

THE QUEEN'S BENCH

WINNIPEG CENTRE

IN THE MATTER OF:      The Appointment of a Receiver pursuant to Section 243  
of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-  
3, as amended, and Section 55 of *The Court of Queen's  
Bench Act*, C.C.S.M. c. C280

BETWEEN:

ROYAL BANK OF CANADA,

Plaintiff,

- and -

6382330 MANITOBA LTD., PGRP PROPERTIES INC.  
and 6472240 MANITOBA LTD.,

Defendants.

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NOTICE OF MOTION  
(SALE APPROVAL, VESTING, DISTRIBUTION, DISCHARGE)  
BEFORE MR. JUSTICE EDMOND  
ON WEDNESDAY, DECEMBER 16, 2020 at 9:00 a.m.

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Thompson Dorfman Sweatman LLP  
Barristers and Solicitors  
1700 – 242 Hargrave Street  
Winnipeg MB R3C 0V1  
(Matter No. 0169515 RAM)  
(Ross A. McFadyen: 204-934-2378)  
(Fax. No. 204-934-0538)  
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THE QUEEN'S BENCH

WINNIPEG CENTRE

IN THE MATTER OF:      The Appointment of a Receiver pursuant to Section 243  
of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-  
3, as amended, and Section 55 of *The Court of Queen's  
Bench Act*, C.C.S.M. c. C280

BETWEEN:

ROYAL BANK OF CANADA,

Plaintiff,

- and -

6382330 MANITOBA LTD., PGRP PROPERTIES INC.,  
and 6472240 MANITOBA LTD.,

Defendants.

NOTICE OF MOTION

Deloitte Restructuring Inc. (the "**Receiver**"), in its capacity as receiver and manager of the Defendants, will make a motion before Mr. Justice Edmond on Wednesday, the 16<sup>th</sup> day of December, 2020 at 9:00 a.m., or as soon after that time as the motion can be heard at the Winnipeg Law Courts Building, 408 York Avenue in Winnipeg, Manitoba.

THE MOTION IS FOR an Order, substantially in the form attached hereto and marked as Schedule "A" ("**Sale Approval, Vesting, Distribution and Discharge Order**"):

1. Validating or otherwise abridging the time for service of this notice of motion and the materials related thereto such that this motion is properly returnable on the stated hearing date with no further service required;
2. Approving the sale transaction (the "**Transaction**") contemplated by the accepted Offer to Purchase dated September 21, 2020, as amended by amending agreements dated October 8, November 18, November 26 and December 1, 2020 (collectively, the "**Sale Agreement**") between the Receiver, as vendor, and Vida Living (2019) Inc. (or a nominee of Vida Living (2019) Inc.), as purchaser (the "**Purchaser**"), entered into by the Receiver and Purchaser pursuant to the Receiver's powers under paragraphs 3(k) and (l) of the Order made herein on September 26, 2019 (the "**Receivership Order**");
3. Vesting in the Purchaser all of the Defendants' right, title and interest in and to the assets described in the Sale Agreement, namely the land and premises (including buildings and fixtures) located at 620-626 Ellice Avenue, Winnipeg, Manitoba, and certain chattels used in connection with the operation of that property as described in the Sale Agreement (collectively, the "**Ellice Property**"), free and clear of any claims or encumbrances, except permitted encumbrances, all as set out in the Sale Approval, Vesting, Distribution and Discharge Order;
4. Providing for the assumption by the Purchaser of all the rights and obligations of the Defendants under the relevant lease agreements relating to the Ellice Property;

5. Ordering the sealing of the Confidential Supplement to the First Report of the Receiver dated December 10, 2020 (the “**Confidential Report**”);
6. Approving and authorizing the distributions to creditors of the Defendants as proposed in the First Report of the Receiver dated December 10, 2020 (the “**First Report**”);
7. Approving of the First Report and the Confidential First Report and the activities and conduct of the Receiver described therein, including the Receiver’s Statement of Receipts and Disbursements and the accounts of the Receiver and its counsel, and the further proposed final fees and disbursements of the Receiver and its counsel;
8. Providing for the discharge of the Receiver following distributions to creditors as authorized by this Honourable Court; and
9. Such further and other relief as the circumstances of this proceeding may require and as this Honourable Court deems just.

