

COURT FILE NO.	2001-00610	Clerk's Stamp
COURT	COURT OF QUEEN'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
PLAINTIFF	MCAP FINANCIAL CORPORATION	
RESPONDENT	1759255 ALBERTA LTD.	
DOCUMENT	FIRST REPORT OF THE RECEIVER IN THE MATTER OF THE RECEIVERSHIP OF 1759255 ALBERTA LTD. O/A AKAI PROPERTY	
FILED	August 10, 2020	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	<p>Counsel</p> <p>Field LLP 400, 444 7<sup>th</sup> Avenue SW Calgary, AB T2P 0X8</p> <p>Telephone: 403-260-8537 Facsimile: 403-264-7084 Email: <a href="mailto:tbatty@fieldlaw.com">tbatty@fieldlaw.com</a></p> <p>Attention: Trevor Batty</p> <p>Receiver</p> <p>MNP Ltd. Suite 1500, 640 5th Avenue SW Calgary, AB T2P 3G4</p> <p>Telephone: 587-702-5963 Facsimile: 403-269-8450 Email: <a href="mailto:vanessa.allen@mnp.ca">vanessa.allen@mnp.ca</a></p> <p>Attention: Vanessa Allen</p>	

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## **SCHEDULES**

Schedule 1	Marketing brochure for the property at 1717 Mountain Avenue in Canmore, Alberta
Schedule 2	Redacted Offer to Purchase the property at 1717 Mountain Avenue in Canmore, Alberta
Schedule 3	Creditors' Package
Schedule 4	Notice of Revision or Disallowance
Schedule 5	Notice of Dispute
Schedule 6	Receiver's Interim Statement of Receipts and Disbursements for the Period Ended August 6, 2020
Schedule 7	Summary of Professional Fees for the Period Ended July 31, 2020

## INTRODUCTION

1. On March 4, 2020, the Court of Queen's Bench of Alberta granted a Receivership Order (the "Receivership Order") appointing MNP Ltd. as Receiver (the "Receiver") over the following property of 1759255 Alberta Ltd. ("1759255" or the "Company"):
  - 1.1. Lands located at the municipal address of 1717 Mountain Avenue in Canmore, Alberta (the "Akai Lands"); and
  - 1.2. All of 1759255's present and after-acquired personal property situated on the Akai Lands or which at any time was annexed to, comprised in, pertaining to or relating to or used in connection with the Akai Lands (collectively with the Akai Lands, the "Akai Property").
2. The Company was incorporated under the laws of Alberta on July 8, 2013 with its sole business being as the owner and operator of the Akai Property. The Akai Property was originally operated as a motel and was converted at some point to its current function of being a short-term month to month apartment complex. The Akai Property was originally built in the 1970s and has maintained operations in various forms since that time.
3. The Receivership Order was granted pursuant to an application by MCAP Financial Corporation ("MCAP") who, at the Filing Date, was owed approximately \$2.4 million pursuant to a first-ranking mortgage against the Akai Lands (the "MCAP Mortgage"), a general security agreement against 1759255 and a general assignment of rents and leases (collectively the "MCAP Security").
4. Pursuant to a further Order, also granted on March 4, 2020, the Receivership Order was stayed (the "Stay Order"). The Stay Order allowed for the filing of the Receivership Order upon the occurrence of specific events or upon further Order of the Court. One of these events was if legal counsel for MCAP did not receive a payment of approximately \$614,900 by March 11, 2020 (the "March 11 Event"). The March 11 Event did not occur and so the stay was lifted, and the Receivership Order was filed on March 12, 2020 (the "Filing Date").
5. Copies of the relevant documents relating to these proceedings are available on the Receiver's website at <https://mnpdebt.ca/en/corporate/corporate-engagements/1759255-alberta-ltd>.

## NOTICE TO READER

6. In preparing this report and making comments herein, the Receiver has relied upon certain unaudited, draft or internal financial information, including the Company's books and records, and information from other third-party sources (collectively, the "Information"). 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 generally accepted assurance standards or other standards established by the Chartered Professional Accountants of Canada (the "Standards").



Additionally, none of the Receiver's procedures were intended to disclose defalcations or other irregularities. If the Receiver were to perform additional procedures or to undertake an audit examination of the Information in accordance with the Standards, additional matters may have come to the Receiver's attention. Accordingly, the Receiver does not express an opinion, nor does it provide any other form of assurance on the financial or other information presented herein. The Receiver may refine or alter its observations as further information is obtained or brought to its attention after the date of this report.

7. All amounts included herein are in Canadian dollars unless otherwise stated.

#### **PURPOSE OF THE REPORT**

8. This report constitutes the First Report of the Receiver (the "First Report"). The First Report is being filed in support of the Receiver's application to this Honourable Court returnable on August 17, 2020 (the "August 17 Hearing") requesting the following relief:
  - 8.1. Approving of the reported actions of the Receiver in administering these receivership proceedings provided that only the Receiver, in its personal capacity and with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approvals;
  - 8.2. Approving the sale of the Akai Property, as further set out herein (the "Akai Sale");
  - 8.3. Approving a distribution to MCAP from the proceeds of the Akai Sale and other receipts in the receivership net of the amount required to complete the administration of the Receivership (the "MCAP Distribution");
  - 8.4. Sealing the First Confidential Report of the Receiver (the "Confidential Report"). The Confidential Report is being provided to the Court in advance of the August 17 Hearing to provide the Court with additional information related to the sale of the Akai Property;
  - 8.5. Approving the professional fees and disbursements of the Receiver (the "Receiver's Fees") and Field LLP ("Field"), the Receiver's legal counsel (the "Legal Fees" collectively the "Professional Fees"), for the period ended July 31, 2020; and
  - 8.6. Approving the Claims Process, as defined herein.

#### **ACTIVITIES OF THE RECEIVER**

9. The Receiver's activities since the Filing Date are summarized below:
  - 9.1. Took possession of the Company's available books and records;
  - 9.2. Contacted 1759255's banking institution and requested that the Company's account be frozen and all funds be remitted to the Receiver;

- 9.3. Confirmed that adequate insurance coverage was in place and directed the insurance provider to add the Receiver as the named insured/ loss payee;
- 9.4. Contracted with Veranova Properties Limited ("Veranova") to provide property management services for the Akai Property;
- 9.5. Notified utility service providers of the receivership proceedings;
- 9.6. Opened a GST account with Canada Revenue Agency ("CRA") for the Receiver;
- 9.7. Set up and maintained the Receiver's website for the proceedings;
- 9.8. Prepared and issued all statutory reporting as required pursuant to subsections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act*;
- 9.9. Issued a request for proposals to various commercial real estate brokerages;
- 9.10. Contracted and collaborated with Avison Young Real Estate Alberta, Inc. ("Avison") to market and negotiate with potential purchasers of the Akai Property;
- 9.11. Obtained an appraisal from Avison Young Valuation & Advisory Services Alberta, Inc. ("Avison Valuation") for the Akai Property;
- 9.12. Entered into an Offer to Purchase with BC 1212853 Van Forest Group Ltd. ("Van Forest"), as further described herein, subject to the approval of this Honourable Court; and
- 9.13. Responded to various creditor/ stakeholder inquiries.

