

COURT FILE NUMBER	2303 06910
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	EDMONTON
PLAINTIFF	SERVUS CREDIT UNION LTD.
DEFENDANTS	CHATEAU INN LTD., BECA INTERNATIONAL LTD., ALBERT DAVID MESSIER, and JOHN or JANE DOE as the Litigation Representative of THE ESTATE OF ALBERT DAVID MESSIER, deceased.
DOCUMENT	FIRST REPORT OF THE RECEIVER, MNP LTD., DATED August 31, 2023
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Dentons Canada LLP Suite 2500 Stantec Tower 10220 – 103 Street Edmonton, AB T5J 0K4 Attention: Dean Hitesman/Kurtis Letwin Ph: (780) 423-7284 Email: dean.hitesman@dentons.com/kurtis.letwin@dentons.com Solicitors for the Receiver, MNP Ltd.

Introduction and Purpose of the Report

1. MNP Ltd. was appointed as Receiver of Chateau Inn Ltd. ("Chateau Inn" or the "Company") pursuant to a Court of King's Bench of Alberta (the "Court") Order dated April 28, 2023 (the "Receivership Order").
2. Chateau Inn operated a Best Western hotel property in Sylvan, Lake Alberta (the "Hotel").
3. The purpose of the Receiver's First Report to Court (the "First Report") is to provide the Court with an update with respect to the following:
 - a) Activities of the Receiver;
 - b) Assets of the Company;
 - c) Secured Creditors;
 - d) Sales Process and Approval of the Sale of the Hotel;
 - e) Receiver's Interim Statement of Receipts and Disbursements;
 - f) Professional Fees; and
 - g) Interim Distribution
4. In preparing the First Report and making comments herein, the Receiver has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information of the

Company, the Company's books and records, and information from other third-party sources (collectively, the "Information"). The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with generally accepted assurance standards or other standards established by the Chartered Professional Accountants of Canada.

5. Further information relating to the receivership proceedings can be located on the Receiver's website at <https://mnpdebt.ca/en/corporate/corporate-engagements/chateau-inn-ltd>.

Initial Activities of the Receiver

6. On April 28, 2023 the Receiver attended to the Hotel to take possession and inventory the assets.
7. In taking possession of the Hotel the Receiver:
 - met with the employees to explain the appointment of the Receiver;
 - completed a site check of the property for any required maintenance and/or repairs;
 - secured access to the Company's operating bank account;
 - reviewed the accounting procedures including identifying who had access to financial records and the operating bank account;
 - Corresponded with Carolyn Messier (widow of the Director);
 - contacted the utility service providers to confirm continuation of services; and
 - confirmed that the existing insurance policy was in place and adequate.
8. On May 2, 2023 the Receiver issued the Notice and Statement of Receiver in accordance with Subsection 245(1) and 246(1) of the *Bankruptcy and Insolvency Act* ("BIA"). A copy of the Notice and Statement of Receiver is attached as **Schedule 1**.
9. Upon reviewing the Hotel, meeting with the employees, the general manager and reviewing the current financial position of the Company the Receiver decided to continue operations of the Hotel. The Receiver determined that an operating Hotel would likely result in a higher net realization value to the receivership estate and, due to the fact that May through August were typically the most active (and lucrative) for the Hotel, continued operations were justified.
10. The Receiver has completed repairs and maintenance for the Hotel as required.
11. The Receiver has been in contact with the franchise, Best Western International Inc. ("Best Western"), as part of the ongoing operations and to facilitate the sales process.
12. The Receiver engaged Knight and Company Appraisals Ltd. ("Knight and Company") to complete an updated appraisal on the Hotel (the "Knight Appraisal"). The Knight Appraisal was completed on June 7, 2023.

Assets of Chateau Inn

13. The real property assets of the Company, as identified by the Receiver, are described below (collectively defined as the "Assets").

Hotel

14. The Hotel is described as a 4 storey building with 72 rooms, indoor pool, fitness room and continental breakfast area.

15. The Hotel is legally described as Lots 7 – 9, Block A, Plan 5569KS and includes all furniture, fixtures, chattels and inventory contained within the real property used in the operation of the Hotel.

Bank Accounts

16. As at the date of Receivership the Company had was utilizing its operating line with no surplus funds in its account.
17. The Receiver is not aware of any other assets owned by Chateau Inn.

Priority and Secured Creditors

18. Servus Credit Union Ltd. ("Servus") has registered secured interests including mortgage registrations on the Hotel on February 18, 2015 and a General Security Agreement ("GSA") registered on the Personal Property Registry ("PPR") of Chateau Inn on January 27, 2015. As at April 13, 2023, Servus was owed \$6,951,732.32 plus accrued interest and costs. Counsel for the Receiver has provided a letter of opinion that Servus holds a valid and enforceable first position secured interest in the assets of Chateau Inn including the Hotel.
19. Agriculture Financial Services Corporation ("AFSC") registered a secured interest including a mortgage on the Hotel on May 5, 2015. As at May 2, 2023, AFSC was owed approximately \$586,700 plus accrued interest and costs.
20. Attached as **Schedule 2** is a copy of an April 28, 2023 Personal Property Registry ("PPR") Search for Chateau Inn and attached as **Schedule 3** is a copy of a June 7, 2023 Land Title Search of the Real Property.
21. On July 25, 2023 the Canada Revenue Agency ("CRA") provided results for a trust exam of the payroll source deduction account. CRA calculated a balance owing of \$785.65.
22. The Town of Sylvan Lake issued a property tax notice on May 24, 2023 advising of a balance owing for the 2023 tax year of \$35,959.10. The property tax statement confirmed there were no arrears for prior periods. The receivership estate has remitted monthly property tax payments during the administration and is advised by the Town of Sylvan Lake that the current property tax balance outstanding is \$20,548.07.
23. Best Western is the franchise that the Hotel operates under. As at the date of Receiver Chateau Inn owed Best Western \$25,973.84 in arrears associated with the franchise agreement. In order for the franchise agreement to be transferred to a new owner the arrears owed to Best Western were required to be paid, the Receiver has paid this outstanding balance.
24. In the event that the Court approves the sale of the Hotel the employees will be terminated resulting in a requirement to pay accrued vacation pay and termination pay in accordance with the Alberta Employment Standards Act. This termination event may create a requirement to administer the Wage Earner Protection Program Act ("WEPPA") resulting in priority claims from Service Canada. The Receiver has not calculated the potential WEPPA priority claims at this time.