THE GROUNDS FOR THE MOTION ARE:

1. Pursuant to the Receivership Order, this Honourable Court appointed Deloitte Restructuring Inc. as Receiver of the Defendants, specifically with respect to the Ellice Property.

2. In the Receivership Order, this Honourable Court empowered and authorized the Receiver to, *inter alia*, sell, convey, transfer, lease or assign the property of the Defendants, or any part or parts thereof, out of the ordinary course of business, with the approval of this Honourable Court in respect of any transaction in which the purchase price exceeds \$100,000.00, and to apply for any vesting order or other orders necessary to convey such property to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such property.

3. The Receiver has, since being appointed by this Honourable Court, engaged in efforts to sell the Ellice Property, as described at paragraphs 24 to 31 of the First Report (the “**Sales Process**”).

4. Pursuant to the Sales Process, the Receiver received offers for the Ellice Property. The Receiver determined that the offer from the Purchaser is the most favourable offer available for the Ellice Property.

5. The Receiver has entered into the Sale Agreement with the Purchaser for the Ellice Property, in accordance with the offer made by the Purchaser and in furtherance of the Sales Process. Pursuant to the Sale Agreement, and subject to the approval of this Court, the closing of the Transaction is to occur on or before December 18, 2020, subject to the approval of this Honourable Court.

6. The Sales Process leading up to the conclusion of the Sale Agreement was commercially reasonable and fair, and the Receiver has made sufficient efforts to

obtain the best price, and has not acted improvidently. The Plaintiff, as the primary secured creditor with an interest in the Ellice Property, is supportive of the Transaction.

7. The information contained in the Confidential Report is sensitive commercial information, and a sealing order is necessary as there is a real and substantial risk of harm to the interests of stakeholders in this proceeding in the event such sensitive information is disclosed in advance of the completion of the Transaction.

8. The salutary effects of a sealing order with respect to the Confidential Report outweigh any considerations relating to the public interest in open and accessible court proceedings.

9. As set out in paragraph 32 of the First Report, legal counsel for the Receiver has reviewed and opined upon the priorities of secured creditors of the Defendants with respect to the Ellice Property.

10. In the First Report, the Receiver has set out a proposed scheme for the distribution of the net proceeds of the Ellice Property to the secured creditors of the Defendants in accordance with their respective priority positions.

11. Subject to the conclusion of the Transaction and the Receiver completing distributions to creditors as authorized by this Honourable Court, the administration of the receivership estate will be complete (or substantially complete), and it is therefore appropriate to make provision for the discharge of the Receiver.

12. The inherent jurisdiction of this Honourable Court.
13. Paragraphs 3, 18, 19 and 27 of the Receivership Order.
14. Section 95 of *The Corporations Act*, C.C.S.M. c. C225.
15. Sections 37 and 77 of *The Court of Queen's Bench Act*, C.C.S.M. c. C280.
16. Rules 2.03, 3.02, 16.04, 16.08 and 37 of the *Queen's Bench Rules*, M.R. 553/88, as amended.
17. Rules 3, 4, 6, 11 and 13 of the *Bankruptcy and Insolvency General Rules*, C.R.C. c. 368.
18. Such further and other grounds as counsel for the Receiver may advise and as this Honourable Court may permit.

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

1. The First Report of the Receiver, dated December 10, 2020;
2. The Confidential Supplement to the First Report of the Receiver, dated December 10, 2020; and
3. Such further and other documentary evidence as counsel for the Receiver may advise and as this Honourable Court may permit.

December 10, 2020

Thompson Dorfman Sweatman LLP  
1700 – 242 Hargrave Street  
Winnipeg MB R3C 0V1  
Ross A. McFadyen  
Telephone: 204-934-2378  
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Counsel for the Receiver, Deloitte  
Restructuring Inc.

