



COURT FILE NUMBER 1801-08521

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF INNOVATION CREDIT UNION AND CONCENTRA BANK

DEFENDANTS 1885731 ALBERTA LTD., OSTRANDER FAMILY HOLDINGS LTD., PHILIP KRAHN, AND BRIAN OSTRANDER

DOCUMENT **FIRST REPORT OF THE COURT APPOINTED RECEIVER OF 1885731 ALBERTA LTD.**

DATED NOVEMBER 2, 2020

PREPARED BY DELOITTE RESTRUCTURING INC.

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

Counsel

Osler Hoskin & Harcourt LLP
Suite 2500, TransCanada Tower
450 – 1 Street SW
Calgary, Alberta, T2P 5H1

Attention: Emily Paplawski

Telephone/Facsimile: 403-260-7071 / 403-260-7024
Email: EPaplawski@osler.com

File No.: 574391-1

Receiver

Deloitte Restructuring Inc.
700, 850 – 2nd Street SW
Calgary, AB T2P 0R8

Attention: Robert J. Taylor/Naomi McGregor

Telephone/Facsimile: 403-267-0501 / 403-718-3681
Email: bobtaylor@deloitte.ca

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Introduction and background

1. On the 22nd day of July, 2020 (the "**Date of Receivership**"), Deloitte Restructuring Inc. ("**Deloitte**"), was appointed by the Court of Queen's Bench of Alberta (the "**Receivership Order**") as the receiver and manager (the "**Receiver**") of all current and future assets, undertakings, and properties of every nature and kind whatsoever and where ever situated (the "**Property**") of 1885731 Alberta Ltd. ("**188**") operating as HomeStay Inn Express ("**Homestay Express**") (the "**Debtor**") including, all proceeds thereof. A copy of the Receivership Order is attached hereto as **Appendix "A"**.
2. 188 is a private corporation incorporated in the province of Alberta on March 23, 2015 and is owned by Ostrander Family Holdings Ltd. (90%) and Phil Krahn (10%). HomeStay Express is a 49-room limited service hotel located at 815 East Lake Blvd NE, Airdrie, AB. HomeStay Express focuses on weekly and monthly rentals rather than standard hotel accommodations.
3. As at the Date of Receivership, Deloitte retained seven (7) employees; three (3) salaried employees and four (4) part-time staff.
4. HomeStay Express' primary secured lenders are Innovation Credit Union and Concentra Financial Services Association (collectively "**Innovation**") which were owed approximately \$5.3 million from 188 ("**Innovation Indebtedness**") as at the Date of Receivership. Innovation holds security over all of 188's present and after acquired personal property (the "**Innovation Security**").
5. On October 4, 2017, Innovation sent a letter to 188 providing notice that it was in default of its obligations pursuant to various loan agreements, as amended, demanding repayment of the loans advanced thereunder, and issuing a notice of intention to enforce security pursuant to Section 244(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "**Demand Letter**"). Subsequently, Innovation provided 188 various opportunities to rectify the outstanding deficiencies on its loans, which 188 was ultimately unable to do.
6. On March 11, 2020, Innovation and 188 entered into a forbearance agreement (the "**Forbearance Agreement**"). 188 was in default of the Forbearance Agreement and the terms of the Forbearance Agreement has expired due to the effluxion of time. Accordingly, on July 14, 2020, Innovation filed and served an application for appointment of a Receiver over 188.
7. The Receivership Order, together with related Court documents, the Notice to Creditors and this first report (the "**First Report**") have been posted on the Receiver's website (the "**Receiver's Website**") at <https://www.insolvencies.deloitte.ca/en-ca/Pages/Ostrander-Hotels>
8. Unless otherwise provided, all other capitalized terms not defined in this First Report are as defined in the Receivership Order.

Purpose

9. The purpose of this First Report is to:
 - a) Provide an update on the administration of the receivership since the date of Receivership;
 - b) Provide the Court with detailed information regarding the proposed Sale and Marketing Process (defined later in this First Report); and
 - c) Respectfully recommend that this Honourable Court make orders:

- i. Approving the activities, fees, and disbursements of the Receiver as described in this First Report, including, without limitation, the steps taken by the Receiver pursuant to the Receivership Order, and the fees and disbursements of the Receiver's legal counsel;
- ii. Authorizing the Receiver, in its discretion, to assign 188 into bankruptcy to aid in the effective administration of the estate;
- iii. Approve the Sale and Marketing Process proposed by the Receiver in respect of the HomeStay Express, and authorizing and directing the Receiver to take all steps and actions reasonably necessary to implement, conduct and carry-out the Sale and Marketing Process; and
- iv. Providing such further or other relief that the Court considers just and warranted in the circumstances.

Terms of reference

10. In preparing this First Report, the Receiver has relied upon unaudited financial information prepared by the Debtors' management ("**Management**"), the Debtors' books and records, and discussions with Management. The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants Canada Handbook* and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the information. The Receiver may refine or alter its observations as further information is obtained or brought to its attention after the date of this First Report.
11. The Receiver assumes no responsibility or liability for any loss or damage occasioned by any party as a result of the circulation, publication, reproduction, or use of the First Report. Any use, which any party makes of the First Report, or any reliance or decision to be made based on the First Report, is the sole responsibility of such party.
12. All dollar amounts in this First Report are in Canadian dollars, unless otherwise indicated.

Receiver's Activities

13. The Receiver has undertaken and performed the following activities since the Date of Receivership:
 - a) Attended the Homestay Express on July 24, 2020 to take possession, secure the assets, inventory the assets, and meet with employees;
 - b) Obtained online access to and secured the reservation system;
 - c) Secured the manual and electronic books and records of the Debtor;
 - d) Entered into new employment agreements with all 188 employees effective July 22, 2020 in accordance with paragraph 13 of the Receivership Order;
 - e) Coordinated final payroll calculations up to the Date of Receivership and the delivery of records of employment and T4 slips for the purposes of administering amounts due to employees under the *Wage Earner Protection Program Act* ("**WEPPA**");
 - f) Arranged to maintain existing insurance coverage over 188's assets and had the Receiver added as a loss payee on the existing 188 insurance policy;
 - g) Arranged for continued service from critical utilities and vendors, and online booking system providers;
 - h) Issued a statutory Notice and Statement of the Receiver to all known creditors of 188 (the "**Notice to Creditors**") pursuant to subsections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act* (Canada). A copy of the Notice to Creditors is attached hereto as **Appendix "B"**;

- i) Informed the Canada Revenue Agency ("**CRA**") of the receivership and requested new tax accounts be established for the post-receivership period;
- j) Requested a pre-receivership audit be conducted on the Company's Goods and Services Tax ("**GST**") and payroll accounts by CRA;
- k) Informed the Worker's Compensation Board of Alberta ("**WCB**") of the receivership and confirmed premiums outstanding total approximately \$2,400;
- l) Notified 188's various banks of the receivership, and provided instructions to freeze all accounts;
- m) Opened new trust accounts in the name of the receivership estate to facilitate future receipts and disbursements;
- n) Prepared and updated from time to time a 13-week operating receivership cash flow;
- o) Corresponded with Osler, Hoskin & Harcourt LLP ("**Osler**"), the Receiver's independent legal counsel, on various legal matters relating to the receivership including an independent review of the validity and enforceability of Innovation's Security in the normal course;
- p) Corresponded with creditors, employees, and other stakeholders;
- q) Prepared, reviewed and finalized this First Report; and
- r) Addressed additional matters of both a general and specific nature as they arose from time to time.

Operations

- 14. As previously noted, as at the Date of Receivership, 188 operated as the HomeStay Express, a limited service hotel focused on weekly and monthly rentals rather than standard nightly or short-term hotel accommodations. In an effort to maximize cash flows, the Receiver determined it would continue to operate the HomeStay Express as a longer term stay facility and continue operations with a view to selling the company as a going concern.
- 15. In consultation with Management and Alberta Health Services ("**AHS**"), the Receiver is adhering to the COVID-19 pandemic regulations and procedures issued by AHS and has corrected certain compliance deficiencies which AHS identified with respect to the Property. The Receiver is in frequent contact with Management and AHS conducted a follow-up site visit to ensure all necessary COVID-19 precautions are in place to maintain both staff and guest safety.
- 16. The Receiver understands that the Odyssey Hotel Group Ltd. ("**Odyssey**") owned by Phil Krahn, a shareholder of 188, is the registrant of the HomeStay Express tradename (the "**Tradename**") in Alberta. Odyssey entered into a Homestay Express membership agreement with 188 dated November 15, 2019 which provided for, among other things, the payment by 188 of a \$1,650 monthly membership fee for use of the Tradename and associated trademarks, symbols, and other intellectual property (the "**188 Membership Agreement**"). A copy of the 188 Membership Agreement is attached hereto as **Appendix "C"**.
- 17. The Receiver understands from its legal counsel that unlike a trademark, there is no ownership in a tradename and hence nothing that can be licensed. As the 188 Membership Agreement purports to license the right to use trademarks, symbols, and other intellectual property associated with HomeStay Express, and as a representative of Odyssey advised the Receiver that it was in the process of filing an application for registration of a trademark, the Receiver's legal counsel completed searches of the SAEGIS registry to determine the existence of any trademarks or pending applications for a trademark with respect to the

HomeStay Express name. Those searches did not disclose the existence of any trademark or pending trademark applications.

18. Accordingly, by letter dated September 4, 2020, the Receiver advised Odyssey that the Receiver was prepared to make monthly membership fee payments of \$825 to Odyssey upon receipt of written confirmation and supporting documentation showing that Odyssey was in the process of properly registering a trademark for the Homestay Express name. The Receiver advised that the monthly membership fee of \$825 would be made on a go forward basis from the date of receipt of such written confirmation and supporting documentation until a sale of Homestay Express had closed or, if no sale closed, until the sale process by the Receiver concluded. To date, no response or written confirmation of a pending trademark application has been provided to the Receiver. Attached as **Appendix "D"** is a copy of the Receiver's September 4, 2020 letter.

Books and Records

19. The books and records of 188 are located at the HomeStay Express and at Odyssey's, office. Odyssey maintained 188's accounting records. Based on information made available to the Receiver, the last month end completed by Odyssey for 188 was as at June 30, 2020.
20. The Receiver was provided access to 188's multiple software systems including, but not limited to, the payroll system, reservation and operating systems, and a backup of the Sage accounting system.