#### **SALE OF THE AKAI PROPERTY**

10. The Akai Property is a 44-unit motel structure, consisting of two-single story buildings totaling 39,686 square feet that is operating as a long-term stay rental apartment complex. Following its appointment, the Receiver engaged Avison Valuation to prepare an appraisal for the Akai Property (the "Appraisal"). The Appraisal has an effective date of March 27, 2020 and includes both a market value and a forced sale value. A copy of the Appraisal is attached as "Schedule 1" to the Confidential Report.
11. The Receiver issued a request for proposals to five commercial realtors and received three proposals to list the Akai Property. In May 2020, the Receiver entered into an Exclusive Commercial Listing Agreement with Avison to market the Akai Property with a list price of approximately \$3.4 million. Avison created a marketing brochure for the Akai Property, a copy of which is attached as "Schedule 1", and their marketing efforts included direct outreach to qualified purchasers and outside brokers, online exposure and various other forms of digital advertising.
12. Twenty-eight parties had executed confidentiality agreements ("CA(s)") and were granted access to the electronic data room. Based on the number of parties who had executed CAs and, in accordance



with Avison's recommendation, the Receiver set a bid submission deadline of June 17, 2020 (the "First Bid Deadline"). On June 8, 2020, the First Bid Deadline was communicated to all parties who had expressed interest in the Akai Property including the Company's director, Mr. Ben Li ("Mr. Li").

13. At the First Bid Deadline, the Receiver received eight offers, all of which included one or more purchaser's conditions. Two additional unsolicited offers were received within hours of the First Bid Deadline. A summary of the offers received on or immediately following the First Bid Deadline is attached as "Schedule 2" to the Confidential Report. One of the bidders, Groundshakers Holdings Ltd. subsequently withdrew their offer.
14. On June 26, 2020 (the "SUV Acceptance Date"), the Receiver entered into an Offer to Purchase with SUV Corporation c/o Securfund Development Corporation (the "SUV Offer"). The SUV Offer included various due diligence conditions that were to be waived within 21 days of the SUV Acceptance Date. On July 2, 2020, SUV advised that they would not be waiving their due diligence conditions under the SUV Offer.
15. In consultation with Avison, a second bid submission deadline was subsequently set for July 7, 2020 (the "Second Bid Deadline"). On July 3, 2020, all parties who has submitted offers on or before the First Bid Deadline, all parties who had previously submitted CAs and Mr. Li were notified of the Second Bid Deadline.
16. At the Second Bid Deadline, the Receiver received seven offers from six potential purchasers (the "Second Round Offers"). A summary of the offers received on the Second Bid Deadline is attached as "Schedule 3" to the Confidential Report. Six of the Second Round Offers included one or more purchaser's conditions. One of the offerors, 2212496 Alberta Ltd. ("2212496") submitted both a conditional and unconditional offer. Following the Second Bid Deadline, the Receiver learned that 2212496 had a common shareholder to 1759255. The Receiver requested that 2212496 provide a comfort letter from their financial institution indicating that they had sufficient financial resources to complete the transaction contemplated in their offer. 2212496 was not able to provide such a letter and, as such, the Receiver viewed any transaction with 2212496 as having significant closing risk. The Receiver subsequently executed an Offer to Purchase (the "Akai Sale Contract") with Van Forest. A copy of the Akai Sale Contract with the purchase price redacted is attached hereto as "Schedule 2".
17. The Receiver notes the following key terms of the Akai Contract:
  - 17.1. Deposits of \$400,000 have been paid by Van Forest and are being held in trust by Field;
  - 17.2. The closing date under the Akai Sale Contract is fourteen days following Court Approval;
  - 17.3. All purchaser conditions have been waived under the Akai Sale Contract.
  - 17.4. The Akai Sale Contract remains subject to Court approval; and

- 17.5. The sale is being completed on an “as is, where is” basis with no representation or warranties being made by the Receiver.
18. The Receiver is supportive of completing the sale contemplated in the Akai Sale Contract, based on the following:
- 18.1. The Akai Property has been the subject of a rigorous marketing process and had had extensive exposure to the market;
- 18.2. Van Forest is unrelated to the Company;
- 18.3. MCAP, the Company's primary secured creditor, has indicated that they are supportive of the Akai Sale; and
- 18.4. The Akai Sale will result in sufficient realizations to repay the Receiver's Borrowings (subsequently defined as the “Borrowings”), pay MCAP in full and allow for a distribution to the Company's subsequent secured creditors and potentially to the unsecured creditors.

#### THE CLAIMS PROCESS

19. At the August 17 Hearing, the Receiver is seeking approval of a claims process in respect of the Company (the “Claims Process”) for the purpose of determining the claims that will be eligible to share in any distribution(s) made in the receivership proceedings. The key actions and estimated timing for the Claims Process is set out below:

Action	Estimated Timing
Claims Process Order	August 17, 2020
Claims package will be posted on the Receiver's website	As soon as practicable after the granting of the Claims Process Order
Newspaper notice published	On or before August 24, 2020
Claims package will be sent to all known claimants	On or before August 24, 2020
Claims bar date for claimants to file proof of claim	September 24, 2020
Deadline for issuance of notices of revision or disallowance (the “Disallowance Notice”)	October 1, 2020
Deadline for receipt by the Receiver of any notice of dispute	10 days after receipt of the Disallowance Notice by claimant



20. Following the Order approving the Claims Process (the "Claims Process Order"), the Receiver will send a package containing all of the required information to potential creditors of the Company (the "Creditor Package"). The Creditor Package will include a notice to creditors outlining the Claims Process, a proof of claim form and the corresponding instructions. A copy of the proposed Creditor Package is attached as "Schedule 3" hereto. Copies of the proposed Disallowance Notice and the proposed Dispute Notices are attached respectively as "Schedule 4" and "Schedule 5" hereto.
21. The Receiver is supportive of the Claims Process on the basis that it provides a timely and efficient process for the determination of creditor claims.

#### **SEALING OF THE CONFIDENTIAL REPORT**

22. The Confidential Report contains the Appraisal, summaries of the various offers received for the Akai Property and an unredacted copy of the Akai Sale Contract that discloses the purchase price to be paid for the Akai Property. At the August 17 Hearing, the Receiver is seeking to seal the Confidential Report until the Akai Sale closes or until further Order of this Honourable Court. The Receiver is of the view that the disclosure of information in the Confidential Report may be detrimental in the event that the Akai Sale does not close and additional marketing of the Akai Property is required. With respect to the Akai Sale Contract, the only information in relation to which a Sealing Order is being sought is the purchase price and there are no reasonable alternative measures to sealing the purchase price. The Receiver is of the view that, if the requested Sealing Order is not granted, creditor recoveries may be reduced should a subsequent marketing process be required.

