

COURT FILE NUMBER Q.B.G. 399 of 2020

COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE SASKATOON

PLAINTIFF CANADIAN MORTGAGE SERVICING CORPORATION

DEFENDANT 101118672 SASKATCHEWAN LTD. (formerly Korf Properties Ltd.)

**IN THE MATTER OF THE RECEIVERSHIP OF 101118672 SASKATCHEWAN LTD.
(formerly Korf Properties Ltd.)**

NOTICE OF APPLICATION
(Sale Approval, Vesting and Distribution Order)

NOTICE TO: Those Parties Identified on the Attached Service List

This application is made against you. You are a respondent. You have the right to state your side of this matter before the Court.

To do so, you must be in Court when the application is heard as shown below:

Where	Court of Queen's Bench 520 Spadina Crescent East Saskatoon, Saskatchewan
Date	Tuesday, July 6, 2021
Time	10:00 AM

Due to the health risks posed by the COVID-19 pandemic, all chambers applications will be heard by telephone unless the presiding judge has decided otherwise. To confirm the telephone number where you can be reached on the date of the application, you must immediately contact the office of the local registrar at (306) 933-5135 and provide your telephone number. You must remain available by telephone at that number on that date until your matter is heard.

Remedy claimed or sought:

1. Orders:

- (a) Approving and authorizing MNP Ltd. (the “**Receiver**”) in its capacity as Receiver of 101118672 Saskatchewan Ltd. (formerly Korf Properties Ltd.) (the “**Debtor**”) pursuant to the Receivership Order of the Honourable Mr. Justice B.J. Scherman issued March 17, 2020 (the “**Receivership Order**”) to complete the transactions contemplated in the following Agreements (the “**Agreements**”) with the following proposed purchasers (the “**Proposed Purchasers**”):
 - (i) the Asset Purchase Agreement made with Paul Rowe and Nataliya Filipovych as outlined in Appendix II to the Fourth Report attached to the Fourth Report of the Receiver dated June 29, 2021, (the “**Fourth Report**”);
 - (ii) the Asset Purchase Agreement made with Iurii Akinchets as outlined in Appendix III to the Fourth Report;
 - (iii) the Asset Purchase Agreement made with 102128911 Saskatchewan Ltd. as outlined in Appendix IV to the Fourth Report; and
 - (iv) the two (2) Asset Purchase Agreements made with Candea Leasing Ltd. as outlined in Appendices V and VI to the Fourth Report.
- (b) Approving, authorizing and directing the Receiver to enter into a sale of the assets for the purchase prices in the Agreements and subject to the terms and conditions thereof;
- (c) Vesting the Proposed Purchasers with all right, title, and interest in and to, the assets described in the Agreements, free and clear of all liens, charges, and encumbrances except as provided in the Agreements;
- (d) Authorizing the Receiver to distribute the sales proceeds as outlined in the proposed Approval and Distribution Order filed in these proceedings;
- (e) Approving the Receiver’s activities as described within the Fourth Report; and
- (f) Such further and other relief as counsel may request and this Honourable Court may allow.

Grounds for making this application:

1. The Receiver makes this application pursuant to section 3 of the Receivership Order, which permits the Receiver to, with approval of this Honourable Court, sell the assets of the Debtor and apply for any Order(s) necessary to do so.

2. This application concerns the sale of the following properties:
 - (a) Following an auction conducted by Grasswood Auctions ("**Grasswood**"), the following industrial buildings located in Estevan, Saskatchewan:
 - (i) 126-130 Perkins Street (one (1) light industrial building);
 - (ii) 77-79 Devonian/ 353 Imperial (one (1) light industrial building); and
 - (iii) 118 and 122 47 Highway South (one (1) light industrial building);
 - (b) Following the Grasswood auction, the following small apartments located in Estevan, Saskatchewan:
 - (i) 1210 Second Street; and
 - (ii) 1321 Second Street.(collectively, the "**Subject Properties**").

Listing and Auction Efforts

3. As indicated in the First Report of the Receiver dated December 7, 2020, after the Receiver's appointment, all of the real properties of the Debtor (including the Subject Properties) were listed for sale with Colliers International ("**Colliers**") on June 18, 2020 on an "Invitation for Offers" basis.

4. Following little concrete interest in the Subject Properties, the Receiver entered into a marketing and auction agreement with Grasswood for such properties which was approved by the Marketing Process, Distribution and Approval Order granted by the Honourable Mr. Justice R.W. Elson and issued December 30, 2020 (the "**Marketing Process Order**").

5. Grasswood marketed the Subject Properties from approximately January, 2021 to the end of May, 2021, culminating in an online auction held on May 27 and May 28, 2021.

6. Originally, the auction was to be conducted in mid-March, 2021, however additional time was allowed so that Grasswood could facilitate viewings of the Subject Properties continue to market such properties.

7. Following the receipt of bids which expressed interest in the Subject Properties, the Receiver negotiated individual asset purchase agreements with bidders, as outlined above. These agreements are the subject of this application.

8. The forms of Agreements have been settled as of the date of this Notice of Application and the Receiver is awaiting on executed copies of some agreements from some of the Proposed Purchasers which will be filed in due course.

9. Overall, the Receiver is of the view that entering into the Agreements with the Proposed Purchasers for the Subject Properties is commercially reasonable and that:

- (a) All told, the Subject Properties were 'on the market' for nearly one (1) year;
- (b) The Receiver made sufficient effort to get the best prices (despite dated appraisals and a downturn in the economy of Estevan, Saskatchewan) and has not acted improvidently in its efforts;
- (c) The auction and marketing process was approved by this Court and the Receiver periodically provided updates to the supervising judges;
- (d) The proposed sales are in the interests of all parties and stakeholders;
- (e) The sales process was marked by both efficacy and integrity; and
- (f) There has not been any unfairness in the working out of the process.

The Proposed Distribution

10. As set out in the Approval and Distribution Order filed herewith, the Receiver proposes to distribute the net sales proceeds (following customary adjustments and payment of tax arrears to the City of Estevan) from the sales of the Subject Properties as well as other funds in the Receiver's hands to the secured creditor, Canadian Mortgage Servicing Corporation.

11. In addition, the Receiver proposed that it may at its discretion, may retain up to \$50,000.00 as a reserve set aside for the ongoing administration of the estate.

Material or evidence to be relied on:


1. This Notice of Application with proof of service;
2. The draft Sale Approval and Vesting Orders;
3. The draft Approval and Distribution Order;
4. The Fourth Report of the Receiver dated June 29, 2021;
5. A Brief of Law (to be filed); and
6. Such further and other material as this Honourable Court may allow.

Applicable Acts, Regulations, and Jurisprudence:

1. *The Queen's Bench Act, 1998*, SS 1998, c Q-1.01, s. 12.
2. *The Bankruptcy and Insolvency Act*, RSC, 1985, c B-3, ss. 243, 247 and 249.
3. *The Personal Property Security Act*, 1993, SS 1993, c P-6.2, ss. 63-64.

DATED at Regina, Saskatchewan, this 29th day of June, 2021.

KANUKA THURINGER LLP

Per: 
Solicitors for MNP Ltd.

CONTACT INFORMATION AND ADDRESS FOR SERVICE

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