

Clerk's stamp:

COURT FILE NUMBER

1801-06199

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

PLAINTIFF

GOLF PROPERTIES OF FLORIDA LLC

DEFENDANTS

LEMKCO FLORIDA INC. a Florida Corporation and JAMES T. KAHANYSHYN

RESPONDENTS

HENTOSZ RESOURCES LTD., MICHAEL KAHANYSHYN, MAY KAHANYSHYN, JANET SCHULTZ and JAMES KAHANYSHYN

DOCUMENT

FIRST REPORT TO THE COURT OF MNP LTD. IN ITS CAPACITY AS LIQUIDATOR AND RECEIVER AND MANAGER OF HENTOSZ RESOURCES LTD.

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

Receiver:

MNP Ltd.
Suite 1300, MNP Tower
10235 – 101 Street NW
Edmonton, AB, Canada T5J 3G1
Attention: Kristin Gray
Phone: 780.705.0073 Fax: 780.409.5415
Email: kristin.gray@mnp.ca

Counsel:

Parlee McLaws LLP
1700 Enbridge Place
10175 – 101 Street NW
Edmonton, AB, Canada T5J 0H3
Attention: Steven A. Rohatyn
Phone: 780.423.8177 Fax: 780.423.2870
Email: srohatyn@parlee.com



**IN THE MATTER OF THE RECEIVERSHIP OF
HENTOSZ RESOURCES LTD.**

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Appendices

- A. A copy of the Receivership Order – July 10, 2024
- B. Copies of the Certificates of Title for the Properties
- C. A copy of the Affidavit of Sandra Zezel sworn on July 31, 2024
- D. A copy of the Information Request dated July 29, 2024
- E. A copy of the Initial Tenant Notice dated July 30, 2024
- F. Copies of correspondence to ATB Financial, Bank of Montreal, Canadian Western Bank, Royal Bank of Canada, and Servus Credit Union
- G. A copy of the Parlee Correspondence dated August 20, 2024
- H. A copy of the correspondence from SVR dated August 22, 2024
- I. A copy of the email exchange between Receiver's counsel and Plaintiff's counsel
- J. Interim Statement of Receipts and Disbursements for the period of July 17, 2024, to August 26, 2024

PURPOSE OF REPORT

1. Pursuant to an Order of the Court of King's Bench of Alberta granted July 10, 2024 (the "**Receivership Order**"), MNP Ltd. ("**MNP**") was appointed Liquidator and receiver and manager (the "**Receiver**") of all current and future assets, undertakings and properties of every nature and kind whatsoever of Hentosz Resources Ltd. ("**Hentosz**" or the "**Company**"). A copy of the Receivership Order is attached as **Appendix "A"**.
2. This is the first report to Court filed by the Receiver regarding the administration of the estate of the Companies (the "**First Report**").
3. The purpose of the First Report is to:
 - i. Provide the Court with a summary of our activities since our appointment as Receiver; and,
 - ii. Provide this Honourable Court with an interim statement of receipts and disbursements for the period of July 30, 2024 to August 26, 2024.

BACKGROUND INFORMATION

4. The Receiver understands that the Company was incorporated on November 14, 1986, for the purpose of holding and managing real estate.
5. The directors of Hentosz are Mr. Michael Kahanyshyn, Ms. May Kahanyshyn and Ms. Janet Schultz.
6. The Company is the registered owner of lands and buildings described as:
 - i. 15 and 21 Oxford Avenue, Red Deer, Alberta
Legal Description:
PLAN 7621978
BLOCK 17
LOT 3
 - ii. 31 and 37 Oxford Avenue, Red Deer, Alberta
Legal Description:
PLAN 7621978
BLOCK 17
LOT 2

The "**Oxford Properties**"

iii. 5608 – 42 Street, Red Deer, Alberta
 Legal Description:
 PLAN K11
 BLOCK D
 LOT 2 AND 3

iv. 5616 – 42 Street, Red Deer, Alberta
 Legal Description:
 PLAN K11
 BLOCK D
 LOT 4 AND 5

The "**42 Street Properties**"

v. 4202 – 46 Street, Bonnyville, Alberta
 Legal Description:
 PLAN 5134TR
 BLOCK 11
 LOT 34

The "**Bonnyville Property**"

Collectively the "**Properties**"

7. The Oxford Properties consist of two buildings per title, for a total of 4 buildings containing 48 total units. The apartment style buildings are two stories with raised basement and wood frame construction. Each building has 12 units comprised of 11 two-bedroom units and one single bedroom unit with common laundry and mechanical room.
8. The 42 Street Properties consist of two buildings containing 18 total units. The apartment style buildings are two stories with raised basement and wood frame construction. Each building has nine units comprised of eight two-bedroom units and one single bedroom unit with common laundry and mechanical room.
9. The Receiver understands the Bonnyville Property consists of a vacant residential four-plex.
10. Copies of the Certificates of Titles with respect to the Properties are attached as **Appendix "B"**.
11. The Company also held cash in bank accounts as at the date of the Receivership.
12. As of the date of this Report, the Company has not fully responded to the Receiver's Information Request, as defined below, and as such it is not known if the Company holds an interest in any other assets.

RECEIVER'S ACTIVITIES

13. Further to the Affidavit of Service sworn by Sandra Zezel on July 31, 2024 (the "**Affidavit**") we understand that the registered office of Hentosz was served with a copy of the Receivership Order via posting on July 22, 2024. A copy of the Affidavit is attached as **Appendix "C"**.
14. Pursuant to section 5 of the Receivership Order, the Receiver was empowered and authorized to do any of the activities described in paragraphs 4 (a)-(j) and (n)-(s) or reply upon or engage the duties imposed by paragraphs 7-9 of the Receivership Order on July 29, 2024.
15. On July 30, 2024, the Receiver sent a request for information (the "**Information Request**") to the Company. The Request was sent by email and via registered mail. The Information Request went unanswered. A copy of the Information request dated July 29, 2024 is attached as **Appendix "D"**.
16. On July 30, 2024, the Receiver attended the registered office address of the Company. There being no answer at the address, the Receiver left a copy of the Court Order on the front door.
17. On July 30, 2024, the Receiver attended the Oxford Properties and attempted to meet with the onsite property manager (the "**Property Manager**"). Despite phone calls, text messages and emails the Receiver was unable to meet with the Property Manager.
18. On July 30, 2024, the Receiver attended, took possession, and secured the Oxford Properties.
19. On July 30, 2024, the Receiver posted notices (the "**Initial Tenant Notice**") on tenant's doors advising of the Receivership and providing instructions for the payment of rent on the go forward. A copy of the Initial Tenant Notice is attached as "**Appendix E**".
20. In instances where tenants were home the Receiver spoke with tenants and answered any questions they had. Certain tenants advised they had already paid August rent or provided post-dated cheques to the Property Manager.
21. On July 30, 2024, the Receiver sent notice to TD Canada Trust ("**TD**") advising of the Receivership and asking them to freeze the Company's accounts and provide any funds to the Receiver.

22. On July 31, 2024, TD confirmed the accounts were frozen and that they were forwarding a bank draft to the Receiver in the amount of \$602,038.89 consisting of two account balances. TD also advised the Receiver that Michael Kahayshyn had attended the local branch after receipt of the Receiver's notice and attempted to transfer the funds out of the Company's account.
23. On July 31, 2024, out of an abundance of caution and given the absence of books and records, the Receiver sent correspondence to ATB Financial, Bank of Montreal, Canadian Western Bank ("**CWB**"), Royal Bank of Canada, and Servus Credit Union advising of the Receivership and asking them to freeze the Company's bank accounts and provide any funds to the Receiver. Copies of the correspondence to the various financial institutions noted above are attached as "**Appendix F**".
24. On July 31, 2024, the Receiver spoke to the Property Manager and was informed they had ceased their employment at the beginning of July 2024.
25. On July 31, 2024, the Receiver engaged a locksmith to provide the Receiver with copies of the front door keys and rekey the mechanical room and cheque drop box locks at the Oxford Properties.
26. On August 1, 2024, TD provided the Receiver with bank statements and copies of cancelled cheques for the period of January 1, 2023 to August 2, 2024. A review of these bank statements identified property tax payments in respect of the 42 Street Properties and the Bonnyville Property.
27. The Receiver pulled title to the additional properties and determined the three additional properties were owned by Hentosz. The Receiver's legal counsel has submitted the Receivership Order for registration on title to all of the Properties.
28. On August 1, 2024, the Receiver was contacted by Scott Venturo Rudakoff LLP ("**SVR**") who advised they had been recently retained by the Company, Michael Kahayshyn, May Kahayshyn and Janet Schultz.
29. On August 2, 2024, the Receiver had various correspondence with the Company's newly engaged legal counsel regarding the 42 Street Properties, Bonnyville Property, Information Request and insurance on the Properties. Arrangements were made for a representative of the Company to meet the Receiver on August 3, 2024, at the 42 Street Properties. The

Company's counsel informed the Receiver that Bonnyville Property was vacant and has been unoccupied for several years. In addition, certificates of insurance were provided to the Receiver for the Properties.

30. On August 3, 2024, the Receiver attended, took possession, and secured the 42 Street Properties.
31. On August 3, 2024, the Receiver met with the Property Manager at the 42 Street Properties who expressed interest in continuing to act as the property manager for both the Oxford Properties and 42 Street Properties. Given the Property Manager's understanding, familiarity and relationship with the tenants of the Oxford Properties and 42 Street Properties, the Receiver believed this to be the most practical and cost-efficient way to manage the Properties on the go forward.
32. On August 7, 2024, the Receiver attended the Oxford Properties and met with the Property Manager to enter into a contractor agreement for services, outline expectations and establish procedures for expense approval and rent collection.
33. On August 7, 2024, the Receiver delivered a second notice to all tenants advising of the Property Manager's role and giving further instructions regarding the payment of rent going forward.
34. On August 12, 2024, the Receiver received notice from CWB that the Company held a flex investment account and GICs with balances of \$121,540.71 and \$72,190.33, respectively. CWB advised they had frozen the accounts and funds were being send to the Receiver. The flex account earned interest at a floating rate of 1%, calculated at CWB's prime rate per annum less the discretionary margin. The 12-month GIC matured on November 5, 2023 and earned interest at 3.8%. We note, there were no penalties or termination fees with regards to the redemption of the CBW investment account and GIC.
35. On August 19, 2024, the Receiver was advised by SVR that a related party resides in Bonnyville, Alberta and regularly checks the Bonnyville Property. Further, it was confirmed all utilities were previously disconnected and the property has been secured.
36. On August 20, 2024, Parlee McLaws LLP, counsel to the Receiver, sent correspondence (the "**Parlee Correspondence**") to SVR and counsel of the Plaintiff in reference to paragraph 11

of Mr. Kahanyshyn's Affidavit sworn August 14, 2024 and access to funds for legal fees. A copy of the Parlee Correspondence is attached as **Appendix "G"**.

37. On August 20, 2024, the Receiver had a call and correspondence with the Company's insurance broker, C.J. Campbell Insurance Ltd. ("**CJ Campbell**") regarding increasing general liability coverage and insured amounts for the Properties. Based on the Receiver's analysis of existing insurance coverage, property coverage limits were increased on the 42 Street Properties and the Bonnyville Property as well as general liability coverage was increased. CJ Campbell is still in the process of obtaining appropriate coverage for the Oxford Avenue Properties.

38. On August 22, 2024, SVR responded to the Parlee Correspondence with a request to release \$50,000 from the funds held by the Receiver to the Company for purposes of legal fees. A copy of the SVR correspondence is attached as **Appendix "H"**. In response, the Receiver's counsel sought the position of the Plaintiff's counsel concerning the request. A copy of their email exchange is attached as **Appendix "I"**.