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

23. Attached hereto as "Schedule 6" is the Interim Statement of Receipts and Disbursements for the period ended August 6, 2020 (the "Interim R&D"). As reflected in the Interim R&D approximately \$3,600 is being held in trust by the Receiver.
24. The Interim R&D reflects total receipts of approximately \$113,900. The Receiver highlights the following with respect to these receipts:
  - 24.1. Pursuant to the Receivership Order, the Receiver borrowed \$95,000 during the Receivership (the "Borrowings"). Following the August 17 Hearing, the Receiver intends to repay the Borrowings from the proceeds of the Akai Sale; and
  - 24.2. Rental income of approximately \$18,600 was collected from tenants at the Akai Property, which amount is net of property management fees and disbursements for required maintenance and repairs.
25. The Interim R&D reflects total disbursements of approximately \$110,300. The Receiver highlights the following with respect to these disbursements:

- 25.1. Receiver's Fees totaling approximately \$59,100 have been paid for period ended May 15, 2020;
- 25.2. Property taxes of approximately \$26,400 have been paid for the Akai Property;
- 25.3. Property and general liability insurance of approximately \$3,900 has been paid for the period ended September 21, 2020; and
- 25.4. Utilities of approximately \$7,800 have been paid for Akai Property.

## **PROFESSIONAL FEES**

- 26. Attached as "Schedule 7" is a summary of the professional fees and disbursements of the Receiver and Field for the period ended July 31, 2020. As set out therein, the Receiver's Fees totaled approximately \$96,213 plus GST for a total of approximately \$101,024. Also as set out therein, the Legal Fees totaled approximately \$17,000 plus GST for a total of approximately \$17,800.
- 27. At the August 17 Hearing, the Receiver is seeking approval of the Professional Fees. The Receiver believes that significant value has been provided through the services performed by the Receiver and that the fees are fair, appropriate and reasonable in the circumstances. In this regard the Receiver notes as follows
  - 27.1. The Receiver was tasked with managing real property that required ongoing property management; and
  - 27.2. Where appropriate, work was delegated to junior staff members of the Receiver and Field in order to reduce professional fees.
- 28. The Professional Fees have been charged by the Receiver and Field at their standard hourly rates and, in the Receiver's experience, are comparable to the standard rates of other providers of similar services in Alberta. The Receiver will make copies of both their accounts and the accounts of Field (subject to redaction for privilege) available to the Court or any interested person upon further request.

## **CREDITORS**

### **Secured creditors**

- 29. As noted above, approximately \$2.4 million was outstanding pursuant to the MCAP Mortgage at the Filing Date. The Receiver's legal counsel, Field completed an independent review of the MCAP Security and determined that the MCAP Security is, subject to the usual assumptions and qualifications, valid and enforceable as against the Akai Property. In particular, Field reviewed the mortgage granted in relation to the Akai Lands (the "Akai Mortgage") and concluded, with standard assumptions and qualifications, that the Akai Mortgage constitutes a valid and enforceable obligation



of the Company in accordance with the terms of the Akai Mortgage and the Akai Mortgage creates a valid mortgage and charge in favour of MCAP in the Akai Lands.

30. In addition to MCAP, the following creditors have registered interests in the Alberta Personal Property Registry:

- 30.1. 1028198 Alberta Ltd.
- 30.2. ATB Financial; and
- 30.3. Olympia Trust Company.

The Receiver does not have any additional information at this point as to the nature and quantum of these creditors' claims, but all of these creditors are on the service list in these proceedings and will be served with the Receiver's application material.

#### **Potential Priority Creditors**

31. The Company was an annual filer with Canada Revenue Agency ("CRA") with respect to goods and services tax ("GST"). The Receiver is in the process of filing an outstanding GST return for the period leading up to the filing date, which will result in an estimated pre-filing liability of approximately \$9,800.
32. 1759255 did not have any employees and there was no Canada Revenue Agency payroll account.
33. Property taxes relating to the Akai Lands have been paid in full by the Receiver.

#### **Unsecured Creditors**

34. At the Filing Date, the Company listed unsecured creditors of approximately \$22,800. The Receiver subsequently became aware of an additional unsecured claim for approximately \$60,000 for total estimated unsecured claims of \$82,800.

#### **PROPOSED DISTRIBUTIONS**

35. The Receiver is seeking approval to pay the MCAP Distribution.
36. Following repayment of the Borrowings and the MCAP Distribution, there will be sufficient funds to repay the known priority claims, satisfy the costs to complete the administration of the receivership estate and allow for a distribution to the other creditors based on the results of the Claims Process.


#### **RECOMMENDATION AND CONCLUSION**

37. The First Report has been prepared to provide the Court with information on the following relief sought by the Receiver at the August 17 Hearing:

- 37.1. Approving the reported actions of the Receiver in administering these receivership proceedings provided that only the Receiver, in its personal capacity and with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approvals;
  - 37.2. Approving the Akai Sale;
  - 37.3. Sealing the Confidential Report;
  - 37.4. Approving the MCAP Distribution;
  - 37.5. Approving the Professional Fees; and
  - 37.6. Approving the Claims Process.
38. The Receiver is recommending the Akai Sale based on the following:
- 38.1. The Akai Property has been actively marketed and has had extensive market exposure; and
  - 38.2. MCAP is supportive of the Akai Sale.
39. The Receiver is recommending sealing the Confidential Report on the basis that disclosing the information therein could taint any future sale process that may be required if the Akai Sale cannot be completed.
40. The Receiver is recommending approval of the MCAP Distribution on the basis that Field has completed a review of the MCAP Security and determined that it is valid and enforceable.

All of which is respectfully submitted this 10<sup>th</sup> day of August, 2020.

**MNP Ltd.**, in its capacity as Receiver and Manager of 1759255  
Alberta Ltd. o/a Akai Property and not in its personal or corporate  
capacity

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



# SCHEDULES

# **SCHEDULE 1**

# **AKAI MOTEL/APARTMENTS** - 44-unit hospitality/rental property with Trans-Canada Highway 1 frontage in Canmore, Alberta

**Receivership Sale**

**List Price: \$3,375,000**



*Unique investment opportunity for an owner/operator,  
or for an operator to aggregate into an existing portfolio*



## Property Summary

### Municipal Address

1717 Mountain Avenue,  
Canmore, Alberta

### Legal Description

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

### Site Size

39,686 sf (0.91 acre)

