

Clerk's Stamp:

COURT FILE NUMBER                    2001-00610  
COURT                                        COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE                        CALGARY  
PLAINTIFF                                 MCAP FINANCIAL CORPORATION  
DEFENDANT                                1759255 ALBERTA LTD.  
DOCUMENT                                **APPLICATION**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTIES FILING THIS  
DOCUMENT                                Field Law LLP  
    400, 444 - 7 Avenue SW  
    Calgary, Alberta T2P 0X8  
    Lawyer: Trevor Batty  
    Phone Number: (403) 260-8537  
    Fax Number: (403) 264-7084  
    Email: tbatty@fieldlaw.com  
    File No. 50432-56

**NOTICE TO RESPONDENT: See Service List attached as Schedule "A" to this Application**

This application is made against you. You are a Respondent.

You have the right to state your side of the matter before a master/judge.

The application will be heard as shown below:

DATE	Monday, August 17, 2020
TIME	2:00 p.m.
WHERE	Calgary Courts Centre – 601 – 5 Street SW, Calgary, Alberta
BEFORE WHOM	The Honourable Justice C. M. Jones

Go to the end of this document to see what else you can do and when you must do it.

**Remedy claimed or sought:**

1. MNP Ltd, in its capacity as the Court-appointed Receiver and Manager ("**MNP**" or the "**Receiver**") of the current and future assets and undertakings (the "**Property**") of 1759255

Alberta Ltd. ("1759255"), seeks Orders, substantially in the form attached hereto as **Schedules "B", "C", "D" and "E"** respectively:

- (a) Declaring that the within Application is properly returnable on Monday, August 17, 2020, and that service of this Application on the service list attached hereto as Schedule "A", is validated and deemed good and sufficient;
- (b) Approving and authorizing the sale of 1759255's assets (the "**Transaction**") described in the First Report of the Receiver, dated August 10, 2020 (the "**First Report**") and as defined in the sale agreement appended as Schedule 2 to the First Report, namely the Purchase and Sale Agreement between the Receiver on behalf of 1759255 and BC 1212853 Van Forest Group Ltd. (the "**Purchaser**"), dated July 13, 2020 (the "**Sale Agreement**");
- (c) Vesting in the Purchaser all of 1759255's right, title and interest in and to the purchased assets specified in the Sale Agreement;
- (d) Sealing the First Confidential Report of the Receiver, dated August 10, 2020 (the "**Confidential Report**"), on the Court file until such time as the Receiver's Certificate has been filed in relation to the Transaction;
- (e) Ratifying and approving the Receiver's actions, conduct and activities as outlined in the First Report and the Confidential Report;
- (f) Approving the Receiver's accounts for fees and disbursements, including the legal costs of its counsel, as set out in Schedule 7 of the First Report; and
- (g) Approving the Receiver's proposed distribution of proceeds to MCAP Financial Corporation ("**MCAP**") free and clear of all claims, liens and encumbrances;
- (h) Approving the claims process attached as Appendix "A" to the Claims Process Order at Schedule "E" hereto (the "**Claims Process**") to determine Claims against 1759255 and to take any and all such actions as the Receiver determines necessary or advisable to complete the steps contemplated by the Claims Process;

- (i) Granting the Receiver leave to apply to this Honourable Court to amend, vary, or seek advice and directions with respect to the Claims Process; and
- (j) Such further and other relief as counsel may seek and this Honourable Court deems just.

**Grounds for making this application:**

*The Approval and Vesting Order*

2. On March 12, 2020, MCAP, sought and obtained a Receivership Order appointing the Receiver as receiver and manager over all of the Property (the "**Receivership Order**").
3. The Receivership Order expressly authorizes the Receiver to market and sell 1759255's Property and to seek an Approval and Vesting Order from the Court in connection therewith.
4. In May 2020, the Receiver engaged Avison Young Real Estate Alberta Inc. (the "**Sales Advisor**") to market for sale all of 1759255's Property in an orderly fashion (the "**Sales Process**").
5. As further described in the First Report, the Receiver and the Sales Advisor have diligently carried out the Sales Process, in a manner that has generated the highest possible offers for the Property in order to maximize the value of the estate. The Sales Process was successful generating the offers set out in the Confidential Report.
6. The Purchaser has committed to purchasing the specified assets set out in the Sale Agreement for the consideration set out in the Sale Agreement, including providing a substantial cash deposit.
7. The Receiver has conducted a thorough review of the Property and has concluded that the Purchaser's offer should be accepted for the following reasons:
  - (a) The consideration for the purchased assets maximizes the realization for the purchased assets;
  - (b) MCAP, who is the primary secured creditor, supports the Transaction and is the party with the primary economic interest in the receivership proceedings; and
  - (c) the numerous qualitative advantages of the Transaction as compared to the other less favourable sale options for the purchased assets considering, among other factors, the

quantum of the purchase price and an analysis of the closing risk (as further detailed in the Confidential Report).

8. The Receiver believes that any further sales processes will not result in achieving greater value for the purchased assets and will only result in increasing the costs of the administration of 1759255's estate to the detriment of 1759255's creditors.
9. For the foregoing reasons, the Receiver is satisfied that the Transaction with the Purchaser set out in the Sale Agreement is in the best interests of 1759255's stakeholders.

#### *Sealing Order*

10. The Confidential Report contain and discuss matters of a highly sensitive commercial nature, and their publication could result in serious commercial damage to 1759255's estate and the Purchaser and could prejudice any future sales process, in the event that the Transaction does not close, to the detriment of 1759255's stakeholders.
11. The Sealing Order is the least restrictive and prejudicial alternative to prevent the dissemination of commercially sensitive information about the Transactions, the Purchaser, the Property and the respective stakeholders.
12. It is fair and just in the circumstances to restrict public access to the Confidential Report.

#### *Approval of Activities and Accounts*

13. Schedules 6 and 7 to the First Report contain both an interim statement of receipts and disbursements and a statement that summarizes the professional fees of the Receiver and its legal counsel up to July 31, 2020.
14. In the First Report, the Receiver sets out in detail the activities it has undertaken since the Receivership Order was granted. The Receiver's primary activities include activities relating to safeguarding the Akai Property and attending to the management and maintenance of same, as well as completing a marketing process and soliciting offers for the Property with the assistance of the Sales Advisor.

15. The Receiver's activities, conduct and actions as well as the Receiver's accounts for fees and disbursements including the professional fees set out in Schedule 7 of the First Report are reasonable in the circumstances.

*Distribution Order*

16. Receiver's counsel has performed a security review and has confirmed that, subject to the ordinary qualifications and assumptions, MCAP's security is valid and enforceable.
17. MCAP has reviewed the Receiver's proposed distribution and is in support of such distribution.
18. As set out in the First Report, the Receiver has paid all outstanding property taxes relating to the Akai Lands and is withholding sufficient funds to satisfy any and all potential claims that may have priority to MCAP's claims and security.

