast was sent by the Real Estate Broker to a refined list of approximately 1,600 recipients.

27. 13 parties executed an NDA (each, a "Qualified Bidder") pursuant to the Sale Process and were provided with the CIM, access to the Data Room and a template form of agreement of purchase and sale, prepared by the Receiver for purposes of Qualified Bidders submitting an offer to purchase the 608 Property.

28. Pursuant to the Sale Process, the deadline for Qualified Bidders to submit a final binding offer to purchase the 608 Property (each, a "Final Bid") was 5:00 P.M. (Calgary time) on August 16, 2019 (the "Original Final Bid Deadline").

Extension of the Original Final Bid Deadline

29. The Sale Process provided that the Receiver had the right to modify the Sale Process and deadlines set out therein if, in its reasonable business judgment, such modification enhances or better achieves the objectives of the Sale Process.

30. Due to the nature of the 608 Property, including the presence on it of a condemned building, Qualified Bidders sought to perform additional due diligence procedures for purposes of assessing potential demolition costs and the removal of hazardous materials, amongst other items.

31. To facilitate such requests and provide adequate time for Qualified Bidders to prepare and submit a Final Bid, the Receiver elected to extend the Original Final Bid Deadline for the 608 Property to 5:00 P.M. (Calgary time) on September 16, 2019 (the "Amended Final Bid Deadline").

32. In consultation with the Real Estate Broker, and based on feedback from Qualified Bidders regarding the status of due diligence procedures related to tours of the condemned building located on the 608 Property, the Receiver elected to further extend the Amended Final Bid Deadline to 5:00 P.M. (Calgary time) on October 17, 2019 (the "Second Amended Final Bid Deadline").

Evaluation of Final Bids

33. The Receiver received three Final Bids from Qualified Bidders; however, only one of the Final Bid submitted was considered a Qualified Bid (as defined in the Sale Process).

34. Following the Second Amended Final Bid Deadline, the Receiver, with the assistance of the Real Estate Broker and in consultation with Maynbridge, reviewed and evaluated the Final Bids that were submitted.

35. For purposes of assessing the reasonability of any Final Bids received in the Sale Process, after its appointment, the Receiver engaged the Transaction Real Estate group within Ernst & Young Orenda Corporate Finance Inc. ("EY TRE") to perform a comprehensive valuation of the 608 Property (the "Valuation").

36. A summary of the Final Bids received in the Sales Process is attached to the Confidential Report (as defined below) as Appendix 'A'. EY TRE's Valuation of the 608 Property is also disclosed in the Confidential Report.

37. Based on the Receiver's consultations with the Real Estate Broker and Maynbridge, and considering the Valuation of the 608 Property performed by EY TRE and the purchase prices provided for in the Final Bids submitted by Qualified Bidders, the Receiver determined that none of the Final Bids constituted a Successful Bid.

38. On November 30, 2019, the term of the Listing Agreement expired, and the Receiver ceased marketing the 608 Property. The Receiver, in consultation with Maynbridge, was assessing the strategic options for the 608 Property when precautions were ordered by the City of Calgary, Province of Alberta and the Canadian Federal Government in connection with the COVID-19 pandemic, which prohibited the Receiver from further marketing of the 608 Property.

Credit Bid

39. On June 16, 2020, the Receiver and Maynbridge entered into a credit bid proposal (the "Credit Bid Proposal"), and on June 23, 2020, the Receiver (as vendor) and Maynbridge (as the Purchaser) entered into the PSA, subject to the approval of this Honourable Court.

40. The assets being purchased by Maynbridge under the PSA include the 608 Property and all of Genco Holdings' right and interest in any and all actions, suits, damages and claims of Genco Holdings, including, but not limited to, litigation before this Honourable Court identified as Action No. 1501-04982, related to a structural failure involving the condemned building located on the 608 Property (the "608 Litigation"), which occurred prior to the Maynbridge Receivership Date, to which Genco Holdings is a plaintiff (collectively, the "Purchased Assets").

41. The 608 litigation is contingent, and the Receiver is unable to fund the costs associated with pursuing the 608 Litigation on behalf of Genco Holdings.

42. The Purchased Assets also include, among other things, any and all chattels located on the 608 Property and the books and records of Genco Holdings related to matters concerning the 608 Property.

43. The purchase price contemplated in the PSA is to be satisfied in part through a set-off of a portion of the indebtedness owing from Genco Holdings to Maynbridge (the "Credit Bid").

44. The 608 Transaction also requires cash proceeds to be paid (the "Deposit") to settle outstanding property taxes owing to the City of Calgary, amounts owing under charges granted by this Honourable Court against the 608 Property, and any other obligations of Genco Holdings that rank in priority to the claims of the Purchaser against Genco Holdings (collectively, the "Priority Payables"), pursuant to the Maynbridge Receivership Order. The Deposit will be used to settle the Priority Payables.

45. The Deposit is comprised of: (a) a cash payment by the Purchaser, which was delivered by the Purchaser to the Receiver's legal counsel on June 19, 2020, to be held in trust until closing of the 608 Transaction (the "Purchaser's Portion"); and (b) funds currently held by the Receiver, which are payable to the Purchaser which are related to Walden (the "Receiver's Portion").

46. The Receiver's Portion of the Deposit shall continue to be held by the Receiver, provided that the Receiver is at liberty to utilize the Receiver's Portion of the Deposit to fund ordinary course expenses (the '"Ordinary Course Expenses") incurred by the Receiver, as and if applicable.

47. Key terms of the PSA are as follows:

a) the Credit Bid Proposal was accompanied by the Deposit;

b) the 608 Transaction is subject to the approval of this Honourable Court;

c) the 608 Transaction is scheduled to close on the later of:

i. July 6, 2020; and

ii. the outside date, being July 15, 2020 (both dates can be extended by mutual agreement of the parties in writing).

(the "Closing Date")

d) the Purchaser shall not assume any contracts on the Closing Date, other than those registered as permitted encumbrances in accordance with a sale approval and vesting order of this Honourable Court;

e) on the Closing Date, the Deposit, less the Ordinary Course Expenses, shall be applied against the purchase price, with the balance of the purchase price satisfied by way of the Credit Bid;

f) within 60 days following the Closing Date, or such later date as agreed to between the Receiver and the Purchaser in writing, the Receiver shall prepare and deliver to the Purchaser a final statement of adjustments (the "FSOA"), which will include any amount of the Deposit to the extent that it exceeds the Priority Payables owing; and

g) if the Deposit is in excess of the Priority Payables, as determined pursuant to the FSOA, the Receiver will return the excess cash amount to the Purchaser within 5 business days of issuing the FSOA. If the Deposit is less than the cash proceeds required to settle the Priority Payables, within 5 business days of receipt of the FSOA, the Purchaser will provide the Receiver with the cash amount necessary to satisfy any remaining owing in respect of Priority Payables.

48. The Receiver considers the closing risk associated with the 608 Transaction to be minimal, as all conditions have been waived or will be satisfied prior to seeking Court approval or would be expected shortly thereafter.

49. In the Receiver's view, the details of the Credit Bid received and the purchase price set out in the PSA are commercially sensitive information which, if the 608 Transaction fails to close, could negatively impact the monetization of the 608 Property if made public. The Receiver believes this information should remain confidential until closing of the 608 Transaction in order to preserve the integrity of any future sale solicitation process, in the event the 608 Transaction does not close.

50. A copy of the PSA, with the purchase price and the Deposit amount redacted, is attached to this Fifth Report as Appendix 'A'.

51. The Receiver will issue a Confidential Supplement to this Fifth Report (the "Confidential Report"), which will contain an un-redacted version of the PSA for this Honourable Court, along

with copies of the 3 Final Bids submitted in the Sale Process that failed to constitute a Successful Bid. The Receiver will seek to have the Confidential Report sealed.

52. The Receiver, Maynbridge and representatives from the City of Calgary have held discussions regarding the 608 Transaction, subsequent abatement and demolition activities, and timelines thereof.

53. Given all extensions under the MGA Order were exhausted at the Maynbridge Receivership Date, the Receiver understands that the City of Calgary's position is that the condemned building located on the 608 Property needs to be demolished as soon as practically possible following closing of the 608 Transaction, or otherwise.

54. If the 608 Transaction does not close, or if the timelines for closing and subsequent abatement and demolition activities are extended beyond those currently contemplated, there is a risk that the City of Calgary initiates action on the condemned building located on the 608 Property, which may include the City of Calgary undertaking abatement and demolition activities at a significantly higher cost than what would be expected to be incurred by Maynbridge following closing of the 608 Transaction, thereby adversely impacting Genco Holdings and its stakeholders.

RECEIVER'S COMMENTS ON THE 608 TRANSACTION

55. The Receiver is recommending this Honourable Court approve the 608 Transaction as:

a) the Receiver undertook a formal Sale Process for the 608 Property, as directed by this Honourable Court pursuant to the June 10 Order, which included a broad marketing of the 608 Property to a large number of potential purchasers over a reasonable timeframe. The Receiver believes the Sale Process was carried out in good faith with due diligence in meeting the objectives of the Sale Process and soliciting bids for the highest or otherwise best offer for the 608 Property;

b) the Receiver did not identify a Successful Bid in the Sale Process, and based on the Valuation provided by EY TRE, the Receiver is of the view that the PSA represents the highest and best offer for the 608 Property;

c) the purchase price contemplated in the PSA is greater than the consideration provided for in the Final Bids received in the Sale Process, as well as the Valuation determined by EY TRE. In the Receiver's view, the value of the 608 Property, and any value associated with the 608 Litigation, which is contingent and cannot be funded by the Receiver, does not exceed the value of Maynbridge's Credit Bid;

d) the PSA was negotiated between parties at arm's length, in good faith, and is commercially reasonable;

e) the 608 Transaction contemplated has the full support of Maynbridge, Genco Holdings' primary secured creditor which holds security against all present and after-acquired personal and real property, including the 608 Property. As indicated in the Second Report of the Receiver, the Receiver has obtained an opinion from its legal counsel that, subject to the usual qualifications, Maynbridge has a valid and enforceable security against the 608 Property;

f) the property taxes outstanding to the City of Calgary will be fully settled;

g) the Receiver understands that Maynbridge has engaged a qualified contractor to undertake the required abatement and demolition activities in respect of the 608 Property, which will occur subsequent to the Closing Date and will satisfy obligations under the MGA Order issued by the City of Calgary;

h) the Receiver, Maynbridge and representatives from the City of Calgary have held discussions regarding the 608 Transaction, subsequent abatement and demolition activities, and timelines thereof. The City of Calgary expects the abatement and demolition activities to commence immediately after closing of the 608 Transaction, which is the intended course of action of Maynbridge; and

i) the Receiver does not have sufficient cash in the estate to fund the expenses associated with a renewed sales process, nor does the Receiver expect that a superior offer to the PSA would be received in a renewed sales process.