### Number of Units

44

### Year of Construction

1970's

### Land Use

BVT-G

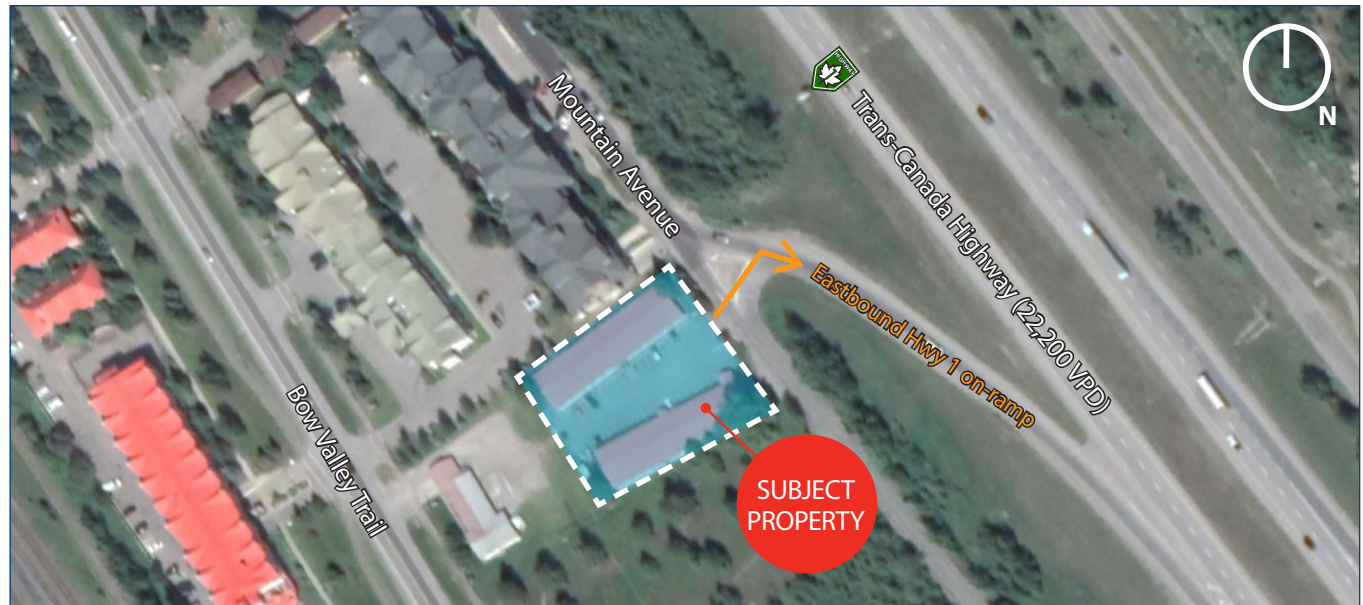
(Bow Valley Trail General  
Commercial District)

### Parking

36 surface stalls



## Site Overview



## Property Highlights

- Single storey, twin buildings containing 44 units with interior common hallway unit access
- Woodframe construction with stucco facade
- Low peaked metal roofs and wood roof trusses
- Exterior clad in aluminum curtain wall, brick veneer and glazing units
- Kitchenette in each unit with sink, dishwasher and stove
- Utilizing the units on a short-term rental basis serves a niche segment of the market, providing an economical rental option in the Canmore resort community where affordable rental accommodations are limited
- Short-term rental use provides an income-generation hedge against periods during which hospitality occupancy rates and revenues may be challenged
- Unique opportunity to re-brand/transform the property into a fully-functioning and competitive highway motel through modest capital improvements/renovations

Note: **Given the receivership situation, limited property and financial information is available; please contact agents for more information.**





## Location Overview



## Location Highlights

- Located in Canmore, one of Alberta's most desirable mountain resort communities
- Excellent signage visibility from Trans-Canada Highway 1, which is accessible by way of an eastbound on-ramp just in front of the subject property
- Conveniently located within close proximity to quick service restaurants, coffee, gas bars and other retail services/amenities
- 5 minute drive to Canmore's amenity rich town center, including a variety of restaurants, bars, clothing stores and convenience retail
- 33 minute drive to Sunshine Village Ski Resort and 56 minutes to Lake Louise Ski Resort, two top-tier ski/snowboard destinations

## Canmore Demographic Highlights



**13,992**  
POPULATION



**\$98,906**  
AVERAGE INCOME

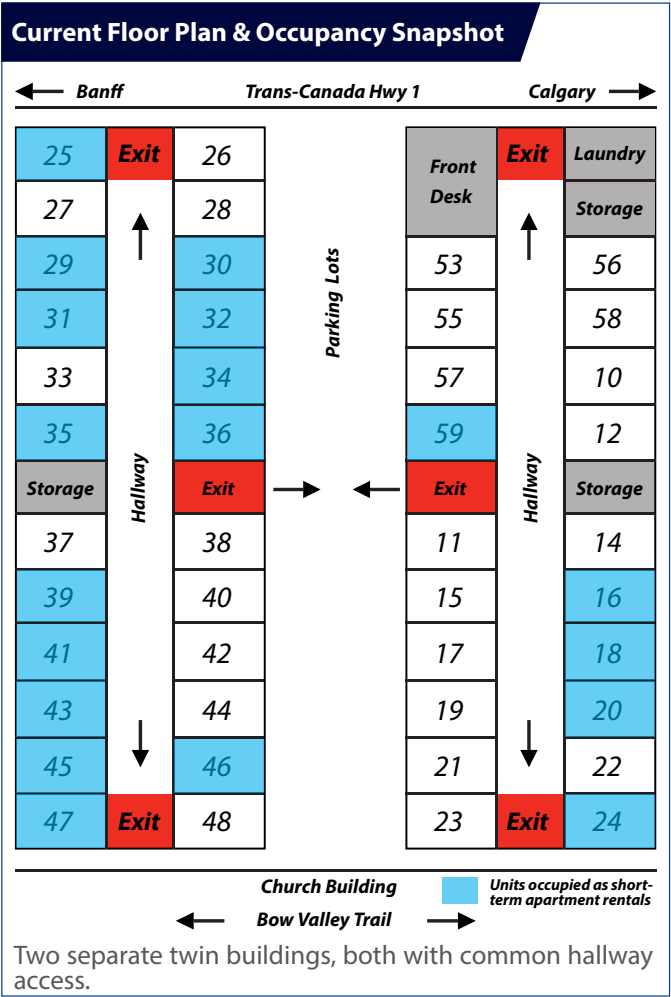


Immediate Access to Trans-Canada Highway 1





Photo Summary





## Offering Interest

Avison Young has been retained by **MNP Ltd. in its capacity as Receiver and Manager of 1759255 Alberta Ltd. and not in its personal capacity** on an exclusive basis to arrange for the offering and sale of a 100% freehold interest in the subject property. The subject property is being offered for sale with a **formal list price of \$3,375,000**. Please contact the listing agents below for information and for details on the offering process.

### Municipal Address

1717 Mountain Avenue,  
Canmore, Alberta

### Legal Description

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

### Data Room

Detailed information has been assembled by Avison Young and is available to prospective purchasers. Access to additional information will be available in a secure online data room upon receipt of an executed Confidentiality Agreement, and is provided to prospective entities/interested parties to assist in evaluating the offering.



Click to download  
Confidentiality Agreement

### For more information, please contact:

Kevin Morgans, CCIM, Principal  
403.232.4318  
kevin.morgans@avisonyoung.com

Ryan Swelin, Principal  
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Mason Thompson, Senior Associate  
403.232.4340  
mason.thompson@avisonyoung.com

**AVISON  
YOUNG**



Platinum member



# **SCHEDULE 2**

**OFFER TO PURCHASE**

(the "Offer" and, as accepted, the "Agreement")

TO: **MNP Ltd. (the "Receiver/Manager"), in its capacity as court appointed Receiver and Manager of 1759255 Alberta Ltd. (the "Vendor"), and not in its personal capacity**  
1500, 640 – 5 Avenue SW  
Calgary, Alberta  
T2P 3G4

FROM: **BC 1212853**  
**Van Forest Group Ltd.**  
**Per: Ao Shen**  
(the "Purchaser")

RE: Those lands and premises municipally located at 1717 Mountain Avenue in Canmore, Alberta

**1. PROPERTY**

"Property" shall mean collectively the premises specifically defined as:


- (a) those lands and premises municipally located at 1717 Mountain Avenue, Canmore, Alberta legally described in Schedule "A" herein;
- (b) all fixtures, appliances, improvements, equipment and chattels owned by 1759255 Alberta Ltd. and located thereon which are used in connection with the operation or management of the said lands and premises; and
- (c) the rights, if any, of the Vendor to make use of the name "Akai Motel/Apartments".