*Claims Process*

19. The Claims Process provides for a positive claims process for any and all creditors of 1759255, other than those creditors with Excluded Claims. 1759255's creditors will submit Proofs of Claim in respect of their claims and those claims will be accepted, revised, or disallowed, and subsequently (if appealed) adjudicated upon.
20. The Claims Process is fair and reasonable and in the best interests of the creditors of 1759255.
21. The further reasons described in the First Report.
22. Such further and other grounds as counsel may advise and this Honourable Court may deem just.

**Material or evidence to be relied on:**

23. First Report of the Receiver, dated August 10, 2020, filed.
24. The First Confidential Report of the Receiver, dated August 10, 2020, unfiled.
25. The following authorities:
  - (a) *Royal Bank of Canada v. Soundair Corp* (1991), 4 OR (3d) 1 (Ont CA) at para 16;

(b) *Royal Bank of Canada v. Wapiti Waste Management Inc.*, 2014 ABQB 361; and

(c) *Sierra Club of Canada v. Canada (Minister of Finance)*, [2002] 2 SCR 522 at paras. 53-57.

26. The pleadings filed in this Action; and

27. Such further and other materials as this Honourable Court may permit.

**Applicable Rules:**

28. *Alberta Rules of Court*.

**Applicable Acts and Regulations:**

29. *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (as amended).

**How the application is proposed to be heard or considered:**

30. This application is proposed to be heard in person in Commercial Chambers.

**WARNING**

If you do not come to Court either in person or by your lawyer, the Court may give the Applicant what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the Applicant.

**Schedule "A"**

**Service List**

See attached.

**SERVICE LIST**

<b>Party</b>	<b>Contact Information</b>	<b>Role</b>
<b>Field LLP</b> 400, 444 – 7 Avenue SW Calgary, AB T2P 0X8  <b>Attention: Trevor Batty</b>	<a href="mailto:tbatty@fieldlaw.com">tbatty@fieldlaw.com</a>	Counsel for MNP Ltd.
<b>MNP Ltd.</b> 1500, 640 – 5 Avenue SW Calgary, AB T2P 3G4  <b>Attention: Vanessa Allen</b>	<a href="mailto:vanessa.allen@mnt.ca">vanessa.allen@mnt.ca</a>	Court-appointed Receiver and Manager
1759255 Alberta Ltd. 204, 2635 – 37 Avenue NE Calgary, Alberta, T1Y 5Z6  <b>Attention: Xiaoling Ren</b>	<a href="mailto:xiaolingr@gmail.com">xiaolingr@gmail.com</a>	Defendant / Respondent
<b>Miles Davison LLP</b> #900, 517 10 Avenue SW Calgary, AB T2R 0A8  <b>Attention: Terry Czechowskyj</b>	<a href="mailto:tczech@milesdavison.com">tczech@milesdavison.com</a>	Counsel for the Defendant / Respondent
<b>Leef Living Ltd.</b> 204, 2635 – 37 Avenue NE Calgary, Alberta, T1Y 5Z6	<a href="mailto:ben.li@leefliving.com">ben.li@leefliving.com</a>	Guarantor
<b>Song Song Li</b> 7107 – 26 Avenue SW Calgary, Alberta, T1Y 3X2	<a href="mailto:xiaolingr@gmail.com">xiaolingr@gmail.com</a>	Guarantor
<b>1028198 Alberta Ltd.</b> Caron & Partners, 2120, 237-4 <sup>th</sup> Avenue SW Calgary, Alberta T2P 4K3  <b>Attention: Jarold M. Switzer</b>	<a href="mailto:JSwitzer@caronpartners.com">JSwitzer@caronpartners.com</a>	Secured Party
<b>MLT Aikins</b> 2100 Livingston Place 222 3rd Avenue SW Calgary Alberta T2P 0B4  <b>Attention: Ryan Zahara</b>	<a href="mailto:rzahara@mltaikins.com">rzahara@mltaikins.com</a>	Counsel for ATB Financial
<b>Grover Froese</b> 209, 710 10th Street Canmore, AB T1W 0G7  <b>Attention: Lisa M. Grover</b>	<a href="mailto:lisa@groverfroese.ca">lisa@groverfroese.ca</a>	Counsel for the Purchaser



<b>Party</b>	<b>Contact Information</b>	<b>Role</b>
<b>Town of Canmore</b> 902 7th Avenue Canmore, AB T1W 3K1 <b>Attention : Property Tax Department</b>	<a href="mailto:Taxes@canmore.ca">Taxes@canmore.ca</a>	
<b>Canada Revenue Agency</b> Surrey National Verification And Collection Centre 9755 King George Boulevard Surrey BC V3T 5E1	1-866-219-0311(fax)	
Department of Justice Canada Tax Law Services - Prairie Region 510, 606 – 4 Street SW Calgary, AB T2P 1T1 <b>Attention: Jill L. Medhurst</b>	<a href="mailto:jill.medhurst@justice.gc.ca">jill.medhurst@justice.gc.ca</a>	<i>Canadian Revenue Agency and Service Canada</i>

**Schedule "B"**

**Form of Approval and Vesting Order**

See attached.

COURT FILE NUMBER 2001-00610  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY  
PLAINTIFF  
DEFENDANT  
DOCUMENT

Clerk's Stamp

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT  
Field LLP  
400, 444 – 7 Avenue SW  
Calgary AB T2P 0X8  
Lawyer: Trevor Batty  
Phone Number: (403) 260-8537  
Fax Number: (403) 264-7084  
Email Address: tbatty@fieldlaw.com  
File No. 50432-56

**DATE ON WHICH ORDER WAS PRONOUNCED:** Monday, August 17, 2020

**LOCATION WHERE ORDER WAS PRONOUNCED:** Calgary Courts Centre, 601 – 5 Street SW, Calgary, Alberta

**NAME OF JUSTICE WHO MADE THIS ORDER:** The Honourable Justice C. M. Jones

**UPON THE APPLICATION** by MNP Ltd. in its capacity as the Court-appointed receiver and manager (the “**Receiver**”) of the undertakings, property and assets of 1759255 Alberta Ltd. (the “**Debtor**”) for an order approving the sale transaction (the “**Transaction**”) contemplated by an offer to purchase (the “**Sale Agreement**”) between the Receiver and BC 1212853 Van Forest Group Ltd. (the “**Purchaser**”) dated July 13, 2020 and appended to the First Report of the Receiver dated August 10, 2020 (the “**First Report**”) as Schedule 2, and vesting in the Purchaser (or its nominee) the Debtor’s right, title and interest in and to the Property, as described and defined in the Sale Agreement (the “**Purchased Assets**”); **AND UPON HAVING READ** the Receivership Order dated March 12, 2020 (the “**Receivership Order**”), the Report, the First Confidential Report of the Receiver, dated August 10, 2020 (the “**Confidential Report**”) and the Affidavit of Service; **AND UPON HEARING** the submissions of counsel for the Receiver, and counsel for all other interested parties;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

**SERVICE**

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application and time for service of this application is abridged to that actually given.