TO: THE SERVICE LIST (as of May 15, 2020)

AND TO: RICHARD DOERING, operating as “Pawn Traders” (via email)

AND TO: HILL SOKALSKI WALSH LLP  
Litigation Counsel  
2670 – 360 Main Street  
Winnipeg MB R3C 3Z3  
Kelsey M. McIntyre  
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Counsel for PGRP Properties Inc. and Patrick Vaughn Penner

AND TO: LEVENE TADMAN GOLUB LAW CORPORATION  
Barristers and Solicitors  
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Counsel for 6382330 Manitoba Ltd., 6472240 Manitoba Ltd., Stephen  
Glen Collins and Paul Owen Arsenault



**THE QUEEN'S BENCH**  
**Winnipeg Centre**

**IN THE MATTER OF:**

**The Appointment of a Receiver pursuant to Section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3, as amended and Section 55 of *The Court of Queen's Bench Act*, C.C.S.M. c. C280**

**BETWEEN:**

**ROYAL BANK OF CANADA,**

Plaintiff,

- and -

**6382330 MANITOBA LTD., PGRP PROPERTIES INC., and  
6472240 MANITOBA LTD.**

Defendants.

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**SERVICE LIST AS AT  
May 15, 2020**

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**FILLMORE RILEY LLP**

Barristers, Solicitors & Trademark Agents  
1700 - 360 Main Street  
Winnipeg, Manitoba R3C 3Z3

Telephone: 204-957-8319

Facsimile: 204-954-0319

**J. MICHAEL J. DOW**

File No. 180007-848/JMD

**THE QUEEN'S BENCH**  
**Winnipeg Centre**

**IN THE MATTER OF:**

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Plaintiff,

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**6382330 MANITOBA LTD., PGRP PROPERTIES INC., and  
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Defendants.

**SERVICE LIST**

<b>Party/Counsel</b>	<b>Telephone</b>	<b>Email</b>	<b>Party Representative</b>
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<b>DELOITTE RESTRUCTURING INC.</b> 2300-360 Main Street Winnipeg, Manitoba R3C 3Z3  BRENT WARGA Facsimile: 204-947-2689  JOHN FRITZ Facsimile 204-947-2689	204-944-3611       204-944-3586	<a href="mailto:bwarga@deloitte.ca">bwarga@deloitte.ca</a>       <a href="mailto:jofritz@deloitte.ca">jofritz@deloitte.ca</a>	<b>Receiver</b>
<b>THOMPSON DORFMAN SWEATMAN LLP</b> 1700-242 Hargrave Street Winnipeg, Manitoba R3C 0V1  ROSS A. MCFADYEN Facsimile: 204-934-0538	204-934-2378	<a href="mailto:ram@tdslaw.com">ram@tdslaw.com</a>	<b>Counsel for the Receiver</b>

<p><b>6382330 MANITOBA LTD.</b> 534 Stradbrook Avenue Winnipeg, Manitoba R3L 0J9</p> <p>GLEN COLLINS</p> <p>PATRICK PENNER</p>		<p><a href="mailto:sglencollins@outlook.com">sglencollins@outlook.com</a></p> <p><a href="mailto:pkharpenn@shaw.ca">pkharpenn@shaw.ca</a></p>	<p><b>The Debtor</b></p>
<p><b>PGRP PROPERTIES INC.</b> 155 Foch Avenue Winnipeg, Manitoba R2C 5J1</p> <p>PATRICK PENNER</p>		<p><a href="mailto:pkharpenn@shaw.ca">pkharpenn@shaw.ca</a></p>	<p><b>The Debtor</b></p>
<p><b>6472240 MANITOBA LTD.</b> 534 Stradbrook Avenue Winnipeg, Manitoba R3L 0J9</p> <p>GLEN COLLINS</p>		<p><a href="mailto:sglencollins@outlook.com">sglencollins@outlook.com</a></p>	<p><b>The Debtor</b></p>
<p><b>ADVANTAGE MORTGAGE CENTRE INC.</b> #2-1761 Pembina Highway Winnipeg, Manitoba R3T 2G6</p> <p>WILLIAM D. (BILL) EVANS Facsimile: 204-987-5623</p>	<p>204-960-6848</p>	<p><a href="mailto:wdevans@mts.net">wdevans@mts.net</a></p>	<p><b>Mortgagee</b></p>
<p><b>ADVANTAGE MORTGAGE CENTRE INC.</b> 193 Henlow Bay Winnipeg, Manitoba R3Y 1G4</p> <p>DENIS BRUNET Facsimile: 204-987-5623</p>	<p>204-987-5620</p>	<p><a href="mailto:dabrunet@shaw.ca">dabrunet@shaw.ca</a></p>	<p><b>Mortgagee</b></p>
<p><b>MANITOBA JUSTICE – CROWN LAW DIVISION</b> 730-405 Broadway Winnipeg, Manitoba R3C 3L6</p> <p>MARK STONYK</p>	<p>204-945-8409</p>	<p><a href="mailto:Mark.Stonyk@gov.mb.ca">Mark.Stonyk@gov.mb.ca</a></p>	<p><b>Director of Residential Tenancies</b></p>

