

COURT FILE NUMBER 2301 – 03129
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
APPLICANT ROYAL BANK OF CANADA
RESPONDENTS RAMBRIDGE STRUCTURE & DESIGN
 LTD., BRENT ANDREW PARKER and
 CHRISTIANA MAY PARKER
DOCUMENT **FIRST REPORT OF THE RECEIVER
 BDO CANADA LIMITED
 MAY 17, 2023**

RECEIVER

BDO Canada Limited
110, 5800 - 2nd Street SW
Calgary, Alberta T2H 0H2

Attention: Kevin Meyler / Breanne Scott
Phone: (403) 536-8526 / (403) 213-5432
Fax: (403) 640-0591
Email: kmeyler@bdo.ca / brscott@bdo.ca

RECEIVER'S COUNSEL

Borden Ladner Gervais
1900, 520 – 3rd Ave. SW
Calgary, AB, Canada T2P 0R3
Attention: Jack R. Maslen / Tiffany E. Bennett
Phone: (403) 232-9790 / (403) 232-9199
Fax: (403) 266-1395
Email: jmaslen@blg.com / TiBennett@blg.com

**FIRST REPORT OF THE RECEIVER
BDO CANADA LIMITED
MAY 17, 2023**

I N D E X

INTRODUCTION.....	3
TERMS OF REFERENCE.....	4
COMPANY BACKGROUND.....	5
ACTIVITIES OF THE RECEIVER.....	8
SALES PROCESS	10
PROPOSED AUCTION AGREEMENT.....	11
PROPOSED SALE TRANSACTION WITH QUALITY.....	13
STATEMENT OF RECEIPTS AND DISBURSEMENTS	14
TEMPORARY SEALING ORDER	14
RECOMMENDATIONS	15

A P P E N D I C E S

RFP Letter.....	A
Tender Package.....	B
Auction Agreement (Redacted)	C
Quality PSA (Redacted)	D
Interim SRD.....	E

INTRODUCTION

1. On March 17, 2023 (the “**Receivership Date**”), the Royal Bank of Canada (“**RBC**”) sought and obtained an Order (the “**Receivership Order**”) from the Court of King’s Bench of Alberta (the “**Court**”) appointing BDO Canada Limited as the Receiver and Manager (“the “**Receiver**”) of all the assets, undertakings and property of Rambridge Structure & Design Ltd. (o/a Rambridge Wholesale Supply) (“**Rambridge**” or the “**Company**”).
2. In addition to the property of the Company, the Receiver also became the Receiver of a strata property (the “**Mara Lake Property**”) owned by Brent Parker (“**Mr. Parker**”) and Christiana Parker (collectively, the “**Parkers**”). The Receiver understands the Parkers are personal guarantors of the RBC indebtedness. The Mara Lake Property is municipally described as 605, 326 Mara Lake Lane Sicamous, British Columbia, and legally described as follows:

PID: 027-956-504
STRATA LOT 55 DISTRICT LOT 496 KAMLOOPS DIVISION YALE DISTRICT
STRATA PLAN EPS104 TOGETHER WITH AN INTEREST IN THE COMMON
PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA
LOT AS SHOWN ON FORM V
3. The purpose of this report of the Receiver (the “**First Report**”) is to provide the Court with:
 - (a) background information on the Company, including a summary of its material assets and liabilities;
 - (b) a summary of the material activities of the Receiver to date;
 - (c) a summary of the process conducted by the Receiver to solicit offers and proposals from interested parties in respect to the Company’s assets located in Calgary, Alberta and the Company’s trademarks and proprietary product recipes (the “**Sales Process**”);
 - (d) a summary of the results from the Sales Process, including the Receiver’s application seeking, among other things, Orders:
 - i. approving a proposed Auction Agreement (as defined below); and

- ii. approving a proposed sale transaction, between the Receiver and Quality Wholesale Ltd. (“**Quality**”), with respect to certain trademarks and other related assets;
 - (e) an interim statement of receipts and disbursements of the Receiver to May 16, 2023 (the “**Interim SRD**”);
 - (f) information regarding the Receiver’s request for a temporary sealing order for the Confidential Supplement (as defined below); and
 - (g) the Receiver’s recommendations in respect of the foregoing, as applicable.
4. Concurrent with the filing of this First Report, the Receiver has prepared and submitted a Confidential Supplement to the First Report (the “**Confidential Supplement**”), which contains commercially sensitive and/or confidential information which if disseminated is expected to have material negative effects on future sale efforts. As a result, as more fully set out below, the Receiver will be seeking a temporary sealing Order in respect of the Confidential Supplement.
5. Unless otherwise indicated, capitalized terms not defined in this First Report are as defined in the Receivership Order or in the Auction Agreement (defined below), as applicable. All references to currency are in Canadian dollars unless otherwise noted.
6. This First Report, together with other information and filings regarding these proceedings, will be posted on the Receiver’s website at: <https://www.bdo.ca/en-ca/extranets/rambridge>

TERMS OF REFERENCE

7. In preparing this First Report, the Receiver has relied upon unaudited financial information contained in the books and records of the Company, and discussions with employees and former management of the Company, among other sources of information (the “**Information**”).

8. The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards pursuant to the Chartered Professional Accountants Handbook. Accordingly, the Receiver expresses no opinion or any other form of assurance in respect of the Information referred to or used in the First Report.

COMPANY BACKGROUND

9. The Company was a manufacturer and wholesale distributor of indoor / outdoor garden and greenhouse goods, with a focus on supplying full-scale lighting inventory to commercial greenhouses, cannabis companies, and other independent retailers.
10. The Company had also, more recently, ventured into vertical farming with the intention of acting as a sales agent in North America in respect of a vertical farming system developed and supplied by Netled (“**Netled**”), a company based in Finland. However, no sales or commission were earned by Rambridge in respect of the vertical farming business.
11. The Company operated from a leased premises located at the address of 7880 66 St SE #150, Calgary, AB T2C 5V2 (the “**Calgary Premises**”). The Company also had a second leased premises located in Port Coquitlam, BC (the “**BC Premises**”). The landlord of the BC Premises had terminated the relevant lease agreement shortly before the Receivership Order due to Rambridge’s non-payment of rent. The Company had also closed a third location in Quebec which was closed in sometime in June 2022.
12. Based on a Corporate Registry search dated March 30, 2023, the Company’s directors are the Parkers. The Receiver understands that Mr. Parker was also the CEO and President of Rambridge.

Assets

13. The Company’s material assets are summarized in the table below based on an internal unaudited balance sheet as of the Receivership Date:

<u>Asset Description</u>	<u>Book Value</u>
Inventory	\$ 5,922,645
Accounts Receivable	690,029
Plant & Equipment	471,945
	<u>\$ 7,084,619</u>

14. As illustrated, the Company's primary asset is inventory. The inventory includes hydroponic lighting products, humidifiers/fans and environmental greenhouse controls, plant nutrients, additives and fertilizers, and other miscellaneous indoor and outdoor garden products. The majority of the inventory is located at the Calgary Premises with the location of the remaining inventories discussed below.
15. The Company's plant and equipment include miscellaneous office furniture, computers, equipment, and leased assets. The Company also purchased, through a financing arrangement with RBC, a vertical farming unit (the "**Vertical Farm**") from Netled. The Vertical Farm is located at the Calgary Premises.

Liabilities

16. The Company's primary secured creditor is RBC. Based on the materials filed by RBC in support of the Receivership Order, the Receiver understands that RBC was owed approximately \$3 million from Rambridge as of March 3, 2023. The Receiver has obtained a legal opinion from its independent legal counsel, Borden Ladner Gervais LLP ("**BLG**"), confirming the validity and enforceability of RBC's security (except certain serial numbered goods), subject to the standard and customary assumptions and qualifications of such opinions.
17. In addition to RBC, the following additional parties have a registered security interest on certain assets of the Company based on a March 20, 2023 search of each of the Alberta Personal Property Registry and the British Columbia Registries system:
 - (a) Xerox Canada Ltd. ("**Xerox**") registered on March 19, 2018 and January 6, 2022 claiming an interest under security agreement over all present and future office equipment supplied by Xerox;

- (b) Meridian Onecap Credit Corp registered on June 4, 2019 claiming an interest over a 2013 Toyota Forklift which the Receiver understands relates to an indebtedness that has been fully repaid with the secured party having released its interest, noting that the Receiver liquidated this assets in conjunction with dealing with the BC Premises as described herein;
 - (c) Meridian Onecap Credit Corp registered on December 14, 2020 claiming an interest in a 2015 Toyota Forklift;
 - (d) Meridian Onecap registered on November 26, 2021 claiming an interest in, *inter alia*, certain racking systems;
 - (e) Tricor Lease & Finance Corp and Advantage Ford Sales Ltd. registered on May 5, 2022 claiming an interest in a 2022 Ford F-150, which the Receiver has released its interest given the apparent lack of equity in the vehicle (subject to the Receiver receiving the equity, if any, upon sale);
 - (f) Tricor Lease & Finance Corp and Advantage Ford Sales Ltd. registered on May 24, 2022 claiming an interest in a 2022 Ford F-150, which the Receiver released its interest given the apparently lack of equity in the vehicle (subject to the Receiver receiving the equity, if any, upon sale).
18. The Company's deemed trust or other priority creditors, based on the books and records of the Company and discussions with former management, are summarized as follows:
- (a) Canada Revenue Agency (the "**CRA**") – \$Nil owed in respect of both source deductions and GST, although CRA has not yet requested or conducted a trust audit;
 - (b) Quebec Finance – approximately \$1,750 in respect of Quebec sales tax; and
 - (c) Super priority wages – \$22,000 owed in respect of super priority wages pursuant to section 81.4 of the *Bankruptcy and Insolvency Act*.
19. Based on the books and records, approximately \$2.1 million is owed to unsecured creditors.

ACTIVITIES OF THE RECEIVER

20. The Receiver's material activities since the Receivership Order have included, *inter alia*:

- (a) attending the Calgary Premises to terminate operations, and take possession and control of the Company's property;
- (b) attending the BC Premises, but not taking possession of this location since the lease was terminated by the BC landlord prior to receivership. In addition to the Receiver attending the BC Premises, the Receiver had an auctioneer provide an informal assessment of the estimated realizable value of property on site. Based on this assessment, and having regard for expected costs of realization efforts, the Receiver disclaimed its interest in any property of Rambridge located at the BC Premises with the exception of two pieces of equipment which were removed and sold by auction as reflected in the Interim SRD;
- (c) sending termination notices to employees, coordinating the issuance of ROEs and T4s, and preparing and administering the statutory duties of the Receiver with respect to the *Wage Earner Protection Program Act*;
- (d) engaging certain former staff to assist the Receiver in completing its duties;
- (e) confirming valid insurance with the Company's insurer and requesting that the Receiver be added to the current policies as a loss-payee and additional insured. The Receiver also obtained its own insurance policy with respect to the Mara Lake Property;
- (f) corresponding with the landlord to the Calgary Premises and the landlord to the BC Premises;
- (g) preparing and issuing a Request for Proposal ("**RFP**") to auctioneers and Asset Tender Package ("**Tender Package**") to other potentially interested parties, and responding to parties and coordinating site visits during the Sales Process, as further outlined herein and in the Confidential Supplement;

- (h) negotiating and entering into the Auction Agreement (as defined below), which is conditional upon Court approval;
- (i) negotiating and entering into the Quality PSA (as defined below), which is conditional upon Court approval;
- (j) coordinating the return of a deposit paid by the Company prior to the Receivership Order, in respect of undelivered containers of product from an international supplier;
- (k) taking possession and control of the Mara Lake Property, corresponding with the Parkers regarding the pre-receivership sales efforts conducted by the Parkers, and attempting to negotiate a sale of the Mara Lake Property which negotiations have proven unsuccessful;
- (l) through independent legal counsel, reviewing the validity of RBC's security as against the Company's assets, as detailed above;
- (m) reviewing the validity of other security registrations and the potential equity in the serialized items for the benefit of the Rambridge estate. Based on the review to date, the Receiver has released two Ford vehicles leased by the Company which appeared to have no equity after the secured lessor;
- (n) issuing demand letters in respect of the Company's AR and administering collections of same;
- (o) corresponding with the various stakeholders of the Company, including but not limited to RBC, equipment lessors, suppliers, employees, customers, and/or respective legal counsel, as applicable;
- (p) issuing the Receiver's Notice and Statement of Receiver;
- (q) issuing a Receiver's Certificate pursuant to the Receivership Order for initial funding of the receivership in the amount of \$100,000;
- (r) engaging BLG as legal counsel to the Receiver, to assist the Receiver with the foregoing activities, as applicable; and
- (s) attending to various other administrative items in relation to the receivership.