Primary Assets

21. Based on 188's most recent internally prepared unaudited financial statements dated June 30, 2020, 188's primary assets were:

Cash in Bank

22. The Companies' operating bank accounts were held at The Toronto-Dominion Bank ("**TD Bank**"). The Receiver froze the accounts on July 26, 2020. TD Bank continues to provide deposit services for the Receiver into the accounts to facilitate timely collection of operating revenues and account receivables through wire payments and account transfers. Funds are transferred from the TD Bank accounts to the Receiver's trust account on an approximately weekly basis.

Accounts Receivable

23. At the Date of Receivership, the Receiver obtained a copy of 188's accounts receivable sub ledger, which indicated that 188 was owed approximately \$5,200 by certain corporate customers who utilize the hotel facilities on a reoccurring basis. As at the date of this First Report, the Receiver has collected approximately \$3,200 of the outstanding accounts receivable and is actively pursuing outstanding amounts.

Property, plant and equipment

24. Property, plant and equipment consists of land, the three-story hotel building, and all furniture and fixtures within the hotel.
25. Following its appointment, the Receiver completed an inventory count of the contents of the HomeStay Express. All contents appear to be owned and there are no lease obligations to address.

Primary Liabilities

26. On June 19, 2020, in anticipation of its appointment as Receiver, Deloitte sourced an Alberta Land Title Certificate for the Property, attached hereto as **Appendix "E"**. The Land Title Certificate reflected the following:
- a) Innovation registered a mortgage dated June 23, 2015 in the original principal amount of \$4,354,000. As previously noted, as at the Date of Receivership, Innovation is 188's principal secured creditor and is owed approximately \$5.3 million;
 - b) 856223 Alberta Ltd. ("**856**"), the former registered owner of the Property, registered a mortgage dated June 23, 2015 in the original principal amount of \$950,000 and a writ of enforcement dated September 1, 2016 in the amount of \$151,184 plus costs, if any;
 - c) Ostrander Family Holdings Ltd., shareholder of 188, registered a mortgage dated April 22, 2017 in the original principal amount of \$1,000,000;
 - d) Her Majesty the Queen in Right of Alberta as represented by the president of the Treasury Board and the Minister of Finance, registered a writ of enforcement dated March 11, 2020 in the amount of \$111,817 and costs, if any; and
 - e) Daystar Mechanical Plumbing and Heating registered a builder's lien dated March 26, 2020 in the amount of \$1,767.
27. The Receiver, concurrently with its Alberta Land Titles search, also conducted an Alberta Personal Property Registry search of 188, which is attached hereto as **Appendix "F"**. The search reflected various registrations on behalf of the following four (4) creditors; (i) 856, (ii) Innovation, (iii) Blue Chip Leasing Corporation, and (iv) Her Majesty the Queen in right of Alberta.
28. The Receiver's independent legal counsel conducted an independent review of the validity and enforceability of Innovation's Security on 188's assets and, subject to normal assumptions and qualifications, determined that Innovation's Security was property registered and valid. Osler is reviewing all other security agreements and registrations to assess the priority of claims against the receivership estate.
29. The Receiver understands that there are unremitted source deduction arrears owed by 188 to CRA in the amount of approximately \$196,000. There also appears to be outstanding GST amounts totalling approximately \$85,000 owed by 188 to CRA. CRA has advised the Receiver that all payroll and GST audits have been postponed due to the COVID-19 pandemic and that the CRA will schedule required audits in due course. Subject to all CRA audit results, additional liabilities may be assessed.
30. As at the Date of Receivership, there were 11 employee claims for outstanding vacation pay, severance and termination pay totalling approximately \$12,500. The claimants may be eligible for an advance under WEPPA, which may result in a potential priority claim by Service Canada against 188 of up to \$1,900.
31. The Receiver understands that property taxes owing to the City of Airdrie were approximately \$5,200 at the Date of Receivership.
32. The Receiver has identified approximately 50 unsecured trade creditors with potential unsecured claims against 188 totalling approximately \$511,500.
33. The Receiver anticipates that 188's secured creditors will suffer shortfalls on recovery of amounts due and owing under the various loan agreements and that there will be no funds available for distribution to any unsecured creditors of 188 after settlement of the Receiver's Borrowings (as defined later in this First Report), CRA claims, and ongoing operating expenses.

Bankruptcy Assignment

34. The Receiver anticipates that it will investigate certain reviewable transactions involving 188. Based on a preliminary review of 188's books and records, it appears that a number of significant, unallocated, payments and transfers were made by 188 to related parties during the period preceding the Date of Receivership. Accordingly, the Receiver anticipates that a concurrent bankruptcy proceeding in respect of 188 may be required to allow access to the broad investigatory rights and remedies under the Bankruptcy and Insolvency Act to provide the Receiver/Trustee greater investigatory powers, provide the Receiver/Trustee access to the preference and transfer for undervalue provision of the *Bankruptcy and Insolvency Act* (to the extent these provisions might be helpful to the estate), and to facilitate the crystallization of claims. For these reasons, the Receiver recommends that this Honourable Court authorize the Receiver to assign 188 into bankruptcy if the Receiver determines that such assignment is necessary and appropriate.
35. In addition to the foregoing, the Receiver believes it is appropriate that it be authorized to assign 188 into bankruptcy for the following reasons:
- a) paragraph 3(h) of the Receivership Order empowers and authorizes the Receiver to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or on behalf of the Debtor, for any purpose pursuant to the Receivership Order;
 - b) paragraph 29 of the Receivership Order provides that nothing in the Receivership Order shall prevent the Receiver from acting as the trustee in bankruptcy of the Debtor;
 - c) the Debtor is currently in receivership and is considered an insolvent person within the meaning of the *Bankruptcy and Insolvency Act* (Canada), and has failed to meet its obligations generally as they became due (in that it has failed to meet its obligations to Innovation and other creditors, and such obligations exceed \$1,000);
 - d) the Debtor is currently indebted to its creditors for an aggregate amount of approximately \$8.2 million comprising both secured and unsecured claims and the bankruptcy will facilitate the alignment and crystallization of priority and other creditor claims;
 - e) assigning 188 into bankruptcy will allow for an efficient and orderly wind-down of the estates; and
 - f) Innovation supports the Receiver's intention to assign the Debtor into bankruptcy.
36. Deloitte is the Court-appointed Receiver of 188 and has been administering the receivership estate. In this role, Deloitte has been in consultation with various of the Debtor's creditors. Deloitte is knowledgeable with respect to the remaining Assets, properties, undertakings and specific issues facing the Debtor and is well positioned to effectively assume the role as the licensed insolvency trustee for the Debtor's estate. Deloitte is not aware of any conflict to act as licensed insolvency trustee for the Debtor and is willing to act in such capacity.

Marketing and sales process

37. Paragraph 3(k) of the Receivership Order permits the Receiver to market any or all of the Property of 176, 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. In order to commence the marketing of the Property, the Receiver solicited listing proposals from three (3) national realty firms with expertise in the hospitality sector, Royal LePage Mission ("**Royal LePage**"), Cushman & Wakefield ("**Cushman**"), and CBRE Limited ("**CBRE**"). The Receiver is of the view that these three proposals represented a sufficiently broad canvassing of potential listing agents based on the credentials and the reputations of the real estate firms selected. Innovation supported the Receiver's course of action.

38. The three (3) proposals were submitted by the potential listing agents to the Receiver the week of September 11, 2020. The Receiver subsequently provided both the proposals and a comparison of the proposals to Innovation for review and discussion. Based on the Receiver's review of the three (3) proposals and discussion of same with Innovation, Royal LePage was selected to be the listing agent subject to the Receiver obtaining Court approval (the "**Sale and Marketing Process**").
39. The Receiver intends to enter into a listing agreement with Royal LePage Mission ("**Royal LePage**" or the "**Listing Agent**") to market the HomeStay Express for sale. The proposal submitted by Royal LePage provided the most robust pricing outlook for the Property, has expertise in the marketing and sales of hotels of this nature, is well connected in the local hospitality market and is familiar with the HomeStay Express brand. The Receiver is of the view that Royal LePage is the most appropriate Listing Agent to market the HomeStay Express for sale. A copy of the listing agreement is attached hereto as **Appendix "G"**.
40. The details of the proposed Sale and Marketing Process are as follows:
 - a) The Sale and Marketing Process will commence forthwith after receipt of Court approval;
 - b) Based on Royal LePage's recommendation, the listing price will be \$2.5 million;
 - c) Royal LePage shall solicit potential purchasers by:
 - i. sending out an introduction letter to potential purchasers as soon as reasonably practical;
 - ii. placing an advertisement in local, national or international publications as appropriate; and
 - iii. providing to any potential purchasers who execute an acceptable confidentiality agreement: (i) access to the HomeStay Express; and (ii) access to a virtual data room to be maintained by the Receiver.
41. The marketing period for the Property is unknown at this time and the listing timeframe may be impacted by COVID-19. The Receiver will enter into a listing agreement with Royal LePage (subject to Court approval) to market the Property for sale for a period of nine (9) months with review/cancellation options available to the Receiver at six (6) months.
42. The Receiver shall review any offers sourced by Royal LePage once received. The Receiver will, upon accepting an offer, make application to this Honourable Court for approval of the sale of the Property and vesting the Property in the name of the successful purchaser.

Fees and disbursements of the Receiver

43. The Receiver's professional fees are calculated based on hours spent at rates established by each professional based on their qualifications and experience.
44. The Receiver's fees and disbursements in relation to the administration of the Receivership up to and including October 23, 2020 total approximately \$82,000 (excluding GST). This total comprises two (2) interim invoices for Receiver's fees and disbursements from July 22, 2020 to October 23, 2020.
45. In the Receiver's opinion, the services rendered in respect of these fees and disbursements have been duly rendered in response to required and necessary duties of the Receiver hereunder, and are reasonable in the circumstances. A summary of the invoices is attached as **Appendix "H"**. Detailed time records supporting the invoices are available in the office of the Receiver.

Fees and disbursements of legal counsel

46. The Receiver's legal counsel's cumulative fees and disbursements on this matter total approximately \$8,500 (excluding GST) to October 23, 2020. The accounts of the Receiver's legal counsel are calculated based on hours spent at rates established by each professional based on their qualifications and experience. The Receiver is of the opinion that legal counsel's fees are reasonable and appropriate in the circumstances. A summary of the invoices is attached as **Appendix "I"**. Detailed time records supporting the invoices are available in Osler's offices.

Interim Statement of Receipts and Disbursements

47. The interim Statement of Receipts and Disbursements reflecting the administration of the receivership for the period July 22, 2020 to October 23, 2020 is below:

**IN THE MATTER OF THE RECEIVERSHIP OF 1885731 ALBERTA LTD.
INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD JULY 22, 2020 TO OCTOBER 23, 2020
\$CAD**

	Total
Receipts	
Receiver's Certificate	90,000
Operating Income	73,178
GST collected	3,659
Hotel Sales Tax	2,927
Cash in bank	2,583
Accounts receivable	3,246
	<hr/>
Total receipts	175,593
Disbursements	
Employee wages and source deductions	49,916
Insurance	15,098
Moneris withholdings	10,334
Operating expenses	4,894
Legal fees/disbursements	4,427
Utilities on operations	3,212
Bank charges	1,183
Repairs and maintenance	1,029
GST paid - operations	351
GST on legal fees	221
Filing fees paid to Official Receiver	70
	<hr/>
Total disbursements	90,737
	<hr/>
Funds on hand as at October 23, 2020	84,856

48. Pursuant to the Receivership Order, the Receiver may borrow up to \$250,000 in aggregate without further Court approval. As at the date of this First Report, the Receiver's borrowings total \$90,000 to fund the receivership proceedings.

Conclusions and Recommendations

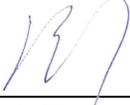
49. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court grant the relief detailed in Section 9 c) of the First Report and such further and other relief, as this Honourable Court deems appropriate in the circumstances.

* * *

All of which is respectfully submitted at Calgary, Alberta this 2nd day of November 2020.

DELOITTE RESTRUCTURING INC.,
solely in its capacity as Court-appointed Receiver
of 1885731 Alberta Ltd. (as defined herein)
and not in its personal or corporate capacity

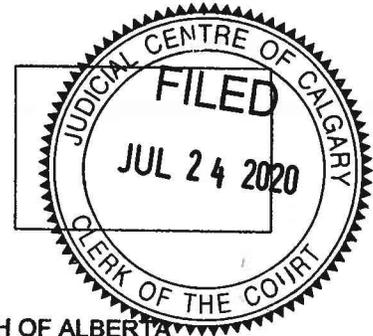
Per:



Robert J. Taylor, FCPA, FCA, CIRP, LIT
Senior Vice-President

APPENDIX "A"

Clerk's Stamp:



COURT FILE NUMBER

1801-08521

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

PLAINTIFFS

**INNOVATION CREDIT UNION and CONCENTRA
BANK**

DEFENDANTS

**1885731 ALBERTA LTD., OSTRANDER FAMILY
HOLDINGS LTD., PHILIP KRAHN, AND BRIAN
OSTRANDER**

DOCUMENT

RECEIVERSHIP ORDER

CONTACT INFORMATION OF PARTY

Dentons Canada LLP

FILING THIS DOCUMENT:

Bankers Court

15th Floor, 850 - 2nd Street S.W.

Calgary, Alberta T2P 0R8

Attn: John Regush

Ph. (403) 268-7086 Fx. (403) 268-3100

File No.: 574391-1

DATE ON WHICH ORDER WAS PRONOUNCED: July 22, 2020

LOCATION WHERE ORDER WAS
PRONOUNCED:

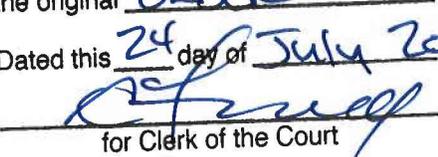
Calgary Courts Centre, Calgary, Alberta

NAME OF JUDGE WHO MADE THIS
ORDER:

The Honourable Madam Justice Campbell

I hereby certify this to be a true copy of
the original ORDER

Dated this 24 day of July 2020


for Clerk of the Court

UPON the application of Inrovation Credit Union and Concentra Bank (collectively, the "Plaintiffs") in respect of 1885731 Alberta Ltd. (the "Debtor"); **AND UPON** having read the Application, the Affidavit of Brad Appel; and upon hearing representations from counsel for the Plaintiffs as to service; **AND UPON** reading the consent of Deloitte Restructuring Inc. to act as interim receiver and receiver and manager (the "Receiver") of the Debtor, filed; **AND UPON** hearing counsel for the Plaintiffs, counsel for the Debtor, and counsel for Primewest Mortgage Investment Corporation; **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 section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "BIA"), and sections 13(2) of the *Judicature Act*, R.S.A. 2000, c.J-2, 99(a) of the *Business Corporations Act*, R.S.A. 2000, c.B-9, and 65(7) of the *Personal Property Security Act*, R.S.A. 2000, c.P-7 Deloitte Restructuring Inc. is hereby appointed Receiver, without security, of all of the Debtor's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "Property").

RECEIVER'S POWERS

3. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
 - (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property,
 - (b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
 - (c) to manage, operate and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;

- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to or by the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding, and provided further that nothing in this Order shall authorize the Receiver to defend or settle the action in which this Order is made unless otherwise directed by this Court;
- (k) to market any or all the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:
 - (i) without the approval of this Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$300,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,

and in each such case notice under subsection 60(8) of the *Personal Property Security Act*, R.S.A. 2000, c. P-7 or any other similar legislation in any other province or territory shall not be required.

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

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OF REMEDIES

9. All rights and remedies of any Person, whether judicial or extra-judicial, statutory or non-statutory (including, without limitation, set-off rights) against or in respect of the Debtor or the Receiver or affecting the Property are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, including, without limitation, any rights or remedies or provisions in any agreement, construction, ownership and operating agreement, joint venture agreement or any such similar agreement or agreements to which the Debtor is a party that purport to effect or cause a cessation of operatorship as a result of the occurrence of any default or non-performance by or the insolvency of the Debtor, the making or filing of these proceedings or any allegation, admission or evidence in these proceedings and under no circumstances shall the Debtor be replaced as operator pursuant to any such agreements without further order of this Court provided, however, that nothing in this Order shall:
 - (a) empower the Debtor to carry on any business that the Debtor is not lawfully entitled to carry on;
 - (b) prevent the filing of any registration to preserve or perfect a security interest;
 - (c) prevent the registration of a claim for lien; or

- (d) exempt the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment.
10. Nothing in this Order shall prevent any party from taking an action against the Debtor where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Receiver at the first available opportunity.

NO INTERFERENCE WITH THE RECEIVER

11. No Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, except with the written consent of the Debtor and the Receiver, or leave of this Court.

CONTINUATION OF SERVICES

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

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

RECEIVER TO HOLD FUNDS

13. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall

be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

EMPLOYEES

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. (a) Notwithstanding anything in any federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:
 - (i) before the Receiver's appointment; or
 - (ii) after the Receiver's appointment unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.

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

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

18. The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case, incurred at their standard rates and charges. The Receiver and counsel to the Receiver shall be entitled to the benefits of and are hereby granted a charge (the "**Receiver's Charge**") on the Property which charge shall not exceed an aggregate amount of \$200,000, 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.
19. The Receiver and its legal counsel shall pass their accounts from time to time.
20. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including the legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

21. The Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000 (or such greater amount as this Court may by further order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges set out in sections 14.06(7), 81.4(4) and 81.6(2) of the BIA.
22. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

23. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.
24. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.
25. The Receiver shall be allowed to repay any amounts borrowed by way of Receiver's Certificates out of the Property or any proceeds, including any proceeds from the sale of any assets without further approval of this Court.

ALLOCATION

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

GENERAL

27. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
28. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Receiver will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Receiver's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.
29. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.
30. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.

31. The Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
32. The Plaintiffs shall have their costs of this application, up to and including entry and service of this Order, provided for by the terms of the Plaintiffs' security or, if not so provided by the Plaintiffs' security, then on a substantial indemnity basis, including legal costs on a solicitor-client full indemnity basis, to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.
33. Any interested party may apply to this Court to vary or amend this Order on not less than 7 days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

FILING

34. The Receiver shall establish and maintain a website in respect of these proceedings (the "**Receiver's Website**") and shall post there as soon as practicable:
 - (a) all materials prescribed by statute or regulation to be made publically available; and
 - (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, or served upon it, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.
35. Service of this Order shall be deemed good and sufficient by:
 - (a) serving the same on:
 - (i) the persons listed on the service list created in these proceedings or otherwise served with notice of these proceedings;
 - (ii) any other person served with notice of the application for this Order;
 - (iii) any other parties attending or represented at the application for this Order; and
 - (b) posting a copy of this Order on the Receiver's Websiteand service on any other person is hereby dispensed with.

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


Justice of the Court of Queen's Bench of Alberta

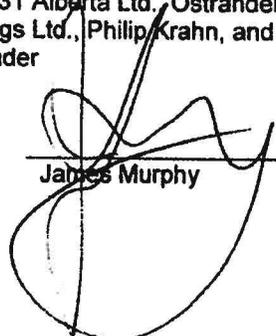
Approved as the Order granted this 22nd day of July, 2020 by Dentons Canada LLP, counsel for Innovation Credit Union and Concentra Bank

Per:

John Regush

Approved as to the Order granted this 22 day of July, 2020 by Burnet, Duckworth & Palmer LLP, counsel for 1885731 Alberta Ltd., Ostrander Family Holdings Ltd., Philip Krahn, and Brian Ostrander

Per:



James Murphy

Approved as the Order granted this 23 day of July, 2020 by Miller Thomson LLP, counsel for Primewest Mortgage Investment Corporation

Per:



Patrick Harnett

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that **[RECEIVER'S NAME]**, the interim receiver and receiver and manager (the "Receiver") of all of the assets, undertakings and properties of **[DEBTOR'S NAME]** appointed by Order of the Court of Queen's Bench of Alberta and Court of Queen's Bench of Alberta in Bankruptcy and Insolvency (collectively, the "Court") dated the **[day]** day of **[month]**, **[year]** (the "Order") made in action numbers **[●]**, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of **[\$]**, being part of the total principal sum of **[\$]** 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 **[daily]** **[monthly not in advance on the ● day of each month]** after the date hereof at a notional rate per annum equal to the rate of **[●]** per cent above the prime commercial lending rate of Bank 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__.

[RECEIVER'S NAME], 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"

FORM 87
Notice and Statement of the Receiver
(Subsection 245(1) and 246(1) of the *Bankruptcy and Insolvency Act*)

IN THE MATTER OF THE RECEIVERSHIP OF
1885731 ALBERTA LTD.
of the City of Calgary
in the Province of Alberta

The Receiver gives notice and declares that:

1. On the 22nd day of July, 2020, Deloitte Restructuring Inc. ("**Deloitte**"), was appointed by the Court of Queen's Bench of Alberta (the "**Receivership Order**") as the receiver and manager (the "Receiver") of all current and future assets, undertakings, and properties of every nature and kind whatsoever (the "**Property**") of 1885731 Alberta Ltd. operating as HomeStay Express (the "**Debtor**", or "**HomeStay Express**") situated upon or relating to the Property that is described below:

Description	Net book value As at July 22, 2020 (\$CDN)*
Cash	42,735
Accounts Receivable	37,437
Property, Plant and Equipment	5,765,235
Franchise costs	15,908
Total	5,861,315

* Amounts are based on the unaudited financial statements of the HomeStay Express as at July 22, 2020. Deloitte has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information and, accordingly, Deloitte expresses no opinion or form of assurance on the information contained herein.