<p><b>MANITOBA JUSTICE – CIVIL LEGAL SERVICES</b> 730-405 Broadway Winnipeg, Manitoba R3C 3L6</p> <p>SEAN D. BOYD Facsimile: 204-948-2826</p> <p>SHELLEY L. HANER Facsimile: 204-948-2826</p>	<p>204-945-0165</p> <p>204-945-0243</p>	<p><a href="mailto:sean.boyd@gov.mb.ca">sean.boyd@gov.mb.ca</a></p> <p><a href="mailto:shelley.haner@gov.mb.ca">shelley.haner@gov.mb.ca</a></p>	<p><b>Counsel for the Province of Manitoba</b></p>
<p><b>DEPARTMENT OF JUSTICE</b> 301-310 Broadway Winnipeg, Manitoba R3C 0S6</p> <p>PENNY L. PIPER Facsimile: 204-984-5434</p>	<p>204-984-1756</p>	<p><a href="mailto:penny.piper@justice.gc.ca">penny.piper@justice.gc.ca</a></p>	<p><b>Counsel for Her Majesty The Queen</b></p>
<p><b>STEINBACH CREDIT UNION</b> 333 Main Street Steinbach, Manitoba R5G 1B1</p> <p>DORIS ANDRES</p>	<p>204-346-9221</p>	<p><a href="mailto:DAndres@scu.mb.ca">DAndres@scu.mb.ca</a></p>	<p><b>Loss Prevention Officer</b></p>
<p><b>MANITOBA HYDRO</b> 360 Portage Avenue Winnipeg, Manitoba R3C 0G8</p> <p>ARLIE PELLETIER</p>	<p>204-360-5700</p>	<p><a href="mailto:MHBankruptcyInfo@hydro.mb.ca">MHBankruptcyInfo@hydro.mb.ca</a></p>	<p><b>Bankruptcy &amp; Insolvency Representative, Credit &amp; Recovery Services</b></p>
<p><b>DELOITTE</b> 2300-360 Main Street Winnipeg, Manitoba R3C 3Z3</p> <p>JOHN R. FRITZ LIT Facsimile: 204-947-2689</p>	<p>204-942-0051</p>	<p><a href="mailto:jofritz@deloitte.ca">jofritz@deloitte.ca</a></p>	<p><b>Financial Advisory</b></p>
<p><b>COINAMATIC CANADA INC.</b> 301 Matheson Boulevard W Mississauga, ON L5R 3G3</p> <p>MONIQUE KOPPENS Facsimile: 905-755-8885</p>	<p>905-755-1946 Ext. 2706</p>	<p><a href="mailto:MKoppens@coinamatic.com">MKoppens@coinamatic.com</a></p>	<p><b>Law Clerk, Legal Affairs</b></p>

<b>TYSON DUCHARME</b> 18-709 Regent Avenue Winnipeg, MB R2C 1S2	204-250-8079	<a href="mailto:Tysond42@gmail.com">Tysond42@gmail.com</a>	
<b>GLEN COLLINS</b> 1-534 Stradbrook Avenue Winnipeg, MB R3L 0J9	204-793-2334	<a href="mailto:sglencollins@outlook.com">sglencollins@outlook.com</a>	