SALES PROCESS

21. As introduced above, the Receiver has conducted a Sales Process in respect of personal property of Rambridge located at the Calgary Premises and Company trademarks and proprietary product recipes. A summary of the Receiver's Sale Process is as follows:

- (a) on April 4, 2023, the Receiver commenced the Sales Process, through the issuance of the RFP and Tender Package. A copy of the RFP letter and the Tender Package (excluding the detailed inventory listing that was distributed in excel format) are attached as **Appendix "A"** and **Appendix "B"**, respectively;
- (b) the RFP was distributed to 12 auctioneers based in Western Canada. The Tender Package was distributed to 47 parties identified as being potential purchasers, and including persons identified by Mr. Parker, key customers and suppliers of the Company, parties identified through additional research conducted by the Receiver, and/or parties that had contacted the Receiver during the course of the receivership;
- (c) the Sales Process sought offers and/or proposals from interested parties in respect of the Company's inventory and equipment located at the Calgary Premises, and the Company's registered trademarks and related proprietary product recipes;
- (d) the Company's assets were marketed to potential interested parties on an as-is-where-is basis;
- (e) interested parties were requested to submit an offer or auction proposal by no later than April 25, 2023 (the "**Bid Deadline**"), thereby providing a three-week period for interested parties to review the opportunity and submit an offer or proposal. The Receiver determined that a three-week solicitation period was commercially reasonable and prudent, given the significant holding costs associated with the Company's property (such as the occupancy cost for the Calgary Premises and related utilities);
- (f) a confidentiality agreement was made available and provided to parties interested in the Vertical Farm;

- (g) the Receiver responded to queries and facilitated tours of the Calgary Premises to view the assets, with the assistance of Mr. Parker; and
 - (h) the Receiver conducted negotiations with the relevant interested parties in respect of offers/proposals submitted.
22. A summary of the financial terms of the offers and proposals submitted pursuant to the Sales Process are provided to this Honourable Court in the Confidential Supplement.

PROPOSED AUCTION AGREEMENT

23. As a result of the Sales Process, the Receiver has entered into an auction agreement (the “**Auction Agreement**”) with 2080348 Alberta Ltd. (o/a North American Auction) (“**NAA**” of the “**Auctioneer**”), which is subject to approval of this Honourable Court.
24. The Auction Agreement includes the following material terms:
- (a) *Net Minimum Guarantee* – the Auction Agreement includes a net minimum guarantee amount (the “**NMG**”), which entitles the Receiver to a minimum amount of proceeds payable by the Auctioneer to the Receiver, regardless of the actual results of the Auction. The amount of the NMG is disclosed in the Confidential Supplement;
 - (b) *Proceeds in excess of the NMG* – the Receiver is entitled to a portion of the actual auction proceeds over and above the NMG, with the split between NAA and the Receiver disclosed in the Confidential Supplement;
 - (c) *Non-refundable deposit* – the Receiver is entitled to receive a deposit from the Auctioneer in the amount of 25% of the NMG. Any proceeds above the NMG to the account of the Receiver would be paid within 7 days following the completion of the Auction;

- (d) *Assets to be auctioned* – the Auctioneer will auction all the assets included in the Sales Process (the “**Assets**”), excluding (i) warehouse racking (leased through a third party), (ii) certain trademarks and proprietary product recipes as detailed below, (iii) the associated proprietary product labels in the Company’s inventory related to the trademarks, and (iv) leasehold improvements. The Auctioneer will sell the Assets to third-party purchasers on an as-is-where-is basis;
 - (e) *Buyers’ premium* – the Auctioneer will be entitled to charge a buyer’s premium in the amount of 18% which would be payable to the Auctioneer by the successful bidders. The Receiver is not entitled to any portion of this buyer’s premium;
 - (f) *Auction* – the Auctioneer will conduct the auction online and will require 60 days access to the Calgary Premises (the “**Auction**”) subsequent to Court approval of the Auction Agreement. The Auctioneer will be responsible for all marketing and related costs for the auction. The Receiver will be responsible for the occupancy costs to the end of the 60-day period; and
 - (g) *Court Approval* – the Auction Agreement becomes effective only upon the issuance of a Court order approving the Auction Agreement and directing that Assets sold through the Auction to third-party purchasers will vest in the name of such purchasers free and clear of all claims.
25. A copy of the Auction Agreement, with the financial terms redacted, is attached as **Appendix “C”**. An unredacted copy of the Auction Agreement is provided to the Court through the Confidential Supplement.
26. In the Receiver’s commercial opinion, for the reasons described herein, the Receiver recommends that this Honourable Court approve the Auction Agreement, and grant the associated relief vesting the Assets in the name of third-party purchasers, for the following key reasons:
- (a) the NMG is the highest form of offer submitted pursuant to the Sales Process, as illustrated in the Confidential Supplement;
 - (b) the value of the Assets will ultimately be determined by the Auction, a competitive method to market and sell the Assets and downside risk is mitigated by the NMG;

- (c) as a result of the Sales Process, as well as the proposed Auction, significant effort will have been expended to maximize realizations for stakeholders;
- (d) the Sales Process was conducted efficiently with integrity and provided sufficient exposure to both auctioneers and other potential parties through a combined Tender/RFP process, as outlined above;
- (e) there has been no unfairness in the Sales Process or in the negotiation of the Auction Agreement. The Auction Agreement is commercially fair and reasonable;
- (f) the Receiver understands that RBC, the primary economic stakeholder, is supportive of the Auction Agreement and proposed Auction of the Assets;
- (g) The Auctioneer is an experienced and licenced auctioneer and, in the Receiver's view, capable of carrying out and successfully performing the Auction; and
- (h) it is unlikely that further marketing efforts would result in any better outcome given the Receiver's significant efforts to date.

PROPOSED SALE TRANSACTION WITH QUALITY

- 27. As outlined above, the Auction Agreement does not include the Company's trademarks and product recipes, and associated proprietary product labels, nor Rambridge's website domain (the "**Proprietary Rambridge Products**").
- 28. As result of the Sales Process, the Receiver has negotiated and entered into a purchase and sale agreement with Quality in respect of the Proprietary Rambridge Products (the "**Quality PSA**") which is subject to Court approval.
- 29. The Receiver recommends that this Honourable Court approve the Quality PSA, and proposed transaction contemplated therein (the "**Proposed Quality Transaction**"), based on, *inter alia*:
 - (a) the Proposed Quality Transaction is the best offer for the sale of the Proprietary Rambridge Products based on the sales process administered by the Receiver;

- (b) the market for the Proprietary Rambridge Products has been sufficiently tested through the Sales Process; and
 - (c) Quality has paid a deposit to the Receiver and demonstrated itself capable of closing the proposed transaction.
30. A copy of the Quality PSA, with the financial terms redacted, is attached as **Appendix “D”**. An unredacted copy of the Quality PSA is provided to the Court through the Confidential Supplement.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

31. The Receiver has attached the Interim SRD as **Appendix “E”** to this First Report. As set out therein, the Receiver is holding \$97,721 of cash in trust.

TEMPORARY SEALING ORDER

32. As noted above, the Receiver is seeking a temporary sealing order for the Confidential Supplement. The Confidential Supplement contains sensitive commercial information, primarily the financial terms of the Auction Agreement, the Quality PSA, and the financial details of confidential bids received by the Receiver through the Sales Process.
33. This information is commercially sensitive, and if disclosed before either the proposed Auction is concluded or the Proposed Quality Transaction closes, it may impact the results of the auction or prejudice the Receiver’s ability to remarket the Proprietary Rambridge Products in the event the Proposed Quality Transaction does not close for some reason.
34. Accordingly, the Receiver considers that a temporary sealing order, which would seal the contents of the Confidential Supplement until 60 days following the Receiver’s discharge, is necessary and that no reasonable alternative measures exist. The Receiver likewise considers that the need for the Receiver to protect realization efforts outweighs any negative effects of a temporary sealing order.
35. The Receiver (through legal counsel) will issue the requisite notice to the media through the Court’s online portal.

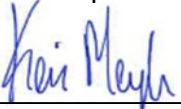
RECOMMENDATIONS

36. The Receiver respectfully recommends that this Honourable Court approve:
- (a) the Auction Agreement and the vesting of the Assets to third-party purchasers;
 - (b) the Proposed Quality Transaction and the vesting of the Proprietary Rambridge Products to Quality;
 - (c) the temporary Sealing Order in the manner sought; and
 - (d) the Receiver’s activities to date, as outlined in this First Report, including the Interim SRD.

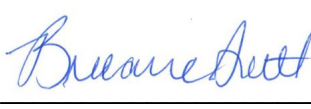
All of which is respectfully submitted this 17th day of May, 2023.

BDO Canada Limited

In its capacity as Receiver of Rambridge Structure & Design Ltd.
and not in its personal capacity.

Per: 

Kevin Meyler, CA, CIRP, LIT
Senior Vice President



Breanne Scott, CPA, CIRP, LIT
Vice President

APPENDIX “A”



Tel: 403 777 9999
Fax: 403 640 0591
www.bdo.ca

BDO Canada Limited
110, 5800 - 2nd Street SW
Calgary, AB T2H 0H2 Canada

VIA EMAIL

April 4, 2023

To auctioneers

Re: Rambridge Structure & Design Ltd. (o/a Rambridge Wholesale Supply) – in Receivership

On March 17, 2023, BDO Canada Limited was appointed as a receiver and manager (the “**Receiver**”) of all the property of Rambridge Structure & Design Ltd., o/a Rambridge Wholesale Supply (“**Rambridge**” or the “**Company**”) pursuant to an order (the “**Receivership Order**”) granted by the Court of King’s Bench of Alberta. The Receivership Order authorizes the Receiver to market Rambridge’s property. A copy of the Receivership Order is enclosed.

Rambridge was a manufacturer and wholesale distributor of indoor / outdoor garden and greenhouse goods. Its primary focus was the sale of full-scale lighting and other greenhouse / hydroponic supplies to commercial greenhouses, cannabis companies, and independent retailers. The Company had also recently ventured into vertical farming and has one vertical farming unit at its Calgary Premises (defined below).

The Receiver is seeking proposals from interested auctioneers to assist the Receiver in the liquidation of the Company’s assets (the “**Assets**”), with the physical assets located at the address of 7880 66 St SE #150, Calgary, AB T2C 5V2 (the “**Calgary Premises**”), which are summarized in the attached schedules:

Schedule A – Inventory

Schedule B – Fixed Assets

Schedule C – Vertical Farm

Schedule D – Proprietary Products & Trademarks

The attached schedules are based on the Company’s unaudited books and records, discussions with/from former management and/or other information available to the Receiver. The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy of the Company’s information.