39. In addition to the above, the Receiver has performed the following:

- i. Confirmed and reviewed property and general liability insurance coverage for the Properties;
- ii. Requested the Company obtain additional property and liability insurance coverage after the review of the current policies;
- iii. Had discussions with current tenants regarding the collection of rent and various maintenance concerns;
- iv. Requested confirmation of regular attendance at the Bonnyville Property for insurance purposes;
- v. Reviewed current lease agreements;
- vi. Collected rent from certain tenants for the month of August 2024;
- vii. Reconciled August rent;
- viii. Transferred all utility accounts into the Receiver's name;
- ix. Reviewed in detail the Companies' bank statements for the period January 1, 2021 to the date of Receivership;
- x. Requested additional bank statements from TD for the period January 1, 2018 to December 31, 2020.

- x. Prepared a creditor listing and notice of the Receivership to all known creditors;
- xii. Engaged various third-party contractors to repair general maintenance requests, inspect the fire systems, and ensure the integrity and preservation of the Properties; and,
- xiii. Made various requests of the Company's management and legal counsel to provide Company information and books and records.

40. The Receiver set up a website to provide information to the Company's creditors and interested parties and held discussions with creditors regarding the status of the Receivership and the administration of the estate.

41. The Receiver confirms they are aware of two tenants vacating the property at the end of August 2024. One tenant gave notice they are vacating due to personal reasons, and the other due to the expiration of the lease term. The Receiver is not aware of any tenants vacating the property due to the Receivership.

42. On August 27, 2024, the Receiver became aware of an automobile that may be owned by the Company. The Receiver has requested additional information from the Company regarding the automobile through its legal counsel.

43. The Receiver notes that as of the date of this First Report, the majority of the Information Request remains outstanding.

STATEMENT OF RECEIPTS AND DISBURSEMENTS


44. A copy of the interim statement of receipts and disbursements for the period of July 17, 2024 to August 26, 2024 is attached as **Appendix "J"**. Receipts and disbursements are \$791,379 and \$25,309 respectively.

45. As at August 26, 2024, the Receiver holds \$766,070 in its trust account.

All of which is respectfully submitted this 27th day of August 2024.

MNP Ltd.

Receiver of all current and future assets, undertakings and properties of every nature and kind whatsoever of Hentosz Resources Ltd.

Per: 

Kristin Gray, CPA, CA, CIRP, LIT

Appendix A

A copy of the Receivership Order – July 10, 2024

CERTIFIED COURT FILE NUMBER
by the Court Clerk as a true copy of
the document digitally filed on Jul 17,
2024

1801-06199

Clerk's Stamp

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

Calgary

PLAINTIFF

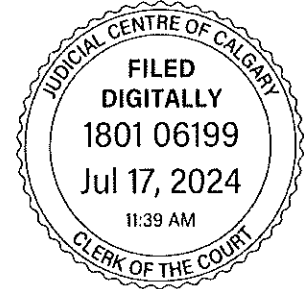
GOLF PROPERTIES OF FLORIDA, LLC

DEFENDANTS

LEMKCO FLORIDA INC. a Florida Corporation
and JAMES T. KAHANYSHYN

RESPONDENTS

HENTOSZ RESOURCES LTD.
MICHAEL KAHANYSHYN
MAY KAHANYSHYN
JANET SHULTZ
JAMES KAHANYSHYN



DOCUMENT

RECEIVERSHIP ORDER

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

Jordan Achtymichuk
Barrister & Solicitor
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File # 452-210440

DUNCAN CRAIG LLP
LAWYERS MEDIATORS
2800 Rice Howard Place
10060 Jasper Avenue
Edmonton, Alberta Canada T5J 3V9

DATE ON WHICH ORDER WAS PRONOUNCED: **July 10, 2024**

LOCATION OF HEARING: **Calgary Courts Centre, Calgary, Alberta**

NAME OF JUSTICE WHO GRANTED THIS ORDER: **The Honourable Justice P. R. Jeffrey**

UPON the application of Golf Properties of Florida, LLC ("GPF") for an Order pursuant to s. 62(i)(iii) of the Civil Enforcement Act, RSA 2000, c. C-15 as amended ("CEA") liquidating Hentosz Resources Ltd. ("Hentosz"); for the purpose of realizing on the interest of James T. Kahanyshyn in Hentosz pursuant to a Judgment in the amount of \$6,423,104.41 which was recognized by order of this Court of March 1, 2019; AND UPON having read the Application, the Affidavits, and the Brief of the Applicant; AND UPON reading the consent of MNP Ltd. to act as Liquidator and receiver and manager of Hentosz, filed; AND UPON hearing counsel for the Applicant, and any other counsel or other interested parties present; AND UPON no one appearing for Hentosz, Michael Kahanyshyn, May Kahanyshyn, Janet Shultz; James Kahanyshyn, and the Canada Revenue Agency; 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 and this application is properly returnable today.

Appointment

2. Pursuant to sections 13(2) of the *Judicature Act*, RSA 2000, c.J-2, and s. 99(a) of the *Business Corporations Act*, RSA 2000, c.B-9, and Part 9 of the CEA, MNP Ltd. is hereby appointed as Liquidator and Receiver and Manager (herein "**Receiver**"), without security, of all of Hentosz's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "**Property**").
3. Hentosz, Michael Kahanyshyn, May Kahanyshyn, Janet Shultz, and James Kahanyshyn, shall have 60 days from the date of service of this Order on any one of Hentosz, Michael Kahanyshyn, and May Kahanyshyn, to retain counsel and by that counsel apply to this Honourable Court on notice to GPF and the Receiver, on the commercial list, and be heard by any member of this Court, to show cause why Hentosz Resources Ltd. should not be liquidated pursuant to the power and authority granted to the Receiver pursuant to paragraph 6 of this Order.

Receiver's Powers

4. Subject to paragraphs 5 and 6 of this Order, 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 to abandon, dispose of, or otherwise release any interest in any of Hentosz's real or personal property, or any right in any immovable;
 - (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 Hentosz, 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 Hentosz;
 - (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 Hentosz or any part or parts thereof;

- (f) to receive and collect all monies, rents and accounts now owed or hereafter owing to Hentosz and to exercise all remedies of Hentosz in collecting such monies, including, without limitation, to enforce any security held by Hentosz;
- (g) to settle, extend or compromise any indebtedness owing to or by Hentosz;
- (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 Hentosz, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of Hentosz;
- (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 Hentosz, 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 \$50,000.00, 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 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 Hentosz 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 Hentosz;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of Hentosz, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by Hentosz;
- (r) to exercise any shareholder, partnership, joint venture or other rights which Hentosz may have; and
- (s) 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 Hentosz, and without interference from any other Person (as defined below).

5. The Receiver shall only be empowered and authorized to do any of activities described in paragraphs 4(a)-(j) and (n)-(s) or rely upon or engage the duties imposed by paragraphs 7-9 of this Order until the expiry of 7 days following the date that Hentosz, Michael Kahanyshyn, and May Kahanyshyn, or any one of them, are served with a copy of this Order.
6. The Receiver shall only be empowered and authorized to do any of activities described in paragraphs 4(k)-(m) of this Order until the expiry of 60 days following the date that Hentosz, Michael Kahanyshyn, and May Kahanyshyn, or any one of them, are served a copy of this Order.

Duty to Provide Access and Co-operations to the Receiver

7. (i) Hentosz, (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.
8. 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 Hentosz, 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 7 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.
9. 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

10. 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 Hentosz or the Property

11. No Proceeding against or in respect of Hentosz 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 Hentosz 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 Hentosz or an action, suit or proceeding that is taken in respect of Hentosz 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 or Remedies

12. 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 Hentosz 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 nothing in this Order shall:
- (a) empower Hentosz to carry on any business that Hentosz 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 Hentosz from compliance with statutory or regulatory provisions relating to health, safety or the environment.
13. Nothing in this Order shall prevent any party from taking an action against Hentosz 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

14. 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 Hentosz, except with the written consent of Hentosz and the Receiver, or leave of this Court.

Continuation of Services

15. 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 Hentosz, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to Hentosz,
- 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 Hentosz or exercising any other remedy provided under such agreements or arrangements. Hentosz 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 Hentosz in accordance with the payment practices of Hentosz, or such other practices as may be agreed upon by the supplier or service provider and each of Hentosz and the Receiver, or as may be ordered by this Court.

Receiver to Hold Funds

16. 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

17. Subject to employees' rights to terminate their employment, all employees of Hentosz shall remain the employees of Hentosz until such time as the Receiver, on Hentosz'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 *Bankruptcy and Insolvency Act*, RSC 1985, c.B-3 ("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").
18. 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 Hentosz, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

Limitations on Environmental Liabilities

19. (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

- 20. 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

- 21. 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 \$150,000.00, 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) and 81.6(2) of the BIA.
- 22. The Receiver and its legal counsel shall pass their accounts from time to time.
- 23. 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

24. 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 \$200,000.00 (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) and 81.6(2) of the BIA.
25. 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.
26. 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.
27. 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.
28. 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

29. 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

30. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
31. 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.

32. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of Hentosz.
33. 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.
34. 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.
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 <https://mnpdebt.ca/en/corporate/corporate-engagements/hentosz-resources-ltd> (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.
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;

iv. serving Hentosz by leaving a copy of this Order at 21 Payne Close, Red Deer Alberta, T4P 1T6;

v. Serving Michael Kahanyshyn and May Kahanyshyn via personal service. Personal service on either Michael Kahanyshyn or May Kahanyshyn is sufficient service on both; 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.


Justice of the Court of King's Bench of Alberta

Agreed to as to form and Content

Parlee McLaws LLP

Per: 

Steven A. Rohatyn, Counsel for MNP Ltd.

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 Hentosz Resources 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 10th day of July, 2024 (the "Order") made in action numbers 1801-06199, 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 \$200,000.00 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:

Appendix B

Copies of the Certificates of Title for the Properties

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN
ACCURATE REPRODUCTION OF THE CERTIFICATE OF
TITLE REPRESENTED HEREIN THIS 19 DAY OF
OCTOBER, 2023 AT 12:11 P.M.

ORDER NUMBER: 48654757

CUSTOMER FILE NUMBER: 210440



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).



LAND TITLE CERTIFICATE

S
LINC SHORT LEGAL TITLE NUMBER
0014 477 624 7621978;17;2 892 095 920

LEGAL DESCRIPTION
PLAN 7621978
BLOCK 17
LOT 2
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 0.332 HECTARES (0.82 ACRES) MORE OR LESS

ESTATE: FEE SIMPLE
ATS REFERENCE: 4;27;38;19;NE

MUNICIPALITY: CITY OF RED DEER

REGISTRATION	DATE (DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
892 095 920	27/04/1989			\$636,000

OWNERS

HENTOSZ RESOURCES LTD.
OF 21 PAYNE CLOSE
RED DEER
ALBERTA

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
762 189 172	27/10/1976	UTILITY RIGHT OF WAY GRANTEE - THE CITY OF RED DEER. AS TO PORTION OR PLAN:7621980

TOTAL INSTRUMENTS: 001

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN
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OCTOBER, 2023 AT 12:11 P.M.

ORDER NUMBER: 48654757

CUSTOMER FILE NUMBER: 210440



END OF CERTIFICATE

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PART OF THE ORIGINAL PURCHASER APPLYING PROFESSIONAL, CONSULTING
OR TECHNICAL EXPERTISE FOR THE BENEFIT OF CLIENT(S).



