

COURT FILE NUMBER 2301-15147

COURT COURT OF KING'S BENCH OF ALBERTA
IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE CALGARY

PLAINTIFF CANADIAN IMPERIAL BANK OF
COMMERCE

DEFENDANTS 772921 ALBERTA INC., SPRUCE IT UP LAND
CORP. and RIDGE MEADOWS PROPERTIES
LTD.

APPLICANT KSV RESTRUCTURING INC., in its capacity
as receiver of the properties, assets and
undertakings of 772921 Alberta Inc., Spruce It
Up Land Corp. and Ridge Meadows Properties
Ltd.

DOCUMENT **APPLICATION – SALE APPROVAL AND VESTING ORDER,
APPROVAL OF FEES AND CONDUCT, SEALING ORDER**

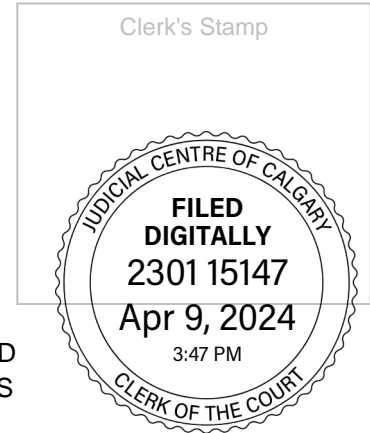
ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION
OF PARTY
FILING THIS
DOCUMENT

Cassels Brock & Blackwell LLP
3810, Bankers Hall West
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Attention: Jeffrey Oliver / Jane Dietrich

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File No.: 54670-8



NOTICE TO THE RESPONDENTS: see Service List attached hereto as Schedule "A"

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

You have the right to state your side of this matter before the master/judge.

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

Date: Thursday, April 18, 2024
Time: 2:00 PM
Where: Edmonton (via WebEx)
Before Whom: The Honourable Mr. Justice Neilson

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. KSV Restructuring Inc. (“**KSV**”) in its capacity as Court-appointed receiver and manager (in such capacity, the “**Receiver**”) of all of the properties, assets and undertakings of Spruce It Up Land Corp. (“**SIU**”), 772921 Alberta Inc. (“**772**”), and Ridge Meadows Properties Ltd. (“**Ridge Meadows**”) seeks the following:
 - (a) an Order substantially in the form of Schedule “B”, attached hereto (the “**SAVO**”):
 - (i) if necessary, abridging the time for service of this application (the “**Application**”) and first report of the Receiver dated April 8, 2024 (the “**First Report**”) and declaring service to be good and sufficient;
 - (ii) approving the agreement of purchase and sale dated March 14, 2024 (the “**SIU Property APS**”) between the Receiver and Spruce Lands Limited Partnership, as assignee of Western Securities Limited (the “**Purchaser**”), and authorizing and directing the Receiver to complete the sale of the Purchased Assets (as defined in the SIU Property APS) contemplated therein (the “**SIU Property Transaction**”); and
 - (iii) following the Receiver’s delivery of the Receiver’s certificate substantially in the form attached as Schedule “A” to the proposed SAVO, vesting SIU’s and the Receiver’s right, title, and interest in and to the Purchased Assets in the Purchaser free and clear of all claims and encumbrances;
 - (b) an Order substantially in the form of Schedule “C” attached hereto:
 - (i) if necessary, abridging the time for service of this Application and First Report and declaring service to be good and sufficient;
 - (ii) sealing the Offer Summary (as defined below) and a confidential version of the SIU Property APS, attached to the First Report as **Confidential Appendices “1”** and “**2**” (collectively, the “**Confidential Appendices**”), respectively, until the closing of the SIU Property Transaction or further order of the Court;
 - (iii) approving the First Report and the Receiver’s actions, conduct and activities as set out therein; and
 - (iv) approving the fees and disbursements of the Receiver and its legal counsel, Cassels Brock & Blackwell LLP (“**Cassels**”), as detailed set out in the First Report, the Fee Affidavit of Natalie Thompson, sworn April 8, 2024 and the Fee Affidavit of Jason Knight, to be sworn;
 - (c) such further and other relief as this Honourable Court deems appropriate.
2. Capitalized terms not otherwise defined herein have the meaning ascribed to them in the First Report.

Ground for making this Application:

Background

3. Pursuant to an order of the Court of King's Bench of Alberta (the "**Court**") pronounced on November 17, 2023 by the Honourable Justice Burns (the "**Receivership Order**"), in connection with proceedings initiated by Wallace & Carey Inc. ("**Wallace & Carey**"), Loudon Bros Limited ("**Loudon Bros**"), and together with Wallace & Carey, the "**Logistics Companies**", and Carey Management Inc. ("**CMI**", and together with the Logistics Companies, the "**CCAA Companies**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") (the "**CCAA Proceedings**"), KSV was appointed Receiver of all of the assets, undertakings, and properties of:
 - (a) 772, which
 - (i) owned two warehouses, one in British Columbia and one in Alberta that continue to be used by Wallace & Carey in its business (the "**772 Owned Real Property**"); and
 - (ii) leased two warehouses, one in British Columbia and one in Alberta, that also continue to be used by Wallace & Carey in its business (the "**772 Leased Real Property**");
 - (b) SIU, which owns a commercial property located at 159 210 Avenue SW, Calgary, Alberta (the "**SIU Property**") which is the subject of the SIU Property APS; and
 - (c) Ridge Meadows, which owns a residential property located at 255256 Range Road 25, NW, Calgary, Alberta (the "Ridge Meadows Property, which together with the SIU Property, the 772 Owned Property, shall be referred to as the "**Receivership Properties**").
4. Pursuant to paragraph 27 of the Receivership Order, the Receivership Order became effective on November 21, 2023, the date on which KSV, in its capacity as the monitor (the "**Monitor**") in the CCAA Proceedings, filed the Monitor's Notice (as defined in the Receivership Order) with the Court.
5. In addition to the Receivership Order, the Court also granted a sale approval and vesting order dated November 17, 2023 (the "**772 Approval and Vesting Order**") that approved the sale and assignment to 7-Eleven Canada, Inc. ("**7-Eleven**") of the 772 Owned Real Property and the 772 Leased Real Property (the "**772 Property Transaction**") pursuant to an agreement of purchase and sale between 7-Eleven and the Receiver dated November 7, 2023 (the "**772 Property APS**").
6. The SIU Property is currently the subject of a lease agreement with Spruce It Up Garden Centre Inc. (the "**SIU Tenant**") pursuant to a lease agreement dated January 1, 2016 (the "**SIU Lease**"). CMI has a 22.50% ownership interest in the SIU Tenant.
7. As at the date of the Receivership Order, Canadian Western Bank ("**CWB**") and Canadian Imperial Bank of Commerce ("**CIBC**") had the following security interests with respect to the Receivership Companies:
 - (a) CWB:

- (i) first ranking mortgages on each of the Receivership Properties; and
 - (ii) a second ranking general security interest in all present and after acquired personal property relating to and located on the Receivership Properties; and
- (b) CIBC:
- (i) a first ranking general security interest in all present and after acquired personal property of the Receivership Companies; and
 - (ii) second ranking mortgages on the Receivership Properties.
8. As of the date of this Application:
- (a) all amounts owing to CWB have been repaid through proceeds from the sale of the 772 Property Transaction; and
 - (b) all amounts owing by the CCAA Companies to CIBC have been repaid from the 7-Eleven Transaction and the business and assets of the Logistics Companies.
9. None of the Receivership Companies has any employees or carries on active business operations.

The SIU Property Transaction

10. The Receiver sought proposals from three experienced listing brokerage firms to market the SIU Property for sale, and selected Cushman & Wakefield (“**C&W**”) to market the SIU Property.
11. On December 19, 2023, the Receiver entered into an Exclusive Seller Representative Agreement with C&W for the SIU Property (the “**SIU Listing Agreement**”), which contemplated that offers were to be submitted after a five and a half-week listing period (the “**SIU Property Sale Process**”).
12. A summary of the SIU Property Sale Process is as follows:
- (a) C&W carried out an email marketing campaign, which was sent to approximately 1,490 parties;
 - (b) the Receiver prepared a non-disclosure agreement (an “**NDA**”). To participate in the SIU Property Sale Process, prospective purchasers were required to sign the NDA, following which they were provided access to a virtual data room (the “**Data Room**”) which it populated with the assistance of C&W;
 - (c) C&W prepared a confidential information memorandum, which was prepared with the assistance of the Receiver, and distributed it to interested parties who had executed an NDA;
 - (d) C&W also directly contacted parties that it believed would have a high degree of interest in the SIU Property;
 - (e) interested parties were provided the opportunity to tour the SIU Property and to perform due diligence; and

- (f) interested parties were required to submit binding offers (an “Offer”) by 5:00 p.m. (Calgary Time) on February 29, 2024 (the “Offer Deadline”).
13. 26 parties executed an NDA and were granted access to the Data Room resulting in the receipt of five offers by the Offer Deadline. In consultation with C&W, the Receiver determined that the Offer received from the Purchaser was the best available in the circumstances, based on its value, conditions, and timeline to close a transaction. A summary of each of the Offers received (the “Offer Summary”) is attached as **Confidential Appendix “1”** to the First Report.
14. At the conclusion of the SIU Sale Process, the Purchaser was selected as the successful bidder. The material terms of the SIU Property APS are as follows:
- (a) **Purchased Assets:** substantially all of SIU’s right, title, and interest in its property and assets including the SIU Property, the SIU Lease, the Project Rights and Documents in the possession or subject to the control of the Receiver (to the extent transferrable), and all of the building(s) and improvements erected on the SIU Property;
 - (b) **Excluded Assets:** all property and assets of SIU other than the Purchased Assets,
 - (c) **Excluded Liabilities:** all Liabilities, other than the assumed liabilities including, without limitation, any Encumbrances and any liability, obligation, or commitment associated with the Accounts Payable, Business, or any employees of SIU;
 - (d) **Representation and Warranties:** On an “as is, where is” basis with limited representations and warranties;
 - (e) **Closing Date:** April 24, 2024;
 - (f) **Conditions:** The Purchaser’s offer was conditional on a new lease with the SIU Tenant. On April 1, 2024, the Purchaser provided a notice confirming that it was waiving its conditions and, accordingly, the transaction is now firm, subject to Court approval.
15. The Receiver respectfully recommends that the Court issue an order approving the SIU Property APS and directing the Receiver to complete the SIU Property Transaction for the following reasons:
- (a) the SIU Property has been marketed for sale by C&W, a national brokerage with experience in the Calgary market;
 - (b) the purchase price is the highest available in the circumstances;
 - (c) the SIU Property was marketed for a commercially reasonable amount of time;
 - (d) C&W used conventional methods to market the SIU Property for sale, including preparing a CIM, email blasts, direct solicitation of the most likely purchasers, and site visits;
 - (e) the SIU Property Sale Process was carried out under the supervision of the Receiver and in consultation with the Receiver;
 - (f) the Purchaser’s Offer is unconditional, other than Court approval; and

