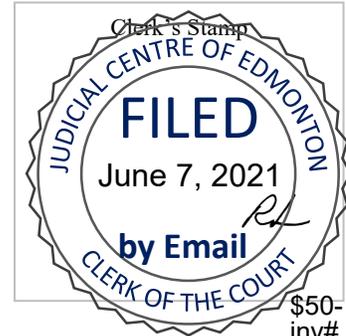


COURT FILE NUMBER: 1803 20754
COURT: COURT OF QUEEN'S BENCH
OF ALBERTA
JUDICIAL CENTRE: EDMONTON
PLAINTIFF: PEACE HILLS TRUST
COMPANY
DEFENDANTS: 1436126 ALBERTA LTD.,
1406618 ALBERTA LTD., and
KAREN SICOLI



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inv# 058037
COM

DOCUMENT: **APPLICATION**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT: **PARLEE McLAWS LLP**
Barristers & Solicitors
1700 Enbridge Centre
10175 – 101 Street NW
Edmonton, AB T5J 0H3
Attention: Steven A. Rohatyn
Telephone: (780) 423-8177
Facsimile: (780) 423-2870
File Number: 35425-860142/SRO

NOTICE TO RESPONDENTS:

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the Justice.

To do so, you must be in Court when the application is heard as shown below:

Date: June 17, 2021
Time: 10:00 a.m.
Where: (Virtual) Law Courts, Edmonton, Alberta
Before Whom: The Honourable Justice M.J. Lema, via Webex

Go to the end of this document to see what else you can do and when you must do it.

Remedy claimed or sought:

1. An Order abridging the time for service of notice of this application, and validating service thereof, if necessary;
2. An Order substantially in the form attached hereto as **Schedule “A”** appointing The Bowra Group Inc. (“**Bowra**”) as the Receiver and Manager (the “**Receiver**”), without security, of all the current and future assets, undertakings and property of every kind whatsoever, and wherever situate, including all proceeds thereof (the “**Property**”) of 1436126 Alberta Ltd. (“**143 Alberta**” or the “**Debtor**”), as well as those of the assets and undertakings of 1406618 Alberta Ltd. (“**140 Alberta**”) limited to the below-defined Lands, including the rents or profits derived therefrom;
3. Costs on a solicitor and own client full indemnity basis; and
4. Such further and other relief as may seem just to this Honourable Court.

Grounds for making this application:

5. Under a Commitment Letter dated September 8, 2015, the Plaintiff agreed to extend credit to 143 Alberta by way of a term loan advanced in the amount of \$1,400,000.00 (the “**Loan**”).
6. The Plaintiff holds, as general and continuing security for the payment, performance and satisfaction of the obligations of 143 Alberta, a security interest in all of its present and after acquired personal property, and all proceeds thereof, by way of General Security Agreement dated October 27, 2017 (the “**GSA**”).
7. As further security for its obligations to the Plaintiff, the Debtor granted the Plaintiff a Mortgage (the “**Mortgage**”) as well as a General Assignment of Rents and Leases (the “**GARL**”) in connection with lands legally described as:

PLAN RN8 (VIII)
LOT 73
EXCEPTING THEREOUT ALL MINES AND MINERALS

-and-

PLAN RN8 (VIII)
LOT 84
EXCEPTING THEREOUT ALL MINES AND MINERALS

-and-

PLAN RN8 (VIII)
LOT 85
EXCEPTING THEREOUT ALL MINES AND MINERALS

-and-

PLAN RN8 (VIII)
LOTS EIGHTY SIX (86) AND EIGHTY SEVEN (87)
EXCEPTING THEREOUT:
THE MOST WESTERLY FORTY (40) FEET THROUGHOUT OF
LOT EIGHTY SEVEN (87)
EXCEPTING THEREOUT ALL MINES AND MINERALS

-and-

PLAN RN8 (VIII)
THE MOST WESTERLY FORTY (40) FEET THROUGHOUT OF
LOT EIGHTY SEVEN (87)
EXCEPTING THEREOUT ALL MINES AND MINERALS

-and-

PLAN RN8 (VIII)
LOT 88
EXCEPTING THEREOUT ALL MINES AND MINERALS

the (“**Lands**”)

8. The Lands are mixed use in nature consisting, *inter alia*, of guest rooms having been converted from hotel into residential rental units, a 48 unit mini-storage facility, and various leased commercial retail bays.
9. The GSA and Mortgage each provide for the appointment of a Receiver on default.