Sales Process and Approval of the Sale of the Hotel

25. Shortly after the Receivership Order was granted to the Receiver contacted Jerry Rush with Royal LePage Network Realty Corp. ("Royal LePage") who had been engaged to market and sell the Hotel according to a listing agreement entered into on December 1, 2022 (prior to the appointment of the Receiver).

26. Upon review of the existing listing agreement and discussions with Royal Lepage the Receiver decided to continue the existing listing agreement for the Hotel.
27. The Hotel had been actively marketed for approximately five months prior to the appointment of the Receiver and, with the passing of Mr. Messier, potential purchasers (and Royal Lepage) were uncertain as to how an offer to purchase could be accepted. This resulted in a number of interested parties being in a position to submit offers to purchase for the Receiver's consideration.
28. By May 29, 2023, five different parties had submitted an offer to purchase for the Receiver's consideration. The Receiver advised one of the five different parties (Dana Rae Parker) that it would be supporting its offer to purchase (the "Parker Offer"), however, the Receiver requested a larger deposit. By June 7, 2023, the agent representing the Parker Offer advised they were not receiving a response from their client and the Receiver elected to move forward with a different potential purchaser.
29. On June 16, 2023, the Receiver counter offered the offer to purchase submitted by Interior Lodging Group Ltd. ("Interior Lodging") and on June 19, 2023 a conditional offer to purchase had been negotiated (the "Interior Lodging Offer"). The Interior Lodging Offer was subject to due diligence and financing.
30. On July 30, 2023, a notice of Non-Waiver of Conditions was submitted to the Receiver by Interior Lodging as they were unable to waive all conditions.
31. On July 31, 2023, the Receiver had received four different Offers to Purchase (including a revised offer from Interior Lodging with a reduced purchase price). On July 31, 2023, the Receiver countered the offer to purchase submitted by Mahendrabhai S Panchal ("Panchal") (the "Panchal Offer").
32. Panchal advised he agreed with the counter offer and proceeded forward with limited due diligence, however, by August 4, 2023 the Receiver had not received a signed copy of the Panchal Offer or the deposit.
33. On August 6, 2023 Panchal advised he would be revising his offer to a lower purchase price and the Receiver did not accept the amendment.
34. One August 8, 2023 the Receiver negotiated an offer to purchase with David Driedger ("Driedger")(the "Driedger Offer").
35. On August 24, 2023 Driedger waived conditions on the Driedger Offer.
36. The Receiver is of the opinion that the Hotel has been publicly marketed with a number of qualified interested parties completing due diligence and submitting offers to purchase. The Driedger Offer is in line with the Knight Appraisal Forced Sale Value and represents a reasonable realization for the receivership estate.
37. Further details relating to the offers to purchase submitted to the Receiver and the Knight Appraisal are contained with the Receiver's Confidential Addendum to the Receiver's First Report to Court (the "Confidential Addendum"). The Receiver requests that the Confidential Addendum not be filed until the sale of the Hotel has been completed.

Receiver's Interim Statement of Receipts and Disbursements

38. Attached as **Schedule 4** is a copy of the Receiver's Interim Statement of Receipts and Disbursements dated August 28, 2023 (the "Interim SRD").

Professional Fees

39. Attached as **Schedule 5** is a summary of the Receiver's Fees and Disbursements to August 28, 2023.
40. Attached as **Schedule 6** is a summary of the Receiver's Legal Fees to June 30, 2023.

Interim Distribution

41. In the event that the Court authorizes the Receiver to accept the Driedger Offer and the sale of the Hotel is completed the Receiver seeks the Courts approval to complete an interim distribution of \$4.0 million to Servus as the first position secured creditor (the "Interim Distribution").
42. The Interim Distribution will leave sufficient funds within the Receivership estate to address ongoing costs and potential priority claims.

Conclusion

43. The Receiver is of the opinion that a sale of the Hotel in accordance with the Driedger Offer represents a fair and reasonable realization for the receivership estate. The Receiver is advised that the first position secured creditor (Servus) does not object to the Driedger Offer.
44. Based upon the contemplated purchase price for the Hotel the Receiver does not anticipate any distributions to creditors other than Servus from the receivership estate.

All of which is respectfully submitted this 31st day of August, 2023.

MNP Ltd.

In its capacity as Receiver of

Chateau Inn Ltd.

And not in its personal or corporate capacity



Per: Eric Sirrs, CIRP, LIT
Senior Vice President

RECEIVER'S FIRST REPORT TO COURT – CHATEAU INN LTD.

SCHEDULE 1

NOTICE AND STATEMENT OF THE RECEIVER
(Subsection 245(1) and 246(1) of the Bankruptcy and Insolvency Act)

IN THE MATTER OF THE RECEIVERSHIP OF
CHATEAU INN LTD.

THE RECEIVER GIVES NOTICE AND DECLARES THAT:

1. On April 28, 2023 the undersigned, MNP Ltd., became the Receiver in respect of the assets and undertakings of the Chateau Inn Ltd. (the "Company") that are described below:

Property	Amount
Real Property ⁽¹⁾	\$7,074,768
Chattels and Equipment ⁽¹⁾	\$118,859
Accounts Receivable ⁽²⁾	\$1
Total (approximation)	<u>\$7,193,628</u>

(1) The value of this asset class is based on the net book value from the 2022 year end financial statements.

(2) The estimated realizable value (if any) of outstanding accounts receivable is not currently known.

2. The undersigned became a Receiver in respect of the property described above by way of a Court of King's Bench of Alberta Order dated April 28, 2023.
3. The undersigned took possession and control of the property described above on April 28, 2023.
4. The following information relates to the Receivership:
- a. Address of insolvent: 5027 Lakeshore Dr, Sylvan Lake, AB T4S 1R3
 - b. Principal Line of Business: Hotel
 - c. Location of business: Sylvan Lake, AB
 - d. Estimated amounts owed by the Company to each creditor who holds a security interest in the property described above:

Servus Credit Union	\$6,951,732.32
AFSC ⁽¹⁾	\$600,000.00
Total (Approximation)	<u>\$7,551,732.32</u>

(1) Amounts owed to creditors are based on estimates provided to the Receiver.