Should you be interested in participating in this opportunity, we request your proposal address the following:

- Assets you are interested in;
- An outright en bloc purchase option;
- An auction with a minimum guarantee;
- An auction on a straight commission basis;
- Details of any or all potential costs that would be contemplated in each of the above instances, and details of any conditions or approvals associated with each of the above options;
- Confirmation of your insurance;
- Anticipated auction date; and
- Any relevant experience with similar auctions and/or details of your proposed marketing plan to engage interest in the Assets.

Please note that any auction agreement, or purchase and sale, will be on an 'as is, where is' basis and without any representations, warranties, covenants or indemnities of any kind by the Receiver.

Arrangements can be made to view the assets by contacting Breanne Scott at (403) 213-5432 or at brscott@bdo.ca

The deadline for the receipt of proposals or offers is Tuesday April 25, 2023, at 5:00pm MDT.

Should you have any questions please contact Breanne Scott at the details above.

Yours very truly,

BDO Canada Limited

In its capacity as Receiver of Rambridge Structure & Design Ltd.
and not in its personal capacity.

Per: 

Breanne Scott, CPA, CIRP, LIT
Vice President

APPENDIX “B”

**RAMBRIDGE STRUCTURE & DESIGN LTD.
IN RECEIVERSHIP**

ASSET TENDER PACKAGE



TABLE OF CONTENTS

SUMMARY	3
NOTICE TO READER	5
TERMS AND CONDITIONS OF SALE	6

Schedule A – Inventory (provided in excel)

Schedule B – Fixed Assets

Schedule C – Vertical Farm

Schedule D – Proprietary Products and Trademarks

Rambridge Structure & Design Ltd., in receivership
Asset Tender Package

SECTION I - SUMMARY

Assets

The vendor is BDO Canada Limited, solely in its capacity as Court appointed receiver and manager (the “**Receiver**” or the “**Vendor**”) of the property, assets and undertakings of Rambridge Structure and Design Ltd., o/a Rambridge Wholesale Supply (the “**Company**”) and not in its personal capacity.

The property being offered for sale is the Vendor’s right, title, and interest, if any, in the following assets (the “**Assets**”), which are based on the unaudited books and records of the Company as at receivership, other information available to the Receiver, and/or discussions with former management (“**Former Management**”) of the Company, located at the address of 7880 66 St SE #150, Calgary, AB T2C 5V2 (the “**Calgary Premises**”). In preparing the Asset lists, the Receiver has not audited, reviewed or otherwise attempted to verify the accuracy of the Company’s information.

Inventory (Lots 1 – 9)

The Company’s inventory as summarized below and further detailed in the attached **Schedule “A”** (being provided to interested parties in excel format):

Lot	Category		Unaudited Book Value
1	Non Manufactured Fertilizers & Additives	\$	142,771
2	Environmental		238,152
3	Rambridge Manufactured Products, Packaging and Raw Materials		343,223
4	Gardens		697,750
5	Irrigation		7,211
6	Lighting Products		1,026,852
7	DLI Lighting Products		2,180,542
8	Non-Inventory		12,252
9	Substrates		284,755
		\$	<u>4,933,507</u>

Fixed Assets (Lot 10)

The Company’s fixed assets as summarized in **Schedule “B”**.

Vera Vertical Farm (Lot 11)

A Vera vertical farming system (the “**Vertical Farm**”). The Vertical Farm was manufactured by Netled Oy, which grows plant products vertically and indoors. Additional details of the Vertical Farm are attached as **Schedule “C”**.

Proprietary Products and/or Trademarks (Lot 12)

The Company’s proprietary products and related registered trademarks as summarized in **Schedule “D”**.

Rambridge Structure & Design Ltd., in receivership
Asset Tender Package

Calgary Premises

The Receiver understands that the Company signed a lease agreement with the Canada Life Assurance Company and the Canada Life Insurance Company of Canada for the Calgary Premises dated January 22, 2021, which the Receiver understands was amended (the "**Lease Agreement**").

The Calgary Premises encompasses approximately 27,412 square feet including an office and warehouse space, and a room custom built for the Vertical Farm. Monthly rent at the Calgary Premises is currently approximately \$35,000.

The Receiver understands that the Company invested approximately \$725,000 in modular type leasehold improvements to the Calgary Premises.

If any parties are interested in the Calgary Premises and/or the Company's business and Assets a turn-key operation, please indicate this in your offer for consideration by the Receiver.

Offers and contemplated timeline

All sales will be on an "as-is, where-is basis" and may be subject to and conditional upon the Receiver obtaining approval of the Court of King's Bench of Alberta (the "**Court**"). The Receiver reserves the right to enter into any sale prior to the deadline and is not obligated to accept the highest, or any offer. The Receiver also reserves the right to extend the deadline at its liberty, or to terminate this tender process in its entirety in its sole discretion.

No finder's fee, commissions, expenses or other compensation will be paid by the Receiver to any party in relation to the sale of the Assets.

Given the inherent timelines associated with the successful purchaser closing the contemplated transaction, the deadline for offers to be submitted to the Receiver is:

- **Tuesday April 25, 2023, at 5:00 pm MDT**

Any offer for the Assets should be done by Lot(s), include a statement that the offer is not subject to any uncompleted due diligence or financing condition in favor of the offeror and include supporting documentation demonstrating the purchaser's ability to close the contemplated transaction in accordance with the timelines contemplated.

While the Receiver may consider any offer submitted, significant preference will be given for an en bloc offer or offer by Lot.

Disclaimer – As is Where is

Parties interested in submitting an offer or proposal are referred to the *Terms and Conditions of Sale* set out in Section III of this *Asset Tender Package* which shall form a part of each offer. Prospective purchasers shall be deemed to have relied on their own inspection, investigation and due diligence. All sales are made on an "as is, where is" basis.

Rambridge Structure & Design Ltd., in receivership
Asset Tender Package

The Receiver provides no representations or warranties with respect to the accuracy or completeness of the information contained herein or otherwise provided with respect to the title, condition, or fitness for use of the Assets.

Confidentiality Agreement and due diligence materials (for Lot 11 only)

Parties wishing to be furnished additional available information with respect to the Lot 11 Assets must provide the Receiver with a Confidentiality Agreement in a form acceptable to the Receiver. Please contact Breanne Scott at brscott@bdo.ca for a copy of the Receiver's Confidentiality Agreement.

Following submission of an appropriately executed Confidentiality Agreement, parties will be provided with access to additional due diligence materials in order to evaluate this opportunity with all such information being provided by the Receiver as a convenience for the interested party with such information being provided for informational purposes only and is therefore not warranted to be accurate or complete.

Site Visits

Interested parties may schedule an appointment to view the Assets. To arrange an appointment, please contact Breanne Scott at 403-213-5432 or at brscott@bdo.ca

Former Management of the Company had indicated that it may be available during site visits, however the Receiver provides no assurances as to the availability of Former Management nor any statements made. Any communication with respect to this opportunity should be made through the Receiver, and Former Management should not be contacted directly by interested parties.

SECTION II – NOTICE TO READER

All information provided to prospective purchasers has been compiled by the Receiver from information obtained in its appointed capacity. This information has been prepared solely for the convenience of prospective purchasers to assist with their own evaluation of the Assets and may not contain all the information prospective purchasers may require. Interested parties must conduct their own due diligence, inspection, investigation and analysis of the Assets, business operations and available financial information.

The Receiver does not make any representation or warranty as to the accuracy or completeness of the information and documentation provided or with respect to the title, condition, existence or fitness for use of the Assets and shall have no liability for any representations (expressed or implied) contained therein, or any omissions from this information or from any other written or oral communications transmitted to prospective purchasers in the course of their evaluation of the Assets. Available information provided to prospective purchasers has not been audited, reviewed or otherwise verified by the Receiver. Accordingly, the Receiver does not express an opinion or any other form of assurance with respect to the information contained herein or otherwise obtained.

Any sale of the Assets will be completed on an "as is, where is" basis and without surviving representations, warranties, covenants or indemnities of any kind, nature or

Rambridge Structure & Design Ltd., in receivership
Asset Tender Package

description by the Receiver or its respective agents and advisors.

SECTION III – TERMS AND CONDITIONS OF SALE

1. The vendor is BDO Canada Limited. solely in its capacity as Court appointed Receiver of the property, assets and undertakings of Rambridge Structure & Design Ltd., and not in its personal or corporate capacity.
2. The Assets being offered for sale pursuant to these *Terms and Conditions of Sale* are the Company's right, title and interest in the Assets, if any.
3. Offers must be in writing, signed by a duly authorized officer of the party submitting the offer (the "**Party**") and: (i) shall contain an acknowledgement that these *Terms and Conditions of Sale* form part of the offer and not contain any terms contrary to such *Terms and Conditions of Sale*; (ii) confirm that the offer is not subject to any outstanding due diligence or financing conditions in its favour; (iii) include a firm closing date proposed by the bidder; (iv) state that the offer is irrevocable until the earlier of (a) May 5, 2023 or (b) the Receiver advises in writing the offer has not been accepted. If the offer is selected, it should remain irrevocable until the transaction closes; (v) contain the formal documentation with respect to the offer, if separate from the offer; (vi) include written evidence of a firm, irrevocable commitment for financing or other evidence of the bidder's ability to consummate the proposed transaction; (vii) be accompanied by the deposit set forth in 5; (viii) must not include any request for or entitlement to any break or termination fee, expense reimbursement or similar type of payment; and (IX) Identify the Assets and/or Lots proposed to be purchased.
4. Offers should be delivered via email to BDO Canada Limited. – Receiver of Rambridge at brscott@bdo.ca

Offers will be received until **Tuesday April 25, 2023, at 5:00pm MDT** (the "**Offer Deadline**") at which time offers will be reviewed by the Vendor and such other persons or stakeholders as the Vendor may designate.

The information contained in the offers shall not be confidential after they are opened and may be revealed to those parties deemed by the Vendor in its sole discretion to have a vested interest in the proceedings.
5. All offers must be accompanied by a bank draft, certified cheque or solicitor's trust cheque payable to "**BDO Canada Limited. - in trust**" for an amount not less than **25%** of the total gross purchase price offered. If an offer is accepted, this amount shall be deemed a cash deposit (the "**Deposit**"). Cheques or drafts accompanying offers not accepted by the Vendor shall be returned without interest thereon.
6. An offer accepted by the Vendor may be subject to and conditional upon approval by the Court.
7. The highest or any offer may not necessarily be accepted and the Vendor shall be entitled to reject any offer at its sole discretion. The Vendor shall further be entitled to enter into any sale prior to the Offer Deadline and may enter into further negotiations and discussions with any persons who have provided an offer in an attempt to improve

Rambridge Structure & Design Ltd., in receivership
Asset Tender Package

- such offer or produce an offer the Vendor can recommend to the Court for approval. The Vendor may terminate the tender process at any time, before or after the Offer Deadline.
8. Upon closing of any sale, each successful Party shall pay to the Vendor the following by way of bank draft, certified cheque or solicitor's trust cheque:
 - (a) The balance of the purchase price after crediting of the Deposit; and
 - (b) All applicable federal and municipal taxes including GST.
 9. By submitting an offer, each Party acknowledges it has inspected, or shall be deemed to have inspected, the Assets and completed any other due diligence required; that it has relied entirely on its own inspection and investigation; that it is purchasing the Vendor's right, title and interest in the Assets on an "as is, where is" basis; that no representations, conditions or warranties are expressed or can be implied as to title, description, condition, fitness for purpose, quality, quantity, cost, merchantability, assignability, or as to any other matter whatsoever.
 10. By submitting an offer, each Party further acknowledges any list or description of the Assets, information packages, and other material concerning the Assets or the sale thereof provided by or on behalf of the Vendor has been prepared solely for the convenience of prospective purchasers and are not warranted or represented to be complete or accurate and do not form part of these *Terms and Conditions of Sale*.
 11. No warranty or representation has been or will be given by the Vendor as to title, condition, accuracy, existence, completeness and fitness for purpose or any other matter concerning the Assets.
 12. The obligation of the Vendor to complete a sales transaction is subject to the following conditions being satisfied prior to closing:
 - (i) No action or proceeding shall prohibit the closing of a sale or the vesting of title to the Assets;
 - (iii) The successful Party shall have performed its obligations as required; and
 - (iv) The Court shall grant an Order, if necessary and as applicable:
 - Approving the sale;
 - Authorizing the Vendor to complete the sale transaction(s); and
 - Vesting free and clear title to the Party, except for permitted encumbrances.
 13. If a successful Party fails to comply with the conditions set out in these *Terms and Conditions of Sale* or is unable to close the sale, the Deposit shall be forfeited to the Vendor on account of damages (the successful Party having acknowledged such damages are genuinely estimated to be no less than the Deposit) and the Asset(s) may be resold by the Vendor.