10. The term of the Loan and Mortgage matured, and 143 Alberta defaulted in the making of payment thereunder. Property taxes were further outstanding, and writs had been registered on Title to the Lands in favour of of the Minister of National Revenue (the “**MNR Writs**”). The Plaintiff issued demand letters to each of 143 Alberta and Karen Sicoli, the guarantor of the obligations of 143 Alberta to the Plaintiff, which letters enclosed to 143 Alberta a Notice of Intention to Enforce Security issued pursuant to s. 244 of the *Bankruptcy and Insolvency Act*.
11. A Statement of Claim was filed naming 143 Alberta and Ms. Sicoli as defendants in the within Action. Therein, the Plaintiff seeks various remedies, including the appointment of a Receiver or a Receiver and Manager. A Certificate of *Lis Pendens* providing notice that the within Action had been commenced to enforce the Plaintiff’s interest in the Lands was registered on Title thereto on October 31, 2018 (the “**CLP**”).
12. 143 Alberta and Ms. Sicoli were each noted in default.
13. A Redemption Order was granted on January 25, 2019, with the consent of counsel to Ms. Sicoli, who later withdrew. Ms. Sicoli’s efforts to arrange for a sale of the Lands and undertaking of 143 Alberta during and following the redemption period were unsuccessful.
14. The Lands were subject to a Caveat re: Vendor’s Lien registered subsequent to the Mortgage and GARL in favour of 140 Alberta (the “**140 Alberta Caveat**”). Matthew Sicoli, the son of Ms. Sicoli, is the sole Director and Shareholder of 140 Alberta.
15. Without the Plaintiff’s knowledge or consent, the Debtor transferred the Lands to 2198116 Alberta Ltd. (“**219 Alberta**”), subject to the Mortgage, GARL, a second mortgage registered in favour of 710246 Alberta Ltd., the 140 Alberta Caveat, MNR Writs and CLP by way of Transfer of Land dated July 2, 2019. The Affidavit re Value of Land completed in connection therewith was executed by Mr. Sicoli, as agent for 219 Alberta.

16. On October 4, 2019, a Statement of Claim was filed by 140 Alberta naming 219 Alberta as a defendant seeking remedies in connection with the 140 Alberta Caveat. On December 12, 2019, 140 Alberta applied for a Final Order for Foreclosure without notice to the Plaintiff, which Order was granted on December 16, 2019. The Order was registered on January 9, 2020, such that 140 Alberta became the registered owner of the Lands, subject to the Mortgage, GARL, the second mortgage and the CLP, but free of the MNR Writs.
17. The Plaintiff learned of this by way of letter received from Mr. Sicoli, dated December 17, 2019, which letter advised of 140 Alberta's intention to further transfer title to HMT Hotel Management Corp. ("**HMT**"), of which Mr. Sicoli is the sole Director and shareholder, and of the intention to seek to have the Loan refinanced in the future, which has yet to occur.
18. On February 11, 2020, this Honourable Court granted an Order in the within Action, which was consented to by 140 Alberta, declaring the earlier Redemption Order to be binding upon it, directing that it be added as a defendant to the within Action, amending the style of cause accordingly, and directing that the Lands be listed for sale with a licensed real estate agent for a period of 90 days.
19. The Plaintiff delayed in proceeding with the listing pending the sale of the Lands pursuant to a then existing conditional offer entered into by 140 Alberta, which failed to produce a sale.
20. The judicial listing proceeded with Avison Young in June, 2020, and generated one offer in the amount of \$1,600,000.00, which was rejected by Master Schlosser on application heard November 25, 2020. The listing has since expired.
21. The Lands generate significant rents and profits.
22. The Receiver's appointment is in all of the circumstances just, convenient and equitable, and the remaining requirements of s. 49 of the *Law of Property Act* are met.
23. Bowra has consented to act in this matter, and the Plaintiff supports its appointment.

