



COURT FILE NO. S-246877  
VANCOUVER REGISTRY  
ESTATE NO. 11-254796

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

**IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE RECEIVERSHIP OF**

**MANNA INDUSTRIAL FUND (VALUE-ADD) LIMITED PARTNERSHIP, MANNA  
INDUSTRIAL FUND (VALUE-ADD) GP CORP, 8826 JIM BAILEY LTD., 375  
POTTERTON LTD., GENESIS MANNA HOLDINGS LTD. AND  
ALLION HOLDINGS LTD.**

**FIRST REPORT OF THE RECEIVER**

**DECEMBER 2, 2025**

## **FIRST REPORT OF THE RECEIVER**

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### **Appendix A – Nanite SPA**

## INTRODUCTION

1. On May 8, 2025 (the “**Receivership Date**”) FTI Consulting Canada Inc. (“**FTI**” or the “**Receiver**”) was appointed as receiver, without security, over:

- a. the real property legally described as:

PID: 024-66-947

Lot 6 Section Township 20 Osoyoos Division Yale District Plan KAP65805  
including all rents and leases relating thereto (the “**Jim Bailey Property**”);

- b. the real property legal described as:

PID: 023-839-171

Lot D Section 2 Township 20 Osoyoos Division Yale District Plan KAP59703  
including all rents and leases relating thereto, (the “**Potterton Property**”, and  
together with the Jim Bailey Property, the “**Real Property**”);

- c. all present and after-acquired personal property of Manna Industrial Fund (Value-Add) Limited Partnership (“**Manna LP**”), Manna Industrial Fund (Value-Add) GP Corp. (“**Manna GP**”), Genesis Manna Holdings Ltd. and Allion Holdings Ltd. (collectively, the “**Limited Receivership Entities**”) used in relation to the Real Property;
- d. all assets, and undertakings of 8826 Jim Bailey Ltd. (the “**Jim Bailey Nominee**”) and 375 Potterton Ltd. (the “**Potterton Nominee**”, together with the Jim Bailey Nominee, the “**Nominees**” and the Nominees, together with the Limited Receivership Entities, “**Manna**” or the “**Debtors**”);
- e. all shares in the capital stock of the Jim Bailey Nominee and the Potterton Nominee; and

- f. any other assets, undertakings, or property of the Debtors located on or relating to the Real Property.
- 2. The Real Property is comprised of two income producing industrial warehouse buildings totaling approximately 266,000 square feet of net rental industrial space and situated on 14 acres of land in Kelowna, BC.
- 3. The senior secured lenders in relation to the Real Property are National Bank of Canada (“NBC”) and Institutional Mortgage Capital Canada Inc. (“IMC”) (collectively, the “**Secured Lenders**”). As at the Receivership Date, NBC and IMC were owed approximately \$26.8 million and \$17.5 million, respectively.
- 4. On May 23, 2025, the Receiver commenced a sale process to market the Real Property, details of which are summarized below.
- 5. On December 2, 2025, the Receiver filed a notice of application returnable December 10, 2025, seeking an order (the “**RVO**”), among other things:
  - a. approving a sale transaction (the “**Nanite Transaction**”) contemplated by the Share Purchase Agreement dated November 14, 2025 (the “**Nanite SPA**”) between the Receiver and Nanite International Holding Ltd. and Nanite King George Limited Partnership (collectively, “**Nanite**”);
  - b. authorizing the Receiver to incorporate a new corporation (“**Residual Co.**”) and act as a director of Residual Co.;
  - c. vesting all of the right, title and interest in and to certain assets (the “**Excluded Assets**”) and liabilities (the “**Excluded Liabilities**”) of the Nominees that are not to be acquired pursuant to the Nanite PSA other than the Permitted Encumbrances (each as defined in the RVO) in Residual Co.;

- d. vesting in Nanite all of the right, title and interest in and to the Purchased Assets (as subsequently defined) free and clear of all interests, claims, liens, charges and encumbrances other than the Permitted Encumbrances; and
- e. declaring the Replacement Minute Books (as defined in the RVO) to be the minute books of the Nominees, the shares of the Nominees to represent all of the issued and outstanding shares in the capital of the Nominees and cancelling any and all other equity interests in the Nominees.

## PURPOSE

- 6. The purpose of this First Report is to provide this Honourable Court and Manna's stakeholders with information with respect to the following:
  - a. the activities of the Receiver since the Receivership Date;
  - b. a summary of the sale process (the "**Sale Process**") conducted by the Receiver with respect to the Real Property;
  - c. the key commercial terms of the Nanite SPA;
  - d. the Receiver's application for the RVO;
  - e. a summary of the Receiver's interim statement of cash receipts and disbursements for the period ending October 31, 2025 (the "**Interim R&D**"); and
  - f. the Receiver's conclusions and recommendations.

## TERMS OF REFERENCE

- 7. In preparing this First Report, the Receiver has relied upon information available to the Receiver and, where appropriate, discussions with various parties (collectively, the "**Information**").

8. Except as described in this report, the Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook.
9. The Receiver has not examined or reviewed financial forecasts and projections referred to in this First Report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
10. Future oriented financial information reported to be relied on in preparing this First Report is based on Management's assumptions regarding future events. Actual results may vary from forecast and such variations may be material.
11. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars. Capitalized terms not otherwise defined are as defined in the Receivership Order.

## **RECEIVER'S ACTIVITIES**

12. Since the Receivership Date, the Receiver's activities have included, among other things, the following:
  - a. attending to various statutory notices pursuant to the BIA, including mailing a Notice and Statement of Receiver to creditors identified in the books and records of Manna and posting a copy of the notice on the Receiver's website;
  - b. attending the Jim Bailey Property and the Potterton Property to conduct walkthroughs of the units and obtain further information on the status of the buildings;
  - c. visiting the head office address of Manna Industrial Fund as listed on its website;

- d. corresponding with Nancy Wei, Director of Manna Industrial Real Estate Management Corp., and her legal counsel to seek further background in respect of the Real Property and facilitate a transfer of available books and records;
- e. corresponding with Michael Chiang, Director of Investment and Acquisition at Union Allied Capital Corporation, with respect the history of the Real Property and his interest in acquiring the properties;
- f. meeting with Avison Young (“**AY**”), the property manager of the Real Property, to inform them of the receivership and discuss their continued involvement as property manager of the Real Property during the receivership;
- g. attending to insurance matters, including informing BFL Canada of the receivership and adding FTI as first loss payee;
- h. collecting rents and attending to monthly payments in respect of amounts owing to vendors;
- i. reviewing and assessing repairs to the buildings to maintain value of the Real Property;
- j. soliciting competitive proposals from commercial real estate brokerages and selecting CBRE Limited Capital Markets (“**CBRE**”), in consultation with the Secured Lenders (as defined below), to lead the sales process of the Real Property;
- k. reviewing bi-weekly progress reports provided by CBRE;
- l. providing periodic updates to the Secured Lenders;
- m. corresponding with CBRE with respect to potential bidders and bid deadlines;

- n. reviewing and considering bids received;
- o. negotiating a form of purchase and sale agreement with Nanite;
- p. attempting to locate the minute books of the Nominees; and
- q. preparing this First Report.

## SALES PROCESS

13. On May 23, 2025, the Receiver issued a Request for Proposals to certain real estate brokerages located in British Columbia. After reviewing the proposals received and in consultation with the Secured Lenders, CBRE was ultimately engaged on July 3, 2025 and commenced its marketing activities on July 10, 2025.

14. CBRE's marketing efforts to date include the following:

- a. populating a data room, including rent rolls and other pertinent property specific information;
- b. preparing marketing materials;
- c. sending multiple email campaigns to over 3,000 potentially interested parties;
- d. running concurrent digital advertising campaigns in the Insolvency Insider, Western Investor, WeChat Moment, Little Red Book and LinkedIn;
- e. discussing the opportunity with 54 individual parties; and
- f. signing 49 confidentiality agreements to give parties access to the data room.

15. By early October 2025, six parties expressed an interest making a bid for the properties (the "**Bidders**").

16. After consultation with CBRE and the Secured Lenders, the Receiver instructed CBRE to advise the Bidders to submit a final bid by October 20, 2025 (the “**Bid Deadline**”) with their highest and best offer requiring that the offer:

- a. be in the form of the template purchase and sale agreement provided by the Receiver;
- b. not be subject to further due diligence;
- c. provide for a deposit of at least 5% of the proposed purchase; and
- d. be accompanied by evidence of the Bidder’s ability to close the proposed transaction.

17. Two offers were received by the Bid Deadline.

18. Following discussions with both parties, the Receiver, in consultation with the Secured Lenders, concluded that the offer from Nanite represented the best opportunity to both maximize value of the benefit of stakeholder and close a transaction. After selecting the winning bid, the Receiver proceeded to conclude negotiations of the Nanite SPA, which is described below.

#### **NANITE SPA**

19. The Nanite SPA is attached as Appendix “A” to this report and is structured as a share purchase agreement.

20. The Nanite Transaction is to be completed through an RVO. If approved by this Honourable Court, the RVO will vest certain assets and liabilities in Residual Co. which is to be formed prior to closing.

21. The key commercial terms of the Nanite SPA are summarized as follows:

- a. a purchase price of \$44 million, including a \$2.2 million deposit which has been provided to the Receiver;
- b. the purchased assets (the “**Purchased Assets**”) include:
  - i. all shares in the capital stock of the Nominees;
  - ii. all right, title and interest of Manna LP and Manna GP in the Real Property;
  - iii. the Chattels (as defined in the Nanite SPA);
  - iv. the Leases and Other Assigned Contracts (as defined in the Nanite SPA); and
  - v. any other assets, undertakings or property of Manna GP and Manna LP located on or relating to the Real Property;
- c. the sale is on an “as is, where is” basis;
- d. the closing is subject to the approval of the Court;
- e. closing is to occur no later than 45 business days following approval from the Court;
- f. the closing deliverables of the Receiver include, among other things, the Replacement Minute Books; and
- g. in the event the Court declines to grant the RVO, there is a mechanism in the Nanite SPA to amend the transaction to a lower purchase price of \$42.7 million and proceed with an asset purchase with a traditional vesting order. The lower price is reflective of the approximate value of property transfer tax (“**PTT**”) that would be owing in an asset purchase. This structure provides the Receiver and the

stakeholders with the certainty of a binding offer (including if necessary through a conventional approval and vesting order structure).

22. The Receiver's comments with respect to the Nanite SPA are as follows:

- a. the marketing process undertaken by CBRE, in consultation with the Receiver, was fair and transparent and provided all participants with equal access to information and opportunity to submit an offer, and the Receiver does not believe that further time spent marketing the property would result in a superior transaction;
- b. the offer represents the highest and best purchase price offered for the Purchased Assets;
- c. a timely transaction to sell the Purchased Assets will mitigate the costs of administering the ongoing receivership;
- d. the timelines, conditions and other key items of the Nanite SPA are commercially reasonable in the circumstances, based on the Receiver's experience with similar transactions in the context of insolvency and restructuring proceedings;
- e. the sale is supported by the Secured Lenders in respect of the Real Property, NBC and IMC; and
- f. overall, it is the Receiver's view that completing the Nanite Transaction, including pursuant to the RVO, is reasonable in the circumstances and is in the best interest of Manna's creditors.