**SCHEDULE "A"**

File No. CI 19-01-23329

THE QUEEN'S BENCH

WINNIPEG CENTRE

IN THE MATTER OF:      The Appointment of a Receiver pursuant to Section 243  
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3, as amended, and Section 55 of *The Court of Queen's  
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BETWEEN:

ROYAL BANK OF CANADA,

Plaintiff,

- and -

6382330 MANITOBA LTD., PGRP PROPERTIES INC.  
and 6472240 MANITOBA LTD.,

Defendants.

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SALE APPROVAL, VESTING, DISTRIBUTION AND DISCHARGE ORDER

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Thompson Dorfman Sweatman LLP  
Barristers and Solicitors  
1700 – 242 Hargrave Street  
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(Ross A. McFadyen: 204-934-2378)  
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(Email: [ram@tdslaw.com](mailto:ram@tdslaw.com))

THE QUEEN'S BENCH

WINNIPEG CENTRE

THE HONOURABLE ) Wednesday, the 16<sup>th</sup> day of  
MR. JUSTICE EDMOND ) December, 2020  
)

IN THE MATTER OF: The Appointment of a Receiver pursuant to Section 243  
of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-  
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6382330 MANITOBA LTD., PGRP PROPERTIES INC.  
and 6472240 MANITOBA LTD.,

Defendants.

SALE APPROVAL, VESTING, DISTRIBUTION AND DISCHARGE ORDER

THIS MOTION, made by Deloitte Restructuring Inc. (the "**Receiver**"), in its capacity as receiver and manager of certain property of the Defendants for, *inter alia*, an Order approving the sale transaction (the "**Transaction**") contemplated by an accepted Offer to Purchase dated September 21, 2020, as amended by amending agreements dated October 8, November 18, November 26 and December 1, 2020 (collectively, the "**Sale Agreement**") between the Receiver, as vendor, and Vida

Living (2019) Inc. (or a nominee of Vida Living (2019) Inc.), as purchaser (the “**Purchaser**”) as referenced in the First Report of the Receiver dated December 10, 2020 (the “**First Report**”), and vesting in the Purchaser all of the right, title and interest of the Defendants to the assets described in the Sale Agreement, namely the land and premises (including, without limitation, buildings and fixtures) located at 620-626 Ellice Avenue, Winnipeg, Manitoba, and certain chattels used in connection with the operation of that property as described in the Sale Agreement (collectively, the “**Ellice Property**”), was heard this day at the Winnipeg Law Courts Building, 408 York Avenue in Winnipeg, Manitoba.

ON READING the First Report, the Confidential Supplement to the First Report of the Receiver dated December 10, 2020 (the “**Confidential Report**”) and the Affidavit of Marlene Starenky sworn September 10, 2019, and on hearing the submissions of counsel for the Receiver and the Plaintiffs, no one appearing for any other person on the Service List, although properly served as appears from the Affidavit of Service of Ross A. McFadyen affirmed December 1, 2020;

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

2. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the completion of the Sale Agreement by the Receiver is



hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Ellice Property to the Purchaser.

3. THIS COURT ORDERS AND DECLARES that, except as otherwise set out herein, upon the delivery of a Receiver's Certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "**Receiver's Certificate - Sale**"), all of the Defendants' right, title and interest in and to the Ellice Property as described in the Sale Agreement shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise) hypothecations, mortgages, assignments, deposit arrangements, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, rights of others, including without limitation, rights of first refusal or purchase options, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**"), including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of The Honourable Mr. Justice Edmond in this proceeding dated September 26, 2019 (the "**Receivership Order**"); and (ii) all charges, security interests or claims evidenced by registrations pursuant to *The Personal Property Security Act* (Manitoba) or any other personal property registry

system; and those Claims listed on Schedule "B" hereto (all of which Claims and the charges and encumbrances referenced in subparagraphs (i), (ii) and (iii) are collectively referred to herein as the "**Encumbrances**", which term shall not include the permitted encumbrances and easements listed on Schedule "C" hereto (the "**Permitted Encumbrances**")) and, for greater certainty, this Court orders that, upon the delivery of the Receiver's Certificate – Sale, all of the Claims and Encumbrances affecting or relating to the Ellice Property are hereby expunged and discharged as against the Ellice Property.