The list of other creditors of the Company and the amount owed to each creditor and the total amount due by the Company is as follows:

- Please see attached Exhibit 'A'
- e. The Receiver continues to investigate the options available to maximize realization on the property described above which will likely result in the listing of the real property for sale.
- f. Contact person for the Receiver:

Maha Shah
MNP Ltd.
Suite 1300, 10235 - 101 Street
Edmonton, AB T5J 3G1
Phone: (780) 455-1155
Fax: (780) 409-5415
Email: maha.shah@mnp.ca

- g. Further information with respect to the Receivership proceedings will be posted to the Receiver's website (www.mnpdebt.ca/en/corporate) under the "Corporate Engagements" heading as it becomes available. Should creditors not have access to the internet, copies of other materials can be requested by contacting the Receiver's office at 780.455.1155.
- h. Please take notice that the Receiver is providing this document to all known creditors for **informational purposes only**. As a creditor, you are **not required to submit paperwork supporting the amounts owing to you at this time**. If a claims process is undertaken in the future, you will be contacted.

Dated at Edmonton, Alberta on May 02, 2023

MNP Ltd.

In its capacity as Receiver of

Chateau Inn Ltd.

and not in its personal or corporate capacity



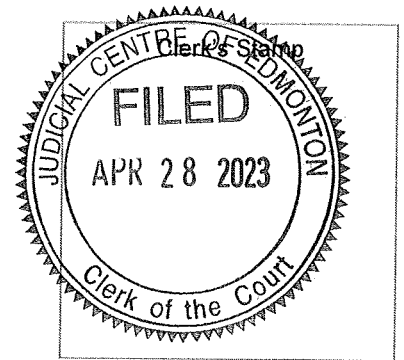
Per: Eric Sirrs, CIRP, Licensed Insolvency Trustee
Senior Vice President

- Creditor Mailing List -

In the Matter of the Receivership of
CHATEAU INN LTD.

Creditor Type	Name	Attention	Address	Claim \$
Secured	Agriculture Financial Services Corporation		5718 56 Avenue Lacombe AB T4L 1B1	
	Servus Credit Union Ltd.		151 Karl Clark Road NW Edmonton AB T6N 1H5	
Unsecured	Bentley -Northchem Ltd		8412 - 45 Street Edmonton AB T6B 2N6	750.83
	Best Western International Inc		PO Box 99226, STN A Toronto ON M5W 0J6	39,089.93
	Canadian Linen & Uniform Service		Box 51072 RPO Tyndall Winnipeg MB R2X 3C6	158.19
	Direct Energy		PO Box 1587 Stn M Calgary AB T2P 3B9	6,739.96
	Empringham Disposal Corp		PO Box 25146 RPO Deer Park Red Deer AB T4R 2M2	204.75
	Epcor		PO Box 500 Edmonton AB T5J 3Y3	12,875.75
	HD Supply Canada Inc		70 Carson Street ETOBICOKE ON M8W 4Z6	517.20
	Receiver General - Canada Revenue Agency		c/o Pacific Insolvency Intake Centre 9755 King George Boulevard Surrey BC V3T 5E1	1.00
	Schindler Elevator Corp		c/o T52649 PO Box 4526 Stn A Toronto ON M5W 5Z9	8,020.17
	Shaw Cable		Box 2468 STN Main Calgary AB T2P 4Y2	3,369.66
	Stannard HVAC Services Ltd		36080 Range Road 270 Red Deer County AB T4G 0M5	1,224.50
	Sysco Calgary		PO Box 2544 Stn M Calgary AB T2P 4R1	7,406.67
	Telus Communications		PO Box 81030 Burnaby Burnaby BC V5H 4K1	86.37
	The Argus Group		Dorchester Square #1100 (PH Floor) 1333 - 8th ST SW Calgary AB T2R 1M6	7,486.29
	Town of Sylvan Lake		5012- 48 Ave Sylvan Lake AB T4S 1G6	2,293.00
	Water Shop		#6 160 Hewlett Park Landing Sylvan Lake AB T4S 2J3	925.16
WCB - Alberta		PO Box 2323 Edmonton AB T5J 3V3	1.00	

COURT FILE NUMBER 2303 06910
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE Edmonton
APPLICANT SERVUS CREDIT UNION LTD.
RESPONDENTS CHATEAU INN LTD., BECA INTERNATIONAL LTD., ALBERT DAVID MESSIER, THE ESTATE OF ALBERT DAVID MESSIER, and JOHN or JANE DOE as the Litigation Representative of THE ESTATE OF ALBERT DAVID MESSIER, deceased



ENTERED
by M.M.

DOCUMENT **RECEIVERSHIP 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: Spencer Norris
Lawyer's Email: snorris@millerthomson.com
File No.: 0138667.0314

DATE ON WHICH ORDER WAS PRONOUNCED: **April 28, 2023**
LOCATION OF HEARING: **Edmonton Law Courts, Edmonton, Alberta**
NAME OF JUSTICE WHO GRANTED THIS ORDER: **The Honourable Justice J. T. Neilson**

UPON the application of SERVUS CREDIT UNION in respect of CHATEAU INN LTD. (the "Debtor"); AND UPON having read the Application, the Affidavit of Ed Christenson; and the Affidavit of Service of Samantha Hallett, filed; AND UPON reading the consent of MNP Ltd. to act as receiver and manager (the "Receiver") of the Debtor, filed; AND UPON hearing counsel for SERVUS CREDIT UNION LTD., counsel for the proposed Receiver and any other counsel or other interested parties present; 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 deemed good and sufficient [if applicable] and this application is properly returnable today.

APPOINTMENT

2. Pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3 (the "**BIA**"), and sections 13(2) of the *Judicature Act*, RSA 2000, c.J-2, 99(a) of the *Business Corporations Act*, RSA 2000, c.B-9, and 65(7) of the *Personal Property Security Act*, RSA 2000, c.P-7 MNP Ltd. is hereby appointed Receiver, without security, of all of the Debtor's 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, which shall include the Receiver's ability:
 - i. to abandon, dispose of, or otherwise release any interest in any of the Debtor's real or personal property, or any right in any immovable; and
 - ii. upon further order of the Court, to abandon, dispose of, or otherwise release any license or authorization issued by the Alberta Energy Regulator, or any other similar government authority;
 - (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 Debtor, 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 Debtor;
 - (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 Debtor or any part or parts thereof;

- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to or by the Debtor;
- (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 Debtor, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (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 Debtor, 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 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 \$50,000, provided that the aggregate consideration for all such transactions does not exceed \$250,000; 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 or any other similar legislation in any other province or territory 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 Debtor 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 Debtor;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (s) with leave of this Court, assign the Debtor 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, including the Debtor, and without interference from any other Person (as defined below).