## **REVERSE VESTING ORDER**

23. The Nanite SPA contemplates an RVO structure which provides certain implementation steps, including, among other things, the incorporation of Residual Co. and the vesting of the Excluded Liabilities and Excluded Assets in Residual Co.

24. The Nanite SPA is structured as an RVO as opposed to an asset purchase agreement primarily to increase the recovery to the estate's stakeholders by eliminating the requirement to pay property transfer tax of approximately \$1.3 million that would be payable in an alternate asset transaction structure and to the limited books and records available to diligence the Nominees' shares.
25. The RVO contemplates releases in favour of the Transferred Assets, the Nominees, Nanite and the Receiver related to the Nanite Transaction and the insolvency of the Debtors, as well as releases for the current and former directors and officers of Residual Co.
26. The Receiver has considered the guidance from Canadian courts in the context of transactions to be implemented by way of a reverse vesting order. The Receiver's comments on the RVO are as follows:
- a. the reason for the RVO in this case is that the use of an RVO will result in an increased purchase price from the savings on the estimated value of the PTT, which will be payable by Nanite should the RVO not be granted;
  - b. the saving of PTT through an RVO structure results in a higher recovery to the Secured Creditors, who are the primary stakeholders in these proceedings, which is a preferable economic result to other viable alternatives;
  - c. the Province of British Columbia taxing authority, who would be the beneficiary of any PTT, that may be applicable in an asset purchase will be served with this report and the application materials; and
  - d. aside from the Province of British Columbia, no stakeholder is worse off under the RVO structure than they would have been under any other viable alternative (specifically, a transaction effected through an approval and vesting order, although under an RVO structure the Province of British Columbia is not a "stakeholder" as no liability to pay PTT will occur).

27. With respect to the releases being sought, the Receiver is of the view that:

- a. the releases are reasonable and not over-broad;
- b. the releases are rationally connected to these proceedings and the Receiver's efforts to maximize value for the Real Property;
- c. the releases in favour of Nanite, the Nominees, and the Retained Assets are necessary to complete an RVO transaction, and to that end are beneficial to the estate; and
- d. the parties being released have contributed value to these proceedings.

#### **REPLACEMENT MINUTE BOOKS**

28. The RVO also contemplates the replacement of the minute books (the "**Original Minute Books**") of the Nominees with the Replacement Minute Books to ensure that the acquired shares represent all of the issues and outstanding shares in the capital of the Nominees and cancelling any and all other equity interest in the Nominees.

29. The Receiver has been unable to locate the Original Minute Books despite taking the following steps:

- a. contacting the registered and records office of the Nominees;
- b. contacting the current director of the Nominees and Manna GP, as well as Boughton Law Corporation, who the Receiver understands previously represented the current director of the Nominees (or related entities);
- c. contacting the former director of the Nominees of Manna GP, as well as Bennett Jones LLP, who the Receiver understands represents the former director of the Nominees (or related entities);

- d. contacting legal counsel at Koffman Kalef LLP, who the Receiver understands was previously the registered and records office of the Nominees; and
  - e. contacting Bridgehouse Law LLP, who the Receiver understands represents Manna GP as insolvency counsel, and Poulus Ensom LLP, who the Receiver understands represents Manna GP and the current director of the Nominees as litigation counsel.
30. Through these efforts, the Receiver was provided with a version of the central securities register (“**CSR**”) for the Nominees from the former director of the Nominees, which will be included in the court materials filed in support of the Receiver’s application for the RVO.
31. The proposed Replacement Minute Books, which are included in the materials filed by the Receiver in support of the RVO, will be the minute books for the Nominees as of the closing of the Nanite Transaction, whereby Nanite will be the sole shareholder of the Nominees. The proposed Replacement Minute Books include (for each Nominee): (a) articles of incorporation; (b) a CSR; and (c) a Register of Directors and Officers (a “**D&O Register**”). The information contained in the CSRs and the D&O Registers is based off of the information available to the Receiver and the Purchaser, including the CSRs for the Nominees provided to the Receiver by the former director of the Nominees.
32. The Replacement Minute Books are necessary in the circumstances, as the Original Minute Books could not be located by the Receiver and Nanite requires Replacement Minute Books on the closing of the Nanite Transaction.

#### **INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS**

33. The Receiver’s Interim R&D for the period ended October 31, 2025, is summarized below:

**Interim Statement of Receipts and Disbursements**  
**For the period ended October 31, 2025**  
**\$000s**

**Receipts**

Rental income	\$	1,718
Cash on hand		646
Receiver's Certificates		250
Interest		1

<b>Total Receipts</b>		<b>2,615</b>
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**Disbursements**

Operating expenses		172
Property tax		959
Repayment of Receiver's Certificates		251
Receiver's Fees and Disbursements		284
Receiver's Legal Fees and Disbursements		89

<b>Total Disbursements</b>		<b>1,756</b>
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<b>Net Cash on Hand</b>	<b>\$</b>	<b>859</b>
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34. The key components of the Interim R&D are as follows:

- a. the Receiver has collected approximately \$1.7 million in rental income from the Real Property through October 31, 2025;
- b. Cash on hand of approximately \$646,000 relates to net rents collected prior to the receivership date and remitted to the Receiver by AY;
- c. Receiver Borrowings of \$250,000 were repaid on July 18, 2025;
- d. Property taxes of approximately \$499,000 and \$460,000 for the Potterton and Jim Bailey properties, respectively, were paid on June 16, 2025, representing amounts owing for 2024 and 2025; and
- e. Operating expenses include AY, insurance, certain maintenance repairs to the roof and walls, utilities and cleaning services.

## RECEIVER'S CONCLUSIONS AND RECOMMENDATIONS

35. The Real Property has been broadly marketed in a fair, robust and transparent manner and the Nanite SPA represents the best available recovery in the circumstances.

36. Based on the foregoing, the Receiver respectfully requests that this Honourable Court grant the RVO.

\*\*\*\*\*

All of which is respectfully submitted this 2<sup>nd</sup> day of December, 2025.

FTI Consulting Canada Inc.  
in its capacity as Receiver of Manna  
and not in its personal or corporate capacity



Tom Powell  
Senior Managing Director



Mike Clark  
Managing Director

# **Appendix A**

Nanite SPA

Execution Copy

**ASSET AND SHARE PURCHASE AGREEMENT**

This Agreement is entered into as of November 14, 2025

**BETWEEN:**

**FTI CONSULTING CANADA INC.**, in its capacity as Court appointed receiver of Manna Industrial Fund (Value-Add) Limited Partnership ("**Manna LP**"), Manna Industrial Fund (Value-Add) GP Corp ("**Manna GP**", and together with Manna LP, the "**Debtors**"), 8826 Jim Bailey Ltd. ("**Jim Bailey Corp**"), 375 Potterton Ltd. ("**Potterton Corp**", and together with Jim Bailey Corp, the "**Nominee Companies**") and others, and not in its personal or corporate capacity (the "**Receiver**")

- and -

**NANITE INTERNATIONAL HOLDING LTD.**, a company incorporated under the laws of the Province of British Columbia ("**Nanite**")

- and -

**NANITE KING GEORGE LIMITED PARTNERSHIP**, a limited partnership formed under the laws of the Province of British Columbia ("**Nanite LP**")

**WHEREAS:**

- A. Pursuant to the Order of the Supreme Court of British Columbia (the "**Court**") dated May 8, 2025, (the "**Receivership Order**"), the Receiver was appointed as receiver over certain assets and undertakings of the Debtors and the Nominee Companies, among other entities.
- B. Jim Bailey Corp is legal owner of the Jim Bailey Property, and pursuant to a bare trust and declaration of nominee and agency agreement dated March 7, 2022, holds title to those lands as bare trustee and nominee for and on behalf of Manna LP as the sole beneficiary;
- C. Potterton Corp is the legal owner of the Potterton Property, and pursuant to a bare trust and declaration of nominee and agency agreement dated March 7, 2022, holds title to those lands as bare trustee and nominee for and on behalf of Manna LP as the sole beneficiary;
- D. Manna LP is the sole shareholder of the Nominee Companies; and
- E. Pursuant to this Agreement, the Receiver desires to sell and assign to the Purchaser and the Purchaser desires to purchase and assume from the Receiver, in its capacity as Receiver of the Debtors and the Nominee Companies, all of the Purchased Assets (the "**Transaction**") in accordance with the terms of this Agreement and the Approval and Reverse Vesting Order.

1393-9030-4026

1396-5002-6266.2

NATDOCS\90279395\V-8

**NOW THEREFORE**, in consideration of the mutual covenants and agreements set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby irrevocably acknowledged, the Parties hereby acknowledge and agree as follows:

## **ARTICLE 1 INTERPRETATION**

### **1.1 Definitions**

Unless something in the subject matter or context is inconsistent therewith, the terms defined herein shall have the following meanings:

**"Affiliate"** means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such Person, and includes any Person in like relation to an Affiliate. A Person shall be deemed to **"control"** another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise; and the term **"controlled"** shall have a similar meaning.

**"Agreement"** means this asset and share purchase agreement, as may be amended and restated in writing from time to time in accordance with the terms hereof.

**"Alternative Approval and Vesting Order"** means an order by the Court, in form and substance satisfactory to the Purchaser and the Receiver, acting reasonably, among other things:

- (i) approving and authorizing this Agreement (as amended by Section 10.2 hereof) and the Transaction; and
- (ii) vesting all right, title and interest in and to the Purchased Assets to the Purchaser on Closing free and clear of all interests, claims, liens, charges, and encumbrances other than the Permitted Encumbrances

**"Applicable Law"** means, in respect of any Person, property, transaction or event, any: (i) domestic or foreign statute, law (including the common law), ordinance, rule, regulation, treaty, restriction, regulatory policy, standard, code or guideline, by-law or order; (ii) judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, orders, decisions, rulings, instruments or awards of any Governmental Authority; and (iii) policies, practices, standards, guidelines and protocols having the force of law, that applies in whole or in part to such Person, property, transaction or event.

**"Approval and Reverse Vesting Order"** means an order by the Court, in form and substance satisfactory to the Purchaser and the Receiver, acting reasonably, among other things:

- (iii) approving and authorizing this Agreement and the Transaction;

- (iv) vesting all right, title and interest in and to the Excluded Nominee Liabilities, other than Permitted Encumbrances, in and to NewCo, and releasing the Nominee Companies' from the same (the "**Reverse Vesting Orders**")
- (v) vesting all right, title and interest in and to the Purchased Assets to the Purchaser on Closing free and clear of all interests, claims, liens, charges, and encumbrances other than the Permitted Encumbrances; and
- (vi) declaring the Replacement Minute Books to be the minute books of the Nominee Companies, the Nominee Shares to represent all of the issued and outstanding shares in the capital of the Nominee Companies, and cancelling any and all other Equity Interests in the Nominee Companies (the "**Replacement Minute Book Orders**").

