

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 | Thursday, June 24, 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) 953-3200 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 transaction contemplated in the Land Purchase Agreement dated effective June 17, 2021 (the "**Agreement**") between the Receiver and Westmount Projects Inc. (the "**Proposed Purchaser**") as appended to the Third Report of the Receiver dated June 18, 2021 (the "**Third Report**");

- (b) Approving, authorizing and directing the Receiver to enter into a sale of the assets for the purchase price in the Agreement and subject to the terms and conditions thereof;
- (c) Vesting the Proposed Purchaser with all right, title, and interest in and to, the assets described in the Agreement, free and clear of all liens, charges, and encumbrances except as provided in the Agreement;
- (d) Authorizing the Receiver to distribute the sale proceeds as outlined in the proposed Sale Approval, Vesting and Distribution Order;
- (e) Approving the Receiver's activities as described within the Third Report including but not limited to the fees and disbursements of the Receiver and those of its legal counsel; and
- (f) Such further and other relief as counsel may request and this Honourable Court may allow.

Grounds for making this application:

1. Paragraph 36 of the Receivership Order authorizes applications to be brought on three (3) days' notice.
2. 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.
3. This application concerns the sale of one (1) light industrial building described as NW 9-50-1 W4, in the County of Vermilion River, Alberta. The County of Vermilion River is located next to the Alberta side of the City of Lloydminster (the "**Vermilion Property**").

Listing Efforts

4. As indicated in the First Report of the Receiver dated December 7, 2020, after the

Receiver's appointment, the properties of the Debtor were listed for sale with Colliers International ("Colliers") on June 18, 2020 on an "Invitation for Offers" basis.

5. Following the sales efforts by Colliers no prospective purchasers expressed interest in the Vermilion Property, other than the tenant, Calroc Industries Ltd. (the "Tenant"). Following discussions with the Tenant, the Proposed Purchaser was brought forward by the Tenant to make the purchase.

6. There was little interest in the Vermilion Property despite an extensive marketing effort.

7. The highest (and only) offer was made by the Proposed Purchaser. The Agreement was reached after negotiations between the Receiver and Proposed Purchaser between March to June, 2021. The Tenant also waived its right of first refusal over the Vermilion Property.

8. The Receiver is of the view that entering into the Agreement with the Proposed Purchaser for the Vermilion Property is commercially reasonable and that:

- (a) the Receiver made sufficient effort to get the best price and has not acted improvidently in its efforts;
- (b) the proposed sale is in the interests of all parties and stakeholders;
- (c) the sales process was marked by both efficacy and integrity; and
- (d) there has been unfairness in the working out of the process.

The Proposed Distribution

9. The Receiver proposes to distribute the net sales proceeds from the sale of the Vermilion Property to the secured creditor, Canadian Mortgage Servicing Corporation, within a reasonable time following the closing of the transaction.

Material or evidence to be relied on:

1. This Notice of Application with proof of service;
2. The draft Sale Approval, Vesting and Distribution Order;
3. The Third Report of the Receiver dated June 18, 2021;

4. A Brief of Law; and
5. 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 18th day of June, 2021.

KANUKA THURINGER LLP

Per: 

Solicitors for MNP Ltd.

CONTACT INFORMATION AND ADDRESS FOR SERVICE

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