DUTY TO PROVIDE ACCESS AND CO-OPERATIONS TO THE RECEIVER

4. (i) The Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its 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 Debtor, 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 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 DEBTOR OR THE PROPERTY

8. No Proceeding against or in respect of the Debtor 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 Debtor 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; and (ii) affect a Regulatory Body's investigation in respect of the debtor or an action, suit or proceeding that is taken in respect of the debtor 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.

NO EXERCISE OF RIGHTS 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 Debtor 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, 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 Debtor to carry on any business that the Debtor is 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 Debtor 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 Debtor 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 Debtor, except with the written consent of the Debtor 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 Debtor, 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 Debtor,

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 Debtor or exercising any other remedy provided under such agreements or arrangements. The Debtor 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 Debtor in accordance with the payment practices of the Debtor, or such other practices as may be agreed upon by the supplier or service provider and each of the Debtor 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 Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's 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 Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATIONS 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 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) and 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 \$250,000 (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) and 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 authorized 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 Debtor.

30. 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.
31. 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.
32. 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-client full indemnity basis, to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.
33. 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

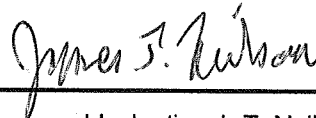
34. The Receiver shall establish and maintain a website in respect of these proceedings at www.mnpdebt.ca/en/corporate/corporate-engagements/ (the "**Receiver's Website**") and shall post there as soon as practicable:
 - (a) all materials prescribed by statute or regulation to be made publicly available; 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.
35. 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.

36. 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.



The Honourable Justice J. T. Neilson of the Court of
King's Bench of Alberta

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that MNP Ltd., the interim receiver and receiver and manager (the "**Receiver**") of all of the assets, undertakings and properties of Chateau Inn Ltd. appointed by Order of the Court of King's Bench of Alberta and Court of King's Bench of Alberta in Bankruptcy and Insolvency (collectively, the "**Court**") dated the April 28, 2023 (the "**Order**") made in action numbers _____, 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 \$250,000 that 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 _____ 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 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 _____, 20____

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:

RECEIVER'S FIRST REPORT TO COURT – CHATEAU INN LTD.

SCHEDULE 2

Search ID #: Z16097203

Transmitting Party

MNP LTD.

1300,10235-101 Street
EDMONTON, AB T5J 3G1

Party Code: 50100742
Phone #: 780 455 1155
Reference #:

Search ID #: Z16097203

Date of Search: 2023-Apr-28

Time of Search: 09:05:32

Business Debtor Search For:

CHATEAU INN LTD.

Both Exact and Inexact Result(s) Found

NOTE:

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



Search ID #: Z16097203

Business Debtor Search For:

CHATEAU INN LTD.

Search ID #: Z16097203

Date of Search: 2023-Apr-28

Time of Search: 09:05:32

Registration Number: 15012724980

Registration Type: SECURITY AGREEMENT

Registration Date: 2015-Jan-27

Registration Status: Current

Expiry Date: 2026-Jan-27 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 CHATEAU INN LTD.
1, 5100 LAKESHORE DRIVE
SYLVAN LAKE, AB T4S 2L7

Current

Secured Party / Parties

Block

Status

1 SERVUS CREDIT UNION LTD.
151 KARL CLARK ROAD NW
EDMONTON, AB T6N 1H5

Current

Collateral: General

Block

Description

Status

1 All present and after-acquired personal property.

Current

Search ID #: Z16097203

Business Debtor Search For:

CHATEAU INN LTD.

Search ID #: Z16097203

Date of Search: 2023-Apr-28

Time of Search: 09:05:32

Registration Number: 15042109313

Registration Type: SECURITY AGREEMENT

Registration Date: 2015-Apr-21

Registration Status: Current

Expiry Date: 2031-Apr-21 23:59:59

Exact Match on: Debtor No: 1

Amendments to Registration

19081401272	Amendment	2019-Aug-14
20011054275	Amendment	2020-Jan-10

Debtor(s)

Block

Status

1 CHATEAU INN LTD.
5027 LAKESHORE DRIVE
SYLVAN LAKE, AB T4S 2L7

Current

Secured Party / Parties

Block

Status

1 AGRICULTURE FINANCIAL SERVICES CORPORATION
4910 - 52 STREET
CAMROSE, AB T4V 2V4
Phone #: 780 679 1350 Fax #: 780 679 1394

Deleted by
19081401272

Block

Status

2 AGRICULTURE FINANCIAL SERVICES CORPORATION
5718 56 AVENUE
LACOMBE, AB T4L 1B1
Phone #: 403 786 2683 Fax #: 403 782 8362
Email: LoanCompliance.SpecialAccounts@afsc.ca

Deleted by
20011054275

Search ID #: Z16097203

Block

3 AGRICULTURE FINANCIAL SERVICES CORPORATION S001943
5718 56 AVENUE
LACOMBE, AB T4L 1B1
Phone #: 403 786 2683 Fax #: 403 782 8362
Email: loancompliance.PPR@afsc.ca

Status

Current by
20011054275

Collateral: General

Block

Description

1 ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY

Status

Current

Search ID #: Z16097203

Note:

The following is a list of matches closely approximating your Search Criteria,
which is included for your convenience and protection.

Debtor Name / Address

CHEETAH SYSTEMS LTD
124 SHAWBROOKE CLOSE SW
CALGARY, AB T2Y 3A6

Reg.#

18100236364

SECURITY AGREEMENT

Result Complete

RECEIVER'S FIRST REPORT TO COURT – CHATEAU INN LTD.

SCHEDULE 3

APPENDIX B

LAND TITLE CERTIFICATE



LAND TITLE CERTIFICATE

S
LINC SHORT LEGAL TITLE NUMBER
0012 533 833 5569KS;A;7 102 190 713
0012 533 841 5569KS;A;8
0012 609 780 5569KS;A;9

LEGAL DESCRIPTION
PLAN 5569KS
BLOCK A
LOTS 7 TO 9 INCLUSIVE
EXCEPTING THEREOUT ALL MINES AND MINERALS

ESTATE: FEE SIMPLE
ATS REFERENCE: 5;1;38;32;SE

MUNICIPALITY: TOWN OF SYLVAN LAKE

REFERENCE NUMBER: 102 060 380

REGISTERED OWNER(S)					
REGISTRATION	DATE (DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION	
102 190 713	03/06/2010	TRANSFER OF LAND	\$1,800,000	\$1,800,000	