Title to the Property shall be conveyed to the Purchaser free and clear of all mortgages, encumbrances, liens or interests except for those permitted encumbrances set forth in Schedule "B" hereto (the "Permitted Encumbrances").

**2. PURCHASE PRICE**

The purchase price for the Property (the "Purchase Price") is [REDACTED]

[REDACTED] to be paid as follows:

-  (a) **Two hundred thousand dollars (\$200,000) Dollars** by way of first deposit (the "First Deposit") to be paid to the ~~Purchaser's~~ solicitor in trust, by way of guaranteed electronic funds transfer, within two (2) Business Days of acceptance of this Offer by the Vendor;
- Vendors
- (b) **Two hundred thousand dollars (\$200,000) Dollars** by way of a further deposit (the "Additional Deposit") to be paid to the Vendor's solicitor in trust along with the First Deposit (the First Deposit and the Additional Deposit being hereinafter collectively referred to as the "Deposits"), by way of guaranteed electronic funds transfer, within

(With Purchaser conditions)

three (3) Business Days, upon satisfaction or waiver of the Purchaser's Conditions described herein;

- (c) THE BALANCE to be paid on or prior to the Closing Date, by way of guaranteed electronic funds transfer, to the Vendor's solicitor.

### 3. DEPOSITS

- (a) The Purchaser's solicitor or the Vendor's solicitor, as the case may be, shall hold the First Deposit or the Deposits, as the case may be, in trust for the Vendor and the Purchaser as their interests may appear, and shall be dealt with as contemplated herein.
- (b) The Deposits shall be applied towards the Purchase Price and shall be released to the Vendor on the Closing Date.
- (c) If the Vendor fails to complete the sale of the Property in accordance with this Agreement or repudiates this Agreement then, at the Purchaser's option, the Deposits (or so much thereof as have been paid) shall be returned to the Purchaser, on demand.
- (d) If the Purchaser fails to complete the purchase of the Property in accordance with this Agreement or repudiates this Agreement then, at the Vendor's option, the Deposits (or so much thereof as have been paid), shall be forfeited to the Vendor as a genuine pre-estimate of the Vendor's minimum liquidated damages.

### 4. PURCHASER'S CONDITION(S)

The obligation of the Purchaser to complete this transaction shall be subject to the Purchaser having given notice in writing to the Vendor that the following condition(s) have been satisfied or are waived no later than 9:00 p.m. on the day that is 14 days following the final acceptance of this offer (the "Purchaser's Condition Date").

- (a) The Purchaser's satisfaction with the results of a review of the existing environmental report, as will be provided by the Vendor; and
- (b) The Purchaser's satisfaction with the results of its review of the disclosure documents and its inspection of the Property. The Vendor will cooperate by providing access to the Property on reasonable terms.

(collectively, the "Purchaser's Conditions"). The Purchaser's Conditions will be for the sole benefit of the Purchaser and may be waived, in whole or in part, by the Purchaser at any time on or prior to the Purchaser's Condition Date.

In the event that the Purchaser shall fail to notify the Vendor of the waiver or satisfaction of the Purchaser's Conditions on or before the Purchaser's Condition Date, this Agreement shall terminate and be of no further force or effect and the First Deposit shall be forthwith returned to the Purchaser.



## 5. VENDOR'S CONDITION

Once the Offer is accepted by the Vendor, this Agreement shall remain conditional upon the Court of Queen's Bench of Alberta granting an Order (the "Approval Order") providing formal approval for the Vendor to complete the transaction contemplated herein, which Approval Order the Vendor shall provide to the Purchaser (the "Vendor's Condition"). Once the Vendor provides the Purchaser with the Approval Order, this Vendor's Condition shall immediately and automatically be deemed satisfied. The Vendor shall not be obligated to apply for the Approval Order until such time as the Purchaser has given notice that the Purchaser's Condition has been satisfied or waived.

In the event that the Court of Queen's Bench of Alberta does not grant the Approval Order, this Agreement shall terminate and be of no further force or effect and the Deposits shall be forthwith returned to the Purchaser.

## 6. REPRESENTATIONS AND WARRANTIES

- (a) The Purchaser acknowledges that Purchaser has inspected the Property and the Purchaser agrees that neither the Vendor nor any agent or representative of the Vendor has made any representation, warranty, condition or collateral agreement relating to the Property or any adjacent Property or any other matter affecting the Property other than as is expressed herein in writing. Except as otherwise set forth herein, the Purchaser is purchasing the Property in their present condition and is relying solely on its own inspections and investigations with respect to the Property. Without limiting the generality of the foregoing, the Purchaser:
  - (i) acknowledges that it is aware of the land use classification of the Property and surrounding Property; and
  - (ii) acknowledges that neither the Vendor nor any agent or representative of the Vendor has made any representation, warranty, condition or collateral agreement whatsoever with respect to environmental matters or with respect to soil, subsoil, water table or foundation conditions and the Purchaser agrees that it is the sole responsibility of the Purchaser to take all appropriate steps to inspect the Property and to ensure adequate foundations for any buildings to be erected on the Property.
- (b) The Vendor represents and warrants to the Purchaser as follows:
  - (i) it has the full power, right and authority to enter into this Agreement; and
  - (ii) the Vendor is not a "non-resident" of Canada according to the meaning and intent of the Income Tax Act of Canada.

The Vendor and the Purchaser each covenant that the representations and warranties made herein are materially correct and accurate to the best of the Vendor's or the Purchaser's knowledge and belief without special investigation. The Purchaser acknowledges having been given the opportunity to conduct independent investigation of the matters forming the basis of the representation and warranties.

## 7. COLLECTION OF GST

The Purchaser represents and warrants that it is registered for the purposes of goods and services tax (the "GST") under Part IX of the *Excise Tax Act* (Canada) (the "Act"). By virtue of this registration and the provisions of the Act, the Purchaser covenants to assume all liability for the GST applicable to this transaction. The Purchaser shall, on or before the Closing Date, provide to the Vendor a copy of the Purchaser's certificate of registration under Part IX of the Act, together with a statutory declaration from an officer of the Purchaser confirming that the certificate is current and unamended and that the Purchaser is purchasing the Property on its own behalf and not as agent or trustee of any other party.

The Purchaser further covenants that it shall either pay the GST applicable to this transaction or complete and execute such forms, make such elections, filings and reports and do all other things that are necessary or required pursuant to the Act, all within the time limits prescribed in the Act. The Purchaser hereby agrees to and does hereby indemnify and save the Vendor harmless from and against all liability, costs and expenses, including interest and penalties and any legal fees and disbursements on a solicitor and their own client basis, that the Vendor may incur or become subject to as a result of a default by the Purchaser or its obligations pursuant to this section 7.