SETTLEMENT OF PRIORITY PAYABLES

56. Should this Honourable Court approve the 608 Transaction, the Receiver intends to settle the Priority Payables as follows:

a) First, an amount to settle the fees outstanding to the Receiver and its legal counsel, up to $250,000;

b) Second, approximately $151,000 to the City of Calgary, in settlement of outstanding property taxes, both current, arrears and penalties thereon; and

c) Third, an amount to settle any remaining Priority Payables.

57. The Receiver anticipates a final Court application will be required to approve a transaction in respect of certain real property of Genco Holdings that is subject to a Receivership Order issued by this Honourable Court on March 22, 2019 (the "HSBC Receivership Order"). The Receiver

will seek its discharge of its duties under both the Maynbridge Receivership Order and the HSBC Receivership Order, at that application.

APPROVAL OF PROFESSIONAL FEES AND DISBURSEMENTS

58. Table 2.0 below outlines the professional fees incurred by the Receiver and its legal counsel since the date of the Maynbridge Receivership Order up to the date of this Fifth Report and includes estimated fees to complete the administration of the Receiver's duties under the Maynbridge Receivership Order. Copies of the invoices issued will be provided separately to the Court.

Genco Holdings Ltd. Summary of Professional Fees $CAD, unaudited	Table 2.0
Receiver's fees and costs	
Walden	126,192
608 Property	101,586
Total fees and costs of the Receiver	227,778
Receiver's counsel's fees and costs	
Walden	68,937
608 Property	60,745
Total fees and costs of the Receiver's counsel	129,682
Total professional fees	357,460

59. The fees and disbursements summarized above relate to the following work completed by the Receiver and its legal counsel, in respect of both Walden and the 608 Property:

a) operating Walden, including the collections of rents, payment of operating expenses and handling of tenant matters;

b) ensuring the safety and security of the 608 Property, including commissioning a building envelope risk assessment;

c) marketing and selling Walden and the 608 Property, the latter being subject to this approval of this Honourable Court;

d) obtaining Court approval to make distributions to Maynbridge in the receivership proceedings, including both the distribution of net rents collected by the Receiver at Walden and net proceeds from the sale of Walden; and

e) generally addressing stakeholder issues, including claims and priority issues, as they arise.

RECOMMENDATIONS

60. The Receiver respectfully recommends that this Honourable Court:

a) approve the activities of the Receiver as reported in the Fifth Report and the Confidential Report, including the statement of receipts and disbursements and the Sale Process undertaken;

b) approve the sale and vesting of Genco Holdings' interest in the 608 Property to Maynbridge, pursuant to the PSA;

c) make an Order sealing the Confidential Report on file; and

d) approve the Receiver and the Receiver's legal counsel's fees and disbursements incurred in carrying out the duties of the Receiver under the Maynbridge Receivership Order, since the Maynbridge Receivership Date.

Dated at Calgary, Alberta, this 24th day of June, 2020.

ERNST & YOUNG INC.
in its capacity as Receiver of Walden and the 608 Property

Peter Chisholm, CPA, CA, CIRP, LIT
Vice President

Dylan Holwell, CPA
Manager

APPENDIX ‘A’

PURCHASE AND SALE AGREEMENT

THIS AGREEMENT made effective as of June 23, 2020.

BETWEEN:

MAYNBRIDGE CAPITAL INC., or its wholly-owned subsidiary nominee
(the "**Purchaser**")

- AND -

ERNST & YOUNG INC., in its capacity as court-appointed receiver and receiver-manager of **GENCO HOLDINGS LTD.** and not in its personal capacity
(the "**Vendor**")

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PURCHASE AND SALE AGREEMENT

THIS AGREEMENT is made as of the 23rd day of June, 2020.

BETWEEN: **ERNST & YOUNG INC.,** in its capacity as court-appointed receiver and receiver-manager of **GENCO HOLDINGS LTD.** and not in its personal capacity

(the "**Vendor**")

AND: **MAYNBRIDGE CAPITAL INC.**, or its wholly-owned subsidiary nominee

(the "**Purchaser**")

WHEREAS:

A. By a Receivership Order dated April 5, 2019, Ernst & Young Inc. was appointed as the Receiver of certain of the Property of Genco; and

B. The Vendor wishes to sell to the Purchaser all of Genco's right, title, and interest in and to the Purchased Assets, as defined herein, and the Purchaser wishes to purchase all of Genco's right, title, and interest in and to the Purchased Assets on, and subject to, the terms and conditions of this Agreement and subject to Court Approval;

NOW THEREFORE, in consideration of the premises and covenants, agreements, representations, warranties, and payments contained in this Agreement, the Parties agree as follows:

1. Definitions

The following terms have the following meanings:

(a) "**Agreement**" means this Asset Purchase Agreement made as of the date first written above and all schedules hereto;

(b) "**Applicable Law**" means, with respect to any Person, Property, Transaction, event or other matter:

(i) any foreign or domestic constitution, treaty, law, statute, regulation, code, ordinance, principle of common law or equity, rule, municipal by-law, Order or other requirement having the force of law;

(ii) any policy, practice, protocol, standard or guideline of any Governmental Authority which, although not necessarily having the force of law, is regarded by such Governmental Authority as requiring compliance as if it had the force of law; (each, a "**Law**"), in each case relating or applicable to such Person, Property, Transaction, event or other matter and also includes, where appropriate, any interpretation of Law (or any part thereof) by any Person having jurisdiction over it, or charged with its administration or interpretation;

(c) "**Assumed Liabilities**" means any Transfer Taxes attributable to the Purchased Assets;

(d) "**BIA**" means the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended;

(e) "**Books and Records**" means all books, records, files and papers used or intended for use in connection with the ownership of the Purchased Assets, including title documentation, manuals, sales and advertising materials, and all other documents and data (technical or otherwise) relating to the Purchased Assets, and all copies and recordings of the foregoing;

(f) "**Business Day**" means any day other than a Saturday, Sunday, or any other statutory holiday in Alberta;

(g) "**Claim**" means any right or claim of any Person that may be asserted or made in whole or in part against the Vendor or Genco, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including, any legal, statutory, regulatory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature including any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action whether existing at present or commenced in the future, together with any other rights or claims of any kind that, if unsecured, would be a provable claim in bankruptcy within the meaning of the BIA;

(h) "**Closing**" means the completion of the Transaction in accordance with this Agreement;

(i) "**Closing Date**" means July 6, 2020, or such other date as agreed to by the Parties in writing;

(j) "**Competing Proprietary Claims**" means any proprietary claim or potential proprietary claim in and to the Purchased Assets or any portion thereof by any Person or entity other than Genco;

(k) "**Contaminant**" has the meaning ascribed thereto in Section 15.1(g) hereto;

(l) “**Court**” means the Court of Queen’s Bench of Alberta;

(m) “**Court Approval**” means the issuance of the Vesting Order by the Court, approving the Transaction and vesting in the Purchaser or its nominee(s) all right, title, and interest of Genco in and to the Purchased Assets;

(n) “**Credit Bid**” has the meaning ascribed thereto in Section 8.2(a);

(o) “**Deposit**” has the meaning ascribed thereto in Section 8.2(a);

(p) “**Discharge”** has the meaning ascribed thereto in Section 15.1(g) hereto;

(q) “**Documents**” has the meaning ascribed thereto in Schedule “A” hereto;

(r) “**Encumbrance**” means any encumbrance against or interest in the Purchased Assets of any kind whatsoever and includes, without limitation, a security interest, mortgage, lien, pledge, assignment, charge, title retention agreement, option, trust or deemed trust (whether contractual, statutory, or otherwise arising), licence, and any covenant or other agreement, restriction, or limitation relating to the Purchased Assets or the transfer of the Purchased Assets to the Purchaser pursuant to this Agreement, including the Competing Proprietary Claims;

(s) “**Environmental Laws**” has the meaning ascribed thereto in Section 15.1(g) hereto;

(t) “**ETA**” means the *Excise Tax Act*, RSC, 1985, c E-15, as amended;

(u) “**Final Order**” means an Order issued by the Court in the Receivership Proceedings which: (i) is not subject to a stay of execution or an application or request for a stay of execution, and, if the deadline for filing any such application or request is designated by statute or regulation, such deadline, including any extensions thereof, has passed; and (ii) is not then under appeal or other form of judicial review, is not subject to an application for leave to appeal or other form of judicial review, and the deadline for filing any notice of appeal or application for appeal or other form of judicial review, including any extensions thereof, has passed;

(v) “**Final Statement of Adjustments**” has the meaning ascribed thereto in Section 8.3;

(w) “**Genco**” means Genco Holdings Ltd.;

(x) “**General Conveyance**” means a general conveyance and assumption of liabilities, in a form acceptable to the Parties, evidencing the conveyance to the Purchaser of the right, title and interest of Genco in and to the Purchased Assets and the assumption by the Purchaser of the Assumed Liabilities;

(y) “**Governmental Authority**” means any Canadian, foreign, domestic, federal, territorial, provincial, state, municipal, or local governmental authority, quasigovernmental authority, instrumentality, court, government, or self-regulatory organization, bureau, commission, tribunal, or organization or any regulatory, administrative, or other agency, or any political or other subdivision, department, or branch of any of the foregoing having jurisdiction with respect to Genco, the Purchased Assets, or any other matter that is the subject of this Agreement;

(z) "**GST**" means all goods and services tax imposed under Part IX of the ETA;

(aa) "**Hazardous Materials**" has the meaning ascribed thereto in Section 15.1(g) hereto;

(bb) "**ICA**" means the *Investment Canada Act*, RSC 1985, c 28 (1st Supp), as amended;

(cc) "**Improvements**" has the meaning ascribed thereto in Schedule "A" hereto;

(dd) "**Interim Period**" means the period from the date of this Agreement to the Closing Date;

(ee) "**ITA**" means the *Income Tax Act*, RSC, 1985, c 1 (5th Supp), as amended;

(ff) "**Law**" has the meaning ascribed thereto in Section 1(b);

(gg) "**Lands**" means all those lands described on Schedule "B" hereto;

(hh) "**Legal Proceeding**" means any litigation, action, application, demand, suit, investigation, hearing, Claim, complaint, deemed complaint, grievance, civil, administrative, regulatory or criminal, arbitration proceeding or other similar proceeding, before or by any court or other tribunal or Governmental Authority and includes any appeal or review thereof and any application for leave for appeal or review;

(ii) "**Liability**" means, with respect to any Person, any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person;