LAND TITLE CERTIFICATE

S
LINC SHORT LEGAL TITLE NUMBER
0015 576 037 K11;D;2,3 042 015 339

LEGAL DESCRIPTION
PLAN K11
BLOCK D
LOTS 2 AND 3
EXCEPTING THEREOUT ALL MINES AND MINERALS

ESTATE: FEE SIMPLE
ATS REFERENCE: 4;27;38;17;SE

MUNICIPALITY: CITY OF RED DEER

REFERENCE NUMBER: 108I253

REGISTERED OWNER(S)
REGISTRATION DATE (DMY) DOCUMENT TYPE VALUE CONSIDERATION

042 015 339 10/01/2004 TRANSFER OF LAND \$906,000 SEE INSTRUMENT

OWNERS

HENTOSZ RESOURCES LTD.
OF 21 PAYNE CLOSE
RED DEER
ALBERTA T4N 1T6

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION
NUMBER DATE (D/M/Y) PARTICULARS

NO REGISTRATIONS

TOTAL INSTRUMENTS: 000

(CONTINUED)

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN
ACCURATE REPRODUCTION OF THE CERTIFICATE OF
TITLE REPRESENTED HEREIN THIS 2 DAY OF AUGUST,
2024 AT 02:11 P.M.

ORDER NUMBER: 51248950

CUSTOMER FILE NUMBER: Kristin Gray



END OF CERTIFICATE

THIS ELECTRONICALLY TRANSMITTED LAND TITLES PRODUCT IS INTENDED
FOR THE SOLE USE OF THE ORIGINAL PURCHASER, AND NONE OTHER,
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PART OF THE ORIGINAL PURCHASER APPLYING PROFESSIONAL, CONSULTING
OR TECHNICAL EXPERTISE FOR THE BENEFIT OF CLIENT(S).



LAND TITLE CERTIFICATE

S
LINC SHORT LEGAL TITLE NUMBER
0015 576 029 K11;D;4,5 042 015 339 +1

LEGAL DESCRIPTION
PLAN K11
BLOCK D
LOTS 4 AND 5
EXCEPTING THEREOUT ALL MINES AND MINERALS

ESTATE: FEE SIMPLE
ATS REFERENCE: 4;27;38;17;SE

MUNICIPALITY: CITY OF RED DEER

REFERENCE NUMBER: 177H246

REGISTERED OWNER(S)
REGISTRATION DATE (DMY) DOCUMENT TYPE VALUE CONSIDERATION

042 015 339 10/01/2004 TRANSFER OF LAND \$906,000 SEE INSTRUMENT

OWNERS

HENTOSZ RESOURCES LTD.
OF 21 PAYNE CLOSE
RED DEER
ALBERTA T4N 1T6

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION
NUMBER DATE (D/M/Y) PARTICULARS

NO REGISTRATIONS

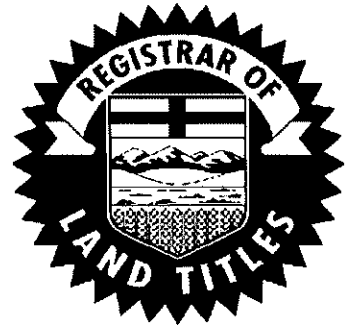
TOTAL INSTRUMENTS: 000

(CONTINUED)

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN
ACCURATE REPRODUCTION OF THE CERTIFICATE OF
TITLE REPRESENTED HEREIN THIS 2 DAY OF AUGUST,
2024 AT 02:10 P.M.

ORDER NUMBER: 51248924

CUSTOMER FILE NUMBER: Kristin Gray



END OF CERTIFICATE

THIS ELECTRONICALLY TRANSMITTED LAND TITLES PRODUCT IS INTENDED
FOR THE SOLE USE OF THE ORIGINAL PURCHASER, AND NONE OTHER,
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PART OF THE ORIGINAL PURCHASER APPLYING PROFESSIONAL, CONSULTING
OR TECHNICAL EXPERTISE FOR THE BENEFIT OF CLIENT(S).



LAND TITLE CERTIFICATE

S
LINC SHORT LEGAL TITLE NUMBER
0011 848 090 5134TR;11;34 892 297 450

LEGAL DESCRIPTION
PLAN 5134TR
BLOCK 11
LOT 34
EXCEPTING THEREOUT ALL MINES AND MINERALS

ESTATE: FEE SIMPLE
ATS REFERENCE: 4;5;61;7;E

MUNICIPALITY: TOWN OF BONNYVILLE

REFERENCE NUMBER: 752 088 348

REGISTERED OWNER(S)				
REGISTRATION	DATE (DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
892 297 450	15/11/1989	TRANSFER OF LAND	\$3,750	\$3,750

OWNERS

HENTOSZ RESOURCES LTD.
OF 7551 - 82 AVE., EDMONTON
ALBERTA

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION
NUMBER DATE (D/M/Y) PARTICULARS

NO REGISTRATIONS

TOTAL INSTRUMENTS: 000

(CONTINUED)

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN
ACCURATE REPRODUCTION OF THE CERTIFICATE OF
TITLE REPRESENTED HEREIN THIS 2 DAY OF AUGUST,
2024 AT 12:14 P.M.

ORDER NUMBER: 51246938

CUSTOMER FILE NUMBER: 839.65/SRO



END OF CERTIFICATE

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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).

Appendix C

A copy of the Affidavit of Sandra Zezel sworn on July 31, 2024

Government of Alberta ■ Corporation/Non-Profit Search

Corporate Registration System

Date of Search: 2023/02/28
 Time of Search: 10:38 AM
 Search provided by: DUNCAN CRAIG LLP - EDMONTON
 Service Request Number: 39248239
 Customer Reference Number: 452-210440

Corporate Access Number: 203565593
 Business Number:
 Legal Entity Name: HENTOSZ RESOURCES LTD.

Legal Entity Status: Active
 Alberta Corporation Type: Named Alberta Corporation
 Registration Date: 1986/11/14 YYYY/MM/DD

Registered Office:
 Street: 21 PAYNE CLOSE
 City: RED DEER
 Province: ALBERTA
 Postal Code: T4P1T6

Records Address:
 Street: 21 PAYNE CLOSE
 City: RED DEER
 Province: ALBERTA
 Postal Code: T4P1T6

Email Address: MJKAHANYSHYN@SHAW.CA

Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
KAHANYSHYN	MICHAEL			21 PAYNE CL	RED DEER	ALBERTA	T4P1T6	MJKAHANYSHYN@SH.

THIS IS EXHIBIT - A referred to in the
 Affidavit of Sandra Leed
 Sworn before me this 31st
 day of July A.D., 2024
T. Brown
 A Commissioner for Oaths in and for Alberta

Troy C. M. Brown
 A Commissioner for Oaths
 in and for Alberta
 My Commission Expires November 19, 2026

Appendix D

A copy of the Information Request dated July 29, 2024



Writer's Direct Line: (780) 705-0073
Writer's Email: kristin.gray@mnt.ca

July 29, 2024

Sent via email to: mjkahanyshyn@shaw.ca
Sent via email to: lemkooflorida@gmail.com
Sent via Registered Mail

Hentosz Resources Ltd.
21 Payne Close
Red Deer, AB T4P 1T6

Attention: Michael Kahanyshyn

Re: In the Matter of the Receivership of Hentosz Resources Ltd.

MNP Ltd. writes this letter as the liquidator and receiver and manager (the "Receiver") of Hentosz Resources Ltd. (the "Company") pursuant to an Order granted by the Court of King's Bench of Alberta dated July 17, 2024 (the "Receivership Order"). Pursuant to paragraph 5 of the Receivership Order the Receiver is now authorized and empowered to carry out its duties imposed by the Receivership Order.

We understand the Company owns four apartment style rental buildings located at 21 Oxford Avenue and 37 Oxford Avenue both in Red Deer, Alberta (Legally described as: PLAN 7621978, BLOCK 17, LOT 2; and PLAN 7621978, Block 17, Lot 3) (the "Properties").

In accordance with our capacity as Receiver, we request that the information listed below be prepared and provided to us. We may require additional information as we review this documentation and will advise you of any further requests on an ongoing basis. We draw your attention to paragraphs 7 and 8 of the Receivership Order that requires you to co-operate with the Receiver and provide access to the Company's books and records.

INFORMATION REQUESTED:

We will require the following information from the Company by 5:00 p.m. MDT on July 30, 2024:

- 1) Current rent roll/ tenant list, including but not limited to:
 - Contact information (email, mailing address and telephone number for main tenant contact);



INSOLVENCY & RESTRUCTURING PROFESSIONALS
SUITE 1300, MNP TOWER, 10235 - 101 STREET NW, EDMONTON AB, T5J 3G1
1.866.465.1155 T: 780.455.1155 F: 780.409.5415 MNPdebt.ca

- Rent amounts;
 - Copies of lease agreements;
 - Lease details (unit number, size, expiry, parking allowance and deposit amount); and,
 - Details of any tenants in arrears.
- 2) Contact information for the property manager, if applicable.
 - 3) All keys, fobs or similar used for building access and any codes or combinations for keyless entry.
 - 4) Bank account information including institution, account number and branch address held, including details of any security deposits held in a separate bank account.
 - 5) Details of any other assets owned by the Company including personal property, investments, bonds, or shares, etc., if applicable.
 - 6) Insurance details including:
 - A copy of any insurance policies (liability and property) for the Company;
 - Copies of tenant insurance certificates; and,
 - Contact information for the insurance broker.
 - 7) Confirmation if there are any employees employed by the Company. If so, contact information for all employees.

We will require the following information for the Company by 5:00 p.m. MDT on July 31, 2024:

- 8) Current year operating budget.
- 9) Current revenue and expense operating summaries for January 2024 to current.
- 10) Property utility information including:
 - A list of utility providers (electricity, natural gas, waste, water) for the Properties including account numbers and contact information; and,
 - A copy of the most recent utility bill from each provider.
- 11) Most recent property tax notices and assessments and details of any tax arrears;
- 12) Additional bank accounts and financial institution details including:
 - Copies of bank statements for the period of January 2020 to current;
 - Any undeposited or postdated cheques made payable to the Company; and
 - A list of investment and other asset accounts.

13) Accounts payable details including:

- Amount owing; and,
- Contact information for the creditors, including mailing address.

14) Copies of building reports and documents including:

- Appraisals;
- Building condition reports;
- Roof assessments; and,
- Any other similar structural, engineering or building related reports.

15) Copies of any contracts in respect to the Properties including:

- HVAC maintenance contracts;
- Landscaping and snow removal contracts;
- Utility contracts; and,
- Any other contracts held relating to the Properties.

16) Historical Financial Information including:

- Copies of 2020, 2021, 2022 and 2023 financial statements;
- A copy of the general ledger for the prior fiscal year and current fiscal year to date;
- Contact information for the external accountant; and,
- The Company's organizational chart showing all related entities and shareholders;

17) CRA and employee (if applicable) details and information including:

- CRA business number(s);
- Copies of the most recent Notice of Assessments for all CRA accounts;
- Copies of FILED GST returns for 2020, 2021, 2022, 2023;
- A list of any GST returns outstanding;
- Copies of 2020, 2021, 2022 and 2023 corporate income tax returns;
- If applicable, a list of the active employees and contact information (SIN, email and phone number) over the last year;
- If applicable, detailed payroll records PER pay period for 2022, 2023 and 2024. Please include T4s and the T4 Summary;
- If applicable, a schedule of amounts owing to employees for outstanding wages and vacation pay. If employees are owed amounts, they may be eligible for reimbursement under the Wage Earner Protection Program;
- If applicable, details on WCB premiums paid or in arrears; and,
- If applicable, a copy of the most recent payroll remittance statement from CRA;

18) Keyholder Information:

- List of all key holders and relationship or duties to Properties;
- Log in information for any electronic/ fob key system for the Properties; and
- If applicable, any alarm codes, security camera codes and the related account numbers and monitoring company's contact information related to the Properties.

19) Personal property, equipment, furniture or chattel listings for the Properties, if applicable.

20) Details of any dividend payments from 2017 to present;

21) Corporate documents

- Articles and bylaws, including a copy of the unanimous shareholder agreement;
- Minutes of meeting and resolutions of shareholders;
- Copies of Director's resolutions; and,
- Security register;

Please contact Steven Barlott at (587) 520-1499 or by email at steven.barlott@mnp.ca if you have any questions or concerns regarding this information request.