OWNERS

CHATEAU INN LTD.
OF 1, 5100 LAKESHORE DRIVE
SYLVAN LAKE
ALBERTA T4S 2L7

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION		
NUMBER	DATE (D/M/Y)	PARTICULARS
102 128 176	20/04/2010	CAVEAT RE : ENCROACHMENT AGREEMENT PURSUANT TO MUNICIPAL GOVERNMENT ACT CAVEATOR - THE TOWN OF SYLVAN LAKE. 4926-50 AVE SYLVAN LAKE ALBERTA T4S1A1

(CONTINUED)



ENCUMBRANCES, LIENS & INTERESTS

PAGE 2

102 190 713

REGISTRATION

NUMBER DATE (D/M/Y) PARTICULARS

AGENT - KEITH R LAMB

112 083 904 25/03/2011 CAVEAT
RE : RIGHT OF WAY AGREEMENT
CAVEATOR - FORTISALBERTA INC.
700, 801 - 7 AVE SW
CALGARY
ALBERTA T2P3P7
AGENT - MARK HAMEISTER
AFFECTED LAND: 5569KS;A;9

112 399 101 09/12/2011 CAVEAT
RE : ENCROACHMENT AGREEMENT PURSUANT TO MUNICIPAL
GOVERNMENT ACT
CAVEATOR - THE TOWN OF SYLVAN LAKE.
4926-50 AVE
SYLVAN LAKE
ALBERTA T4S1A1

132 140 466 16/05/2013 CAVEAT
RE : LEASE INTEREST
CAVEATOR - TM MOBILE INC.
C/O TELUS
200 CONSILIUM PLACE SUITE 1600
SCARBOROUGH
ONTARIO M1H3J3

152 056 054 18/02/2015 MORTGAGE
MORTGAGEE - SERVUS CREDIT UNION LTD.
151 KARL CLARK RD NW
EDMONTON
ALBERTA T6N1H5
ORIGINAL PRINCIPAL AMOUNT: \$12,000,000

152 056 055 18/02/2015 CAVEAT
RE : ASSIGNMENT OF RENTS AND LEASES
CAVEATOR - SERVUS CREDIT UNION LTD.
151 KARL CLARK RD NW
EDMONTON
ALBERTA T6N1H5
AGENT - EVAN C HARDY

152 124 030 27/04/2015 CAVEAT
RE : AMENDING AGREEMENT
CAVEATOR - SERVUS CREDIT UNION LTD.
151 KARL CLARK ROAD NW
EDMONTON
ALBERTA T6N1H5
AGENT - EVAN C HARDY

(CONTINUED)



ENCUMBRANCES, LIENS & INTERESTS

PAGE 3

102 190 713

REGISTRATION
NUMBER DATE (D/M/Y) PARTICULARS

152 131 003 05/05/2015 MORTGAGE
MORTGAGEE - AGRICULTURE FINANCIAL SERVICES
CORPORATION.
4910-52 ST
CAMROSE
ALBERTA T4V2V4
ORIGINAL PRINCIPAL AMOUNT: \$800,000

TOTAL INSTRUMENTS: 008

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN
ACCURATE REPRODUCTION OF THE CERTIFICATE OF
TITLE REPRESENTED HEREIN THIS 7 DAY OF JUNE,
2023 AT 10:45 A.M.

ORDER NUMBER: 47447093

CUSTOMER FILE NUMBER:



END OF CERTIFICATE

THIS ELECTRONICALLY TRANSMITTED LAND TITLES PRODUCT IS INTENDED
FOR THE SOLE USE OF THE ORIGINAL PURCHASER, AND NONE OTHER,
SUBJECT TO WHAT IS SET OUT IN THE PARAGRAPH BELOW.

THE ABOVE PROVISIONS DO NOT PROHIBIT THE ORIGINAL PURCHASER FROM
INCLUDING THIS UNMODIFIED PRODUCT IN ANY REPORT, OPINION,
APPRAISAL OR OTHER ADVICE PREPARED BY THE ORIGINAL PURCHASER AS
PART OF THE ORIGINAL PURCHASER APPLYING PROFESSIONAL, CONSULTING
OR TECHNICAL EXPERTISE FOR THE BENEFIT OF CLIENT(S).



RECEIVER'S FIRST REPORT TO COURT – CHATEAU INN LTD.

SCHEDULE 4

Chateau Inn Ltd. - Receivership
Receiver's Interim Statement of Receipts and Disbursements
For the period April 28, 2023 to August 28, 2023

	April 28, 2023 to August 28, 2023 (\$)
RECEIPTS:	
Cash on Hand (1)	- 32,376.20
Revenue	1,066,766.47
Miscellaneous Deposits	1,581.50
TOTAL RECEIPTS:	1,035,971.77
 DISBURSEMENTS:	
Bank/Merchant Fees	26,677.50
Business Tools	8,368.61
Appraisal	3,885.00
Operating Expenses (2)	51,942.67
GST on Disbursements	34,623.78
Repairs and Maintenance	11,317.07
Food Supplies	89,036.51
Franchise Fees	115,766.19
Legal Fees	4,638.02
Utilities	93,234.80
Insurance	14,170.58
Property Taxes	11,431.73
Loan Payment (3)	11,060.00
Employee Benefits	1,151.50
Payroll	195,181.90
Payroll Source Deductions	74,085.25
Licenses	200.00
Provincial Taxes - Alberta Government	31,761.53
TOTAL DISBURSEMENTS:	778,532.64
Excess of Receipts over Disbursements	257,439.13

Notes:

- (1) Cash on Hand represents balance drawn in operating line.
- (2) Operating expenses include payments in relation to petty cash, security services, office supplies, cleaning supplies, employee reimbursements and other expenses.
- (3) Service Credit loan (account number 12032124 - loan 4).

RECEIVER'S FIRST REPORT TO COURT – CHATEAU INN LTD.

SCHEDULE 5

SUMMARY OF RECEIVER'S FEES AND DISBURSEMENTS - AUGUST 28 2023
RECEIVERSHIP OF CHATEAU INN LTD.

