

Clerk's stamp:

COURT FILE NUMBER	2303 22127
COURT	COURT OF KING'S BENCH
JUDICIAL CENTRE	EDMONTON
PLAINTIFF	BANK OF MONTREAL
DEFENDANTS	2093924 ONTARIO INC., HYEONG SIK KIM AND HEE SEON KIM
DOCUMENT	APPLICATION BY MNP LTD. IN ITS CAPACITY AS RECEIVER AND MANGER OVER 2093924 ONTARIO INC.
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	MILLER THOMSON LLP Barristers and Solicitors 2700, Commerce Place 10155-102 Street Edmonton, AB, Canada T5J 4G8 Phone: 780.429.9713 Fax: 780.424.5866 Lawyer's Name: Susy Trace Lawyer's Email: strace@millerthomson.com File No.: 0255543.0004

NOTICE TO RESPONDENTS:

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

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

Date: **June 24, 2024**

Time: **3:30 PM**

Where: **Edmonton Law Courts, Virtual Courtroom 86**

Virtual Courtroom Link:

<https://albertacourts.webex.com/meet/virtual.courtroom86>

Before Whom: **The Honourable Justice N. J. Whitling on the Commercial List**

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 receiver and manager (the “**Receiver**”) of 2093924 Ontario Inc. (the “**Company**”) seeks the following Orders:
 - (a) an abridgement, if necessary, of the time for service of this Application and all materials in support, and an Order declaring service of same to be good and sufficient;
 - (b) a Restricted Court Access Order substantially in the form of Order attached to this Application as **Schedule “A”** approving the sealing of the Confidential Addendum (the “**Confidential Addendum**”) to the First Report to the Court MNP Ltd. in its capacity as Receiver over 2093924 Ontario Inc. (the “**First Report**”);
 - (c) an Order substantially in the form of Order attached to this Application as **Schedule “B”** approving the Receiver’s activities to date as described in the First Report, and approving the late serving of the Notice and Statement of Receiver, *nunc-pro-tunc*;
 - (d) an Order substantially in the form of Order attached to this Application as **Schedule “C”**:
 - (i) approving the Receiver’s acceptance of an Amended Asset Purchase Agreement (the “**Amended APA**”) submitted by Klair Group Industries Inc. (the “**Purchaser**”) to purchase the lands legally described as PLAN 0720455; BLOCK 21; LOT 2 (the “**Lands**”), a full service 12 bay operating truck wash located on the Lands, and other personal property (collectively the “**Property**”) of the Company;
 - (ii) authorizing and directing the Receiver to take all steps reasonably required to complete the transaction contemplated by the Amended APA;
 - (iii) vesting title in the Property in and to the Purchaser free and clear of all claims; and
 - (iv) declaring that any rights of 1643434 Alberta Ltd. (“**1643**”) in and to a registered patent in a three Door Concept Design, Canadian Patent Application Number 2767610 (the “**Patent**”) is exhausted as it relates to the Property; **or**
 - (e) if the Court does not order that 1643’s rights have been exhausted as described in paragraph 1(d)(iv) above, then an Order substantially in the form of Order attached to this Application as **Schedule “D”** permitting the Receiver to assign a Trademarks & Patent License Agreement dated as of March 20, 2017 and executed April 10, 2017 to the Purchaser (the “**License Agreement**”); **or**
 - (f) an Order substantially in the form of Order attached to this Application as **Schedule “E”** permitting the Receiver to assign the Company into bankruptcy and

authorizing the trustee in bankruptcy of the Company to assign the License Agreement to the Purchaser.

2. Such further and other relief as counsel for the Receiver may advise and this Honourable Court may permit.

GROUNDINGS FOR MAKING THIS APPLICATION:

3. The Receiver was appointed as receiver and manager over all of the current and future assets, undertakings and properties of the Company pursuant to an Order dated January 12, 2024 of the Honourable Justice G.S. Dunlop of Court of King's Bench of Alberta (the "**Receivership Order**").
4. The Receivership Order was granted on January 12, 2024, however the Receiver's obligations pursuant to the Receivership Order did not come into effect, and the Receiver was not considered to be in possession or control of the property of the Company until the Receivership Order was filed in this Action on February 15, 2024.
5. The Company operates a full-service 12 bay truck wash located in Edmonton, Alberta under the name "Wash Factory" (the "**Business**").