"**Assigned Contracts**" means the Contracts provided for in Section 3.1.

"**Assignment and Assumption Agreement**" means an assignment and assumption agreement effecting the assignment to, and assumption by, the Purchaser of the Assigned Contracts and the Assumed Liabilities, in form and substance satisfactory to the Parties, acting reasonably.

"**Assignment Order**" means an order of the Court, in form and substance satisfactory to the Purchaser and the Receiver, acting reasonably, assigning to the Purchaser the rights and obligations of the Debtors under the Assigned Contracts for which a consent, approval or waiver necessary for the assignment of such Assigned Contracts has not been obtained.

"**Assumed Liabilities**" means Liabilities relating to the Assigned Contracts, including the Permitted Encumbrances, and excluding the Excluded Nominee Liabilities.

"**Authorization**" means any authorization, approval, consent, concession, exemption, license, lease, grant, permit, franchise, right, privilege or no-action letter from any Governmental Authority having jurisdiction with respect to any specified Person, property, transaction or event, or with respect to any of such Person's property or business and affairs or from any Person in connection with any easements, contractual rights or other matters.

"**BIA**" means the *Bankruptcy and Insolvency Act* (Canada).

"**Books and Records**" means all files, documents, instruments, papers, books and records (whether stored or maintained in hard copy, digital or electronic format or otherwise), including Tax and accounting books and records used or intended for use by, or in the possession of the Debtors relating to the Purchased Assets.

"**Business Day**" means a day on which the Kamloops Land Title Office and banks are open for business in the Province of British Columbia, but does not include a Saturday, Sunday or statutory holiday in the Province of British Columbia.

**"Chattels"** means all equipment, inventory, supplies, chattels and other items of personal property owned by the Debtors and used in connection with the operation and maintenance of the Real Property.

**"Closing"** means the closing and consummation of the Transaction.

**"Closing Date"** means 45 Business Days following the issuance of the Approval and Reverse Vesting Order, or such other date as may be otherwise agreed by the Parties in writing.

**"Closing Effective Time"** means 10:00 a.m. (Vancouver time) on the Closing Date, or such other time as the Parties may agree to in writing.

**"Closing Sequence"** has the meaning set out in Section 7.5.

**"Contracts"** means any written legally binding contract, agreement, instrument, commitment or undertaking of any nature (including leases, licenses, mortgages, notes, guarantees, sublicenses, subcontracts, letters of intent and purchase orders), including all modifications, amendments, supplements, extensions, renewals, exhibits and schedules thereto to which any Debtor is a party.

**"Court"** has the meaning set out in the recitals hereto.

**"Debtors"** has the meaning set out in the recitals hereto.

**"Deposit"** has the meaning ascribed to that term in Section 4.2.

**"Equity Interests"** means any shares in the capital of the Nominee Companies, and includes any and all options, warrants, conversion rights or any other right or obligation entitling a person to acquire shares in the capital of the Nominee Companies.

**"Estoppel Certificates"** has the meaning ascribed to that term in Section 7.3.

**"Excise Tax Act"** means the *Excise Tax Act* (Canada).

**"Excluded Assets"** means all of the properties, rights, assets and undertakings of the Debtors not forming the Purchased Assets.

**"Excluded Contracts"** means all Contracts other than the Assigned Contracts.

**"Excluded Nominee Liabilities"** all Liabilities of the Nominee Companies', and all claims and encumbrances related to such Liabilities, but excluding Permitted Encumbrances.

**"General Conveyance"** means one or more general conveyances evidencing the conveyance to the Purchaser of the Debtors' right, title and interest in and to the Chattels, in form and substance satisfactory to the Parties, acting reasonably.

**"Governmental Authority"** means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, court (including the Court), tribunal, commission, stock exchange, bureau,

board or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government or securities market regulation.

**"GST/HST"** means all goods and services tax imposed under Part IX of the *Excise Tax Act*.

**"Income Tax Act"** means the *Income Tax Act* (Canada).

**"Leases"** means the Debtors' right, title and interest in all offers to lease, agreements to lease, unregistered and registered leases, subleases and rights to occupy with respect to the Real Property set out in **Schedule B**.

**"Liability"** or **"Liabilities"** 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.

**"Material Loss"** means loss or damage to, or destruction of, the Real Property or any part of it to such an extent that the replacement or repair of it cannot be substantially completed at a cost of less than 5% of the Purchase Price.

**"Nanite"** has the meaning set out in the preamble hereto.

**"Nanite LP"** has the meaning set out in the preamble hereto.

**"NewCo"** means a new company incorporated pursuant to the laws of the Province of British Columbia and in accordance with the Approval and Reverse Vesting Order, which will be added to the Receivership Proceeding as the respondent in the Receivership Order

**"New Mortgage Documents"** has the meaning set out in Subsection 7.6(c).

**"Nominee Shares"** means all of the shares in the capital of the Nominee Companies, which are held by Manna LP as reflected in the Replacement Minute Books.

**"Other Assigned Contracts"** means the interest of the Debtors in all Contracts, warranties, leases of personal property and other similar agreements relating to the operation and maintenance of the Real Property set out in **Schedule B**.

**"Organizational Documents"** means any certificate or articles of incorporation or amalgamation, notice of articles, articles, bylaws, partnership agreement or similar formation or governing documents of a Person (excluding individuals).

**"Outside Date"** means February 27, 2026, or such later date and time as the Receiver and the Purchaser may agree to in writing.

**"Parties"** means the Receiver and the Purchaser.

**"Permitted Encumbrances"** means the encumbrances listed on **Schedule D** attached hereto.

**"Person"** means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority or other entity however designated or constituted.

**"PST"** means provincial sales tax.

**"Purchase Price"** has the meaning set out in Section 4.1.

**"Purchased Assets"** has the meaning set out in Section 3.1.

**"Purchaser"** means Nanite and Nanite LP, or any assignee of some or all of the rights and obligations of the Purchaser as contemplated and authorized by this Agreement.

**"Purchaser Authorized Parties"** has the meaning set out in Section 13.3.

**"Purchaser's Solicitors"** means Dentons Canada LLP.

**"Real Property"** means the lands identified on **Schedule A** and all buildings, structures and improvements thereon.

**"Receiver"** has the meaning set out in the preamble hereto.

**"Receiver's Certificate"** means the certificate, substantially in the form attached to the Approval and Reverse Vesting Order, to be delivered by the Receiver in accordance with Section 7.2, and thereafter filed by the Receiver with the Court.

**"Receiver's Solicitors"** means Blake, Cassels & Graydon LLP.

**"Receivership Order"** has the meaning set out in the preamble hereto.

**"Receivership Proceedings"** means the receivership proceedings commenced pursuant to the Receivership Order in Action No. S-246877.

**"Recoveries"** has the meaning set out in Section 11.1(d).

**"Replacement Minute Books"** means the draft minute books of the Nominee Companies to be created by the Purchaser prior to the application for the Approval and Reverse Vesting Order, which shall be in form and substance satisfactory to the Purchaser and the Receiver, acting reasonably.

**"Retained Assets"** has the meaning set out in Section 2.2.

**"Statement of Adjustments"** has the meaning set out in Section 11.2.

**"Taxes"** means, with respect to any Person, all national, federal, provincial, local or other taxes, including income taxes, capital gains taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, capital taxes, net worth taxes, production taxes, sales taxes, use taxes, license taxes, excise taxes, environmental taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, employer health taxes, pension plan premiums and contributions, workers' compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, GST/HST, 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.

**"Transaction"** means the transaction contemplated by this Agreement.

**"Transfer Taxes"** means all present and future transfer taxes, sales taxes, use taxes, production taxes, value-added taxes, goods and services taxes, land transfer taxes, registration and recording fees, and any other similar or like taxes and charges imposed by a Governmental Authority in connection with the sale, transfer or registration of the transfer of the Purchased Assets, including GST/HST.

## **1.2 Interpretation Not Affected by Headings, etc.**

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

## **1.3 General Construction**

The terms "this Agreement", "hereof", "herein" and "hereunder" and similar expressions refer to this Agreement and not to any particular section hereof. The expression "Section", "Article" or reference to another subdivision followed by a number mean and refer to the specified Section, Article or other subdivision of this Agreement. The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

## **1.4 Extended Meanings**

Words importing the singular include the plural and vice versa and words importing gender include all genders. The term "including" means "including, without limitation," and such terms as "includes" have similar meanings and the term "third party" means any other Person other than the Receiver, the Debtors, the Nominee Companies, or the Purchaser, or any Affiliates thereof.

## **1.5 Currency**

All references in this Agreement to dollars, monetary amounts, or to \$, are expressed in Canadian dollars, unless otherwise specifically indicated.

## **1.6 Statutes**

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Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules, regulations and interpretations made under it, as it or they may have been or may from time to time be modified, amended or re-enacted.

### **1.7 Schedules & Amendments to Schedules**

The following schedules are attached hereto and incorporated in and form part of this Agreement:

#### **SCHEDULES**

- Schedule A** - Real Property
- Schedule B** - Assigned Contracts
- Schedule C** - Allocation of Purchase Price
- Schedule D** - Permitted Encumbrances

Unless the context otherwise requires, words and expressions defined in this Agreement shall have the same meanings in the Schedules and the interpretation provisions set out in this Agreement shall apply to the Schedules. Unless the context otherwise requires, or a contrary intention appears, references in the Schedules to a designated Article, Section, or other subdivision refer to the Article, Section, or other subdivision, respectively, of this Agreement.

## **ARTICLE 2 TRANSFER OF EXCLUDED NOMINEE LIABILITIES**

### **2.1 Transfer of Excluded Nominee Liabilities to NewCo**

On the Closing Date, in accordance with the Closing Sequence and pursuant to the Approval and Reverse Vesting Order, the Excluded Nominee Liabilities shall be transferred to and assumed by NewCo.

### **2.2 Retention of Assets and Permitted Encumbrances**

On the Closing Date, the Nominee Companies shall retain, free and clear of any and all Excluded Nominee Liabilities, other than Permitted Encumbrances, all of the assets owned by the Nominee Companies on the date of this Agreement and any assets acquired by the Nominee Companies' up to and including Closing, including title to the Real Property (the "**Retained Assets**").