4. THIS COURT ORDERS THAT upon delivery of the Receiver's Certificate – Sale to the Purchaser, the District Registrar of the Winnipeg Land Titles Office in the Province of Manitoba shall immediately cancel Certificate of Title Nos. 2607169/1 and 2607170/1 now standing in the name of the Defendant 6382330 Manitoba Ltd. and shall immediately thereafter issue new Certificates of Title in respect of the same lands in the name of the Purchaser, free and clear from any and all Claim and Encumbrances, except those Permitted Encumbrances identified in Schedule "C" hereto, notwithstanding that the time for appeal of this Order has not expired and notwithstanding that all interested parties may not have consented to the making of this Order.

5. THIS COURT ORDERS that, for the purposes of determining the nature and priority of Claims and Encumbrances, the net proceeds from the sale of the Ellice Property (the "**Net Proceeds**") shall stand in the place and stead of the Ellice

Property, and that from and after the delivery of the Receiver's Certificate - Sale, all Claims and Encumbrances shall attach to the Net Proceeds from the sale of the Ellice Property with the same priority as they had with respect to the Ellice Property immediately prior to the sale, as if the Ellice Property had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

6. THIS COURT ORDERS AND DIRECTS the Receiver to file with the Court a copy of the Receiver's Certificate - Sale, forthwith after delivery thereof to the Purchaser.

7. THIS COURT ORDERS that, notwithstanding:

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

the vesting of the Ellice Property in the Purchaser pursuant to this Order shall be binding on any licensed insolvency trustee of the bankruptcy estate that may be appointed in respect of any of the Defendants and shall not be void or voidable by creditors of the Defendants, nor shall it constitute nor be deemed a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada), 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.

8. THIS COURT ORDERS that upon delivery of the Receiver's Certificate - Sale, all of the rights and obligations of Defendants under the lease agreements relating to the Ellice Property with: (i) Coinamatic Canada Inc.; (ii) Richard Doering operating as "Pawn Traders"; and (iii) residential tenants (collectively, the "**Lease Agreements**") shall be assigned to and assumed by the Purchaser.

9. THIS COURT ORDERS that the assumption by the Purchaser of the rights and obligations of the Defendants under the Lease Agreements and the assignment of the Lease Agreements to the Purchaser by this Order are valid and binding upon the Purchaser notwithstanding any restriction or prohibition contained in the said Lease Agreements relating to the assignment thereof, including any provisions requiring the consent of any party to the assignment.

10. THIS COURT ORDERS that upon delivery of the Receiver's Certificate - Sale, the Defendants' right, title and interest in the Lease Agreements shall vest absolutely in the Purchaser free and clear of all Claims and Encumbrances. The Purchaser shall pay any amount owing by any of the Defendants under the Lease Agreements and shall perform all obligations arising under the Lease Agreements from and after closing of the Transaction.

11. THIS COURT ORDERS that following the closing of the Transaction, subject to the repayment of the Receiver's Borrowing Facility and the retention of a residual holdback on account of the estimated fees and disbursements of the Receiver and its legal counsel (the "**Receiver's Holdback**") as described at paragraphs 39 and 42 of the First Report, the Receiver is hereby authorized and directed to make a distribution of funds to creditors of the Defendants in accordance with the scheme of distribution as set out at paragraph 33 of the First Report, as follows:

- (a) to the City of Winnipeg in the amount of \$• on account of applicable property taxes; and
- (b) after making the payments described above, the Receiver shall pay the remainder of the Net Proceeds to the Plaintiff on account of the additional amounts owing by the Defendants to the Plaintiffs, which

amounts were secured by the Plaintiff's security as against the Ellice Property.