Yours truly,

MNP Ltd.

In its capacity as Court-Appointed Receiver of

Hentosz Resources Ltd.

And not in its personal capacity

Per:

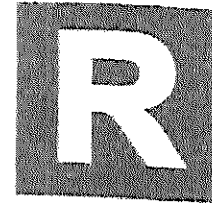


Kristin Gray, CPA, CA, CIRP, LIT
Senior Vice President



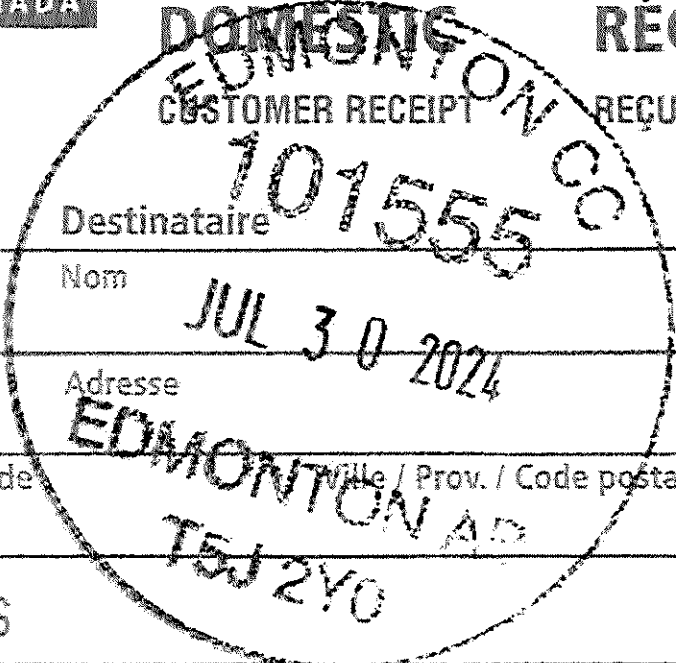
REGISTERED
DOMESTIC

RECOMMANDÉ
RÉGIME INTÉRIEUR



CUSTOMER RECEIPT

REÇU DU CLIENT



To
Name Destinataire
Address Adresse
City / Prov. / Postal Code Ville / Prov. / Code postal
Declared Value Valeur déclarée \$

FOR DELIVERY CONFIRMATION CONFIRMATION DE LA LIVRAISON
 canadapost.ca or/ou postescanada.ca
 1 888 550-6333

CPC Tracking Number Numéro de repérage de la SCP
RN 825 029 109 CA

33-086-584 (17-12)

REGISTERED

Fragile and perishable articles are not indemnified against damage. Indemnity and fees information is available on request at your postal office.

RECOMMANDÉ

Aucune indemnité ne sera versée pour l'avarie d'un objet fragile ou périssable. Des renseignements

ACCEPTING

LOCATION

LIEU

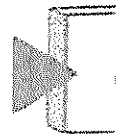
D'ACCEPTATION

Instructions

- 1) Complete any declared value receipt, tear on perforated line, date stamp on reverse and give receipt to customer.
- 2) Remove label from backing area (indicated) and apply to front of item adjacent to

Apply label here

Veuillez placer l'étiquette ici



Information Request
to Hentox

21 Payne Close

Red Deer T4P 1T6.

Appendix E

A copy of the Initial Tenant Notice dated July 30, 2024

July 30, 2024

Dear Tenant,

**Re: In the Matter of the Receivership of Hentosz Resources Ltd.
15, 21, 31, and 37 Oxford Avenue, Red Deer, Alberta**

On July 17, 2024, MNP Ltd. was appointed the liquidator and receiver and manager (the "Receiver") of Hentosz Resources Ltd. (the "Company") pursuant to an Order granted by the Court of King's Bench of Alberta. A copy of the Order is attached for your reference.

The Company owns four apartment style rental buildings located at 15, 21, 31, and 37 Oxford Avenue all in Red Deer, Alberta (Legally described as: PLAN 7621978, BLOCK 17, LOT 2; and, PLAN 7621978, Block 17, Lot 3) (the "Properties").

Pursuant to the attached Court Order, the Receiver is responsible for the collection of rents and the preservation of the Property. **Effective immediately, you are required to pay all rent to MNP Ltd. in our capacity as Receiver.**

Rent can be paid by:

- 1) Email money transfer to edmcporate@mnp.ca
 - a. Please make the password "Edmonton" and ensure you reference Hentosz and your address in the memo section.
- 2) Post-dated cheque
 - a. Payable to "MNP Ltd. Receiver of Hentosz Resources Ltd."
 - b. Please note Hentosz and your address in the memo field.
 - c. Please send cheques to our office at Suite 1300, MNP Tower, 10235 – 101 Street NW, Edmonton, AB T5J 3G1.
- 3) Preauthorized withdrawal
 - a. Please contact us to complete a preauthorized withdrawal agreement.

Please contact Steven Barlott at 587-520-1499 or steven.barlott@mnp.ca to advise on your preferred method of rent payment. **In addition, we kindly request you send our office a copy of your current lease agreement with the Company.**

Please be advised that under no circumstances should monies be paid to any other individual or corporation other than the Receiver. If a payment is made to another individual or corporation:

- You will not be given credit as payment for rent;
- You will be in breach of the Order; and
- The Receiver will hold you responsible for rent and will continue to seek rent monies directly from you.

We trust that you find the above to be in order; however, should you have any questions, please contact Steven Barlott at (587) 520-1499 or steven.barlott@mnp.ca.

Yours truly,

MNP Ltd.

In its capacity as Court Appointed Receiver of

Hentosz Resources Ltd.

And not in its personal capacity



Per:

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

Appendix F

Copies of correspondence to ATB Financial, Bank of Montreal, Canadian Western Bank, Royal Bank of Canada, and Servus Credit Union



Writer's Direct Line: (587) 520-1615
Writer's Email: Isobel.smith@mnp.ca

July 31, 2024

ATB Financial
6794 50 Avenue
Red Deer, AB T4N 4E1

Dear Sirs/ Mesdames:

Re: In the Matter of the Receivership of Hentosz Resources Ltd.

MNP Ltd. writes this letter as the Receiver (the "Receiver") of Hentosz Resources Ltd. (the "Company") pursuant to an Order granted by the Court of King's Bench of Alberta dated July 17, 2024. We attach a copy of the Court Order for your reference.

We understand that the Company may hold an account with ATB Financial (the "Bank").

We kindly request that any accounts held with the Bank by the Company be frozen and on-line access terminated immediately. Deposits to the account should be permitted until we advise otherwise. Any funds remaining in the account should be remitted to the Receiver in the form of a bank draft or certified cheque payable to:

MNP Ltd. Receiver of Hentosz Resources Ltd.
Suite 1300, MNP Tower, 10235 – 101 Street NW
Edmonton, Alberta T5J 3G1

We also request that you kindly provide bank statements for all of the Company's accounts from January 1, 2023, to present. The Receiver will cover any costs associated with the production of these statements.

Should any party attempt to open a bank account in the name of HENTOSZ RESOURCES LTD., it should be not permitted pursuant to the Court Order, and the Receiver should be advised immediately.

Please contact Isobel Smith at (587) 520-1615 or Isobel.smith@mnp.ca to confirm the accounts have been closed and to arrange transfer of funds, if applicable.

Yours truly,

MNP Ltd.
In its capacity as Court-Appointed Receiver of
Hentosz Resources Ltd.
And not in its personal capacity

Per: 
Isobel Smith



LICENSED INSOLVENCY TRUSTEES
SUITE 1300, MNP TOWER, 10235 - 101 STREET NW, EDMONTON AB, T5J 3G1
1.866.465.1155 T: 780.455.1155 F: 780.409.5415 MNPdebt.ca

CERTIFIED COURT FILE NUMBER
by the Court Clerk as a true copy of
the document electronically filed on Jul 17,
2024

1801-06199

COURT OF KING'S BENCH OF ALBERTA

Calgary

Clerk's Stamp

JUDICIAL CENTRE

PLAINTIFF

GOLF PROPERTIES OF FLORIDA, LLC

DEFENDANTS

LEMKCO FLORIDA INC. a Florida Corporation
and JAMES T. KAHANYSHYN

RESPONDENTS

HENTOSZ RESOURCES LTD.
MICHAEL KAHANYSHYN
MAY KAHANYSHYN
JANET SHULTZ
JAMES KAHANYSHYN



DOCUMENT

RECEIVERSHIP ORDER

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

Jordan Achtymichuk
Barrister & Solicitor
Phone: 780.441.4362
Fax: 780.428.9683
Email: jachtymichuk@dcllp.com
File # 452-210440

DUNCAN CRAIG LLP
LAWYERS MEDIATORS
2800 Rice Howard Place
10060 Jasper Avenue
Edmonton, Alberta Canada T5J 3V9

DATE ON WHICH ORDER WAS PRONOUNCED: July 10, 2024

LOCATION OF HEARING: Calgary Courts Centre, Calgary, Alberta

NAME OF JUSTICE WHO GRANTED THIS ORDER: The Honourable Justice P. R. Jeffrey

UPON the application of Golf Properties of Florida, LLC ("GPF") for an Order pursuant to s. 62(l)(iii) of the Civil Enforcement Act, RSA 2000, c. C-15 as amended ("CEA") liquidating Hentosz Resources Ltd. ("Hentosz"); for the purpose of realizing on the interest of James T. Kahanyshyn in Hentosz pursuant to a Judgment in the amount of \$6,423,104.41 which was recognized by order of this Court of March 1, 2019; AND UPON having read the Application, the Affidavits, and the Brief of the Applicant; AND UPON reading the consent of MNP Ltd. to act as Liquidator and receiver and manager of Hentosz, filed; AND UPON hearing counsel for the Applicant, and any other counsel or other interested parties present; AND UPON no one appearing for Hentosz, Michael Kahanyshyn, May Kahanyshyn, Janet Shultz; James Kahanyshyn, and the Canada Revenue Agency; 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 and this application is properly returnable today.

Appointment

2. Pursuant to sections 13(2) of the *Judicature Act*, RSA 2000, c.J-2, and s. 99(a) of the *Business Corporations Act*, RSA 2000, c.B-9, and Part 9 of the CEA, MNP Ltd. is hereby appointed as Liquidator and Receiver and Manager (herein "Receiver"), without security, of all of Hentosz's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "Property").
3. Hentosz, Michael Kahanyshyn, May Kahanyshyn, Janet Shultz, and James Kahanyshyn, shall have 60 days from the date of service of this Order on any one of Hentosz, Michael Kahanyshyn, and May Kahanyshyn, to retain counsel and by that counsel apply to this Honourable Court on notice to GPF and the Receiver, on the commercial list, and be heard by any member of this Court, to show cause why Hentosz Resources Ltd. should not be liquidated pursuant to the power and authority granted to the Receiver pursuant to paragraph 6 of this Order.

Receiver's Powers

4. Subject to paragraphs 5 and 6 of this Order, 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 to abandon, dispose of, or otherwise release any interest in any of Hentosz's real or personal property, or any right in any immovable;
 - (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 Hentosz, 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 Hentosz;
 - (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 Hentosz or any part or parts thereof;

- (f) to receive and collect all monies, rents and accounts now owed or hereafter owing to Hentosz and to exercise all remedies of Hentosz in collecting such monies, including, without limitation, to enforce any security held by Hentosz;
- (g) to settle, extend or compromise any indebtedness owing to or by Hentosz;
- (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 Hentosz, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of Hentosz;
- (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 Hentosz, 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 \$50,000.00, 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 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 Hentosz 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 Hentosz;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of Hentosz, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by Hentosz;
- (r) to exercise any shareholder, partnership, joint venture or other rights which Hentosz may have; and
- (s) 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 Hentosz, and without interference from any other Person (as defined below).