**APPROVAL OF TRANSACTION**

2. The Transaction is hereby approved and execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for completion of the Transaction and conveyance of the Purchased Assets to the Purchaser (or its nominee).

**VESTING OF PROPERTY**

3. Upon delivery of a Receiver's certificate to the Purchaser (or its nominee) substantially in the form set out in **Schedule "A"** hereto (the "**Receiver's Closing Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, "**Claims**") including, without limiting the generality of the foregoing:
  - (a) any encumbrances or charges created by the Receivership Order;
  - (b) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;
  - (c) any liens or claims of lien under the *Builders' Lien Act* (Alberta); and
  - (d) those Claims listed in **Schedule "B"** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances,

caveats, interests, easements, and restrictive covenants listed in **Schedule "C"** (collectively, "**Permitted Encumbrances**").

and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets

4. Upon delivery of the Receiver's Closing Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Receiver's Closing Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser or its nominee clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing:

- (a) the Registrar of Land Titles ("**Land Titles Registrar**") for the lands defined below shall and is hereby authorized, requested and directed to forthwith:

- (i) cancel existing Certificate of Title No. 181 220 069 for those lands and premises municipally described as 1717 Mountain Avenue, Canmore, Alberta, and legally described as:

PLAN CANMORE 5263HV  
BLOCK ONE (1)  
THE NORTH EAST TWO HUNDRED AND SEVENTEEN (217) FEET  
OF LOT EIGHT (8)  
EXCEPTING THEREOUT ALL MINES AND MINERALS

(the "**Lands**")

- (ii) issue a new Certificate of Title for the Lands in the name of the Purchaser (or its nominee), namely, BC 1212853 Van Forest Group Ltd.;
- (iii) transfer to the New Certificate of Title the existing instruments listed in Schedule "C", to this Order; and
- (iv) discharge and expunge the Encumbrances listed in Schedule "B" to this Order and discharge and expunge any Claims including Encumbrances (but excluding

Permitted Encumbrances) which may be registered after the date of the Sale Agreement against the existing Certificate of Title to the Lands;

- (b) the Registrar of the Alberta Personal Property Registry (the “**PPR Registrar**”) shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Debtor in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.
5. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Receiver’s Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.
6. No authorization, 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 the Receiver of the Sale Agreement.
7. Upon delivery of the Receiver’s Closing Certificate together with a certified copy of this Order, this Order shall be immediately registered by the Land Titles Registrar notwithstanding the requirements of section 191(1) of the *Land Titles Act*, RSA 2000, c.L-7 and notwithstanding that the appeal period in respect of this Order has not elapsed. The Land Titles Registrar is hereby directed to accept all Affidavits of Corporate Signing Authority submitted by the Receiver in its capacity as Receiver of the Debtor and not in its personal capacity.
8. For the purposes of determining the nature and priority of Claims, net proceeds from sale of the Purchased Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Purchased Assets from and after delivery of the Receiver’s Closing Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets

immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), the Receiver shall not make any distributions to creditors of net proceeds from sale of the Purchased Assets without further order of this Court, provided however the Receiver may apply any part of such net proceeds to repay any amounts the Receiver has borrowed for which it has issued a Receiver's Certificate pursuant to the Receivership Order.

9. Except as expressly provided for in the Sale Agreement or by section 5 of the Alberta *Employment Standards Code*, the Purchaser (or its nominee) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Debtor.
10. Upon completion of the Transaction, the Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).
11. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Debtor, or any person claiming by, through or against the Debtor.
12. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Receiver.
13. The Receiver is directed to file with the Court a copy of the Receiver's Closing Certificate forthwith after delivery thereof to the Purchaser (or its nominee).

14. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada) and section 20(e) of the Alberta *Personal Information Protection Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser (or its nominee) all human resources and payroll information in the Debtor's records pertaining to the Debtor's past and current employees. The Purchaser (or its nominee) shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use (of such information) to which the Debtor was entitled.

#### **MISCELLANEOUS MATTERS**

15. Notwithstanding:
- (a) the pendency of these proceedings and any declaration of insolvency made herein;
  - (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (the "**BIA**"), in respect of the Debtor, and any bankruptcy order issued pursuant to any such applications;
  - (c) any assignment in bankruptcy made in respect of the Debtor; and
  - (d) the provisions of any federal or provincial statute:

the vesting of the Purchased Assets in the Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

16. The Receiver, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
17. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the



terms of this Order, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Receiver, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

18. Service of this Order shall be deemed good and sufficient by:

(a) Serving the same on:

- (i) the persons listed on the service list created in these proceedings;
- (ii) any other person served with notice of the application for this Order;
- (iii) any other parties attending or represented at the application for this Order;
- (iv) the Purchaser or the Purchaser's solicitors; and

(b) Posting a copy of this Order on the Receiver's website at:

<https://mnpdebt.ca/en/corporate/corporate-engagements/1759255-alberta-ltd>

and service on any other person is hereby dispensed with.

19. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

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Justice of the Court of Queen's Bench of Alberta

## Schedule "A"

## Form of Receiver's Certificate

COURT FILE NUMBER	2001-00610
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFF	MCAP FINANCIAL CORPORATION
DEFENDANT	1759255 ALBERTA LTD.
DOCUMENT	<b>RECEIVER'S CERTIFICATE</b>

Clerk's Stamp
---------------

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Field LLP 400, 444 – 7 Avenue SW Calgary AB T2P 0X8 Lawyer: Trevor Batty Phone Number: (403) 260-8537 Fax Number: (403) 264-7084 Email Address: tbatty@fieldlaw.com File No. 50432-56
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**RECITALS**

- A. Pursuant to an Order of the Honourable Justice R. A. Neufeld of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**") dated March 12, 2020, MNP Ltd. was appointed as the receiver (the "**Receiver**") of the undertakings, property and assets of 1759255 Alberta Ltd. (the "**Debtor**").
- B. Pursuant to an Order of the Court dated August 17, 2020, the Court approved the agreement of purchase and sale made as of July 13, 2020 (the "**Sale Agreement**") between the Receiver and BC 1212853 Van Forest Group Ltd. (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article 8 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

- C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Agreement.

**THE RECEIVER CERTIFIES** the following:

1. The Purchaser (or its nominee) has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in Article 8 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser (or its nominee); and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at **[Time]** on **[Date]**.