## **ARTICLE 3 PURCHASE AND SALE OF PURCHASED ASSETS**

### **3.1 Purchase and Sale of Purchased Assets**

At the Closing, subject to the terms and conditions set forth in this Agreement, the Receiver shall sell, assign, transfer and convey to the Purchaser, and the Purchaser shall purchase, acquire and assume from the Receiver, the following property and assets (collectively, the "**Purchased Assets**"):

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- (a) all shares in the capital stock of Jim Bailey Corp, to be acquired by Nanite;
- (b) all shares in the capital stock of Potterton Corp, to be acquired by Nanite;
- (c) all right, title and interest of the Debtors in the following real property (together with all buildings, structures, and improvements):
  - (i) Municipal Address: 8826 Jim Bailey Crescent, Kelowna, BC  
  
Legal description: PID: 024-666-947, Lot 6 Section 2 Township 20 Osoyoos Division Yale District Plan KAP65805  
  
(the "**Jim Bailey Property**")
  - (ii) Municipal Address: 375 Potterton Road, Kelowna, BC,  
  
Legal Description: PID: 023-839-171, Lot D Section 2 Township 20 Osoyoos Division Yale District Plan KAP59703  
  
(the "**Potterton Property**", together with the Jim Bailey Property, the "**Real Property**"),  
  
to be acquired by Nanite LP;
- (d) the Chattels, the be acquired by Nanite LP; and
- (e) the "**Assigned Contracts**", to be acquired by Nanite LP, which are:
  - (i) the Leases; and
  - (ii) the Other Assigned Contracts;but excluding any and all right, title and interest of the Debtors to collect amounts due and owing as of the Closing Date, including without limitation rental arrears payable by a Tenant, and
- (f) any other assets, undertakings or property of the Debtors located on or relating to the Real Property, to be acquired by Nanite LP.

### 3.2 Excluded Assets

Notwithstanding Section 3.1, the Purchased Assets shall not include the Excluded Assets or the Excluded Contracts, and nothing herein shall be deemed to sell, transfer, assign or convey the Excluded Assets or the Excluded Contracts to the Purchaser.

### 3.3 Transfer of Purchased Assets and Assumption of Liabilities

Provided that Closing occurs and subject to the terms and conditions of this Agreement, possession, risk, legal and beneficial ownership of the Purchased Assets shall transfer from the

Debtors and the Nominee Companies to the Purchaser on the Closing Date, and the Purchaser agrees to assume, discharge, perform and fulfill all of the Assumed Liabilities.

### **3.4 Material Loss Damage**

If there is any Material Loss prior to the passing of risk as set out in Section 3.3 herein, the Purchaser will, within five (5) business days following receipt of notice of such Material Loss, by notice in writing at its option either:

- (a) terminate this Agreement, in which case the Deposit will be paid to the Purchaser and neither party to this Agreement will be under any further obligation to the other; or
- (b) elect to complete the purchase of the Purchased Assets, in which case the insurance proceeds and the right to receive the proceeds of all insurance will be assigned by the Receiver to the Purchaser on the Closing Date and the Purchase Price shall be reduced by the amount of any insurance deductible that has not been paid by the Receiver.

Failure by the Purchaser to so elect within the period set out above will be deemed to be an election to complete the purchase of the Purchased Assets. The Receiver will promptly notify the Purchaser if it becomes aware of any Material Loss.

For clarity, any damage or loss to the Real Property or any part thereof which is not Material Loss shall only entitle the Purchaser to the insurance proceeds and adjustment to the Purchase Price as described in Section 3.4(b), and the Purchaser shall not have the right to elect to terminate this Agreement for damage or loss which is not Material Loss.

### **3.5 Assigned Contracts**

- (a) Each of the Parties shall use reasonable commercial efforts to obtain, as may be required by the terms of such Assigned Contracts, all consents and approvals required to assign the Assigned Contracts to the Purchaser prior to the Closing.
- (b) To the extent that any Assigned Contract is not assignable without the consent or approval of the counterparty or any other Person, and such consent or approval has not been obtained prior to the Closing: (i) the Debtors' interest in, to and under such Assigned Contract may be conveyed to the Purchaser pursuant to an Assignment Order; (ii) the Receiver shall use commercially reasonable efforts to obtain an Assignment Order in respect of such Assigned Contract on or prior to the Closing; and (iii) if an Assignment Order is obtained in respect of such Assigned Contract at the request of the Purchaser, the Purchaser shall accept the assignment of such Assigned Contract on such terms.

## **ARTICLE 4 PURCHASE PRICE**

### **4.1 Purchase Price**

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The purchase price for the Purchased Assets shall be \$44,000,000, as adjusted pursuant to Section 3.4(b) above and Article 11 below, and shall be inclusive of the Deposit (the "**Purchase Price**"). The Purchase Price shall be paid on the Closing Date, in full, by wire transfer of immediately available funds to the Receiver's Solicitors' trust account designated by the Receiver. The Parties agree that the Purchase Price shall be allocated among the Purchased Assets in the manner set forth on **Schedule C** attached hereto. If requested by the Receiver, the Purchaser shall provide the Receiver with a detailed allocation of the Purchase Price between individual assets for any of the categories set forth on **Schedule C** attached hereto.

#### 4.2 Deposit and Satisfaction of Purchase Price

- (a) The Parties acknowledge that:
  - (i) the Purchaser will pay the amount equal to \$2,200,000.00 (the "**Deposit**") to the Receiver within two Business Days of execution of this Agreement by both parties;
  - (ii) the Deposit has been delivered to and shall be held in trust by the Receiver or the Receiver's Solicitors in a non-interest bearing account; and
  - (iii) the Deposit shall be held and administered by the Receiver in accordance with the terms and conditions of this Agreement (including this Section 4.2).
- (b) At Closing, the Purchase Price (as adjusted) shall be paid and satisfied as follows:
  - (i) as to the amount of the Deposit, the Receiver shall apply the Deposit against the amount of the Purchase Price for the account of the Purchaser; and
  - (ii) as to the balance of the Purchase Price (as adjusted), the Purchaser shall pay such amount by wire transfer of immediately available funds to the Receiver's Solicitors' trust account designated in writing by the Receiver.
- (c) If this Agreement is terminated:
  - (i) (A) pursuant to Section 12.1(a) by mutual agreement of the Parties; (B) pursuant to Section 3.4(a), 12.1(b) or 12.1(c) by the Purchaser; (C) pursuant to Section 8.1(c), 12.1(d), or 12.1(f) by the Receiver; or (D) for any other reason other than as contemplated under Section 12.1(e); then the full amount of the Deposit shall be returned to the Purchaser; or
  - (ii) pursuant to Section 12.1(e) by the Receiver, the full amount of the Deposit shall be forfeited by the Purchaser to the Receiver,

and, in the event of termination of this Agreement under Section 12.1(e) pursuant to which the Receiver shall be entitled to retain the Deposit, the Parties agree that the amount of the Deposit, constitutes a genuine pre estimate of liquidated damages representing the Receiver's losses as a result of Closing not occurring and agree that the Receiver shall not be entitled to recover from the Purchaser any amounts that are in excess of the Deposit as a result of Closing not occurring.

The Purchaser hereby waives any claim or defence that the amount of the Deposit is a penalty or is otherwise not a genuine pre estimate of the Receiver's damages.

#### **4.3 Deposit**

In holding and dealing with the Deposit, the Receiver is not bound in any way by any agreement other than this Agreement, if and as accepted by the Receiver, and shall not be considered to have assumed any duty, liability or responsibility other than to hold the Deposit in accordance with the provisions hereof and to pay the Deposit in accordance with the terms hereof or any order of the Court. In the event of a dispute between the Parties as to the legal entitlement to the Deposit, the Receiver may, in its discretion, pay the Deposit into Court, whereupon the Receiver shall have no further obligations relating thereto. The Receiver shall not, under any circumstances, be required to verify or determine the validity of any notice or other document whatsoever delivered to the Receiver and the Receiver is hereby relieved of any liability or responsibility for any loss or damage which may arise as a result of the acceptance by the Receiver of any such notice or other document in good faith.

#### **4.4 Taxes**

The Parties agree that:

- (a) The Purchase Price does not include Transfer Taxes and the Purchaser shall be liable for and shall pay any and all Transfer Taxes, if any, pertaining to the Purchaser's acquisition of the Purchased Assets.
- (b) Where the Receiver is required under Applicable Law to collect or pay Transfer Taxes, the Purchaser shall pay the amount of such Transfer Taxes to the Receiver on the Closing Date. The Receiver shall pay such Transfer Taxes directly to the appropriate Governmental Authority or other entity within the required time period and shall file all necessary documentation with respect to such Transfer Taxes when due.
- (c) Except where the Receiver is required under Applicable Law to collect or pay such Transfer Taxes, the Purchaser shall pay such Transfer Taxes directly to the appropriate Governmental Authority or other entity within the required time period and shall file all necessary documentation with respect to such Transfer Taxes when due. The Receiver shall do and cause to be done such things as are reasonably requested to enable the Purchaser to comply with such obligation in a timely manner. If the Receiver is required under Applicable Law to pay any such Transfer Taxes which are not paid by the Purchaser on the Closing Date, the Purchaser shall promptly reimburse the Receiver the full amount of such Transfer Taxes upon delivery to the Purchaser of copies of receipts showing payment of such Transfer Taxes.
- (d) The Purchaser submits that it is a GST/HST registrant for purposes of the Excise Tax Act and:
  - (i) Nanite has been assigned the GST/HST account number 773904719RT0001; and

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- (ii) Nanite LP has been assigned the GST/HST account number 774442685RT0001,

and, as such, that in accordance with subsection 221(2) of the Excise Tax Act, the Receiver will not collect GST in respect of the sale of the Real Property. The Purchaser hereby agrees that it will self-assess the GST applicable to the acquisition of the Real Property as required by the Excise Tax Act.

- (e) On the Closing Date, the Purchaser shall deliver to the Receiver's Solicitors a certificate (the "**GST Certificate**") of a senior officer of the Purchaser certifying, on behalf of the Purchaser and without personal liability:
  - (i) that the Purchaser is registered under Part IX of the Excise Tax Act as of the Closing Date;
  - (ii) its registration number; and
  - (iii) that the purchaser will account for, report and remit any GST/HST payable in respect of the purchase of the Real Property in accordance with the Excise Tax Act.
- (f) The Purchaser acknowledges and agrees that it may be liable to pay GST/HST and/or PST in respect of some or all of the Chattels and/or other Purchased Assets other than the Real Property. To the extent that the Purchaser cannot self-assess for GST/HST and/or PST, or, for PST, claim an exemption, the Purchaser shall report and remit, as required by applicable law, any such GST/HST and/or PST that is due directly to the applicable Governmental Authority.
- (g) The Purchaser shall indemnify the Receiver, the Debtors and the Nominee Companies for, from and against any Transfer Taxes (including any interest or penalties imposed by a Governmental Authority) that the Receiver, the Debtors, or the Nominee Companies may pay or for which the Receiver, the Debtors, or the Nominee Companies may become liable as a result of any failure by the Purchaser to report, pay or remit such Transfer Taxes, and such indemnity shall survive and shall not merge upon the completion of the purchase and sale of the Purchased Assets contemplated herein.