5. The Receiver shall only be empowered and authorized to do any of activities described in paragraphs 4(a)-(j) and (n)-(s) or rely upon or engage the duties imposed by paragraphs 7-9 of this Order until the expiry of 7 days following the date that Hentosz, Michael Kahanyshyn, and May Kahanyshyn, or any one of them, are served with a copy of this Order.
6. The Receiver shall only be empowered and authorized to do any of activities described in paragraphs 4(k)-(m) of this Order until the expiry of 60 days following the date that Hentosz, Michael Kahanyshyn, and May Kahanyshyn, or any one of them, are served a copy of this Order.

Duty to Provide Access and Co-operations to the Receiver

7. (i) Hentosz, (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.
8. 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 Hentosz, 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 7 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.
9. 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

10. 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 Hentosz or the Property

11. No Proceeding against or in respect of Hentosz 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 Hentosz 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 Hentosz or an action, suit or proceeding that is taken in respect of Hentosz 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 or Remedies

12. 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 Hentosz 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 nothing in this Order shall:

- (a) empower Hentosz to carry on any business that Hentosz 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 Hentosz from compliance with statutory or regulatory provisions relating to health, safety or the environment.

13. Nothing in this Order shall prevent any party from taking an action against Hentosz 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

14. 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 Hentosz, except with the written consent of Hentosz and the Receiver, or leave of this Court.

Continuation of Services

15. 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 Hentosz, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to Hentosz,

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 Hentosz or exercising any other remedy provided under such agreements or arrangements. Hentosz 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 Hentosz in accordance with the payment practices of Hentosz, or such other practices as may be agreed upon by the supplier or service provider and each of Hentosz and the Receiver, or as may be ordered by this Court.

Receiver to Hold Funds

16. 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

17. Subject to employees' rights to terminate their employment, all employees of Hentosz shall remain the employees of Hentosz until such time as the Receiver, on Hentosz'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 *Bankruptcy and Insolvency Act*, RSC 1985, c.B-3 ("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").
18. 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 Hentosz, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

Limitations on Environmental Liabilities

19. (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

20. 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

21. 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 \$150,000.00, 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) and 81.6(2) of the BIA.
22. The Receiver and its legal counsel shall pass their accounts from time to time.
23. 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

24. 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 \$200,000.00 (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) and 81.6(2) of the BIA.
25. 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.
26. 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.
27. 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.
28. 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

29. 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

30. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
31. 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.

32. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of Hentosz.
33. 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.
34. 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.
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 <https://mnpdebt.ca/en/corporate/corporate-engagements/hentosz-resources-ltd> (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.
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;

iv. serving Hentosz by leaving a copy of this Order at 21 Payne Close, Red Deer Alberta, T4P 1T6;

v. Serving Michael Kahanyshyn and May Kahanyshyn via personal service. Personal service on either Michael Kahanyshyn or May Kahanyshyn is sufficient service on both; 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.


Justice of the Court of King's Bench of Alberta

Agreed to as to form and Content

Parlee McLaws LLP

Per: 

Steven A. Rohatyn, Counsel for MNP Ltd.

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 Hentosz Resources 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 10th day of July, 2024 (the "Order") made in action numbers 1801-06199, 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 \$200,000.00 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:



Writer's Direct Line: (587) 520-1615
Writer's Email: Isobel.smith@mnp.ca

July 31, 2024

Bank of Montreal
6130 67 Street
Red Deer, AB T4P 3M1

Dear Sirs/ Mesdames:

Re: In the Matter of the Receivership of Hentosz Resources Ltd.

MNP Ltd. writes this letter as the Receiver (the "Receiver") of Hentosz Resources Ltd. (the "Company") pursuant to an Order granted by the Court of King's Bench of Alberta dated July 17, 2024. We attach a copy of the Court Order for your reference.

We understand that the Company may hold an account with the Bank of Montreal (the "Bank").

We kindly request that any accounts held with the Bank by the Company be frozen and on-line access terminated immediately. Deposits to the account should be permitted until we advise otherwise. Any funds remaining in the account should be remitted to the Receiver in the form of a bank draft or certified cheque payable to:

MNP Ltd. Receiver of Hentosz Resources Ltd.
Suite 1300, MNP Tower, 10235 – 101 Street NW
Edmonton, Alberta T5J 3G1

We also request that you kindly provide bank statements for all of the Company's accounts from January 1, 2023, to present. The Receiver will cover any costs associated with the production of these statements.


Should any party attempt to open a bank account in the name of HENTOSZ RESOURCES LTD., it should be not permitted pursuant to the Court Order, and the Receiver should be advised immediately.

Please contact Isobel Smith at (587) 520-1615 or Isobel.smith@mnp.ca to confirm the accounts have been closed and to arrange transfer of funds, if applicable.

Yours truly,

MNP Ltd.
In its capacity as Court-Appointed Receiver of
Hentosz Resources Ltd.
And not in its personal capacity

Per:



Isobel Smith



LICENSED INSOLVENCY TRUSTEES
SUITE 1300, MNP TOWER, 10235 - 101 STREET NW, EDMONTON AB, T5J 3G1
1.866.465.1155 T: 780.455.1155 F: 780.409.5415 MNPdebt.ca

CERTIFIED COURT FILE NUMBER
by the Court Clerk as a true copy of
the document digitally filed on Jul 17,
2024

1801-06199

COURT OF KING'S BENCH OF ALBERTA

Calgary

Clerk's Stamp

JUDICIAL CENTRE

PLAINTIFF

GOLF PROPERTIES OF FLORIDA, LLC

DEFENDANTS

LEMKCO FLORIDA INC. a Florida Corporation
and JAMES T. KAHANYSHYN

RESPONDENTS

HENTOSZ RESOURCES LTD.
MICHAEL KAHANYSHYN
MAY KAHANYSHYN
JANET SHULTZ
JAMES KAHANYSHYN



DOCUMENT

RECEIVERSHIP ORDER

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

Jordan Achtymichuk
Barrister & Solicitor
Phone: 780.441.4362
Fax: 780.428.9683
Email: jachtymichuk@dcllp.com
File # 452-210440

DUNCAN CRAIG LLP
LAWYERS MEDIATORS
2800 Rice Howard Place
10060 Jasper Avenue
Edmonton, Alberta Canada T5J 3V9

DATE ON WHICH ORDER WAS PRONOUNCED: **July 10, 2024**

LOCATION OF HEARING: **Calgary Courts Centre, Calgary, Alberta**

NAME OF JUSTICE WHO GRANTED THIS ORDER: **The Honourable Justice P. R. Jeffrey**

UPON the application of Golf Properties of Florida, LLC ("GPF") for an Order pursuant to s. 62(i)(iii) of the Civil Enforcement Act, RSA 2000, c. C-15 as amended ("CEA") liquidating Hentosz Resources Ltd. ("Hentosz"); for the purpose of realizing on the interest of James T. Kahanyshyn in Hentosz pursuant to a Judgment in the amount of \$6,423,104.41 which was recognized by order of this Court of March 1, 2019; AND UPON having read the Application, the Affidavits, and the Brief of the Applicant; AND UPON reading the consent of MNP Ltd. to act as Liquidator and receiver and manager of Hentosz, filed; AND UPON hearing counsel for the Applicant, and any other counsel or other interested parties present; AND UPON no one appearing for Hentosz, Michael Kahanyshyn, May Kahanyshyn, Janet Shultz; James Kahanyshyn, and the Canada Revenue Agency; 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 and this application is properly returnable today.

Appointment

2. Pursuant to sections 13(2) of the *Judicature Act*, RSA 2000, c.J-2, and s. 99(a) of the *Business Corporations Act*, RSA 2000, c.B-9, and Part 9 of the CEA, MNP Ltd. is hereby appointed as Liquidator and Receiver and Manager (herein "**Receiver**"), without security, of all of Hentosz's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "**Property**").
3. Hentosz, Michael Kahanyshyn, May Kahanyshyn, Janet Shultz, and James Kahanyshyn, shall have 60 days from the date of service of this Order on any one of Hentosz, Michael Kahanyshyn, and May Kahanyshyn, to retain counsel and by that counsel apply to this Honourable Court on notice to GPF and the Receiver, on the commercial list, and be heard by any member of this Court, to show cause why Hentosz Resources Ltd. should not be liquidated pursuant to the power and authority granted to the Receiver pursuant to paragraph 6 of this Order.

Receiver's Powers

4. Subject to paragraphs 5 and 6 of this Order, 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 to abandon, dispose of, or otherwise release any interest in any of Hentosz's real or personal property, or any right in any Immoveable;
 - (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 Hentosz, 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 Hentosz;
 - (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 Hentosz or any part or parts thereof;

- (f) to receive and collect all monies, rents and accounts now owed or hereafter owing to Hentosz and to exercise all remedies of Hentosz in collecting such monies, including, without limitation, to enforce any security held by Hentosz;
- (g) to settle, extend or compromise any indebtedness owing to or by Hentosz;
- (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 Hentosz, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of Hentosz;
- (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 Hentosz, 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 \$50,000.00, 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 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 Hentosz 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 Hentosz;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of Hentosz, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by Hentosz;
- (r) to exercise any shareholder, partnership, joint venture or other rights which Hentosz may have; and
- (s) 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 Hentosz, and without interference from any other Person (as defined below).

5. The Receiver shall only be empowered and authorized to do any of activities described in paragraphs 4(a)-(j) and (n)-(s) or rely upon or engage the duties imposed by paragraphs 7-9 of this Order until the expiry of 7 days following the date that Hentosz, Michael Kahanyshyn, and May Kahanyshyn, or any one of them, are served with a copy of this Order.
6. The Receiver shall only be empowered and authorized to do any of activities described in paragraphs 4(k)-(m) of this Order until the expiry of 60 days following the date that Hentosz, Michael Kahanyshyn, and May Kahanyshyn, or any one of them, are served a copy of this Order.

Duty to Provide Access and Co-operations to the Receiver

7. (i) Hentosz, (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.
8. 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 Hentosz, 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 7 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.
9. 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

10. 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 Hentosz or the Property

11. No Proceeding against or in respect of Hentosz 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 Hentosz 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 Hentosz or an action, suit or proceeding that is taken in respect of Hentosz 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 or Remedies

12. 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 Hentosz 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 nothing in this Order shall:
- (a) empower Hentosz to carry on any business that Hentosz 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 Hentosz from compliance with statutory or regulatory provisions relating to health, safety or the environment.
13. Nothing in this Order shall prevent any party from taking an action against Hentosz 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

14. 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 Hentosz, except with the written consent of Hentosz and the Receiver, or leave of this Court.

Continuation of Services

15. 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 Hentosz, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to Hentosz,

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 Hentosz or exercising any other remedy provided under such agreements or arrangements. Hentosz 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 Hentosz in accordance with the payment practices of Hentosz, or such other practices as may be agreed upon by the supplier or service provider and each of Hentosz and the Receiver, or as may be ordered by this Court.

Receiver to Hold Funds

16. 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

17. Subject to employees' rights to terminate their employment, all employees of Hentosz shall remain the employees of Hentosz until such time as the Receiver, on Hentosz'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 *Bankruptcy and Insolvency Act*, RSC 1985, c.B-3 ("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").
18. 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 Hentosz, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

Limitations on Environmental Liabilities

19. (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 (l) 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

20. 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

21. 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 \$150,000.00, 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) and 81.6(2) of the BIA.
22. The Receiver and its legal counsel shall pass their accounts from time to time.
23. 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

24. 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 \$200,000.00 (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) and 81.6(2) of the BIA.
25. 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.
26. 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.
27. 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.
28. 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

29. 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

30. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
31. 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.

32. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of Hentosz.
33. 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.
34. 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.
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 <https://mnpdebt.ca/en/corporate/corporate-engagements/hentosz-resources-ltd> (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.
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;

iv. serving Hentosz by leaving a copy of this Order at 21 Payne Close, Red Deer Alberta, T4P 1T6;

v. Serving Michael Kahanyshyn and May Kahanyshyn via personal service. Personal service on either Michael Kahanyshyn or May Kahanyshyn is sufficient service on both; 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.


Justice of the Court of King's Bench of Alberta

Agreed to as to form and Content

Parlee McLaws LLP

Per: 

Steven A. Rohatyn, Counsel for MNP Ltd.

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 Hentosz Resources 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 10th day of July, 2024 (the "Order") made in action numbers 1801-06199, 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 \$200,000.00 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:



Writer's Direct Line: (587) 520-1615
Writer's Email: Isobel.smith@mnp.ca

July 31, 2024

Canadian Western Bank
4822 51 Avenue
Red Deer, AB T4N 4H3

Dear Sirs/ Mesdames:

Re: In the Matter of the Receivership of Hentosz Resources Ltd.

MNP Ltd. writes this letter as the Receiver (the "Receiver") of Hentosz Resources Ltd. (the "Company") pursuant to an Order granted by the Court of King's Bench of Alberta dated July 17, 2024. We attach a copy of the Court Order for your reference.

We understand that the Company may hold an account with the Canadian Western Bank (the "Bank").

We kindly request that any accounts held with the Bank by the Company be frozen and on-line access terminated immediately. Deposits to the account should be permitted until we advise otherwise. Any funds remaining in the account should be remitted to the Receiver in the form of a bank draft or certified cheque payable to:

MNP Ltd. Receiver of Hentosz Resources Ltd.
Suite 1300, MNP Tower, 10235 – 101 Street NW
Edmonton, Alberta T5J 3G1

We also request that you kindly provide bank statements for all of the Company's accounts from January 1, 2023, to present. The Receiver will cover any costs associated with the production of these statements.


Should any party attempt to open a bank account in the name of HENTOSZ RESOURCES LTD., it should be not permitted pursuant to the Court Order, and the Receiver should be advised immediately.

Please contact Isobel Smith at (587) 520-1615 or Isobel.smith@mnp.ca to confirm the accounts have been closed and to arrange transfer of funds, if applicable.

Yours truly,

MNP Ltd.
In its capacity as Court-Appointed Receiver of
Hentosz Resources Ltd.
And not in its personal capacity

Per:


Isobel Smith



LICENSED INSOLVENCY TRUSTEES
SUITE 1300, MNP TOWER, 10235 - 101 STREET NW, EDMONTON AB, T5J 3G1
1.866.465.1155 T: 780.455.1155 F: 780.409.5415 MNPdebt.ca

CERTIFIED TRUE COPY
by the Court Clerk as a true copy of
the document originally filed on Jul 17,
2024

1801-06199
COURT OF KING'S BENCH OF ALBERTA
Calgary

Clerk's Stamp



JUDICIAL CENTRE
PLAINTIFF GOLF PROPERTIES OF FLORIDA, LLC
DEFENDANTS LEMKCO FLORIDA INC. a Florida Corporation
and JAMES T. KAHANYSHYN
RESPONDENTS HENTOSZ RESOURCES LTD.
MICHAEL KAHANYSHYN
MAY KAHANYSHYN
JANET SHULTZ
JAMES KAHANYSHYN
DOCUMENT RECEIVERSHIP ORDER

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Jordan Achtymichuk
Barrister & Solicitor
Phone: 780.441.4362
Fax: 780.428.9683
Email: jachtymichuk@dcllp.com
File # 452-210440
DUNCAN CRAIG LLP
LAWYERS MEDIATORS
2800 Rice Howard Place
10060 Jasper Avenue
Edmonton, Alberta Canada T5J 3V9

DATE ON WHICH ORDER WAS PRONOUNCED: July 10, 2024
LOCATION OF HEARING: Calgary Courts Centre, Calgary, Alberta
NAME OF JUSTICE WHO GRANTED THIS ORDER: The Honourable Justice P. R. Jeffrey

UPON the application of Golf Properties of Florida, LLC ("GPF") for an Order pursuant to s. 62(i)(iii) of the Civil Enforcement Act, RSA 2000, c. C-15 as amended ("CEA") liquidating Hentosz Resources Ltd. ("Hentosz"); for the purpose of realizing on the interest of James T. Kahanyshyn in Hentosz pursuant to a Judgment in the amount of \$8,423,104.41 which was recognized by order of this Court of March 1, 2019; AND UPON having read the Application, the Affidavits, and the Brief of the Applicant; AND UPON reading the consent of MNP Ltd. to act as Liquidator and receiver and manager of Hentosz, filed; AND UPON hearing counsel for the Applicant, and any other counsel or other interested parties present; AND UPON no one appearing for Hentosz, Michael Kahanyshyn, May Kahanyshyn, Janet Shultz; James Kahanyshyn, and the Canada Revenue Agency; 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 and this application is properly returnable today.

Appointment

2. Pursuant to sections 13(2) of the *Judicature Act*, RSA 2000, c.J-2, and s. 99(a) of the *Business Corporations Act*, RSA 2000, c.B-9, and Part 9 of the CEA, MNP Ltd. is hereby appointed as Liquidator and Receiver and Manager (herein "**Receiver**"), without security, of all of Hentosz's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "**Property**").
3. Hentosz, Michael Kahanyshyn, May Kahanyshyn, Janet Shultz, and James Kahanyshyn, shall have 60 days from the date of service of this Order on any one of Hentosz, Michael Kahanyshyn, and May Kahanyshyn, to retain counsel and by that counsel apply to this Honourable Court on notice to GPF and the Receiver, on the commercial list, and be heard by any member of this Court, to show cause why Hentosz Resources Ltd. should not be liquidated pursuant to the power and authority granted to the Receiver pursuant to paragraph 6 of this Order.

Receiver's Powers

4. Subject to paragraphs 5 and 6 of this Order, 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 to abandon, dispose of, or otherwise release any interest in any of Hentosz's real or personal property, or any right in any immovable;
 - (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 Hentosz, 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 Hentosz;
 - (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 Hentosz or any part or parts thereof;

- (f) to receive and collect all monies, rents and accounts now owed or hereafter owing to Hentosz and to exercise all remedies of Hentosz in collecting such monies, including, without limitation, to enforce any security held by Hentosz;
- (g) to settle, extend or compromise any indebtedness owing to or by Hentosz;
- (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 Hentosz, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of Hentosz;
- (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 Hentosz, 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 \$50,000.00, 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 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 Hentosz 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 Hentosz;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of Hentosz, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by Hentosz;
- (r) to exercise any shareholder, partnership, joint venture or other rights which Hentosz may have; and
- (s) 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 Hentosz, and without interference from any other Person (as defined below).

5. The Receiver shall only be empowered and authorized to do any of activities described in paragraphs 4(a)-(l) and (n)-(s) or rely upon or engage the duties imposed by paragraphs 7-9 of this Order until the expiry of 7 days following the date that Hentosz, Michael Kahanyshyn, and May Kahanyshyn, or any one of them, are served with a copy of this Order.
6. The Receiver shall only be empowered and authorized to do any of activities described in paragraphs 4(k)-(m) of this Order until the expiry of 60 days following the date that Hentosz, Michael Kahanyshyn, and May Kahanyshyn, or any one of them, are served a copy of this Order.

Duty to Provide Access and Co-operations to the Receiver

7. (i) Hentosz, (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.
8. 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 Hentosz, 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 7 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.
9. 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

10. 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 Hentosz or the Property

11. No Proceeding against or in respect of Hentosz 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 Hentosz 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 Hentosz or an action, suit or proceeding that is taken in respect of Hentosz 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 or Remedies

12. 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 Hentosz 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 nothing in this Order shall:
- (a) empower Hentosz to carry on any business that Hentosz 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 Hentosz from compliance with statutory or regulatory provisions relating to health, safety or the environment.
13. Nothing in this Order shall prevent any party from taking an action against Hentosz 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

14. 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 Hentosz, except with the written consent of Hentosz and the Receiver, or leave of this Court.

Continuation of Services

15. 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 Hentosz, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to Hentosz,

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 Hentosz or exercising any other remedy provided under such agreements or arrangements. Hentosz 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 Hentosz in accordance with the payment practices of Hentosz, or such other practices as may be agreed upon by the supplier or service provider and each of Hentosz and the Receiver, or as may be ordered by this Court.

Receiver to Hold Funds

16. 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

17. Subject to employees' rights to terminate their employment, all employees of Hentosz shall remain the employees of Hentosz until such time as the Receiver, on Hentosz'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 14.08(1.2) of the *Bankruptcy and Insolvency Act*, RSC 1985, c.B-3 ("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").
18. 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 Hentosz, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

Limitations on Environmental Liabilities

19. (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

20. 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

21. 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 \$150,000.00, 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) and 81.6(2) of the BIA.
22. The Receiver and its legal counsel shall pass their accounts from time to time.
23. 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

24. 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 \$200,000.00 (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) and 81.6(2) of the BIA.
25. 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.
26. 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.
27. 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.
28. 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

29. 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

30. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
31. 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.

32. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of Hentosz.
33. 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.
34. 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.
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 <https://mnpdebt.ca/en/corporate/corporate-engagements/hentosz-resources-ltd> (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.
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;

iv. serving Hentosz by leaving a copy of this Order at 21 Payne Close, Red Deer Alberta, T4P 1T6;

v. Serving Michael Kahanyshyn and May Kahanyshyn via personal service. Personal service on either Michael Kahanyshyn or May Kahanyshyn is sufficient service on both; 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.


Justice of the Court of King's Bench of Alberta

Agreed to as to form and Content

Parlee McLaws LLP

Per: 

Steven A. Rohatyn, Counsel for MNP Ltd.

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 Hentosz Resources 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 10th day of July, 2024 (the "Order") made in action numbers 1801-06199, 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 \$200,000.00 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:



Writer's Direct Line: (587) 520-1615
Writer's Email: Isobel.smith@mnp.ca

July 31, 2024

Royal Bank of Canada
4943 50 Street
Red Deer, AB T4N 1Y1

Dear Sirs/ Mesdames:

Re: In the Matter of the Receivership of Hentosz Resources Ltd.

MNP Ltd. writes this letter as the Receiver (the "Receiver") of Hentosz Resources Ltd. (the "Company") pursuant to an Order granted by the Court of King's Bench of Alberta dated July 17, 2024. We attach a copy of the Court Order for your reference.

We understand that the Company may hold an account with the Royal Bank of Canada (the "Bank").

We kindly request that any accounts held with the Bank by the Company be frozen and on-line access terminated immediately. Deposits to the account should be permitted until we advise otherwise. Any funds remaining in the account should be remitted to the Receiver in the form of a bank draft or certified cheque payable to:

MNP Ltd. Receiver of Hentosz Resources Ltd.
Suite 1300, MNP Tower, 10235 – 101 Street NW
Edmonton, Alberta T5J 3G1

We also request that you kindly provide bank statements for all of the Company's accounts from January 1, 2023, to present. The Receiver will cover any costs associated with the production of these statements.


Should any party attempt to open a bank account in the name of HENTOSZ RESOURCES LTD., it should be not permitted pursuant to the Court Order, and the Receiver should be advised immediately.

Please contact Isobel Smith at (587) 520-1615 or Isobel.smith@mnp.ca to confirm the accounts have been closed and to arrange transfer of funds, if applicable.