**MNP Ltd., in its capacity as Receiver of the undertakings, property and assets of 1759255 Alberta Ltd., and not in its personal capacity.**

**Per;** \_\_\_\_\_

**Name:**

**Title:**

**Schedule "B"****Encumbrances**

<b>Registration No.</b>	<b>Date</b>	<b>Description</b>
181 220 070	11/10/2018	MORTGAGE MORTGAGEE – MCAP FINANCIAL CORPORATION. 400, 200 KING STREET WEST TORONTO ONTARIO M5H3T3 ORIGINAL PRINCIPAL AMOUNT: \$2,418,750
181 220 071	11/10/2018	CAVEAT RE : ASSIGNMENT OF RENTS AND LEASES CAVEATOR – MCAP FINANCIAL CORPORATION. 400, 200 KING STREET WEST TORONTO ONTARIO M5H3T3 AGENT – TERENCE G LIDSTER

**Schedule "C"****Permitted Encumbrances**

<b><u>Instrument No.</u></b>	<b><u>Date</u></b>	<b><u>Description</u></b>
771 058 902	11/05/1977	EASEMENT "EXTENDED BY, OVER NW 20 FEET"
071 616 791	28/12/2007	UTILITY RIGHT OF WAY GRANTEE – THE TOWN OF CANMORE PART AS DESCRIBED

AND

1. ANY REGISTRATIONS BY OR ON BEHALF OF THE PURCHASER;
2. THOSE IMPLIED BY LAW.

**Schedule "C"**

**Form of Sealing Order**

See attached.

Clerk's Stamp:

COURT FILE NUMBER 2001-00610  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY  
PLAINTIFF MCAP FINANCIAL CORPORATION  
DEFENDANTS 1759255 ALBERTA LTD.  
DOCUMENT **SEALING ORDER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT  
Field LLP  
400, 444 – 7 Avenue SW  
Calgary, Alberta T2P 0X8  
Attention: Trevor Batty  
Phone Number: (403) 260-8500  
Fax Number: (403) 264-7084  
Email Address: tbatty@fieldlaw.com  
File No. 50432-56

**DATE ON WHICH ORDER WAS PRONOUNCED:** August 17, 2020

**LOCATION WHERE ORDER WAS PRONOUNCED:** Calgary Courts Centre, 601 – 5 Street SW,  
Calgary, Alberta

**NAME OF JUSTICE WHO MADE THIS ORDER:** The Honourable Justice C. M. Jones

**UPON THE APPLICATION** by MNP Ltd. in its capacity as the Court-appointed receiver (the "**Receiver**") of the undertaking, property and assets of 1759255 Alberta Ltd. ("**175 Alberta**" or the "**Debtor**");

**AND UPON HAVING READ** the Receivership Order dated March 12, 2020, the Application, the First Report of the Receiver dated August 10, 2020 (the "**First Report**"), the First Confidential Report of the Receiver, dated August 10, 2020 (the "**Confidential Report**") and the Affidavit of Service of Lisa Roy, sworn August 10, 2020 (the "**Affidavit of Service**");

**AND UPON HEARING** the submissions of counsel for the Receiver and any other counsel present;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

**SERVICE**

- [1] Service of notice of this application and supporting materials in the manner described in the Affidavit of Service is hereby declared to be good and sufficient, and no other person is required to have been served with notice of this application, and time for service of this application is abridged to that actually given.

**SEALING**

- [2] The Confidential Report shall be sealed on the Court file and shall not form part of the public record, notwithstanding Division 4, Part 6 of the *Alberta Rules of Court*.
- [3] The Clerk of this Honourable Court shall file the Confidential Report in a sealed envelope attached to a notice that sets out the style of cause of these proceedings and states that:

**CONFIDENTIAL REPORT**

THIS ENVELOPE CONTAINS THE CONFIDENTIAL REPORT FILED BY MNP LTD., IN ITS CAPACITY AS THE COURT-APPOINTED RECEIVER OF 1759255 ALBERTA LTD.

THE CONFIDENTIAL REPORT IS SEALED PURSUANT TO THE SEALING ORDER ISSUED BY THE HONOURABLE JUSTICE C. M. JONES ON AUGUST 17, 2020 AND NO PERSON IS TO HAVE ACCESS TO THE CONFIDENTIAL REPORT UNTIL THE RECEIVER HAS FILED A RECEIVER'S CERTIFICATE RELATING TO THE SALE TO BC 1212853 VAN FOREST GROUP LTD.

- [4] Service of this Order on the Service List attached to the Application as Schedule "A" by e-mail, facsimile, personal delivery or courier shall constitute good and sufficient service of this Order, and no persons other than those on the Service List are entitled to be served with a copy of this Order. Service is deemed to be effected the next business day following the transmission or delivery of such documents.

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J.C. C.Q.B.A.



**Schedule "D"**

**Form of Order Approving Receiver's Activities  
and Distribution of Proceeds**

See attached.

Clerk's Stamp:

COURT FILE NUMBER 2001-00610  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY  
PLAINTIFF MCAP FINANCIAL CORPORATION  
DEFENDANTS 1759255 ALBERTA LTD.  
DOCUMENT **ORDER APPROVING RECEIVER'S ACTIVITIES AND FEES AND INTERIM DISTRIBUTION**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT Field LLP  
400, 444 – 7 Avenue SW  
Calgary, Alberta T2P 0X8  
Attention: Trevor Batty  
Phone Number: (403) 260-8500  
Fax Number: (403) 264-7084  
Email Address: [tbatty@fieldlaw.com](mailto:tbatty@fieldlaw.com)  
File No. 50432-56

**DATE ON WHICH ORDER WAS PRONOUNCED:** Monday, August 17, 2020  
**LOCATION WHERE ORDER WAS PRONOUNCED:** Calgary Courts Centre, 601 – 5 Street SW,  
Calgary, Alberta  
**NAME OF JUSTICE WHO MADE THIS ORDER:** The Honourable Justice C.M. Jones

**UPON THE APPLICATION** by MNP Ltd. in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of the undertaking, property and assets of 1759255 ALBERTA Ltd. (the "**Debtor**") for an Order approving the actions, conduct and activities of the Receiver as outlined in the First Report of the Receiver, dated August 10, 2020 (the "**First Report**") and the First Confidential Report of the Receiver, dated August 10, 2020 (the "**Confidential Report**"); **AND UPON THE FURTHER APPLICATION** by the Receiver for an Order authorizing a distribution of funds to MCAP Financial Corporation ("**MCAP**"); **AND UPON HAVING READ** the Receivership Order dated March 12, 2020 (the "**Receivership Order**"), the First Report, the Confidential Report and the Affidavit of Service of Lisa Roy sworn August 10, 2020 to be filed; **AND UPON IT APPEARING** that all interested and affected parties

have been served with notice of this application; **AND UPON HEARING** the submissions of counsel for the Receiver, and any other counsel present;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