(jj) "**Obligations**" means any indebtedness, liabilities and obligations, whether present, future, direct, indirect, liquidated or contingent, whether due or to become due, owed by Genco to any Person;

(kk) "**Order**" means any order, directive, judgment, decree, injunction, decision, ruling, assessment, award or writ of any Governmental Authority;

(ll) "**Outside Date**" means July 15, 2020, or such other date as agreed to by the Parties in writing;

(mm) "**Party**" or "**Parties**" mean either the Vendor or the Purchaser, as appropriate in the context, or both;

(nn) "**Permitted Encumbrances**" means those Encumbrances set out in the attached Schedule "D" and in accordance with the Vesting Order issued by the Court;

(oo) "**Person**" is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, a Governmental Authority, and the executors, administrators or other legal representatives of an individual in such capacity;

(pp) "**Property**" means of all of the current and future assets, undertakings, and properties of Genco subject to the Receivership Order;

(qq) "**Priority Payables**" means any Obligations, Claims or Encumbrances registered or made against Genco or the Purchased Assets that rank in priority to the claims of the Purchaser as against Genco or the Purchased Assets, including, without limitation, all of the Receivership Obligations, and which may be paid in whole or in part prior to the Closing Date or subsequent to the Closing Date, but prior to the Receiver preparing and delivering the Final Statement of Adjustments to the Purchaser;

(rr) "**Purchase Price**" has the meaning ascribed thereto in Section 7.1;

(ss) "**Purchased Assets**" means the Lands and the related assets owned and held by the Vendor described in Schedule "A" hereto;

(tt) "**Purchaser**" has the meaning ascribed thereto in the recitals;

(uu) "**Purchaser's Portion**" has the meaning ascribed thereto in Section 8.2(a);

(vv) "**Purchaser's Solicitors**" means Borden Ladner Gervais LLP;

(ww) "**Receiver**" means Ernst & Young Inc., in its capacity as the court-appointed receiver and receiver-manager of certain of the Property;

(xx) "**Receiver's Borrowings Charge**" has the meaning ascribed to it in the Receivership Order, as may be amended from time to time, and includes any obligations or liabilities incurred by the Receiver during the Receivership Proceedings not paid in full at the time of Closing;

(yy) "**Receiver's Certificate**" means the certificate, substantially in the form attached as a Schedule to the Vesting Order to be delivered by the Vendor to the Purchaser on Closing and thereafter filed by the Vendor with the Court certifying that the conditions of Closing have been satisfied and/or waived by the Vendor and the Purchaser (as applicable) and that the Transaction has been completed to the satisfaction of the Vendor.

(zz) “**Receiver’s Charge**” has the meaning ascribed to it in the Receivership Order, as may be amended from time to time;

(aaa) “**Receiver’s Portion**” has the meaning ascribed thereto in Section 8.2(a);

(bbb) “**Receivership Obligations**” means the indebtedness, liabilities and obligations secured by the Receiver’s Charge and the Receiver’s Borrowings Charge;

(ccc) “**Receivership Order**” means a consent receivership order pronounced on April 5, 2019 in the Receivership Proceedings;

(ddd) “**Receivership Proceedings**” means the Legal Proceeding in which Ernst & Young Inc. was appointed Receiver of certain of the Property, being Court of Queen’s Bench of Alberta Action No. 1901-04336;

(eee) “**Representative**” when used with respect to a Person means each director, officer, employee, consultant, financial advisor, legal counsel, accountant and other agent, advisor or representative of that Person;

(fff) “**Tax Returns**” means all returns, reports, declarations, elections, notices, filings, agreements, information returns, statements, and other documents of any nature or kind in respect of Taxes that are required to be filed with any applicable Governmental Authority, including all amendments, Schedules, attachments or supplements thereto and whether in tangible or electronic form;

(ggg) “**Taxes**” means, with respect to any Person, all supranational, national, federal, provincial, state, local or other taxes, including income taxes, branch taxes, profits taxes, capital gains taxes, gross receipts taxes, windfall profits taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, capital taxes, net worth taxes, production taxes, sales taxes, use taxes, licence taxes, excise taxes, franchise taxes, environmental taxes, Transfer Taxes, withholding or similar taxes, payroll taxes, employment taxes, carbon taxes, employer health taxes, pension plan premiums and contributions, social security premiums, workers’ compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, GST, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Authority, together with any interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties;

(hhh) “**Transaction**” means the purchase and sale of the Purchased Assets and all other transaction(s) contemplated by this Agreement;

(iii) “**Transfer Taxes**” means all applicable Taxes payable upon or in connection with the Transaction and the Purchased Assets and any filing, registration, recording or transfer fees payable in connection with the instruments of transfer provided for in this Agreement, including GST, and which may be paid in whole or in part prior to the Closing Date or subsequent to the Closing Date, but prior to the Receiver preparing and delivering the Final Statement of Adjustments to the Purchaser;

(jjj) **"Vendor"** has the meaning ascribed thereto in the recitals;

(kkk) "**Vendor's Solicitors**" means Fasken Martineau DuMoulin LLP; and

(lll) "**Vesting Order**" means the Order of the Court to be made in the Receivership Proceedings in substantially the form and content attached hereto as Schedule "D", approving the entry into this Agreement by the Vendor and the consummation of the Transaction, and vesting in the Purchaser or its nominee(s) all right, title, and interest of Genco in and to the Purchased Assets free and clear of all Encumbrances, except for the Permitted Encumbrances, upon payment of the Purchase Price.

1.1 Schedules

The following are the Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

<u>**Schedules**</u>

Schedule "A" - – Purchased Assets

Schedule "B" - – Lands

Schedule "C" - – Permitted Encumbrances

Schedule "D" - – Vesting Order

2. Construction

2.1 This Agreement has been negotiated by each Party with the benefit of legal representation, and any rule of construction to the effect that any ambiguities are to be resolved against the drafting party does not apply to the construction or interpretation of this Agreement.

3. Certain Rules of Interpretation

3.1 In this Agreement:

(a) headings are inserted for convenience of reference only and will not affect the interpretation of this Agreement;

(b) the division into Articles and Sections and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement;

(c) the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this Agreement and not to any particular portion of this Agreement;

(d) "including" or "includes" means "including (or includes) but is not limited to" and is not to be construed to limit any general statement preceding it to the specific or similar items or matters immediately following it;

(e) references to any legislation, statutory instrument or regulation or a Section thereof are references to the legislation, statutory instrument, regulation or Section as amended, re-enacted, consolidated or replaced from time to time; and

(f) words in the singular include the plural and vice-versa and words in one gender include all genders.

4. Performance on Business Days

4.1 If any action is required to be taken pursuant to this Agreement on or by a specified date that is not a Business Day, the action is valid if taken on or by the next succeeding Business Day.

5. Currency and Payment

5.1 In this Agreement, unless specified otherwise, references to dollar amounts or "**$**" are to Canadian dollars, and any payment is to be made by an official bank draft drawn on a Canadian chartered bank, wire transfer or any other method (other than cash payment) that provides immediately available funds.

6. Purchase and Sale of the Purchased Assets

6.1 Subject to the timely fulfillment or waiver of the conditions precedent set forth in Sections 12, 13 and 14, including the granting of the Vesting Order, and the terms and conditions of this Agreement, on the Closing Date, the Vendor agrees to sell, assign, and transfer to the Purchaser, and the Purchaser agrees to purchase, accept and receive from the Vendor, all right, title, and interest of Genco in and to the Purchased Assets hereto free and clear of all Encumbrances at Closing, except the Assumed Liabilities and the Permitted Encumbrances.

6.2 The Purchase Price adjustments shall be effective as of 12:01 a.m. on the Closing Date, or such other time and date as the Vendor and Purchaser may agree in writing. The Closing shall take place on the Closing Date at the office of the Purchaser's solicitors or at any other place as the Vendor and Purchaser may agree in writing.

7. Purchase Price

7.1 The amount payable by the Purchaser to the Vendor for the right, title and interest in the Purchased Assets will be [redacted] which includes all applicable Transfer Taxes and Priority Payables (the **"Purchase Price"**), subject to any adjustments made pursuant to Section 17.7.

For further clarity, notwithstanding any adjustments made pursuant to Section 8.3 or Section 17.7, the Purchase Price will not exceed [redacted]

8. Payment of the Purchase Price

8.1 The Purchase Price shall be paid to the Vendor by the Purchaser on the Closing Date.

8.2 The Purchaser shall pay the Purchase Price by way of:

(a) the application of a deposit in the amount of [redacted] (the "**Deposit**"), of which [redacted] has been paid by the Purchaser to the Vendor's Solicitors, to be held by the Vendor's Solicitors until paid or released as herein provided (the "**Purchaser's Portion**"), and the [redacted] balance shall be contributed by the Receiver from funds that it currently holds that are the property of the Purchaser (the "**Receiver's Portion**"), as partial payment of the Purchase Price in accordance with Section 9.3(a); and

(b) the remaining amount of the Purchase Price shall be by way of set-off in the amount of [redacted] against amounts owing to the Purchaser by Genco (the "**Credit Bid**").

For greater certainty, the Deposit will be applied against the Transfer Taxes and the Priority Payables, subject to Section 8.3.

8.3 Within sixty (60) days following Closing, or such later date as agreed to by the Parties, acting reasonably, the Vendor shall prepare and deliver to the Purchaser a final statement of adjustments and payments to be made pursuant to this Agreement (the "**Final Statement of Adjustments**") which, for clarity, will include, without limitation, any amount of the Deposit to the extent that it exceeds the Priority Payables and Transfer Taxes. If the Deposit is in excess of the Priority Payables and Transfer Taxes owing, the Vendor will return the excess cash amount to the Purchaser within five (5) Business Days of issuing the Final Statement of Adjustments. The Purchaser shall provide, or cause to be provided, to Vendor and its representatives reasonable access to, and Vendor at its own expense shall be entitled to audit, all relevant records possessed by Purchaser to aid in the preparation of such statement. If the Priority Payables and Transfer Taxes exceed the Deposit, the Purchaser shall provide Vendor the cash amount necessary to satisfy any outstanding amount set out on the Final Statement of Adjustments, if any, within five (5) Business Days of receipt of the Final Statement of Adjustments, provided that the Purchaser shall be entitled to add any such amount to the amounts owing to the Purchaser by Genco.

9. Deposit

9.1 The Parties acknowledge that the Purchaser's Portion of the Deposit, in the amount of [redacted], was provided in cash by the Purchaser to the Vendor's Solicitors on June 19, 2020.