FEES	HOURS	FEES	
Eric Sirrs	24.10	17,944.50	
Maha Shah	44.40	15,187.20	
Steven Barlott	6.00	2,286.00	
Isobel Smith	3.80	790.00	
Comfort Uche	5.00	1,155.00	
Karen Aylward	0.80	448.00	
Rebecca Namiiro	0.10	24.40	
	84.20	37,835.10	
TOTAL FEES			37,835.10
DISBURSEMENTS			
Travel		700.68	
TOTAL DISBURSEMENTS			700.68
FEES AND DISBURSEMENTS			38,535.78

Date	Description	Units	Amount	Notes
28-Apr-2023	Eric Sirrs	3.20	2,320.00	Travel to and from Sylvan Lake. Meet with staff, tour property. Correspondence with owner.
28-Apr-2023	Maha Shah	4.00	1,340.00	Site visit to take possession (includes 3 hours of travel time)
28-Apr-2023	Steven Barlott	6.00	2,286.00	Drive to and take possession of hotel in Sylvan Lake; Prepare for possession, review application materials;
01-May-2023	Eric Sirrs	0.80	580.00	Email to owner. Call with general manager. Emails to and from Servus. Email from and to AFSC.
01-May-2023	Maha Shah	0.40	134.00	Phone call and email exchange with Derek @Knight Appraisals
01-May-2023	Maha Shah	4.00	1,340.00	Site visit (3 hours of travel time)
01-May-2023	Comfort Uche	0.20	46.20	Contact insurance company for insurance policy details.
02-May-2023	Eric Sirrs	0.90	652.50	Meet with MS and CU re administrative tasks and financial information needed. Review S246 report and request changes. Sign final copy. Email from and to secured creditor.
02-May-2023	Maha Shah	0.50	167.50	Phone calls and email correspondence with General Manager to discuss documents required for sales process and notice and statement
02-May-2023	Maha Shah	0.50	167.50	Meeting to discuss file
02-May-2023	Maha Shah	0.50	167.50	Compiled AP information and emailed to Isobel
02-May-2023	Maha Shah	0.60	201.00	Email exchange with Derek @Knight Appraisal. Signed retainer letter and emailed to Derek.
02-May-2023	Maha Shah	1.00	335.00	Prepared and finalized notice and statement of Receiver and Exhibit A
02-May-2023	Comfort Uche	0.10	23.10	Call Insurance company to find out about the policy.
02-May-2023	Comfort Uche	0.20	46.20	Meet with Eric and Maha to go over file.
02-May-2023	Comfort Uche	0.40	92.40	Call back from Insurance account manager. Send email with request for current policy.
02-May-2023	Comfort Uche	1.50	346.50	Reach out to EPCOR, Direct Energy to notify them of the Receivership. Scan utility bills, insurance payment schedule and CRA documents to file. Complete CRA form to request for access and authorization, prepare request to open RT0002 and RP0002 accounts. Mail form and request to CRA as well as send through represent a client.
02-May-2023	Isobel Smith	1.50	307.50	Create the Receiver's case website. Post various documents to the same; Create creditor listing; Create file in Ascend; File the Form 87, and Court Order with the OSB; Request bank account be opened;
03-May-2023	Eric Sirrs	0.50	362.50	Call with Servus re banking activity. Call with potential purchaser.
03-May-2023	Maha Shah	0.20	67.00	Email exchange with Sue re: payroll
03-May-2023	Maha Shah	0.20	67.00	Email exchange with Derek @Knight Appraisals
03-May-2023	Maha Shah	0.50	167.50	Reviewed banking transactions.
03-May-2023	Comfort Uche	0.80	184.80	Email Town of Sylvan Lake to request for Property Tax details. Prepare Utilities Tracker.
03-May-2023	Isobel Smith	0.80	164.00	Prepare and execute Form 87 mail out to creditors. Prepare and swear mailing affidavit for the same;
04-May-2023	Comfort Uche	0.40	92.40	Follow up with direct energy and Sylvan lake (tax). Email exchange with the utilities department re any changes to be made to account. Email exchange with the Tax department re property tax details.
04-May-2023	Isobel Smith	0.20	41.00	Follow up with the OSB regarding the Certificate of appointment;
05-May-2023	Maha Shah	0.20	67.00	Email exchange with Derek @Knight Appraisals
05-May-2023	Maha Shah	0.20	67.00	Email exchange with Sue Fisher
08-May-2023	Eric Sirrs	0.30	217.50	Emails from and to Servus re online access. Complete online banking access.
08-May-2023	Maha Shah	0.20	67.00	Email exchange with Derek Van
08-May-2023	Maha Shah	0.40	134.00	Email exchange and phone call with Sue Fisher re: banking access
08-May-2023	Isobel Smith	0.30	61.50	Various correspondence with the OSB and Eric Sirrs regarding the certificate of Receiverhsip;
09-May-2023	Eric Sirrs	0.30	217.50	Email and call with counsel re APA and offer forms. Email from realtor re interested party.
09-May-2023	Maha Shah	0.20	67.00	Email exchange with Sue Fisher
09-May-2023	Comfort Uche	0.20	46.20	Email exchanges with EPCOR re account set up for billing.
09-May-2023	Travel		81.62	2023-05-09 / Mah Shah / Site visit