- [1] Service of notice of this application and supporting materials is hereby declared to be good and sufficient, and no other person is required to have been served with notice of this application, and time for service of this application is abridged to that actually given.
- [2] The Receiver's activities set out in the First Report and Confidential Report are hereby ratified and approved.
- [3] The Receiver's accounts for fees and disbursements, as set out in the First Report are hereby approved without the necessity of a formal passing of its accounts.
- [4] The accounts of the Receiver's legal counsel for their fees and disbursements, as set out in the First Report are hereby approved without the necessity of a formal assessment of its accounts.
- [5] MCAP has a valid and enforceable charge over the assets, undertaking and property of the Debtor and the proceeds therefrom and, as such, the Receiver is hereby authorized to make the distribution to MCAP set out in the First Report - subject only to the Receiver setting aside proceeds sufficient to pay any charges or encumbrances ranking in priority to MCAP's security.
- [6] Service of this Order on any party not attending this application is hereby dispensed with.

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J.C.C.Q.B.A.

**Schedule "E"**

**Form of Claims Process Order**

See attached.

Clerk's Stamp:

COURT FILE NUMBER 2001-00610  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY  
PLAINTIFF MCAP FINANCIAL CORPORATION  
DEFENDANTS 1759255 ALBERTA LTD.  
DOCUMENT **CLAIMS PROCESS ORDER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT  
Field LLP  
400, 444 – 7 Avenue SW  
Calgary, Alberta T2P 0X8  
Attention: Trevor Batty  
Phone Number: (403) 260-8500  
Fax Number: (403) 264-7084  
Email Address: [tbatty@fieldlaw.com](mailto:tbatty@fieldlaw.com)  
File No. 50432-56

**DATE ON WHICH ORDER WAS PRONOUNCED:** Monday, August 17, 2020

**LOCATION WHERE ORDER WAS PRONOUNCED:** Calgary Courts Centre, 601 – 5 Street SW,  
Calgary, Alberta

**NAME OF JUSTICE WHO MADE THIS ORDER:** The Honourable Justice C.M. Jones

**UPON THE APPLICATION** by MNP Ltd. in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of the undertaking, property and assets of 1759255 ALBERTA Ltd. (the "**Debtor**") for an order approving the actions, conduct and activities of the Receiver as outlined in the First Report of the Receiver, dated August 10, 2020 (the "**First Report**") and the First Confidential Report of the Receiver, dated August 10, 2020 (the "**Confidential Report**"); **AND UPON HAVING READ** the Receivership Order dated March 12, 2020 (the "**Receivership Order**"), the First Report, the Confidential Report and the Affidavit of Service of Lisa Roy sworn August •, 2020 to be filed; **AND UPON IT APPEARING** that all interested and affected parties have been served with notice of this application; **AND UPON HEARING** the submissions of counsel for the Receiver, and any other counsel present;

**IT IS HEREBY ORDERED AND DECLARED THAT:****SERVICE**

- [1] Service of notice of this application and supporting materials is hereby declared to be good and sufficient, and no other person is required to have been served with notice of this application, and time for service of this application is abridged to that actually given.

**DEFINED TERMS**

- [2] Capitalized terms used herein or not otherwise defined shall have the meaning ascribed to them in the Claims Process attached as **Appendix "A"** hereto (the **"Claims Process"**).

**APPROVAL OF CLAIMS PROCESS**

- [3] The Claims Process for determining any and all Claims of all Creditors is hereby approved and the Receiver is authorized and directed to implement the Claims Process.
- [4] The form of Notice of Claims Process, Notice of Revision or Disallowance, Notice of Dispute, and Newspaper Notice, all as set forth in the attached **Appendices "B", "C", "D" and "E"**, respectively, are approved.

**CLAIMS BAR DATE**

- [5] Any Creditor who has a Claim against the Debtor as of the Filing Date and who has not, as of the Claims Bar Date, submitted a Proof of Claim to the Receiver in respect of a Claim, in accordance with the Claims Process, shall be forever extinguished, unless otherwise ordered by the Court.

**NOTICE OF TRANSFEREES**

- [6] If a Creditor or any subsequent holder of a Claim who has been acknowledged by the Debtor as the holder of the Claim transfers or assigns that Claim to another Person, the Receiver shall not be required to give notice to or otherwise deal with the transferee or assignee of the Claim as the holder of such Claim unless and until actual notice of transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been delivered to the Receiver. Thereafter, such transferee or assignee shall, for all purposes hereof, constitute the holder of

such Claim and shall be bound by notices given and steps taken in respect of such Claim in accordance with the provisions of the Claims process.

- [7] If a Creditor of any subsequent holder of a Claim who has been acknowledged by the Receiver as the holder of the Claim transfers or assigns the whole of such Claim to more than one Person or part of such Claim to another Person or Persons, such transferred or assignments shall not create separate Claims and such Claims shall continue to constitute and be dealt with as a single Claim notwithstanding such transfers or assignments. The Receiver shall not, in each such case, be required to recognize or acknowledge any such transfers or assignments and shall be entitled to give notices to and to otherwise deal with such Claim only as a whole and then only to and with the Person last holding such Claim provided such Creditor may, by notice in writing delivered to the Receiver, direct that subsequent dealings in respect of such Claim, but only as a whole, shall be dealt with by a specified Person and, in such event, such Person shall be bound by any notices given or steps taken in respect of such Claim with such Creditor in accordance with the provisions of the Claims Process.

#### **NOTICE AND COMMUNICATION**

- [8] Except as otherwise provided herein, the Receiver may deliver any notice or other communication to be given under the Order to Creditors or other interested Persons by forwarding true copies thereof by ordinary mail, courier, personal delivery, facsimile or email to such Creditors or Persons at the address last shown on the books and records of the Debtor, and that any such notice by courier, personal delivery, facsimile or email shall be deemed to be received on the next Business Day following the date of forwarding thereof, or, if sent by ordinary mail on the third Business Day after mailing within Alberta, the fifth Business Day after mailing within Canada, and the tenth Business Day after mailing internationally.
- [9] Any notice or other communication to be given under this Order by a Creditor to the Receiver shall be in writing in substantially the form, if any, provided for in this Order and will be sufficiently given only if delivered by registered mail, courier, email (in PDF format), personal delivery or facsimile transmission and addressed to:

MNP Ltd. Receiver of 1759255 Alberta Ltd.

Attention: Rick Anderson

1500, 640 – 5 Avenue SW  
Calgary, AB T2P 3G4  
Email : [rick.anderson@mnp.ca](mailto:rick.anderson@mnp.ca)  
Fax : 403.537.8437

- [10] In the event that the day on which any notice or communication required to be delivered pursuant to the Claims Process is not a Business Day then such notice or communication shall be required to be delivered on the next Business Day.