Rambridge Structure & Design Ltd., in receivership
Asset Tender Package

14. The offer and acceptance thereof, including the acceptance of these *Terms and Conditions of Sale*, shall form part of the definitive documentation with respect to a proposed transaction (which may be the offer) and shall be governed by the laws of the Province of Alberta.

DATED at Calgary, Alberta this 4th day of April, 2023.

**BDO Canada Limited.,
In its capacity as Receiver and Manager of
Rambridge Structure & Design Ltd.
and not in its personal capacity**

SCHEDULE A – INVENTORY

Provided in excel format

SCHEDULE B – FIXED ASSETS

**In the Matter of the Receivership of
Rambridge Structure & Design Ltd.**

Schedule B: Unaudited List of Fixed Assets

Disclaimer Notice: this information is based on the unaudited books and records of the Company, discussions with Former Management, and/or other information available to the Receiver. The Receiver has not reviewed or audited this Information and makes no representations or warranties of any nature, including but not limited to, the accuracy or completion of this information.

Asset	Additional Details	
2015 Toyota Forklift	8FBCU30, S/N: 63810	*
HP Printer	Label Printer	
Racking	Warehouse racking	*
Freight Wrapper	Wultec WSMH-150-B; SN 101784-5-0414	
Freight Scale		
Pallet movers		
Forklift		
Forklift Chargers	2 battery chargers for forklifts	
Racking Ladders	2 portable racking ladders	
Office furniture	Miscellaneous office, kitchen and other furniture	
Computer equipment	Laptops, monitors, keyboards	
Miscellaneous	Miscellaneous other items located at the Calgary Premises	

* Items are leased and have other registered security interests.

SCHEDULE C – VERTICAL FARM

Disclaimer Notice: the foregoing information is based on the unaudited books and records of the Company, discussions with Former Management, and/or other information available to the Receiver. The Receiver has not reviewed or audited this information and makes no representations or warranties of any nature, including but not limited to, the accuracy or completion of this information.

Vertical Farm Specifications



STRUCTURE

Light source	LED
LED Thermal Management	Passive or Water cooling
Estimated annual power consumption	59 MWh
Power peak	23 kW
Circuit breaker	40 A
Dimensions	8 m W x 6 m L x 3 m H
Required space	10 m W x 8 m L x 3.5 m H
Facility requirements	Insulation and utilities
Required utilities	Water, Sewage, Electricity, Internet
Rack material	Aluminium
Gutter material	PVC
Collector gutters material	Stainless steel

AUTOMATION

Interface	Touch screen panel and remote VPN access via HTML compatible device
Controls	Light levels, Light cycles, Mobile gutters, Irrigation, Nutrients, Dosing, Humidity, Temperature, CO ²
Method	Fully automatic with recipes or set values manually
Data	Includes for example histograms of growing conditions and data export for example to ERP

HARVEST AND IRRIGATION

Irrigation solutions	2 – 3 fertilizer solutions, pH agent, recirculating solution, control by EC and pH sensors
Capacity	5700 pots with 15 cm spacing
Growing time	27 – 35 days* *Varies depending on plant, variety and growing recipe

GROWING CONDITIONS

PPFD	Set between 0 – 190 $\mu\text{mol}/\text{m}^2/\text{s}$
Day cycle	Day and night length can be adjusted
CO ²	Adjustable 200 – 2000 ppm
Relative humidity	Adjustable 55 – 85 %
Growing temperature	Adjustable 15 – 30 °C







SCHEDULE D – PROPRIETARY PRODUCTS AND/OR TRADEMARKS

**In the Matter of the Receivership of
Rambridge Structure & Design Ltd.**

Schedule D: Unaudited Summary of Trademarks and/or Proprietary Products

Disclaimer Notice: this information is based on the unaudited books and records of the Company, discussions with former Management, and/or other information available to the Receiver. The Receiver has not reviewed or audited this information and makes no representations or warranties of any nature, including but not limited to, the accuracy or completion of this information.

Name	Description	Trademark No.	Expiry Year	
Blossom Blood	A pH buffer salt to promote fuller buds and flowers	TMA622312	2029	
Bumper Crop	Bumper Up and Bumper Down products to adjust pH	TMA301150	2030	
Bumper Crop & Design	Bumper Up and Bumper Down product logo and design	TMA445129	2025	
Cannamax	Calibration solution for pH, PPM and EC meters	TMA546080	2031	
Clearing Solution	Solution used to flush out the nutrient in the final days	TMA657022	2031	
Green Up	Designed to reduce yellowing when cuttings are rooting	NA	NA	*
Liquid Black Crystal	Assists in increasing the ion exchange across the root membrane	TMA655885	2030	
Liquid Gold	To increase the cell metabolic rate for better growth	TMA655884	2030	
Rambridge Logo	Company logo symbol	TMA445129	2029	
Solarmax	Line of high output horticultural lamps	TMA602365	2034	
Veg Booster	Solution promoting plant growth during vegetative stage	NA	NA	*
Wegeners Organics	Provides a balanced NPK with calcium, magnesium and other minerals	TMA621393	2029	

*Note - "Veg Booster" and "Green Up" are proprietary products developed by the Company, with the Company having the formula or recipe; however there are have any registered trademarks associated with these products at this time.

APPENDIX “C”

This Auction and Liquidation Services Agreement dated the day of May 16, 2023 ("**Agreement**")

MADE BETWEEN:

BDO CANADA LIMITED
in its capacity as Court-appointed Receiver of
Rambridge Structure and Design Ltd.
and not in its personal capacity
(hereafter reference to as the "**Receiver**")

OF THE FIRST PART

AND:

2080348 ALBERTA LTD. o/a NORTH AMERICAN AUCTIONS
(hereinafter referred to as the "**Auctioneer**")

OF THE SECOND PART

WHEREAS:

1. The Receiver was appointed as receiver of Rambridge Structure and Design Ltd. (the "**Company**") pursuant to a Receivership Order granted by the Court of King's Bench of Alberta (the "**Court**") on March 17, 2023;
2. The Auctioneer submitted a proposal to the Receiver to auction, sell and liquidate certain inventory and equipment of the Company located at the address of 7880 66 St SE #150, Calgary, AB T2C 5V2 to third party purchaser(s) (each a "**Sale**"); and
3. The Receiver wishes to retain the Auctioneer to conduct the Sale of the said assets, subject to the terms and conditions hereof;

NOW THEREFORE THIS AGREEMENT WITNESSETH that the Receiver and the Auctioneer agree as follows:

1. RETENTION OF THE AUCTIONEER

1. The Receiver hereby retains the Auctioneer to carry out, and the Auctioneer hereby agrees to carry out, a sales program and run a public online auction (the "**Auction**") with respect to the assets set out in **Schedule "A"** to this Agreement (the "**Assets**") located at the premises set out in **Schedule "B"** to this Agreement (the "**Premises**"), on the terms and conditions as set forth in this Agreement.
2. The Receiver and the Auctioneer covenant and agree with each other to carry out its respective obligations under this Agreement, including without limitation the obligations as set forth in **Schedule "C"** to this Agreement.
3. The Auctioneer will not, and has no authority to, incur any liability or obligation on behalf of the Receiver or the Company. The Auctioneer hereby acknowledges that it will not hold itself out as

agent of the Receiver other than as specifically provided for in this Agreement and that Auctioneer's authority as agent is limited to the powers specifically provided for herein.

2. THE AUCTION

1. The Auctioneer has guaranteed and does hereby guarantee a net minimum payment to the Receiver of [REDACTED] (the "NMG"), regardless of the amount of proceeds received from the Sale of the Assets pursuant to this Agreement.
2. The Auctioneer shall pay the NMG to the Receiver as follows:
 1. upon execution of this Agreement, the sum of [REDACTED] plus applicable taxes (if any), which is non-refundable unless the Court does not grant the approvals contemplated by Section 7 below; and
 2. within seven (7) business days following the conclusion of the Auction, or the General Deadline (as defined below), whichever occurs earlier, the balance of the NMG, which amounts to [REDACTED] plus applicable taxes (if applicable).
3. The Auctioneer may charge a buyer's premium of up to [REDACTED] which will be paid by each buyer of the Assets to the Auctioneer, and which shall be retained by the Auctioneer for its sole and exclusive benefit. For clarity, the Receiver is not entitled to any portion of this buyer's premium, if charged by the Auctioneer.
4. To the extent the proceeds from the Sale of the Assets, excluding applicable taxes and the buyer's premium described in Section 2.3 above (the "Gross Sale Proceeds"), exceed the NMG, then such Gross Sale Proceeds shall be paid and distributed by the Auctioneer as follows:
 1. [REDACTED] thereof being paid to the Receiver; and
 2. [REDACTED] thereof being retained the Auctioneer for its sole and exclusive benefit.
5. Any amounts payable and due to the Receiver, by the Auctioneer, under Section 2.4 shall be paid to the Receiver within seven (7) business days following the conclusion of the Auction, or the General Deadline (as defined below), whichever occurs earlier.
6. If any of the Assets are removed from the Auction, the NMG shall be reduced by an amount equal to an agreed upon amount by the Auctioneer and the Receiver. For greater certainty, no Assets may be removed from the Auction unless the Parties agree to such removal in writing or the Court Orders that Asset(s) should be removed.
7. If there is a dispute respecting the ownership of any of the Assets sold by the Auctioneer or any claims relating thereto, the Auctioneer may pay the proceeds in respect of such Assets to the Court, or to the Receiver in trust, and the Court shall determine who is entitled to the proceeds and such proceeds shall not be releasable until such determination. For greater certainty, this provision shall not affect the NMG payable by Auctioneer to Receiver.
8. All amounts payable under this Agreement by the Auctioneer to the Receiver shall be paid by way of wire transfer or as upon in writing by both parties.

3. REPRESENTATIONS, WARRANTIES, AND COVENANTS WITH RESPECT TO THE ASSETS

1. The Receiver, after execution of this Agreement by both parties, shall deliver to the Auctioneer a copy of all pertinent documents that are in the possession of the Receiver (and without any obligation of inquiry to any external parties) relating to the Assets, including, without limitation, any and all documents of title, operating manuals, warranties, and all documents respecting registrations.