## 8. CLOSING & ADJUSTMENTS

Subject to the terms and conditions hereof, and unless otherwise ordered by the Vendor or mutually agreed upon by the parties, possession of the Property shall be provided to the Purchaser as at 12:00 P.M. (Alberta time) on the date (the "Closing Date") that is fourteen (14) days following the date on which the Approval Order has been obtained.

The Purchase Price shall be subject to adjustment as at 12:00 p.m. (Alberta time) on the Closing Date with respect to all property taxes and any income or pre-paid expenses relating to the Property. The Vendor's solicitors shall be entitled to deliver closing documents to the Purchaser's solicitors on trust conditions customarily used for closing commercial real property transactions in Calgary, Alberta with necessary and reasonable amendments reflecting the nature of transactions which are being completed by a court appointed receiver and manager. The trust conditions may contemplate that any financial encumbrances which are not Permitted Encumbrances may be paid out of the sale proceeds and discharged in due course on the basis of the Vendor's solicitor's undertakings. In lieu of a transfer of land and other conveyances, the Vendor shall be entitled to tender a vesting order (which may or may not be the Approval Order). The Purchaser shall on or before the Closing Date execute and deliver to the Vendor all documentation contemplated in this Agreement or as may be necessary or desirable to complete the transaction contemplated in this Agreement.



**9. PURCHASER'S ENCUMBRANCES**

The Purchaser shall not be permitted to encumber the Property in any way prior to the removal of the conditions precedent.

**10. ASSIGNMENT**

This Agreement constitutes a binding contract of purchase and sale. It shall extend to and be binding upon and enure to the benefit of the Parties hereto and their respective successors and assigns. The Purchaser shall not be entitled to assign this Agreement after the granting of the Approval Order without the consent of the Vendor and the Court of Queen's Bench. No assignment of this Agreement by the Purchaser prior to the granting of the Approval Order shall be valid unless notice of the assignment is received prior to the date on which the application for the Approval Order is being made.

**11. NOTICES**

Any notice required to be given hereunder by any party shall be deemed to have been well and sufficiently given if:

- (a) personally, delivered to the party to whom it is intended or if such party is a corporation to an officer of that corporation; or
- (b) mailed by prepaid registered mail, transmitted by e-mail or facsimile, or delivered to the mailing address, e-mail address or facsimile number of the party to whom it is intended as follows:

- (i) if to the Purchaser, then,

**8160 Elsmore Road  
Richmond, BC V7C 1Z9  
Canada**

- (ii) if to the Vendor, then,

**MNP Ltd. in its capacity as Receiver and Manager of 1759255 Alberta Ltd. and  
not in its personal capacity  
1500, 640 – 5 Avenue SW  
Calgary, Alberta  
T2P 3G4  
Email: [Vanessa.Allen@mnp.ca](mailto:Vanessa.Allen@mnp.ca); [Rick.Anderson@mnp.ca](mailto:Rick.Anderson@mnp.ca)  
Attention: Vanessa Allen and Rick Anderson**

with a copy to:



(With Purchaser conditions)

**Field LLP**  
400, 444 – 7<sup>th</sup> Avenue SW  
Calgary, AB  
T2P 0X8  
Email: [TBatty@fieldlaw.com](mailto:TBatty@fieldlaw.com)  
Attention: Trevor Batty

or to such other address or number as a party may from time to time direct in writing. Any such notice delivered before 4:30 p.m. local time on a day that is not a Saturday, Sunday or Schedule I bank holiday in Alberta (a "Business Day") shall be deemed to have been received on the date of delivery and any notice delivered after 4:30 p.m. local time on a Business Day or delivered on a day other than a Business Day, shall be deemed to have been received on the next Business Day. Any notice mailed shall be deemed to have been received seventy-two (72) hours after the date it is postmarked. Any notice sent by facsimile or emailed before 4:30 p.m. local time on a Business Day shall be deemed to have been received when the sender receives the answer back confirming receipt of the recipient; provided, however, that any facsimile or email received after 4:30 p.m. local time on a Business Day or received on a day other than a Business Day shall be deemed to have been received on the next Business Day. If normal mail or communication service is interrupted by strike, slow-down, force majeure or other cause after the notice has been sent the notice will not be deemed to have been received until actually received. In the event normal mail service is impaired at the time of sending the notice, then the personal delivery, facsimile or email transmission only shall be effective.

**12. GOVERNING LAW AND SUBMISSION TO JURISDICTION**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the parties hereto hereby submit to the jurisdiction of the Courts of the Province of Alberta sitting in Calgary, Alberta.

**13. TIME OF ESSENCE**

Time shall be of the essence of this Agreement and of every part hereof.

**14. COVENANTS AND REPRESENTATIONS**

Except as provided in the Purchase and Sale Agreement, the Purchaser is relying entirely upon its own inspections and investigations with respect to the Property and the Property is being purchased on an "as is, where is" basis.

**15. CONFIDENTIALITY**

The Purchaser and the Vendor agree that all negotiations regarding the Property shall be confidential, including the contents of this Offer and will not be disclosed to anyone other than the parties' respective legal counsel, accountants, lenders, internal staff, agents and equity partners. Furthermore, the Purchaser and the Vendor agree that no press or other publicity, release or communication to the general public concerning the proposed transaction will be issued without the other party's prior approval, unless required by law. If the transaction contemplated by this Agreement is not completed for any reason, the Purchaser shall promptly

(With Purchaser conditions)

deliver to the Vendor all materials and information provided by the Vendor and others herein, (excluding its notes and not including all reports and information prepared by or for the Purchaser in regard to the Property, including, but not limited to environmental and engineering reports), including all copies, and shall destroy all of the Purchaser's notes and other due diligence material containing information set out in the materials and information provided by the Vendor herein.

**16. PROFESSIONAL ADVICE**

The parties to this Offer to Purchase agree and acknowledge that Avison Young Real Estate Alberta Inc. has recommended that all legal, tax, accounting, engineering and regulatory advice be obtained through the Purchaser's and Vendor's own professional advisors and that no information provided by Avison Young Real Estate Alberta Inc. is to be considered as expert legal, tax, accounting, engineering or regulatory advice.

**17. REAL ESTATE FEE**

The Vendor shall be responsible for all real estate commissions payable to Avison Young Real Estate Alberta Inc. which for this transaction are defined in a separate agreement.

**18. RECEIVER AND MANAGER**

The Purchaser acknowledges that this Agreement is made between the Purchaser and the Vendor by its court-appointed receiver and manager, the Receiver/Manager, and that the Receiver/Manager shall not have any personal liability whatsoever in connection with the performance of this Agreement, the condition of the Property or any other matter arising hereunder.

**19. MISCELLANEOUS**

- (a) Any term, condition or provision of this Agreement that is or may be deemed to be void, prohibited or unenforceable shall be severable without in any way invalidating the remaining terms, conditions or provisions hereof.
- (b) Headings used in this Agreement are for convenience only and will not be deemed to form part of this Agreement and will not be used or referred to in the construction and interpretation of this Agreement.
- (c) This Agreement may be executed in counterpart and all counterparts shall when taken together constitute one and the same agreement.
- (d) This Agreement may be signed and delivered by any electronic means capable of producing a hard copy printed record. Without limiting the generality of the foregoing, the Vendor and the Purchaser may utilize any mutually agreeable electronic signing platform (including but not limited to "docusign" or similar platforms) with the same effect as if the Vendor and the Purchaser had executed and delivered a hard copy of this Agreement with original wet ink signatures.