09-May-2023	Travel		172.25	2023-05-09 / Steven Barlott / Travel to Sylvan Lake to take possession of hotel property.
09-May-2023	Travel		47.19	2023-05-09 / Steven Barlott / Travel to Sylvan Lake to take possession of hotel property.
10-May-2023	Eric Sirrs	0.40	290.00	Review online banking process and set up access.
10-May-2023	Maha Shah	0.20	67.00	Email exchange with Sue Fisher re: window cleaning
10-May-2023	Maha Shah	0.20	67.00	Email exchange with Sue Fisher re: epcor and DE bill.
10-May-2023	Maha Shah	0.50	167.50	Bank account login, password change and transaction review.
10-May-2023	Maha Shah	0.60	201.00	Email exchange with Sue Fisher re: accounting backup. Downloaded back up and updated records.
10-May-2023	Comfort Uche	0.40	92.40	Email exchanges with EPCOR re account creation. Request for correction to service address. Update utilities tracker.
11-May-2023	Eric Sirrs	0.50	362.50	Review online banking transactions. Call with counsel re form of offer to purchase. Emails from and to listing realtor.
12-May-2023	Eric Sirrs	0.60	435.00	Emails and call with listing agent. Review offers to purchase. Email to Servus.
12-May-2023	Maha Shah	0.20	67.00	Email exchange with Sue Fisher
12-May-2023	Maha Shah	2.00	670.00	Prepared 6 month detailed cash flow projection.
15-May-2023	Eric Sirrs	0.50	362.50	Emails from and to realtor re potential offer. Email from Tim Anderson re form of offer. Email to Servus.
15-May-2023	Maha Shah	0.50	167.50	Updated Actual vs Proj cash flow for April
15-May-2023	Maha Shah	4.00	1,340.00	Site visit (including 3 hours of travel time)
15-May-2023	Comfort Uche	0.20	46.20	Call from Sysco re AR and new Orders.
16-May-2023	Eric Sirrs	0.20	145.00	Emails from and to realtor.
16-May-2023	Comfort Uche	0.10	23.10	Email response to Maha re Direct Energy bill.
17-May-2023	Eric Sirrs	0.50	362.50	Emails from and to realtor. Review financial statements. Emails to CU re property tax status. Review offers from realtor.
17-May-2023	Maha Shah	0.20	67.00	Email exchange with Sue Fisher
17-May-2023	Maha Shah	0.40	134.00	Email exchange with Derek @knight appraisal
17-May-2023	Maha Shah	0.50	167.50	Bank account transaction review
18-May-2023	Eric Sirrs	0.30	217.50	Review request to purchase equipment. Emails from and to MS re financial and franchise data.
18-May-2023	Maha Shah	0.20	67.00	Email exchange with David Hall
18-May-2023	Maha Shah	0.50	167.50	Scanned financial statements from 2020-2023, saved to kdrive and emailed to Jerry Rush.
18-May-2023	Maha Shah	0.50	167.50	Email exchange and phone call with Sue Fisher re: best western agreement and next payroll and coffe machines
18-May-2023	Comfort Uche	0.20	46.20	Contact the Municipality to find out about outstanding balance and payment schedule.
18-May-2023	Comfort Uche	0.20	46.20	Call to WCB re account status.
19-May-2023	Eric Sirrs	0.60	435.00	Emails to and from realtor. Email summary to Servus re offers to purchase.
19-May-2023	Maha Shah	0.20	67.00	Email exchange with Sue Fisher
19-May-2023	Maha Shah	1.00	335.00	Prepared summary of offers to purchase.
23-May-2023	Eric Sirrs	0.50	362.50	Email to listing agent re offers and responses. Email from and to Servus. Review draft APA from counsel.
24-May-2023	Eric Sirrs	0.30	217.50	Emails from and to realtor.
25-May-2023	Eric Sirrs	0.30	217.50	Voicemails and email to realtor re amended offers. Review amended offer.
25-May-2023	Maha Shah	0.20	67.00	Email exchange with Sue Fisher
25-May-2023	Maha Shah	0.20	67.00	Email exchange with Jerry Rush
25-May-2023	Comfort Uche	0.10	23.10	Enter OSB number in ascend.
26-May-2023	Eric Sirrs	0.50	362.50	Emails from and to realtors re LOI's. Email to Servus re status of sales process.
29-May-2023	Eric Sirrs	0.90	652.50	Review offers to purchase, emails to and from realtor. Email summary to secured creditor. Send counter offer to agent.
29-May-2023	Maha Shah	0.20	67.00	Email exchange with Sue
29-May-2023	Maha Shah	0.50	167.50	Bank account review.
30-May-2023	Eric Sirrs	0.20	145.00	Emails from and to realtor re LOIs.

30-May-2023	Maha Shah	0.40	134.00	Phone call with Trust Examiner re: documents required for Payroll Trust Exam
31-May-2023	Maha Shah	0.20	67.00	Email exchange with Sue Fisher
01-Jun-2023	Eric Sirrs	0.40	306.00	Email to and from counsel. Emails from and to realtor. Email from and to Servus. Sign and send counter offer.
02-Jun-2023	Eric Sirrs	0.20	153.00	Email from realtor re counter offer. Email re conditions.
05-Jun-2023	Eric Sirrs	0.30	229.50	Email from and to realtor. Email to and from Servus.
05-Jun-2023	Maha Shah	0.20	70.60	Email exchange with Sue Fisher
05-Jun-2023	Maha Shah	0.50	176.50	Phone call and email exchange with Best Western franchise to discuss receivership and balance outstanding. Email exchange with Sue Fisher.
06-Jun-2023	Eric Sirrs	0.30	229.50	Call with potential purchaser. Email to and from realtor re offer to purchase.
06-Jun-2023	Maha Shah	0.40	141.20	Email exchange and phone call with Sue Fisher re: supplies
07-Jun-2023	Maha Shah	0.40	141.20	Phone call and email exchange with Derek @Knight Appraisals.
08-Jun-2023	Maha Shah	0.40	141.20	Email exchange with Canadian Linen rep to discuss receivership and requested to re-open hotel accounts.
08-Jun-2023	Maha Shah	0.40	141.20	Email exchange and phone call with Kelly Zu @HD Supply and Sue Fisher re: account closure
12-Jun-2023	Eric Sirrs	0.60	459.00	Email to Servus re status of offers. Email to realtor re counter offer. Review new offer on property. Review appraisal. Emails from and to Servus.
12-Jun-2023	Maha Shah	0.20	70.60	Email exchange with Lindsey Munro re: hotel appraisal
12-Jun-2023	Maha Shah	0.20	70.60	Phone call with Sue Fisher to discuss payments for the week and invoices outstanding.
12-Jun-2023	Maha Shah	0.40	141.20	Email exchange and phone call with legal team at Best Western Head Office.
12-Jun-2023	Maha Shah	0.40	141.20	Phone call and email exchange with Sue Fisher and HD Supply re: account closure
12-Jun-2023	Maha Shah	0.40	141.20	Banking Review.
12-Jun-2023	Maha Shah	1.00	353.00	Downloaded GST and Payroll information from quickbooks for 3 years and prepared mailing package for CRA.
13-Jun-2023	Maha Shah	0.20	70.60	Email exchange with Matthew Morelli
15-Jun-2023	Eric Sirrs	0.30	229.50	Emails from and to MS re inquires from BW. Email from and to realtor re LOI.
15-Jun-2023	Maha Shah	0.40	141.20	Email exchange with Sue Fisher and Matthew Morelli re: sale process
16-Jun-2023	Eric Sirrs	0.40	306.00	Review LOI from realtor. Emails from and to Servus. Email to Realtor re counter.
19-Jun-2023	Eric Sirrs	0.30	229.50	Emails from and to realtor re offer to purchase. Sign and send counter offer.
20-Jun-2023	Eric Sirrs	0.20	153.00	Emails to and from Servus.
21-Jun-2023	Eric Sirrs	0.30	229.50	Email from and to third party interested in property. Emails to and from realtor.
22-Jun-2023	Eric Sirrs	0.60	459.00	Emails and call from realtor re counter offer. Emails to and from Servus. Sign and accept offer. Email to counsel.
22-Jun-2023	Maha Shah	0.20	70.60	Email exchange with Sue Fisher re: accountant invoice
22-Jun-2023	Maha Shah	0.40	141.20	Reviewed online banking
23-Jun-2023	Eric Sirrs	0.50	382.50	Emails from and to realtor. Review and sign addendum re conditions. Emails from and to BW re authorizing purchaser access to data.
23-Jun-2023	Maha Shah	0.40	141.20	Reviewed bank account and individual transactions.
23-Jun-2023	Maha Shah	0.40	141.20	Reviewed repair estimate for hot tub and emailed Sue to process payment.
23-Jun-2023	Maha Shah	1.00	353.00	Reviewed all offers to purchase received for blue mountain sales process. Prepared summary of offers and emailed to Eric for review.
26-Jun-2023	Eric Sirrs	0.30	229.50	Review and sign document for BW. Emails from and to realtor. Email from counsel. Email to and from purchaser.
26-Jun-2023	Maha Shah	0.50	176.50	Bank account and transaction review
27-Jun-2023	Eric Sirrs	0.30	229.50	Call with and email to potential purchaser. Review CRA notice. Email to IS.
27-Jun-2023	Maha Shah	0.40	141.20	Phone call and email exchange with Bentley Northchem regarding post receivership balance and account.
27-Jun-2023	Isobel Smith	0.80	172.80	Prepare and send T2 Short form to the CRA;
29-Jun-2023	Eric Sirrs	0.20	153.00	Email from and to realtor re offer to purchase and court date. Email from counsel.
29-Jun-2023	Maha Shah	0.40	141.20	Phone call and email exchange with Sue Fisher re: bills and payroll