Restricted Court Access Application

6. The Confidential Addendum contains the following:
 - (a) an appraisal of the Lands and Business;
 - (b) a summary of offers recently submitted for the purchase of the Property, both prior to the granting of the Receivership Order and during the course of the Receivership; and
 - (c) correspondence from the operations manager of the Business, Jason Kim ("**Jason**"), who is the son of the shareholders of the Company.

(collectively the "**Confidential Information**").
7. There is a real and substantial risk of prejudice to the administration of the receivership estate if the Confidential Information were published and the transaction contemplated by the Amended APA fails to materialize. The public has an interest in the efficacy and fairness of court-supervised receiverships.
8. The terms of the Restricted Court Access Order are the least restrictive and least prejudicial alternative to the open court principle, and are necessary to effect the sealing of the Confidential Addendum.
9. The salutary effects of the Restricted Court Access Order outweigh its deleterious effects, including the public interest in open and accessible court proceedings.
10. The media has been notified of this Application for a Restricted Court Access Order.

Approval of the Receiver's Activities

11. The First Report sets out the activities of the Receiver since its appointment.
12. All of the activities of the Receiver and its legal counsel in the course of the administration of the receivership of the Company as described in the First Report are reasonable and appropriate in the circumstances.
13. The Receiver seeks the approval of the Court for the activities set out in the First Report.

Approving the late service of the Notice and Statement of Receiver, Nunc-Pro-Tunc

14. Section 245 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "**BIA**") requires a receiver, among other things, to as soon as possible, and not later than ten days after becoming a receiver, send notice, in the prescribed form and manner (the "**Notice and Statement**"), to the Superintendent of Bankruptcy, an insolvent person and to all creditors of the insolvent person that the receiver, after making reasonable efforts, has ascertained.
15. Section 246 of the BIA requires a receiver, among other things, to forthwith after taking possession or control, whichever occurs first, of property of an insolvent person, prepare a statement containing the prescribed information relating to the receivership, and to forthwith provide a copy thereof to the Superintendent and to any creditor of the insolvent person who requests a copy at any time up to six months after the end of the receivership.
16. The Receiver filed the Notice and Statement with the Superintendent of Bankruptcy within the prescribed time, however, due to a clerical error, the Receiver did not send the Notice and Statement to the Creditors of the Company until March 7, 2024, which is outside the prescribed timeframe.
17. The Receiver is not aware of any creditors who have been prejudiced by the late notice.

Sale Approval and Vesting Order

18. The Receivership Order authorizes the Receiver to, among other things, market any or all of the property of the Company and sell such property with the approval of this Honourable Court.
19. The Receiver obtained an appraisal of the Property and the purchase price in the Amended APA is within the ranges in the appraisal.
20. The Receiver submits that the Property was exposed to the market for a sufficient period of time to obtain the best price when considering both pre and post receivership factors, and that any further marketing efforts are not likely to benefit the stakeholders in this estate.
21. There is no unfairness in the process followed by the Receiver and the Receiver has conducted itself with integrity and good faith in negotiating and ultimately accepting the Amended APA.

22. Bank of Montreal, the largest priority creditor of the Company, is supportive of the Amended APA.
23. Such further and other grounds as counsel may advise and this Honourable Court may permit.

Extinguishing or Assigning the Patent Rights as they relate to the Property

24. The Patent is in respect of a design method by which vehicles move through the truck wash facility in through one door and out through two doors in a single direction, in order to streamline traffic and reduce congestion in low-visibility situations (the "**Patented Design**"). The building on the Lands has been constructed using the Patented Design.
25. The Patented Design is an integral component of the building and not something that can be altered without material renovations and significant cost.
26. The rights of the Patent owner, 1643, in the Patented Design have been exhausted and 1643 has no right to demand financial compensation for the same from the Purchaser.
27. In the alternative, the rights to use the Patent is subject to the License Agreement.
28. Assigning the License Agreement to the Purchaser is necessary in order to preserve the value of the Property and maximize recoveries for the stakeholders.
29. The assignment of the License Agreement would not be unjust in the circumstances since 1643's rights thereunder will not be altered and 1643 will suffer no prejudice in the result.
30. 1643 has submitted an unsuccessful offer to purchase the Property. In being an unsuccessful bidder, 1643 has an incentive to oppose the assignment of the License Agreement to another purchaser since the inability of the Receiver to assign the License Agreement in respect of the Patent will likely cause any such sale to fail unless it is to 1643, or a related party to 1643. This provides 1643 with an unfair advantage in the sales process and undermines the integrity of any sales process administered by the Receiver.
31. The Purchaser has more than 20 years of experience in the car wash industry and is able to perform the obligations under the License Agreement.
32. There are no monetary obligations owing to 1643 under the License Agreement or related to the Patent.
33. This Honourable Court has the inherent jurisdiction to authorize the Receiver to assign the License Agreement to the Purchaser. In addition, a purposive reading of Canada's insolvency statutes supports this Court's authority to assign the License Agreement.
34. It is just and convenient in the circumstances for the Receiver to assign the License Agreement notwithstanding that 1643 does not consent to the assignment.