2. Deloitte became the Receiver by virtue of being appointed by Order of the Court of Queen's Bench of Alberta, a copy of which is attached to this Notice as **Schedule "A"**.
3. The Receiver took possession and control of the Property described above on June 24, 2020 and are in the process of working with the Debtor to obtain the books and records of the HomeStay Express.
4. The following information relates to the receivership:
 - (a) Mailing Address: 815 East Lake Blvd, Airdrie, AB T4A 2G4
 - (b) Principal line of business: Hotel hospitality
 - (c) Location(s) of business: 815 East Lake Blvd, Airdrie, AB T4A 2G4
 - (d) Amount owed to each creditor who holds a security on the Property described above:

Secured Creditor	Book value (\$CDN)
856223 Alberta Ltd.	151,184
Blue Chip Leasing Corporation	UNKNOWN
Concentra Bank	UNKNOWN
Daystar Mechanical Plumbing and Heating Inc.	1,767

Her Majesty the Queen in Right of Alberta	111,817
Innovation Credit Union	5,238,057

(e) The list of other known creditors and the amount owed to each creditor is as follows:

See attached **Schedule "B"**

(f) The intended plan of action of the Receiver during the receivership, to the extent that such a plan has been determined is as follows:

Secure and manage the Property of the HomeStay Express until a sales process has been conducted.

(g) Contact person for the Receiver:

Georgia Young
Deloitte Restructuring Inc.
Suite 700, 850 – 2nd Street SW
Calgary, AB T2P 0R8
Phone: 403-956-0365
Email: geyoung@deloitte.ca

Dated at the City of Calgary in the Province of Alberta, this 29th day of July 2020.

DELOITTE RESTRUCTURING INC.

Solely in its capacity as Receiver and Manager
of the Debtor (as defined herein),
and not in its personal capacity.

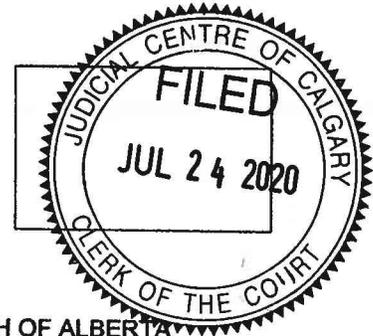


Robert J. Taylor, FCPA, FCA, CIRP, LIT, CFE
Senior Vice-President

700 Bankers Court, 850 - 2nd Street SW
Calgary AB T2P 0R8
Phone: (403) 503-1458
Fax: (403) 718-3681

SCHEDULE "A"
Receivership Order

Clerk's Stamp:



COURT FILE NUMBER

1801-08521

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

PLAINTIFFS

INNOVATION CREDIT UNION and CONCENTRA BANK

DEFENDANTS

1885731 ALBERTA LTD., OSTRANDER FAMILY HOLDINGS LTD., PHILIP KRAHN, AND BRIAN OSTRANDER

DOCUMENT

RECEIVERSHIP ORDER

CONTACT INFORMATION OF PARTY

Dentons Canada LLP

FILING THIS DOCUMENT:

Bankers Court

15th Floor, 850 - 2nd Street S.W.

Calgary, Alberta T2P 0R8

Attn: John Regush

Ph. (403) 268-7086 Fx. (403) 268-3100

File No.: 574391-1

DATE ON WHICH ORDER WAS PRONOUNCED: July 22, 2020

LOCATION WHERE ORDER WAS PRONOUNCED:

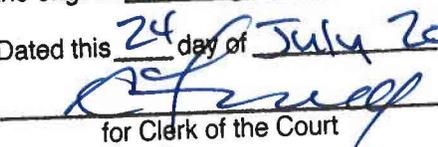
Calgary Courts Centre, Calgary, Alberta

NAME OF JUDGE WHO MADE THIS ORDER:

The Honourable Madam Justice Campbell

I hereby certify this to be a true copy of the original ORDER

Dated this 24 day of July 2020


for Clerk of the Court

UPON the application of Inrovation Credit Union and Concentra Bank (collectively, the "Plaintiffs") in respect of 1885731 Alberta Ltd. (the "Debtor"); **AND UPON** having read the Application, the Affidavit of Brad Appel; and upon hearing representations from counsel for the Plaintiffs as to service; **AND UPON** reading the consent of Deloitte Restructuring Inc. to act as interim receiver and receiver and manager (the "Receiver") of the Debtor, filed; **AND UPON** hearing counsel for the Plaintiffs, counsel for the Debtor, and counsel for Primewest Mortgage Investment Corporation; **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 section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "BIA"), and sections 13(2) of the *Judicature Act*, R.S.A. 2000, c.J-2, 99(a) of the *Business Corporations Act*, R.S.A. 2000, c.B-9, and 65(7) of the *Personal Property Security Act*, R.S.A. 2000, c.P-7 Deloitte Restructuring Inc. is hereby appointed Receiver, without security, of all of the Debtor's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "Property").

RECEIVER'S POWERS

3. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
 - (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property,
 - (b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
 - (c) to manage, operate and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;

- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to or by the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding, and provided further that nothing in this Order shall authorize the Receiver to defend or settle the action in which this Order is made unless otherwise directed by this Court;
- (k) to market any or all the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:
 - (i) without the approval of this Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$300,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,

and in each such case notice under subsection 60(8) of the *Personal Property Security Act*, R.S.A. 2000, c. P-7 or any other similar legislation in any other province or territory shall not be required.

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

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OF REMEDIES

9. All rights and remedies of any Person, whether judicial or extra-judicial, statutory or non-statutory (including, without limitation, set-off rights) against or in respect of the Debtor or the Receiver or affecting the Property are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, including, without limitation, any rights or remedies or provisions in any agreement, construction, ownership and operating agreement, joint venture agreement or any such similar agreement or agreements to which the Debtor is a party that purport to effect or cause a cessation of operatorship as a result of the occurrence of any default or non-performance by or the insolvency of the Debtor, the making or filing of these proceedings or any allegation, admission or evidence in these proceedings and under no circumstances shall the Debtor be replaced as operator pursuant to any such agreements without further order of this Court provided, however, that nothing in this Order shall:
 - (a) empower the Debtor to carry on any business that the Debtor is not lawfully entitled to carry on;
 - (b) prevent the filing of any registration to preserve or perfect a security interest;
 - (c) prevent the registration of a claim for lien; or

- (d) exempt the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment.
10. Nothing in this Order shall prevent any party from taking an action against the Debtor where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Receiver at the first available opportunity.

NO INTERFERENCE WITH THE RECEIVER

11. No Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, except with the written consent of the Debtor and the Receiver, or leave of this Court.

CONTINUATION OF SERVICES

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

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

RECEIVER TO HOLD FUNDS

13. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall

be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

EMPLOYEES

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. (a) Notwithstanding anything in any federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:
 - (i) before the Receiver's appointment; or
 - (ii) after the Receiver's appointment unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.

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

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

18. The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case, incurred at their standard rates and charges. The Receiver and counsel to the Receiver shall be entitled to the benefits of and are hereby granted a charge (the "**Receiver's Charge**") on the Property which charge shall not exceed an aggregate amount of \$200,000, 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.
19. The Receiver and its legal counsel shall pass their accounts from time to time.
20. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including the legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

21. The Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000 (or such greater amount as this Court may by further order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges set out in sections 14.06(7), 81.4(4) and 81.6(2) of the BIA.
22. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

23. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.
24. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.
25. The Receiver shall be allowed to repay any amounts borrowed by way of Receiver's Certificates out of the Property or any proceeds, including any proceeds from the sale of any assets without further approval of this Court.

ALLOCATION

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

GENERAL

27. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
28. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Receiver will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Receiver's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.
29. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.
30. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.

31. The Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
32. The Plaintiffs shall have their costs of this application, up to and including entry and service of this Order, provided for by the terms of the Plaintiffs' security or, if not so provided by the Plaintiffs' security, then on a substantial indemnity basis, including legal costs on a solicitor-client full indemnity basis, to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.
33. Any interested party may apply to this Court to vary or amend this Order on not less than 7 days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

FILING

34. The Receiver shall establish and maintain a website in respect of these proceedings (the "**Receiver's Website**") and shall post there as soon as practicable:
 - (a) all materials prescribed by statute or regulation to be made publically available; and
 - (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, or served upon it, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.
35. Service of this Order shall be deemed good and sufficient by:
 - (a) serving the same on:
 - (i) the persons listed on the service list created in these proceedings or otherwise served with notice of these proceedings;
 - (ii) any other person served with notice of the application for this Order;
 - (iii) any other parties attending or represented at the application for this Order; and
 - (b) posting a copy of this Order on the Receiver's Websiteand service on any other person is hereby dispensed with.

