



COURT FILE NUMBER 1801-08520

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF INNOVATION CREDIT UNION AND CONCENTRA BANK

DEFENDANTS 1764239 ALBERTA LTD., OSTRANDER FAMILY HOLDINGS LTD., AND BRIAN OSTRANDER

DOCUMENT **FIRST REPORT OF THE COURT APPOINTED RECEIVER OF 1764239 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

Table of Contents

Introduction and background	3
Purpose	3
Terms of reference	4
Receiver's Activities	4
Operations	5
Books and Records	5
Primary Assets	6
Cash in Bank	6
Accounts Receivable	6
Property, plant and equipment	6
Primary Liabilities	6
Bankruptcy Assignment	7
Marketing and sales process	8
Fees and disbursements of the Receiver	9
Fees and disbursements of legal counsel	9
Interim Statement of Receipts and Disbursements	10
Conclusions and Recommendations	10

Appendices

Appendix "A"	Receivership Order dated July 22, 2020
Appendix "B"	Notice and Statement of the Receiver
Appendix "C"	Tradename Registration
Appendix "D"	176 Membership Agreement
Appendix "E"	Letter to Odyssey dated September 4, 2020
Appendix "F"	Alberta Land Title Certificate
Appendix "G"	Alberta Personal Property Registry Report
Appendix "H"	Royal LePage Listing Agreement
Appendix "I"	Summary of Receiver's fees
Appendix "J"	Summary of Receiver's legal counsel fees

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 1764239 Alberta Ltd. ("**176**") operating as the HomeStay Inn & Suites (the "**HomeStay Inn**") (the "**Debtor**") including, all proceeds thereof. A copy of the Receivership Order is attached hereto as **Appendix "A"**.
2. 176 is a private corporation incorporated in the province of Alberta on August 2, 2013 and is owned by Ostrander Family Holdings Ltd. (70%), Judy Hardwood (20%), and Doris Reimer (10%). HomeStay Inn is a 65-room full-service hotel located at 954 7 Street SW, Medicine Hat, AB.
3. As at the Date of Receivership, Deloitte retained 17 employees; 3 salaried employees and 14 part-time staff.
4. HomeStay Inn's primary secured lenders are Innovation Credit Union and Concentra Financial Services Association (collectively "**Innovation**") which were owed approximately \$7.3 million from 176 ("**Innovation Indebtedness**") at the Date of Receivership. Innovation holds security over all of 176's present and after acquired personal property (the "**Innovation Security**").
5. On October 4, 2017, Innovation sent a letter to 176 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 176 various opportunities to rectify the outstanding deficiencies on its loans, which 176 was ultimately unable to do.
6. On March 11, 2020, Innovation and 176 entered into a forbearance agreement (the "**Forbearance Agreement**"). 176 was in default of the Forbearance Agreement and the terms of the Forbearance Agreement has expired due to the effluxion of time after March 31, 2020. Accordingly, on July 14, 2020, Innovation filed and served an application for appointment of a Receiver over 176.
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 176 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 Inn, 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 Inn 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 176 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 176's assets and had the Receiver added as a loss payee on the existing 176 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 176 (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 176'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, 176 operated as the HomeStay Inn, a full-service hotel. In an effort to maximize cash flows, the Receiver determined it would continue to operate the HomeStay Inn 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. The Receiver is in frequent contact with Management and AHS has made periodic site visits to ensure all necessary COVID-19 precautions are in place to maintain both staff and guest safety.
- 16. The Receiver understands that 176 is the registrant of the HomeStay Inn tradename (the "**Tradename**") in Alberta. A copy of the registration is attached hereto as **Appendix "C"**.
- 17. Odyssey Hotel Group Ltd. ("**Odyssey**") owned by Phil Krahn, a shareholder of 1885731 Alberta Ltd. ("**188**"), a related party to 176 assigned into receivership the same day as 176, was party to a membership agreement with 176 dated November 15, 2019, which provided for, among other things, the payment by 176 of a \$1,650 monthly membership fee for use of the Tradename (the "**176 Membership Agreement**"). However, as 176 is the registrant of the Tradename and hence the Tradename is the Property of 176, there did not appear to be any right, contractual or otherwise, for Odyssey to charge 176 a membership fee for use of the Tradename. Accordingly, the Receiver terminated the 176 Membership Agreement between Odyssey and 176 and no membership fees have been paid since the Date of Receivership. A copy of the 176 Membership Agreement and the Receiver's letter to Odyssey are attached hereto as **Appendix "D"** and **"E"** respectively.

Books and Records

- 18. The books and records of 176 are located at the HomeStay Inn and at Odyssey's office. Odyssey maintained 176's accounting records. Based on information made available to the Receiver, the last month end completed by Odyssey for 176 was as at June 30, 2020.

19. The Receiver was provided access to 176'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

20. Based on 176's most recent internally prepared unaudited financial statements dated June 30, 2020, 176's primary assets were:

Cash in Bank

21. The Debtor's 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

22. At the Date of Receivership, the Receiver obtained a copy of 176's accounts receivable sub ledger, which indicated that 176 was owed approximately \$40,700 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 \$33,800 of the outstanding accounts receivable and is actively pursuing outstanding amounts.

Property, plant and equipment

23. Property, plant and equipment consists of land, the three-story hotel building, and all furniture and fixtures within the hotel.
24. Bodkin Capital Corporation ("**Bodkin**") leased certain equipment to the Homestay Inn comprising signage and plumbing parts. The Receiver and its legal counsel are reviewing the lease agreements to determine the nature of the lessor's interest in the assets, and whether there is any equity in the specific units. The Receiver has been in regular communication with Bodkin in respect of the leased assets.