24. Such further and other grounds as Counsel may advise.

Material or evidence to be relied on:

25. The pleadings and proceedings in this Action;

26. The Affidavit Default, filed January 9, 2019;

27. The Third Supplemental Affidavit of Default, sworn June 4, 2021;

28. The Affidavit of Matthew Sicoli, filed November 25, 2020;

29. The Affidavit of Value and Valuator's Report, sworn March 30, 2021;

30. The Affidavit of Service; and

31. Such further and other material as Counsel may advise.

Applicable rules:

32. Rules 1.5(5), 6.3, 6.4, 6.11, 11.27, and 13.5 of the *Alberta Rules of Court*;

33. Rules 3, 6, 9, and 13 of the *Bankruptcy and Insolvency General Rules*; and

34. Such further and other Rules as Counsel may advise.

Applicable Acts and regulations:

35. Sections 8 and 13(2) of the *Judicature Act*;

36. Section 99 of the *Business Corporation Act*;

37. Section 49 of the *Law of Property Act*;

38. Section 65(7) of the *Personal Property Security Act*;

39. Section 243 of the *Bankruptcy and Insolvency Act*; and

40. Such further and other Acts and Regulations as Counsel may advise.

Any irregularity complained of or objection relied on:

41. None.

How the application is proposed to be heard or considered:

42. Before a Justice sitting on the Commercial List on the basis of Affidavit evidence, with all interested parties appearing by way of Webex.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.

Schedule "A"

COURT FILE NUMBER: 1803 20754

COURT: COURT OF QUEEN'S BENCH
OF ALBERTA

JUDICIAL CENTRE: EDMONTON

PLAINTIFF: PEACE HILLS TRUST
COMPANY

DEFENDANTS: 1436126 ALBERTA LTD.,
1406618 ALBERTA LTD., and
KAREN SICOLI

DOCUMENT: **RECEIVERSHIP ORDER**

ADDRESS FOR SERVICE **PARLEE McLAWS LLP**
AND CONTACT Barristers & Solicitors
INFORMATION OF 1700 Enbridge Centre
PARTY FILING THIS 10175 – 101 Street NW
DOCUMENT: Edmonton, AB T5J 0H3
Attention: Steven A. Rohatyn
Telephone: (780) 423-8177
Facsimile: (780) 423-2870
File Number: 35425-860142/SRO

Clerk's Stamp

DATE ON WHICH ORDER WAS PRONOUNCED: June 17, 2021

LOCATION WHERE ORDER WAS PRONOUNCED: Edmonton, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: Justice M. Lema

UPON the application of the Plaintiff in respect of 1436126 Alberta Ltd. ("**143 Alberta**"), and 1406618 Alberta Ltd. ("**140 Alberta**", collectively with 143 Alberta, the "**Companies**") as to the below defined Lands; **AND UPON** having read the Application, the Affidavit of Default, filed January 9, 2019, the Third Supplemental Affidavit of Default, the Affidavit of Matthew Sicoli, filed November 25, 2020, the Affidavit of Value and Valuator's Report sworn March 30, 2021, and the Affidavit of Service of Rayne Prins; **AND UPON** reading the consent of The Bowra

Group Inc. to act as receiver and manager; **AND UPON** hearing from counsel for the Plaintiff and any other counsel or other interested parties present;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. The time for service of notice of the 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 s. 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”), s. 13(2) of the *Judicature Act*, R.S.A. 2000, c. J-2, s. 99(a) of the *Business Corporations Act*, R.S.A. 2000, c. B-9, and s. 65(7) of the *Personal Property Security Act*, R.S.A. 2000, c. P-7, The Bowra Group Inc. is hereby appointed as the receiver and manager (the “**Receiver**”), without security, of all of 143 Alberta’s current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “**143 Alberta Property**”), and, pursuant to s. 13(2) of the *Judicature Act*, R.S.A. 2000, c. J-2, and s. 49 of the *Law of Property Act*, R.S.A. 2000, c. P-7, as the receiver and manager, without security, of the current assets, undertakings and property of 140 Alberta, limited to the following lands and premises, including all proceeds thereof and all rents or profits derived therefrom (the “**Lands**”, but collectively with the 143 Alberta Property, the “**Property**”):