2. The Receiver shall provide, or make commercially reasonable efforts to provide, to the Auctioneer and its agents, employees and representatives, access to the Premises up to the date of 60 days following Court Approval (the "**General Deadline**"), for the purposes of showing the Assets to prospective purchasers, preparing for and conducting the auctions, completing all Sales, and removing the Assets upon their Sale. The Receiver agrees to pay, at its sole cost, all applicable rent or occupation rents that the Receiver is at law obligated to pay and shall be responsible, as may be applicable, for the continued supply of all utilities to the Premises including, without limitation, gas, water, heat and hydro, and for the maintenance of insurance coverage on the Premises and the Assets (collectively, the "**Occupancy Costs**") until the General Deadline. If the Auctioneer is to incur any additional occupancy costs at the Premises past the General Deadline, the Auctioneer will be solely responsible for their cost.
3. The Auctioneer shall sell the Assets to third parties on an "as is, where is" basis. Neither the Receiver, the Company nor the Auctioneer shall make, vis-à-vis, any third party purchasers, any representations, conditions or warranties, and there are no representations, conditions or warranties or terms or conditions whatsoever, whether expressed, implied, statutory or otherwise (including, without limitation, those under the *Sale of Goods Act (Alberta)*, *International Sale of Goods Contracts Convention Act (Canada)* and *The International Convention Implementation Act (Alberta)*) with respect to the Assets or any of them or any other matters whatsoever in any way related to the subject matter of the transaction which is the subject of, and any transaction which is contemplated by, this Agreement.
4. The Auctioneer acknowledges and agrees that in determining and agreeing to the NMG herein, it has relied entirely on its own inspection and investigation of the Assets. The Receiver and Company make no warranties or representations on the accuracy of the listings of Assets provided to the Auctioneer and used in its determination of the NMG payable pursuant to this Agreement. Furthermore, the Receiver makes no representations, conditions or warranties or terms or conditions whatsoever, whether expressed, implied, statutory or otherwise (including, without limitation, those under the *Sale of Goods Act (Alberta)*, *International Sale of Goods Contracts Convention Act (Canada)* and *The International Convention Implementation Act (Alberta)*) with respect to the Assets or any of them or any other matters whatsoever in any way related to the subject matter of the transaction which is the subject of, and any transaction which is contemplated by, this Agreement.

4. **DUTIES OF AUCTIONEER**

1. Except as otherwise provided for in this Agreement, the Auctioneer shall at its own cost and expense:
 1. provide commercially reasonable best efforts to conduct the Auction in accordance with its terms and the terms of this Agreement;
 2. provide sufficient licensed auctioneers and other personnel as is generally required for the holding of auctions of this nature;
 3. supervise the inspection of the Assets by potential purchasers prior to the auctions;
 4. prepare for, arrange, conduct and conclude the auctions including, but not limited to, advertising, auction-related set-up, administrative services, collection of proceeds, banking, security/check out personnel, etc.;
 5. advertise and promote the auctions. The Auctioneer shall seek the prior consent of the Receiver to all advertising, such consent shall not to be unreasonably withheld;
 6. organize, inventory, tag and lot the Assets for auction;

7. provide administrative services relating to the transfer of ownership of Assets to purchasers such that title to the Assets can be conveyed to the purchasers;
8. allow representatives of the Receiver to be present at the auctions (if applicable) and to have access to all of the Auctioneer's records concerning the Sale of the Assets; and
9. provide the accounting described in Section 2 of **Schedule "C"** hereto.

5. **ADDITIONAL REPRESENTATIONS, WARRANTIES AND CONDITIONS**

1. The Receiver represents and warrants to the Auctioneer that, subject to receipt of Court approval of this Agreement, the Receiver has good and sufficient power and authority to enter into this Agreement and to complete the transactions contemplated by this Agreement.
2. The Auctioneer represents, warrants and acknowledges to the Receiver that:
 1. the Auctioneer is a corporation duly incorporated, organized and subsisting under the laws of Alberta;
 2. the Auctioneer has good and sufficient power and authority to enter into this Agreement and to complete the transactions contemplated by this Agreement;
 3. this Agreement constitutes a valid and legally binding obligation of the Auctioneer, enforceable against the Auctioneer in accordance with its terms;
 4. the Auctioneer will, prior to conducting any sales pursuant to this Agreement, be registered under Part IX of the *Excise Tax Act* (Canada) and shall have all necessary registrations and authority to collect, report and remit any applicable taxes on or with respect to any Sale of any Assets by the Auctioneer pursuant to this Agreement, in all applicable jurisdictions;
 5. the Auctioneer has not jointly elected with Receiver pursuant to section 177(1.3) of the *Excise Tax Act* (Canada) and
 6. the Auctioneer holds all required permits and licenses required to perform its obligations under this Agreement.
3. The representations, warranties and covenants of the Auctioneer set forth in this agreement will survive completion of the transactions contemplated by this Agreement.

6. **TERMINATION**

1. This Agreement may be terminated at any time by the mutual written agreement of the Receiver and the Auctioneer.

7. **EFFECTIVENESS**

1. Notwithstanding any other provision of this Agreement, the obligations of the Receiver and Company to Auctioneer shall not become effective until (i) this Agreement has been duly approved by an Order of the Court (which is a final Order), and (ii) the Court grants an Order (which is a final Order) directing that Assets shall vest in the name of third party purchasers free and clear of all claims (collectively, "**Court Approval**"). The Auctioneer shall not conduct the Auction until Court Approval. In the event Court Approval is not obtained by June 30, 2023 and the Receiver determines in its sole discretion that it shall not seek Court Approval, the Receiver

shall refund to Auctioneer the initial [REDACTED] of NMG paid under Section 2.2 above and may terminate this agreement in its sole discretion.

8. MISCELLANEOUS

1. Auctioneer shall not subcontract the performance of its duties hereunder to any other person.
2. All references to currency in this Agreement and in the schedules hereto are to lawful currency of Canada.
3. If the doing of any act pursuant to this Agreement falls on a day on which the Premises are not ordinarily open for business, then the time for the doing of such act shall be deemed to be the next day on which such Premises are open for business.
4. Any notice, request, instruction or other communication to be given hereunder by any party to the other shall be in writing and effective when delivered by facsimile or by electronic mail to the addresses and/or email addresses set forth as follows:

The Receiver: BDO Canada Limited
110, 5800 – 2nd Street SW
Calgary AB T2H 0H2
Attention: Kevin Meyler / Breanne Scott
Email: kmeyler@bdo.ca / brscott@bdo.ca

with a copy to: Borden Ladner Gervais LLP
1900, 520 – 3rd Ave. SW,
Calgary, AB, Canada T2P 0R3
Attention: Jack Maslen / Tiffany Bennett
Email: jmaslen@blg.com / tibennett@blg.com

The Auctioneer: 2080348 Alberta Ltd. (o/a North American Auction)
PO Box 53
Langdon, AB T0J 1X0
Attention: Rene Hajas
Email: rene@icbworldtrade.ca

A party may from time to time change its address for service or its facsimile number for service by giving written notice of such change to the other party.

5. No waiver by either party of any of the conditions contained in this Agreement or of any breach of any of the covenants contained in this Agreement shall have effect or be binding upon that party unless expressed in writing and any waiver so given shall extend only to the particular condition or breach so waived and shall not limit or affect any rights with respect to any other condition or breach or any future breach.
6. This Agreement and the attached schedules constitute the entire agreement between the parties relating to the subject matter hereof and supersedes all prior proposals, communications and agreements, whether written or oral.
7. This Agreement may be amended or modified only by an instrument in writing executed and delivered by the parties hereto subsequent to the date hereof.
8. The parties covenant to execute such further documents and do such further acts as may be required to implement the terms of this Agreement.

9. All stipulations in this Agreement as to time are strictly of the essence.
10. This Agreement shall be governed by the laws in effect in the Province of Alberta and the parties hereby attorn to the jurisdiction of the Courts of that Province (Judicial District of Calgary).
11. This Agreement may be executed in counterparts by the parties hereto and executed counterparts may be delivered by electronic mail and such execution and delivery shall be valid for all intents and purposes and the executed counterparts shall together form one document.
12. This Agreement shall endure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

[Remainder of this page intentionally left blank]

EXECUTED as of this 16 day of May, 2023

2080348 ALBERTA LTD.

Per: 

Authorized Signatory

RENK HASAS

Print Name and Title of Signatory

BDO CANADA LIMITED,
solely in its capacity as Receiver of
Rambridge Structure & Design Ltd.,
and not in its personal capacity

Per: 

Authorized Signatory

Breanne Scott, Vice President

Print Name and Title of Signatory

SCHEDULE "A"
ASSETS

All inventory and equipment of the Company located at the Premises as viewed by the Auctioneer, between May 11 to May 15, 2023, with the exception of the following excluded items:

1. Label inventory for the proprietary products/trademarks;
2. Warehouse racking; and
3. Leasehold improvements (other than the Vertical Farming unit, which for greater certainty, shall be an Asset included within the Auction).

SCHEDULE "B"
THE PREMISES

7880 66 St SE #150, Calgary, AB T2C 5V2

SCHEDULE "C"
THE RECEIVER'S AND AUCTIONEER'S
RESPONSIBILITIES

The following sets out the Receiver's and Auctioneer's respective responsibilities with respect to the disposition of the Assets. The parties acknowledge and agree that:

General

1. The Auctioneer is acting only in its capacity as an independent contractor dealing with the Receiver and is not the Receiver's employee or assign, nor is it assuming the legal responsibilities, duties or obligations of the Receiver or of a "Secured Party" including but not limited to as set out in Section 17 and Part 5 of the *Personal Property Security Act* (Alberta).
2. The Auctioneer will carry out the Auction in an orderly and professional manner, in accordance with industry practices. The Auctioneer shall, promptly following the earlier of (i) the completion of the Sales and (ii) the General Deadline, provide the Receiver with a detailed written accounting in respect of the Sales and the Gross Sale Proceeds in a form satisfactory to the Receiver acting reasonably.
3. The Auctioneer will not be responsible for the following costs, claims, or liabilities, even if such are payable:
 1. lease payments to third parties under any leases of the Assets;
 2. any pre-existing environmental costs;
 3. any legal costs associated with dealing with liens against the Assets; and,
 4. any product warranties, conditions, or liabilities, including without limitation those set forth in the *Sale of Goods Act* (Alberta), the *International Sale of Goods Contracts Convention Act* (Canada) and *The International Convention Implementation Act* (Alberta).
4. At or before the General Deadline, the Auctioneer will leave the Premises in a broom swept condition and shall otherwise leave the Premises in the same condition as viewed, ordinary wear and tear excepted. The Auctioneer will also be responsible for any damages to the Premises during the Auction or upon removal of the Assets.

Taxes

5. The Auctioneer shall collect, and promptly pay to the applicable authority and confirm such payment to the Receiver, all social services tax, goods and services tax and any other tax resulting from any Sale entered into by the Auctioneer with respect to any of the Assets.

The Auctioneer shall indemnify and hold the Receiver harmless from any and all demands, liabilities or claims, including, but not limited to, fines, penalties, losses, costs and expenses, which the Receiver may sustain, incur or be subject to, arising out of, or by reason of, any failure by the Auctioneer to collect, pay or remit any applicable taxes under, or in accordance with, the provisions of the *Excise Tax Act* (Canada) in relation to the Sale of the Assets in accordance with the Auction (including without limiting the generality of the foregoing in respect of the buyer's premium described in Section 2.3 of this Agreement).

Insurance

6. The Auctioneer will maintain insurance, and will provide to the Receiver proof of insurance, with respect to any public liability which could flow from the Auctioneer's activities, naming the Receiver as beneficiary of such insurance, providing for coverage of not less than \$5,000,000 per occurrence and otherwise in a form satisfactory to the Receiver acting reasonably.
7. Proceeds received on any insurance claim in respect of any insured Assets that otherwise would have been sold during the Auction shall be considered Gross Sale Proceeds.

Event of Force Majeure

8. If the Auctioneer is delayed, interrupted or precluded from completing the Auction in accordance with this Agreement by reason of *force majeure* which includes, without limitation, any event or circumstance of any nature whatsoever that is beyond the reasonable control of the Auctioneer, including earthquake, flood or other act of God, fire, explosion or accident, howsoever caused, any act or omission or delay by any governmental authority, strike, lockout, inability to obtain or delay in obtaining labour, supplies, materials or equipment, delay or failure by carriers or contractors, breakage or other casualty, or seasonal or climactic conditions, the Auctioneer shall be excused from performing its obligations under this Agreement (other than its obligations to pay money) for so long as the event of *force majeure* is in effect if such event shall affect the conduct or timing of any actions contemplated by this Agreement. The Auctioneer shall give immediate notice thereof to the Receiver. The Auctioneer shall be entitled to be paid so much of the amounts payable to it pursuant to this Agreement to which it has become entitled as at the date of the event of *force majeure*. In the event that, acting reasonably, the parties are unable to negotiate a settlement, the matter will be determined by or in accordance with directions from the Court of King's Bench of Alberta.

Environmental

9. For the purposes of this Schedule "C", "Contaminants" means any substance or thing or mixture of them which alone, or in combination, or in concentrations, are flammable, corrosive, reactive or toxic or which might cause adverse effects or be deemed detrimental to living things or to the environment, including, but not limited to, any pollutant, contaminant, toxic or hazardous substance, such as, by way of example, urea formaldehyde, asbestos, polychlorinated biphenyl, pesticides, or any other substance with which the removal, manufacture, preparation, generation, use, maintenance, storage, transfer, handling or ownership is subject to any laws, rules or regulations.
10. The Auctioneer and its directors, officers, employees, agents, successors and assigns shall not be responsible for any liabilities, actions, damages, claims, losses, costs and expenses resulting from pre-existing Contaminants, nor the costs of removal, abatement, treatment, storage or disposal of pre-existing contaminants, or remediation of the Premises. The Auctioneer shall be responsible for any costs, expenses, or liabilities associated with Contaminants brought onto or created on the premises by the Auctioneer and the remediation of any contamination resulting from the Auctioneer.

APPENDIX “D”

PURCHASE AND SALE AGREEMENT

THIS AGREEMENT made as of the 17th day of May, 2023.

BETWEEN:

BDO CANADA LIMITED, solely in its capacity as court-appointed receiver of **RAMBRIDGE STRUCTURE & DESIGN LTD.**, and not in its personal capacity (hereinafter referred to as the **Vendor**)

- and -

QUALITY WHOLESALE LTD., a corporation incorporated under the laws of British Columbia (hereinafter referred to as the **Purchaser**)

WHEREAS BDO Canada Limited was appointed as receiver (the **Receiver**) of Rambridge Structure & Design Ltd. (the **Company**) pursuant to a receivership order granted by the Court of King's Bench of Alberta (the **Court**) on March 17, 2023 (the **Appointment Order**);

AND WHEREAS Vendor wishes to sell, and Purchaser wishes to purchase, all of the interest of Vendor in and to the Purchased Assets, subject to and in accordance with the terms and conditions of this Purchase and Sale Agreement (the **Agreement**);

NOW THEREFORE in consideration of the premises and the mutual covenants and agreements hereinafter set forth, the Parties have agreed as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires:

- (a) **Affiliate** means, with respect to any Person, any other Person or group of Persons acting in concert, directly or indirectly, that controls, is controlled by or is under common control with such Person. The term **control** as used in the preceding sentence means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person whether through ownership or more than fifty percent (50%) of the voting securities of such Person, by contract or otherwise;
- (b) **Applicable Law** means, in relation to any person, property or circumstance, all laws, statutes, rules, regulations, official directives and orders of Governmental Authorities (whether administrative, legislative, executive or otherwise), including judgments, orders and decrees of courts, commissions or bodies exercising similar functions, as amended, and includes the provisions and conditions of any permit, license or other governmental or regulatory authorization, that are in effect as at the relevant time and are applicable to such person, property or circumstance;
- (c) **Approval** means the approval by order of the Court of this Agreement and the transaction thereunder, including any vesting order necessary to be accompanied thereby in the sole discretion of the Receiver;
- (d) **Business Day** means a day other than a Saturday, a Sunday or a statutory holiday in Calgary, Alberta;

- (e) **Closing** means the transfer of possession, ownership and risks of the Purchased Assets from Vendor to Purchaser, the exchange of any Specific Conveyances and payment of the Purchase Price by Purchaser to Vendor, and all other items and considerations required to be delivered on the Closing Date pursuant hereto;
- (f) **Closing Date** means June 30, 2023 at 12:00 p.m. or such other time and date as may be agreed upon in writing by the Parties, subsequent to receipt of the Approval;
- (g) **Closing Place** means the virtual closing deemed to have occurred at the office of the Receiver in Calgary, Alberta, or such other place as may be agreed upon in writing by the Parties;
- (h) **Deposit** has the meaning ascribed thereto in Section 2.5;
- (i) **Flash Drive** means the data storage device containing the specific folders and files identified in Schedule "A";
- (j) **General Conveyance** means the form of general conveyance attached hereto as Schedule "B";
- (k) **Governmental Authority** means any federal, national, provincial, territorial, municipal or other government, any political subdivision thereof, and any ministry, sub-ministry, agency or sub-agency, court, board, bureau, office, or department, including any government-owned entity, having jurisdiction over a Party, the Purchased Assets or the Transaction;
- (l) **GST** means the goods and services tax payable pursuant to the GST Legislation;
- (m) **GST Legislation** means Part IX of the *Excise Tax Act*, R.S.C. 1985, c. E-15, as amended, and the regulations promulgated thereunder;
- (n) **Losses** means all losses, costs, claims, damages, expenses and liabilities which a Person suffers, sustains, pays or incurs, including reasonable legal fees on a solicitor and his own client basis but notwithstanding the foregoing shall not include any liability for indirect or consequential damages including business loss, loss of profit, economic loss, punitive damages or income tax liabilities, but shall include any liability for indirect or consequential damages including business loss, loss of profit, economic loss, punitive damages or income tax liabilities suffered, sustained, paid or incurred by a Third Party entitled to recovery or indemnification from a Person;
- (o) **Outside Date** means July 15, 2023;
- (p) **Party** means a party to this Agreement, and **Parties** means both of them;
- (q) **Person** means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executor, Governmental Authority or other entity;
- (r) **Purchased Assets** means the trademarks, proprietary recipes and other assets set forth in Schedule "A" attached hereto;
- (s) **Receiver** means BDO Canada Limited in its sole capacity as court-appointed receiver of the Company and not in its personal capacity;



- (t) **Representative** means, with, respect to any Party, its Affiliates, and its and their respective current or former directors, officers, servants, agents, advisors, employees and consultants;
- (u) **Sales Taxes** means all transfer, sales, excise, stamp, license, production, value-added and other like taxes, assessments, charges, duties, fees, levies or other governmental charges of any kind, and includes additions by way of penalties, interest and other amounts with respect thereto, including GST;
- (v) **Specific Conveyances** means all conveyances, assignments, transfers, novations and other documents or instruments that are reasonably required or desirable to convey, assign and transfer the interest of Vendor in and to the Purchased Assets to Purchaser and to novate Purchaser in the place and stead of Vendor with respect to the Purchased Assets;
- (w) **Third Party** means any individual or entity other than Receiver, Company, Vendor and Purchaser, including any partnership, corporation, trust, unincorporated organization, union, government and any department and agency thereof and any heir, executor, administrator or other legal representative of an individual;
- (x) **this Agreement, herein, hereto, hereof** and similar expressions mean and refer to this Agreement;
- (y) **Transaction** means the transaction for the purchase and sale of the Purchased Assets as contemplated by this Agreement; and
- (z) **Transaction Fees** means any fees associated with the transfer of the Purchased Assets incurred by the Vendor or Receiver in connection with the Transaction.

1.2 Headings

The expressions "Article", "section", "subsection", "clause", "subclause", "paragraph" and "Schedule" followed by a number or letter or combination thereof mean and refer to the specified article, section, subsection, clause, subclause, paragraph and schedule of or to this Agreement.

1.3 Interpretation Not Affected by Headings

The division of this Agreement into articles, sections, subsections, clauses, subclauses and paragraphs and the provision of headings for all or any thereof are for convenience and reference only and shall not affect the construction or interpretation of this Agreement.

1.4 Included Words

When the context reasonably permits, words suggesting the singular shall be construed as suggesting the plural and *vice versa*, and words suggesting gender or gender neutrality shall be construed as suggesting the masculine, feminine and neutral genders. The word "including" or any variation thereof means "including, without limitation," and shall not be construed to limit any general statement that it follows to the specific or similar items or matters immediately following it.

1.5 Schedules

There are appended to this Agreement the following schedules pertaining to the following matters:

- Schedule "A" - Purchased Assets
- Schedule "B" - Form of General Conveyance



Such schedules are incorporated herein by reference as though contained in the body hereof. Wherever any term or condition of such schedules conflicts or is at variance with any term or condition in the body of this Agreement, such term or condition in the body of this Agreement shall prevail.

1.6 Damages

All losses, costs, claims, damages, expenses and liabilities in respect of which a Party has a claim pursuant to this Agreement include reasonable legal fees and disbursements on a solicitor and client basis.

1.7 Derivatives

Where a term is defined herein, a capitalized derivative of such term shall have a corresponding meaning unless the context otherwise requires.

1.8 Interpretation if Closing Does Not Occur

In the event that Closing does not occur, each provision of this Agreement which presumes that Purchaser has acquired the Purchased Assets hereunder shall be construed as having been contingent upon Closing having occurred.

1.9 Conflicts

If there is any conflict or inconsistency between a provision of the body of this Agreement and that of a Schedule or a Specific Conveyance, the provision of the body of this Agreement shall prevail. If any term or condition of this Agreement conflicts any Applicable Law, the term or condition of the Applicable Law shall prevail, and this Agreement shall be deemed to be amended to the extent required to eliminate any such conflict.

1.10 Currency

All dollar (\$) amounts referenced in this Agreement are expressed in the lawful currency of Canada.

ARTICLE 2 PURCHASE AND SALE AND CLOSING

2.1 Purchase and Sale

Vendor, exercising the powers of sale granted pursuant to the Appointment Order, hereby agrees to sell, assign, transfer, convey and set over to Purchaser, and Purchaser hereby agrees to purchase from Vendor, all of the right, title, estate and interest of Vendor (whether absolute or contingent, legal or beneficial) in and to the Purchased Assets, subject to and in accordance with the terms of this Agreement.

2.2 Purchase Price

The aggregate consideration to be paid by Purchaser to Vendor for Vendor's interest in and to the Purchased Assets shall be [REDACTED] (the **Purchase Price**) plus applicable Sales Taxes, satisfied by Purchaser against the Deposit.

2.3 Closing

Closing shall take place at the Closing Place on the Closing Date if there has been satisfaction or waiver of the conditions of Closing herein contained. Subject to all other provisions of this Agreement, possession,



risk and legal and beneficial ownership of Vendor's interest in and to the Purchased Assets shall pass from Vendor to Purchaser on the Closing Date.

- (a) On the Closing Date, Vendor shall:
- (i) deliver the General Conveyance in the form attached as Schedule "B", duly executed by Vendor;
 - (ii) deliver or make available to the Purchaser the Purchased Assets, including the Flash Drive;
 - (iii) deliver a receipt for the Purchase Price as adjusted herein plus applicable Sales Taxes; and
 - (iv) deliver any such other items as may be specifically required hereunder.
- (b) On the Closing Date, Purchaser shall:
- (i) deliver the General Conveyance in the form attached as Schedule "B", duly executed by Purchaser;
 - (ii) pay the Purchase Price, as adjusted herein, plus applicable Sales Taxes and Transaction Fees; and
 - (iii) deliver any such other items as may be specifically required hereunder.

2.4 Form of Payment

All payments to be made pursuant to this Agreement shall be in Canadian funds. All payments to be made pursuant to this Agreement shall be made by certified cheque, bank draft or wire transfer.

2.5 Deposit

The Parties acknowledge that a deposit in the amount of [REDACTED] has been provided by Purchaser to Vendor to be held in trust and released only in accordance with the provisions of this section 2.5 (the **Deposit**). Upon closing, the Deposit shall be applied as payment of the Purchase Price. The amount of the Deposit in excess of the Purchase Price, less Transaction Fees and Sales Taxes, shall be returned to the Purchaser within two (2) Business Days of Closing.

2.6 Taxes

(a) GST

Each of Purchaser and Vendor is a registrant for GST purposes and will continue to be a registrant at the Closing Date in accordance with the provisions of the GST Legislation. Their respective GST registration numbers are:

Vendor	85717 1565 RT0002
Purchaser	86587 1966 RT0001

(b) Sales Taxes

The Parties acknowledge that the Purchase Price is exclusive of all Sales Taxes. Purchaser shall be solely responsible for all Sales Taxes which may be imposed by any Governmental Authority and which pertain to Purchaser's acquisition of the Purchased Assets or to the registration of any Specific Conveyances necessitated hereby. Except where Vendor is required under Applicable Law to collect or pay such Sales Taxes, Purchaser shall pay such Sales 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 Sales Taxes when due. Vendor will do and cause to be done such things as are reasonably requested to enable Purchaser to comply with such obligation in a timely manner. If Vendor is required under Applicable Law to pay any such Sales Taxes, Purchaser shall promptly reimburse Vendor the full amount of such Sales Taxes upon delivery to Purchaser of copies of receipts showing payment of such Sales Taxes. Purchaser shall be responsible for the payment of any amount of Sales Taxes payable in respect of its purchase of the Purchased Assets pursuant hereto and any interest and penalties payable in respect thereto and shall indemnify and save harmless Vendor in respect thereof.

**ARTICLE 3
CONDITIONS OF CLOSING**

3.1 Required Consents

Both before and after Closing, each of the Parties shall use all reasonable efforts to obtain any and all approvals required under Applicable Law and any and all material consents of Third Parties required to permit the Transaction. The Parties acknowledge that the acquisition of such consents shall not be a condition precedent to Closing. It shall be the sole obligation of Purchaser, at Purchaser's sole cost and expense, to provide any and all financial assurances, remedial work or other documentation required by Governmental Authorities to permit the transfer to Purchaser, and registration of Purchaser as owner of, any of the Purchased Assets.

3.2 Mutual Conditions

The obligation of Purchaser to purchase Vendor's interest in and to the Purchased Assets, and of Vendor to sell its interest in and to the Purchased Assets to Purchaser, is subject to the following conditions precedent:

- (a) Vendor obtaining the Approval; and
- (b) there shall not have been instituted any legal proceedings to obtain, and no court or Governmental Authority of competent jurisdiction shall have issued, promulgated, enforced or entered any judgment, decree, injunction or other order, whether temporary, preliminary or permanent, that restrains, enjoins or otherwise prohibits consummation of the Transaction.

Unless otherwise agreed to by the Parties, if the conditions contained in this section 3.2 have not been performed or satisfied on or before the Outside Date, this Agreement and the obligations of Vendor and Purchaser under this Agreement shall automatically terminate without any further action on the part of either Vendor or Purchaser.

3.3 Vendor's Conditions

The obligation of Vendor to sell its interest in and to the Purchased Assets to Purchaser is subject to the following conditions precedent, which are inserted herein and made part hereof for the exclusive benefit of Vendor and may be waived by Vendor in whole or in part:

- (a) the representations and warranties of Purchaser herein contained shall be true in all material respects when made and as of the Closing Date;
- (b) all obligations of Purchaser contained in this Agreement to be performed prior to or at Closing shall have been timely performed in all material respects; and
- (c) all amounts to be paid by Purchaser to Vendor at Closing, including the Purchase Price, shall have been paid to Vendor in the form stipulated in this Agreement.

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by Vendor, at or before the Outside Date, Vendor may terminate this Agreement by written notice to Purchaser. If Vendor terminates this Agreement, Vendor and Purchaser shall be released and discharged from all obligations hereunder except as provided in sections 2.5 and 7.12.

3.4 Efforts to Fulfil Conditions Precedent

Purchaser and Vendor shall proceed diligently and in good faith and use all reasonable efforts to satisfy and comply, and assist in the satisfaction and compliance, with the foregoing conditions precedent.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of Purchaser

Purchaser makes the following representations and warranties to Vendor, no claim in respect of which shall be made or be enforceable by Vendor unless written notice of such claim, with reasonable particulars, is given by Vendor to Purchaser within a period of six (6) months following the Closing Date:

- (a) Purchaser is a corporation duly organized, validly existing and is authorized to carry on business in the jurisdiction(s) in which it is located;
- (b) Purchaser has good right, full power and absolute authority to purchase and acquire the interest of Vendor in and to the Purchased Assets according to the true intent and meaning of this Agreement;
- (c) the execution, delivery and performance of this Agreement has been duly and validly authorized by any and all requisite corporate, shareholders', directors' or equivalent actions and will not result in any violation of, be in conflict with, or constitute a default under, any articles, charter, bylaw or other governing document to which Purchaser is bound;
- (d) the execution, delivery and performance of this Agreement will not result in any violation of, be in conflict with, or constitute a default under, any term or provision of any agreement or document to which Purchaser is party or by which Purchaser is bound, nor under any judgement, decree, order, statute, regulation, rule or license applicable to Purchaser;
- (e) this Agreement and any other agreements delivered in connection herewith constitute valid and binding obligations of Purchaser enforceable against Purchaser in accordance with their terms;

- (f) no authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by Purchaser of this Agreement, other than authorizations, approvals or exemptions from requirement therefor previously obtained and currently in force or to be obtained prior to or after Closing;
- (g) Purchaser has adequate funds available in an aggregate amount sufficient to pay: (i) all amounts required to be paid by Purchaser under this Agreement; and (ii) all expenses which have been or will be incurred by Purchaser in connection with this Agreement and the Transaction;
- (h) Purchaser has not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees in respect of this Agreement or the Transaction for which Vendor shall have any obligation or liability;
- (i) Purchaser is not a non-resident of Canada within the *Income Tax Act* (Canada); and
- (j) Purchaser is not a non-Canadian person for the purposes of the *Investment Canada Act* (Canada).

4.2 Limitation of Representations by Vendor

- (a) Notwithstanding anything to the contrary in this Agreement, Vendor expressly negates any representations or warranties, whether written or verbal, made by Vendor or its Representatives and in particular, without limiting the generality of the foregoing, Vendor disclaims all liability and responsibility for any such representation, warranty, statement or information made or communicated, whether verbal or in writing, to Purchaser or any of its Representatives. Vendor's interest in and to the Purchased Assets shall be purchased on a strictly "as is, where is" basis and there are no collateral agreements, conditions, representations or warranties of any nature whatsoever made by Vendor, express or implied, arising at law, by statute, in equity or otherwise, with respect to the Purchased Assets and in particular, without limiting the generality of the foregoing, there are no collateral agreements, conditions, representations or warranties made by Vendor, express or implied, arising at law, by statute, in equity or otherwise with respect to:
 - (i) any estimates of the value of the Purchased Assets or the revenues or cash flows therefrom;
 - (ii) the accuracy or completeness of the data or information contained on the Flash Drive or any other data or information supplied by the Vendor or any of its Representatives in connection with the Purchased Assets;
 - (iii) the suitability of the Purchased Assets for any purpose;
 - (iv) compliance with Applicable Laws; or
 - (v) the title and interest or ownership of Vendor in and to the Purchased Assets.
- (b) Without restricting the generality of the foregoing, Purchaser acknowledges that it has made its own independent investigation, analysis, evaluation and inspection of Vendor's interests in the Purchased Assets and the state and condition thereof and that it is satisfied with, and has relied solely on, such investigation, analysis, evaluation and inspection as to its assessment of the condition, quantum and value of the Purchased Assets and those matters specifically enumerated in section 4.2(a).

- (c) Purchaser forever releases and discharges Vendor and its Representatives from any claims and all liability to Purchaser or Purchaser's assigns and successors, as a result of the use or reliance upon advice, information or materials pertaining to the Purchased Assets which was delivered or made available to Purchaser by Vendor or its Representatives prior to or pursuant to this Agreement, including the Flash Drive and any evaluations, projections, reports and interpretive or non-factual materials prepared by or for Vendor, or otherwise in Vendor's possession.

**ARTICLE 5
INDEMNITIES FOR REPRESENTATIONS AND WARRANTIES**

5.1 Purchaser's Indemnities for Representations and Warranties

Purchaser shall be liable to Vendor for and shall, in addition, indemnify Vendor from and against, all Losses suffered, sustained, paid or incurred by Vendor which would not have been suffered, sustained, paid or incurred had all of the representations and warranties contained in section 4.1 been accurate and truthful; provided, that nothing in this section 5.1 shall be construed so as to cause Purchaser to be liable to or indemnify Vendor in connection with any representation or warranty contained in section 4.1 if and to the extent that Vendor did not rely upon such representation or warranty.

**ARTICLE 6
PURCHASER'S RECEIPT OF PURCHASED ASSETS ON CLOSING**

6.1 Vendor to Provide Purchased Assets on Closing

On Closing, the Vendor shall provide to the Purchaser and its Representatives the Purchased Assets. The Purchaser, at their sole cost and expense, shall take such steps and actions following the date hereof, including the execution of any documents, registrations or other similar items, to ensure that the Purchased Assets are properly transferred to the Purchaser, or any assignee or successor thereto. During the period from the Closing Date to the date that is two weeks therefrom, the Receiver shall, when reasonable and in accordance with the purposes of this Agreement, take such commercially reasonable steps when requested by the Purchaser to effect the transfer of the licenses and trademarks that, which comprise some of the Purchased Assets, including signing specific conveyance prepared by Purchaser.

6.2 No Further Obligations of the Vendor

The Parties acknowledge that, at and following Closing, other than as specifically set forth in Section 6.1, the Vendor shall have no further obligations to search for or provide any data or information pertaining to the Purchased Assets, including that Vendor shall have no obligation to search its materials, emails archives, or other books and records of Vendor in respect of claimed portions of the Purchased Assets.

**ARTICLE 7
GENERAL**

7.1 Further Assurances

Each Party will, from time to time and at all times after Closing, without further consideration, do such further acts and deliver all such further assurances, deeds and documents as shall be reasonably required to fully perform and carry out the terms of this Agreement.

7.2 No Merger

The covenants, representations, warranties and indemnities contained in this Agreement shall be deemed to be restated in any and all assignments, conveyances, transfers and other documents conveying the interests of Vendor in and to the Purchased Assets to Purchaser, subject to any and all time and other

limitations contained in this Agreement. There shall not be any merger of any covenant, representation, warranty or indemnity in such assignments, conveyances, transfers and other documents notwithstanding any rule of law, equity or statute to the contrary and such rules are hereby waived.

7.3 Receiver

Purchaser acknowledges that Receiver is acting solely in its capacity as the court-appointed receiver of the Company, and not in its personal capacity. Under no circumstances shall Receiver or any of its Representatives have any liability pursuant to this Agreement, or in relation to the Transaction, in its or their personal capacity, whether such liability be in contract, tort or otherwise.

7.4 Entire Agreement

The provisions contained in any and all documents and agreements collateral hereto shall at all times be read subject to the provisions of this Agreement and, in the event of conflict, the provisions of this Agreement shall prevail. This Agreement supersedes all other agreements (other than the Confidentiality Agreement (the **Confidentiality Agreement**) between Vendor and Purchaser), documents, writings and verbal understandings between the Parties relating to the subject matter hereof and expresses the entire agreement of the Parties with respect to the subject matter hereof.