#### **GENERAL**

- [11] The Receiver is authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which Proofs of Claim are submitted, completed and executed and may, if satisfied that a Claim has been adequately proven, waive strict compliance with the requirements of the Claims Process and this Order as to the submission, completion and execution of the Proofs of Claim.
- [12] References in this Order to the singular shall include the plural, references to the plural shall include the singular, and to any gender shall include the other gender.
- [13] Notwithstanding the terms of this Order, the Receiver or any interested Person may apply to this Court from time to time for such further order or orders as it considers necessary or desirable to amend, supplement or modify the Claims Process or this Order.
- [14] Service of this Order on the Service List by email, facsimile, registered mail, courier or personal delivery shall constitute good and sufficient service of this Order, and no Persons, other than those on the service list, are entitled to be served with a copy of this Order. Service is deemed to be effected the next business day following the transmission or delivery of such documents.
- [15] Service of this Order on any party not attending this application is hereby dispensed with.

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J.C.C.Q.B.A.



**APPENDIX "A" TO CLAIMS PROCESS ORDER**  
**CLAIMS PROCESSES**

**DEFINITIONS**

1. For purpose of this Claims Process the following terms should have the following meanings:
  - (a) **"BIA"** means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;
  - (b) **"Business Day"** means a day, other than a Saturday or a Sunday, on which banks are generally open for business in Calgary, Alberta;
  - (c) **"Claim"** means any right or claim or any Person that may be asserted or made in whole or in part against the Debtor, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including without limitation, by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including, without limitation, any legal, statutory, regulatory, equitable or fiduciary duty or obligation) or by reason of any right of ownership or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature including, without limitation, any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation, and any interest accrued thereon or costs payable in respect thereof (A) is based in whole or in part on facts prior to the Filing Date, (B) relates to a time period prior to the Filing Date, or (C) is a right or claim of any kind that would be a debt provable in bankruptcy within the meaning of the BIA had the Debtor become bankrupt on the Filing Date, provided, however, that "Claim" shall not include an Excluded Claim;
  - (d) **"Claims Bar Date"** means 4:00 p.m. (Mountain Time) on Thursday, September 24, 2020 or such other date as may be ordered by the Court;
  - (e) **"Claims Package"** means the document package which shall include a Proof of Claim and such other materials as the Receiver considers necessary or appropriate;

- (f) **“Claims Process”** means the procedures outlined herein in connection with the assertion of any Claim against the Debtor;
- (g) **“Claims Process Order”** means the Order pronounced by Justice C. M. Jones of the Court of Queen’s Bench of Alberta on August 17, 2020 approving the Claims Process;
- (h) **“Court”** means the Court of Queen’s Bench of Alberta;
- (i) **“Creditor”** means any Person asserting a Claim against the Debtor as of the Filing Date;
- (j) **“Debtor”** means 1759255 Alberta Ltd.;
- (k) **“Excluded Claim”** means Claims made by or on behalf of the beneficiaries of:
- i. the Receiver’s Charge;
  - ii. the Receiver’s Borrowing Charge; and
  - iii. MCAP Financial Corporation.
- (l) **“Filing Date”** means March 12, 2020;
- (m) **“Known Creditors”** means Creditors which the books and records of the Debtor disclose as having a Claim against the Debtor as of the Filing Date;
- (n) **“Newspaper Notice”** means the notice of the Claims Process to be published in the newspapers in accordance with the Claims Process in substantially the form attached to the Claims Process Order as Appendix **“E”**;
- (o) **“Notice to Creditors”** means the notice to be sent by the Receiver to all Known Creditors on or before August 24, 2020, setting out the method by which any Person may file a Proof of Claim in the prescribed form with the Receiver, which notice shall be substantially in the form attached to the Claims Process Order as Appendix **“B”**;
- (p) **“Notice of Dispute”** means the form to be sent to the Receiver by any Person objecting to the classification or quantum of their Claim, which notice shall be substantially in the form attached to the Claims Process Order as Appendix **“D”**;
- (q) **“Notice of Revision or Disallowance”** means the form sent by the Receiver revising or disallowing a Proof of Claim submitted by any Person, which notice shall be substantially in the form attached to the Claims Process Order as Appendix **“C”**;
- (r) **“Person”** shall be broadly interpreted and includes an individual, firm, partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, corporation, unincorporated association or organization, syndicate, committee, the government or a country or any political subdivision thereof, or any agency, board, tribunal, commission, bureau, instrumentality or department of such government or political subdivision, or any other entity, however designated or

constituted, and the trustees, executors, administrators, or other legal representatives of any individual;

- (s) **“Proof of Claim”** means the form setting forth a Creditor’s Claim, which proof of claim shall be substantially in the form attached to the Notice of Creditors (Appendix **“B”** to the Claims Process Order);
- (t) **“Proven Claim”** means the quantum and classification of the Claim of a Creditor as finally determined in accordance with the Claims Process, provided that a Proven Claim will be “finally determined” in accordance with the Claims Process when: (i) it has been accepted by the Receiver; (ii) the applicable time period for challenging a Notice of Revision or Disallowance; or (iii) any court of competent jurisdiction has made a determination with respect to the classification and quantum of the Claim and no appeal or motion for leave to appeal therefrom shall have been taken or served on either party, or if any appeals(s) or motions(s) for leave to appeal or further appeal shall have been taken therefrom or served on either party, any and all such appeal(s) or motion(s) shall have been dismissed, determined or withdrawn;
- (u) **“Receiver”** means MNP Ltd., in its capacity as the Court appointed receiver and manager of the Debtor, and not in its personal capacity or corporate capacity;
- (v) **“Website”** means the website established by the Receiver and located at <https://mnpdebt.ca/en/corporate/corporate-engagements/1759255-alberta-ltd;>

#### **NOTICE OF CLAIMS PROCESS**

2. The Receiver shall cause a Claims Package to be sent to each Known Creditor by regular prepaid mail, courier, facsimile or email on or prior to August 24, 2020.
3. The Receiver shall cause the Newspaper Notice to be published in the Calgary Herald and any other newspaper the Receiver considers advisable, on or prior to August 24, 2020.
4. The Receiver shall cause the Claims Package to be posted on the Website as soon as practicable after the granting of this Claims Process Order;
5. The Receiver shall cause a copy of a Proof of Claim to be sent to any Person requesting such material as soon as practicable.

