

Clerk's stamp:

COURT FILE NUMBER

2203-19336

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

EDMONTON

PLAINTIFFS

MIKE PRIESTNER REAL ESTATE INC. and  
MPRE GP DEV INC.

DEFENDANTS

2399430 ALBERTA LTD., 2399449  
ALBERTA LTD., TURNIP HOMES INC., and  
HENOK KASSAYE

DOCUMENT

FOURTH REPORT TO THE COURT OF MNP  
LTD. IN ITS CAPACITY AS RECEIVER AND  
MANAGER OF 2399430 ALBERTA LTD.  
AND 2399449 ALBERTA LTD.

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS DOCUMENT

Receiver:

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600 McLennan Ross Building  
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**IN THE MATTER OF THE RECEIVERSHIP OF  
2399430 ALBERTA LTD. AND 2399449 ALBERTA LTD.**

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- A. A copy of the Receivership Order – December 13, 2022
- B. A copy of the Sale Order – May 1, 2023
- C. A copy of the Interim Distribution Order – July 26, 2023
- D. Interim Statement of Receipts and Disbursements for the period of December 13, 2022, to December 12, 2023
- E. A copy of the Personal Property Registry Search Results for 430 Alberta – December 20, 2022
- F. A copy of the Restricted Court Access Order – May 1, 2023
- G. A copy of the Amended Restricted Court Access Order – July 26, 2023

## PURPOSE OF REPORT

1. Pursuant to an Order of the Court of King's Bench of Alberta granted December 13, 2022 (the "**Receivership Order**"), MNP Ltd. ("**MNP**") was appointed receiver and manager (the "**Receiver**") of all current and future assets, undertakings and properties of every nature and kind whatsoever of 2399430 Alberta Ltd. ("**430 Alberta**") and 2399449 Alberta Ltd. ("**449 Alberta**") (collectively the "**Companies**"). A copy of the Receivership Order is attached as **Appendix "A"**.
2. This is the Receiver's Fourth Report to Court (the "**Fourth Report**"). This Fourth Report should be read in conjunction with the Receiver's First Report to Court dated February 10, 2023 (the "**First Report**"); the Receiver's Second Report to Court dated April 24, 2023 (the "**Second Report**"); and, the Receiver's Third Report to Court dated July 17, 2023 (the "**Third Report**").
3. The purpose of this report is to:
  - a. Update this Honourable Court with the Receiver's activities since the Receiver's Second Report;
  - b. Provide this Honourable Court with an interim statement of receipts and disbursements for the period of December 13, 2022, to December 12, 2023;
  - c. Assist this Honourable Court's consideration of the Receiver's application to make a distribution of funds held by the Receiver in respect of 430 Alberta; and,
  - d. Seek this Honourable Court's approval to extend the Restricted Court Access Order granted May 1, 2023, in relation to the Confidential Appendices to the Second Report.

## BACKGROUND INFORMATION

4. Mr. Henok Kassaye is the sole director of the Companies.
5. The Companies were incorporated on January 10, 2022, for the purpose of holding and developing real estate.
6. 430 Alberta was the registered owner of lands described as;
  - a. 10053 Jasper Avenue NW, Edmonton, Alberta  
Legal Description:

PLAN F  
LOT 6

(**"Jasper Ave"**).

7. Jasper Ave is a vacant three storey heritage building, built in 1911 with a five storey addition added in 2000. The property previously operated as The Union Bank Inn, a boutique 40 room hotel. Currently the main floor and basement of the building have been demolished to base building condition.

8. 430 Alberta's assets also included various hotel furniture and kitchen equipment (the **"Jasper Ave Personal Property"**).

9. 449 Alberta is the registered owner of lands described as;

i. 10315 – 109 Street NW, Edmonton, Alberta

Legal Description:

PLAN B2

BLOCK 8

LOT 115-117

(**"Harvest"**)

ii. 10507 Saskatchewan Drive NW, Edmonton, Alberta

Legal Description:

PLAN I2

BLOCK 103

LOT 6

(**"Sask Drive"**)

iii. 10503 – 81 Avenue NW, Edmonton, Alberta

Legal Description:

PLAN 9220734

BLOCK48

LOT 1A

(**"Scona Garage"**)

(collectively with Jasper Ave are hereinafter described as the **"Properties"**).

10. Harvest is a one storey fully finished office building currently occupied by the Young Men's Christian Association of Edmonton (operating as YMCA of Northern Alberta). The current lease is in place until March 2024 with an option to extend for an additional one year.

11. Sask Drive is a one and a half storey commercial building with a surface parking lot. The property is partially occupied by the Muve Team of Royal LePage Realty. We understand Turnip Homes Inc. ("**Turnip**"), a related party to Kassaye, previously operated from the remaining portion of the property up to the date of the Receivership. As at the date of this report, the Receiver is not aware of any lease agreement between Turnip and 449 Alberta.
12. Scona Garage is a vacant two storey heritage building with both floors demolished to base building condition.
13. Copies of Certificates of Titles as at December 19, 2022, with respect to the Properties are attached as Appendix "B" to the Third Report.

## **INSOLVENCY EVENTS**

14. Mike Priestner Real Estate Inc. ("**Priestner**") provided loans and/or other credit to 430 Alberta. As security for its indebtedness, liabilities, and obligations to Priestner, 430 Alberta provided a mortgage securing the principal sum of \$5,218,904, plus interest and costs, over Jasper Ave.
15. MPRE GP Dev Inc. ("**GP**") provided loans and/or other credit to 449 Alberta. As security for its indebtedness, liabilities, and obligations to GP, 449 Alberta provided a mortgage securing the principal sum of \$10,106,096, plus interest and costs, over Harvest, Sask Drive, and Scona Garage.
16. 430 Alberta and 449 Alberta defaulted on their payment obligations to Priestner and GP and failed to pay amounts outstanding to the City of Edmonton related to municipal taxes.
17. Further, neither 430 Alberta nor 449 Alberta had made payments towards their respective indebtedness since July 20, 2022.
18. As a result of the foregoing, Priestner and GP lost confidence in the Companies' abilities to manage and operate 430 Alberta and 449 Alberta, or to promptly obtain refinancing to repay their respective indebtedness.
19. As such, on December 13, 2022, Priestner and GP applied for and obtained the Receivership Order.