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


Justice of the Court of Queen's Bench of Alberta

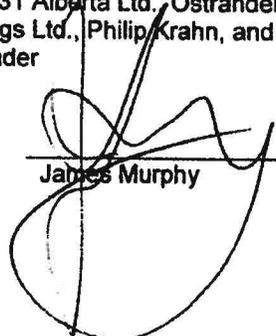
Approved as the Order granted this 22nd day of July, 2020 by Dentons Canada LLP, counsel for Innovation Credit Union and Concentra Bank

Per:

John Regush

Approved as to the Order granted this 22 day of July, 2020 by Burnet, Duckworth & Palmer LLP, counsel for 1885731 Alberta Ltd., Ostrander Family Holdings Ltd., Philip Krahn, and Brian Ostrander

Per:



James Murphy

Approved as the Order granted this 23 day of July, 2020 by Miller Thomson LLP, counsel for Primewest Mortgage Investment Corporation

Per:



Patrick Harnett

SCHEDULE "B"

Unsecured Creditors

Unsecured Creditor	Book Value (\$CDN)
AEDARSA	208
AHLA	522
Airdrie Chamber of Commerce	525
Airdrie Waste Management	529
Alberta Tax & Revenue	117,073
Alta-West Hydrant & Hottapping Service	719
Bell Aliant	366
Bodkin	192
C & J Electric	578
Calgary Lighting Products	134
Canterbury Coffee	596
CFI Foods	6,087
City of Airdrie	1,550
City of Airdrie Property Tax	1,469
Day Star Mechanical	1,167
Direct Energy	1,615
Engel's Bakeries	67
Epcor	11,363
Evergreen Turf	562
Expedia	-
Globespan Travel Management	459
Home Valley Services	115
Image Distributors (Canada) Ltd.	1,366
InnQuest Canada	1,965
Jordko Development Corp	1,336
Moldsquad	1,777
Nucleus Infor service	1,091
Odyssey Hotels Group Ltd.	-
Orkin Canada Corporation	1,191
Receiver General	84,575
Receiver General - Payroll	200,965
Riverstar Fire protection	1,347
Scorpio Flooring Inc.	525
Shaw Business	8,889
Shaw Cable Payment Centre	602
Shaw Cable Payment Centre 031-2413-6506	695
Shaw Cable Payment Centre 031-2415-1548	773
Speedpro Signs	3,045
Sport Teams Accommodation Inc.	246
Super 8 Worldwide Inc	33,077
Sysco Guest Supply	2,735
Telus	1,030
ThyssenKrupp	2,591
TravelClick Inc.	1,200
True North Hospitality	1,005
Tyco Integrated Fire & Security	1,098

Notice and Statement of the Receiver

5

Waste Management	829
WCB	4,396
West Penetone Inc	5,493
Western Financial Group	1,764
Total Unsecured Creditors	511,500

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that **[RECEIVER'S NAME]**, the interim receiver and receiver and manager (the "Receiver") of all of the assets, undertakings and properties of **[DEBTOR'S NAME]** appointed by Order of the Court of Queen's Bench of Alberta and Court of Queen's Bench of Alberta in Bankruptcy and Insolvency (collectively, the "Court") dated the **[day]** day of **[month]**, **[year]** (the "Order") made in action numbers **[●]**, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of **[\$]**, being part of the total principal sum of **[\$]** 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 **[daily]** **[monthly not in advance on the ● day of each month]** after the date hereof at a notional rate per annum equal to the rate of **[●]** per cent above the prime commercial lending rate of Bank 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__.

[RECEIVER'S NAME], solely in its capacity as Receiver of the Property (as defined in the Order), and not in its personal capacity

Per: _____
Name:
Title:

APPENDIX "C"

Delivered
November 15th, 2019
815 East Lake Blvd,
Airdrie, AB, T4A2G4

B

MEMBERSHIP
AGREEMENT
AIRDRIE
APPROVED
B

Attention- Brian Ostrander/Phil Krahn

Dear Sirs:

**RE: Homestay Express hotels & 1885731 Alberta LTD.
Membership Agreement.
Unit No. 815 East Lake Blvd, Airdrie, Alberta.**

On behalf of Homestay Express, I enclosed herewith for your records the executed membership agreement & Homestay Express & suites hotels trademark license agreement.

In due course, I will forward copies of the Homestay Express trademark licence agreement, PMS subscription Agreement, Hotel revenue management agreement & the reservation services agreement once they have been signed by Homestay Express.

Homestay Membership Agreement

This agreement is made and entered into this 15th Day of November 2019, by and between 1885731 Alberta Ltd carrying on the business under the name of homestay Express, Canada. Corporation ("Licensor"), with its principal office at 34 Ranchlands way, Medicine Hat, Alberta, T1C0E1, and 18857319 Alberta Ltd. An Alberta corporation with an office address at 815 East Lake Blvd, Airdrie, Alberta. Attention Mr. Brian Ostrander & Phil Krahn

WHEREAS Licensor owns certain trademark, including without limitation, those listed in schedule 1 attached hereto(whether any such are registered or not) as the same shall be amended from time to time and such others as licensor may authorize from time to time (collectively the Homestay marks), used in the operation of Homestay Express or lodging facilities & related restaurant, lounge and ancillary services(Homestay Express);

WHEREAS a predecessor of the licence also called Odyssey hotels Group entered into that certain master licence agreement for Canada, Dated November 15th,2019 (the Canada Agreement) licensing the Licensor to own, operate and Membership Homestay Facilities in certain portions of Canada (as provided in the Canada Agreement);

WHEREAS the Licensor and Licensee are parties to that certain Membership Agreement of even date herewith (the "Membership Agreement"), pursuant to which the Licensor has granted Licensee a Membership to operate a Homestay Express Facility as specified therein; and

WHEREAS Licensor desires to grant to Licensee and Licensee desires to obtain from Licensor, the right to use the Odyssey hotels Marks in connection with the operation of that certain Homestay express Facility contemplated by the Membership Agreement on the terms and conditions contained herein and in the Membership Agreement.

NOW THEREFORE in consideration of the premises and mutual covenants, agreements and obligations set forth herein, the parties hereto agree as follows:

1. Grant of License

Subject to earlier termination in accordance with the terms hereof and of the Membership Agreement, Licensor hereby grants to Licensee upon the terms and conditions contained hereinafter set forth, the license to use the Odyssey Marks in connection with owning and operating a Homestay Express Facility located at:

815 East Lake Blvd, Airdrie, Alberta.

(the "Premises"), for so long as the Membership Agreement is in effect. Licensee acknowledges and agrees that the license granted herein is limited to the operation of a Homestay Express Facility at the Premises and confers no rights upon Licensee to use the Odyssey Marks anywhere other than the Premises, except for advertising purposes approved by the Licensor pursuant to the Membership Agreement.

2. Membership

In consideration of the license granted by this Agreement, Licensee shall pay to the Licensor each year, within ninety (90) days of the end of each calendar year hereunder, for the duration of this Agreement, a royalty of Ten Dollars (\$2500) in the legal currency of Canada, net any applicable taxes. A monthly membership fee of 2500 will be paid by the licensee to the licensor.

3. Ownership of Marks

Licensee hereby acknowledges and agrees that Licensor is the owner of all rights in and to the Odyssey Marks, that Licensee's right to use the Odyssey Marks is derived solely from this Agreement and the Membership Agreement and is limited to use at the Premises, except as provided herein, that all usage of the Odyssey Marks by Licensee and any goodwill established thereby shall inure to the exclusive benefit of Licensor, that this Agreement does not confer any goodwill or ownership interests whatsoever in the Odyssey Marks upon Licensee and that, upon termination or expiration hereof, no monetary value shall be attributable to any goodwill associated with the use of the Odyssey Marks by Licensee. Licensee shall not take any action that could adversely affect the goodwill and prestige of the Odyssey Marks.

4. Quality Control

Licensee acknowledges the importance to Licensor, its reputation and goodwill, and to the public, of maintaining high, uniform standards of quality for the goods and services sold under the Odyssey Marks. Licensee therefore agrees to maintain standards of quality as may be set by Licensor from time to time and to follow the written specifications or standards of the Licensor relating to the type, nature or quality of goods or services sold under the Odyssey Marks. To determine whether Licensee is complying with this Agreement and the quality controls set forth herein, Licensor shall have the right at any time during business hours, without prior notice to inspect the Premises. Licensee agrees to permit inspection of the Premises and

to fully cooperate and cause its employees to fully cooperate with representatives of Licensor during any such inspection. If Licensor notifies Licensee of any deficiencies detected during any such inspection, Licensee agrees to promptly and diligently correct all such deficiencies.

5. Infringements

Licensee shall notify Licensor immediately of any infringement of or challenge to the use of any Odyssey Mark, or any claim of any rights in any Odyssey Mark, or any confusingly similar trademark, of which Licensee becomes aware. Licensee shall assist Licensor in protecting the Odyssey Marks and take such action as shall be necessary or advisable to protect and maintain the interests and rights of the parties in and to the Odyssey Marks.

6. Form of Use

Licensee agrees to use only the Odyssey Marks to identify the Premises and only in the form and manner and with appropriate legends as prescribed from time to time by Licensor and not to use any other trademark in combination with the Odyssey Marks without prior written approval of Licensor. Licensee shall not incorporate any Odyssey Mark as part of any corporate or trade name or with any prefix, suffix or other modifying trademarks, logos, words, terms, designs or symbols, or in any modified form, or use any Odyssey Mark in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized under this Agreement or the Membership Agreement and will display the Odyssey Marks and give notices of trademark registrations and ownership in the manner prescribed by Licensor. If it becomes advisable at any time in the reasonable opinion of Licensor for Licensee to modify or discontinue its use of any of the Odyssey Marks, or to use one or more additional or substitute trademarks, Licensee agrees to do so promptly at Licensor's expense.

7. Assignment

Neither this Agreement nor any part or all of the ownership of Licensee may be voluntarily or involuntarily, directly or indirectly assigned, sold, pledged, hypothecated or otherwise transferred without the prior written consent of Licensor, except in accordance with the terms of the Membership Agreement and any such assignment or transfer without such approval shall constitute a breach hereof and convey no rights or interests in the Odyssey Marks to such assignee. This Agreement is fully assignable by Licensor and shall inure to the benefit of any assignee or other legal successor to the interests of Licensor.

8. Relationship of the Parties

It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them, that Licensor and Licensee shall be

independent contractors and that nothing in this Agreement is intended to make either party a general or special agent, joint venture, partner or employee of the other for any purpose. Furthermore, the parties hereto shall not accept service of process for each other or their respective affiliates.

9. Termination by Licensor

Licensor may terminate this Agreement effective upon delivery of notice of termination to Licensee:

Licensee may cancel the agreement by paying three months of fee to licensor.

- (a) if Licensee violates by making an assignment in violation of this Agreement or the Membership Agreement;
- (b) if Licensee becomes bankrupt or insolvent or makes a proposal to its creditors or suffers or permits a petition in bankruptcy to be filed against it unless the same is discharged or disputed bona fide within five (5) days of such filing, or suffers or permits a receiving order to be made against it or takes or attempts to take the benefit of any federal or provincial law now or hereafter in effect for the relief of debtors, or suffers or permits a receiver or other custodian (permanent or temporary) of Licensee to be appointed by private instrument or by court order, or suffers or permits an execution or similar process to be levied against any of the assets of Licensee, or suffers or permits distress or other similar process to be made against any of the assets of Licensee unless such appointment, process or distress is dismissed or vacated within thirty (30) days thereafter;

- (c) if Licensee or any of its principal executive officers is convicted of a crime or offense that is likely to adversely affect the reputation of Licensee and the goodwill associated with the Odyssey Marks;
- (d) if Licensee breaches any material provision of this Agreement and does not cure such breach, or furnish evidence of reasonable and continuing action undertaken by Licensee to cure such- breach, within thirty (30) days after notice of such breach is delivered to Licensee;
- (e) if Licensee commits a default under the Membership Agreement and the same is not cured within any applicable cure period thereunder; or
- (f) if Licensee or Licensor terminates the Membership Agreement.