04-Jul-2023	Eric Sirrs	0.30	229.50	Emails from and to realtor, review update letter of intent. Sign amended version.
04-Jul-2023	Maha Shah	0.50	176.50	Bank account review
11-Jul-2023	Maha Shah	0.20	70.60	Email exchange with Rick Wan.
11-Jul-2023	Maha Shah	0.20	70.60	Phone call with Cheryl Williams at CRA.
11-Jul-2023	Maha Shah	0.20	70.60	Email exchange with Sue Fisher
11-Jul-2023	Isobel Smith	0.20	43.20	Correspondence with Cheryl Williams of the CRA regarding the Trust Audit. Inform Maha Shah of the same;
12-Jul-2023	Karen Aylward	0.40	224.00	emails with Servus and MS re od issue.
12-Jul-2023	Maha Shah	0.70	247.10	Phone call and email exchange with Sue Fisher re: \$227k bank transfer. Reviewed online banking transactions.
13-Jul-2023	Maha Shah	0.40	141.20	Phone call with Trust examiner
14-Jul-2023	Travel		159.00	2023-07-14 / Mah Shah / Site Visit
17-Jul-2023	Karen Aylward	0.20	112.00	call from Trust examiner
17-Jul-2023	Maha Shah	0.20	70.60	Email exchange with Sue Fisher re: HVAC services quote
17-Jul-2023	Maha Shah	0.50	176.50	Bank account transaction review.
17-Jul-2023	Maha Shah	1.50	529.50	Downloaded reports from quickbooks for trust exam. Email exchange and phone calls with Sue Fisher re: additional reports. Stayed on the phone with the trust examiner while he reviewed documents to confirm if any information was missing.
21-Jul-2023	Maha Shah	0.50	176.50	Bank Review
24-Jul-2023	Eric Sirrs	0.30	229.50	Emails to and from listing agent re condition removal status. Email from and to secured creditor.
24-Jul-2023	Maha Shah	0.20	70.60	Email exchange with Sue Fisher re: invoice payments
24-Jul-2023	Maha Shah	0.20	70.60	Phone call with suncorp accounting re: invoice payment
24-Jul-2023	Maha Shah	0.40	141.20	Signed appraisal proposal and emailed back to Cetan Thakore.
24-Jul-2023	Maha Shah	0.40	141.20	Email exchange and phone call with Cynthia Leady at Best Western.
24-Jul-2023	Maha Shah	0.50	176.50	Bank account review
26-Jul-2023	Maha Shah	0.20	70.60	Email exchange with Sue Fisher re: payroll.
27-Jul-2023	Rebecca Namiiro	0.10	24.40	Bank Rec June 2023.
28-Jul-2023	Karen Aylward	0.20	112.00	bank rec
31-Jul-2023	Eric Sirrs	0.50	382.50	Emails to and from Servus. Emails to listing agent.
01-Aug-2023	Maha Shah	0.20	70.60	Email exchange with Sue Fisher regarding Latest Quality Assurance Reports.
01-Aug-2023	Maha Shah	0.40	141.20	Email exchange with Sue Fisher and Matthew Morelli
01-Aug-2023	Maha Shah	0.40	141.20	Reviewed bank account.
01-Aug-2023	Eric Sirrs	0.30	229.50	Emails to and from listing agent re counter offer. Email to Servus.
02-Aug-2023	Travel		240.62	2023-08-02 / Mah Shah / Travel to attend Court Hearing for Victoria Place hearing
02-Aug-2023	Eric Sirrs	0.20	153.00	Emails from and to counsel for AFSC. Email to BW.
04-Aug-2023	Eric Sirrs	0.20	153.00	Email from counsel for AFSC. Email to listing agent.
08-Aug-2023	Eric Sirrs	0.40	306.00	Emails from and to listing agent. Emails to and from Servus re counter offer.
11-Aug-2023	Eric Sirrs	0.20	153.00	Emails from and to BW re arrears. Email to counsel.
14-Aug-2023	Eric Sirrs	0.30	229.50	Emails to and from purchaser re BW access. Emails to BW.
17-Aug-2023	Maha Shah	0.40	141.20	Email exchange with new purchaser and Matthew Morelli
22-Aug-2023	Eric Sirrs	0.20	153.00	Review and sign contract amendment. Email to listing agent.
24-Aug-2023	Eric Sirrs	0.30	229.50	Emails to and from Dentons re sale. Emails from and to listing agent.
25-Aug-2023	Eric Sirrs	2.20	1,683.00	Drafting reports to court.
28-Aug-2023	Eric Sirrs	1.20	918.00	Drafting reports to court.
		84.20	38,535.78	

RECEIVER'S FIRST REPORT TO COURT – CHATEAU INN LTD.

SCHEDULE 6

RECEIVER'S LEGAL FEE SUMMARY - CHATEAU INN LTD.

Invoice #	Date	Fees	Disbursements	GST	Total
3764247	31-May-23	7,644.00	229.32	393.67	8,266.99
3772054	30-Jun-23	4,288.50	128.66	220.86	4,638.02
Total		11,932.50	357.98	614.53	12,905.01