20. On February 21, 2023, an Order was granted by this Honorable Court authorizing the Receiver to assign both 430 Alberta and 449 Alberta into bankruptcy. On February 23, 2023, 430 Alberta and 449 Alberta made assignments into bankruptcy. MNP was appointed as Licensed Insolvency Trustee (the "**Trustee**"). Additional information regarding the assignment into bankruptcy can be found in the First Report.
21. On May 1, 2023, the Receiver applied for and was granted an Approval and Vesting Order (Sale by Receiver) approving the sale and vesting title to Jasper Ave and the Jasper Ave Personal Property (the "**Sale Order**"). The sale transaction closed on May 31, 2023. A copy of the Sale Order is attached as **Appendix "B"**.
22. On July 26, 2023, the Receiver applied for and was granted an Interim Distribution and Approval of Receiver's Fees and Activities Order (the "**Interim Distribution Order**") approving a distribution to secured and unsecured creditors of 430 Alberta. A copy of the Interim Distribution Order is attached as **Appendix "C"**.

#### **RECEIVER'S ACTIVITIES**

23. Since the Third Report, the Receiver continues to maintain the Properties and collect rent from the Harvest and Sask Drive Properties. The Receiver has engaged various third-party contractors to attend to general repair and maintenance requests.
24. The Receiver has had various discussions and correspondence with NAI Commercial Real Estate Inc. ("**NAI**") regarding marketing efforts and interest on the remaining three properties which are listed and actively being marketed for sale.
25. The Receiver has continued to follow up with the Companies regarding outstanding books and records, various financial information and the preparation of outstanding GST returns.
26. The Receiver continues to complete the administrative requirements pursuant to the *Bankruptcy and Insolvency Act*, the Receiver set up a website to provide information to the Companies' creditors and interested parties and held discussions with creditors regarding the status of the Receivership and the administration of the estate.

**STATEMENT OF RECEIPTS AND DISBURSEMENTS**

27. A copy of the interim statement of receipts and disbursements for the period of December 13, 2022, to December 12, 2023, is attached as **Appendix "D"**. Receipts and disbursements in 430 Alberta to date total \$4,837,141 and \$483,652, respectively. Receipts and disbursements in 449 Alberta to date total \$864,737 and \$487,726, respectively.
28. In accordance with the Interim Distribution Order the Receiver has made the following distributions:
- a. \$4,316,728 to Priestner; and,
  - b. \$89,969 to MNP Ltd., Licensed Insolvency Trustee of 430 Alberta to be distributed to unsecured creditors in the bankruptcy of 430 Alberta.
29. As at December 12, 2023, the Receiver holds \$36,672 in its trust account for 430 Alberta and \$377,011 in its trust account for 449 Alberta.

**430 ALBERTA - SECURITY HELD BY PRIESTNER**

30. As security for the indebtedness of 430 Alberta, 430 Alberta granted a mortgage on Jasper Ave dated January 27, 2022, to secure payment to Priestner in the amount of \$5,218,094, plus interest and costs (the "**Priestner Mortgage**").
31. The Priestner Mortgage was registered at Land Titles on May 10, 2022.
32. The Receiver has obtained a legal opinion from its legal counsel confirming the Priestner Mortgage is valid and enforceable, subject to the normal qualifications and assumptions contained in an opinion of that nature.
33. The Priestner Mortgage is the first priority financial charge over Jasper Ave.
34. Priestner has no registrations at the Alberta Personal Property Registry ("**PPR**") and the Receiver is not aware of any general security agreement or other such document granting Priestner a security interest in the Jasper Ave Personal Property.



35. A PPR search does not reveal any party having a registered security interest in the Jasper Ave Personal Property. A copy of the PPR search dated December 20, 2022, is attached as **Appendix "E"**.

#### **430 ALBERTA – PRIORITY CLAIMS**

36. All outstanding property taxes owing to the City of Edmonton in respect of Jasper Ave were paid in full from sales proceeds.

37. As at the date of Receivership, 430 Alberta had no employees and the Receiver understands there were no amounts owing for wages, vacation pay, or severance. Accordingly, no priority claims related to the *Wage Earner Protection Program Act* are expected.

38. The Receiver understands 430 Alberta had no taxable sales, leases, or other supplies prior to the date of Receivership. The Receiver has had correspondence with the Canada Revenue Agency ("CRA") and does not expect CRA to file a property claim for GST or source deductions.

39. The Receiver has reviewed 430 Alberta's books and records and is not aware of any claim that would take priority to Priestner.

#### **430 ALBERTA - DISTRIBUTION**

40. Subsequent to the Interim Distribution Order, the Receiver received a refund related to the cancellation of the insurance on Jasper Ave and interest earned on proceeds from the Jasper Ave sale deposited into the Receiver's 430 trust account.

41. Based on the realizations, costs, and analysis of priorities the Receiver proposes to make an additional distribution in the amount of \$30,000 to Priestner.

#### **RESTRICTED COURT ACCESS ORDER**

42. On May 1, 2023, the Receiver applied for and was granted a Restricted Court Access Order in relation to the Confidential Appendices to the Second Report. A copy of the Restricted Court Access Order is attached as **Appendix "F"**.

43. On July 26, 2023, the Receiver applied for and was granted an Amended Restricted Court Access Order extending the timeline in the Restricted Court Access Order to February 1, 2024. A copy of the Amended Restricted Court Access Order is attached as **Appendix "G"**.
44. The remaining three properties continue to be marketed for sale by the Receiver. The sales and marketing proposals contained in the Confidential Appendices to the Second Report include information related to list price strategy on the remaining properties, which if unsealed, could negatively impact value.
45. To protect the integrity of the sales and marketing process, the Receiver is seeking to further amend the Restricted Court Access Order to keep the Confidential Appendices to the Second Report sealed until February 1, 2025, or such other time as ordered by the Court.

## CONCLUSION

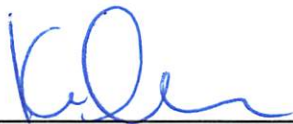
46. The Receiver respectfully requests the Court grant an Order:
- a. Approving the activities of the Receiver as outlined in this Fourth Report;
  - b. Approving the Receiver's interim statement of receipts and disbursements for the period of December 13, 2022, to December 12, 2023;
  - c. Approving the interim distribution proposed by the Receiver;
  - d. Amending the Restricted Court Access Order; and
  - e. Any further direction that the Court wishes to provide to the Receiver.

All of which is respectfully submitted this 19<sup>th</sup> day of December 2023.