12. THIS COURT APPROVES all activities, actions, and proposed courses of action of the Receiver to date in relation to the discharge of its duties and mandate as Receiver of the Ellice Property, as such actions of the Receiver are more particularly described in the First Report and the Confidential Report, as well as the Receiver's Statement of Receipts and Disbursements contained in the First Report.

13. THIS COURT APPROVES the professional fees and disbursements of the Receiver and its legal counsel, as set out in the First Report, without the necessity of a formal passing of accounts. This Court also approves the Receiver's Holdback on account of the estimated fees and disbursements of the Receiver and its counsel, without the necessity of a formal passing of accounts.

14. THIS COURT ORDERS that upon the Receiver filing with this Court a further Receiver's Certificate substantially in the form attached as Schedule "D" hereto (the "**Receiver's Certificate – Discharge**"), certifying that it has completed the distributions as authorized by this Court pursuant to paragraph 11 of this Order, the Receiver shall be discharged as the Receiver of the undertaking, property and assets of the Defendants, provided however that notwithstanding its discharge herein (a) the Receiver shall remain the Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein,

and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceeding in favour of the Receiver in its capacity as Receiver herein.

15. THIS COURT ORDERS AND DECLARES that upon the filing of the Receiver's Certificate – Discharge, as referenced in paragraph 13 of this Order, the Receiver is hereby released and discharged from any and all liability that the Receiver now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of the Receiver while acting in its capacity as Receiver herein, save and except for any gross negligence or wilful misconduct on the Receiver's part. Without limiting the generality of the foregoing, the Receiver is hereby forever released and discharged from any and all liability relating to the matters that were raised, or which could have been raised, in the within receivership proceedings, save and except for any gross negligence or wilful misconduct on the Receiver's part.

16. THIS COURT ORDERS that the Confidential Report shall be treated as confidential and sealed and shall neither form part of the public record nor be disclosed to any party to this proceeding or otherwise, except:

- (a) by further Order of this Court, following notice to the Receiver of any motion seeking such an Order; or

- (b) upon the date on which the Receiver files with the Court the Receiver's Certificate – Sale, certifying that all transactions relating to the assets dealt with in the Confidential Report have closed to the satisfaction of the Receiver;

whichever shall first occur, whereupon the Confidential Report shall form part of the public record and shall no longer be sealed.

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

December , 2020

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I, ROSS A. MCFADYEN OF THE FIRM OF THOMPSON DORFMAN SWEATMAN LLP HEREBY CERTIFY THAT I HAVE RECEIVED THE CONSENTS AS TO FORM OF THE FOLLOWING PARTIES: THE PLAINTIFF AND •, AS DIRECTED BY THE HONOURABLE MR. JUSTICE EDMOND.





SCHEDULE A  
FORM OF RECEIVER'S CERTIFICATE - SALE

THE QUEEN'S BENCH

WINNIPEG CENTRE

IN THE MATTER OF:      The Appointment of a Receiver pursuant to Section 243  
of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-  
3, as amended, and Section 55 of *The Court of Queen's  
Bench Act*, C.C.S.M. c. C280

BETWEEN:

ROYAL BANK OF CANADA,

Plaintiff,

- and -

6382330 MANITOBA LTD., PGRP PROPERTIES INC.  
and 6472240 MANITOBA LTD.,

Defendants.

RECEIVER'S CERTIFICATE - SALE

RECITALS

A. Pursuant to the Order of the Honourable Mr. Justice Edmond of the Manitoba Court of Queen's Bench (the "**Court**") dated September 26, 2019, Deloitte Restructuring Inc. was appointed as the receiver and manager (the "**Receiver**") of certain undertaking, property and assets of the Defendants.

B. Pursuant to an Order of the Court dated December 16, 2020, the Court approved the acceptance of the Offer to Purchase dated September 21, 2019, as amended by amending agreements dated October 8, November 18, November 26 and December 1, 2020 (collectively, the "**Sale Agreement**") between the Receiver, as vendor, and Vida Living (2019) Inc., as purchaser (the "**Purchaser**"), as described in the First Report of the Receiver dated December 10, 2020, and provided for the

vesting in the Purchaser of the right, title and interest of the Defendants in and to the assets described in the Sale Agreement, namely the land and premises (including buildings and fixtures) located at 620-626 Ellice Avenue, Winnipeg, Manitoba, and certain chattels used in connection with the operation of that property as described in the Sale Agreement (collectively, the “**Ellice Property**”), which vesting is to be effective with respect to the Ellice Property 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 Ellice Property; (ii) that the conditions to closing as set out in 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:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at the City of Winnipeg, in Manitoba on the                      day of                      , 2020.

Deloitte Restructuring Inc., in its capacity as Receiver of the undertaking, property and assets of the Defendants, and not in its personal capacity

per: \_\_\_\_\_  
Name:  
Title:

## SCHEDULE "B"

### REAL PROPERTY TO BE VESTED – ENCUMBRANCES TO BE EXPUNGED

#### Title No. 2607169/1

SP LOTS 23, 24, 25 AND 26 PLAN 33483 WLTO  
IN RL 71 AND 72 PARISH OF ST JAMES

#### *Encumbrances to be Expunged From Title No. 2607169/1:*

Mortgage No. 4615316/1 from 6382330 Manitoba Ltd. to Royal Bank of Canada

Personal Property Security Notice 4615317/1 from Royal Bank of Canada

Caveat No. 4615318/1 from Royal Bank of Canada

Mortgage No. 4990183/1 from 6382330 Manitoba Ltd. to Advantage Mortgage Centre Inc.

Caveat No. 4995180/1 from Advantage Mortgage Centre Inc.

Personal Property Security Notice 4995181/1 from Advantage Mortgage Centre Inc.

#### Title No. 2607170/1

SP LOT 22 PLAN 33483 WLTO  
IN RL 71 AND 72 PARISH OF ST JAMES

#### *Encumbrances to be Expunged From Title No. 2607170/1:*

Mortgage No. 4615316/1 from 6382330 Manitoba Ltd. to Royal Bank of Canada

Personal Property Security Notice 4615317/1 from Royal Bank of Canada

Caveat No. 4615318/1 from Royal Bank of Canada

Mortgage No. 4990183/1 from 6382330 Manitoba Ltd. to Advantage Mortgage Centre Inc.

Caveat No. 4990184/1 from Advantage Mortgage Centre Inc.

Personal Property Security Notice 4990185/1 from Advantage Mortgage Centre Inc.

**SCHEDULE "C"**

**PERMITTED ENCUMBRANCES**

Title No. 2607169/1

Caveat No. 4282773/1 in favour of Coinamatic Canada Inc.

Notice No. 4621849/1 in favour of the Director of Residential Tenancies, Province of Manitoba

Title No. 2607170/1

Caveat No. 4282773/1 in favour of Coinamatic Canada Inc.

SCHEDULE D  
FORM OF RECEIVER'S CERTIFICATE - DISCHARGE

THE QUEEN'S BENCH

WINNIPEG CENTRE

IN THE MATTER OF:      The Appointment of a Receiver pursuant to Section 243  
of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-  
3, as amended, and Section 55 of *The Court of Queen's  
Bench Act*, C.C.S.M. c. C280

BETWEEN:

ROYAL BANK OF CANADA,

Plaintiff,

- and -

6382330 MANITOBA LTD., PGRP PROPERTIES INC.  
and 6472240 MANITOBA LTD.,

Defendants.

RECEIVER'S CERTIFICATE - DISCHARGE

RECITALS

A. Pursuant to the Order of the Honourable Mr. Justice Edmond of the Manitoba Court of Queen's Bench (the "**Court**") dated September 26, 2019, Deloitte Restructuring Inc. was appointed as the receiver and manager (the "**Receiver**") of certain undertaking, property and assets of the Defendants.

B. Pursuant to a further Order of the Court dated December 16, 2020 (the "**Sale Approval, Vesting, Distribution and Discharge Order**"), the Court ordered that upon the Receiver filing with this Court a certificate certifying that it has completed the distributions as authorized by the Court pursuant to paragraph 11 of the said Sale Approval, Vesting, Distribution and Discharge Order, the Receiver shall be