## **ARTICLE 5 REPRESENTATIONS AND WARRANTIES**

### **5.1 Representations and Warranties**

The Receiver hereby represents and warrants as of the date hereof and as of the Closing Date as follows, and acknowledges that the Purchaser is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

- (a) Receivership Proceedings. The Receivership Order remain in full force and effect.

- (b) No Consents or Authorizations. Subject only to obtaining the Approval and Vesting Reverse Order, the Receiver does not require any consent, approval, waiver or other Authorization from any Governmental Authority or any Representations and Warranties of the Purchaser to enter into this Agreement.

The Purchaser hereby represents and warrants to and in favour of the Receiver as of the date hereof and as of the Closing Date, and acknowledges that the Receiver is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

- (c) Incorporation and Status. The Purchaser is a corporation incorporated and existing under the laws of the Province of British Columbia, is in good standing under its governing statute and has the power and authority to enter into, deliver and perform its obligations under this Agreement.
- (d) Corporate Authorization. The execution, delivery and performance by the Purchaser of this Agreement has been authorized by all necessary corporate action on the part of the Purchaser.
- (e) No Conflict. The execution, delivery and performance by the Purchaser of this Agreement do not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of the Purchaser.
- (f) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms subject only to the Approval and Reverse Vesting Order.
- (g) Proceedings. There are no proceedings pending, or to the knowledge of the Purchaser, threatened, against the Purchaser before any Governmental Authority, which prohibit or seek to enjoin delay, restrict or prohibit the Closing of the Transaction, as contemplated by this Agreement, or which would reasonably be expected to delay, restrict or prevent the Purchaser from fulfilling any of its obligations set forth in this Agreement.
- (h) No Consents or Authorizations. Subject only to (i) obtaining the Approval and Reverse Vesting Order and (ii) obtaining any consents, approvals or waivers required in connection with the assignment of the Assigned Contracts, the Purchaser does not require any consent, approval, waiver or other Authorization from any Governmental Authority or any other Person, as a condition to the lawful completion of the Transaction.
- (i) Residency. The Purchaser is not a "non-resident" for purposes of the *Income Tax Act*.

## 5.2 As is, Where is

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The representations and warranties of the Receiver pursuant to this Agreement shall merge on Closing and shall thereafter be of no further force and effect. Despite any other provision of this Agreement, the Purchaser expressly acknowledges that the Receiver: (i) is selling the Purchased Assets on an "as is, where is" basis; (ii) on Closing, the Purchaser is releasing the Receiver, the Debtors and the Nominee Companies from any and all liabilities related to the Purchased Assets or the transaction contemplated by this Agreement. No representation, warranty or condition is express or can be implied as to description, fitness for purpose, merchantability, condition, quantity or quality or in respect of any other matter or thing whatsoever concerning the Purchased Assets. Without limiting the generality of the foregoing any and all conditions, warranties or representations expressed or implied pursuant to applicable sale of goods legislation or other similar legislation do not apply hereto and have been waived by the Purchaser. The description of the Purchased Assets contained in the Agreement are for purpose of identification only and, no representation, warranty or condition has or shall be given by the Receiver, the Debtors or the Nominee Companies concerning completeness or accuracy of such descriptions. No property disclosure statement concerning the Real Property forms part of or shall be deemed to form part of this Agreement.

## **ARTICLE 6 COVENANTS**

### **6.1 Closing Date**

The Parties shall cooperate with each other and shall use their commercially reasonable efforts to effect the Closing on or before the Outside Date.

### **6.2 Application for Approval and Vesting Order**

Subject to the other articles in this Agreement, the Receiver shall take all commercially reasonable steps to seek to obtain the Approval and Reverse Vesting Order, or in the alternative, the Alternative Approval and Vesting Order. The date of any application by the Receiver for the Approval and Reverse Vesting Order shall be at the sole discretion of the Receiver. The Purchaser shall take all commercially reasonable steps as may be necessary to assist the Receiver in obtaining the Approval and Reverse Vesting Order, including but not limited to the Replacement Minute Book Orders, or in the alternative, the Alternative Approval and Vesting Order.

### **6.3 Insurance Matters**

Until Closing, the Receiver shall use commercially reasonable efforts to keep in full force and effect all existing and applicable insurance policies of the Debtors related to the Real Property.

### **6.4 Books and Records**

The Receiver will use commercially reasonable efforts to deliver the Books and Records that relate to the Purchased Assets and Assigned Contracts (to the extent in the possession and control of the Receiver) to the Purchaser following the Closing Date.

## **ARTICLE 7 CLOSING ARRANGEMENTS**

### **7.1 Closing**

Closing shall take place on the Closing Date effective as of the Closing Effective Time electronically (or as otherwise determined by mutual agreement of the Parties in writing), by the exchange of deliverables (in counterparts or otherwise) by electronic transmission in PDF format.

### **7.2 Receiver's Closing Deliveries**

At or before the Closing, the Receiver shall deliver or cause to be delivered to the Purchaser or Purchaser's Solicitors the following:

- (a) a court-certified true copy of the Approval and Reverse Vesting Order, as issued and entered by the Court ;
- (b) the Receiver's Certificate, duly executed by the Receiver;
- (c) a termination of any and all the declarations of bare trust and agency agreement made between the Nominee Companies and the Debtors, duly executed by the Receiver;
- (d) the General Conveyance, duly executed by the Receiver;
- (e) the Assignment and Assumption Agreement, duly executed by the Receiver;
- (f) any and all the Estoppel Certificates that the Receiver has obtained in accordance with Section 7.3, duly executed by the tenants under the Leases;
- (g) the Statement of Adjustments;
- (h) the Purchased Assets;
- (i) original share certificates representing the Nominee Shares, duly endorsed by the Receiver for transfer to the Purchaser;
- (j) the Replacement Minute Books for the Nominee Companies;
- (k) a certificate of an officer of the Receiver dated as of the Closing Date confirming that all of the representations and warranties of the Receiver contained in this Agreement are true and correct in all respects as of the Closing Date, with the same effect as though made at and as of the Closing Date, and that the Receiver has performed in all material respects the covenants to be performed by it prior to the Closing Date; and
- (l) such other agreements, documents and instruments as may be reasonably required by the Purchaser to complete the Transaction, all of which shall be in form and substance satisfactory to the Purchaser, acting reasonably.

### 7.3 Estoppel Certificates

Prior to Closing, the Receiver shall use commercially reasonable efforts to cause the tenants under the Leases to execute estoppel certificates (the "**Estoppel Certificates**"), in a form satisfactory to the Purchaser acting reasonably.

### 7.4 Purchaser's Closing Deliveries

At or before the Closing Date, the Purchaser shall deliver or cause to be delivered to the Receiver's Solicitors, the following:

- (a) payment of the Purchase Price (as adjusted), net of the Deposit;
- (b) payment of all Transfer Taxes (if any) payable on Closing to the Receiver (or evidence of payment by the Purchaser thereof to the relevant Governmental Authorities) in accordance with Section 4.4;
- (c) the GST Certificate, duly executed by a senior officer of the Purchaser;
- (d) the Assignment and Assumption Agreement, duly executed by the Purchaser;
- (e) a certificate of an officer of the Purchaser dated as of the Closing Date confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true and correct in all respects as of the Closing Date, with the same effect as though made at and as of the Closing Date, and that the Purchaser has performed in all material respects the covenants to be performed by it prior to the Closing Date; and
- (f) such other agreements, documents and instruments as may be reasonably required by the Receiver to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

### 7.5 Closing Sequence – Effect of RVO

On the Closing Date, and pursuant to the terms of the Approval and Reverse Vesting Order, Closing shall take place in the following sequence (the "**Closing Sequence**"):

- (a) First, all of the Excluded Nominee Liabilities, and all other claims and encumbrances as against the Nominee Companies, other than the Permitted Encumbrances, shall be discharged from and against the Nominee Companies, all in accordance with the Approval and Reverse Vesting Order;
- (b) Second, all of Nominee Companies' right title and interest in and to the Excluded Nominee Liabilities shall be channeled to, assumed by and vest absolutely and exclusively in NewCo and: (i) such Excluded Nominee Liabilities, and any claims or encumbrances related thereto, shall continue to attach to the property and assets of NewCo, with the same nature and priority as they had immediately prior to the Closing Effective Time; (ii) such Excluded Nominee Liabilities, and all claims and encumbrances related thereto, shall be transferred to and assumed by NewCo and shall become obligations of NewCo, all of which shall no longer be a Liability or

obligation of the Nominee Companies, and the Nominee Companies shall be and are hereby forever released and discharged from such Excluded Nominee Liabilities;

- (c) Third, the Retained Assets will be retained by the Nominee Companies' free and clear of all Excluded Nominee Liabilities, and all claims and encumbrances, save and except Permitted Encumbrances;
- (d) Fourth, the Nominee Companies' shall cease to be a party to the Receivership Proceeding and the Nominee Companies be deemed to be released from the purview of the Receivership Order and all other Orders of this Court granted the Receivership Proceeding, save and except for the Approval and Reverse Vesting Order the provisions of which (as they relate to the Nominee Companies) shall continue to apply in all respects;
- (e) Fifth, the Receiver shall file with the Court the Receiver's Certificate in accordance with the Approval and Reverse Vesting Order; and
- (f) Sixth, the Receiver shall be authorized to assign NewCo into bankruptcy in accordance with the Approval and Reverse Vesting Order and FTI Consulting Canada Inc. will be the trustee in bankruptcy (in such capacity, the "**Bankruptcy Trustee**").

The Purchaser, with the prior consent of the Receiver, acting reasonably, may amend the Closing Sequence provided that such amendments to the Closing Sequence do not materially alter or impact the Transaction.

## 7.6 Closing Procedure – Registrations on Title

- (a) On or before the Closing Date, the Purchaser shall pay to the Purchaser's Solicitors, in trust, the Purchase Price net of the Deposit, as adjusted in accordance with the terms of this Agreement.
- (b) Forthwith following receipt by the Purchaser's Solicitors of the payment pursuant to Subsection 7.6(a) and the documents and items referred to in Section 7.2, the Purchaser shall cause the Purchaser's Solicitors to file the Approval and Reverse Vesting Order, and, if applicable, the New Mortgage Documents in the Kamloops Land Title Office on the Closing Date in accordance with written undertakings settled between the Purchaser's Solicitors and the Receiver's Solicitors and which will require the Receiver's Solicitors to make such payments and do such acts and things as are necessary to discharge from title to the Real Property any encumbrances which are not Permitted Encumbrances. For greater certainty, the Canadian Bar Association (BC Branch) (Real Property Section) standard undertakings may apply, subject to necessary and required amendments that are reasonably satisfactory to the Purchaser's Solicitors and Receiver's Solicitors.
- (c) If the Purchaser is relying upon a new mortgage to finance the Purchase Price, the Purchaser, while still require to pay the Purchase Price (as adjusted) on the Closing Date, may wait to pay the Purchase Price (as adjusted) to the Receiver after the new mortgage documents (collectively, the "**New Mortgage Documents**") have

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been lodged for registration in the Kamloops Land Title Office, but only if, before such lodging, the Purchaser has

- (i) made available for tender to the Receiver that portion of the Purchase Price (as adjusted) net of the Deposit not secured by the new mortgage;
  - (ii) fulfilled all the new mortgagee's conditions for funding except lodging the mortgage for registration; and
  - (iii) made available to the Receiver's solicitors a written undertaking by the Purchaser's Solicitors to pay the Purchase Price (as adjusted) net of the Deposit upon the lodging of the Approval and Reverse Vesting Order and the New Mortgage Documents and the advance by the mortgagee of the anticipated net mortgage proceeds.
- (d) Forthwith following submission for registration of the Approval and Reverse Vesting Order and, if applicable, the New Mortgage Documents, and upon the Purchaser's Solicitors being satisfied as to the title to the Real Property after conducting a post-filing registration check of the property index disclosing only the following:
- (i) the existing title number to the Real Property;
  - (ii) the Permitted Encumbrances;
  - (iii) pending numbers assigned, respectively, to the Approval and Reverse Vesting Order and, if applicable, the New Mortgage Documents; and
  - (iv) any encumbrance with respect to which the Receiver's Solicitors have given undertakings reasonably acceptable to the Purchaser's Solicitors to discharge the same,

the Purchaser shall cause the Purchase Price (as adjusted) net of the Deposit to be paid to the Receiver's Solicitors, in trust, by wire transfer of immediately available funds in accordance with the wire instructions to be provided by the Receiver's Solicitors, or as otherwise directed by the Approval and Reverse Vesting Order.

## **7.7 Possession**

Possession shall occur and shall be governed by the operation of and pursuant to the terms of the Approval and Reverse Vesting Order and any further order of the Court.

The Purchaser acknowledges that the Receiver's possession of the Real Property is derived solely from the Receivership Order. If the registered owner(s) of the Real Property fail or refuse to vacate the Real Property on the Closing Date, the Receiver shall take such further steps (including, without limitation, seeking further relief from the Court) as may be necessary to provide the Purchaser with possession, but shall otherwise have no further liability to the Purchaser and the registered owner(s) failure or refusal to vacate the Real Property on the Closing Date shall not constitute a default of this Agreement.

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The Purchaser hereby agrees to accept, on the Closing Date, all obligations that arise under the Assigned Contracts on or after the Closing Date.

## **ARTICLE 8 INSOLVENCY PROVISIONS**

### **8.1 Court Orders and Related Matters**

- (a) Closing is expressly subject to the approval of the Court, and all such other modifications, variations and orders of the Court, as may be applicable, and shall only occur after the Approval and Reverse Vesting Order has been granted by the Court approving this Agreement.
- (b) The Purchaser acknowledges and agrees that:
  - (i) at all times prior to Closing, the Receiver is subject to the jurisdiction and discretion of the Court to entertain other offers and to abide by any further orders the Court may make regarding the Purchased Assets;
  - (ii) the Receiver may choose to advocate, or the Receiver may be compelled to advocate, that the Court consider other offers to obtain the highest price for the Purchased Assets, and, in this regard, the Receiver gives no undertaking or commitment to the Purchaser to advocate or otherwise express support for the acceptance of this Agreement;
  - (iii) it has been advised by the Receiver that, in order to protect its interests, the Purchaser should retain legal counsel to appear at the hearing of the application for the Approval and Reverse Vesting Order, including to make an amended or further offer for the Purchased Assets should that prove necessary; and
  - (iv) until the Approval and Reverse Vesting Order is granted, the Receiver is at liberty to deal with any and all other prospective purchasers of the Purchased Assets.
- (c) This Agreement shall be terminated if, at any time before the Court issues the Approval and Reverse Vesting Order or Approval and Vesting Order:
  - (i) the Receiver gives the Purchaser written notice that the Receiver has determined, in its sole discretion:
    - (a) that it is inadvisable to present this Agreement to the Court; or
    - (b) to withdraw such Agreement from the Court prior to any determination by the Court regarding its approval; or
  - (ii) any order of the Court (or other court of competent jurisdiction) renders the completion impossible or the Receiver is restrained or enjoined or otherwise prevented from completing the sale,

and, following such termination, the Parties shall have no further obligations or liability to each other under this Agreement other than the obligation of the Receiver to return the Deposit to the Purchaser.

## **ARTICLE 9 ENVIRONMENTAL**

**9.1** In this Article 9, "**Environmental Liabilities**" means all losses of any kind suffered by or against any person, business or property, including or as a result of any order, investigation or action by any governmental authority, arising from or with respect to any one or more of the following:

- (a) the release or presence at the Real Property of any hazardous material, contaminant, pollutant or other substance that creates a risk of harm or degradation, immediately or at some future time, to the environment or to human health;
- (b) liability under any applicable law in relation to the environment, including, without limitation, the *Environmental Management Act* (British Columbia) and the regulations thereto, for any costs incurred in respect of environmental matters associated with the Real Property, whether for clean up, remediation, assessment or otherwise; and
- (c) liability for personal injury or property damage at the Real Property arising in connection with any breach of any applicable environmental laws, including civil, criminal or quasi-criminal laws, or under any statutory or common law tort or similar theory.

The Purchaser waives any right to a disclosure statement or any other report under the *Environmental Management Act* (British Columbia) and the regulations thereto.

The Purchaser irrevocably releases, remises and forever discharges the Receiver, and the Receiver's successors, assigns, directors, officers, employees and agents (collectively, the "**Releasees**") of and from any and all manner of actions, claims, causes of action, litigation, obligations or liabilities, whether at common law, equity or statutory, including, without limitation, the *Environmental Management Act* (British Columbia) and the regulations thereto, or any concerns that the Purchaser has, could have or may have in the future, which in any way arise out of or relate to any Environmental Liabilities.

## **ARTICLE 10 CONDITIONS OF CLOSING**

### **10.1 Conditions Precedent in favour of the Parties**

The obligation of the Parties to complete the Transaction is subject to the following joint conditions being satisfied, fulfilled or performed on or prior to the Closing Date:

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- (a) Approval and Reverse Vesting Order. The Court shall have issued and entered the Approval and Reverse Vesting Order, which Approval and Reverse Vesting Order shall not have been stayed, set aside, or vacated; and
- (b) No Order. No Applicable Law and no judgment, injunction, order or decree shall have been issued by a Governmental Authority or otherwise in effect that restrains or prohibits the completion of the Transaction.

The foregoing conditions are for the mutual benefit of the Parties. Subject to Section 10.2 hereof, if any condition set out in this Section 10.1 is not satisfied, performed or mutually waived on or prior to the Outside Date, any Party may elect on written notice to the other Parties to terminate this Agreement.

## 10.2 Alternative Approval and Vesting Order

If the Court declines to grant the Approval and Reverse Vesting Order, and in particular the Reverse Vesting Orders or the Replacement Minute Book Orders, but does grant the Alternative Approval and Vesting Order on or before the Outside Date, then concurrent with the granting of the Alternative Approval and Vesting Order, this Agreement shall be deemed to be amended as follows:

- (a) the definition of "Debtors" in Section 1.1 is deleted in its entirety and the following substituted therefor:  
  

**"Debtors"** means Manna LP, Manna GP, Jim Bailey Corp and Potterton Corp.;
- (b) Sections 2.1, 2.2, 3.1(a) and (b) are deleted in their entirety;
- (c) Section 3.1 is amended such that Nanite, or its nominee(s), will acquire legal title to the Real Property, and Nanite LP will acquire the balance of the Purchased Assets;
- (d) the reference to "\$44,000,000" in Section 4.1 is deleted and replaced with "\$42,700,000";
- (e) Section 7.5 is deleted in its entirety; and
- (f) the reference to "Approval and Reverse Vesting Order" in Section 1.1 (definition of "Closing Date" and "Receiver's Certificate"), 5.1(f) and (h), 7.2(a), 7.6, 7.7, 8.1, and 10.1(a) is deleted and replaced with "Alternative Approval and Vesting Order".

## 10.3 Conditions Precedent in favour of the Purchaser

The obligation of the Purchaser to complete the Transaction is subject to the following conditions being satisfied, fulfilled, or performed on or prior to the Closing Date:

- (a) Receiver's Deliverables. The Receiver shall have (i) delivered or conveyed, or caused to have been delivered or conveyed, to the Purchaser all of the Purchased

Assets; and (ii) executed and delivered or caused to have been executed and delivered to the Purchaser all the documents contemplated in Section 7.2.

- (b) No Breach of Representations and Warranties. Each of the representations and warranties contained in Section 5.1 shall be true and correct in all respects: (i) as of the Closing Date as if made on and as of such date, or (ii) if made as of a date specified therein, as of such date.
- (c) No Breach of Covenants. The Receiver shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Receiver on or before the Closing.

The foregoing conditions are for the exclusive benefit of the Purchaser. Any condition in this Section 10.3 may be waived by the Purchaser in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing. If the conditions set out in this Section 10.3 are not satisfied or performed on or prior to the Outside Date, the Purchaser may elect on written notice to the Receiver to terminate this Agreement.

#### **10.4 Conditions Precedent in favour of the Receiver**

The obligation of the Receiver to complete the Transaction is subject to the following conditions being satisfied, fulfilled, or performed on or prior to the Closing Date:

- (a) Purchaser's Deliverables. The Purchaser shall have executed and delivered or caused to have been executed and delivered to the Receiver at the Closing all the documents and payments contemplated in Section 7.4.
- (b) No Breach of Representations and Warranties. Each of the representations and warranties contained in Section 5.1 shall be true and correct in all respects: (i) as of the Closing Date as if made on and as of such date, or (ii) if made as of a date specified therein, as of such date.
- (c) No Breach of Covenants. The Purchaser shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Purchaser on or before the Closing.

The foregoing conditions are for the exclusive benefit of the Receiver. Any condition in this Section 10.4 may be waived by the Receiver in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part. Any such waiver shall be binding on the Receiver only if made in writing. If any condition set forth in this Section 10.4 is not satisfied or performed on or prior to the Outside Date, the Receiver may elect on written notice to the Purchaser to terminate the Agreement.