9.2 The Purchaser's Portion of the Deposit shall be held in trust by the Vendor's Solicitors, and the Receiver's Portion of the Deposit shall continue to be held by the Receiver, and the Receiver shall be at liberty to utilize the Receiver's portion of the Deposit to fund ordinary course expenses (the "**Ordinary Course Expenses**") in the Receivership Proceedings.

9.3 The Deposit shall be utilized as follows:

(a) if Closing occurs, the Deposit, less the Ordinary Course Expenses, shall be credited to the Vendor at Closing for its own account absolutely and be applied as partial payment of the Purchase Price, in accordance with Section 8.2, subject to any adjustments made pursuant to Section 8.3;

(b) if Closing does not occur by the Outside Date due to a breach of this Agreement by the Purchaser or the failure of the Purchaser to fulfill the conditions in Section 13 (provided that such failure is due to matters within the reasonable control of the Purchaser) the Deposit shall be forfeited by the Purchaser, less the Ordinary Course Expenses, to the Vendor for the account of the Vendor absolutely; and

(c) if Closing does not occur by the Outside Date, due to any reason other than as addressed by Section 9.3(b), the Deposit, less the Ordinary Course Expenses, shall be paid to the Purchaser for the account of the Purchaser absolutely.

9.4 In the event of termination of this Agreement under Section 9.3(b) pursuant to which the Vendor shall be entitled to retain the Purchaser's Portion of the Deposit, the Parties agree that the amount of the Purchaser's Portion of the Deposit, less the Ordinary Course Expenses, constitutes a genuine pre-estimate of liquidated damages representing the Vendor's losses and liabilities as a result of Closing not occurring and agree that the Vendor shall not be entitled to recover from the Purchaser any amounts that are in excess of the Purchaser's Portion of the Deposit as a result of Closing not occurring. The Purchaser hereby waives any claim or defence that the amount of the Purchaser's Portion of the Deposit is a penalty or is otherwise not a genuine pre-estimate of the Vendor's damages.

10. Taxes

10.1 Payment of Transfer Taxes. The Purchaser shall pay to the Vendor or, where permitted by Applicable Law, directly to the appropriate Governmental Authorities, all Transfer Taxes payable by it in respect of the purchase and sale of the Purchased Assets under this Agreement. The Purchaser shall indemnify, defend and hold harmless the Vendor and its representatives from any amounts, including interest and penalties, that may be assessed against the Vendor arising out of the failure of the Purchaser to pay, when due, any Transfer Taxes described or contemplated in this Agreement.

10.2 GST Registration.

(a) Genco is registered for GST purposes under Part IX of the ETA and the applicable registration number is 86106 5423 RT0002.

(b) The Purchaser is registered for GST purposes under Part IX of the ETA and the applicable registration number is 75198 2729 RT0001.

11. Tax Elections

(a) **Section 167 Tax Election.** The Vendor and the Purchaser shall execute jointly and file an election under Section 167 of the ETA at Closing to have the sale of the Purchased Assets take place on a GST-free basis under Part IX of the ETA and the Purchaser shall file such election with its GST return for the reporting period in which the sale of the Purchased Assets takes place. Notwithstanding anything to the contrary in this Agreement, the Purchaser shall indemnify and hold harmless the Vendor in respect of any GST, penalties, interest and other amounts which may be assessed against the Vendor as a result of the transactions under this Agreement not being eligible for such elections or as a result of the Purchaser's failure to file the elections within the prescribed time.

(b) **Miscellaneous Elections.** At the request of the Vendor and to the extent permitted by the ITA or other Tax legislation, the Parties shall make, any other election or amended election as required by the Vendor in the prescribed form or such other form as the Vendor may reasonably request.

12. Conditions in Favour of the Purchaser

12.1 The obligations of the Purchaser under this Agreement are subject to the fulfillment of the following conditions precedent:

(a) the Purchaser being able to pay the Purchase Price by way of Credit Bid on the Closing Date (with the exception of the Transfer Taxes and the Priority Payables, which must be paid in cash, to be covered by the Deposit and any additional amounts required under Section 8.3 of this Agreement);

(b) each of the representations and warranties of the Vendor set forth in Section 15 shall be true and correct as if restated on and as of the Closing Date; and

(c) the covenants and obligations contained in this Agreement to be complied with by the Vendor on or before Closing shall have been complied with and not been breached in any material respect.

12.2 The Purchaser may, in its sole discretion, waive any of the conditions in Section 12.1. Any waiver by the Purchaser must be in writing and delivered to the Vendor's Solicitors.

13. Conditions in Favour of the Vendor

13.1 The obligations of the Vendor under this Agreement are subject to the fulfillment of the following conditions precedent:

(a) each of the representations and warranties of the Purchaser set forth in Section 16 shall be true and correct as if restated on and as of the Closing Date;

(b) the covenants and obligations contained in this Agreement to be complied with by the Purchaser on or before Closing shall have been complied with and not been breached in any material respect; and

(c) the Purchaser shall have executed and delivered or caused to have been executed and delivered to the Vendor at Closing all documents and payments contemplated in Section 24.2 and elsewhere in this Agreement, unless waived by the Vendor.

13.2 The Vendor may, in its sole discretion, waive any of the conditions in Section 13.1. Any waiver by the Vendor must be in writing and delivered to the Purchaser's Solicitors.

14. Mutual Conditions

14.1 The obligations of the Parties under this Agreement are subject to the following mutual conditions precedent:

(a) the Vesting Order shall have been obtained and shall be a Final Order, unless the Purchaser has provided written consent that Closing occur despite the Vesting Order not being a Final Order; and

(b) there shall be in effect no Order of the Court or other court of competent jurisdiction or of a relevant Governmental Authority prohibiting the consummation of the Transaction and which has not been withdrawn or terminated.

14.2 The Parties may agree to amend or waive any of the foregoing conditions. Any amendment or waiver by the Parties must be in writing and delivered to the Purchaser's Solicitors and the Vendor's Solicitors.

15. Representations and Warranties of the Vendor

15.1 The Vendor represents and warrants to the Purchaser as follows, with the intent that the Purchaser will rely on these representations and warranties in entering into this Agreement, and in concluding the purchase and sale contemplated by this Agreement:

(a) subject to obtaining and pursuant to the Vesting Order, the Vendor has the power, authority and capacity to enter into this Agreement, subject to its terms, and the authority to execute all instruments required by this Agreement to be delivered by it, and to perform its obligations hereunder and thereunder;

(b) to the best of the Vendor's knowledge and belief, no person has any agreement, option, understanding or commitment, or any right or privilege capable of becoming an agreement, option or commitment (including convertible obligations of any nature) for the purchase of the Purchased Assets;

(c) the Vendor is not a "non-Canadian" within the meaning of the ICA;

(d) the Vendor is not a non-resident of Canada for the purposes of the ITA;

(e) to the best of the Vendor's knowledge and belief, there is no action, suit or proceeding or order pending or threatened against or affecting the Vendor or the Purchased Assets, before any federal, provincial, municipal or foreign or other governmental department, commission, board, bureau, agency or instrumentality, with the exception of: (1) the Legal Proceeding in the Court of Queen's Bench of Alberta Action No. 1401-00942; and (2) the Legal Proceeding in the Court of Queen's Bench of Alberta between Genco Holdings Ltd. and GDC (608) Ltd., as plaintiffs, and Northbridge Indemnity Insurance Corporation, Aviva Insurance Company of Canada, Ace Insurance, Axis Reinsurance Company (Canadian Branch), and Lloyds Underwriters as defendants;

(f) to the best of the Vendor's knowledge and belief, there are no outstanding and unsatisfied land dedications or other obligations with respect to a subdivision of the Lands or any portion thereof or expropriation proceedings, actual or contemplated, affecting the Lands;

(g) to the best of the Vendor's knowledge and belief, the Vendor and Genco have complied in all material respects with all federal, provincial and municipal environmental protection laws and regulations (collectively "**Environmental Laws**"). Except to the extent same comply with the applicable Environmental Laws, the Vendor does not own or lease, and has not constructed, altered, extended or replaced any plant, structure, equipment, apparatus, mechanism or thing that may discharge, deposit, leak, leach or emit (collectively called "**Discharge**") or from which may be Discharged any contaminant as defined in the applicable Environmental Laws (collectively called "**Contaminant**"), and has not Discharged any Contaminant into any part of the natural environment. Except to the extent same comply with the applicable Environmental Laws, the Vendor and Genco do not have any process that would result in any Contaminants being discharged into any part of the natural environment. Except for pesticides used in the ordinary course of business, the Vendor does not have or store any hazardous, toxic, deleterious or noxious materials or Contaminants, (collectively called "**Hazardous Materials**") on the Lands. To the best of the Vendor's knowledge and belief, any Hazardous Materials are being used, disposed of and stored in accordance with all applicable Environmental Laws, and have not been subject of any complaints by any person or any investigations or orders of any governmental authority. To the best of the Vendor's knowledge and belief, all Hazardous Materials removed or emitted from the Lands are documented, transported and disposed of in compliance with all applicable Environmental Laws;

(h) the Vendor has paid, or will use any or all of the Receiver's Portion of the Deposit to pay, for all services and materials in connection with all work and improvements in respect of the Lands and Improvements. To the best of the Vendor's knowledge and belief, the Receiver's Portion of the Deposit is sufficient to satisfy all unpaid services and materials in respect of the Lands and Improvements;

(i) to the best of the Vendor's knowledge and belief, there are no facilities, services, utilities, equipment or access rights-of-way of any kind whatsoever required for the occupancy of the Lands as presently used (or if required then the same do exist and no material defects exist in respect thereof);

(j) to the best of the Vendor's knowledge and belief, each of the documents and records, including the Documents, delivered or to be delivered to the Purchaser are true and complete in every material respect and all financial information therein is true and correct, and the Vendor has delivered, or will deliver, to the Purchaser any and all documents and records relating to any agreement, contract or commitment, whether written or oral, of any nature or kind whatsoever affecting the Purchased Assets, to the extent that the same continues to affect the Purchased Assets post-Closing;

(k) the Vendor is unaware of the existence of any outstanding obligations to be performed, conditions to be satisfied and payments to be made in respect of the issuance of all required permits for the Lands and Improvements, with the sole exception of obligations and conditions owing to the City of Calgary with respect to the demolition and/or repairs of any or all of the Improvements, and, to the best of the Vendor's knowledge and belief, the Land Use Bylaw permits the Improvements to exist thereon and permits the continued and unaffected operation of the Lands and the Improvements as presently used, and the operation and uses to which the Improvements and the Lands have been put are not in breach of any applicable statute, by-law, regulation, covenant, restriction or plan;

(l) the Vendor is unaware of any notice received by any employees of the Vendor who are personally involved with the administration of the Receivership Proceedings from any municipal or other governmental department or authority having jurisdiction advising of any material defects in respect of the infrastructure or Improvements or of any default or non-compliance with any lawful requirement or standard of workmanship in the construction of the infrastructure or Improvements, with the sole exception of notices in relation to the demolition and/or repairs of the Improvements received by the Vendor that have been disclosed and delivered to the Purchaser of as of the date of this Agreement, and to the best of the Vendor's knowledge and belief, it is unaware of any other outstanding work or other orders or requirements of any police or fire department, or health or sanitation authority, or municipal or other governmental department or authority having jurisdiction, relating to the Purchased Assets; and,

(m) the Vendor has no information or knowledge of any facts affecting the Purchased Assets that might affect the Purchaser in a way that a commercially reasonable purchaser (acting reasonably) might be deterred in entering into this Agreement or completing the Transaction herein contemplated.