10. Obligations After Termination

Licensee agrees that after the termination or expiration of this Agreement, if Licensor so directs Licensee will promptly and expeditiously undertake all reasonable efforts to promptly and expeditiously:

- (a) cease all use of the Odyssey Marks and refrain from any other use of the OHG Marks or any colourable imitation thereof in any manner or for any purpose;
- (b) remove or permanently obscure the OHG Marks;
- (c) deliver to Licensor, all copies in the possession of Licensee of manuals and materials relating to the Odyssey Marks and all advertising materials, forms and other materials containing the Odyssey Marks;
- (d) cease using or permanently obscure the OHG Marks, printed materials and other items bearing the Odyssey Marks;
- (e) take such action as may be required to cancel all fictitious name or equivalent authorizations relating to use by Licensee of the Odyssey Marks; and
- (f) furnish to Licensor, within thirty (30) days after the effective date of termination or expiration, evidence reasonably satisfactory to Licensor of compliance by Licensee with the foregoing obligations.

Waiver

The waiver by either party of a breach or provision of this Agreement by the other shall not operate or be construed as a waiver or any subsequent breach by such other Severability

The invalidity, illegality or unenforceability of any provision hereof shall not in any way affect, impair, invalidate or render unenforceable this Agreement or any other provision thereof.

11. Severability

The invalidity, illegality or unenforceability of any provision hereof shall not in any way affect, impair, invalidate or render unenforceable this Agreement or any other provision thereof.

13. General

The paragraph headings are for information only and this Agreement shall not be construed by reference thereto. The validity, construction and enforceability of this Agreement shall be governed by the laws of the Province of Ontario.

14. Delivery of Notices and Payments

All notices, reports and other information and supporting records permitted or required to be delivered by the provisions of this Agreement shall be delivered to:

Licensors: Homestay Hotel Services Corp.
34 Ranchlands Way NE, Medicine Hat, AB, T1C0E1
Attention: President

Licensee:
954 7th Street, Sw
Medicine Hat, Alberta T1A 7R7
Attention: Brian Ostrander

as modified from time to time by either party with notice to the other party. Notices shall be deemed so delivered at the time delivered personally by the party giving same to the other party, one (1) business day after sending by telecopier or comparable electronic system and two (2) business days after sending by air courier service and three (3) business days after sending registered mail.

15. Remedies.

Remedies specified in this Agreement are cumulative and do not exclude any remedies available at law or in equity. The non-prevailing party will pay all costs and expenses, including lawyers' fees on a substantial indemnity basis, incurred by the prevailing party to enforce this Agreement or collect amounts owed under this Agreement. Subject to any applicable provincial Membership statute which expressly states that the venue for the determination of any dispute other than in that province is void, you consent and waive your objection to the exclusive personal jurisdiction of and venue in the court of competent jurisdiction in the Province of Alberta in the judicial district in which our head office is located, for all cases and controversies under this Agreement or between us and you.

16. Miscellaneous. Subject to any applicable provincial Membership statute which expressly states that the application of any laws other than of that province is void, this Agreement will be governed by and construed under the laws of the Province of Alberta. Notwithstanding any of the foregoing, if the Facility is located in a province that does not have a Membership statute, Alberta's (Membership Disclosure) or any successor thereto will not apply to claims which may otherwise have been made under that legislation. This Agreement is exclusively for the benefit of the parties. There are no third-party beneficiaries. No agreement between us and anyone else is for your benefit. The section headings in this Agreement are for convenience of reference only.

17. Entire Agreement

This Agreement contains the entire agreement of the parties and no representations, inducements, promises or agreements, oral or otherwise between the parties not embodied herein shall be of any force or effect.

18. Successors and Assigns

This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective permitted successors and assigns.

19. Further Assurances

The Licensor and Licensee shall execute and deliver such further documents and take such steps as may be reasonably requested to implement the terms of this Agreement. IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed the day and year first written above.

Welcome to Homestay membership Agreement!



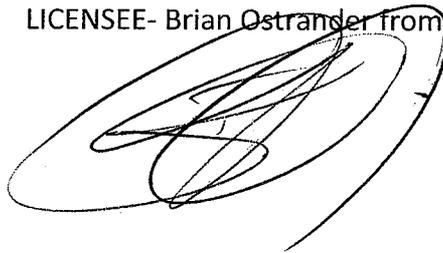
Odyssey
Hotels

AROOD



LICENSOR -Homestay Hotels

LICENSEE- Brian Ostrander from 1885731 Alberta Ltd.



APPENDIX "D"



Deloitte Restructuring Inc.
700, 850 - 2 Street SW
Calgary AB T2P 0R8
Canada

Tel: 403-267-0501
Fax: 403-718-3681
www.deloitte.ca

Odyssey Hotel Group Ltd.
27 Arbour Stone Close NW
Calgary, AB T3G 4T1

ATTN: Phil Krahn / Brian Ostrander

VIA EMAIL: phil.krahn@gmail.com / brian.hotels@gmail.com

September 4, 2020

Dear Sirs,

Subject: In the Matter of the Receivership of 1885731 Alberta Ltd.

By Order of the Court of Queen's Bench Alberta (the "**Court**") dated July 22, 2020 (the "**Appointment Order**"), Deloitte Restructuring Inc. ("**Deloitte**") was appointed as the receiver and manager (the "**Receiver**") of all current and future assets, undertakings, and properties of every nature and kind whatsoever, and wherever situated, including all proceeds (the "**Property**") of 1885731 Alberta Ltd. ("**188**") operating as Homestay Inn Express ("**Homestay Express**").

The Receiver understands that the Odyssey Hotel Group Ltd. ("**Odyssey**") is the registrant of the Homestay Inn Express tradename (the "**Tradename**") in Alberta. The membership agreement dated November 15, 2019 provided by you, suggests that, among other things, a monthly membership fee of \$1,650 is to be paid by 188 to Odyssey for use of the Tradename.

The Receiver understands that unlike a trademark, there is no ownership in a tradename and hence, nothing that can be licensed. The Alberta government website states "*Registering a business name does not grant any right of ownership of the name. It is simply proof that the name is being used by a particular business.*"

The Receiver has completed searches of the SAEGIS registry to determine the existence of any trademarks or pending applications for a trademark with respect to the Homestay Express name. These searches have not disclosed the existence of any trademark or pending trademark applications. Based on the terms of the license agreement purporting to license the use of a trademark, and suggestions in correspondence from Ms. Taylor that Odyssey is in the process of filing an application for registration of a trademark, the Receiver is prepared to make monthly membership fee payments of \$825 to Odyssey upon receipt of written confirmation and supporting documentation showing that Odyssey is in the process of properly registering a trademark for the Homestay Express name. The monthly membership fee of \$825 will be made on a go forward basis from the date of receipt of such written confirmation and supporting documentation until a sale of Homestay Express has closed or, if no sale is closed, the sale process by the Receiver concluded.

With respect to membership fees accrued prior to the date of receivership, the Receiver is not in a position to pay any outstanding balance on the account. Odyssey has an unsecured claim against 188

Homestay Express

September 4, 2020

Page 2

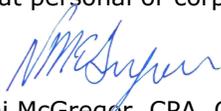
for any amounts owing to you prior to the date of receivership. A formal claims process has not been established at this time. In the event there are funds available for distribution to unsecured creditors, after secured creditors and other priority payables have been paid in full, the Receiver will conduct a claims process and provide unsecured creditors with an opportunity to file a claim to be included in any distribution.

If you have any questions or require further information with respect to the receivership administration or the Property, please contact the undersigned at 403-503-1423 or naomcgregor@deloitte.ca.

Yours sincerely,

DELOITTE RESTRUCTURING INC.,
solely in its capacity as
Court-appointed Receiver and Manager
of the 188 (as defined herein),
without personal or corporate liability

Per:



Naomi McGregor, CPA, CGA
Senior Manager

APPENDIX "E"



LAND TITLE CERTIFICATE

S
LINC SHORT LEGAL TITLE NUMBER
0026 186 817 9412092;;5 151 156 454

LEGAL DESCRIPTION
PLAN 9412092
LOT 5
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 0.661 HECTARES (1.63 ACRES) MORE OR LESS

ESTATE: FEE SIMPLE
ATS REFERENCE: 4;29;27;3;N

MUNICIPALITY: CITY OF AIRDRIE

REFERENCE NUMBER: 001 015 568

REGISTERED OWNER(S)				
REGISTRATION	DATE (DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
151 156 454	23/06/2015	TRANSFER OF LAND	\$6,220,000	\$6,220,000

OWNERS

1885731 ALBERTA LTD.
OF 815 EAST LAKE BLVD
AIRDRIE
ALBERTA T4A 2G4

ENCUMBRANCES, LIENS & INTERESTS		
REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
771 147 064	20/10/1977	ZONING REGULATIONS SUBJECT TO CALGARY INTERNATIONAL AIRPORT ZONING REGULATIONS
801 113 419	01/08/1980	UTILITY RIGHT OF WAY GRANTEE - THE TOWN OF AIRDRIE. AS TO PORTION OR PLAN:8010665
971 048 810	18/02/1997	RESTRICTIVE COVENANT

ENCUMBRANCES, LIENS & INTERESTS

PAGE 2

151 156 454

REGISTRATION

NUMBER	DATE (D/M/Y)	PARTICULARS
971 048 811	18/02/1997	CAVEAT RE : EASEMENT
091 117 177	01/05/2009	CAVEAT RE : DEVELOPMENT AGREEMENT PURSUANT TO MUNICIPAL GOVERNMENT ACT CAVEATOR - THE CITY OF AIRDRIE. 400 MAIN ST SE AIRDRIE ALBERTA T4B3C3
151 156 455	23/06/2015	MORTGAGE MORTGAGEE - CONCENTRA FINANCIAL SERVICES ASSOCIATION. 333-3 AVENUE NORTH SASKATOON SASKATCHEWAN S7K2M2 ORIGINAL PRINCIPAL AMOUNT: \$4,354,000
151 156 456	23/06/2015	MORTGAGE MORTGAGEE - 856223 ALBERTA LTD. 1326-119B ST EDMONTON ALBERTA T6J7H5 ORIGINAL PRINCIPAL AMOUNT: \$950,000
161 207 941	01/09/2016	WRIT CREDITOR - 856223 ALBERTA LTD. 220,8723 82 AVE EDMONTON ALBERTA T6C0Y9 DEBTOR - 1885731 ALBERTA LTD. 340, 600 CROWFOOD CRESCENT CALGARY ALBERTA T3G0B4 AMOUNT: \$151,184 AND COSTS IF ANY ACTION NUMBER: 1503 18083
171 083 963	22/04/2017	MORTGAGE MORTGAGEE - OSTRANDER FAMILY HOLDINGS LTD. C/O 240, 550-71 AVENUE SE CALGARY ALBERTA T2H0S6 ORIGINAL PRINCIPAL AMOUNT: \$1,000,000
201 050 302	11/03/2020	WRIT CREDITOR - HER MAJESTY THE QUEEN IN RIGHT OF ALBERTA AS REPRESENTED BY THE PRESIDENT OF TREASURY BOARD AND MINISTER OF FINANCE

(CONTINUED)

REGISTRATION

NUMBER DATE (D/M/Y) PARTICULARS

6TH FLOOR, 9811-109 STREET
EDMONTON
ALBERTA T5K2L5
DEBTOR - 1885731 ALBERTA LTD.
815 EAST LAKE BLVD NE
AIRDRIE
ALBERTA T4A2G4
AMOUNT: \$111,817 AND COSTS IF ANY
ACTION NUMBER: 2003 04427

201 061 248 26/03/2020 BUILDER'S LIEN
LIENOR - DAYSTAR MECHANICAL PLUMBING AND HEATING
INC.
UNIT 11, 25 EAST LAKE CIRCLE NE
AIRDRIE
ALBERTA T4A2J9
AGENT - RAFAEL GOMEZ VARGAS
AMOUNT: \$1,767

TOTAL INSTRUMENTS: 011

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN
ACCURATE REPRODUCTION OF THE CERTIFICATE OF
TITLE REPRESENTED HEREIN THIS 19 DAY OF JUNE,
2020 AT 08:28 A.M.

ORDER NUMBER: 39542828

CUSTOMER FILE NUMBER: 02960571-OST



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).

APPENDIX "F"

Search ID #: Z12770491

Transmitting Party

WEST-END REGISTRATIONS LICENSING & SEARCHES
LTD. (P158)

10011 170 STREET
EDMONTON, AB T5P 4R5

Party Code: 50076967
Phone #: 780 483 8211
Reference #: 02960568--

Search ID #: Z12770491

Date of Search: 2020-Jun-19

Time of Search: 08:25:01

Business Debtor Search For:

1885731 ALBERTA LTD.

Exact Result(s) Only Found

NOTE:

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



Search ID #: Z12770491

Business Debtor Search For:

1885731 ALBERTA LTD.

Search ID #: Z12770491

Date of Search: 2020-Jun-19

Time of Search: 08:25:01

Registration Number: 15060533823

Registration Type: SECURITY AGREEMENT

Registration Date: 2015-Jun-05

Registration Status: Current

Expiry Date: 2025-Jun-05 23:59:59

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

Current

1 1885731 ALBERTA LTD.
815 EAST LAKE BLVD. NE
AIRDRIE, AB T4A 2G4

Secured Party / Parties

Block

Status

Current

1 856223 ALBERTA LTD.
1326 - 119B STREET
EDMONTON, AB T6J 7H5

Collateral: General

Block

Description

Status

1 ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR

Current

Search ID #: Z12770491

Business Debtor Search For:

1885731 ALBERTA LTD.

Search ID #: Z12770491

Date of Search: 2020-Jun-19

Time of Search: 08:25:01

Registration Number: 15060835215

Registration Type: SECURITY AGREEMENT

Registration Date: 2015-Jun-08

Registration Status: Current

Expiry Date: 2025-Jun-08 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 1885731 ALBERTA LTD.
340, 600 CROWFOOT CRES NW
CALGARY, AB T3G 0B4

Current

Block

Status

2 ODYSSEY HOTELS GROUP
340, 600 CROWFOOT CRES NW
CALGARY, AB T3G 0B4

Current

Secured Party / Parties

Block

Status

1 INNOVATION CREDIT UNION
198 FIRST AVE NE
SWIFT CURRENT, SK S9H 2B2

Current

Collateral: General

Block

Description

Status

1 ALL PRESENT AND ACQUIRED PERSONAL PROPERTY.

Current

Search ID #: Z12770491

Business Debtor Search For:

1885731 ALBERTA LTD.

Search ID #: Z12770491

Date of Search: 2020-Jun-19

Time of Search: 08:25:01

Registration Number: 16090733295

Registration Type: SECURITY AGREEMENT

Registration Date: 2016-Sep-07

Registration Status: Current

Expiry Date: 2021-Sep-07 23:59:59

Exact Match on:

Debtor

No: 3

Amendments to Registration

16090823393

Amendment

2016-Sep-08

Debtor(s)

Block

1 SWIFT HOTELS GROUP LTD
105 GEORGE STREET
SWIFT CURRENT, SK S9H0K4

Status

Deleted by
16090823393

Block

2 1764239 ALBERTA LTD
954 7TH STREET
MEDICINE HAT, AB T1A7R7

Status

Current

Block

3 1885731 ALBERTA LTD
815 EAST LAKE BLVD
AIRDRIE, AB T4A2G4

Status

Current

Secured Party / Parties

Block

1 BLUE CHIP LEASING CORPORATION
156 DUNCAN MILL RD, UNIT 16
TORONTO, ON M3B3N2

Status

Current

Search ID #: Z12770491

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	1 - ETHER 232 DUO, 1 - SMX 750 SMART-UPS 750VA/60, 4 - 4 PLUS 12 PORT COMBO, 4 - 24 PORT ONSP CARD, 1 - 5540 IP CONSOLE, 1 - PWR CRD C13 10A 125V, 2 - 5340E IP PHONE, 1 - AX CONTROLLER, 1 - SX-200 AX SW 4G SSD, 1 - SF300 8 PORT SWITCH AND ALL ACCESSORIES AND ALL IP PHONE EQUIPMENT OF EVERY NATURE OR KIND DESCRIBED IN LEASE #45970 (70235) BETWEEN THE SECURED PARTY, AS LESSOR AND THE DEBTOR AS LESSEE, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL OR PROCEEDS THEREOF.	Deleted By 16090823393
2	1 - AO SMITH BRTC251 WATER HEATER S/N:1546M000542, 1 - ETHER 232 DUO, 1 - SMX 750 SMART-UPS 750VA/60, 4 - 4 PLUS 12 PORT COMBO, 4 - 24 PORT ONSP CARD, 1 - 5540 IP CONSOLE, 1 - PWR CRD C13 10A 125V, 2 - 5340E IP PHONE, 1 - AX CONTROLLER, 1 - SX-200 AX SW 4G SSD, 1 - SF300 8 PORT SWITCH AND ALL IP PHONE EQUIPMENT AND HEATER EQUIPMENT OF EVERY NATURE OR KIND DESCRIBED IN LEASE #45970 (70235) BETWEEN THE SECURED PARTY, AS LESSOR AND THE DEBTOR AS LESSEE, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL OR PROCEEDS THEREOF.	Current By 16090823393

Search ID #: Z12770491

Business Debtor Search For:

1885731 ALBERTA LTD.

Search ID #: Z12770491

Date of Search: 2020-Jun-19

Time of Search: 08:25:01

Registration Number: 20022821884

Registration Type: WRIT OF ENFORCEMENT

Registration Date: 2020-Feb-28

Registration Status: Current

Expiry Date: 2022-Feb-28 23:59:59

Issued in Edmonton Judicial Centre

Court File Number is 200304427

Judgment Date is 2020-Feb-28

This Writ was issued on 2020-Feb-28

Type of Judgment is Crown

Original Judgment Amount: \$111,817.13

Costs Are: \$0.00

Post Judgment Interest: \$0.00

Current Amount Owing: \$111,817.13

Exact Match on:

Debtor

No: 1

Solicitor / Agent

HER MAJESTY THE QUEEN IN RIGHT OF ALBERTA
6TH FL WEST HAULTAIN BLDG; 9811 109 ST
EDMONTON, AB T5K 2L5

Phone #: 780 644 4230 Fax #: 780 644 4924

Email: tbf-r-ops-paralegal@gov.ab.ca

Debtor(s)

Block

Status

Current

1 1885731 ALBERTA LTD.
815 EAST LAKE BLVD NE
AIRDRIE, AB T4A2G4

Creditor(s)

Block

Status

Current

1 HER MAJESTY THE QUEEN IN RIGHT OF ALBERTA
6TH FL WEST HAULTAIN BLDG; 9811 109 ST
EDMONTON, AB T5K 2L5

Search ID #: Z12770491

Phone #: 780 644 4230 Fax #: 780 644 4924
Email: tbf-r-ops-paralegal@gov.ab.ca

Result Complete

APPENDIX "G"

EXCLUSIVE LISTING AGREEMENT

November [], 2020

Between

Deloitte Restructuring Inc., in its capacity as Court appointed Receiver and Manager of 1885731 Alberta Ltd., and not in its personal capacity

700, 850 – 2 Street SW
Calgary, Alberta T2P 0R8

Attention: Robert J. Taylor
(the "**Vendor**")

And

Royal LePage Mission – Commercial

107, 2915-21 St. NE
Calgary, Alberta T2E 7T1

Attention: Tim Anderson
(the exclusive "**Selling Agent**")

WHEREAS:

- A. The Vendor consented to act as receiver and manager of the hotel business and Property (defined below) of 1885731 Alberta Ltd. and located in **Airdrie Alberta** pursuant to the Receivership Order dated July 22, 2020 (the "Receivership Order"). The Vendor was appointed Receiver of the hotel business and the Property (defined below) with power to market the debtor's property and engage consultants, agents and others, from time to time to assist with the exercise of its powers and duties conferred by the Receivership Order;
- B. The Vendor has agreed to retain, and the Selling Agent has agreed to accept, an exclusive listing for the purpose of marketing the Property (as herein defined).