PLAN RN8 (VIII)
LOT 73
EXCEPTING THEREOUT ALL MINES AND MINERALS

-and-

PLAN RN8 (VIII)
LOT 84
EXCEPTING THEREOUT ALL MINES AND MINERALS

-and-

PLAN RN8 (VIII)
LOT 85
EXCEPTING THEREOUT ALL MINES AND MINERALS

-and-

PLAN RN8 (VIII)
LOTS EIGHTY SIX (86) AND EIGHTY SEVEN (87)
EXCEPTING THEREOUT:
THE MOST WESTERLY FORTY (40) FEET THROUGHOUT OF
LOT EIGHTY SEVEN (87)
EXCEPTING THEREOUT ALL MINES AND MINERALS

-and-

PLAN RN8 (VIII)
THE MOST WESTERLY FORTY (40) FEET THROUGHOUT OF
LOT EIGHTY SEVEN (87)
EXCEPTING THEREOUT ALL MINES AND MINERALS

-and-

PLAN RN8 (VIII)
LOT 88
EXCEPTING THEREOUT ALL MINES AND MINERALS

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 143 Alberta, 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 143 Alberta;
- (d) to manage, operate and carry on the business of 140 Alberta as it relates to the Lands, including the power to enter into any agreements, incur any obligations, or cease to perform any contracts of 140 Alberta in furtherance thereof;
- (e) to collect rents and administer any leases of the Lands, or any part thereof;
- (f) to lease and re-let the Lands, or any part thereof, to renegotiate leases thereof, and to settle, extend or compromise any indebtedness owing under a lease as it may in its discretion deem advisable;
- (g) to terminate leases or obtain possession, or both, with respect to the Lands, or any part thereof;
- (h) to distrain and pursue other remedies available at law or in equity for rent in arrears in the same manner and with the same right of recovery as a landlord;
- (i) 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;
- (j) to purchase or lease machinery, equipment, inventories, supplies, premises or other assets to affect repairs and to make improvements necessary to preserve the Property, including the Lands, or to make the Lands rentable;
- (k) to receive and collect all monies and accounts now owed or hereafter owing to 143 Alberta and to exercise all remedies of 143 Alberta in collecting such monies, including, without limitation, to enforce any security held by 143 Alberta;
- (l) to settle, extend or compromise any indebtedness owing to or by 143 Alberta;

- (m) 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 Companies, for any purpose pursuant to this Order;
- (n) to undertake environmental or workers' health and safety assessments of the Property;
- (o) 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 143 Alberta, 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;
- (p) 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;
- (q) 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 \$100,000.00, provided that the aggregate consideration for all such transactions does not exceed \$250,000.00; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,and in each such case notice under subsection 60(8) of the *Personal Property Security Act*, R.S.A. 2000, c. P-7 or any other similar legislation in any other province or territory shall not be required.
- (r) 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;

- (s) 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;
- (t) 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 Property and not in its personal capacity;
- (u) 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 143 Alberta and, if they affect the Lands, 140 Alberta;
- (v) to enter into agreements with any trustee in bankruptcy appointed in respect of the Companies, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Companies;
- (w) to exercise any shareholder, partnership, joint venture or other rights which 143 Alberta may have; and
- (x) 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 Companies, and without interference from any other Person (as defined below).

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. (i) The Companies, (ii) all of their 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 143 Alberta, and 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 140 Alberta relating to or affecting the Lands, and any computer programs, computer tapes, computer disks or other data storage media containing any such information (the foregoing, collectively, the “**Records**”) in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph or in paragraph 7 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or

documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.