16. Representations and Warranties of the Purchaser

16.1 The Purchaser represents and warrants to the Vendor as follows, with the intent that the Vendor will rely on these representations and warranties in entering into this Agreement, and in concluding the purchase and sale contemplated by this Agreement:

(a) The Purchaser is a corporation duly incorporated, validly existing, and in good standing under the jurisdiction of its incorporation and in accordance with applicable legislation governing corporations in the jurisdiction of its incorporation, and has the power and capacity to enter into this Agreement and carry out its terms;

(b) the execution and delivery of this Agreement and the completion of the Transaction have been duly and validly authorized by all necessary corporate action on the part of the Purchaser, and this Agreement constitutes a legal, valid, and binding obligation of the Purchaser.

(c) this Agreement constitutes a valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms;

(d) there is no Legal Proceeding in progress, pending against or threatened against or affecting the Purchaser, and there are no grounds on which any such Legal Proceeding might be commenced and there is no Order outstanding against or affecting the Purchaser which, in any such case, affects adversely or might affect adversely the ability of the Purchaser to enter into this Agreement or to perform its obligations hereunder;

(e) the Purchaser is not a "non-Canadian" within the meaning of the ICA;

(f) the Purchaser is not a non-resident of Canada for the purposes of the ITA.

(g) the Purchaser is, or upon Closing shall be, registered for GST purposes under Part IX of the ETA;

(h) the Purchaser has sufficient financial resources or has arranged sufficient financing for it to pay the balance of the Purchase Price on Closing and any and all other amounts payable by the Purchaser hereunder, including the Transfer Taxes and the Priority Payables in cash; and

(i) the Vendor will not be liable for any brokerage commission, finder's fee or other similar payment in connection with the Transaction because of any action taken by, or agreement or understanding reached by, the Purchaser.

17. Covenants of the Vendor

17.1 During the Interim Period, the Vendor will consult with the Purchaser at reasonable times with respect to the status of the Purchased Assets and the Receivership Proceedings.

17.2 Upon payment of the Purchase Price by the Purchaser at Closing, and subject to the terms of this Agreement, the Vendor will transfer and assign to the Purchaser all of Genco's right, title, and interest in and to the Purchased Assets in accordance with the terms of the Vesting Order.

17.3 On the Closing Date, the Vendor shall deliver, and shall cause to be delivered, to the Purchaser, the Documents, the Books and Records and all documents and other data, technical or otherwise, which are in the possession of the Vendor at the Closing Date, relating materially to the Purchased Assets but excluding any Books and Records or other documents required to be retained by the Vendor by Applicable Law. The Purchaser shall permit the Receiver, and its authorized representatives, reasonable access to those documents while they are in the Purchaser's possession or control solely to the extent that access is required by the Receiver to perform its obligations under this Agreement or under Applicable Law, but the Purchaser shall not be responsible or liable to the Vendor or the Receiver for, or as a result of, any loss or destruction of or damage to any such documents and other data unless that destruction, loss or damage is caused by the Purchaser's gross negligence or wilful misconduct.

17.4 Notwithstanding Section 17.3, the Receiver shall be entitled to retain copies of any documents or other data delivered to the Purchaser pursuant to this Agreement provided that those documents or data are reasonably required and only used or relied on by the Receiver to perform its obligations in the Receivership Proceedings, under this Agreement or under Applicable Law.

17.5 Subject to the terms of this Agreement, the Vendor will use commercially reasonable efforts to take or cause to be taken all other actions, and do or cause to be done all other things, necessary or appropriate to obtain the Vesting Order and to consummate the Transaction.

17.6 From the date of this Agreement until completion of the Transaction, the Vendor covenants to maintain the Purchased Assets in a commercially reasonable manner, to ensure that the Purchased Assets are insured, and to ensure that such insurance coverage of the Purchased Assets is maintained in good standing up to and including a period of at least ninety (90) days following the Closing Date, following which period the Vendor shall have no further obligation to insure the Purchased Assets.

17.7 Subject to the Purchaser's prior written consent, which may be withheld at the Purchaser's sole discretion, and a revision of the Purchase Price as mutually agreed upon between the Purchaser and the Vendor, and except as contemplated by this Agreement, the Vendor will not sell, transfer, or otherwise dispose of, or agree to sell, transfer, pledge, lease, encumber, or otherwise dispose of, any Purchased Assets, or enter into any agreement or transaction which would result in the creation of any Encumbrance on any of the Purchased Assets during the Interim Period.

Should the Vendor sell all or portions of the Purchased Assets, Schedule "A" shall be adjusted to reflect the said sale, and the Credit Bid and the Purchase Price shall be reduced in an amount corresponding to the proceeds received by the Vendor for any such sale prior to the Closing Date.

18. As is, Where is

18.1 Notwithstanding any other provision of this Agreement, the Purchaser acknowledges, agrees and confirms that:

(a) except for the representations and warranties of the Vendor set forth in Section 15 and the covenants of the Vendor set forth in Section 17, all of which terminate at Closing, the Purchaser is entering into this Agreement and acquiring the Purchased

Assets on an “as is, where is” basis, as they exist, as of Closing and will accept the Purchased Assets in their state, condition and location as of Closing except as expressly set forth in this Agreement and the sale of the Purchased Assets is made without legal warranty and at the risk of the Purchaser;

(b) it has conducted to its satisfaction such independent searches, investigations and inspections of the Purchased Assets as it deemed appropriate, and based solely thereon, has determined to proceed with the Transaction;

(c) except as expressly stated in Section 15, neither the Vendor nor its Representatives have made or are making, and the Purchaser is not relying on, any representations, warranties, statements or promises, express or implied, statutory or otherwise, concerning the Purchased Assets, the Vendor’s right, title or interest in or to the Purchased Assets, including with respect to merchantability, physical or financial condition, description, fitness for a particular purpose, suitability for development, title, description, use or zoning, environmental condition, existence of any parts and/or components, latent defects, quality, quantity or any other thing affecting any of the Purchased Assets, or normal operation thereof, or in respect of any other matter or thing whatsoever, including any and all conditions, warranties or representations expressed or implied pursuant to any Applicable Law in any jurisdiction, which the Purchaser confirms do not apply to this Agreement and are hereby waived in their entirety by the Purchaser;

(d) all written and oral information obtained from the Receiver or its Representatives, including in any teaser letter, asset listing, confidential information memorandum or other document made available to the Purchaser (including in certain data rooms, management presentations, site visits and diligence meetings or telephone calls), with respect to the Purchased Assets has been obtained for the convenience of the Purchaser only, and neither the Receiver nor its Representatives have made any representation or warranty, express or implied, statutory or otherwise as to the accuracy or completeness of any such information; and

(e) any information regarding or describing the Purchased Assets in this Agreement (including the Schedules hereto), or in any other agreement or instrument contemplated hereby, is for identification purposes only, is not relied upon by the Purchaser, and no representation, warranty or condition, express or implied, has or will be given by the Vendor, the Receiver or their Representatives, or any other Person concerning the completeness or accuracy of such information or descriptions.

19. Conduct Prior to Closing

19.1 Without in any way limiting any other obligations of the Parties hereunder, during the Interim Period, but subject to any Order or direction made by the Court:

(a) the Parties shall not enter into any transaction or take any action that, if effected before the date of this Agreement, would constitute a breach of any representation, warranty, covenant or other obligation of the respective Party under this Agreement;

(b) the Parties shall take all necessary corporate action, steps and proceedings to approve or authorize, validly and effectively, the execution and delivery of this Agreement and the other agreements and documents contemplated hereby and to complete the Transaction; and

(c) the Parties shall use commercially reasonable efforts to satisfy the conditions contained in Sections 12, 13 and 14.

20. Notification of Certain Matters

20.1 During the Interim Period, each Party shall, provided they have actual knowledge of the event or occurrence, give prompt notice in writing to the other Party of:

(a) the occurrence, or failure to occur, of any event, which occurrence or failure would be likely to cause any of the representations or warranties of the Party contained in this Agreement to be untrue or inaccurate during the Interim Period;

(b) any notice or communication from any Person alleging that the consent of such Person is or may be required in connection with the Transaction;

(c) any notice or communication from any Governmental Authority in connection with the Transaction;

(d) any Legal Proceeding commenced or threatened against the Party or relating to or involving or otherwise affecting such Party which relates to the consummation of the Transaction; and

(e) any failure by the Party to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied under this Agreement.

20.2 The giving of any notice under this Section does not in any way change or modify the representations and warranties of the Parties, or the conditions to the obligations of the Parties, contained in this Agreement.

21. Covenants of the Purchaser

21.1 At Closing, the Purchaser will pay the Purchase Price to the Vendor. The Purchaser will be liable for and shall pay all applicable Taxes including, without limitation, registration charges and Transfer Taxes properly payable upon and in connection with the sale and transfer of the Purchased Assets by the Vendor to the Purchaser, and, if the Purchaser is a GST registrant, the Purchaser may remit such GST payable in respect of the purchase of the Purchased Assets directly to such applicable taxing authority.

21.2 At Closing, the Purchaser shall execute the General Conveyance and will assume and thereafter perform the Assumed Liabilities. The Purchaser hereby indemnifies the Vendor and its Representatives, and saves them fully harmless against, and will reimburse or compensate them for, any damages arising from, in connection with or related in any manner whatsoever to the Purchaser's failure to pay when due and perform and discharge the Assumed Liabilities, as applicable, in accordance with their terms.