WITNESSES THAT, in consideration of the premises, and the mutual promises and agreements herein contained, the parties agree as follows:

- 1) Retainer Agent: The Vendor hereby retains the Selling Agent, upon the terms and conditions hereinafter set forth, as exclusive agent to market and solicit offers to purchase the lands, equipment and premises (the "**Property**") known as the HomeStay Inn Express at 815 East Lake Blvd NE, Airdrie, Alberta and legally described as :

PLAN 9412092, LOT 5

EXCEPTING THEREOUT ALL MINES AND MINERALS

- 2) Commission: Subject to paragraph 6 of this Agreement, the Vendor agrees to pay the Selling Agent a commission in the amounts and on the terms as follows:
 - a) In the event that the Property is sold during the term of this engagement, the amount of the commission payable to the Selling Agent shall be 3% of the purchase price paid by the Purchaser for the Property (the "**Commission**");
 - b) The Vendor will pay the GST applicable with respect to all Commissions paid;
 - c) "Purchase Price" means the consideration paid by a purchaser for all of the Property to the Vendor, including the amount of any mortgage or loan charging the Property which may be assumed by the purchaser, but does not include any GST, payable by the purchaser, nor any closing related adjustment or credit given to the purchaser by the Vendor;
 - d) The Commission shall be payable to the Selling Agent (and if applicable, the third party Purchaser's Agent) on the Closing or settlement date for any Offer to Purchase or Asset Purchase Agreement ("**Purchase Agreement**") from any and all prospective purchaser(s) to purchase the Property that is accepted by the Vendor:
 - i) Commencing on the date of this agreement and throughout the term of this agreement or extension; or
 - ii) Within 90 days of the expiry of the term of this agreement (as determined in accordance with paragraph 8) provided the Selling Agent provided notice to the Vendor of that prospective purchaser(s) interest at the termination of this agreement; or
 - iii) The Purchase Agreement(s) are subsequently approved by the Court; and
 - iv) The Vendor receives unconditional payment of the sale proceeds payable to the Vendor in such transaction;
 - e) This agreement shall serve as a direction to the Vendor's solicitor to pay the Commission, plus GST, to the Selling Agent (and the Purchaser's Agent's brokerage if applicable) as part of closing, and shall also serve as an assignment of the Commission to which the Selling Agent may be entitled, plus GST, from the proceeds of the sale.

- 3) Listing/Selling Terms and Approvals
 - a) The listing price for the Property shall be determined by the Vendor and as set out in the Court Order issued by the Court of Queen's Bench of Alberta. The determination of the listing price and the determination of the Property selling price will be in the sole and absolute discretion of the Vendor;
 - b) The acceptability of any offer to purchase the Property, or portion thereof, will be determined by the Vendor acting in its sole and absolute discretion and the Selling Agent will assist the Vendor in negotiating an agreement on terms acceptable to the Vendor on such basis. For the

avoidance of doubt, the Vendor is not obligated to accept any offers and it reserves the right and unfettered discretion to reject any or all offers. The Selling Agent shall complete the form of offer.

- c) The Selling Agent acknowledges that any sale of the Property which the Vendor might agree to will be subject to approval by the Court of Queen's Bench of Alberta and that time will be required to seek and obtain such approval.

- 4) Selling Agent's Obligations: The Selling Agent will, during the term of this agreement:
 - a) Use all reasonable commercial efforts to:
 - i) Provide advisory services to the Vendor which are appropriate to marketing the Property and as may be requested by the Vendor;
 - ii) Market the Property for sale and to solicit offers to purchase from prospective purchasers;
 - iii) Devote themselves to diligently marketing and selling the Property;
 - iv) Consult with the Vendor on a regular basis, and as specifically requested by the Vendor, and provide current market data and reports to the Vendor periodically and as may be requested by the Vendor;
 - v) Notify prospective purchasers and purchasers' agents of their Real Estate Council of Alberta's (RECA) agency role as the exclusive Vendor's Selling Agent;
 - vi) Deal with any other licensed real estate agent, who informs the Selling Agent of a prospective bona fide purchaser represented by such third party agent, in a cooperative manner, provided that the third party agent provides satisfactory evidence to the Selling Agent, acting reasonably, that the third party agent is acting as a third Party Purchaser's Agent on behalf of a prospective purchaser. Cooperation by the Selling Agent with a third party Purchaser's Agent does not constitute an agreement in any manner to compensate such Purchaser's Agent in any way unless agreed to in writing and a resulting sale subsequently closes;
 - vii) Ensure that all offers are in writing, are in a form acceptable to the Vendor, are submitted on or before the end of the listing term and are delivered to the Vendor by 4:00 pm Mountain Daylight Time within one business day of receipt by the Selling Agent. The Selling Agent acknowledges that it has no authority to accept any offers on behalf of the Vendor or to commit the Vendor to any terms;
 - viii) Endeavour to have all submitted offers submitted remain open for consideration for a period of 5 business days to permit review by the Vendor;
 - ix) Use such advertising and promotional material and such media to market the Property, subject to the Vendor's approval and as it deems appropriate acting reasonably. All such internal Selling Agent materials are to be prepared, published and distributed at the Selling Agent's sole expense, with the content and presentation of the same to be subject to the Vendor's approval;
 - x) Keep confidential all information as provided in confidence by the Vendor; and

- xi) During the listing period, the Selling Agent will provide the Vendor with regular verbal updates and written reports as requested concerning the state of the sale progress achieved throughout the marketing process.
- 5) **Vendor's Obligations:** The Vendor will, during the term of this Agreement exclusively:
- a) Refer to the Selling Agent all inquiries received by the Vendor from persons interest in purchasing the Property;
 - b) Allow the Selling Agent, subject to any restrictions in the Court Order, to show prospective purchaser through the Property during reasonable hours;
 - c) Provide the Selling Agent with all necessary information respecting the Property which is in the actual possession of the Vendor and which may be requested by the Selling Officer, acting reasonably; and
 - d) Respond to expressions of interest (Letters of Intent and Offers to Purchase) for the Property during the term of this agreement in accordance with the Realization Process guidelines and timetable as approved by the Vendor; and
 - e) Consult with the Selling Agent regularly throughout the Realization Process, as is reasonably possible.
- 6) **Term:** The term of this agreement shall
- a) Commence on the date it is executed by the parties, or the last party to execute. This agreement if executed on different dates;
 - b) End, terminate and cease to be of any force or effect on July 31, 2021 subject to the following extensions:
 - i) Where there is a purchase and sale agreement accepted by the Vendor at the time of termination, but such agreements have not yet closed, the term and expiry of this agreement will be automatically extended to the closing dates of any such purchase and sale agreements;
 - ii) Where there is a time period the purchase and sale agreement accepted by the Vendor for the satisfaction of conditions precedent (including without limitation Court approval of the purchase and sale agreement), the term and expiry of this agreement will be automatically extended for the amount of time required for such condition periods to be satisfied and the purchase and sale agreements to close; or
 - iii) the parties agree, in writing, on or before July 31, 2021 (the Term Expiry date) to extend the term of this agreement beyond July 31, 2021 (collectively the "**Expiry Date**").
- 7) At the sole discretion of the Vendor, this Agreement may be terminated at any time on or after April 30, 2021, subject only the provisions of Clause 6 b) herein.
- 8) Exclusive: The Selling Agent will prepare marketing material and a Confidential Information Memorandum ("**CIM**"). Unless otherwise directed by the Vendor after consultation with the Selling Agent, the Selling Agent shall contact prospective purchasers in a coordinated and

controlled fashion and to market the Property exclusively as the Selling Agent. The Selling Agent agrees to accept, subject to subparagraph 4 (v) and (vi), bona fide expressions of Interest by third party agents of prospective purchasers and work with them in a cooperative basis to complete a sale.

- 9) Information: The Selling Agent acknowledges that all of the information and documentation provided to the Selling Agent by the Vendor in relation to the Property is information and documentation obtained from the records made available to the Receiver and the Vendor makes no representations, warranties, or covenants as to the state, quality, or condition of the records or the Property. Without limitation to the generality of the foregoing, the Selling Agent acknowledges that the Vendor has no information as to whether any unlawful environmental or hazardous substances have been brought onto, stored or remains on the Property including any mold, asbestos or urea formaldehyde. The Property is to be sold on an "as is where is" basis.
- 10) Independent Advice: The Selling Agent recommends that the Vendor and prospective purchasers obtain independent legal, tax or other professional advice relating to this agreement, the Property and the sale of the Property. The Selling Agent will have no obligation to provide guarantees on any such matters unless expressly otherwise agreed to in writing by the Selling Officer. The Selling Officer is not responsible or liable to the Vendor in any manner whatsoever with respect to any accepted offer or purchase of the Property or income tax consequences related to or resulting from the sale of the Property. The Vendor further agrees that, in determining the financial soundness of any prospective purchaser, the Vendor will rely solely upon the Vendor's own investigation and evaluation, notwithstanding the assistance of the Selling Agent in gathering any financial information.
- 11) Amendments: Any amendments to this agreement are to be in writing signed by both parties.
- 12) Capacity: The Selling Agent acknowledges that Deloitte Restructuring Inc. is entering into this agreement solely as the Receiver and Manager appointed by the Court and has no liability in relation to the Property or this agreement in its personal capacity.
- 13) Headings: The headings in this agreement are for convenience only and do not affect the interpretation of any of its terms.
- 14) Entire Agreement: This is the entire agreement between the parties with respect to the subject matter hereof, there are no representations, warranties, guarantees, promises or agreements other than made herein.
- 15) Enurement: The terms of this agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF the parties have executed this agreement this

[] day of November 2020

Deloitte Restructuring Inc, in its capacity as Court-appointed Receiver and Manager of 1885731 Alberta Ltd. and not in its personal capacity.

Per: _____

Robert J. Taylor, Senior Vice-President

Royal LePage Mission – Commercial

Tim Anderson, Associate

APPENDIX "H"

**IN THE MATTER OF THE RECEIVERSHIP OF 1885731 Alberta Ltd.
SUMMARY OF RECEIVER'S FEES
AS AT OCTOBER 23, 2020
\$CAD**

Invoice	Period	Fees	Disbursements	Subtotal	GST	Total
8001415699	July 13, 2020 to September 25, 2020	68,337.50	-	68,337.50	3,416.88	71,754.38
8001431843	September 26, 2020 to October 23, 2020	13,535.00		13,535.00	676.75	14,211.75
		81,872.50	-	81,872.50	4,093.63	85,966.13

APPENDIX "I"

IN THE MATTER OF THE RECEIVERSHIP OF 1885731 Alberta Ltd.
SUMMARY OF LEGAL FEES
AS AT OCTOBER 23, 2020
\$CAD

Invoice	Period	Fees	Disbursements	Subtotal	GST	Total
12428253	July 27, 2020 to July 31, 2020	405.00	-	405.00	20.25	425.25
12436428	August 1, 2020 to August 28, 2020	3,889.00	133.00	4,022.00	201.10	4,223.10
12445550	August 29, 2020 to September 23, 2020	4,058.00	25.30	4,083.30	204.17	4,287.47
		<u>8,352.00</u>	<u>158.30</u>	<u>8,510.30</u>	<u>425.52</u>	<u>8,935.82</u>