Yours truly,

MNP Ltd.
In its capacity as Court-Appointed Receiver of
Hentosz Resources Ltd.
And not in its personal capacity

Per:



Isobel Smith



LICENSED INSOLVENCY TRUSTEES
SUITE 1300, MNP TOWER, 10235 - 101 STREET NW, EDMONTON AB, T5J 3G1
1.866.465.1155 T: 780.455.1155 F: 780.409.5415 MNPdebt.ca

CERTIFIED TRUE COPY
by the Court Clerk as a true copy of
the document electronically filed on Jul 17,
2024

1801-06199

COURT OF KING'S BENCH OF ALBERTA

Calgary

Clerk's Stamp

JUDICIAL CENTRE

PLAINTIFF

GOLF PROPERTIES OF FLORIDA, LLC

DEFENDANTS

LEMKCO FLORIDA INC. a Florida Corporation
and JAMES T. KAHANYSHYN

RESPONDENTS

HENTOSZ RESOURCES LTD.
MICHAEL KAHANYSHYN
MAY KAHANYSHYN
JANET SHULTZ
JAMES KAHANYSHYN



DOCUMENT

RECEIVERSHIP ORDER

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

Jordan Achtymichuk
Barrister & Solicitor
Phone: 780.441.4362
Fax: 780.428.9683
Email: jachtymichuk@dcllp.com
File # 452-210440

DUNCAN CRAIG LLP
LAWYERS MEDIATORS
2800 Rice Howard Place
10060 Jasper Avenue
Edmonton, Alberta Canada T5J 3V9

DATE ON WHICH ORDER WAS PRONOUNCED: July 10, 2024

LOCATION OF HEARING: Calgary Courts Centre, Calgary, Alberta

NAME OF JUSTICE WHO GRANTED THIS ORDER: The Honourable Justice P. R. Jeffrey

UPON the application of Golf Properties of Florida, LLC ("GPF") for an Order pursuant to s. 62(1)(iii) of the Civil Enforcement Act, RSA 2000, c. C-15 as amended ("CEA") liquidating Hentosz Resources Ltd. ("Hentosz"); for the purpose of realizing on the interest of James T. Kahanyshyn in Hentosz pursuant to a Judgment in the amount of \$6,423,104.41 which was recognized by order of this Court of March 1, 2019; AND UPON having read the Application, the Affidavits, and the Brief of the Applicant; AND UPON reading the consent of MNP Ltd. to act as Liquidator and receiver and manager of Hentosz, filed; AND UPON hearing counsel for the Applicant, and any other counsel or other interested parties present; AND UPON no one appearing for Hentosz, Michael Kahanyshyn, May Kahanyshyn, Janet Shultz; James Kahanyshyn, and the Canada Revenue Agency; 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 and this application is properly returnable today.

Appointment

2. Pursuant to sections 13(2) of the *Judicature Act*, RSA 2000, c.J-2, and s. 99(a) of the *Business Corporations Act*, RSA 2000, c.B-9, and Part 9 of the CEA, MNP Ltd. is hereby appointed as Liquidator and Receiver and Manager (herein "**Receiver**"), without security, of all of Hentosz's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "**Property**").
3. Hentosz, Michael Kahanyshyn, May Kahanyshyn, Janet Shultz, and James Kahanyshyn, shall have 60 days from the date of service of this Order on any one of Hentosz, Michael Kahanyshyn, and May Kahanyshyn, to retain counsel and by that counsel apply to this Honourable Court on notice to GPF and the Receiver, on the commercial list, and be heard by any member of this Court, to show cause why Hentosz Resources Ltd. should not be liquidated pursuant to the power and authority granted to the Receiver pursuant to paragraph 6 of this Order.

Receiver's Powers

4. Subject to paragraphs 5 and 6 of this Order, 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 to abandon, dispose of, or otherwise release any interest in any of Hentosz's real or personal property, or any right in any immovable;
 - (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 Hentosz, 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 Hentosz;
 - (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 Hentosz or any part or parts thereof;

- (f) to receive and collect all monies, rents and accounts now owed or hereafter owing to Hentosz and to exercise all remedies of Hentosz in collecting such monies, including, without limitation, to enforce any security held by Hentosz;
- (g) to settle, extend or compromise any indebtedness owing to or by Hentosz;
- (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 Hentosz, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of Hentosz;
- (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 Hentosz, 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 \$50,000.00, 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 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 Hentosz 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 Hentosz;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of Hentosz, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by Hentosz;
- (r) to exercise any shareholder, partnership, joint venture or other rights which Hentosz may have; and
- (s) 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 Hentosz, and without interference from any other Person (as defined below).

5. The Receiver shall only be empowered and authorized to do any of activities described in paragraphs 4(a)-(j) and (n)-(s) or rely upon or engage the duties imposed by paragraphs 7-9 of this Order until the expiry of 7 days following the date that Hentosz, Michael Kahanyshyn, and May Kahanyshyn, or any one of them, are served with a copy of this Order.
6. The Receiver shall only be empowered and authorized to do any of activities described in paragraphs 4(k)-(m) of this Order until the expiry of 60 days following the date that Hentosz, Michael Kahanyshyn, and May Kahanyshyn, or any one of them, are served a copy of this Order.

Duty to Provide Access and Co-operations to the Receiver

7. (i) Hentosz, (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.
8. 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 Hentosz, 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 7 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.
9. 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

10. 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 Hentosz or the Property

11. No Proceeding against or in respect of Hentosz 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 Hentosz 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 Hentosz or an action, suit or proceeding that is taken in respect of Hentosz 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 or Remedies

12. 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 Hentosz 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 nothing in this Order shall:
- (a) empower Hentosz to carry on any business that Hentosz 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 Hentosz from compliance with statutory or regulatory provisions relating to health, safety or the environment.
13. Nothing in this Order shall prevent any party from taking an action against Hentosz 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

14. 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 Hentosz, except with the written consent of Hentosz and the Receiver, or leave of this Court.

Continuation of Services

15. 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 Hentosz, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to Hentosz,

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 Hentosz or exercising any other remedy provided under such agreements or arrangements. Hentosz 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 Hentosz in accordance with the payment practices of Hentosz, or such other practices as may be agreed upon by the supplier or service provider and each of Hentosz and the Receiver, or as may be ordered by this Court.

Receiver to Hold Funds

16. 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

17. Subject to employees' rights to terminate their employment, all employees of Hentosz shall remain the employees of Hentosz until such time as the Receiver, on Hentosz'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 *Bankruptcy and Insolvency Act*, RSC 1985, c.B-3 ("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").
18. 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 Hentosz, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

Limitations on Environmental Liabilities

19. (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

20. 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

21. 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 \$150,000.00, 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) and 81.6(2) of the BIA.
22. The Receiver and its legal counsel shall pass their accounts from time to time.
23. 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

24. 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 \$200,000.00 (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) and 81.6(2) of the BIA.
25. 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.
26. 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.
27. 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.
28. 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

29. 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

30. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
31. 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.

32. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of Hentosz.
33. 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.
34. 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.
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 <https://mnpdebt.ca/en/corporate/corporate-engagements/hentosz-resources-ltd> (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.
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;

iv. serving Hentosz by leaving a copy of this Order at 21 Payne Close, Red Deer Alberta, T4P 1T6;

v. Serving Michael Kahanyshyn and May Kahanyshyn via personal service. Personal service on either Michael Kahanyshyn or May Kahanyshyn is sufficient service on both; 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.


Justice of the Court of King's Bench of Alberta

Agreed to as to form and Content

Parlee McLaws LLP

Per: 

Steven A. Rohatyn, Counsel for MNP Ltd.

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 Hentosz Resources 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 10th day of July, 2024 (the "Order") made in action numbers 1801-06199, 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 \$200,000.00 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:



Writer's Direct Line: (587) 520-1615
Writer's Email: Isobel.smith@mnp.ca

July 31, 2024

Servus Credit Union
3001 50 Avenue
Red Deer, AB T4N 5Y6

Dear Sirs/ Mesdames:

Re: In the Matter of the Receivership of Hentosz Resources Ltd.

MNP Ltd. writes this letter as the Receiver (the "Receiver") of Hentosz Resources Ltd. (the "Company") pursuant to an Order granted by the Court of King's Bench of Alberta dated July 17, 2024. We attach a copy of the Court Order for your reference.

We understand that the Company may hold an account with Servus Credit Union (the "Bank").

We kindly request that any accounts held with the Bank by the Company be frozen and on-line access terminated immediately. Deposits to the account should be permitted until we advise otherwise. Any funds remaining in the account should be remitted to the Receiver in the form of a bank draft or certified cheque payable to:

MNP Ltd. Receiver of Hentosz Resources Ltd.
Suite 1300, MNP Tower, 10235 – 101 Street NW
Edmonton, Alberta T5J 3G1

We also request that you kindly provide bank statements for all of the Company's accounts from January 1, 2023, to present. The Receiver will cover any costs associated with the production of these statements.


Should any party attempt to open a bank account in the name of HENTOSZ RESOURCES LTD., it should be not permitted pursuant to the Court Order, and the Receiver should be advised immediately.

Please contact Isobel Smith at (587) 520-1615 or Isobel.smith@mnp.ca to confirm the accounts have been closed and to arrange transfer of funds, if applicable.

Yours truly,

MNP Ltd.
In its capacity as Court-Appointed Receiver of
Hentosz Resources Ltd.
And not in its personal capacity

Per:



Isobel Smith



LICENSED INSOLVENCY TRUSTEES
SUITE 1300, MNP TOWER, 10235 - 101 STREET NW, EDMONTON AB, T5J 3G1
1.866.465.1155 T: 780.455.1155 F: 780.409.5415 MNPdebt.ca

CERTIFIED COURT FILE NUMBER
by the Court Clerk as a true copy of
the document(s) filed on Jul 17,
2024

1801-06199

COURT OF KING'S BENCH OF ALBERTA

Calgary

JUDICIAL CENTRE

PLAINTIFF

GOLF PROPERTIES OF FLORIDA, LLC

DEFENDANTS

LEMKCO FLORIDA INC. a Florida Corporation
and JAMES T. KAHANYSHYN

RESPONDENTS

HENTOSZ RESOURCES LTD.
MICHAEL KAHANYSHYN
MAY KAHANYSHYN
JANET SHULTZ
JAMES KAHANYSHYN

DOCUMENT

RECEIVERSHIP ORDER

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

Jordan Achtymichuk
Barrister & Solicitor
Phone: 780.441.4362
Fax: 780.428.9683
Email: jachtymichuk@dcllp.com
File # 452-210440

DUNCAN CRAIG LLP
LAWYERS MEDIATORS
2800 Rice Howard Place
10060 Jasper Avenue
Edmonton, Alberta Canada T5J 3V9

Clerk's Stamp



DATE ON WHICH ORDER WAS PRONOUNCED: **July 10, 2024**

LOCATION OF HEARING: **Calgary Courts Centre, Calgary, Alberta**

NAME OF JUSTICE WHO GRANTED THIS ORDER: **The Honourable Justice P. R. Jeffrey**

UPON the application of Golf Properties of Florida, LLC ("GPF") for an Order pursuant to s. 62(l)(iii) of the Civil Enforcement Act, RSA 2000, c. C-15 as amended ("CEA") liquidating Hentosz Resources Ltd. ("Hentosz"); for the purpose of realizing on the interest of James T. Kahanyshyn in Hentosz pursuant to a Judgment in the amount of \$6,423,104.41 which was recognized by order of this Court of March 1, 2019; AND UPON having read the Application, the Affidavits, and the Brief of the Applicant; AND UPON reading the consent of MNP Ltd. to act as Liquidator and receiver and manager of Hentosz, filed; AND UPON hearing counsel for the Applicant, and any other counsel or other interested parties present; AND UPON no one appearing for Hentosz, Michael Kahanyshyn, May Kahanyshyn, Janet Shultz; James Kahanyshyn, and the Canada Revenue Agency; 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 and this application is properly returnable today.

Appointment

2. Pursuant to sections 13(2) of the *Judicature Act*, RSA 2000, c.J-2, and s. 99(a) of the *Business Corporations Act*, RSA 2000, c.B-9, and Part 9 of the CEA, MNP Ltd. is hereby appointed as Liquidator and Receiver and Manager (herein "Receiver"), without security, of all of Hentosz's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "Property").
3. Hentosz, Michael Kahanyshyn, May Kahanyshyn, Janet Shultz, and James Kahanyshyn, shall have 60 days from the date of service of this Order on any one of Hentosz, Michael Kahanyshyn, and May Kahanyshyn, to retain counsel and by that counsel apply to this Honourable Court on notice to GPF and the Receiver, on the commercial list, and be heard by any member of this Court, to show cause why Hentosz Resources Ltd. should not be liquidated pursuant to the power and authority granted to the Receiver pursuant to paragraph 6 of this Order.

Receiver's Powers

4. Subject to paragraphs 5 and 6 of this Order, 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 to abandon, dispose of, or otherwise release any interest in any of Hentosz's real or personal property, or any right in any immovable;
 - (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 Hentosz, 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 Hentosz;
 - (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 Hentosz or any part or parts thereof;

- (f) to receive and collect all monies, rents and accounts now owed or hereafter owing to Hentosz and to exercise all remedies of Hentosz in collecting such monies, including, without limitation, to enforce any security held by Hentosz;
- (g) to settle, extend or compromise any indebtedness owing to or by Hentosz;
- (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 Hentosz, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of Hentosz;
- (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 Hentosz, 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 \$50,000.00, 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 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 Hentosz 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 Hentosz;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of Hentosz, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by Hentosz;
- (r) to exercise any shareholder, partnership, joint venture or other rights which Hentosz may have; and
- (s) 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 Hentosz, and without interference from any other Person (as defined below).

5. The Receiver shall only be empowered and authorized to do any of activities described in paragraphs 4(a)-(j) and (n)-(s) or rely upon or engage the duties imposed by paragraphs 7-9 of this Order until the expiry of 7 days following the date that Hentosz, Michael Kahanyshyn, and May Kahanyshyn, or any one of them, are served with a copy of this Order.
6. The Receiver shall only be empowered and authorized to do any of activities described in paragraphs 4(k)-(m) of this Order until the expiry of 60 days following the date that Hentosz, Michael Kahanyshyn, and May Kahanyshyn, or any one of them, are served a copy of this Order.

Duty to Provide Access and Co-operations to the Receiver

7. (i) Hentosz, (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.
8. 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 Hentosz, 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 7 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.
9. 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

10. 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 Hentosz or the Property

11. No Proceeding against or in respect of Hentosz 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 Hentosz 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 Hentosz or an action, suit or proceeding that is taken in respect of Hentosz 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 or Remedies

12. 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 Hentosz 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 nothing in this Order shall:
- (a) empower Hentosz to carry on any business that Hentosz 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 Hentosz from compliance with statutory or regulatory provisions relating to health, safety or the environment.
13. Nothing in this Order shall prevent any party from taking an action against Hentosz 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

14. 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 Hentosz, except with the written consent of Hentosz and the Receiver, or leave of this Court.

Continuation of Services

15. 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 Hentosz, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to Hentosz,

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 Hentosz or exercising any other remedy provided under such agreements or arrangements. Hentosz 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 Hentosz in accordance with the payment practices of Hentosz, or such other practices as may be agreed upon by the supplier or service provider and each of Hentosz and the Receiver, or as may be ordered by this Court.

Receiver to Hold Funds

16. 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

17. Subject to employees' rights to terminate their employment, all employees of Hentosz shall remain the employees of Hentosz until such time as the Receiver, on Hentosz'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 *Bankruptcy and Insolvency Act*, RSC 1985, c.B-3 ("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").
18. 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 Hentosz, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

Limitations on Environmental Liabilities

19. (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 willful 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

20. 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

21. 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 \$150,000.00, 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) and 81.6(2) of the BIA.
22. The Receiver and its legal counsel shall pass their accounts from time to time.
23. 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

24. 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 \$200,000.00 (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) and 81.6(2) of the BIA.
25. 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.
26. 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.
27. 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.
28. 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

29. 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

30. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
31. 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.

32. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of Hentosz.
33. 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.
34. 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.
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 <https://mnpdebt.ca/en/corporate/corporate-engagements/hentosz-resources-ltd> (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.
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;

iv. serving Hentosz by leaving a copy of this Order at 21 Payne Close, Red Deer Alberta, T4P 1T6;

v. Serving Michael Kahanyshyn and May Kahanyshyn via personal service. Personal service on either Michael Kahanyshyn or May Kahanyshyn is sufficient service on both; 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.


Justice of the Court of King's Bench of Alberta

Agreed to as to form and Content

Parlee McLaws LLP

Per: 

Steven A. Rehatyn, Counsel for MNP Ltd.

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 Hentosz Resources 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 10th day of July, 2024 (the "Order") made in action numbers 1801-08199, 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 \$200,000.00 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:

Appendix G

A copy of the Parlee Correspondence dated August 20, 2024



PARLEE McLAWS ^{LLP}
BARRISTERS & SOLICITORS | PATENT & TRADEMARK AGENTS

August 20, 2024

Via Email

STEVEN A ROHATYN
DIRECT DIAL: 780.423.8177
DIRECT FAX: 780.423.2870
EMAIL: srohatyn@parlee.com
OUR FILE #: 839-65/SRO

Duncan Craig LLP
2800 Rice Howard Place
10060 Jasper Avenue
Edmonton, AB T5J 3V9

Scott Venturo Rudakoff LLP
1500, 222 – 3 Avenue SW
Calgary, AB T2P 0B4

Attention: Eugene J. Bodnar

Attention: Jordan Achtymichuk

Dear Sirs:

Re: *In the Matter of Hentosz Resources Ltd.*
KB Action No. 1801 06199

I write with reference to paragraph 11 of Mr. Kahanyshyn's Affidavit sworn in this matter on August 14, 2024. Therein, he states that Hentosz has been unable to access any of its funds for the purposes of setting aside the Receivership Order.

For the record, the Receiver wishes to make it clear that at no time has any request in that respect been made to MNP on behalf of Hentosz. I invite the opportunity to discuss the matter with each of you should such a request be made, in writing.

Yours truly,

PARLEE McLAWS LLP

STEVEN A. ROHATYN

cc. *client (via email)*

Appendix H

A copy of the correspondence from SVR dated August 22, 2024

SCOTT VENTURO RUDAKOFF LLP
L A W Y E R S

August 22, 2024

Via Email: srohatyn@parlee.com

Eugene J. Bodnar
Direct Line: 403.231.8209
Email: g.bodnar@svrlawyers.com
Assistant: Ginger Campbell
Direct Line: 403.231.3456
Email: g.campbell@svrlawyers.com

Parlee McLaws LLP
Barristers & Solicitors
1700, 10175 - 101 Street NW
Edmonton, AB T5J 0H3

Attention: Steven A. Rohatyn

Dear Sir:

**Re: Golf Properties of Florida, LLC v. Lemkco Florida Inc. et al.
Action No. 1801-06199**

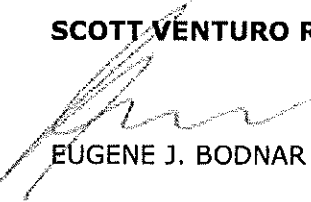
Further to your letter of August 20, 2024, our client Hentosz Resources Ltd. hereby requests the release of \$50,000.00 from its bank account for purposes of legal fees in connection with the above-captioned action.

If the Receiver is amenable to this request, we will provide you with wiring details for our trust account. If not, we will take this matter up with Justice Jeffrey on September 3.

We look forward to hearing from you with respect to the foregoing.

Yours very truly,

SCOTT VENTURO RUDAKOFF LLP



EUGENE J. BODNAR

EJB/gc
Encl.

cc: Jordan Achtymichuk, Duncan Craig LLP [via fax]

{11423418v1}

Appendix I

A copy of the email exchange between Receiver's counsel and Plaintiff's counsel

Steven Barlott

From: Jordan Achtymichuk <jachtymichuk@dcllp.com>
Sent: August 26, 2024 8:28 AM
To: Steven A. Rohatyn; Eugene J. Bodnar
Cc: Rayne Prins; Kristin Gray
Subject: RE: Golf Properties of Florida, LLC v. Lemkco Florida Inc. et al.

Follow Up Flag: Follow up
Flag Status: Flagged

CAUTION: This email originated from outside of Parlee McLaws LLP. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Good morning,

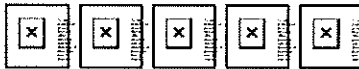
My client doesn't take a position *per se*, but would like confirmation that my client will not be prejudiced by this release of funds. This amount should not effectively come out of my client's 10% interest in Hentosz at the end of the day, particularly given that neither Michael and May Kahanyshyn nor Janet Shultz have provided any evidence that they are unable to pay legal fees.

Sincerely,

Jordan Achtymichuk

Jordan Achtymichuk
Associate
Duncan Craig LLP
2800 Rice Howard Place
10060 Jasper Avenue
Edmonton, Alberta, T5J 3V9

Tel: [+1 780.441.4362](tel:+17804414362)
Toll-free: [1.800.782.9409](tel:18007829409)
Fax: [780.428.9683](tel:7804289683)
Email: jachtymichuk@dcllp.com
Web: dcllp.com



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Please note that errors can occur in electronically transmitted materials. We do not accept liability for any such errors. If verification is required please ask for a hard copy.

From: Steven A. Rohatyn <srohatyn@parlee.com>
Sent: Friday, August 23, 2024 8:39 AM
To: Eugene J. Bodnar <E.Bodnar@svrlawyers.com>
Cc: Jordan Achtymichuk <jachtymichuk@dcllp.com>; Rayne Prins <rprins@parlee.com>; Kristin Gray

<Kristin.Gray@mnp.ca>

Subject: RE: Golf Properties of Florida, LLC v. Lemkco Florida Inc. et al.

EXTERNAL: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Jordan,

Please advise as to whether your client takes a position concerning this request.

Thanks,

Steven A. Rohatyn | Partner | Bio



1700 Enbridge Centre, 10175-101 Street NW, Edmonton, Alberta T5J 0H3
Direct: 780.423.8177 | Fax: 780.423.2870 | Email: srohatyn@parlee.com

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From: Eugene J. Bodnar <E.Bodnar@svrlawyers.com>

Sent: Thursday, August 22, 2024 1:47 PM

To: Steven A. Rohatyn <srohatyn@parlee.com>

Cc: Jordan Achtymichuk <jachtymichuk@dcilp.com>

Subject: Golf Properties of Florida, LLC v. Lemkco Florida Inc. et al.

CAUTION: This email originated from outside of Parlee McLaws LLP. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Steven:

Please see the attached letter.

Regards,

Gene

GENE BODNAR

Partner

Ph: 403.231.8209

g.bodnar@svrlawyers.com

1500, 222 3rd Avenue SW

Calgary, Alberta T2P 0B4

Tel: 403.261.9043

Fax: 403.265.4632

www.svrlawyers.com

SCOTT VENTURO RUDAKOFF LLP
LAWYERS

Appendix J

Interim Statement of Receipts and Disbursements for the period of
July 17, 2024, to August 26, 2024

**In the Matter of the Receivership of Hentosz Resources Ltd.
Receiver's Interim Statement of Receipts and Disbursements
For the Period of July 17, 2024 to August 26, 2024**

Receipts	\$'s
Cash in bank - TD Operating Account	462,911
Cash in bank - CWB GIC and Flex Investment Account	158,240
Cash in bank - TD Security Deposit Account	139,128
Rental income	31,100
	791,379
Disbursements	
Receiver's fees	16,754
Legal fees	3,400
Contractor costs	1,493
Travel related costs	1,287
GST Paid	1,150
Change of locks/ locksmith costs	999
Administrative costs (change of locks, license fees, redirect mail)	225
	25,309
Funds Held In Trust	766,070

MNP Ltd.

Receiver of Hentosz Resources Ltd.