  
LAW OFFICE OF BERNARD J. JACOBSON



(With Purchaser conditions)

- (e) Notwithstanding paragraph 8 hereof, the Purchaser acknowledges that portions of the Property have been rented to individuals for the purposes of residential accommodation and that the Purchaser shall assume the obligations of the Vendor under the written, oral or other rental agreements respecting such tenancies. The Vendor makes no representation or warranty with respect to whether such rentals are subject to the provisions of the Residential Tenancies Act (Alberta) (the "RTA"), however, upon the Purchaser having given notice of the satisfaction or waiver of the Purchaser's Conditions and upon the Additional Deposit having been paid in accordance with this agreement, the Vendor will on written request from the Vendor execute and deliver to any renters at the Property a notice of termination under section 5 of the RTA, provided that the Purchaser's intended use of the Property falls within the class of uses allowing termination of such tenancies as contemplated in section 2 of the Residential Tenancies Ministerial Regulation (Alberta). The Purchaser further acknowledges that the Vendor shall not be responsible for the eviction of any renter or the obtaining of any order for possession in respect of such tenancies, and that the failure or inability of any renter to surrender possession of any portion of the Property on the Closing Date shall not constitute a breach of any of the Vendor's obligations under this agreement or otherwise entitle the Purchaser to any remedy whatsoever against the Vendor.

[Remainder of Page Intentionally blank; Purchaser's Execution Follows on Next Page]



(With Purchaser conditions)

**20. OFFER**

This Offer shall be open for acceptance until 4:30 p.m. (Alberta time) on July 13<sup>th</sup> and may be accepted by the Vendor by causing a duly signed and accepted copy of the Offer to be delivered, emailed or faxed to the Purchaser.

Dated this Jul 13, 2020, 12:53 PM PDT  
\_\_\_\_\_ day of \_\_\_\_\_, 2020

**BC 1212853**

**Van Forest Group Ltd.**

Per: Ao Shen   Verifying the Signature

I/We have authority to bind the Corporation.

[Vendor's Acceptance Follows on Next Page]

(With Purchaser conditions)

### VENDOR'S ACCEPTANCE

MNP Ltd. in its capacity as Receiver and Manager of 1759255 Alberta Ltd. and not in its personal capacity, accepts this Offer on and subject to the terms and conditions set out herein as of the 11 day of July, 2020.

**MNP Ltd.**

  
Per: Vanessa Allen

I/We have authority to bind the Corporation.



(With Purchaser conditions)

### SCHEDULE "A"

Civic Address of the Property

1717 Mountain Avenue, Canmore, Alberta

### Legal Description of the Property

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

(With Purchaser conditions)

**SCHEDULE "B"**

**PERMITTED ENCUMBRANCES**

<u>Registration Number</u>	<u>Date (D/M/Y)</u>	<u>Particulars</u>
771 058 902	11/05/1977	Easement
071 616 791	28/12/2007	Utility Right of Way



# **SCHEDULE 3**

August 17, 2020

**Notice to Creditors**

**Re: 1759255 Alberta Ltd. o/a Akai Motel (the "Company")**

As you are likely aware, MNP Ltd. is the Court-appointed Receiver of the Company.

Pursuant to an Order granted by the Court of Queen's Bench of Alberta on August 17, 2020 (the "Claims Process Order"), a claim 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 participate in and be eligible to share in any distribution(s) made in the receivership proceedings (the "Claims Process"). 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>

Attached are the following documents with respect to your claim in the Claims Process:

1. A notice to creditors regarding the Claims Process; and
2. A general proof of claim form, including instructions.

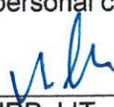
All claims must be sent by courier or regular mail to MNP Ltd., 1500, 640 – 5<sup>th</sup> Avenue SW, Calgary, AB T2P 3G4 or via email at [Rick.Anderson@mnp.ca](mailto:Rick.Anderson@mnp.ca) to the attention of Rick Anderson on or before 4:00 p.m. Mountain Time on Thursday, September 24, 2020 (the "Claims Bar Date"). 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:

1. Not be entitled to receive any further notice of the receivership proceedings;
2. Not be entitled to receive any distribution in the receivership proceedings; and
3. Be forever barred from making or enforcing any claim against the Company.

Should you have any questions, please contact the undersigned at 403-477-9661.

Yours truly,

**MNP LTD.** in its capacity as court-appointed  
receiver and receiver-manager of 1759255  
Alberta Ltd., and not in its personal capacity

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



<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 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

District of: Alberta  
Division No. 02 - Calgary  
Court No. 25-095103  
Estate No. 25-095103

FORM 31 / 36  
Proof of Claim / Proxy  
1759255 Alberta Ltd. o/a AKAI Motel  
In the town of Canmore  
In the Province of Alberta

All notices or correspondence regarding this claim must be forwarded to the following address:

\_\_\_\_\_  
\_\_\_\_\_

In the matter of the receivership of 1759255 Alberta Ltd. AKAI Motel of the Town of Canmore in and the claim of \_\_\_\_\_, creditor.

I, \_\_\_\_\_, of the city of \_\_\_\_\_, a creditor in the above matter, hereby appoint \_\_\_\_\_ of \_\_\_\_\_, to be my proxyholder in the above matter, except as to the receipt of dividends, \_\_\_\_\_ (with or without) power to appoint another proxyholder in his or her place.

I, \_\_\_\_\_ (name of creditor or representative of the creditor), of the city of \_\_\_\_\_ in the province of \_\_\_\_\_ do hereby certify:

1. That I am a creditor of the above named debtor (or I am \_\_\_\_\_ (position/title) of \_\_\_\_\_, creditor).

2. That I have knowledge of all the circumstances connected with the claim referred to below.

3. That the debtor was, at the date of receivership, namely the 12th day of March 2020, and still is, indebted to the creditor in the sum of \$ \_\_\_\_\_, as specified in the statement of account (or affidavit or solemn declaration) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.)

4. (Check and complete appropriate category.)

☐ A. UNSECURED CLAIM OF \$ \_\_\_\_\_

(other than as a customer contemplated by Section 262 of the Act)

That in respect of this debt, I do not hold any assets of the debtor as security and  
(Check appropriate description.)

☐ Regarding the amount of \$ \_\_\_\_\_, I claim a right to a priority under section 136 of the Act.

☐ Regarding the amount of \$ \_\_\_\_\_, I do not claim a right to a priority.  
(Set out on an attached sheet details to support priority claim.)

☐ B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$ \_\_\_\_\_

That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:  
(Give full particulars of the claim, including the calculations upon which the claim is based.)

☐ C. SECURED CLAIM OF \$ \_\_\_\_\_

That in respect of this debt, I hold assets of the debtor valued at \$ \_\_\_\_\_ as security, particulars of which are as follows:  
(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

☐ D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$ \_\_\_\_\_

That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ \_\_\_\_\_  
(Attach a copy of sales agreement and delivery receipts.)