7.5 Governing Law

This Agreement shall, in all respects, be subject to, interpreted, construed and enforced in accordance with and under the laws of the Province of Alberta and the laws of Canada applicable therein and shall, in every regard, be treated as a contract made in the Province of Alberta. The Parties irrevocably attorn and submit to the exclusive jurisdiction of the courts of the Province of Alberta in the City of Calgary and courts of appeal therefrom in respect of all matters arising out of this Agreement.

7.6 Assignment and Enurement

This Agreement may not be assigned by a Party without the prior written consent of the other Party, which consent may be unreasonably and arbitrarily withheld. This Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective administrators, trustees, successors and permitted assigns.

7.7 Time of Essence

Time shall be of the essence in this Agreement.

7.8 Notices

The addresses and fax numbers of the Parties for delivery of notices hereunder shall be as follows:

Vendor - BDO Canada Limited in its capacity as court-appointed receiver of Rambridge
Structure and Design Ltd. and not in its personal capacity
110, 5800 2nd Street SW
Calgary, Alberta T2H 0H2
Attention: Breanne Scott
Fax: (403) 213-5432
Email: brscott@bdo.ca

Purchaser - Quality Wholesale Ltd.
7575 North Fraser Way
Burnaby, British Columbia V5J 4Z3
Attention: Reno Montagano



Fax: (604) 321-9958
Email: reno@qualitywholesale.ca

All notices, communications and statements required, permitted or contemplated hereunder shall be in writing, and shall be delivered as follows:

- (a) by delivery to a Party between 8:00 a.m. and 4:00 p.m. on a Business Day at the address of such Party for notices, in which case, the notice shall be deemed to have been received by that Party when it is delivered;
- (b) by facsimile or email to a Party to the facsimile number or email address of such Party for notices, in which case, if the notice was sent prior to 4:00 p.m. on a Business Day, the notice shall be deemed to have been received by that Party when it was sent and if it is sent on a day which is not a Business Day or is sent after 4:00 p.m. on a Business Day, it shall be deemed to have been received on the next following Business Day; or
- (c) except in the event of an actual or threatened postal strike or other labour disruption that may affect mail service, by first class registered postage prepaid mail to a Party at the address of such Party for notices, in which case, the notice shall be deemed to have been received by that Party on the fourth (4th) Business Day following the date of mailing.

A Party may from time to time change its address for service, facsimile number for service, email address or designated representative by giving written notice of such change to the other Party.

7.9 Invalidity of Provisions

In case any of the provisions of this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

7.10 Waiver

No failure on the part of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any right or remedy in law or in equity or by statute or otherwise conferred. No waiver by any Party of any breach (whether actual or anticipated) of any of the terms, conditions, representations or warranties contained herein shall take effect or be binding upon that Party unless the waiver is expressed in writing under the authority of that Party. Any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other or future breach.

7.11 Amendment

This Agreement shall not be varied in its terms or amended by oral agreement or by representations or otherwise other than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of each Party.

7.12 Confidentiality and Public Announcements

Until Closing has occurred and subject to the Confidentiality Agreement, each Party shall keep confidential all information obtained from the other Party in connection with the Purchased Assets and shall not release any information concerning this Agreement and the Transaction without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Nothing contained herein shall prevent a Party at any time from furnishing information (i) to any Governmental Authority or regulatory authority or to the public or otherwise if required by Applicable Law or as directed by any Governmental Authority or

regulatory authority (including in relation to the bankruptcy proceedings of the Company and such proceedings themselves); or (ii) as required to the Company's secured creditors.

[Remainder of page intentionally left blank. Signature pages to follow.]

A handwritten signature in black ink, located in the bottom right corner of the page. The signature is stylized and appears to consist of several overlapping loops and lines.

7.13 Counterpart Execution

This Agreement may be executed and delivered in counterpart and transmitted by facsimile or other electronic means and all such executed counterparts, including electronically transmitted copies of such counterparts, shall together constitute one and the same agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

BDO CANADA LIMITED, solely in its capacity as the court-appointed receiver of **RAMBRIDGE STRUCTURE & DESIGN LTD.**, and not in its personal capacity

Per: Breanne Scott
Name: Breanne Scott
Title: Vice President

Per: _____
Name:
Title:

QUALITY WHOLESAL LTD.

Per: Keane Montenegro
Name: Keane Montenegro
Title: Director

Per: _____
Name:
Title:

THE FOLLOWING COMPRISES SCHEDULE "A" ATTACHED TO AND FORMING PART OF A PURCHASE AND SALE AGREEMENT DATED THE 17th DAY OF MAY, 2023 BETWEEN BDO CANADA LIMITED, solely in its capacity as court-appointed receiver of RAMBRIDGE STRUCTURE & DESIGN LTD., and not in its personal capacity, and QUALITY WHOLESALE LTD.

PURCHASED ASSETS

1. All of the Vendor's right, title, estate and interest in the following trademarks and proprietary recipes:

Name	Description	Trademark No.	Expiry Year
Blossom Blood	A pH buffer salt to promote fuller buds and flowers	TMA622312	2029
Bumper Crop	Bumper Up and Bumper Down products to adjust pH	TMA301150	2030
Bumper Crop & Design	Bumper Up and Bumper Down product logo and design	TMA445129	2025
Cannamax	Calibration solution for pH, PPM and EC meters	TMA546080	2031
Clearing Solution	Solution used to flush out the nutrient in the final days	TMA657022	2031
Green Up	Designed to reduce yellowing when cuttings are rooting	NA	NA
Liquid Black Crystal	Assists in increasing the ion exchange across the root membrane	TMA655885	2030
Liquid Gold	To increase the cell metabolic rate for better growth	TMA655884	2030
Rambridge Logo	Company logo symbol	TMA445129	2029
Solarmax	Line of high output horticultural lamps	TMA602365	2034
Veg Booster	Solution promoting plant growth during vegetative stage	NA	NA
Wegeners Organics	Provides a balanced NPK with calcium, magnesium and other mineral	TMA621393	2029

2. The Flashdrive containing the files for the proprietary recipes, only to the extent such files exist and are retrievable by Vendor. For greater certainty and clarity, Purchaser agrees that Vendor has no obligation to provide any additional files or conduct any other investigation as to files that may or may not be within its control and which may relate to the proprietary recipes.

3. The domain name and website www.rambridge.com, to the extent owned or controlled by Vendor and transferrable, with no obligation on behalf of Vendor other than to provide the password to the domain name registration, and to provide introductory emails to the website administrator. Vendor shall not be obligated to pay any cure costs or any other unpaid expenses which may relate to the domain name and website in order to facilitate a transfer, and any such cure costs shall be solely the responsibility of the Purchaser.

4. The label inventory related to the trademarks or proprietary recipes, which are stored at the address of 7880 66 St SE #150, Calgary, AB T2C 5V2, and set out on the following list of label inventory.

[see next page]

REDACTED

REDACTED

THE FOLLOWING COMPRISES SCHEDULE "B" ATTACHED TO AND FORMING PART OF A PURCHASE AND SALE AGREEMENT DATED THE 17th DAY OF MAY, 2023 BETWEEN BDO CANADA LIMITED, solely in its capacity as court-appointed receiver of RAMBRIDGE STRUCTURE & DESIGN LTD., and not in its personal capacity, and QUALITY WHOLESALE LTD.

GENERAL CONVEYANCE

THIS GENERAL CONVEYANCE made as of this __ day of May, 2023.

BETWEEN:

BDO CANADA LIMITED, solely in its capacity as the court-appointed receiver of **RAMBRIDGE STRUCTURE & DESIGN LTD.**, and not in its personal capacity (hereinafter referred to as the **Vendor**)

- and -

QUALITY WHOLESALE LTD, a corporation incorporated under the laws of British Columbia (hereinafter referred to as the **Purchaser**)

WHEREAS BDO Canada Limited was appointed as receiver (the **Receiver**) of Rambridge Structure and Design Ltd. (the **Company**) pursuant to a receivership order granted by the Court of King's Bench of Alberta on March 17, 2023;

AND WHEREAS Vendor wishes to sell, and Purchaser wishes to purchase, the Purchased Assets subject to and in accordance with the terms and conditions contained herein;

NOW THEREFORE for the consideration provided in the Purchase Agreement and in consideration of the premises hereto and the covenants and agreements hereinafter set forth and contained, the Parties covenant and agree as follows:

1 Definitions

In this General Conveyance, including the recitals hereto, the definitions set forth in the Purchase Agreement are adopted herein by reference and, in addition:

Purchase Agreement means that Purchase and Sale Agreement between Vendor and Purchaser dated May 17, 2023.

2 Conveyance

Pursuant to and for the consideration provided for in the Purchase Agreement, Vendor hereby sells, assigns, transfers, conveys and sets over to Purchaser the entire right, title, estate and interest of Vendor in and to the Purchased Assets, to have and to hold the same absolutely, together with all benefit and advantage to be derived therefrom.

3 Subordinate Document

This General Conveyance is executed and delivered by the Parties pursuant to the Purchase Agreement and the provisions of the Purchase Agreement shall prevail in the event of a conflict between the provisions of the Purchase Agreement and the provisions of this General Conveyance.



4 No Merger

The covenants, representations, warranties and indemnities contained in the Purchase Agreement are incorporated herein as fully and effectively as if they were set out herein and there shall be no merger of any covenant, representation, warranty or indemnity contained in the Purchase Agreement by virtue of the execution and delivery hereof, any rule of law, equity or statute to the contrary notwithstanding.

5 Governing Law

This General Conveyance shall be subject to and interpreted, construed and enforced in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein and shall, in every regard, be treated as a contract made in the Province of Alberta. The Parties irrevocably attorn and submit to the exclusive jurisdiction of the courts of the Province of Alberta in the City of Calgary and courts of appeal therefrom in respect of all matters arising out of this Agreement.

6 Enurement

This General Conveyance shall be binding upon and shall enure to the benefit of each of the Parties and their respective administrators, trustees, successors and assigns.

7 Further Assurances

Each Party will, from time to time and at all times hereafter, at the request of the other Party but without further consideration, do all such further acts and execute and deliver all such further documents as shall be reasonably required in order to fully perform and carry out the terms hereof.

8 Counterpart Execution


This General Conveyance may be executed in counterpart and by facsimile or other electronic means and all such executed counterparts together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the Parties have executed this General Conveyance on the date first above written.

BDO CANADA LIMITED, solely in its capacity as the court-appointed receiver of **RAMBRIDGE STRUCTURE & DESIGN LTD.**, and not in its personal capacity

QUALITY WHOLESALE LTD

Per: _____
Name:
Title:

Per: 
Name: *Rasmus H. Lundberg*
Title: *Director*

Per: _____
Name:
Title:

Per: _____
Name:
Title:

APPENDIX “E”

In the Matter of the Receivership of
Rambridge Structure & Design Ltd.
Interim Statement of Receipts and Disbursements
From the Receivership Order to May 16, 2023

Receipts

Receiver's borrowings	\$	100,000
Recovery of prepaid deposit		81,023
Sale of assets enbloc		16,600
Miscellaneous other receipts		2,000
Accounts receivable		1,921
Interest allocation		533
	\$	<u>202,078</u>

Disbursements

Occupation rent		78,745
Legal fees/disbursements		9,307
Insurance		7,114
Commission		3,320
Mara Lake Property strata fees		2,383
Contractor expenses		2,093
Miscellaneous other expenses		850
GST paid on disbursements		472
Filing fees paid to Official Receiver		73
		<u>104,357</u>

Cash in trust as at May 16, 2023

\$ 97,721

Note - the Receiver is also the holding sale deposit outlined in the Confidential Supplement, which is not disclosed above.