Primary Liabilities

25. 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 "F"**. The Land Title Certificate reflected the following:
- a) Callaghan Inn Limited ("**Callaghan**"), the former registered owner of the Property, registered a mortgage on September 20, 2013 in the original principal amount of \$950,000, which was postponed to Innovation by agreement dated January 28, 2014;
 - b) Innovation registered mortgages dated January 16, 2014 (\$4,179,000) and February 25, 2015 (\$2,067,250) totalling an original principal amount of \$6,246,250 and a caveat in respect of an amending agreement dated August 15, 2014. As previously noted, as at the Date of Receivership, Innovation is the principal secured creditor of 176 and is owed approximately \$7.3 million;
 - c) Primewest Mortgage Investment ("**PMI**") registered a mortgage on January 16, 2014 in the original principal amount of \$921,400, which was postponed to Innovation by agreements dated September 23, 2014 and February 26, 2016. PMI also registered a caveat in respect of an agreement charging land dated March 16, 2016 and a caveat in respect of an amending agreement dated January 22, 2019;

- d) Ostrander Family Holdings Ltd., shareholder of 176, registered a mortgage dated April 22, 2017 in the original principal amount of \$2,500,000;
 - e) Her Majesty the Queen in Right of Canada as represented by the Minister of National Revenue, registered a writ of enforcement dated March 22, 2018 in the amount of \$134,971 plus costs, if any;
 - f) Her Majesty the Queen in Right of Canada as represented by the Minister of National Revenue, registered a writ of enforcement dated April 3, 2018 in the amount of \$28,954 plus costs, if any;
 - g) A tax notification was registered by the City of Medicine Hat on April 12, 2018;
 - h) Her Majesty the Queen in Right of Alberta as represented by the Minister of the Treasury Board and Finance, registered a writ of enforcement dated January 21, 2019 in the amount of \$259,335 plus costs, if any; and
 - i) Her Majesty the Queen in Right of Canada as represented by the Minister of National Revenue, registered a writ of enforcement dated March 16, 2020 in the amount of \$96,507 plus costs, if any.
26. The Receiver, at the same time as it searched Alberta Land Titles, also conducted an Alberta Personal Property Registry search of 176, which is attached hereto as **Appendix "G"**. The search reflected various registrations on behalf of the following six (6) creditors; (i) Innovation, (ii) Bodkin, (iii) Blue Chip Leasing Corporation, (iv) Her Majesty the Queen in right of Alberta, (v) WCB, and (vi) Her Majesty the Queen in right of Canada.
27. The Receiver's independent legal counsel conducted an independent review of the validity and enforceability of Innovation's Security on 176'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.
28. The Receiver understands that there are unremitted source deduction arrears owed by 176 to CRA in the amount of approximately \$527,000. There also appears to be outstanding GST amounts totalling approximately \$206,000 owed by 176 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.
29. As at the Date of Receivership, there were 34 employee claims for outstanding wages, vacation pay, severance, and termination pay totalling approximately \$43,000. The claimants may be eligible for an advance under WEPPA, which may result in a potential priority claim by Service Canada against 176 of up to approximately \$8,300.
30. The Receiver understands that property taxes owing to the City of Medicine Hat were approximately \$1.1 million at the Date of Receivership.
31. The Receiver has identified approximately 86 unsecured trade creditors with potential unsecured claims against 176 totalling approximately \$2.2 million.
32. The Receiver anticipates that 176's secured creditors will suffer a significant shortfall and that there will be no funds available for distribution to any unsecured creditors of 176 after settlement of the Receiver's Borrowings (as defined later in this First Report), CRA claims, and outstanding operating expenses.

Bankruptcy Assignment

33. The Receiver anticipates that it will investigate certain reviewable transactions involving 176. Based on a preliminary review of 176's books and records, it appears that a number of significant, unallocated, payments and transfers were made by 176 to related parties during the period preceding the Date of Receivership. Accordingly, the Receiver anticipates that a concurrent bankruptcy proceeding in respect of 176 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 176 into bankruptcy if the Receiver determines that such assignment is necessary and appropriate.

34. In addition to the foregoing, the Receiver believes it is appropriate that it be authorized to assign 176 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 \$13 million comprising both secured and unsecured claims;
 - e) assigning 176 into bankruptcy will allow for an efficient and orderly wind-down of the estates;
 - f) a bankruptcy of 176 will allow for the aligning of priority claims and the crystalizing of various creditor claims; and
 - g) Innovation supports the Receiver's intention to assign the Debtor into bankruptcy.
35. Deloitte is the Court-appointed Receiver of 176 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

36. 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.
37. 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**").

38. The Receiver intends to enter into a listing agreement with Royal LePage Mission ("**Royal LePage**" or the "**Listing Agent**") to market the HomeStay Inn 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 Inn brand. The Receiver is of the view that Royal LePage is the most appropriate Listing Agent to market the HomeStay Inn for sale. A copy of the listing agreement is attached hereto as **Appendix "H"**.
39. 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 for the Property will be \$4.5 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 Inn; and (ii) access to a virtual data room to be maintained by the Receiver.
40. 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.
41. 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

42. The Receiver's professional fees are calculated based on hours spent at rates established by each professional based on their qualifications and experience.
43. The Receiver's fees and disbursements in relation to the administration of the Receivership up to and including October 23, 2020 total approximately \$120,000(excluding GST). This total comprises two (2) interim invoices for Receiver's fees and disbursements from July 22, 2020 to October 23, 2020.
44. 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 "I"**. Detailed time records supporting the invoice are available in the office of the Receiver.

Fees and disbursements of legal counsel

45. 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 "J"**. Detailed time records supporting the invoices are available in Osler's offices.

Interim Statement of Receipts and Disbursements

46. 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 1764239 Alberta
INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD JULY 22, 2020 TO OCTOBER 23, 2020
\$CAD**

	Total
Receipts	
Operating Income	253,542
Receiver's Certificate	125,000
Accounts receivable	24,160
Cash in bank	16,722
GST collected	12,405
Rental income	4,803
Hotel Sales Tax	9,924
	<hr/>
Total receipts	446,556
Disbursements	
Employee wages and source deductions	129,632
Operating expenses	69,402
Moneris withholdings	62,235
Utilities on operations	21,846
Insurance	10,243
Repairs and maintenance	7,194
Bank charges	6,140
Legal fees/disbursements	4,427
GST	2,299
Filing fees paid to Official Receiver	70
	<hr/>
Total disbursements	313,487
	<hr/>
Excess of receipts over disbursements	133,069

47. 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 \$125,000 to fund the receivership proceedings.