#### **PERSON ASSERTING CLAIMS**

6. Any other Person who has a Claim against the Debtor, of the Filing Date, other than an Excluded Claim, and who wishes to assert such Claim against the Debtor, shall, on or before the Claims Bar Date, send a completed Proof of Claim to the Receiver setting out the classification and quantum of its Claim;

7. Any Person who fails to comply with Paragraph 6 of this Claims Process shall be forever barred, enjoined and estopped from asserting such Claim against the Debtor and such Claim shall be forever extinguished, except as otherwise may be ordered by the Court.

#### **RESOLUTION OF CLAIMS**

8. The Receiver shall review any Proof of Claim that is submitted to it on or before the Claims Bar Date and, subject to the terms of this Order, may accept, revise or disallow the Proof of Claim.
9. The Receiver may attempt to consensually resolve the classification or quantum of any Proof of Claim submitted by any Person prior to the Receiver accepting, revising or disallowing such Proof of Claim.
10. In the event that the Receiver elects to accept the quantum and classification of the Claim as set forth in the Proof of Claim, the Creditor shall have a Proven Claim in the quantum and with the classification specified in the Proof of Claim submitted by the Person.
11. In the event that the Receiver elects to revise or disallow the Proof of Claim, the Receiver shall send a Notice of Revision or Disallowance setting out the revision or disallowance of the Proof of Claim.
12. Any Person who wishes to dispute the Notice of Revision or Disallowance received from the Receiver shall, within 10 days of receipt of the Notice of Revision or Disallowance from the Receiver, send a Notice of Dispute the Receiver setting out the particulars of the Dispute.
13. Any Person who receives a Notice of Revision or Disallowance from the Receiver and who fails to comply with Paragraph 12 of this Claims Process shall be deemed to have accepted the classification and quantum of its Claim as set forth in the Notice of Revision or Disallowance, shall have a Proven Claim in the quantum and with the classification specified in the Notice of Revision or Disallowance and shall be forever barred, enjoined and estopped from challenging the classification and quantum of its Claim as set forth in the Notice of Revision or Disallowance delivered to it by the Receiver, except as otherwise may be ordered by the Court.

#### **CURRENCY OF CLAIMS**

14. Any Claim set out in a Proof of Claim shall be denominated in Canadian dollars, failing which such Claim shall be converted to and shall constitute obligations in Canadian dollars and such calculation will be effected using the noon spot rate of the Bank of Canada as of the date of the Claims Process Order.

**APPENDIX "B" TO THE CLAIMS PROCESS ORDER  
NOTICE OF CLAIMS PROCESS IN THE MATTER OF THE RECEIVERSHIP OF  
1759255 ALBERTA LTD.**

<b>COURT FILE NO.</b>	<b>2001-00610</b>	<b>Clerk's Stamp</b>
<b>COURT</b>	<b>COURT OF QUEEN'S BENCH OF ALBERTA IN BANKRUPTCY AND INSOLVENCY</b>	
<b>JUDICIAL CENTRE</b>	<b>CALGARY</b>	
<b>PLAINTIFF</b>	<b>MCAP FINANCIAL CORPORATION</b>	
<b>DEFENDANT</b>	<b>1759255 ALBERTA LTD.</b>	
<b>DOCUMENT</b>	<b>NOTICE OF CLAIMS PROCESS IN THE MATTER OF THE RECEIVERSHIP OF 1759255 ALBERTA LTD.</b>	

1. Pursuant to an Order (the "Receivership Order") of the Court of Queen's Bench of Alberta (the "Court") filed on March 12, 2020 (the "Date of Receivership"), MNP Ltd. was appointed as receiver (the "Receiver") of the assets, undertakings and properties of 1759255 Alberta Ltd. o/a Akai Motel ("1759255" or the "Company").
2. Pursuant to a further Order granted by the Court on August 17, 2020 (the "Claims Process Order"), a claims process was approved that directed the Receiver to solicit claims from all creditors of the Company for the purpose of determining the claims that will be eligible to share in any distribution(s) made in the Receivership proceedings. A copy of the Claims Process Order is available on the Receiver's website at <https://mnpdebt.ca/en/corporate/corporate-engagements/1759255-alberta-ltd> (the "Receiver's Website").
3. Any creditor having a claim against 1759255 at the Date of Receivership of any nature whatsoever, including an unsecured, secured, contingent or unliquidated claim (a "Claim") is required to file, in the manner set out in this Notice of Claims Process (the "Claims Notice"), a proof of claim in the prescribed form (which has been provided to you with the Claims Notice) with the Receiver in order to participate in any distribution in the Receivership proceedings.
4. Additional copies of the prescribed proof of claim form can be obtained by contacting the Receiver via telephone at 403-850-6487 or via email at [Rick.Anderson@mnp.ca](mailto:Rick.Anderson@mnp.ca) or it can be downloaded from the Receiver's Website.

5. Any creditor who chooses to file a proof of claim is required to provide whatever documentation they may have to support their Claim, such as contracts, invoices, bills of lading and shipping receipts, in relation to the goods and/or services provided to the Company in the appropriate currency under which their Claim arose.
6. All proof of claim forms, together with the supporting documentation must be delivered by mail or courier service to MNP Ltd., 1500, 640 – 5<sup>th</sup> Avenue SW, Calgary, AB T2P 3G4 or via email at [Rick.Anderson@mnp.ca](mailto:Rick.Anderson@mnp.ca) to the attention of Rick Anderson on or before 4:00 p.m. Mountain Time on Thursday, September 24, 2020 (the “Claims Bar Date”).
7. Creditors who do not submit a Claim to the Receiver by the specified time on the Claims Bar Date, or such later date as the Court may order, shall not be entitled to receive any further notice of the Receivership proceedings, not be entitled to receive any distribution in the Receivership proceedings and be forever barred from making or enforcing any Claim against 1759255 related to the period prior to the Date of Receivership.
8. The Receiver will provide any Notice of Revision or Disallowance (the “Disallowance Notice”) to creditors in writing by registered mail, courier or email on or before October 1, 2020.
9. Where a creditor objects to a Disallowance Notice, the creditor must notify the Receiver of its objection in writing (the “Dispute Notice”) by registered mail, courier service or email within 10 days from the date of the Disallowance Notice.
10. A creditor who does not file a Dispute Notice to a Disallowance Notice issued by the Receiver shall, unless otherwise ordered by the Court, be conclusively deemed to have accepted the assessment of its Claim as set out in the Disallowance Notice.