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 143 ALBERTA OR THE PROPERTY

8. No Proceeding against or in respect of 143 Alberta 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 143 Alberta 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 143 Alberta or the Property or an action, suit or proceeding that is taken in respect of 143 Alberta or the Property 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 143 Alberta 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 143 Alberta 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 143 Alberta, the making or filing of these proceedings or any allegation, admission or evidence in these proceedings and under no circumstances shall 143 Alberta be replaced as operator pursuant to any such agreements without further order of this Court provided, however, that this stay and suspension does not apply in respect of any “eligible financial contract” (as defined in the BIA), and further provided that nothing in this Order shall:
 - (a) empower the Receiver to carry on any business that the Companies are not lawfully entitled to carry on;
 - (b) prevent the filing of any registration to preserve or perfect a security interest;
 - (c) prevent the registration of a claim for lien; or
 - (d) exempt the Companies 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 143 Alberta or affecting the Property 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 143 Alberta or affecting the Property, except with the written consent of the Receiver, or leave of this Court. Nothing in this Order shall prohibit any party to an eligible financial contract (as defined in the BIA) from closing out and terminating such contract in accordance with its terms.

CONTINUATION OF SERVICES

12. All persons having:
 - (a) statutory or regulatory mandates for the supply of goods and/or services; or
 - (b) oral or written agreements or arrangements with 143 Alberta or affecting the Property, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to 143 Alberta or to the Property,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 Receiver or exercising any other remedy provided under such agreements or arrangements. The Receiver shall be entitled to the continued use of the current premises, telephone numbers, facsimile numbers, internet addresses and domain names of 143 Alberta or affecting the Property, 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 Receiver in accordance with the payment practices of the Companies, or such

other practices as may be agreed upon by the supplier or service provider 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 Companies shall remain the employees of the Companies until such time as the Receiver, on its 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 Companies, 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, ss 14.06, 81.4(5) or 81.6(3) of the BIA.

RECEIVER'S ACCOUNTS

- 18. The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case, incurred at their standard rates and charges. The Receiver and counsel to the Receiver shall be entitled to the benefits of and are hereby granted a charge (the "**Receiver's Charge**") on the Property as security for their professional fees and disbursements incurred at the normal rates and charges of the Receiver and such

counsel, both before and after the making of this Order in respect of these proceedings, and the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person but subject to ss. 14.06(7), 81.4(4) and 81.6(2) and 88 of the BIA.

19. The Receiver and its legal counsel shall pass their accounts from time to time.
20. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including the legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

21. The Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$50,000.00 (or such greater amount as this Court may by further order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges set out in ss. 14.06(7), 81.4(4) and 81.6(2) and 88 of the BIA.
22. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

23. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.
24. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.
25. The Receiver shall be 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 Companies.
30. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction to give

effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.

31. The Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
32. The Plaintiff shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis, including legal costs on a solicitor-client full indemnity basis, to be paid by the Receiver from the estate with such priority and at such time as this Court may determine.
33. Any and all rental payments made to and received by the Receiver from any person in possession of the Lands, or any part thereof, are hereby deemed to be an effective payment of such rental payments to the landlord.
34. 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

35. The Receiver shall establish and maintain a website in respect of these proceedings at www.bowragroup.com (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.
36. Service of this Order shall be deemed good and sufficient by:
- (a) serving the same on:
 - (i) the persons listed on the service list created in these proceedings or otherwise served with notice of these proceedings;
 - (ii) any other person served with notice of the application for this Order;
 - (iii) any other parties attending or represented at the application for this Order;
and
 - (b) posting a copy of this Order on the Receiver's Website,
and service on any other person is hereby dispensed with.
37. 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

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that the Bowra Group Inc. the receiver (the "Receiver") 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 of June, 2021 (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__.

The Bowra Group Inc. solely in its capacity as Receiver of the Property (as defined in the Order), and not in its personal capacity

Per: _____
Name:
Title: