



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.**

**SECOND REPORT OF THE RECEIVER**

**MARCH 3, 2026**

## SECOND REPORT OF THE RECEIVER

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## 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. (“**Genesis**”) and Allion Holdings Ltd. (“**Allion**” and 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 December 10, 2025, this Honourable granted an order (the “**RVO**”) that, among other things, approved 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**”).
5. On February 12, 2026, on the application of IMC, this Honourable Court granted an order amending the Receivership Order (the “**Amended Receivership Order**”) to include, among other things:
  - a. the appointment the Receiver of all the right, title and interest of Manna LP in and to Manna Industrial Brampton Limited Partnership (the “**Brampton LP Property**”);
  - b. the direction to Poulus Ensom Smith LLP (“**Poulus**”) to transfer any funds received from Folger Rubinoff LLP in connection with the Brampton LP Property to the Receiver; and
  - c. the authorization for the Receiver to voluntarily assign Manna LP into bankruptcy pursuant to section 49 of the *Bankruptcy and Insolvency Act*.

6. On February 17, 2026, the Nanite Transaction closed.
7. On February 23, 2026, the Receiver collected approximately \$8.9 million from Poulus in connection with the proceeds related to the Brampton LP Property.
8. On March 2, 2026, the Receiver filed the required documents with the Office of the Superintendent of Bankruptcy to voluntarily assign Manna LP into bankruptcy.
9. On March 3, 2026, the Receiver served a notice of application, returnable on March 10, 2026, for the following orders:
  - a. an order (the “**Distribution Order**”):
    - i. authorizing and directing the Receiver to distribute the remaining net proceeds of the sale of the Real Property to the Secured Lenders in accordance with their relative priorities;
    - ii. discharging the Receiver in these proceedings as it relates to Genesis and Allion; and
  - b. an order (the “**Fee Approval Order**”) approving the activities, fees and disbursements of the Receiver and its legal counsel, Blake, Cassels & Graydon LLP (“**BCG**”).

## **PURPOSE**

10. The purpose of this Second 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 First Report of the Receiver dated December 2, 2025;

- b. a summary of the Receiver and its legal counsel's professional fees and disbursements for the period ended February 28, 2026;
- c. a summary of the independent review of NBC and IMC's security prepared by BCG;
- d. the Receiver's interim statement of cash receipts and disbursements related to the Real Property (the "**Interim R&D**");
- e. the application to discharge the Receiver in these proceedings as it relates to Genesis and Allion; and
- f. the Receiver's conclusions and recommendations.

## **TERMS OF REFERENCE**

- 11. In preparing this report, the Receiver has relied upon information available to the Receiver and, where appropriate, discussions with various parties (collectively, the "**Information**").
- 12. 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.
- 13. 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.
- 14. 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.

15. 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**

16. Since the date of the First Report, the Receiver's activities have included, among other things, the following:

- a. attending to closing matters following the approval of the RVO, including, among other things:
  - i. corresponding with Nanite's counsel and the counsel of its lender to address queries associated with the Real Property;
  - ii. corresponding with Avison Young, the property manager of the Real Property, to assist with compiling relevant information;
  - iii. incorporating a new corporation ("**Residual Co.**") and acting as a director of Residual Co.;
  - iv. preparing and pursuing the collection of estoppel certificates from each of the tenants;
  - v. preparing and reviewing the statement of adjustments; and
  - vi. collecting net proceeds of approximately \$43.0 million resulting from the Nanite Transaction.
- b. providing periodic updates to the Secured Lenders;
- c. making an assignment in bankruptcy for Manna LP;

- d. corresponding and coordinating with Poulus to collect approximately \$8.9 million associated with the Brampton LP Property; and
- e. preparing this Second Report.

**SUMMARY OF PROFESSIONAL FEES FOR THE RECEIVERSHIP**

17. The professional fees and disbursements of the Receiver and its legal counsel for the period ended February 28, 2026, are set out in the below table:

<b>Summary of Professional Fees for the Receiver and its Legal Counsel</b>						
<b>For the period ended February 28, 2026</b>						
<b>Firm</b>	<b>Fees</b>	<b>Disbursements</b>	<b>GST</b>	<b>PST</b>	<b>Total</b>	
FTI Consulting Canada Inc.	\$528,896	\$ 2,113	\$ 26,550	\$ -	\$ 557,559	
Blake Cassel & Graydon LLP	316,018	1,892	15,846	22,121	355,877	
<b>Total</b>	<b>\$844,913</b>	<b>\$ 4,005</b>	<b>\$ 42,397</b>	<b>\$ 22,121</b>	<b>\$ 913,435</b>	

- 18. Statements of the accounts of the Receiver are detailed in the First Affidavit of Tom Powell made on March 3, 2026.
- 19. Summary statements of the accounts of the Receiver’s legal counsel are detailed in the First Affidavit of Peter Rubin made on March 3, 2026.
- 20. The Receiver considers that the fees and disbursements charged by its legal counsel have been necessarily incurred and that the hours and rates charged are fair and reasonable in the circumstances.
- 21. The Receiver and its counsel anticipate that accrued and additional fees and disbursements to complete the Receivership Proceedings as it relates to the Real Property will total approximately \$50,000, including:
  - a. preparing the application and supporting materials in relation to the Distribution Order and Fee Approval Order;

- b. attending Court to seek approval of the Distribution Order and Fee Approval Order; and
- c. attending to the distributions of proceeds as detailed in this report, including with respect to the Transaction Holdback Funds (as defined and discussed below).

## **SECURITY OPINION**

- 22. The Receiver's legal counsel has completed an independent review of the security held by NBC and IMC over the Real Property. BCG has opined that the security held by each party creates a valid and enforceable security interest in the Real Property, subject to the standard qualifications and assumptions.
- 23. BCG notes in its security opinion that there is a priority agreement dated March 4, 2022, between NBC and IMC pursuant to which IMC granted priority to NBC's security interests in all of the present and after-acquired assets of Manna.

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

- 24. The Receiver's Interim R&D for the period ended March 2, 2026, is summarized below:

**Interim Statement of Receipts and Disbursements**  
**For the period ended March 2, 2026**  
**(\$000s)**

<b>Receipts</b>		
Sale Proceeds (net of commission)	\$	42,955
Rental income		3,124
Cash on hand		646
Receiver's Certificates		250
Interest		2
<b>Total Receipts</b>		<b>46,977</b>
<b>Disbursements</b>		
Operating expenses		318
GST remittances		84
Property tax		959
Repayment of Receiver's Certificates		251
Receiver's Fees and Disbursements		558
Receiver's Legal Fees and Disbursements		356
<b>Total Disbursements</b>		<b>2,526</b>
<b>Net Cash on Hand</b>	<b>\$</b>	<b>44,451</b>

25. The key components of the Interim R&D are as follows:

- a. the collection of sale proceeds of approximately \$43.0 million, net of commissions and adjustments, related to the sale of the Real Property;
- b. the Receiver has collected approximately \$3.1 million in rental income from the Real Property through February 28, 2026;
- c. cash on hand of approximately \$646,000 relates to net rents collected prior to the receivership date and remitted to the Receiver by AY;
- d. Receiver Borrowings of \$250,000 were repaid on July 18, 2025;
- e. 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

- f. Operating expenses include AY, insurance, certain maintenance repairs to the roof and walls, utilities and cleaning services.

**DISTRIBUTION ORDER**

26. The Distribution Order seeks for the estate funds from the sale of the Real Property to be distributed as follows:

- a. payment of approximately \$27.4 million to NBC; and
- b. the distribution of remaining funds to IMC.

27. The estimated net proceeds available for distribution to IMC are set out in the below table:

<b>Estimated Net Recoveries to IMC</b>		
<b>(\$000s)</b>		
<b>Cash on hand as at March 2, 2026</b>	<b>\$</b>	<b>44,451</b>
Less:		
Payout of NBC		(27,365)
Accrued professional fees and estimated fees to completion		(50)
<b>Estimated Net Recoveries to IMC</b>	<b>\$</b>	<b>17,036</b>

28. Following the closing of the Transaction, an amount of \$143,826.93 of the proceeds of sale is being held in trust by BCG pending resolution as to certain matters relating to the statement of adjustments (the “**Transaction Holdback Funds**”). The Transaction Holdback Fund are to be held by BCG until BCG receives written confirmation from both the Receiver and Nanite as to the final adjustments (subject to certain other conditions). In the Distribution Order, the Receiver is seeking the authority to distribute any of the Transaction Holdback Funds that may become available for distribution at a later date.

## **DISCHARGE OF THE RECEIVER**

29. Pursuant to the Distribution Order, the Receiver is also seeking a discharge of its mandate as it pertains to Genesis and Allion. Genesis and Allion are two entities in the Manna group that provided guarantees of NBC and IMC's debt with respect to the Real Property.
30. The Receiver was appointed as receiver of all present and after-acquired personal property of Genesis and Allion but only to the extent such personal property was located on, derived from, arising from, or used in relation to the Real Property.
31. With the Nanite Transaction having closed, the Receiver's limited appointment over these entities is no longer necessary.

## **RECEIVER'S CONCLUSIONS AND RECOMMENDATIONS**

32. The Distribution Order will allow the Receiver to conclude the Receivership Proceedings as it relates to the Real Property and focus its efforts on the remaining assets of the Manna LP, including the Brampton LP Property, for the benefit of all stakeholders.
33. Following the proposed distributions, the Receiver will retain sufficient funds, by way of the Brampton LP Property, to support the ongoing administration of the estate.
34. Based on the foregoing, the Receiver respectfully requests that this Honourable Court grant the Distribution Order and the Fee Approval Order.

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All of which is respectfully submitted this 3<sup>rd</sup> day of March, 2026.

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



Tom Rowell  
Senior Managing Director



FOR Mike Clark  
Managing Director