### **ARTICLE 11 ADJUSTMENTS**

#### **11.1 Adjustments**

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- (a) Adjustments shall be made as of the Closing Date for prepaid rents and any other amounts prepaid by tenants under the Leases, security deposits paid by tenants to the Debtors pursuant to the Leases, and, to the extent such amounts are not Recoveries, realty taxes, local improvement levies and charges, water and assessment rates, utilities, fuel, licences necessary for the operation of the Property and all other items normally adjusted between a vendor and purchaser in respect of the sale of property similar to the Real Property.
- (b) Adjustments shall be made as of the Closing Date for any amounts payable by the Receiver or Debtors under the Assigned Contracts relating to any period of time prior to the Closing Date, and to the extent such amounts have not been paid as of the Closing Date, shall be adjusted as a credit in favour of the Purchaser.
- (c) The Purchaser shall receive all income and pay all expenses in respect of the Real Property for the Closing Date itself.
- (d) Notwithstanding anything to the contrary set forth herein, the Parties agree that with respect to the expenses recoverable from the tenants under the Leases including, without limitation, operating costs, property taxes and other similar expenses (the "**Recoveries**"), no adjustment or reconciliation of such Recoveries shall be made in connection with the Transaction and the Receiver shall provide the Purchaser with a copy of the property manager's most recent budget or accounting statement in respect of such Recoveries together with the draft Statement of Adjustments and all amounts received from tenants under the Leases on account of the Recoveries in respect of operating costs, property taxes and other similar expenses that have not yet been paid shall be adjusted for in favour of the Purchaser.

## 11.2 Statement of Adjustments

A statement of adjustments (the "**Statement of Adjustments**") will be provided by the Receiver to the Purchaser, not later than five (5) business days prior to the Closing Date. The Receiver makes no warranties or representations whatsoever, express or implied, about the Statement of Adjustments.

## 11.3 Re-Adjustment Determination

The parties hereto acknowledge and agree that there will be no re-adjustment after the Closing Date.

## 11.4 Arrears

Arrears of rents and recoveries relating to the Purchased Assets (in this Section 11.4 collectively, "**Arrears**") which have accrued prior to and including the Closing Date shall remain the property of the Receiver. The Purchaser shall use reasonable efforts to collect on behalf of the Receiver any Arrears existing as of the Closing Date, but this covenant shall not require the Purchaser to initiate any legal action on behalf of the Receiver or to incur any costs or expenses in connection with any such reasonable efforts made by the Purchaser on behalf of the Receiver. Any rent received by the Purchaser from or with respect to any tenant who is in arrears in the payment of rent or recoveries as of the Closing Date shall be applied as follows:

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- (a) first, against the rent, interest, and arrears accrued after the Closing Date; and
- (b) thereafter, the excess, if any, against the arrears accrued on or prior to the Closing Date.

## **ARTICLE 12 TERMINATION**

### **12.1 Grounds for Termination**

This Agreement may be terminated on or prior to the Closing Date:

- (a) by the mutual written agreement of the Receiver and the Purchaser;
- (b) by the Purchaser, upon written notice to the Receiver, if there has been a material breach by the Receiver of any material representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Purchaser, and: (i) such breach is not curable and has rendered the satisfaction of any condition in Section 10.3 impossible by the Outside Date; or (ii) if such breach is curable, the Purchaser has provided prior written notice of such breach to the Receiver, and such breach has not been cured within five (5) days (or, if not curable within five (5) days, such longer period as is reasonable under the circumstances, not to exceed fifteen (15) days) following the date upon which the Receiver received such notice;
- (c) by the Purchaser, upon written notice to the Receiver, any time after the Outside Date, if the Closing has not occurred by the Outside Date and such failure to close was not caused by or as a result of the Purchaser's breach of this Agreement;
- (d) by the Receiver, upon written notice to the Purchaser, if the adjustment to the Purchase Price pursuant to Section 11.1(b) exceeds 1% of the Purchase Price, and the Purchaser has refused to either (a) exclude the Assigned Contracts contributing to such adjustment from the Purchased Assets; or (b) reduce the adjustment to the Purchase Price pursuant to Section 11.1(b) to 1% of the Purchase Price;
- (e) by the Receiver, upon written notice to the Purchaser, if:
  - (i) there has been a material breach by the Purchaser of any material representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Receiver, and: (1) such breach is not curable and has rendered the satisfaction of any condition in Section 10.4 impossible by the Outside Date; or (2) if such breach is curable, the Receiver has provided prior written notice of such breach to the Purchaser, and such breach has not been cured within five (5) Business Days following the date upon which the Purchaser received such notice; or
  - (ii) the Transaction is not completed on the Closing Date as a result of the default of the Purchaser under this Agreement; or

- (f) by the Receiver, upon written notice to the Purchaser, any time after the Outside Date, if the Closing has not occurred by the Outside Date and such failure to close was not caused by or as a result of the breach of this Agreement by the Receiver; or
- (g) in accordance with Section 8.1(c).

## **12.2 Effect of Termination**

If this Agreement is terminated pursuant to Section 12.1, all further obligations of the Parties under this Agreement shall terminate and no Party shall have any Liability or further obligations hereunder, save and except the Deposit which shall be dealt with in accordance with Section 4.2 hereof.

## **ARTICLE 13 GENERAL**

### **13.1 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein and each of the Parties irrevocably attorns to the exclusive jurisdiction of the Court, and any appellate courts of the Province of British Columbia therefrom.

### **13.2 Notice**

Any notice or other communication under this Agreement shall be in writing and may be delivered by read-receipted email, addressed:

- (a) in the case of the Purchaser, as follows:

Dentons Canada LLP

20<sup>th</sup> Floor, 250 Howe Street

Vancouver, BC V6C 3R8

Attention: Jordan Schultz

Email: [jordan.schultz@dentons.com](mailto:jordan.schultz@dentons.com)

- (b) in the case of the Receiver, as follows:

FTI Consulting Canada Inc.

701 West Georgia Street  
Suite 1450, PO Box 10089  
Vancouver, BC V7Y 1B6  
Canada

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Attention: Tom Powell and Mike Clark  
Email: [tom.powell@fticonsulting.com](mailto:tom.powell@fticonsulting.com) and [mike.clark@fticonsulting.com](mailto:mike.clark@fticonsulting.com)

with a copy to:

Blake, Cassels & Graydon LLP  
1133 Melville Street  
Suite 3500, The Stack  
Vancouver, BC V6E 4E5

Attention: Peter Rubin and Claire Hildebrand  
Email: [peter.rubin@blakes.com](mailto:peter.rubin@blakes.com) and [claire.hildebrand@blakes.com](mailto:claire.hildebrand@blakes.com)

Any such notice or other communication, if transmitted by email before 5:00 p.m. (Vancouver time) on a Business Day, shall be deemed to have been given on such Business Day, and if transmitted by email after 5:00 p.m. (Vancouver time) on a Business Day, shall be deemed to have been given on the Business Day after the date of the transmission. In the case of a communication by email or other electronic means, if an autoreply is received indicating that the email is no longer monitored or in use, delivery must be followed by the dispatch of a copy of such communication pursuant to one of the other methods described above; provided however that any communication originally delivered by electronic means shall be deemed to have been given on the date stipulated above for electronic delivery.

Sending a copy of a notice or other communication to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice or other communication to that Party. The failure to send a copy of a notice or other communication to legal counsel does not invalidate delivery of that notice or other communication to a Party. A Person may change its address for service by notice given in accordance with the foregoing and any subsequent communication must be sent to such Person at its changed address.

### **13.3 Public Disclosure**

The Receiver shall be entitled to disclose this Agreement to the Court and parties with an interest in the Purchased Assets and as otherwise necessary to obtain the Approval and Reverse Vesting Order. The Purchaser acknowledges and agrees that any information provided to the Purchaser with respect to this Agreement or the transaction contemplated herein shall be kept confidential by the Purchaser and not disclosed to any third party, except the Purchaser's directors, officers, employees, agents or advisors, including lawyers, accountants, consultants, bankers and financial advisors (the "**Purchaser Authorized Parties**") for the purpose of carrying out the intent of this Agreement. The Purchaser will instruct the Purchaser Authorized Parties to comply with the provisions of this Section 13.3 and the Purchaser will be responsible for any breach of this Section 13.3 by a Purchaser Authorized Party.

### **13.4 Time**

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Parties. If the time for doing any act or making any payment or delivery pursuant to this Agreement expires or falls on a day that is not a Business Day, the time for doing such act or

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making such payment or delivery shall be automatically extended to the next succeeding Business Day.

### **13.5 Survival**

The representations and warranties of the Parties contained in this Agreement shall merge on Closing. The covenants of the Parties contained herein to be performed after the Closing shall survive Closing and remain in full force and effect.

### **13.6 Benefit of Agreement**

This Agreement shall ensure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

### **13.7 Entire Agreement**

This Agreement and the Schedules attached hereto, constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior negotiations, understandings and agreements. This Agreement may not be amended or modified in any respect except by written instrument executed by the Receiver and the Purchaser.

### **13.8 Paramountcy**

In the event of any conflict or inconsistency between the provisions of this Agreement, and any other agreement, document or instrument executed or delivered in connection with the transaction contemplated by this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

### **13.9 Assignment**

The Purchaser may assign its rights and obligations under this Agreement, in whole or in part, to any Affiliate of the Purchaser, by providing written notice of such assignment to the Receiver on or before the date which is two (2) Business Days prior to the application for the Approval and Reverse Vesting Order. Any assignment by the Purchaser in accordance with this Section 13.9 shall not release the Purchaser of any obligation or liability under this Agreement, including without limitation, the obligation to pay the Purchase Price and the Subscription Price subject to the terms hereof.

Other than as expressly authorized by this Section 13.9, neither Party may assign or transfer, whether absolutely, by way of security or otherwise, all or any part of its respective rights or obligations under this Agreement without the prior written consent of the other Party.

### **13.10 Further Assurances**

Each of the Parties shall (including following Closing), take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the other such conveyances, transfers, documents and further assurances as may be reasonably necessary or desirable to give effect to this Agreement and the transaction contemplated herein.

### **13.11 Counterparts**

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This Agreement may be executed in any number of counterparts, each of which will be an original, and all of which taken together will constitute one and the same agreement. An electronically or digitally signed counterpart of this Agreement using DocuSign or any other electronic or digital form of execution will have the same force and effect as a manually signed counterpart. Delivery of an executed counterpart of this Agreement by electronic means, including by facsimile transmission or by electronic delivery in portable document format (".pdf"), will be equally effective as delivery of an originally or manually executed counterpart.

### **13.12 Joint and Several Liability**

All of the covenants, representations, warranties, agreements, liabilities, indemnities and obligations of the Purchaser pursuant to this Agreement or any of the Purchaser's documents delivered on Closing hereunder are and shall be construed to be the joint and several covenants, representations, warranties, agreements, liabilities, indemnities and obligations of the Purchaser.

### **13.13 Severability**

Notwithstanding any provision herein, if a condition to complete the Transaction, or a covenant or an agreement herein is prohibited or unenforceable pursuant to Applicable Law, then such condition, covenant or agreement shall be ineffective to the extent of such prohibition or unenforceability without invalidating the other provisions hereof.