22. Termination

22.1 This Agreement may be terminated by notice given prior to or at Closing as follows:

(a) by mutual written agreement of the Parties;

(b) by the Purchaser by notice in writing to the Vendor if the Vendor has failed to comply in any material respect with any of its obligations under this Agreement (other than those to be performed at the Closing) for a period of three Business Days (or a lesser period specified by the Purchaser if the Closing is to occur within three Business Days after the giving of such notice);

(c) by the Purchaser by notice in writing to the Vendor if any conditions specified in Sections 12 or 14 have not been satisfied by Closing and the Purchaser has not, in the case of Section 12, and the Parties have not, in the case of Section 14, waived such conditions by such time;

(d) by the Purchaser in accordance with Section 23.2(b);

(e) by the Vendor by notice in writing to the Purchaser if any conditions specified in Sections 13 or 14 have not been satisfied by Closing and the Vendor has not, in the case of Section 13, and the Parties have not, in the case of Section14, waived such conditions by such time; and

(f) by either of the Parties on written notice to the other, provided such Party is not in material breach of its obligations under this Agreement, if the Vesting Order has not been pronounced and entered by July 10, 2020, or such later date as the Parties may agree to in writing.

23. Risk

23.1 The Purchased Assets will be at the Vendor's risk until Closing and will be thereafter at the Purchaser's risk.

23.2 If, before Closing, any of the Purchased Assets is lost, damaged or destroyed or is appropriated, expropriated or seized by any Governmental Authority, then:

(a) the Parties shall agree on an adjustment to the Purchase Price to account for the loss, damage, destruction, appropriation, expropriation or seizure; or

(b) if such loss, damage, destruction, appropriation, expropriation or seizure is materially adverse to the Purchaser, as determined by the Purchaser acting reasonably, then the Purchaser, at its sole discretion, may terminate this Agreement.

24. Closing Deliverables

24.1 Subject to the terms and conditions of this Agreement, and the satisfaction or the waiver of the conditions precedent in Sections 12, 13 and 14, the purchase and sale of the Purchased Assets will be completed at Closing at the offices of the Purchaser's Solicitors.

24.2 At Closing, the Purchaser will deliver, or cause to be delivered to the Vendor:

(a) evidence that the Purchaser has received the necessary approvals to consummate the Transaction;

(b) the balance of the Purchase Price by way of Credit Bid, subject to the post-Closing adjustment in Section 8.3;

(c) the applicable Tax election forms set out in Section 11;

(d) the General Conveyance executed by the Purchaser;

(e) a bring-down certificate executed by a senior officer of the Purchaser dated as of the Closing Date, in form and substance satisfactory to the Vendor, acting reasonably, certifying that: (i) all of the representations and warranties of the Purchaser hereunder remain true and correct in all material respects as of the Closing Date; and (ii) all of the terms and conditions set out in this Agreement to be complied with or performed by the Purchaser on or prior to Closing have been complied with or performed by the Purchaser in all respects; and

(f) such other agreements, documents and instruments as may be reasonably required by the Vendor to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

24.3 At Closing, the Vendor shall deliver, or cause to be delivered to the Purchaser's Solicitors:

(a) copies of all Documents in the possession, control or power, or ability to direct, of the Vendor;

(b) a certified copy of the Vesting Order;

(c) the applicable Tax election forms set out in Section 11;

(d) the General Conveyance executed by the Vendor;

(e) all such assignments, instruments of transfer, deeds, assurances, consents, registrations, and other documents executed by the Vendor as requested by the Purchaser in respect of transferring the Purchased Assets to the Purchaser and registrations in connection therewith.

24.4 Within thirty (30) days of Closing, the Vendor shall deliver, or cause to be delivered to the Purchaser's Solicitors, evidence of the payment of all outstanding Transfer Taxes and Priority Payables to date.

24.5 When the conditions of Closing set out in Sections 12, 13 and 14 have been satisfied and/or waived by the Vendor or the Purchaser, as applicable, the Vendor shall: (a) issue the Receiver's Certificate to the Purchaser, at which time Closing will be deemed to have occurred; and (b) file as soon as practicable a copy of the Receiver's Certificate with the Court (and shall provide a copy of such filed certificate to the Purchaser).

25. Notice

25.1 Any notice, direction, certificate, consent, determination or other communication required or permitted to be given or made under this Agreement shall be in writing and shall be effectively given and made if: (a) delivered personally, (b) sent by prepaid courier service or (c) sent by email or other similar means of electronic communication, in each case to the applicable address set out below:

(i) if to the Vendor:

Ernst & Young Inc.
2200 – 215 2 Street SW
Calgary, Alberta T2P 1M4

Attention: Peter Chisholm, CPA, CA, CIRP, LIT
Email: peter.chisholm@ca.ey.com

with a copy (which shall not constitute notice) to:

Fasken Martineau DuMoulin LLP
3400 – 350 7 Avenue SW
Calgary, Alberta T2P 3N9

Attention: Travis Lysak
Email: tlysak@fasken.com

(ii) if to the Purchaser:

Maynbridge Capital Inc.
Suite 388, 1111 West Hastings St.
Vancouver, BC V6E 2J3

Attention: Stephen Davies
Email: stephen@kbcapital.ca

with a copy (which shall not constitute notice) to:

Borden Ladner Gervais LLP

Centennial Place, East Tower, 1900
520 3 Ave SW
Calgary, Alberta T2P 0R3

Attention: Matti Lemmens
Email: mlemmens@blg.com

25.2 Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery, if delivered, or on the day of e-mailing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered, e-mailed or sent before 5:00 p.m. Mountain Standard Time on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

25.3 Any Party may from time to time change its address under this Section by notice to the other Party given in the manner provided by this Section.

26. Receiver Liability

26.1 The Purchaser hereby expressly acknowledges and agrees that Ernst & Young Inc. is acting only in its representative capacity as Receiver of the Property and shall have no personal liability under the Agreement or as a result of entering into or carrying out the Transaction except in such capacity. The Receiver will cooperate with the Purchaser on any insurance claims should there be any damage to the Purchased Assets occurring in the period up to and until ninety (90) days after the Closing Date.

27. Further Assurances

27.1 The Parties will execute such further and other documents and do such further and other things as may be necessary to carry out and give effect to the intent of this Agreement.

28. Legal Advice

28.1 The Parties have each consulted with and been advised by their own solicitors before entering into this Agreement, have read same, and know the contents thereof.

29. Expenses

29.1 Each Party shall pay all of its own expenses (including Taxes imposed on those expenses) incurred in the authorization, negotiation, preparation, execution and performance of this Agreement and the Transaction, including all fees and expenses of its legal counsel, bankers, investment bankers, brokers, accountants or other Representatives or consultants.

30. No Third Party Beneficiary

30.1 This Agreement is solely for the benefit of the Parties and no third party accrues any benefit, claim or right of any kind pursuant to, under, by or through this Agreement.

31. Entire Agreement

31.1 This Agreement constitutes the entire agreement between the Parties and there are no representations or warranties, express or implied, statutory or otherwise and no collateral agreements other than as expressly set forth or referred to in this Agreement.

32. Amendment

32.1 No amendment of this Agreement will be binding unless made in writing by both Parties.

33. Severability

33.1 If, in any jurisdiction, any provision of this Agreement or its application to any Party or circumstance is restricted, prohibited, or unenforceable, that provision will, as to that jurisdiction, be ineffective only to the extent of that restriction, prohibition, or unenforceability without invalidating the remaining provisions of this Agreement, without affecting the validity or enforceability of that provision in any other jurisdiction and, if applicable, without affecting its application to the other Parties or circumstances.

34. Assignment

34.1 This Agreement may not be assigned by any Party hereto without the prior written consent of the other Party hereto, which consent may be arbitrarily withheld, provided that the Purchaser may designate one or more nominees to take title in and to the Purchased Assets, or any part thereof, by giving the Vendor written notice of such assignment at least two (2) Business Days prior to the date of the hearing of the application for the Vesting Order.

35. Time of the Essence

35.1 Time will be of the essence of this Agreement.

36. Applicable Law and Court Jurisdiction

36.1 This Agreement shall be governed by, and construed in accordance with, the Laws of the Province of Alberta and the Laws of Canada applicable therein, and the Parties hereby attorn to the jurisdiction of the Court, Judicial District of Calgary.

37. Successors and Assigns

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

38. Counterparts

38.1 This Agreement may be signed in counterparts and each such counterpart will constitute an original document, and such counterparts, taken together, will constitute one and the same instrument. A counterpart may be delivered by email or any other form of electronic transmission.

AS EVIDENCE OF THEIR AGREEMENT the Parties have executed this Agreement as of the day and year first written above:

ERNST & YOUNG INC.,
in its capacity as court-appointed receiver and receiver-manager of **GENCO HOLDINGS LTD.**, and not in its personal capacity

By: ______________________
Name: Peter Chisholm
Title: SVP

MAYNBRIDGE CAPITAL INC.

By: ______________________
Name: Stephen Davies
Title: SVP and Chief Risk Officer

Schedule “A” – Purchased Assets

The Purchased Assets shall include the following:

A. The Lands and all chattels located thereon.

B. The improvements and amenities on the Lands (collectively, the “**Improvements**”) including, without limitation, all community infrastructure (i.e. roadway, sewer and water infrastructure), if any.

C. Those documents (the “**Documents**”) owned by or binding on the Vendor, Genco or the Purchased Assets, if such documentation is in the Vendor’s possession, in each case relating to the ownership, operation, development, servicing, title, or control of the of the Purchased Assets and Improvements, all accounting records, market studies, engineering studies, reports and drawings, leases, agreements to lease, rent roll(s), tenant deposit documentation, employment files, expense files, repair and maintenance files, operating files, surveys and environmental files relating to the Purchased Assets, as applicable, including, without limitation, the following:

(a) any and all real property reports and/or survey relating to the Property;

(b) any and all environmental reports relating to the Property;

(c) any and all appraisals or property inspection reports, and building condition reports relating to the Property;

(d) any and all inspection reports completed by outside consultants for repair and maintenance work to the Property;

(e) any and all consents required by any professional firm which has prepared any reports for the Vendor in respect of the Property, if such consent is a condition to it releasing or providing to the Purchaser any information or documents it may have relating to the Property;

(f) authorization allowing the Purchaser’s legal counsel, such form of authorization to be provided by the Purchaser, to make inquiries to all municipal, provincial and federal government offices with respect to the Property; and

(g) any other material documentation which pertain to the Property that a reasonably prudent purchaser would want to review in evaluating whether to purchase the Property.

D. All of Genco’s right, interest, and title in the Legal Proceeding identified as Court of Queen’s Bench of Alberta Action No. 1501-04982, including any and all manner of action and actions, cause and causes of action, suits, debts, damages, claims and demands whatsoever, at law or equity, which Genco ever had, or now has, or may have existing up to and inclusive of the date hereof in connection thereto (the “**Choses in Action**”), together with all benefits, entitlements and advantages, if any, to be derived from the Choses in

Action and Policy of Insurance Number MP/S – Rw 7818. For greater certainty, the Purchaser does not take assignment of any adverse costs awards that were, or may be, issued or accrued against Genco in respect of the Choses in Action prior to and including the date of this Agreement.