35. In the alternative, a trustee in bankruptcy has the authority to assign the License Agreement to the Purchaser and for the foregoing reasons, it is appropriate in the circumstances to do so.
36. The Receivership Order permits the Receiver to assign the Company into bankruptcy with prior court approval.
37. Such further and other grounds as the Receiver may advise and this Honourable Court may permit.

MATERIAL TO BE RELIED UPON:

38. The Receiver's First Report dated June 17, 2024, to be filed.
39. The Confidential Addendum to the Receiver's First Report dated June 17, 2024, unfiled.
40. The Consent Receivership Order, filed.
41. The inherent jurisdiction of this Honourable Court to control its own process.
42. Brief of Law submitted by the Receiver, to be filed.
43. Such further and other material as legal counsel for the Receiver may advise and this Honourable Court may permit.

APPLICABLE RULES:

44. Part 6, Division 4 of the *Alberta Rules of Court*.
45. *Rules 1.3, 11.27, 11.29 and 13.5 of the Alberta Rules of Court*.
46. Such further and other *Rules* as counsel may advise and this Honourable Court may permit.

APPLICABLE ACTS AND REGULATIONS:

47. The *BIA*, as amended.
48. The *Judicature Act*, RSA, 2000, c J-2, as amended.
49. The *Business Corporations Act*, RSA 2000, c B-9, as amended.
50. The *Personal Property Security Act*, RSA 2000, c P-7, as amended.
51. Such further and other Acts and regulations as counsel may advise and this Honourable Court may permit.

ANY IRREGULARITY COMPLAINED OF OR OBJECTION RELIED UPON

52. None.

HOW THE APPLICATION IS PROPOSED TO BE HEARD OR CONSIDERED:

53. By Webex hearing in Commercial Chambers.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) 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 give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

SCHEDULE "A"

Clerk's Stamp

COURT FILE NUMBER

2303 22127

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

EDMONTON

PLAINTIFF

BANK OF MONTREAL

DEFENDANTS

2093924 ONTARIO INC., HYEONG SIK KIM and
HEE SEON KIM

DOCUMENT

RESTRICTED COURT ACCESS ORDER

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

MILLER THOMSON LLP
Barristers and Solicitors
2700, Commerce Place
10155-102 Street
Edmonton, AB, Canada T5J 4G8
Phone: 780.429.1751 Fax: 780.424.5866
Lawyer's
Name: Susy Trace
Lawyer's
Email: strace@millerthomson.com
File No.: 0255543.0004

DATE ON WHICH ORDER WAS PRONOUNCED: JUNE 24, 2024

LOCATION WHERE ORDER WAS PRONOUNCED: EDMONTON, ALBERTA

NAME OF JUSTICE WHO MADE THIS ORDER: HONOURABLE JUSTICE N. J. WHITLING

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 2093924 Ontario Inc. (the "**Debtor**") for an order approving the sale transaction (the "**Transaction**") contemplated by an Asset and Real Estate Purchase Agreement (the "**Sale Agreement**") between the Receiver Klair Group Industries Inc. (the "**Purchaser**") dated April 3, 2024 and appended to the Confidential Addendum (the "**Confidential Addendum**") to the First Report of the Receiver dated June 17, 2024 (the "**First Report**"), and vesting in the Purchaser (or its nominee) the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**");

AND UPON THE APPLICATION by the Receiver for a Restricted Court Access Order sealing the Confidential Addendum;

AND UPON HAVING READ the Consent Receivership Order dated January 12, 2024 and filed February 15, 2024 (the "**Receivership Order**"), the Confidential Addendum, First Report, the Brief of Law

of the Receiver dated ● and the Affidavit of Service; **AND UPON NOTING** that the media was provided prior notice of this Application; **AND UPON HEARING** the submissions of counsel for the Receiver, the Purchaser, **[Names of other parties appearing]**, and no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service, filed;

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.
2. The Confidential Addendum shall be sealed and kept confidential, to be shown only to a Justice of the Court of King's Bench of Alberta and the Clerk of the Court be and is hereby directed to seal the Confidential Addendum on the Court file until the Receiver has written the Clerk of the Court advising that the Purchased Assets have been sold and that the Confidential Addendum should be unsealed.
3. The Clerk of the Court is hereby directed to seal the Confidential Addendum in an envelope setting out the Style of Cause in the within proceedings and labelled:

THIS ENVELOPE CONTAINS THE CONFIDENTIAL ADDENDUM TO THE FIRST REPORT TO THE COURT OF MNP LTD. IN ITS CAPACITY AS RECEIVER OF 2093924 ONTARIO INC. DATED JUNE 17, 2024. THIS CONFIDENTIAL ADDENDUM IS SEALED ON THE COURT FILE PURSUANT TO THE ORDER ISSUED BY THE HONOURABLE JUSTICE N. J. WHITLING ON JUNE 24, 2024. THE CONFIDENTIAL ADDENDUM IS NOT TO BE ACCESSED BY ANY PERSON UNTIL THE RECEIVER HAS WRITTEN THE CLERK OF THE COURT ADVISING THAT THE PURCHASED ASSETS HAVE BEEN SOLD AND THAT THE CONFIDENTIAL ADDENDUM SHOULD BE UNSEALED.

4. 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; and
 - (b) Posting a copy of this Order on the Receiver's website at: <https://mnpdebt.ca/en/corporate/corporate-engagements/2093924-ontario-inc.>; and

- (c) Service on any other person is hereby dispensed with.
5. 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.

Justice of the Court of King's Bench of Alberta

SCHEDULE "B"

Last Revised: January 2019

	Clerk's Stamp
COURT FILE NUMBER	2303 22127
COURT OF KING'S BENCH OF ALBERTA	
JUDICIAL CENTRE	EDMONTON
PLAINTIFF	BANK OF MONTREAL
DEFENDANTS	2093924 ONTARIO INC., HYEONG SIK KIM and HEE SEON KIM
DOCUMENT	<u>ORDER APPROVING RECEIVER'S ACTIVITIES</u>
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	MILLER THOMSON LLP Barristers and Solicitors 2700, Commerce Place 10155-102 Street Edmonton, AB, Canada T5J 4G8 Phone: 780.429.1751 Fax: 780.424.5866 Lawyer's Name: Susy Trace Lawyer's Email: strace@millerthomson.com File No.: 0255543.0004

DATE ON WHICH ORDER WAS PRONOUNCED: JUNE 24, 2024

LOCATION WHERE ORDER WAS PRONOUNCED: EDMONTON, ALBERTA

NAME OF JUSTICE WHO MADE THIS ORDER: HONOURABLE JUSTICE N. J. WHITLING

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 2093924 Ontario Inc. (the "**Debtor**") for an order approving the activities of the Receiver as described in the First Report of the Receiver dated June 17, 2024 (the "**First Report**") and the Confidential Addendum to the First Report dated June 17, 2024 (the "**Confidential Addendum**");

AND UPON HAVING READ the Consent Receivership Order dated January 12, 2024 and filed February 15, 2024 (the "**Receivership Order**"), the Confidential Addendum, First Report, the Brief of Law of the Receiver dated ● and the Affidavit of Service; **AND UPON HEARING** the submissions of counsel for the Receiver, the Purchaser, [**Names of other parties appearing**], and no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service, filed;

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.
2. The activities, conduct and actions of the Receiver as described in the First Report and the Confidential Addendum are hereby approved.
3. Service of the Notice and Statement of Receiver by the Receiver in these proceedings as required by ss. 245 and 246 of the *Bankruptcy and Insolvency Act*, is hereby approved, *nunc-pro-tunc*, effective February 25, 2024 notwithstanding that it was sent to known affected creditors on March 7, 2024.
4. 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; and
 - (b) Posting a copy of this Order on the Receiver's website at: <https://mnpdebt.ca/en/corporate/corporate-engagements/2093924-ontario-inc.>; and
 - (c) Service on any other person is hereby dispensed with.
5. 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.

Justice of the Court of King's Bench of Alberta

SCHEDULE "C"

Last Revised: January 2019

Clerk's Stamp
COURT FILE NUMBER 2303 22127
COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE EDMONTON
PLAINTIFF BANK OF MONTREAL
DEFENDANTS 2093924 ONTARIO INC., HYEONG SIK KIM and
HEE SEON KIM

DOCUMENT

APPROVAL AND VESTING ORDER

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

MILLER THOMSON LLP
Barristers and Solicitors
2700, Commerce Place
10155-102 Street
Edmonton, AB, Canada T5J 4G8
Phone: 780.429.1751 Fax: 780.424.5866
Lawyer's
Name: Susy Trace
Lawyer's
Email: strace@millerthomson.com
File No.: 0255543.0004

DATE ON WHICH ORDER WAS PRONOUNCED:

LOCATION WHERE ORDER WAS PRONOUNCED: EDMONTON, ALBERTA

NAME OF JUSTICE WHO MADE THIS ORDER: HONOURABLE JUSTICE

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 2093924 Ontario Inc. (the "**Debtor**") for an order approving the sale transaction (the "**Transaction**") contemplated by an Asset and Real Estate Purchase Agreement (the "**Sale Agreement**") between the Receiver Klair Group Industries Inc. (the "**Purchaser**") dated April 3, 2024 and appended to the Confidential Addendum (the "**Confidential Addendum**") to the First Report of the Receiver dated June 17, 2024 (the "**First Report**"), and vesting in the Purchaser (or its nominee) the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**");

AND UPON HAVING READ the Consent Receivership Order dated January 12, 2024 and filed February 15, 2024 (the "**Receivership Order**"), the Confidential Addendum, Report and the Affidavit of Service; **AND UPON HEARING** the submissions of counsel for the Receiver, the Purchaser [**Names of**

other parties appearing], no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service, filed;

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).

EXHAUSTION OF PATENT RIGHTS

3. Any rights of 1643434 Alberta Ltd., including, without limitation, any rights arising under a three Door Concept Design (the "**Patented Design**"), Canadian Patent Application Number 2767610 (the "**Patent**") have been exhausted in respect of the Purchased Assets only and 1643434 Alberta Ltd. shall have no further rights or remedies to assert a proprietary or contractual right in the Purchased Assets arising from the Patent.

VESTING OF PROPERTY

4. 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 [listed in **Schedule "B"** hereto] 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);
- (d) any claims of 1643434 Alberta Ltd. in the Purchased Assets arising under the Patent or Patented Design;
- (e) those Claims listed in **Schedule "C"** 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 "D"** (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

5. 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 the existing Certificates of Title No. 172 133 698 for those lands and premises municipally described as 4803 55 Avenue, NW, Edmonton, Alberta, T6B 3S3, and legally described as:

PLAN 0720455
 BLOCK 21
 LOT 2
 EXCEPTING THEREOUT ALL MINES AND MINERALS
 AREA: 0.788 HECTARES (1.95 ACRES) MORE OR LESS
 (the "**Lands**")

- (ii) issue a new Certificate of Title for the Lands in the name of the Purchaser (or its nominee),
 - (iii) transfer to the New Certificate of Title the existing instruments listed in Schedule "D", to this Order, and to issue and register against the New Certificate of Title such new caveats, utility rights of ways, easements or other instruments as are listed in Schedule "D"; and
 - (iv) discharge and expunge the Encumbrances listed in Schedule "C" 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) any person making a Claim to any of the Purchased Assets shall, within 7 days of being served with written notice from the Receiver and a copy of the signed Receiver's Closing Certificate, discharge all registrations it maintains in relation to that Claim from the Alberta Personal Property Registry, or similar registry in another jurisdiction providing for public notice of such Claim.
6. 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.
7. 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, [other than any required approval by the Energy Regulator referenced in paragraph 3 above.]¹
8. 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.

9. 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.
10. 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.
11. 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).
12. 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, including, without limitation 1643434 Alberta Ltd.
13. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Receiver.

14. 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).
15. 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

16. 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.

17. 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.
18. 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.

19. 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/2093924-ontario-inc>.

and service on any other person is hereby dispensed with.

20. 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.

Justice of the Court of King's Bench of Alberta

Schedule "A"

Form of Receiver's Certificate

	Clerk's Stamp
COURT FILE NUMBER	2303 22127
COURT OF KING'S BENCH OF ALBERTA	
JUDICIAL CENTRE	EDMONTON
PLAINTIFF	BANK OF MONTREAL
DEFENDANTS	2093924 ONTARIO INC., HYEONG SIK KIM and HEE SEON KIM
DOCUMENT	RECEIVER'S CERTIFICATE
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	MILLER THOMSON LLP Barristers and Solicitors 2700, Commerce Place 10155-102 Street Edmonton, AB, Canada T5J 4G8 Phone: 780.429.1751 Fax: 780.424.5866 Lawyer's Name: Susy Trace Lawyer's Email: strace@millerthomson.com File No.: 0255543.0004

RECITALS

- A. Pursuant to an Order of the Honourable Justice G. S. Dunlop of the Court of King's Bench of Alberta (the "**Receivership Order**"), Judicial District of Edmonton (the "**Court**") dated January 12, 2024, MNP Ltd. was appointed as the receiver (the "**Receiver**") of the undertakings, property and assets (the "**Property**") of 2093925 Ontario Inc. (the "**Debtor**"), however the Receiver's obligations pursuant to the Receivership Order did not come into effect, and the Receiver was not considered in possession or control of the Property until the Receivership Order was filed on February 15, 2024;
- B. Pursuant to an Order of the Court dated June 24, 2024, the Court approved the agreement of purchase and sale made as of **April 3, 2024** (the "**Asset and Real Estate Purchase Agreement**") between the Receiver and **Klair Group Industries Inc.** (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 7 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 section Article 7 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser (or its nominee);
3. The Transaction has been completed to the satisfaction of the Receiver; and
4. This Certificate was delivered by the Receiver at _____ on _____.

**MNP Ltd., in its capacity as Receiver
of the undertakings, property and
assets of 2093924 Ontario Inc., and
not in its personal capacity.**

Per; _____

**Name: Karen Alyward
Title: LIT, Vice President, MNP Ltd.**

Schedule “B”

The Lands and building legally described as:

PLAN 0720455
 BLOCK 21
 LOT 2
 EXCEPTING THEREOUT ALL MINES AND MINERALS
 AREA: 0.788 HECTARES (1.95 ACRES) MORE OR LESS

The following personal property:

1. Electrical Scissorlift Skyjack
2. Camera Computer – Dell pc -store
 - a. Server for Camera Vonstor SMRPro with Monitor -store
 - b. Lorex camera system x2 with monitors
3. Old Server Security Access Computer with Monitor – Dell pc -store-
4. APC Back – UPS protection XS-1500 -store storage room
5. Meraki MR-18 Wireless Router for Wi-fi
6. Topaz Signature Pad
7. Cashier computer with monitor
8. Vertex Standard EVX-534 walkee talkee and two motorola
9. Store tv
10. Yardworks 48v lawnmower + grass/leaf blower
11. First Aid Kit-store
12. Small Electric Heater
13. Blue drawers cabinet -storage room
14. Display rack spares ###
15. LED lights on pedestal with 2 heads for detailing
16. Laser Printer – brother
17. Small mini computer with monitor -store
18. Star TSP100 Receipt Printer
19. Swingline Automatic Stapler
20. Panasonic Cordless Phone
21. Store Couch +black water cooler+coffee table
22. Maple System Weintek – Site Control Model Touchscreen to control doors/night shutdown
23. Water dispenser+mini white cooler
24. AI Phone Lef3 – RV dump Intercom

25. 8 Managed Brand New Netgear Switches for Network Stability Communication
26. 2 Meraki MX64-HW Advanced Security (store storage room)
27. 16 bay wash kiosk computers (plus touchscreen monitors) + autowash teller computer
28. New Commercial Server for carwash system + POS (located 2nd stair floor)
 - a. APC Back-Up XS-1300 protection
29. Two 3 sides manager's desks
30. 2nd stair floor TV+appliances
31. Tool box and bench in the autowash mech room
32. Belanger Tunnel System
 - a. 4 yellow Water tanks for each CAT pump
 - b. 1 blue water tank for small CAT PUMP
 - c. Chemical injector and dispensing system
33. 16 CAT Pumps for car wash bays
34. Water softner system -located Autowash mech room
35. Cash Change Machine – Standard Brand
36. Coin vac system -located Autowash mech room
37. Drum sized chemical moving cart
38. Security System -alarm
39. Laundry machine -washer/dryer
40. 1956 retro couch replica -beside store mandoor
41. Infrared Tube Heating System in Self-Wash Bays, Truck Bays and Automatic
42. Store entrance wall Vintage Cars
43. 2 Extra vintage cars -display purpose / stored in the mech room
44. Spare card readers
45. Spare boxes of Wash Factory wash cards
46. Amazon Lamination Machine
47. Paper Cutting Board
48. Several Front Retail Store Shelves for product display
49. Industrial Grade Shelving in Janitor Room for Storage
50. Assortments of Brooms, Shovels, Ice Pick and Floor Squeegees
51. Two air compressors + anti moist system -feeds entire building system;carwash+door operation
52. 4" Trash Pump Suction Hose
53. Assorted Stools and ladder +scaffolding
54. 100" Pipe Snake rooter
55. Chemical pump transfer for drum size chemical

56. 2 Shop Vac (smaller one in the store storage room + larger one in the mech room)
57. Jump Start Cable + portable jumper (store)
58. Fire hose Spare -located in autowash tunnel
59. Ozone Machine -for detailing, not in use
60. Tornador -for detailing, not in use
61. Ninja 150 Extractor-for detailing, not in use
62. 2" Submersible Pump
63. Spinning Floor Cleaner – for cleaning stain on concrete floor; quick connect with wash bay pressure hoses
64. Complete Tool Bench +box – wrenches and sockets + hand drills and hammer drill+ various types of tools etc etc for carwash repair
65. Eurovac central system
66. Wood cabinet in mech room with spares parts
67. Blue bins rack in the mech room x2 with spare parts
68. Chemical dispensers + water reservoirs for self wash bays in mech room
69. Spotfree system in mech room
70. Different types of booster pumps + blue mount rack located in the mech room (for fire hose rinsing system+spotfree)
71. Spare parts +motors +paint located 2nd stair mezzanine
72. Two water heater/boiler -2nd stair mezzanine
73. Wooden cabinet for spare parts -2nd stair mezzanine
74. Spare parts and tools located on the premises and used in business

Schedule "C"
Non-Permitted Encumbrances

REGISTRATION NUMBER	DATE	PARTICULAR
212 014 093	16/01/2021	Mortgage Mortgagee – Bank of Montreal

**Schedule “D”
Permitted Encumbrances**

REGISTRATION NUMBER	DATE	PARTICULAR
072 034 598	18/01/2007	Utility Right of Way Grantee – The City of Edmonton

SCHEDULE "D"

Last Revised: January 2019

	Clerk's Stamp
COURT FILE NUMBER	2303 22127
COURT OF KING'S BENCH OF ALBERTA	
JUDICIAL CENTRE	EDMONTON
PLAINTIFF	BANK OF MONTREAL
DEFENDANTS	2093924 ONTARIO INC., HYEONG SIK KIM and HEE SEON KIM
DOCUMENT	<u>ORDER AUTHORIZING THE RECEIVER TO ASSIGN A LICENSE AGREEMENT</u>
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	MILLER THOMSON LLP Barristers and Solicitors 2700, Commerce Place 10155-102 Street Edmonton, AB, Canada T5J 4G8 Phone: 780.429.1751 Fax: 780.424.5866 Lawyer's Name: Susy Trace Lawyer's Email: strace@millerthomson.com File No.: 0255543.0004

DATE ON WHICH ORDER WAS PRONOUNCED: JUNE 24, 2024

LOCATION WHERE ORDER WAS PRONOUNCED: EDMONTON, ALBERTA

NAME OF JUSTICE WHO MADE THIS ORDER: HONOURABLE JUSTICE N. J. WHITLING

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 2093924 Ontario Inc. (the "**Debtor**") for an order authorizing the Receiver to assign a Trademarks & Patent License Agreement dated as of March 20, 2017 and executed April 10, 2017 between the Debtor as licensee and Slaz Investments Ltd. as Licensor (the "**License Agreement**") as described in the First Report of the Receiver dated June 17, 2024 (the "**First Report**");

AND UPON HAVING READ the Consent Receivership Order dated January 12, 2024 and filed February 15, 2024 (the "**Receivership Order**"), the Confidential Addendum, First Report, the Brief of Law of the Receiver dated ● and the Affidavit of Service; **AND UPON HEARING** the submissions of counsel for the Receiver, the Purchaser, [**Names of other parties appearing**], and no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service, filed;

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.
2. The Receiver is authorized to assign, without restriction, the License Agreement to the Klair Group Industries Inc. (the "**Purchaser**"), as it relates to a three Door Concept Design, Canadian Patent Application Number 2767610, without the requirement of consent from Slaz Investments Ltd. or 1643434 Alberta Ltd. (the "**Licensee**"), or anyone claiming through the Licensee, and upon such assignment being made, all rights and obligations accruing to the Company under the License Agreement will accrue to the Purchaser (the "**Assignment**").
3. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable to complete the Assignment.
4. Service of the Notice and Statement of Receiver by the Receiver in these proceedings as required by ss. 245 and 246 of the *Bankruptcy and Insolvency Act*, is hereby approved, *nunc-pro-tunc*, effective February 25, 2024 notwithstanding that it was sent to known affected creditors on March 7, 2024.
5. 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; and
 - (b) Posting a copy of this Order on the Receiver's website at: <https://mnpdebt.ca/en/corporate/corporate-engagements/2093924-ontario-inc.>; and
 - (c) Service on any other person is hereby dispensed with.
6. 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.

Justice of the Court of King's Bench of Alberta

SCHEDULE "E"

Last Revised: January 2019

	Clerk's Stamp
COURT FILE NUMBER	2303 22127
COURT OF KING'S BENCH OF ALBERTA	
JUDICIAL CENTRE	EDMONTON
PLAINTIFF	BANK OF MONTREAL
DEFENDANTS	2093924 ONTARIO INC., HYEONG SIK KIM and HEE SEON KIM
DOCUMENT	<u>ORDER AUTHORIZING THE RECEIVER TO ASSIGN A LICENSE AGREEMENT</u>
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	MILLER THOMSON LLP Barristers and Solicitors 2700, Commerce Place 10155-102 Street Edmonton, AB, Canada T5J 4G8 Phone: 780.429.1751 Fax: 780.424.5866 Lawyer's Name: Susy Trace Lawyer's Email: strace@millerthomson.com File No.: 0255543.0004

DATE ON WHICH ORDER WAS PRONOUNCED: JUNE 24, 2024

LOCATION WHERE ORDER WAS PRONOUNCED: EDMONTON, ALBERTA

NAME OF JUSTICE WHO MADE THIS ORDER: HONOURABLE JUSTICE N. J. WHITLING

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 2093924 Ontario Inc. (the "**Debtor**") for an order authorizing the Receiver to assign the Company into bankruptcy and authorizing the trustee in bankruptcy to assign a Trademarks & Patent License Agreement dated as of March 20, 2017 and executed April 10, 2017 between the Debtor as licensee and Slaz Investments Ltd. as Licensor (the "**License Agreement**") as described in the First Report of the Receiver dated June 17, 2024 (the "**First Report**");

AND UPON HAVING READ the Consent Receivership Order dated January 12, 2024 and filed February 15, 2024 (the "**Receivership Order**"), the Confidential Addendum, First Report, the Brief of Law of the Receiver dated ● and the Affidavit of Service; **AND UPON HEARING** the submissions of counsel for the Receiver, the Purchaser, [**Names of other parties appearing**], and no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service, filed;

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.
2. The Receiver is authorized to assign the Company into bankruptcy, and MNP Ltd. may act as trustee in bankruptcy of the Company.
3. Upon being appointed as trustee in bankruptcy of the Company (the "**Trustee**"), the Trustee is authorized to immediately assign, without restriction, the License Agreement to the Klair Group Industries Inc. (the "**Purchaser**"), as it relates to a three Door Concept Design, Canadian Patent Application Number 2767610, without the requirement of consent from Slaz Investments Ltd. or 1643434 Alberta Ltd. (the "**Licensee**"), or anyone claiming through the Licensee, and upon such assignment being made, all rights and obligations accruing to the Company under the License Agreement will accrue to the Purchaser (the "**Assignment**").
4. The Trustee is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable to complete the Assignment.
5. Service of the Notice and Statement of Receiver by the Receiver in these proceedings as required by ss. 245 and 246 of the *Bankruptcy and Insolvency Act*, is hereby approved, *nunc-pro-tunc*, effective February 25, 2024 notwithstanding that it was sent to known affected creditors on March 7, 2024.
6. 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; and
 - (b) Posting a copy of this Order on the Receiver's website at: <https://mnpdebt.ca/en/corporate/corporate-engagements/2093924-ontario-inc.>; and
 - (c) Service on any other person is hereby dispensed with.

7. 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.

Justice of the Court of King's Bench of Alberta