☐ E. CLAIM BY WAGE EARNER OF \$ \_\_\_\_\_

☐ That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$ \_\_\_\_\_,

☐ That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$ \_\_\_\_\_,

☐ F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$ \_\_\_\_\_

☐ That I hereby make a claim under subsection 81.5 of the Act in the amount of \$ \_\_\_\_\_,

☐ That I hereby make a claim under subsection 81.6 of the Act in the amount of \$ \_\_\_\_\_,

☐ G. CLAIM AGAINST DIRECTOR \$ \_\_\_\_\_

(To be completed when a proposal provides for the compromise of claims against directors.)



That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:  
(Give full particulars of the claim, including the calculations upon which the claim is based.)

☐ H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$\_\_\_\_\_

That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows:  
(Give full particulars of the claim, including the calculations upon which the claim is based.)

5. That, to the best of my knowledge, I \_\_\_\_\_ (am/am not) (or the above-named creditor \_\_\_\_\_ (is/is not)) related to the debtor within the meaning of section 4 of the Act, and \_\_\_\_\_ (have/has/have not/has not) dealt with the debtor in a non-arm's-length manner.

6. That the following are the payments that I have received from, and the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act or were not dealing with each other at arm's length, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of Section 2 of the Act: (Provide details of payments, credits and transfers at undervalue.)

7. (Applicable only in the case of the bankruptcy of an individual.)

☐ Whenever the trustee reviews the financial situation of a bankrupt to redetermine whether or not the bankrupt is required to make payments under section 68 of the Act, I request to be informed, pursuant to paragraph 68(4) of the Act, of the new fixed amount or of the fact that there is no longer surplus income.

☐ I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address.

Dated at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Individual Creditor

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Name of Corporate Creditor

Per \_\_\_\_\_  
Name and Title of Signing Officer

Return To:

Phone Number: \_\_\_\_\_  
Fax Number: \_\_\_\_\_  
E-mail Address: \_\_\_\_\_

MNP Ltd. - Licensed Insolvency Trustee  
Per:

\_\_\_\_\_  
Vanessa Allen - Receiver  
1500, 640 - 5 Avenue SW  
Calgary AB T2P 3G4  
Phone: (403) 538-3187 Fax: (403) 537-8437  
E-mail: calgary.insolvency@mnp.ca

NOTE: If an affidavit is attached, it must have been made before a person qualified to take affidavits.

WARNINGS: A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.

Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

# **SCHEDULE 4**

**COURT FILE NO.**            **2001-00610**

**Clerk's Stamp**

**COURT**                    **COURT OF QUEEN'S BENCH OF  
ALBERTA**  
  
**IN BANKRUPTCY AND INSOLVENCY**

**JUDICIAL CENTRE**      **CALGARY**

**PLAINTIFF**              **MCAP FINANCIAL CORPORATION**

**DEFENDANTS**          **1759255 ALBERTA LTD.**

**DOCUMENT**            **NOTICE OF REVISION OR DISALLOWANCE IN THE MATTER OF THE  
RECEIVERSHIP OF 1759255 ALBERTA LTD.**

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 OR 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

# **SCHEDULE 5**

**COURT FILE NO.**            **2001-00610**

**Clerk's Stamp**

**COURT**                    **COURT OF QUEEN'S BENCH OF  
ALBERTA**  
  
**IN BANKRUPTCY AND INSOLVENCY**

**JUDICIAL CENTRE**    **CALGARY**

**PLAINTIFF**            **MCAP FINANCIAL CORPORATION**

**DEFENDANTS**        **1759255 ALBERTA LTD.**

**DOCUMENT**           **NOTICE OF DISPUTE IN THE MATTER OF THE RECEIVERSHIP OF  
1759255 ALBERTA LTD.**

1. I, \_\_\_\_\_ (name), of \_\_\_\_\_ (city/town), in the Province of \_\_\_\_\_ dispute the amount stated in the attached Notice of Revision or Disallowance.
2. 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



# **SCHEDULE 6**

**In the matter of the Receivership of  
1759255 Alberta Ltd. o/a Akai Motel (the "Company")  
Receiver's Interim Statement of Receipts and Disbursements  
For the period ended August 7, 2020**

		<b>Notes</b>
<b>Receipts:</b>		
Receiver's Certificates	\$ 95,000	<b>1</b>
Rental income	18,603	<b>2</b>
Cash in bank	260	<b>3</b>
<b>Total Receipts</b>	<b>113,863</b>	
<b>Disbursements:</b>		
Receiver's Fees & Disbursements	59,053	<b>4</b>
GST paid	9,005	
Utilities	7,827	
Insurance	3,918	<b>5</b>
Appraisal fees	2,750	<b>6</b>
Property taxes	26,424	
Micellaneous	1,288	
<b>Total Disbursements</b>	<b>110,264</b>	
<b>Excess of Receipts over disbursements</b>	<b>\$ 3,599</b>	

**Notes:**

- 1 Represents Receiver's borrowings as authorized by the Receivership Order granted on March 4, 2020.
- 2 Represents cash held in the Company's bank account at the date of receivership.
- 3 Includes rental revenue for the period ended April 30, 2020 net of operating costs from Veranova, who provide property management services.
- 4 Includes professional fees and disbursements of the Receiver for the period ended May 15, 2020.
- 5 Insurance has been paid for the period ended September 21, 2020.
- 6 Represents the amount paid to Avison Young to complete an appraisal on the property at 1717 Mountain Drive Avenue in Canmore, Alberta.

# **SCHEDULE 7**



**In the matter of the Receivership of  
1759255 Alberta Ltd. o/a Akai Motel  
Summary of Professional Fees and Disbursements**

**MNP Ltd.**

<b>Invoice date</b>	<b>Invoice number</b>	<b>Description</b>	<b>Professional fees and disbursements</b>	<b>GST</b>	<b>Total</b>	<b>Notes</b>
20-Apr-20	9228639	To March 31, 2020	\$ 36,839	\$ 4,789	\$ 41,629	
20-May-20	9306469	to May 15, 2020	29,363	3,817	33,180	
10-Jul-20	9391962	To June 30, 2020	18,394 -	4,376	14,017	1
10-Aug-20	9424221	To July 31, 2020	11,618	581	12,199	
			<b>\$ 96,213</b>	<b>\$ 4,811</b>	<b>\$ 101,024</b>	

**Notes:**

1. Includes a correction to the GST charge on prior invoices.

**Field LLP**

<b>Invoice date</b>	<b>Invoice number</b>	<b>Description</b>	<b>Professional fees</b>	<b>GST</b>	<b>Total</b>
31-Mar-20	547839	To March 31, 2020	\$ 1,581	\$ 79	\$ 1,660
30-Jun-20	557464	To June 30, 2020	7,350	367	7,717
31-Jul-20	560686	To July 31, 2020	8,066	403	8,469
			<b>\$ 16,996</b>	<b>\$ 850</b>	<b>\$ 17,845</b>
<b>Total Professional Fees and Disbursements</b>			<b>\$ 113,209</b>	<b>\$ 5,660</b>	<b>\$ 118,869</b>