Dated August 17, 2020

**MNP Ltd.**, in its capacity as Receiver of 1759255 Alberta Ltd. and not in its personal or corporate capacity

Per:

\_\_\_\_\_  
Vanessa Allen, B. Comm, CIRP, LIT  
Senior Vice President

**[INSERT PROOF OF CLAIM FORM]**

**APPENDIX "C" TO CLAIMS PROCESS ORDER  
(NOTICE OF REVISION OR DISALLOWANCE)**

<b>COURT FILE NO.</b>	<b>2001-00610</b>	<b>Clerk's Stamp</b>
<b>COURT</b>	<b>COURT OF QUEEN'S BENCH OF ALBERTA IN BANKRUPTCY AND INSOLVENCY</b>	
<b>JUDICIAL CENTRE</b>	<b>CALGARY</b>	
<b>PLAINTIFF</b>	<b>MCAP FINANCIAL CORPORATION</b>	
<b>DEFENDANTS</b>	<b>1759255 ALBERTA LTD.</b>	
<b>DOCUMENT</b>	<b>NOTICE OF REVISION OR DISALLOWANCE IN THE MATTER OF THE RECEIVERSHIP OF 1759255 ALBERTA LTD.</b>	

1. Pursuant to an Order of the Court of Queen's Bench of Alberta (the "Court") filed on March 12, 2020, MNP Ltd. was appointed as receiver (the "Receiver") of the assets, undertakings and properties of 1759255 Alberta Ltd. o/a Akai Motel ("1759255" or the "Company").
2. Pursuant to a further Order granted by the Court on August 17, 2020 (the "Claims Process Order"), a claims process was approved that directed the Receiver to solicit claims from all creditors of the Company for the purpose of determining the claims that will be eligible to share in any distribution(s) made in the Receivership proceedings.
3. Pursuant to the Claims Process Order, the Receiver hereby gives you notice that it has reviewed your proof of claim filed in the Receivership proceedings and has revised or disallowed your claim.
4. Subject to further disputes by you in accordance with the Claims Process Order, your claim will be allowed as follows:



**Amount allowed by the Receiver:**

Type:	Proof of claim amount:	Admitted amount:
Unsecured Claim		
Secured Claim		

**Reasons for the Revision or Disallowance:**

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5. If you intend to dispute this Notice of Revision or Disallowance (the "Disallowance Notice"), you must within 10 days from the date of this Disallowance Notice, deliver to the Receiver, a Dispute Notice (in the form enclosed) either by prepaid registered mail, personal delivery, courier to MNP Ltd., 1500, 640 – 5<sup>th</sup> Avenue SW, Calgary, AB T2P 3G4 or via email to [Rick.Anderson@mnp.ca](mailto:Rick.Anderson@mnp.ca) to the attention of Rick Anderson.

**IF YOU FAIL TO FILE YOUR DISPUTE NOTICE WITHIN TEN (10) DAYS OF THE DATE ON THIS DISALLOWANCE NOTICE, THE VALUE OF YOUR CLAIM WILL BE DEEMED TO BE ACCEPTED AS FINAL AND BINDING AS SET OUT IN THIS DISALLOWANCE NOTICE.**

Dated: \_\_\_\_\_, 2020

**MNP Ltd.**, in its capacity as Receiver of 1759255 Alberta Ltd. and not in its personal or corporate capacity

Per: \_\_\_\_\_  
Vanessa Allen, B. Comm, CIRP, LIT  
Senior Vice President

**APPENDIX "D" TO CLAIMS PROCESS ORDER (NOTICE OF DISPUTE)**

<b>COURT FILE NO.</b>	<b>2001-00610</b>	<b>Clerk's Stamp</b>
<b>COURT</b>	<b>COURT OF QUEEN'S BENCH OF ALBERTA</b> <b>IN BANKRUPTCY AND INSOLVENCY</b>	
<b>JUDICIAL CENTRE</b>	<b>CALGARY</b>	
<b>PLAINTIFF</b>	<b>MCAP FINANCIAL CORPORATION</b>	
<b>DEFENDANTS</b>	<b>1759255 ALBERTA LTD.</b>	
<b>DOCUMENT</b>	<b>NOTICE OF DISPUTE IN THE MATTER OF THE RECEIVERSHIP OF 1759255 ALBERTA LTD.</b>	

11. I, \_\_\_\_\_ (name), of \_\_\_\_\_ (city/town), in the Province of \_\_\_\_\_ dispute the amount stated in the attached Notice of Revision or Disallowance.

12. I dispute the amount stated in the Notice of Revision or Disallowance for the following reasons and attach all applicable documents:

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(use additional pages if necessary).

Dated at \_\_\_\_\_ (city/town), this \_\_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Signature of individual completing the form

**APPENDIX "E" TO CLAIMS PROCESS ORDER  
NEWSPAPER NOTICE**

**NOTICE TO CREDITORS OF 1759255 ALBERTA LTD. O/A AKAI MOTEL**

On March 12, 2020, MNP Ltd. was appointed as the receiver and manager (the "**Receiver**") of selected property of 1759255 Alberta Ltd. o/a Akai Motel (the "**Debtor**") by order of the Court of Queen's Bench of Alberta (the "**Court**").

On August 17, 2020 the Court granted further orders establishing a process by which the identity and status of all creditors of the Debtor and the amounts of their claims would be established for purposes of the Debtor's receivership proceedings (the "**Claims Process Order**"). A copy of the Claims Process Order may be viewed at <https://mnpdebt.ca/en/corporate/corporate-engagements/1759255-alberta-ltd> or may be obtained by contacting the Receiver at 403-850-6487.

Pursuant to the Claims Process Order the Receiver was required, by August 24, 2020, to send a Claims Package to each known creditor of the Debtor (the "**Notice to Creditor**").

**ANY CREDITOR HAVING A CLAIM AGAINST THE DEBTOR MUST FILE A PROOF OF CLAIM WITH THE RECEIVER IN THE PRESCRIBED FORM BEFORE 5:00 PM (MST) ON SEPTEMBER 24, 2020. CLAIMS NOT PROVEN IN ACCORDANCE WITH THESE PROCEDURES SHALL BE DEEMED TO BE FOREVER BARRED AND EXTINGUISHED AND MAY NOT BE ADVANCED AGAINST THE DEBTOR, EXCEPT AS MAY BE OTHERWISE ORDERED BY THE COURT.**

Any creditor who chooses to file a Proof of Claim is required to provide whatever supporting documentation they may have, such as contracts, bonds, investment forms, cancelled cheques, bills of sale, receipts, or invoices in support of their claim, as at March 12, 2020.

All claims must be made in the prescribed "Proof of Claim" form together with the required supporting documentation and be received by the Receiver on or before the Claims Bar Date, being 5:00 pm (MST) on September 24, 2020.

The prescribed "Proof of Claim" form may be found at <https://mnpdebt.ca/en/corporate/corporate-engagements/1759255-alberta-ltd> or can otherwise be obtained by contacting:

MNP Ltd., Receiver of 1759255 Alberta Ltd.  
Attn: Rick Anderson  
1500, 640 – 5<sup>th</sup> Avenue SW  
Calgary, AB T2P 3G4

Phone: 403-537-8424  
Email: Rick.Anderson@mnp.ca  
Fax: 403-537-8437