### **13.14 Receiver's Capacity**

In addition to all of the protections granted to the Receiver under the BIA, other applicable legislation, or any order of the Court in the Receivership Proceedings, the Purchaser acknowledges and agrees that the Receiver, acting in its capacity as Receiver in respect of the Debtors and the Nominee Companies and not in its personal or corporate capacity, shall have no liability, in its personal or corporate capacity or otherwise, in connection with this Agreement or the Transaction contemplated herein whatsoever as receiver.

*[Signature Page Follows]*

**IN WITNESS WHEREOF** the Parties have executed this Agreement as of the day and year first above written.

**FTI CONSULTING CANADA INC.**

in its capacity as Court appointed  
receiver of Manna Industrial Fund  
(Value-Add) Limited Partnership,  
Manna Industrial Fund (Value-Add)  
GP Corp, 8826 Jim Bailey Ltd., and  
375 Potterton Ltd., and not in its  
personal or corporate capacity

Per: 

Name: TOM POWELL

Title: SENIOR MANAGING DIRECTOR

**NANITE INTERNATIONAL  
HOLDING LTD.**

Per: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**NANITE KING GEORGE LIMITED  
PARTNERSHIP**, by its general  
partner, **NANITE INTERNATIONAL  
HOLDING LTD.**

Per: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**IN WITNESS WHEREOF** the Parties have executed this Agreement as of the day and year first above written.

**FTI CONSULTING CANADA INC.**

in its capacity as Court appointed receiver of Manna Industrial Fund (Value-Add) Limited Partnership, Manna Industrial Fund (Value-Add) GP Corp, 8826 Jim Bailey Ltd., and 375 Potterton Ltd., and not in its personal or corporate capacity

Per: \_\_\_\_\_  
Name:  
Title:

**NANITE INTERNATIONAL HOLDING LTD.**

Signed by:  
Per: Baohua Zhang  
940322E5E06D43D  
Name: Baohua Zhang  
Title: Director

**NANITE KING GEORGE LIMITED PARTNERSHIP**, by its general partner, **NANITE INTERNATIONAL HOLDING LTD.**

Signed by:  
Per: Baohua Zhang  
940322E5E06D43D  
Name: Baohua Zhang  
Title: Director

**SCHEDULE A**  
**REAL PROPERTY**

**1. Jim Bailey Property**

- a. **Municipal Address:** 8826 Jim Bailey Crescent, Kelowna, BC
- b. **Legal Description:** PID: 024-666-947, Lot 6 Section 2 Township 20 Osoyoos  
Division Yale District Plan KAP65805

**2. Potterton Nominee Property**

- a. **Municipal Address:** 375 Potterton Road, Kelowna, BC
- b. **Legal Description:** PID: 023-839-171, Lot D Section 2 Township 20 Osoyoos  
Division Yale District Plan KAP59703

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## SCHEDULE B

### ASSIGNED CONTRACTS

#### LEASES

- Unit #A1 of the Jim Bailey Property: Industrial Lease (Multi-Tenant), dated for reference October 27, 2017, among United Parcel Service Canada Ltd. ("**UPS**"), as tenant, and Kelowna Two Limited Partnership ("**K2 LP**"), as landlord, as subsequently (i) assigned by K2 LP to Manna LP, and (ii) extended pursuant to a Lease Extension Agreement made June 9, 2022 among UPS and Manna LP;
- Unit #A2, B, C and D of the Jim Bailey Property: Industrial Lease (Multi-Tenant), dated for reference March 1, 2019, among National Tire Distributors Inc. ("**National**"), as tenant, and Kelowna Two Limited Partnership, as landlord, as subsequently assigned by K2 LP to Manna LP;
- Unit #A of the Potterton Property: Industrial Lease (Multi-Tenant), dated August 11, 2017, among Bronco Industries Inc. ("**Bronco**"), as tenant, and Kelowna Two Limited Partnership, as landlord, as subsequently (i) modified by Lease Modification Agreement dated October 8, 2020 among Bronco and K2 LP (ii) assigned by K2 LP to Manna LP, and (iii) extended pursuant to a Lease Extension Agreement made May 29, 2023 among Bronco and Manna LP;
- Unit #B of the Potterton Property: Industrial Lease (Multi-Tenant), dated December 1, 2021, among Pratts Food Service Alberta Ltd. ("**Pratt**"), as tenant, and Kelowna Two Limited Partnership, as landlord, as subsequently assigned by K2 LP to Manna LP;
- Unit #C of the Potterton Property: Industrial Lease (Multi-Tenant), dated August 10, 2020, among Factors Group Nutritional Companies Inc. ("**Factors**"), as tenant, and Kelowna Two Limited Partnership, as landlord, as subsequently (i) assigned by K2 LP to Manna LP; and (ii) extended and modified pursuant to a Lease Term Extension and Lease Modification Agreement dated July 8, 2025 between FTI Consulting Canada Inc., in its capacity as Court appointed receiver of Manna LP, and Factors;
- Unit #D1 of the Potterton Property: Industrial Lease (Multi-Tenant), dated August 7, 2019, among Encann Solutions Inc. ("**Encann**"), as tenant, and Kelowna Two Limited Partnership, as landlord, as subsequently (i) assigned by K2 LP to Manna LP, (ii) extended pursuant to a Lease Extension Agreement made May 31, 2023 among Encann and Manna LP, and (iii) assigned and amended by Assignment and Assumption of Lease and Lease Amending Agreement dated July 1, 2024 among Manna LP, as landlord, Encann, as assignor, CHL Farms Ltd. ("**CHL**"), as assignee, and Justin Singh Kooner, as indemnifier; and
- Unit #D2 of the Potterton Property: Industrial Lease (Multi-Tenant), dated May, 2021, among Premium Canada Holdings Inc. ("**Premium**"), as tenant, and Kelowna Two Limited Partnership, as landlord, as subsequently assigned by K2 LP to Manna LP.

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**OTHER ASSIGNED CONTRACTS**

- Management Agreement dated March 4, 2022, among Avison Young Real Estate Management Services, LP, as manager, and Manna LP, as owner, in respect of the Jim Bailey Property; and
- Management Agreement dated March 4, 2022, among Avison Young Real Estate Management Services, LP, as manager, and Manna LP, as owner, in respect of the Potterton Property

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**SCHEDULE C**  
**ALLOCATION OF PURCHASE PRICE**

<b>Asset Type</b>	<b>Amount (CAD\$)</b>
Shares	\$100
Real Property	\$37,399,900
Assigned Contracts	\$6,600,000
Other Assets	\$(nil)
<b>Total:</b>	<b>\$44,000,000</b>

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**SCHEDULE D**  
**PERMITTED ENCUMBRANCES**

**General:**

1. The reservations, limitations, provisos and conditions expressed in the original grant thereof form the Crown of any of the Real Property and the statutory exceptions to title currently applicable to the Real Property;
2. A claim of right, title or jurisdiction which may be made or established by any aboriginal peoples by virtue of their status as aboriginal peoples on or over any of the Real Property;
3. Liens for taxes, assessments, rates, duties, charges or levies not at the time due, which relate to obligations or liabilities assumed by the Purchaser;

**Jim Bailey Property**

**Legal Notations:**

1. Easement D25277 over Lots 43, 94, 95, 96, 108, 130, 143 & 144, Plan 521, partially cancelled as to Lot 43 Plan 521 except Plan 26304 by LB214351, benefit cancelled as to Lot B Plan KAP83086 by CA4258495;
2. Notice of Interest, Builders Lien Act (S.3(2)), see CA4717353 filed 2015-10-01;
3. Easement D28100 over Lot 140, Plan 521;
4. Easement F28660 over part of Lot 3, Plan 500 outlined red on Plan A9476;
5. Easement K45926 over parts of Lots 4, 5 & 6, Plan 25775 shown on Plan A11773;
6. Easement K45927 over part of Lot 6, Plan 25775 shown outlined red on Plan A11762;
7. Easement K45928 over part of Lot 12, PLAN 25775 shown outlined red on Plan A11762;
8. Easement K45929 over part OF Lots 10 & 11, Plan 25775 shown on Plan A11782;
9. Easement KE86079 over part OF Lot 146 Plan 521 shown on Plan KPA46015;
10. Restrictive Covenant KH10335 over Lot B Plan 19644;
11. Restrictive Covenant KJ67523 over Lot A Plan KAP55339;
12. Restrictive Covenant KL97119 over Lot C, Plan KAP59703;
13. Restrictive Covenant KP15319 over Lot 1 Plan KAP65805;

**Charges, Liens and Interests:**

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14. Covenant KN113684 registered 1999-12-07 in favour of the City of Kelowna, the Crown in Right of British Columbia c/o Ministry of Environment, Lands and Parks, *inter alia*;
15. Covenant KN113686 registered 1999-12-07 in favour of the City of Kelowna;
16. Easement KT109471 registered 2002-10-04, part on Plan KAP71969 appurtenant to Lot 1 Plan KAP71932;
17. Statutory Right of Way CA7072838 registered 2018-09-18 in favour of the City of Kelowna;

**Potterton Nominee Property**

**Legal Notations:**

1. Easement D25277 over Lots 43, 94, 95, 96, 108, 130, 143 & 144, Plan 521, partially cancelled as to Lot 43 Plan 521 except Plan 26304 by LB214351, benefit cancelled as to Lot B Plan KAP83086 by CA4258495;
2. Notice of Interest, Builders Lien Act (S.3(2)), see CA4717355 filed 2015-10-01;
3. Easement D16650 over Lot 53, Plan 521 see 282957;
4. Easement D28100 over Lot 140, Plan 521;
5. Easement F28660 over part of Lot 3, Plan 500 outlined red on Plan A9476;
6. Easement K45926 over parts of Lots 4, 5 and 6, Plan 25775 shown on Plan A11773;
7. Easement K45927 over part of Lot 6, Plan 25775 shown outlined red on Plan A11762;
8. Easement K45928 over part of Lot 12, Plan 25775 shown outlined red on Plan A11762;
9. Easement K45929 over part of Lots 10 & 11, Plan 25775 shown on Plan A11782;
10. Easement KE86079 over part of Lot 146 Plan 521 shown on Plan KPA46015;
11. Restrictive Covenant KH10335 over Lot B Plan 19644;
12. Restrictive Covenant KJ67523 over Lot A Plan KAP55339;

**Charges, Liens and Interests:**

13. Right of Way 68926E registered 1957-04-09 in favour of Inland Natural Gas Co Ltd., as transferred by KR104763 to BC Gas Utility Ltd.;
14. Statutory Right of Way KH114936 registered 1994-11-28 in favour of West Kootenay Power Ltd., *inter alia*;
15. Covenant KL79064 registered 1997-07-29 in favour of the City of Kelowna, *inter alia*;

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16. Covenant KL79067 registered 1997-07-29 in favour of the City of Kelowna;
17. Statutory Right of Way CA8765255 registered 2021-02-10 in favour of FortisBC Inc., part in Plan EPP108431; and
18. Statutory Right of Way CA8765257 registered 021-02-10 in favour of FortisBC Inc.

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