Conclusions and Recommendations

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

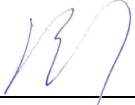
* * *

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 1764239 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
COURT
JUDICIAL CENTRE
PLAINTIFFS

1801-08520
COURT OF QUEEN'S BENCH OF ALBERTA
CALGARY
INNOVATION CREDIT UNION and CONCENTRA
BANK

DEFENDANTS

1764239 ALBERTA LTD., OSTRANDER FAMILY
HOLDINGS LTD., AND BRIAN OSTRANDER

DOCUMENT
CONTACT INFORMATION OF PARTY
FILING THIS DOCUMENT:

RECEIVERSHIP ORDER

Dentons Canada LLP
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.: 574391-2

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

[Signature]
for Clerk of the Court

UPON the application of Innovation Credit Union and Concentra Bank (collectively, the "Plaintiffs") in respect of 1764239 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 its 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

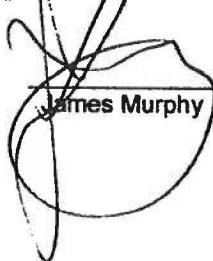
Approved as the Order granted this 22nd day of July, 2020 by Dentons Canada LLP, counsel for Innovation Credit Union and Concentra Bank

Per:

John Regush

Approved as to the Order granted this 22nd day of July, 2020 by Burnet, Duckworth & Palmer LLP, counsel for 1764239 Alberta Ltd., Ostrander Family Holdings Ltd., and Brian Ostrander


Per:



James Murphy

Approved as the Order granted this 23rd 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
1764239 ALBERTA LTD.
of the City of Calgary
in the Province of Alberta

The Receiver gives notice and declares that:

- 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 1764239 Alberta Ltd. operating as HomeStay Inn & Suites (the "**Debtor**", or "**HomeStay Inn**") situated upon or relating to the Property that is described below:

Description	Net book value As at July 22, 2020 (\$CDN)*
Cash and cash equivalents	7,926
Accounts receivable	40,699
Inventory	48,561
Property, plant and equipment	5,902,540
Franchise costs	18,144
Total	6,017,840

* Amounts are based on the unaudited financial statements of the HomeStay Inn 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.

- 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"**.
- 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 Inn.
- The following information relates to the receivership:
 - Mailing Address: 954 7th St SW, Medicine Hat, AB, T1A 7R7
 - Principal line of business: Hotel hospitality
 - Location(s) of business: 954 7th St SW, Medicine Hat, AB, T1A 7R7
 - Amount owed to each creditor who holds a security on the Property described above:

Secured Creditor	Book value (\$CDN)
Blue Chip Leasing Corporation	UNKNOWN
Bodkin Capital Corporation	4,330
Concentra Bank	3,904
Her Majesty the Queen in Right of Alberta	1,001,399

Innovation Credit Union	7,104,519
Workers' Compensation Board of Alberta	4,843

(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 Inn 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
COURT
JUDICIAL CENTRE
PLAINTIFFS

1801-08520
COURT OF QUEEN'S BENCH OF ALBERTA
CALGARY
INNOVATION CREDIT UNION and CONCENTRA
BANK

DEFENDANTS

1764239 ALBERTA LTD., OSTRANDER FAMILY
HOLDINGS LTD., AND BRIAN OSTRANDER

DOCUMENT
CONTACT INFORMATION OF PARTY
FILING THIS DOCUMENT:

RECEIVERSHIP ORDER

Dentons Canada LLP
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.: 574391-2

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

[Signature]
for Clerk of the Court

UPON the application of Innovation Credit Union and Concentra Bank (collectively, the "Plaintiffs") in respect of 1764239 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 its 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

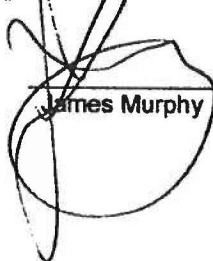
Approved as the Order granted this 22nd day of July, 2020 by Dentons Canada LLP, counsel for Innovation Credit Union and Concentra Bank

Per:

John Regush

Approved as to the Order granted this 22nd day of July, 2020 by Burnet, Duckworth & Palmer LLP, counsel for 1764239 Alberta Ltd., Ostrander Family Holdings Ltd., and Brian Ostrander


Per:



James Murphy

Approved as the Order granted this 23rd 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:

SCHEDULE "B"

Unsecured Creditors

Unsecured Creditor	Book Value (\$CDN)
ABSA Alberta Boilers Safety Ass	275
Accommodations Plus International	20
AEDARSA	1,071
Air Tech Ltd.	5,128
Alberta Finance	281,749
Alberta Health Services	367
Alberta Hotel & Lodging Association (Trustee)	1,146
Alsco	4,903
Altus Group	315
Artyfacts Canada	5,324
ASSA Abloy Hospitality	2,400
Atron Refrigeration & Air Conditioning LTD.	2,000
Big M Ford	4,735
Bolton Bishop Bowman	1,373
Bruce's Sewer Service	202
C.K. Sheet Metal Inc.	231
Callaghan Inn Ltd.	1,500
Canadian Lodging Solutions Ltd.	135
CFMY-FM	7,656
CHAT-TV	1,050
Choice Hotels Canada Inc.	87,554
Choice Hotels International	884
City of Medicine Hat - Property Tax	854,885
Darcy Traxal	40
DigiStone Canada Inc.	6,086
Dirty Ducks Cleaning Solutions	441
Ebels Limousines & Event Decor	2,537
Ecolab	3,433
Elhart's Electric	282
En Tour Hotels	337
Environmental 360 Solutions	1,901
Expedia Lodging Partner Services Sarl	301
Fedex Canada Corporation	230
Gordon Food Service	692
Government of Alberta	7,363
Jim's Electric (2006) Ltd.	1,903
Key Card Ads	289
Kost	165
Lexyl Travel Technologies	763
Lyle Thauberger	315
Medicine Hat And District Chamber of Commerce	1,328
Medicine Hat Elevator	20,059
Medicine Hat Refrigeration and Air Conditioning Ltd.	819
Medicine Hat Sign Works	239
Medicine Hat The Gas City	42,000
Medicine Hat The Gas City 534101	897

Notice and Statement of the Receiver

5

Medicine Hat Wholesale Foods Ltd.	659
Odyssey Hotels Group	12,720
Onyx CenterSource	400
Orkin PCO Services	421
Pepsico Canada	484
Postcard portables	1,448
Purolator	222
Quick-Way Electrical (1999) Ltd.	3,138
RaghdAA Almajarcish	651
Receiver General	191,451
Receiver General - Payroll Tax	491,630
Robert Billo	19,000
Rogers Media	2,181
Sanatec Environmental	2,434
Scharfstein Gibbings Walen Fisher LLP	237
Shaw Business	3,912
Shaw Cable 026-0401-5061	23,577
Shaw Cable 031-6448-0246	1,127
Shaw Cable 031-6450-9171	432
Shaw Cable 031-6486-4466	4,243
Spot Light	728
Springwall	667
Stage & Screen	307
Stonhard	3,852
Telus	30
The Cyclepath	10,377
The Great West Life	3,256
Transit Paving Inc.	2,464
Travel Incorporated	67
TravelClick Inc.	2,179
Travelliance	2,625
Ultimate Spas & Powersports	780
Uniglobe Carefree Travel Group	56
Unity Electrical	2,170
Voyages Boislard Poirier	229
WASTE MANAGEMENT	2,020
Western Canada Welding Products	178
World Travel Inc.	55
Yellow Pages	16,799
Total	\$2,166,528

APPENDIX "C"

Government of Alberta ■ Trade Name / Partnership Search

Corporate Registration System

Date of Search: 2020/08/12
 Time of Search: 01:13 PM
 Search provided by: OSLER, HOSKIN & HARCOURT LLP
 Service Request No: 33870243
 Customer Reference No: 1212420/5374

Registration No: TN21860325
Current Business Name: HOMESTAY INN & SUITES
Status of Business Name: Active
Trade Name / Partnership Type: Trade Name
Commencement Date: 2019/04/10 YYYY/MM/DD
Date of Registration: 2019/04/11 YYYY/MM/DD
Type of Business: HOTEL

Current Declarant:

Last/Legal Entity Name: 1764239 ALBERTA LTD.
Street: 954 7 ST SW
City: MEDICINE HAT
Province: ALBERTA
Postal Code: T1A7R7
Email Address: BRIAN.HOTELS@GMAIL.COM

Other Information:

Filing History:

List Date	Type of Filing
2019/04/11	Register Trade Name

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



APPENDIX "D"

Delivered

April 15th, 2019

954 7th Street, SW

Medicine Hat, AB, T1C0E1

6

Membership Agreement
Medicine Hat
A. P. Ostrander

Attention- Brian Ostrander.

Dear Sirs:

RE: Homestay Inn & suites hotels & 1764239 Alberta LTD.

Membership Agreement.

Unit No. 954 7th Street SW, medicine Hat, Alberta.

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

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

Homestay Membership Agreement

This agreement is made and entered into this 15th Day of September 2019, by and between 1764239 Alberta Ltd carrying on the business under the name of homestay inn & suites, Canada. Corporation ("Licensor"), with its principal office at 34 Ranchlands way, Medicine Hat, Alberta, T1C0E1, and 1764239 Alberta Ltd. An Alberta corporation with an office address at 954 7th Street, SW, Medicine Hat, Alberta T1A7R7. Attention Mr. Brian Ostrander.

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 inn And suites or lodging facilities & related restaurant, lounge and ancillary services(Homestay inn & suites);

WHEREAS a predecessor of the licence also called OHG hotels Group entered into that certain master licence agreement for Canada, Dated April 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 inn Facility as specified therein; and

WHEREAS Licensor desires to grant to Licensee and Licensee desires to obtain from Licensor, the right to use the OHG hotels Marks in connection with the operation of that certain Homestay inn 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 OHG Marks in connection with owning and operating a Homestay inn Facility located at:

954 7th Street, SW, Medicine Hat, AB.

(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 inn Facility at the Premises and confers no rights upon Licensee to use the OHG 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 3000 CAD fee will be paid each month 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 OHG Marks, that Licensee's right to use the OHG 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 OHG 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 OHG 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 OHG Marks by Licensee. Licensee shall not take any action that could adversely affect the goodwill and prestige of the OHG 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 OHG 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 OHG 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 OHG Mark, or any claim of any rights in any OHG Mark, or any confusingly similar trademark, of which Licensee becomes aware. Licensee shall assist Licensor in protecting the OHG 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 OHG Marks.

6. Form of Use

Licensee agrees to use only the OHG 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 OHG Marks without prior written approval of Licensor. Licensee shall not incorporate any OHG 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 OHG 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 OHG 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 OHG 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 OHG 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 OHG 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 OHG 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 OHG Marks and all advertising materials, forms and other materials containing the OHG Marks;
- (d) cease using or permanently obscure the OHG Marks, printed materials and other items bearing the OHG Marks;
- (e) take such action as may be required to cancel all fictitious name or equivalent authorizations relating to use by Licensee of the OHG 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.

11. 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.

12. 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!

"Approved"

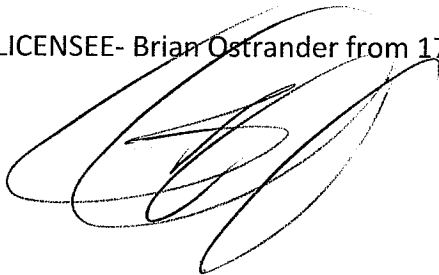
ODYSSEY HOTELS

SA KOWAL

LICENSOR - Homestay Hotels



LICENSEE- Brian Ostrander from 1764239 Alberta Ltd.



APPENDIX "E"



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

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

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

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 1764239 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 1764239 Alberta Ltd. ("**176**") operating as Homestay Inn & Suites ("**Homestay Inn**").

The Receiver understands that 176 is the registrant of the Homestay Inn & Suites tradename (the "**Tradename**") in Alberta. A copy of the registration search is attached for your reference.

The membership agreement dated November 15, 2019 provided by you, suggests that, among other things, a monthly membership fee is payable to the Odyssey Hotel Group Ltd. ("**Odyssey**") for the use of the Tradename; however, as 176 is the registrant of the Tradename, there does not appear to be any right, contractual or otherwise, for Odyssey to charge a membership fee for use of the Tradename. The Tradename is the property of 176.

The Receiver intends to maintain the registration of the Tradename on behalf of 176 and will continue to operate the Homestay Inn free and clear of any historical or future membership fees. The Tradename is an intangible asset of the receivership estate and will be included in the sale of the assets for the general benefit of all creditors of 176.

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 176 (as defined herein),
without personal or corporate liability

Per:

Naomi McGregor, CPA, CGA
Senior Manager

Attachment

Government of Alberta ■ Trade Name / Partnership Search

Corporate Registration System

Date of Search: 2020/08/12
 Time of Search: 01:13 PM
 Search provided by: OSLER, HOSKIN & HARCOURT LLP
 Service Request No: 33870243
 Customer Reference No: 1212420/5374

Registration No: TN21860325
Current Business Name: HOMESTAY INN & SUITES
Status of Business Name: Active
Trade Name / Partnership Type: Trade Name
Commencement Date: 2019/04/10 YYYY/MM/DD
Date of Registration: 2019/04/11 YYYY/MM/DD
Type of Business: HOTEL

Current Declarant:

Last/Legal Entity Name: 1764239 ALBERTA LTD.
Street: 954 7 ST SW
City: MEDICINE HAT
Province: ALBERTA
Postal Code: T1A7R7
Email Address: BRIAN.HOTELS@GMAIL.COM

Other Information:

Filing History:

List Date	Type of Filing
2019/04/11	Register Trade Name

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



APPENDIX "F"



LAND TITLE CERTIFICATE

S
LINC SHORT LEGAL TITLE NUMBER
0019 305 813 832LK;1 131 238 187

LEGAL DESCRIPTION
PLAN 832LK
BLOCK 1
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 0.938 HECTARES (2.32 ACRES) MORE OR LESS

ESTATE: FEE SIMPLE
ATS REFERENCE: 4;6;12;25;NW
ATS REFERENCE: 4;6;12;36;SW

MUNICIPALITY: CITY OF MEDICINE HAT

REFERENCE NUMBER: 901 100 812

REGISTERED OWNER(S)				
REGISTRATION	DATE (DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
131 238 187	20/09/2013	TRANSFER OF LAND	\$3,600,000	CASH & MORTGAGE

OWNERS

1764239 ALBERTA LTD.
OF 954-7 ST SW
MEDICINE HAT
ALBERTA T1A 7R7

ENCUMBRANCES, LIENS & INTERESTS		
REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
031 099 497	27/03/2003	EASEMENT OVER AND FOR BENEFIT OF: SEE INSTRUMENT (R/W PLAN 0213822)
131 238 189	20/09/2013	MORTGAGE MORTGAGEE - CALLAGHAN INN LIMITED. 238 PRIMROSE DR SE MEDICINE HAT

ENCUMBRANCES, LIENS & INTERESTS

PAGE 2

131 238 187

REGISTRATION

NUMBER	DATE (D/M/Y)	PARTICULARS
		ALBERTA T1B2A9 ORIGINAL PRINCIPAL AMOUNT: \$950,000
141 016 072	16/01/2014	MORTGAGE MORTGAGEE - CONCENTRA FINANCIAL SERVICES ASSOCIATION. 333-3 AVENUE NORTH SASKATOON SASKATCHEWAN S7K2M2 ORIGINAL PRINCIPAL AMOUNT: \$4,179,000
141 016 073	16/01/2014	MORTGAGE MORTGAGEE - PRIMEWEST MORTGAGE INVESTMENT CORPORATION. 700, 750 SPADINA CRES EAST SASKATOON SASKATCHEWAN S7K3H3 ORIGINAL PRINCIPAL AMOUNT: \$921,400
141 026 166	28/01/2014	POSTPONEMENT OF MORT 131238189 TO MORT 141016072 MORT 141016073
141 213 233	15/08/2014	CAVEAT RE : AMENDING AGREEMENT CAVEATOR - CONCENTRA FINANCIAL SERVICES ASSOCIATION. C/O MERANI REIMER LLP SUITE 300, 714-1ST SE SE CALGARY ALBERTA T2G2G8 AGENT - DORIS REIMER
141 255 201	23/09/2014	POSTPONEMENT OF MORT 141016073 TO MORT 141016072 CAVE 141213233
151 055 152	25/02/2015	MORTGAGE MORTGAGEE - CONCENTRA FINANCIAL SERVICES ASSOCIATION. 333-3 AVE N SASKATOON SASKATCHEWAN S7K2M2 ORIGINAL PRINCIPAL AMOUNT: \$250,000
151 055 153	25/02/2015	MORTGAGE MORTGAGEE - CONCENTRA FINANCIAL SERVICES ASSOCIATION. 333-3 AVE N SASKATOON

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

PAGE 3

131 238 187

REGISTRATION

NUMBER	DATE (D/M/Y)	PARTICULARS
		SASKATCHEWAN S7K2M2 ORIGINAL PRINCIPAL AMOUNT: \$1,817,250
161 053 211	26/02/2016	POSTPONEMENT OF MORT 141016073 TO MORT 141016072 CAVE 141213233 MORT 151055152 MORT 151055153
161 068 552	16/03/2016	CAVEAT RE : AGREEMENT CHARGING LAND CAVEATOR - PRIMEWEST MORTGAGE INVESTMENT CORPORATION. C/O MILLER THOMSON LLP 2700, 10155-102 STREET EDMONTON ALBERTA T5J4G8 AGENT - DAN R CHUBB
171 083 973	22/04/2017	MORTGAGE MORTGAGEE - OSTRANDER FAMILY HOLDINGS LTD. C/O 240, 550-71 AVENUE SE CALGARY ALBERTA T2H0S6 ORIGINAL PRINCIPAL AMOUNT: \$2,500,000
181 063 129	22/03/2018	WRIT CREDITOR - HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY MINISTER OF NATIONAL REVENUE CANADA REVENUE AGENCY 200-419 7 STREET SOUTH POST OFFICE BOX 3009, STATION MAIN LETHBRIDGE ALBERTA T1J4A9 DEBTOR - 1764239 ALBERTA LTD. 954-7 ST SW MEDICINE HAT ALBERTA T1A7R7 AMOUNT: \$134,971 AND COSTS IF ANY ACTION NUMBER: 134971
181 068 701	03/04/2018	WRIT CREDITOR - HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY MINISTER OF NATIONAL REVENUE 330,220-4 AVE SE CALGARY ALBERTA T2G0L1 DEBTOR - 1764239 ALBERTA LTD. 954-7 ST SW MEDICINE HAT

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

PAGE 4

131 238 187

REGISTRATION

NUMBER	DATE (D/M/Y)	PARTICULARS
		ALBERTA T1A7R7 AMOUNT: \$28,954 AND COSTS IF ANY ACTION NUMBER: ITA-1969-18
181 073 919	12/04/2018	TAX NOTIFICATION BY - THE CITY OF MEDICINE HAT. 580-1 STREET SE MEDICINE HAT, ALBERTA T1A8E6
191 014 560	21/01/2019	WRIT CREDITOR - HER MAJESTY THE QUEEN IN RIGHT OF ALBERTA AS REPRESENTED BY MINISTER OF TREASURY BOARD AND FINANCE 6TH FLOOR, 9811 109 STREET EDMONTON ALBERTA T5K0C8 DEBTOR - 1764239 ALBERTA LTD. 954-7 ST SW MEDICINE HAT ALBERTA T1A7R7 AMOUNT: \$259,335 AND COSTS IF ANY ACTION NUMBER: 1803-24346
191 015 584	22/01/2019	CAVEAT RE : AMENDING AGREEMENT CAVEATOR - PRIMEWEST MORTGAGE INVESTMENT CORPORATION. C/O MILLER THOMSON LLP 2700, 10155-102 STREET EDMONTON ALBERTA T5J4G8 AGENT - PATRICK HARNETT
201 052 904	16/03/2020	WRIT CREDITOR - HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY MINISTER OF NATIONAL REVENUE 125, 220-4 AVENUE SE CALGARY ALBERTA T2G0L1 DEBTOR - 1764239 ALBERTA LTD. 954-7 ST SW MEDICINE HAT ALBERTA T1A7R7 AMOUNT: \$96,507 AND COSTS IF ANY ACTION NUMBER: ETA-545-20

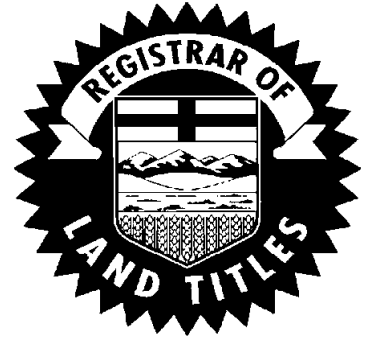
TOTAL INSTRUMENTS: 018

(CONTINUED)

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 08:40 A.M.

ORDER NUMBER: 39542978

CUSTOMER FILE NUMBER: 02960589-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 "G"

Search ID #: Z12770489

Transmitting Party

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

10011 170 STREET
EDMONTON, AB T5P 4R5

Party Code: 50076967
Phone #: 780 483 8211
Reference #: 02960565--

Search ID #: Z12770489

Date of Search: 2020-Jun-19

Time of Search: 08:24:41

Business Debtor Search For:

1764239 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 #: Z12770489

Business Debtor Search For:

1764239 ALBERTA LTD.

Search ID #: Z12770489

Date of Search: 2020-Jun-19

Time of Search: 08:24:41

Registration Number: 13090636848

Registration Type: SECURITY AGREEMENT

Registration Date: 2013-Sep-06

Registration Status: Current

Expiry Date: 2026-Sep-06 23:59:59

Exact Match on:

Debtor

No: 1

Amendments to Registration

16081728369

Renewal

2016-Aug-17

Debtor(s)

Block

Status

1 1764239 ALBERTA LTD.
954 - 7 STREET SW
MEDICINE HAT, AB T1A 7R7

Current

Secured Party / Parties

Block

Status

1 INNOVATION CREDIT UNION
198 FIRST AVE N.E.
SWIFT CURRENT, SK S9H 2B2

Current

Collateral: General

Block

Description

Status

1 ALL PRESENT AND AFTER ACQUIRED PROPERTY OF THE DEBTOR

Current

Search ID #: Z12770489

Business Debtor Search For:

1764239 ALBERTA LTD.

Search ID #: Z12770489

Date of Search: 2020-Jun-19

Time of Search: 08:24:41

Registration Number: 16040809314

Registration Type: SECURITY AGREEMENT

Registration Date: 2016-Apr-08

Registration Status: Current

Expiry Date: 2021-Apr-08 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 1764239 ALBERTA LTD
954 7 STREET SW
MEDICINE HAT, AB T1A 7R7

Current

Block

Status

2 CLARION HOTEL & CONFERENCE CENTRE
954 7 STREET SW
MEDICINE HAT, AB T1A 7R7

Current

Block

Status

3 OSTRANDER FAMILY HOLDINGS LTD.
1010-2125 ARBOUR LAKE ROAD NW
CALGARY, AB T3G 4Y8

Current

Secured Party / Parties

Block

Status

1 BODKIN CAPITAL CORPORATION
102-1465 NORTH SERVICE RD E
OAKVILLE, ON L6H 1A7

Current

Search ID #: Z12770489

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	PURSUANT TO LEASE AGREEMENT 89440, ALL PRESENT AND FUTURE EQUIPMENT ENCOMPASSED BY LEASE AGREEMENT 89440 TOGETHER WITH ALL ATTACHMENTS ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS OF EVERY TYPE, ITEM OR KIND IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH COLLATERAL INCLUDING WITHOUT LIMITATION TRADE-INS, EQUIPMENT, INVENTORY, GOODS, NOTES, CHATTEL PAPER, CONTRACT RIGHTS, ACCOUNTS, RENTAL PAYMENTS, SECURITIES, INTANGIBLES, DOCUMENTS OF TITLE AND MONEY AND ALL PROCEEDS OF PROCEEDS AND A RIGHT TO ANY INSURANCE PAYMENT AND ANY OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL INCLUDING BUT NOT LIMITED TO THE FOLLOWING: (2) GRUNDFOS, MAGNA 3 INLINE PUMPS, 2 SMITH VERTICAL TANK, INSULATED STORAGE TANK.	Current

Search ID #: Z12770489

Business Debtor Search For:

1764239 ALBERTA LTD.

Search ID #: Z12770489

Date of Search: 2020-Jun-19

Time of Search: 08:24:41

Registration Number: 16060909330

Registration Type: SECURITY AGREEMENT

Registration Date: 2016-Jun-09

Registration Status: Current

Expiry Date: 2021-Jun-09 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 1764239 ALBERTA LTD
954 7 STREET SW
MEDICINE HAT, AB T1A 7R7

Current

Block

Status

2 CLARION HOTEL & CONFERENCE CENTRE
954 7 STREET SW
MEDICINE HAT, AB T1A 7R7

Current

Block

Status

3 SWIFT HOTELS GROUP LTD.
954 7 STREET SW
MEDICINE HAT, AB T1A 7R7

Current

Secured Party / Parties

Block

Status

1 BODKIN CAPITAL CORPORATION
102-1465 NORTH SERVICE RD E
OAKVILLE, ON L6H 1A7

Current

Search ID #: Z12770489

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	PURSUANT TO LEASE AGREEMENT 90038, ALL PRESENT AND FUTURE EQUIPMENT ENCOMPASSED BY LEASE AGREEMENT 90038 TOGETHER WITH ALL ATTACHMENTS ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS OF EVERY TYPE, ITEM OR KIND IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH COLLATERAL INCLUDING WITHOUT LIMITATION TRADE-INS, EQUIPMENT, INVENTORY, GOODS, NOTES, CHATTEL PAPER, CONTRACT RIGHTS, ACCOUNTS, RENTAL PAYMENTS, SECURITIES, INTANGIBLES, DOCUMENTS OF TITLE AND MONEY AND ALL PROCEEDS OF PROCEEDS AND A RIGHT TO ANY INSURANCE PAYMENT AND ANY OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL INCLUDING BUT NOT LIMITED TO THE FOLLOWING: VARIOUS HOTEL HAND RAILINGS AND SIGNS	Current

Search ID #: Z12770489

Business Debtor Search For:

1764239 ALBERTA LTD.

Search ID #: Z12770489

Date of Search: 2020-Jun-19

Time of Search: 08:24:41

Registration Number: 16090733295

Registration Date: 2016-Sep-07

Registration Type: SECURITY AGREEMENT

Registration Status: Current

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

Exact Match on: Debtor No: 2

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

Block3 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 #: Z12770489

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 #: Z12770489

Business Debtor Search For:

1764239 ALBERTA LTD.

Search ID #: Z12770489

Date of Search: 2020-Jun-19

Time of Search: 08:24:41

Registration Number: 19011010054

Registration Type: WRIT OF ENFORCEMENT

Registration Date: 2019-Jan-10

Registration Status: Current

Expiry Date: 2021-Jan-10 23:59:59

Issued in Edmonton Judicial Centre

Court File Number is 180324346

Judgment Date is 2018-Nov-21

This Writ was issued on 2018-Nov-21

Type of Judgment is Crown

Original Judgment Amount: \$259,335.32

Costs Are: \$0.00

Post Judgment Interest: \$0.00

Current Amount Owing: \$261,460.91

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

Debtor(s)

Block

Status

1 1764239 ALBERTA LTD
954 7 STREET SW
MEDICINE HAT, AB T1A7R7

Current

Creditor(s)

Block

Status

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

Current

Search ID #: Z12770489

Phone #: 780 644 4230

Fax #: 780 644 4924

Particulars

<u>Block</u>	<u>Additional Information</u>	<u>Status</u>
1	1764239 ALBERTA LTD. operating as CLARION HOTEL MEDICINE HAT	Current

Search ID #: Z12770489

Business Debtor Search For:

1764239 ALBERTA LTD.

Search ID #: Z12770489

Date of Search: 2020-Jun-19

Time of Search: 08:24:41

Registration Number: 19050907593

Registration Type: WORKERS' COMPENSATION BOARD CHARGE

Registration Date: 2019-May-09

Registration Status: Current

Registration Term: Infinity

The WCB Charge Amount is \$4,842.82

Exact Match on: Debtor No: 1

Amendments to Registration

19111349949	Amendment	2019-Nov-13
19112041998	Amendment	2019-Nov-20
19112602605	Amendment	2019-Nov-26
20022416312	Amendment	2020-Feb-24
20030224806	Amendment	2020-Mar-02

Debtor(s)

Block

Status

1 1764239 ALBERTA LTD.
954-7 STREET SW
MEDICINE HAT, AB T1A 7R7

Current

Secured Party / Parties

Block

Status

1 WORKERS' COMPENSATION BOARD/COLLECTION UNIT
9925 - 107 STREET, 8TH FLOOR
EDMONTON, AB T5J 2S5
Phone #: 780 498 3999 Fax #: 780 498 7999

Deleted by
19111349949

Search ID #: Z12770489

Block

2 WORKERS' COMPENSATION BOARD/COLLECTION UNIT
9912 107 STREET
EDMONTON, AB T5K 1G5
Phone #: 780 509 1395 Fax #: 780 498 7999

Status

Deleted by
19112041998

Block

3 WORKERS' COMPENSATION BOARD/COLLECTION UNIT
9912 107 STREET
EDMONTON, AB T5K 1G5
Phone #: 780 509 1395 Fax #: 780 498 7999

Status

Deleted by
19112602605

Block

4 WORKERS' COMPENSATION BOARD/COLLECTION UNIT
9912 107 STREET
EDMONTON, AB T5K 1G5
Phone #: 780 509 1395 Fax #: 780 498 7999

Status

Current by
19112602605

Collateral: General

Block

Description

1 ALL PRESENT AND AFTER-ACQUIRED PROPERTY AND ALL PROPERTY USED IN CONNECTION, PURSUANT TO WCB ACT S129

Status

Current

Particulars

Block

Additional Information

1 WCB Account #7015883

Status

Current

Search ID #: Z12770489

Business Debtor Search For:

1764239 ALBERTA LTD.

Search ID #: Z12770489

Date of Search: 2020-Jun-19

Time of Search: 08:24:41

Registration Number: 20012843055

Registration Type: WRIT OF SEIZURE AND SALE (FEDERAL WRIT)

Registration Date: 2020-Jan-28

Registration Status: Current

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

Issued in FEDERAL COURT Judicial Centre

Court File Number is ITA-1969-18

Judgment Date is 2017-Dec-21

This Writ was issued on 2017-Dec-21

Original Judgment Amount: \$28,954.65

Costs Are: \$30.00

Post Judgment Interest: \$0.00

Current Amount Owing: \$17,944.82

Exact Match on: Debtor No: 1

Solicitor / Agent

HER MAJESTY THE QUEEN IN RIGHT OF CANADA

125,220-4TH AVE SE
CALGARY, AB T3G 0L1

Phone #: 587 475 3090 Fax #: 403 292 5688

Email: SATSO_LDPU_PPR@cra-arc.gc.ca

Debtor(s)

Block

Status

Current

1 1764239 ALBERTA LTD.
954 7 STREET SOUTH WEST
MEDICINE HAT, AB T1A 7R7

Creditor(s)

Block

Status

Current

1 HER MAJESTY THE QUEEN IN RIGHT OF CANADA
125,220-4TH AVE SE
CALGARY, AB T3G 0L1

Search ID #: Z12770489

Phone #: 587 475 3090 Fax #: 403 292 5688
Email: SATSO_LDPU_PPR@cra-arc.gc.ca

Search ID #: Z12770489

Business Debtor Search For:

1764239 ALBERTA LTD.

Search ID #: Z12770489

Date of Search: 2020-Jun-19

Time of Search: 08:24:41

Registration Number: 20012843080

Registration Type: WRIT OF SEIZURE AND SALE (FEDERAL WRIT)

Registration Date: 2020-Jan-28

Registration Status: Current

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

Issued in FEDERAL COURT Judicial Centre

Court File Number is ETA-744-18

Judgment Date is 2017-Dec-21

This Writ was issued on 2017-Dec-21

Original Judgment Amount: \$134,971.48

Costs Are: \$30.00

Post Judgment Interest: \$0.00

Current Amount Owing: \$135,001.48

Exact Match on: Debtor No: 1

Solicitor / Agent

HER MAJESTY THE QUEEN IN RIGHT OF CANADA
125,220-4TH AVE SE
CALGARY, AB T3G 0L1
Phone #: 587 475 3090 Fax #: 403 292 5688
Email: SATSO_LDPU_PPR@cra-arc.gc.ca

Debtor(s)

Block

Status

Current

1 1764239 ALBERTA LTD.
954 7 STREET SOUTH WEST
MEDICINE HAT, AB T1A 7R7

Creditor(s)

Block

Status

Current

1 HER MAJESTY THE QUEEN IN RIGHT OF CANADA
125,220-4TH AVE SE
CALGARY, AB T3G 0L1

Search ID #: Z12770489

Phone #: 587 475 3090 Fax #: 403 292 5688
Email: SATSO_LDPU_PPR@cra-arc.gc.ca

Search ID #: Z12770489

Business Debtor Search For:

1764239 ALBERTA LTD.

Search ID #: Z12770489

Date of Search: 2020-Jun-19

Time of Search: 08:24:41

Registration Number: 20030334994

Registration Type: WRIT OF SEIZURE AND SALE (FEDERAL WRIT)

Registration Date: 2020-Mar-03

Registration Status: Current

Expiry Date: 2022-Mar-03 23:59:59

Issued in Federal Court Judicial Centre

Court File Number is ETA-545-20

Judgment Date is 2020-Jan-21

This Writ was issued on 2020-Feb-27

Original Judgment Amount: \$97,331.44

Costs Are: \$27.65

Post Judgment Interest: \$0.00

Current Amount Owing: \$97,359.09

Exact Match on: Debtor No: 1

Solicitor / Agent

HER MAJESTY THE QUEEN IN RIGHT OF CANADA
125,220-4TH AVE SE
CALGARY, AB T3G 0L1
Phone #: 587 475 3037 Fax #: 403 292 5688
Email: SATSO_LDPU_PPR@cra-arc.gc.ca

Debtor(s)

Block

Status

Current

1 1764239 ALBERTA LTD
954 7 ST SW
MEDICINE HAT, AB T1A 7R7

Creditor(s)

Block

Status

Current

1 HER MAJESTY THE QUEEN IN RIGHT OF CANADA
125,220-4TH AVE SE
CALGARY, AB T3G 0L1

Search ID #: Z12770489

Phone #: 587 475 3037 Fax #: 403 292 5688

Email: SATSO_LDPU_PPR@cra-arc.gc.ca

Search ID #: Z12770489

Business Debtor Search For:

1764239 ALBERTA LTD.

Search ID #: Z12770489

Date of Search: 2020-Jun-19

Time of Search: 08:24:41

Registration Number: 20031221634

Registration Type: WRIT OF SEIZURE AND SALE (FEDERAL WRIT)

Registration Date: 2020-Mar-12

Registration Status: Current

Expiry Date: 2022-Mar-12 23:59:59

Issued in FEDERAL COURT Judicial Centre

Court File Number is ITA-992-20

Judgment Date is 2020-Jan-23

This Writ was issued on 2020-Mar-10

Original Judgment Amount: \$489,634.66

Costs Are: \$27.65

Post Judgment Interest: \$0.00

Current Amount Owing: \$489,632.31

Exact Match on: Debtor No: 1

Solicitor / Agent

HER MAJESTY THE QUEEN IN RIGHT OF CANADA

125,220-4TH AVE SE
CALGARY, AB T3G 0L1

Phone #: 587 475 3037 Fax #: 403 292 5688

Email: SATSO_LDPU_PPR@cra-arc.gc.ca

Debtor(s)

Block

Status

Current

1 1764239 ALBERTA LTD
954 7 STREET SOUTHWEST
MEDICINE HAT, AB T1A 7R7

Creditor(s)

Block

Status

Current

1 HER MAJESTY THE QUEEN IN RIGHT OF CANADA
125,220-4TH AVE SE
CALGARY, AB T3G 0L1

Search ID #: Z12770489

Phone #: 587 475 3037 Fax #: 403 292 5688

Email: SATSO_LDPU_PPR@cra-arc.gc.ca

Result Complete

APPENDIX "H"

EXCLUSIVE LISTING AGREEMENT

November [], 2020

Between

Deloitte Restructuring Inc., in its capacity as Court appointed Receiver and Manager of 1764239 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 ~~motel~~ hotel business and Property (defined below) of 1764239 Alberta Ltd. *and located in **Medicine Hat*** 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 & Suites at 954 - 7 Street SW, Medicine Hat, Alberta and legally described as:

PLAN 832LK, BLOCK 1

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 is 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 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 to 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 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 1764239 Alberta Ltd. and not in its personal capacity.

Per: _____

Robert J. Taylor, Senior Vice-President

Royal LePage Mission – Commercial

Tim Anderson, Associate

APPENDIX "I"

**IN THE MATTER OF THE RECEIVERSHIP OF 1764239 ALBERTA LTD.
SUMMARY OF RECEIVER'S FEES
AS AT OCTOBER 23, 2020
\$CAD**

Invoice	Period	Fees	Disbursements	Subtotal	GST	Total
80001415698	July 13, 2020 to September 25, 2020	102,495.00	-	102,495.00	5,124.75	107,619.75
8001431842	September 26, 2020 to October 23, 2020	17,352.50		17,352.50	867.63	18,220.13
		<u>119,847.50</u>	<u>-</u>	<u>119,847.50</u>	<u>5,992.38</u>	<u>125,839.88</u>

APPENDIX "J"

**IN THE MATTER OF RECEIVERSHIP OF 1764239 ALBERTA LTD.
SUMMARY OF LEGAL FEES
AS AT OCTOBER 23, 2020**

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