### MNP Ltd.

Receiver of all current and future assets, undertakings, and properties of every nature and kind whatsoever of 2399430 Alberta Ltd. and 2399449 Alberta Ltd.

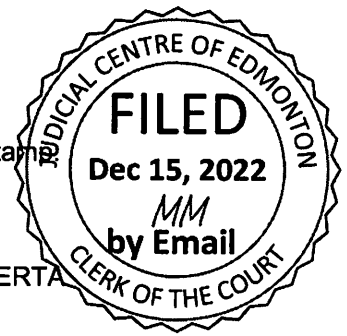
Per: \_\_\_\_\_



Kristin Gray, CPA, CA, CIRP, LIT  
Senior Vice President

**Appendix A**

**A copy of the Receivership Order – December 13, 2023**



Clerk's Stamp

COURT FILE NUMBER 2203 19336

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

PLAINTIFFS **MIKE PRIESTNER REAL ESTATE INC. AND MPRE GP DEV INC.**

DEFENDANTS **2399430 ALBERTA LTD., 2399449 ALBERTA LTD., TURNIP HOMES INC., and HENOK KASSAYE**

DOCUMENT **RECEIVERSHIP ORDER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT  
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 Edmonton, Alberta T5J 0K4  
 Ph. (780) 423-7325 Fx. (780) 423-7276  
 Attention: Nicholas C. Williams  
 File No.: 511055-121/NCW

DATE ON WHICH ORDER WAS PRONOUNCED:	December 13, 2022
LOCATION WHERE ORDER WAS PRONOUNCED:	Edmonton, Alberta
NAME OF JUSTICE WHO MADE THIS ORDER:	J.T. NEILSON

UPON the application of Mike Priestner Real Estate Inc. ("**Priestner**") and MPRE GP Dev Inc. ("**GP**") in respect of 2399430 Alberta Ltd. and 2399449 Alberta Ltd. (collectively, the "**Debtors**"); AND UPON being referred to the Application and supporting Affidavit of Kyle Runzer, filed; AND UPON being referred to the consent of MPT Ltd. to act as receiver and manager (the "**Receiver**") of the property of the Debtors; AND UPON hearing submissions from counsel for Priestner and GP; AND UPON hearing submissions from counsel for the Debtors;

IT IS HEREBY ORDERED AND DECLARED THAT:

**SERVICE**

1. The time for service of the notice of application for this order (the "**Order**") is hereby abridged and service thereof is deemed good and sufficient.

**APPOINTMENT**

2. Pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 ("**BIA**"), section 13(2) of the *Judicature Act*, RSA 2000, c J-2, and section 49 of the *Law of Property Act*, RSA 2000, c L-7, MNP Ltd. is hereby appointed Receiver, without security, of all of the Debtors' current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "**Property**").

**RECEIVER'S POWERS**

3. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
  - (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
  - (c) to manage, operate and carry on the business of the Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors;
  - (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
  - (e) to purchase or lease machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors or any part or parts thereof;
  - (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
  - (g) to settle, extend or compromise any indebtedness owing to or by the Debtors;
  - (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
  - (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtors;
  - (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding, and provided further that nothing in this Order shall authorize the Receiver to defend or settle the action in which this Order is made unless otherwise directed by this Court;

- (k) to market any or all the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (l) to sell, convey, transfer, lease, or assign the Property in the ordinary course of business without the approval of this Honourable Court and to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
  - (i) without the approval of this Court in respect of any transaction not exceeding \$10,000.00, provided that the aggregate consideration for all such transactions does not exceed \$100,000.00; and
  - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,

and in each such case notice under subsection 60(8) of the *Personal Property Security Act*, RSA 2000, c P-7 shall not be required;

- (m) to apply for any vesting order or other orders (including, without limitation, confidentiality or sealing orders) necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property, and when submitted by the Receiver for registration this Order shall be immediately registered by the Registrar of Land Titles of Alberta, or any other similar government authority, notwithstanding Section 191 of the *Land Titles Act*, RSA 2000, c L-4, or the provisions of any other similar legislation in any other province or territory, and notwithstanding that the appeal period in respect of this Order has not elapsed and the Registrar of Land Titles shall accept all Affidavits of Corporate Signing Authority submitted by the Receiver in its capacity as Receiver of the Debtors and not in its personal capacity;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have;
- (s) with prior Court approval, to assign the Debtors, or any of them, into bankruptcy; and

- (t) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors, and without interference from any other Person (as defined below).

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

4. (i) The Debtors, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver's request.
5. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.
6. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

7. No proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

## **NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY**

8. No Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court, provided, however, that nothing in this Order shall: (i) prevent any Person from commencing a proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such proceeding is not commenced before the expiration of the stay provided by this paragraph 8; and (ii) affect a Regulatory Body's investigation in respect of the Debtors or an action, suit or proceeding that is taken in respect of the Debtors by or before the Regulatory Body, other than the enforcement of a payment order by the Regulatory Body or the Court. "Regulatory Body" means a person or body that has powers, duties or functions relating to the enforcement or administration of an Act of Parliament or of the legislature of a province. Nothing within this Order shall limit or stay the right of the Plaintiff to continue Proceedings against Turnip Homes Inc. or Henok Kassaaye in this Action.

## **NO EXERCISE OF RIGHTS OR REMEDIES**

9. All rights and remedies of any Person, whether judicial or extra-judicial, statutory or non-statutory (including, without limitation, set-off rights) against or in respect of the Debtors or the Receiver or affecting the Property are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, including, without limitation, any rights or remedies or provisions in any agreement, construction, ownership and operating agreement, joint venture agreement or any such similar agreement or agreements to which the Debtor are a party that purport to effect or cause a cessation of operatorship as a result of the occurrence of any default or non-performance by or the insolvency of the Debtors, the making or filing of these proceedings or any allegation, admission or evidence in these proceedings and under no circumstances shall the Debtors be replaced as operator pursuant to any such agreements without further order of this Court provided, however, [that this stay and suspension does not apply in respect of any "eligible financial contract" (as defined in the *BIA*), and further provided that nothing in this Order shall:
- (a) empower the Debtors to carry on any business that the Debtors are not lawfully entitled to carry on;
  - (b) prevent the filing of any registration to preserve or perfect a security interest;
  - (c) prevent the registration of a claim for lien; or
  - (d) exempt the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment.
10. Nothing in this Order shall prevent any party from taking an action against the Applicant where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Receiver at the first available opportunity.

## **NO INTERFERENCE WITH THE RECEIVER**

11. No Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors, except with the written consent of the Debtors and the Receiver, or leave of this Court. Nothing



in this Order shall prohibit any party to an eligible financial contract (as defined in the *BIA*) from closing out and terminating such contract in accordance with its terms.

## CONTINUATION OF SERVICES

12. All persons having:
- (a) statutory or regulatory mandates for the supply of goods and/or services; or
  - (b) oral or written agreements or arrangements with the Debtors, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Debtors,

are hereby restrained until further order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Debtors or exercising any other remedy provided under such agreements or arrangements. The Debtors shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the date of this Order are paid by the Debtors in accordance with the payment practices of the Debtors, or such other practices as may be agreed upon by the supplier or service provider and each of the Debtors and the Receiver, or as may be ordered by this Court.

## RECEIVER TO HOLD FUNDS

13. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

## EMPLOYEES

14. Subject to employees' rights to terminate their employment, all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the *BIA*, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the *BIA* or under the *Wage Earner Protection Program Act*, SC 2005, c 47 ("**WEPPA**").
15. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, SC 2000, c 5, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The

purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

#### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

16. (a) Notwithstanding anything in any federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:
- (i) before the Receiver's appointment; or
  - (ii) after the Receiver's appointment unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.
- (b) Nothing in sub-paragraph (a) exempts a Receiver from any duty to report or make disclosure imposed by a law referred to in that sub-paragraph.
- (c) Notwithstanding anything in any federal or provincial law, but subject to sub-paragraph (a) hereof, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, the Receiver is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order,
- (i) if, within such time as is specified in the order, within 10 days after the order is made if no time is so specified, within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, or during the period of the stay referred to in clause (ii) below, the Receiver:
    - A. complies with the order, or
    - B. on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;
  - (ii) during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) above, within 10 days after the order is made or within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, by,
    - A. the court or body having jurisdiction under the law pursuant to which the order was made to enable the Receiver to contest the order; or
    - B. the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or
  - (iii) if the Receiver had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

## LIMITATION ON THE RECEIVER'S LIABILITY

17. Except for gross negligence or wilful misconduct, as a result of its appointment or carrying out the provisions of this Order the Receiver shall incur no liability or obligation that exceeds an amount for which it may obtain full indemnity from the Property. Nothing in this Order shall derogate from any limitation on liability or other protection afforded to the Receiver under any applicable law, including, without limitation, Section 14.06, 81.4(5) or 81.6(3) of the *BIA*.

## RECEIVER'S ACCOUNTS

18. The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case, incurred at their standard rates and charges. The Receiver and counsel to the Receiver shall be entitled to the benefits of and are hereby granted a charge (the "**Receiver's Charge**") on the Property, which charge shall not exceed an aggregate amount of \$300,000.00 as security for their professional fees and disbursements, incurred at the normal rates and charges of the Receiver and such counsel, both before and after the making of this Order in respect of these proceedings, and the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person but subject to section 14.06(7), 81.4(4), 81.6(2) and 88 of the *BIA*.
19. The Receiver and its legal counsel shall pass their accounts from time to time.
20. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including the legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

## FUNDING OF THE RECEIVERSHIP

21. The Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$700,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges set out in sections 14.06(7), 81.4(4), 81.6(2) and 88 of the *BIA*.
22. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
23. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.
24. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

25. The Receiver shall be allowed to repay any amounts borrowed by way of Receiver's Certificates out of the Property or any proceeds, including any proceeds from the sale of any assets without further approval of this Court.

#### **ALLOCATION**

26. Any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the various assets comprising the Property.

#### **GENERAL**

27. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
28. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Receiver will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Receiver's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.
29. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.
30. The requirement of the parties to engage in a dispute resolution process is dispensed with.
31. The Plaintiff is given leave to continue any and all proceedings in relation to this matter.
32. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction 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 orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.
33. The Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
34. The Plaintiff shall have its costs of this Application, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis, including legal costs on a solicitor and his own client basis, to be paid by the Receiver from the Debtors' estates with such priority and at such time as this Court may determine.
35. Any interested party may apply to this Court to vary or amend this Order on not less than 7 days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

**FILING**

36. The Receiver shall establish and maintain a website in respect of these proceedings at \_\_\_\_\_ and shall post there as soon as practicable:
- (a) all materials prescribed by statute or regulation to be made publicly available; and
  - (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, or served upon it, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.
37. 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 or otherwise served with notice of 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;
- and service on any other person is hereby dispensed with.
38. 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.

  
\_\_\_\_\_  
J.C.K.B.A.

**SCHEDULE "A"**

**RECEIVER CERTIFICATE**

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that MNP Ltd., the receiver and manager (in each capacity the "Receiver") of all of the assets, undertaking and property of 2399430 Alberta Ltd. and 2399449 Alberta Ltd., appointed by Order of the Court of King's Bench of Alberta (the "Court") dated the 13<sup>th</sup> day of December, 2022 (the "Order") made in action 2203 \_\_\_\_\_, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ \_\_\_\_\_, being part of the total principal sum of \$700,000.00 which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily] [monthly not in advance on the \_\_\_\_ day of each month] after the date hereof at a notional rate per annum equal to the rate of \_\_\_\_\_ per cent above the prime commercial lending rate of \_\_\_\_\_ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property (as defined in the Order), in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at \_\_\_\_\_.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property (as defined in the Order) as authorized by the Order and as authorized by any further or other order of the Court.
7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the \_\_\_\_ day of \_\_\_\_\_, 202\_\_.

MNP Ltd., solely in its capacity as Receiver of the Property (as defined in the Order), and not in its personal capacity

Per: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Appendix B**

**A copy of the Sale Order – May 1, 2023**

COURT FILE NUMBER

2203 19336 *m*  
~~2022-19336~~

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

EDMONTON

PLAINTIFFS

MIKE PRIESTNER REAL ESTATE INC. and  
MPRE GP DEV INC.

DEFENDANTS

2399430 ALBERTA LTD., 2399449  
ALBERTA LTD., TURNIP HOMES INC. and  
HENOK KASSYE

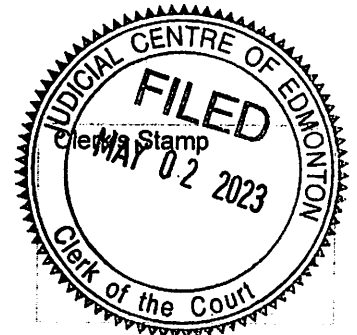
DOCUMENT

**APPROVAL AND VESTING ORDER  
(Sale by Receiver)**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF PARTY  
FILING THIS DOCUMENT

MCLENNAN ROSS LLP  
#600 McLennan Ross Building  
12220 Stony Plain Road  
Edmonton, AB T5N 3Y4

Lawyer: Ryan Trainer  
Telephone: (780) 482-9153  
Email: [ryan.trainer@mross.com](mailto:ryan.trainer@mross.com)  
File No.: 20230841



**DATE ON WHICH ORDER WAS PRONOUNCED: May 1, 2023**

**LOCATION WHERE ORDER WAS PRONOUNCED: Edmonton, Alberta**

**NAME OF JUSTICE WHO MADE THIS ORDER: Justice N.J. Whiting**

UPON THE APPLICATION by MNP Ltd. in its capacity as the Court-appointed receiver (the "Receiver") of the undertakings, property and assets of 2399430 Alberta Ltd., ("430 Alberta") and 2399449 Alberta Ltd. (collectively the "Debtors") for an order approving the sale transaction (the "Transaction") contemplated by the Offer to Purchase and Real Estate Purchase Agreement (the "Sale Agreement") between the Receiver and Union Bank Holdings Inc. (the "Purchaser") dated March 31, 2023 and appended to the Confidential Appendices to the Second Report of the Receiver dated April 24, 2023 (the "Second Report"), and vesting in the Purchaser (or its nominee) 430 Alberta's right, title and interest in and to the assets described in the Sale Agreement (the "Purchased Assets");

AND UPON HAVING READ the Receivership Order dated December 13, 2022 (the "Receivership Order"), the Second Report and the Affidavit of Service; AND UPON HEARING the submissions of counsel for the Receiver, and all other parties in attendance;

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



**SERVICE**

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

**APPROVAL OF TRANSACTION**

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

**VESTING OF PROPERTY**

3. Upon delivery of a Receiver's certificate to the Purchaser (or its nominee) substantially in the form set out in **Schedule "A"** hereto (the "**Receiver's Closing Certificate**"), all of the 430 Alberta'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); and
  - (d) all those Claims, encumbrances, caveats, interests, easements, and restrictive covenants other than the encumbrances, caveats, interests, easements, and restrictive covenants listed in **Schedule "C"** (collectively, "**Permitted Encumbrances**")

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

4. Upon delivery of the Receiver's Closing Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Receiver's Closing Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser or its nominee clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing:
- (a) the Registrar of Land Titles ("**Land Titles Registrar**") for the lands defined below shall and is hereby authorized, requested and directed to forthwith:
- (i) cancel existing Certificates of Title No. 222 105 236 for those lands and premises municipally described as 10053 Jasper Avenue Edmonton, AB T5J 1S5, and legally described as:
- PLAN F  
LOT 6  
(the "Lands")
- (ii) issue a new Certificate of Title for the Lands in the name of the Purchaser (or its nominee), namely, Union Bank Holdings Inc.;
- (iii) transfer to the New Certificate of Title the existing instruments listed in **Schedule "C"**, 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 "C"**; and
- (iv) discharge and expunge any encumbrances or Claims (but excluding Permitted Encumbrances) which may be registered after the date of the Sale Agreement against the existing Certificate of Title to the Lands;
- (b) the Registrar of the Alberta Personal Property Registry (the "**PPR Registrar**") shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the 430 Alberta in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.

5. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Receiver's Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including encumbrances but excluding Permitted Encumbrances.
6. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Receiver of the Sale Agreement.
7. Upon delivery of the Receiver's Closing Certificate together with a certified copy of this Order, this Order shall be immediately registered by the Land Titles Registrar notwithstanding the requirements of section 191(1) of the *Land Titles Act*, RSA 2000, c.L-7 and notwithstanding that the appeal period in respect of this Order has not elapsed. The Land Titles Registrar is hereby directed to accept all Affidavits of Corporate Signing Authority submitted by the Receiver in its capacity as Receiver of 430 Alberta and not in its personal capacity.
8. For the purposes of determining the nature and priority of Claims, net proceeds from sale of the Purchased Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Purchased Assets from and after delivery of the Receiver's Closing Certificate and all Claims including encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), the Receiver shall not make any distributions to creditors of net proceeds from sale of the Purchased Assets without further order of this Court, provided however the Receiver may apply any part of such net proceeds to repay any amounts the Receiver has borrowed for which it has issued a Receiver's Certificate pursuant to the Receivership Order.
9. The Purchaser (or its nominee) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against 430 Alberta.
10. Upon completion of the Transaction, 430 Alberta and all persons who claim by, through or under the 430 Alberta in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled

to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).

11. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the 430 Alberta, or any person claiming by, through or against the 430 Alberta.
12. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Receiver.
13. The Receiver is directed to file with the Court a copy of the Receiver's Closing Certificate forthwith after delivery thereof to the Purchaser (or its nominee).
14. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada) and section 20(e) of the *Alberta Personal Information Protection Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser (or its nominee) all human resources and payroll information in the 430 Alberta's records pertaining to the 430 Alberta'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 430 Alberta was entitled.

#### **MISCELLANEOUS MATTERS**

15. Notwithstanding:
  - (a) the pendency of these proceedings and any declaration of insolvency made herein;
  - (b) the bankruptcy of the Debtors; and
  - (c) 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 the trustee in bankruptcy of the 430 Alberta and shall not be void or voidable by creditors of the 430 Alberta, 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 *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended, or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

16. The Receiver, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
17. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Receiver, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
18. Service of this Order shall be deemed good and sufficient by:
  - (a) Serving the same on:
    - (i) the persons listed on the service list created in these proceedings;
    - (ii) any other person served with notice of the application for this Order;
    - (iii) any other parties attending or represented at the application for this Order;
    - (iv) the Purchaser or the Purchaser's solicitors; and
  - (b) Posting a copy of this Order on the Receiver's website at:  
<https://mnpdebt.ca/en/corporate/corporate-engagements/2399430-alberta-ltd-and-2399449-alberta-ltd>

and service on any other person is hereby dispensed with.

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

  
Justice of the Court of King's Bench of Alberta

## Schedule "A"

## Form of Receiver's Certificate

COURT FILE NUMBER	2022 19336	Clerk's Stamp
COURT	COURT OF KING'S BENCH OF ALBERTA	
JUDICIAL CENTRE	EDMONTON	
PLAINTIFFS	MIKE PRIESTNER REAL ESTATE INC. and MPRE GP DEV INC.	
DEFENDANTS	2399430 ALBERTA LTD., 2399449 ALBERTA LTD., TURNIP HOMES INC. and HENOK KASSYE	
DOCUMENT	<b>RECEIVER'S CERTIFICATE</b>	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	MCLENNAN ROSS LLP #600 McLennan Ross Building 12220 Stony Plain Road Edmonton, AB T5N 3Y4	Lawyer: Ryan Trainer Telephone: (780) 482-9153 Email: <a href="mailto:ryan.trainer@mross.com">ryan.trainer@mross.com</a> File No.: 20230841

## RECITALS

- A. Pursuant to an Order of the Honourable Justice J.T. Nielson of the Court of Queen's Bench of Alberta, Judicial District of Edmonton (the "Court") dated December 13, 2022, MNP Ltd. was appointed as the receiver (the "Receiver") of the undertakings, property and assets of 2399430 Alberta Ltd. ("430 Alberta") and 2399449 Alberta Ltd. (the "Debtors").
- B. Pursuant to an Order of the Court dated May 1, 2023, the Court approved the agreement of purchase and sale made as of March 31, 2023 (the "Sale Agreement") between the Receiver and Union Bank Holdings Inc. (the "Purchaser") and provided for the vesting in the Purchaser of the 430 Alberta's right, title and interest in and to the assets described in the Sale Agreement (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 section 14 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 14 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser (or its nominee); and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at \_\_\_\_\_ on \_\_\_\_\_.

**MNP Ltd., in its capacity as Receiver of the undertakings, property and assets of 2399430 Alberta Ltd. and 2399449 Alberta Ltd., and not in its personal capacity.**

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

**Name: Kristin Gray**

**Title: Senior Vice President**

**Schedule "B"**

**PURCHASED ASSETS**

**Legal Description:**

PLAN F  
LOT 6

Along with all furniture located on the Lands.



**Schedule "C"**

**PERMITTED ENCUMBRANCES**

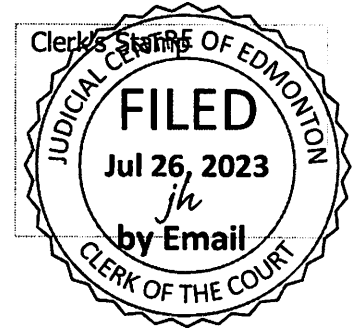
- 1. Instrument No. 1251 MI – Caveat**
- 2. Instrument No. 912 239 538 – Encroaching Agreement**
- 3. Instrument No. 972 046 791 – By-law Under The Historical Resources Act**
- 4. Instrument No. 972 116 332 – Agreement**
- 5. Instrument No. 122 292 603 - Caveat**

**Appendix C**

**A copy of the Interim Distribution Order – July 26, 2023**

COURT FILE NUMBER 2203 19336  
COURT COURT OF KING'S BENCH OF ALBERTA  
JUDICIAL CENTRE EDMONTON  
PLAINTIFFS MIKE PRIESTNER REAL ESTATE INC. and MPRE GP DEV INC.  
DEFENDANTS 2399430 ALBERTA LTD., 2399449 ALBERTA LTD., TURNIP HOMES INC. and HENOK KASSYE  
DOCUMENT **ORDER (INTERIM DISTRIBUTION AND APPROVAL OF RECEIVER'S FEES AND ACTIVITIES)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT  
MCLENNAN ROSS LLP  
#600 McLennan Ross Building  
12220 Stony Plain Road  
Edmonton, AB T5N 3Y4  
Lawyer: Ryan Trainer  
Telephone: (780) 482-9153  
Email: ryan.trainer@mross.com  
File No.: 20230841



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**DATE ON WHICH ORDER WAS PRONOUNCED: July 26, 2023**

**LOCATION WHERE ORDER WAS PRONOUNCED: Edmonton, Alberta**

**NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice N.J. Whiting**

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**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 2399430 Alberta Ltd. ("**430 Alberta**") and 2399449 Alberta Ltd. ("**449 Alberta**") (collectively the "**Debtors**") for an Order approving an interim distribution, the activities of the Receiver and the fees and disbursements of the Receiver and its legal counsel; **AND UPON HAVING READ** the Application, the Receivership Order dated December 13, 2022 (the "**Receivership Order**"), the Receiver's Second Report to the Court dated April 27, 2023, the Receiver's Third Report to the Court dated July 17, 2023, the Affidavit of Kristin Gray sworn July 17, 2023 (the "**Fee Affidavit**"), and the Affidavit of Service; **AND UPON IT** appearing that all interested and affected parties have been served with notice of the Application; **AND UPON HEARING** the submissions of counsel for the Receiver and all other parties in attendance;

**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.

**INTERIM DISTRIBUTION**

2. The Receiver is authorized and directed to make the following distributions without further Order:
  - a. \$4,316,728 to Mike Priestner Real Estate Inc.; and
  - b. \$89,969 to MNP Ltd., Licensed Insolvency Trustee of 2399430 Alberta Ltd. ("**430 Alberta**") to be distributed to unsecured creditors in the bankruptcy of 430 Alberta.

**APPROVAL OF RECEIVER'S FEES AND FEE ALLOCATION**

3. The Receiver's accounts for fees and disbursements to-date are fair and reasonable and are hereby approved without the necessity of a formal passing of its accounts.
4. The accounts of the Receiver's legal counsel McLennan Ross LLP, for its fees and disbursements, to-date are fair and reasonable and are hereby approved without the necessity of a formal assessment of its accounts.
5. The cost allocation set out in the Receiver's Third Report is fair and reasonable and is hereby approved.

**APPROVAL OF RECEIVER'S ACTIVITIES**

6. The Receiver's activities as set out in the Receiver's Second and Third Report filed herein and the Statement of Receipts and Disbursements as attached to the Receiver's Second and Third Report, are hereby ratified and approved.

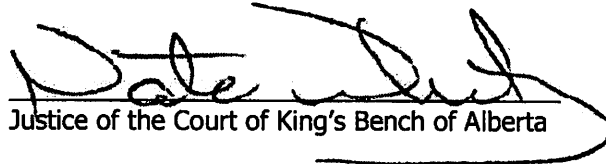
**MISCELLANEOUS**

7. 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/2399430-alberta-ltd-and-2399449-alberta-ltd>

and service on any other person is hereby dispensed with.

8. 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

**Appendix D**

**Interim Statement of Receipts and Disbursements for the period of  
December 13, 2022, to December 12, 2023**

Estate No: 24-116276

Estate No: 24-116277

**In the Matter of the Receivership of 2399430 Alberta Ltd. and 2399449 Alberta Ltd.**

**Receiver's Interim Statement of Receipts and Disbursements**

**For the Period of December 13, 2022 to December 12, 2023**

	<b>430 Alberta</b>	<b>449 Alberta</b>
	<b>\$'s</b>	<b>\$'s</b>
<b>Receipts</b>		
Sale of assets	4,800,000	-
Rental income	-	483,981
Receiver's borrowings	-	350,000
Interest	30,188	4,692
Miscellaneous receipts and refunds	4,000	1,865
GST refund	2,954	-
GST collected	-	24,199
	<b>4,837,141</b>	<b>864,737</b>
<b>Disbursements</b>		
Commissions	120,000	-
Transfer to bankruptcy trustee	95,469	5,600
Receiver's fees	66,858	132,057
Utilities	53,651	85,953
Insurance	53,572	109,009
Property taxes	34,842	-
Legal fees	33,707	40,495
Repair and maintenance	16,141	92,324
GST paid	9,339	21,975
Administrative costs (license fees, redirect mail)	73	313
	<b>483,652</b>	<b>487,726</b>
<b>Receipts over disbursements</b>	<b>4,353,490</b>	<b>377,011</b>
<b>Less:</b>		
Distribution to secured creditor - Mike Priestner Real Estate Inc.	4,316,728	-
<b>Funds Held In Trust</b>	<b>36,762</b>	<b>377,011</b>

**MNP Ltd.**

Receiver of 2399449 Alberta Ltd. and 2399430 Alberta Ltd.

**Appendix E**

A copy of the Personal Property Registry Search Results for 430 Alberta – December 20, 2022



Search ID #: Z15699697

**Transmitting Party**

MCLENNAN ROSS LLP

600, 12220 Stony Plain RD  
EDMONTON, AB T5N 3Y4

Party Code: 50025451  
Phone #: 780 482 9250  
Reference #: 20225092 rtt

Search ID #: Z15699697

Date of Search: 2022-Dec-20

Time of Search: 08:52:34

**Business Debtor Search For:**

2399430 ALBERTA LTD

Exact Result(s) Only Found

**NOTE:**

A complete Search may result in a Report of Exact and Inexact Matches.  
Be sure to read the reports carefully.



Search ID #: Z15699697

**Business Debtor Search For:**

2399430 ALBERTA LTD

Search ID #: Z15699697

Date of Search: 2022-Dec-20

Time of Search: 08:52:34

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Registration Number: 22120816144

Registration Type: WRIT OF ENFORCEMENT

Registration Date: 2022-Dec-08

Registration Status: Current

Expiry Date: 2024-Dec-08 23:59:59

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Issued in Edmonton Judicial Centre

Court File Number is 2203 07917

Judgment Date is 2022-Dec-07

This Writ was issued on 2022-Dec-08

Type of Judgment is Other

Original Judgment Amount: \$450,000.00

Costs Are: \$0.00

Post Judgment Interest: \$0.00

Current Amount Owing: \$450,000.00

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Exact Match on:

Debtor

No: 2

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**Solicitor / Agent**

BLAKELY & DUSHENSKI  
#201, 10225 - 100 AVENUE  
EDMONTON, AB T5J0A1

Phone #: 780 425 7200

Fax #: 780 425 7202

Reference #: 22994

Email: bdushenski@bdcounsel.ca

**Debtor(s)**

**Block**

1 LIMAK REINA INVESTMENTS INC.  
#2200, 10235 - 101 STREET  
EDMONTON, AB T5J 3G1

**Status**

Current

**Block**

2 2399430 ALBERTA LTD.  
2200, 10235 - 101 STREET  
EDMONTON, AB T5J3G1

**Status**

Current

Search ID #: Z15699697

**Block**

3 2399449 ALBERTA LTD.  
2200, 10235 - 101 STREET  
EDMONTON, AB T5J3G1

**Status**  
Current

**Creditor(s)**

**Block**

1 WHERVIN, BRETTON  
201, 10225 - 100 AVENUE  
EDMONTON, AB T5J0A1  
Email: bdushenski@bdcounsel.ca

**Status**  
Current

**Block**

2 COLON, ANTHONY  
#201, 10225 - 100 AVENUE  
EDMONTON, AB T5J0A1  
Email: bdushenski@bdcounsel.ca

**Status**  
Current

**Block**

3 CHRISTODOULAKIS, NIKITAS  
#201, 10225 - 100 AVENUE  
EDMONTON, AB T5J0A1  
Email: bdushenski@bdcounsel.ca

**Status**  
Current

Result Complete

**Appendix F**

A copy of the Restricted Court Access Order – May 1, 2023

COURT FILE NO.

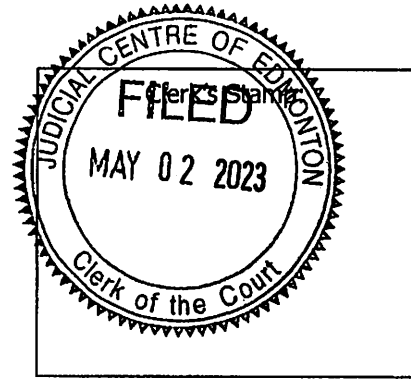
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~~2022-19336~~

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

EDMONTON



PLAINTIFFS

MIKE PRIESTNER REAL ESTATE INC. and MPRE GP DEV INC.

DEFENDANTS

2399430 ALBERTA LTD., 2399449 ALBERTA LTD., TURNIP HOMES INC., and HENOK KASSAYE

DOCUMENT

**RESTRICTED COURT ACCESS ORDER**

ADDRESS FOR SERVICE  
AND CONTACT  
INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

McLENNAN ROSS LLP  
#600 McLennan Ross Building  
12220 Stony Plain Road  
Edmonton, AB T5N 3Y4

Lawyer: Ryan Trainer  
Telephone: 780.482.9153  
Fax: 780.733.9790  
Email: ryan.trainer@mross.com  
File No.: 20230841

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**DATE ON WHICH ORDER WAS PRONOUNCED: MAY 1, 2023**

**LOCATION OF HEARING OR TRIAL: EDMONTON, ALBERTA**

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

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**UPON THE APPLICATION** of MNP Ltd. (the "Receiver"), solely in its capacity as Court-Appointed Receiver and Manager of 2399430 Alberta Ltd. and 2399449 Alberta Ltd. (the "Debtors"), for an Order, *inter alia*, sealing the Confidential Appendices to the Receiver's Second Report to the Court (the "Second Report") submitted by the Receiver dated April 24, 2023 (the "Confidential Appendices"); AND UPON having read the Receivership Order granted December 15, 2022, and all application materials, filed; AND UPON hearing from counsel for the Receiver and all other interested parties present; **IT IS HEREBY ORDERED AND DECLARED THAT:**

1. The time for service of notice of this application is hereby abridged to that given, and service is deemed good and sufficient.
2. The Confidential Appendices to the Second Report shall be sealed on the Court file until August 1, 2023, notwithstanding Division 4 of Part 6 of the *Alberta Rules of Court*. The Receiver may apply for an extension of this date in the event the sale of the Debtors' assets does not close or for such other commercially sensitive reason that requires the Confidential Appendices to remain sealed.

3. The Confidential Appendices shall be kept sealed and confidential, and shall not form part of the public record, and the Clerk of the Court is hereby directed to file the sealed Confidential Appendices separate and apart from all other contents of the Court file in a sealed envelope attached to a Notice that sets out the title of these proceedings and states that:

THIS ENVELOPE CONTAINS CONFIDENTIAL MATERIALS FILED BY MNP LTD., AND THE CONFIDENTIAL MATERIALS ARE SEALED UNTIL AUGUST 1, 2023 OR FURTHER ORDER PURSUANT TO THE SEALING ORDER ISSUED BY THE HONORABLE MR. JUSTICE N.J. WHITLING ON MAY 1, 2023.

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;
- (iv) the Debtor or its solicitors; and

(b) Posting a copy of this Order on the Receiver's website at: [mnpdebt.ca/en/corporate/corporate-engagements/2399430-alberta-ltd-and-2399449-alberta-ltd](http://mnpdebt.ca/en/corporate/corporate-engagements/2399430-alberta-ltd-and-2399449-alberta-ltd)

and service on any other person is hereby dispensed with.

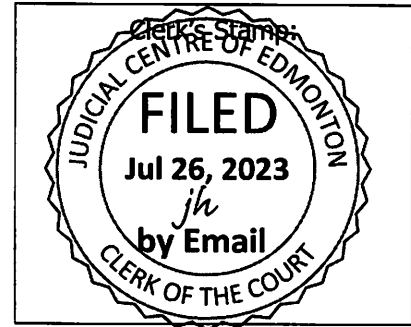
5. Service of this Order maybe effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

  
Justice of the Court Of King's Bench of Alberta

**Appendix G**

A copy of the Amended Restricted Court Access Order – July 26, 2023

COURT FILE NO. 2203 19336  
COURT COURT OF KING'S BENCH OF ALBERTA  
JUDICIAL CENTRE EDMONTON



PLAINTIFFS MIKE PRIESTNER REAL ESTATE INC. and MPRE GP DEV INC.  
DEFENDANTS 2399430 ALBERTA LTD., 2399449 ALBERTA LTD., TURNIP HOMES INC., and HENOK KASSAYE

DOCUMENT **AMENDED RESTRICTED COURT ACCESS ORDER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	McLENNAN ROSS LLP #600 McLennan Ross Building 12220 Stony Plain Road Edmonton, AB T5N 3Y4	Lawyer: Ryan Trainer Telephone: 780.482.9153 Fax: 780.733.9790 Email: ryan.trainer@mross.com File No.: 20230841
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**DATE ON WHICH ORDER WAS PRONOUNCED: July 26, 2023**

**LOCATION OF HEARING OR TRIAL: EDMONTON, ALBERTA**

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

---

**UPON THE APPLICATION** of MNP Ltd. (the "Receiver"), solely in its capacity as Court-Appointed Receiver and Manager of 2399430 Alberta Ltd. and 2399449 Alberta Ltd. (collectively the "Debtors"), for an Order, *inter alia*, sealing the Confidential Appendices to the Receiver's Second Report to the Court (the "Second Report") submitted by the Receiver dated April 24, 2023 (the "Confidential Appendices"); AND UPON having read the Third Report to the Court of the Receiver; AND UPON having read the Receivership Order granted December 15, 2022, and all application materials, filed; AND UPON hearing from counsel for the Receiver and all other interested parties present; **IT IS HEREBY ORDERED AND DECLARED THAT:**

1. The time for service of notice of this application is hereby abridged to that given, and service is deemed good and sufficient.
2. The Confidential Appendices to the Second Report shall be sealed on the Court file until February 1, 2024, notwithstanding Division 4 of Part 6 of the *Alberta Rules of Court*. The Receiver may apply for an extension of this date in the event the sale of the Debtors' assets does not close or for such other commercially sensitive reason that requires the Confidential Appendices to remain sealed.



3. The Confidential Appendices shall be kept sealed and confidential, and shall not form part of the public record, and the Clerk of the Court is hereby directed to file the sealed Confidential Appendices separate and apart from all other contents of the Court file in a sealed envelope attached to a Notice that sets out the title of these proceedings and states that:

THIS ENVELOPE CONTAINS CONFIDENTIAL MATERIALS FILED BY MNP LTD., AND THE CONFIDENTIAL MATERIALS ARE SEALED UNTIL FEBRUARY 1, 2024, OR FURTHER ORDER PURSUANT TO THE SEALING ORDER ISSUED BY THE HONORABLE MR. JUSTICE N.J. WHITLING ON JULY 26, 2023.

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;
- (iv) the Debtor or its solicitors; and

(b) Posting a copy of this Order on the Receiver's website at: [mnpdebt.ca/en/corporate/corporate-engagements/2399430-alberta-ltd-and-2399449-alberta-ltd](http://mnpdebt.ca/en/corporate/corporate-engagements/2399430-alberta-ltd-and-2399449-alberta-ltd)

and service on any other person is hereby dispensed with.

5. Service of this Order maybe 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