Schedule “B” – Lands

(A) Municipal address: 608 7 Street SW, Calgary, Alberta

Legal description:

CONDOMINIUM PLAN 9410576
UNIT 1
AND 1665 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 9410576
UNIT 2
AND 1667 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 9410576
UNIT 3
AND 1667 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 9410576
UNIT 4
AND 1667 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 9410576
UNIT 5
AND 1667 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 9410576
UNIT 6
AND 1667 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

(B) Municipal Address: 735 6 Avenue SW, Calgary, Alberta and 739 6 Avenue SW

Legal Description:

PLAN A1
BLOCK 33
THE NORTH HALVES OF LOTS 1 AND 2 AND ALL OF LOTS 3 AND 4

Schedule "C" – Permitted Encumbrances

Certificate of Title No.	121 166 638
Legal Description	CONDOMINIUM PLAN 9410576 UNIT 1 AND 1665 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY EXCEPTING THEREOUT ALL MINES AND MINERALS
Instrument No.	941 028 762
Instrument Registration Date (D/M/YYYY)	01/02/1994
Particulars	Caveat re: Encroachment Agreement Caveator – The City of Calgary 12 FL, 800 Macleod Trail SE Calgary, Alberta T2P 2M5 Agent – Brian R. Musgrove
Certificate of Title No.	121 166 638
Legal Description	CONDOMINIUM PLAN 9410576 UNIT 1 AND 1665 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY EXCEPTING THEREOUT ALL MINES AND MINERALS
Instrument No.	171 058 694
Instrument Registration Date (D/M/YYYY)	14/03/2017
Particulars	Caveat re: Order Pursuant to Municipal Government Act Caveator – The City of Calgary 12 FL, 800 Macleod Trail SE Calgary, Alberta T2P 2M5 Agent – Cheryl Hamilton

Certificate of Title No.	121 166 638 +1
Legal Description	CONDOMINIUM PLAN 9410576 UNIT 2 AND 1667 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY EXCEPTING THEREOUT ALL MINES AND MINERALS
Instrument No.	941 028 762
Instrument Registration Date (D/M/YYYY)	01/02/1994
Particulars	Caveat re: Encroachment Agreement Caveator – The City of Calgary 12 FL, 800 Macleod Trail SE Calgary, Alberta T2P 2M5 Agent – Brian R. Musgrove
Certificate of Title No.	121 166 638 +2
Legal Description	CONDOMINIUM PLAN 9410576 UNIT 3 AND 1667 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY EXCEPTING THEREOUT ALL MINES AND MINERALS
Instrument No.	941 028 762
Instrument Registration Date (D/M/YYYY)	01/02/1994
Particulars	Caveat re: Encroachment Agreement Caveator – The City of Calgary 12 FL, 800 Macleod Trail SE Calgary, Alberta T2P 2M5 Agent – Brian R. Musgrove
Certificate of Title No.	121 166 638 +3

Legal Description	CONDOMINIUM PLAN 9410576 UNIT 4 AND 1667 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY EXCEPTING THEREOUT ALL MINES AND MINERALS
Instrument No.	941 028 762
Instrument Registration Date (D/M/YYYY)	01/02/1994
Particulars	Caveat re: Encroachment Agreement Caveator – The City of Calgary 12 FL, 800 Macleod Trail SE Calgary, Alberta T2P 2M5 Agent – Brian R. Musgrove
Certificate of Title No.	121 166 638 +5
Legal Description	CONDOMINIUM PLAN 9410576 UNIT 5 AND 1667 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY EXCEPTING THEREOUT ALL MINES AND MINERALS
Instrument No.	941 028 762
Instrument Registration Date (D/M/YYYY)	01/02/1994
Particulars	Caveat re: Encroachment Agreement Caveator – The City of Calgary 12 FL, 800 Macleod Trail SE Calgary, Alberta T2P 2M5 Agent – Brian R. Musgrove
Certificate of Title No.	121 166 638 +4

Legal Description	CONDOMINIUM PLAN 9410576 UNIT 6 AND 1667 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY EXCEPTING THEREOUT ALL MINES AND MINERALS
Instrument No.	941 028 762
Instrument Registration Date (D/M/YYYY)	01/02/1994
Particulars	Caveat re: Encroachment Agreement Caveator – The City of Calgary 12 FL, 800 Macleod Trail SE Calgary, Alberta T2P 2M5 Agent – Brian R. Musgrove

Schedule "D" – Vesting Order

COURT FILE NO.	1901-04336
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFF	MAYNBRIDGE CAPITAL INC.
DEFENDANTS	GENCO HOLDINGS LTD., GENCO (WALDEN) LTD., PALI BEDI, TARLOK TATLA, JASBIR HANS, SOLO LIQUOR HOLDINGS LTD. and SOLO LIQUOR STORES LTD.
DOCUMENT	**APPROVAL AND VESTING ORDER** **(Sale by Receiver)**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**Fasken Martineau DuMoulin LLP** Barristers and Solicitors 3400 First Canadian Centre 350 – 7 Avenue SW Calgary, Alberta T2P 3N9 **Attention: Travis Lysak** Tel: (403) 261-5350 Facsimile : (403) 261-5351 File No. : 303718.3

DATE ON WHICH ORDER WAS PRONOUNCED:	June 30, 2020
LOCATION WHERE ORDER WAS PRONOUNCED:	Calgary, Alberta
NAME OF THE JUDGE WHO MADE THIS ORDER:	Madam Justice K.M. Horner

UPON the application (the "**Application**") by Ernst & Young Inc., in its capacity as the Court-appointed receiver and receiver-manager (the "**Receiver**") of certain of the undertaking, property and assets of Genco Holdings Ltd. (the "**Debtor**") and Genco (Walden) Ltd., for an order approving the sale transaction (the "**Transaction**") contemplated by a Purchase and Sale Agreement (the "**Sale Agreement**") between the Receiver and Maynbridge Capital Inc. (the

"**Purchaser**") dated [●], vesting in the Purchaser (or its nominee, if any) the Debtor's right, title and interest in and to the "**Purchased Assets**" as defined in the Sale Agreement;

AND UPON HAVING READ the Receivership Order dated April 5, 2019 (the "**Receivership Order**"), the Fifth Report of the Receiver dated [●] (the "**Fifth Report**"), the Confidential Supplemental Report of the Receiver dated [●] (the "**Confidential Report**") and the Affidavit of Service of [●] sworn [●], filed; **AND UPON HEARING** the submissions of counsel for the Receiver, the Purchaser and any other counsel in attendance;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. Service of notice of this Application and supporting materials is hereby declared to be good and sufficient, and no other person is required to have been served with notice of this Application, and time for service of this Application is abridged to that actually given.

APPROVAL OF CONDUCT

2. The actions, conduct and activities of the Receiver and the Receiver's counsel set out in the Fifth Report and Confidential are hereby approved.

3. The Receiver's statement of receipts and disbursements from [●] to [●], as set out in the Fifth Report, are hereby approved.

APPROVAL OF TRANSACTION

4. The Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary and the Purchaser agrees to. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be

necessary or desirable for the completion of the Transaction or for the conveyance of the Purchased Assets to the Purchaser (or its nominee, if any).

VESTING OF PROPERTY

5. Upon the delivery of a Receiver's certificate to the Purchaser (or its nominee, if any) substantially in the form set out in Schedule "A" hereto (the "**Receiver's Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule "B" hereto shall vest absolutely in the name of the Purchaser (or its nominee, if any), free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, caveats, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing:

(a) any encumbrances or charges created by the Receivership Order;

(b) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act*, RSA 2000, c P-7 or any other personal property registry system; and,

(c) any liens or claims of lien under the *Builders' Lien Act*, RSA 2000, c B-7;

but excluding those Claims listed on Schedule "C" hereto (all of which are collectively referred to as the "**Permitted Encumbrances**"). For greater certainty, this Court orders that all of the Claims affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets, except for the Permitted Encumbrances.

6. Upon delivery of the Receiver's Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Receiver's Closing Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser or its nominee clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing:

*(a) the Registrar of Land Titles ("**Land Titles Registrar**") for the lands defined below shall and is hereby authorized, requested and directed to forthwith:*

(i) cancel existing Certificates of Title Nos. 121 166 638, 121 166 638 +1, 121 166 638 +2, 121 166 638 +3, 121 166 638 +4, 121 166 638 +5, 121 166 638 +6, for those lands and premises municipally described as 608 7 Street SW, Calgary, Alberta, 735 6 Avenue SW, Calgary, Alberta, and 739 6 Avenue SW, Calgary, Alberta, and legally described as follows:

CONDOMINIUM PLAN 9410576

UNIT 1

AND 1665 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY

EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 9410576

UNIT 2

AND 1667 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY

EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 9410576

UNIT 3

AND 1667 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY

EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 9410576

UNIT 4

AND 1667 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY

EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 9410576

UNIT 5

AND 1667 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY

EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 9410576

UNIT 6

AND 1667 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY

EXCEPTING THEREOUT ALL MINES AND MINERALS

PLAN A1

BLOCK 33

THE NORTH HALVES OF LOTS 1 AND 2 AND ALL OF LOTS 3 AND 4

(the "Lands")

(ii) **issue a new Certificate of Title for the Lands in the name of the Purchaser (or its nominee, if any);**

(iii) **<u>transfer to the New Certificate of Title the existing instruments listed in Schedule "C" to this Order; and</u>**

(iv) **<u>discharge and expunge any Claims including Encumbrances (but excluding Permitted Encumbrances) which may be registered after the date of the Sale Agreement against the existing Certificate of Title to the Lands;</u>**

(b) the Registrar of the Alberta Personal Property Registry shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Debtor in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.

7. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Receiver's Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.

8. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Receiver of the Sale Agreement.

9. Upon delivery of the Receiver's Closing Certificate together with a certified copy of this Order, this Order shall be immediately registered by the Land Titles Registrar notwithstanding the requirements of section 191(1) of the *Land Titles Act*, RSA 2000, c.L-7 and notwithstanding that the appeal period in respect of this Order has not elapsed. The

Land Titles Registrar is hereby directed to accept all Affidavits of Corporate Signing Authority submitted by the Receiver in its capacity as Receiver of the Debtor and not in its personal capacity.

10. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets (to be held in a non-interest bearing trust account by the Receiver) shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Receiver’s Certificate all Claims shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

11. The Purchaser (and its nominee, if any) shall, by virtue of the completion of the Transaction, have no liability of any kind whatsoever in respect of any Claims against the Debtor.

12. The Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, save and except for the persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely barred and foreclosed from all estate, right, title, interest, royalty, rental and equity of redemption of the Purchased Assets and, to the extent that any such persons remains in possession or control of any of the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee, if any).

13. The Purchaser (or its nominee, if any) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Debtor, or any person claiming by or through or against the Debtor.

14. Immediately after the closing of the Transaction, the holders of the Permitted Encumbrances shall have no claim whatsoever against the Receiver or the Debtor.

15. The Receiver is to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof to the Purchaser (or its nominee, if any).

16. Notwithstanding:

(a) the pendency of these proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985 c B-3 (the "**BIA**") in respect of the Debtor and any bankruptcy order issued pursuant to any such applications;

(c) any assignment in bankruptcy made in respect of the Debtor; and

(d) the provisions of any federal or provincial legislation:

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

17. The Receiver, the Purchaser (or its nominee, if any) and any other interested party, shall be at liberty to apply for further advice, assistance and directions as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.

SEALING

18. Part 6, Division 4 of the *Alberta Rules of Court* does not apply to the Application.

19. The Confidential Report shall be sealed on the Court file, kept confidential and not form part of the public record, and not be available for public inspection, notwithstanding Division 4 of Part 6 of the *Alberta Rules of Court*, until further Order of this Court.

20. The Clerk of the Court shall file the confidential appendices to the Fifth Report (the "**Confidential Appendices**"), unredacted copies of which were provided to the Court, in a sealed envelope attached to a notice that sets out the style of cause of these proceedings and states that:

> THIS ENVELOPE CONTAINS THE CONFIDENTIAL APPENDICES FILED BY ERNST & YOUNG INC., IN ITS CAPACITY AS THE COURT-APPOINTED RECEIVER AND RECEIVER-MANAGER OF CERTAIN OF THE UNDERTAKING, PROPERTY AND ASSETS OF GENCO HOLDINGS LTD. AND GENCO (WALDEN) LTD.; AND THE CONFIDENTIAL APPENDICES ARE SEALED UNTIL THE FILING OF THE RECEIVER'S CERTIFICATE EVIDENCING THE CLOSING OF THE TRANSACTION PURSUANT TO THE SEALING ORDER ISSUED BY THE HONOURABLE [●] ON [●].

21. Leave is hereby granted to any person, entity or party affected by this Order to apply to this Court for a further Order vacating, substituting, modifying or varying the terms of this Order, with such application to be brought on notice to the Receiver and any other affected party in accordance with the *Alberta Rules of Court*.

MISCELLANEOUS MATTERS

22. 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 as 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.

23. This Order must be served only upon those interested parties attending or represented at the within application and service may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following the transmission or delivery of such documents.

24. Service of this Order on any party not attending this application is hereby dispensed with.

____

J.C.Q.B.A.

Schedule "A"

Form of Receiver's Certificate

COURT FILE NO.	1901-04336
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFF	MAYNBRIDGE CAPITAL INC.
DEFENDANTS	GENCO HOLDINGS LTD., GENCO (WALDEN) LTD., PALI BEDI, TARLOK TATLA, JASBIR HANS, SOLO LIQUOR HOLDINGS LTD. and SOLO LIQUOR STORES LTD.
DOCUMENT	**RECEIVER'S CERTIFICATE**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**Fasken Martineau DuMoulin LLP** Barristers and Solicitors 3400 First Canadian Centre 350 – 7 Avenue SW Calgary, Alberta T2P 3N9 **Attention: Travis Lysak** Tel: (403) 261-5350 Facsimile : (403) 261-5351 File No. : 303718.3

RECITALS

A. Pursuant to an Order of the Honourable Madam Justice B. E. C. Romaine of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**") dated April 5, 2019, Ernst & Young Inc. was appointed receiver and receiver-manager (the "**Receiver**") of certain of the undertaking, property and assets of Genco Holdings Ltd. (the "**Debtor**") and Genco (Walden) Ltd.

B. Pursuant to an Order of the Court dated [●], the Court approved the asset purchase agreement made as of [●] (the "**Sale Agreement**") between the Receiver and Maynbridge

Capital Inc. (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Sections 12, 13 and 14 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

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

THE RECEIVER CERTIFIES the following:

25. The Purchaser (or its nominee, if any) has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement.

26. The conditions to Closing as set out in Sections 12, 13 and 14 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser (or its nominee, if any).

27. The Transaction has been completed to the satisfaction of the Receiver.

28. This Certificate was delivered by the Receiver at [●] on [●].

ERNST & YOUNG INC., in its capacity as court-appointed receiver and receiver-manager of **GENCO HOLDINGS LTD.** and **GENCO (WALDEN) LTD.**, and not in its personal capacity

By: ________________________________
Name:
Title:

Schedule “B”

Purchased Assets

(see attached)

Purchased Assets

The Purchased Assets shall include the following:

A. The Lands and all chattels located thereon.

B. The improvements and amenities on the Lands (collectively, the "**Improvements**") including, without limitation, all community infrastructure (i.e. roadway, sewer and water infrastructure), if any.

C. Those documents (the "**Documents**") owned by or binding on the Vendor, Genco or the Purchased Assets, if such documentation is in the Vendor's possession, in each case relating to the ownership, operation, development, servicing, title, or control of the of the Purchased Assets and Improvements, all accounting records, market studies, engineering studies, reports and drawings, leases, agreements to lease, rent roll(s), tenant deposit documentation, employment files, expense files, repair and maintenance files, operating files, surveys and environmental files relating to the Purchased Assets, as applicable, including, without limitation, the following:

(a) any and all real property reports and/or survey relating to the Property;

(b) any and all environmental reports relating to the Property;

(c) any and all appraisals or property inspection reports, and building condition reports relating to the Property;

(d) any and all inspection reports completed by outside consultants for repair and maintenance work to the Property;

(e) any and all consents required by any professional firm which has prepared any reports for the Vendor in respect of the Property, if such consent is a condition to it releasing or providing to the Purchaser any information or documents it may have relating to the Property;

(f) authorization allowing the Purchaser's legal counsel, such form of authorization to be provided by the Purchaser, to make inquiries to all municipal, provincial and federal government offices with respect to the Property; and

(g) any other material documentation which pertain to the Property that a reasonably prudent purchaser would want to review in evaluating whether to purchase the Property.

D. All of Genco's right, interest, and title in the Legal Proceeding identified as Court of Queen's Bench of Alberta Action No. 1501-04982, including any and all manner of action and actions, cause and causes of action, suits, debts, damages, claims and demands whatsoever, at law or equity, which Genco ever had, or now has, or may have existing up to and inclusive of the date hereof in connection thereto (the "**Choses in Action**"), together with all benefits, entitlements and advantages, if any, to be derived from the Choses in Action and Policy of Insurance Number MP/S – Rw 7818. For greater certainty, the Purchaser does not take assignment of any adverse costs awards that were, or may be, issued or accrued against Genco in respect of the Choses in Action prior to and including the date of this Agreement.

Schedule "C"

Permitted Encumbrances

Certificate of Title No.	121 166 638
Legal Description	CONDOMINIUM PLAN 9410576 UNIT 1 AND 1665 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY EXCEPTING THEREOUT ALL MINES AND MINERALS
Instrument No.	941 028 762
Instrument Registration Date (D/M/YYYY)	01/02/1994
Particulars	Caveat re: Encroachment Agreement Caveator – The City of Calgary 12 FL, 800 Macleod Trail SE Calgary, Alberta T2P 2M5 Agent – Brian R. Musgrove
Certificate of Title No.	121 166 638
Legal Description	CONDOMINIUM PLAN 9410576 UNIT 1 AND 1665 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY EXCEPTING THEREOUT ALL MINES AND MINERALS
Instrument No.	171 058 694
Instrument Registration Date (D/M/YYYY)	14/03/2017
Particulars	Caveat re: Order Pursuant to Municipal Government Act Caveator – The City of Calgary

	12 FL, 800 Macleod Trail SE Calgary, Alberta T2P 2M5 Agent – Cheryl Hamilton
Certificate of Title No.	121 166 638 +1
Legal Description	CONDOMINIUM PLAN 9410576 UNIT 2 AND 1667 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY EXCEPTING THEREOUT ALL MINES AND MINERALS
Instrument No.	941 028 762
Instrument Registration Date (D/M/YYYY)	01/02/1994
Particulars	Caveat re: Encroachment Agreement Caveator – The City of Calgary 12 FL, 800 Macleod Trail SE Calgary, Alberta T2P 2M5 Agent – Brian R. Musgrove
Certificate of Title No.	121 166 638 +2
Legal Description	CONDOMINIUM PLAN 9410576 UNIT 3 AND 1667 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY EXCEPTING THEREOUT ALL MINES AND MINERALS
Instrument No.	941 028 762
Instrument Registration Date (D/M/YYYY)	01/02/1994
Particulars	Caveat re: Encroachment Agreement Caveator – The City of Calgary

	12 FL, 800 Macleod Trail SE Calgary, Alberta T2P 2M5 Agent – Brian R. Musgrove
Certificate of Title No.	121 166 638 +3
Legal Description	CONDOMINIUM PLAN 9410576 UNIT 4 AND 1667 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY EXCEPTING THEREOUT ALL MINES AND MINERALS
Instrument No.	941 028 762
Instrument Registration Date (D/M/YYYY)	01/02/1994
Particulars	Caveat re: Encroachment Agreement Caveator – The City of Calgary 12 FL, 800 Macleod Trail SE Calgary, Alberta T2P 2M5 Agent – Brian R. Musgrove
Certificate of Title No.	121 166 638 +5
Legal Description	CONDOMINIUM PLAN 9410576 UNIT 5 AND 1667 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY EXCEPTING THEREOUT ALL MINES AND MINERALS
Instrument No.	941 028 762
Instrument Registration Date (D/M/YYYY)	01/02/1994
Particulars	Caveat re: Encroachment Agreement Caveator – The City of Calgary

	12 FL, 800 Macleod Trail SE Calgary, Alberta T2P 2M5 Agent – Brian R. Musgrove
Certificate of Title No.	121 166 638 +4
Legal Description	CONDOMINIUM PLAN 9410576 UNIT 6 AND 1667 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY EXCEPTING THEREOUT ALL MINES AND MINERALS
Instrument No.	941 028 762
Instrument Registration Date (D/M/YYYY)	01/02/1994
Particulars	Caveat re: Encroachment Agreement Caveator – The City of Calgary 12 FL, 800 Macleod Trail SE Calgary, Alberta T2P 2M5 Agent – Brian R. Musgrove