- (g) continuing to market the SIU Property provides no certainty that a higher purchase price will be achieved. Continuing the SIU Property Sale Process will result in continued costs, including insurance, property taxes, and professional fees.

Activities of the Receiver

- 16. The Receiver has acted diligently since its appointment and has undertaken those activities described in the First Report, which actions are lawful, proper and consistent with the Receiver's powers and duties under the Receivership Order.

Approval of Professional Fees

- 17. The total fees and disbursements of the Receiver for the period from November 17, 2023 to March 31, 2024 total \$127,513.39 inclusive of GST in the amount of \$6,072.06.
- 18. The total fees and disbursements of the Receiver's counsel (Cassels) for the period from November 21, 2023 to March 31, 2024 total \$33,474.70 inclusive of GST in the amount of \$1,593.05.
- 19. The invoices rendered by the Receiver and its counsel to date are reasonable, validly incurred and in accordance with the provisions of the Receivership Order.

Sealing Order

- 20. The Receiver seeks an order directing the sealing of the Confidential Appendices. The Confidential Appendices include commercially sensitive information relating to the SIU Property Sale Process, including offers received and the purchase price under the SIU Transaction. If the SIU Transaction is not completed, the Receiver may wish to re-market the Purchased Assets and it would be detrimental to a future sale process if such information was made available to the general public at this time.
- 21. The Sealing Order is necessary due to the risk that the public disclosure of the information contained in the Confidential Appendices could cause irreparable prejudice to creditors and other stakeholders. There are no reasonable alternative measures, and the benefits of the Sealing Order outweigh any negative effects on the interests of the public.
- 22. Unsealing of the Confidential Appendices will occur upon the earlier of: (i) the filing of Receiver's certificate(s) confirming that the SIU Property Transaction has been completed to the satisfaction of the Receiver; (ii) the discharge of the Receiver; or (iii) further Order of this Honourable Court.

Material or evidence to be relied on:

- 23. Receivership Order pronounced by the Honourable Justice Burns on November 17, 2024;
- 24. First Report of the Receiver dated April 8, 2024 and to be filed;
- 25. Fee Affidavit of Natalie Thompson, sworn April 8, 2024 and to be filed;
- 26. Fee Affidavit of Jason Knight, to be sworn and filed;
- 27. Affidavit of Service to be sworn and filed; and

28. Such further and other materials as counsel may advise and this Honourable Court may permit.

Applicable rules:

29. The *Alberta Rules of Court*, including Rules 1.2, 1.3, 1.4, 6.1, 6.2, 6.3 and 6.47.

Applicable Acts and regulations:

30. *Bankruptcy and Insolvency Act*, RSC 1985, c B-3;

31. *Judicature Act*, RSA 2000, c J-2; and

32. Such further and other acts and regulations as counsel may advise and this Honourable Court may permit.

Any irregularity complained of or objection relied on:

33. None.

How the application is proposed to be heard or considered:

34. Remotely, via Webex.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) 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 time shown at the beginning of this form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

Schedule "A"

COURT FILE NUMBER 2301-15147

COURT COURT OF KING'S BENCH OF ALBERTA
IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE *BANKRUPTCY
AND INSOLVENCY ACT*, RSC 1985, C B-3,
as amended

AND IN THE MATTER OF THE RECEIVERSHIP OF 772921 ALBERTA
INC., SPRUCE IT UP LAND CORP. and RIDGE MEADOWS
PROPERTIES LTD.

DOCUMENT **Service List**
(Updated April 8, 2024)

Clerk's Stamp

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<p>PARLEE MCLAWS LLP 1700 Enbridge Centre 10175-101 Street NW Edmonton, Alberta T5J 0H3</p> <p>Steven A. Rohatyn Tel: 780.423.8177 Email: srohatyn@parlee.com</p> <p>Rayne Prins Email: rprins@parlee.com</p>	Email	Counsel to Inland PacLease
<p>STIKEMAN ELLIOTT LLP 4200 Bankers Hall West 888 – 3 Street SW Calgary, AB T2P 5C5</p> <p>Karen Fellowes, KC Email: kfellowes@stikeman.com</p>	Email	Counsel for Dot Food Canada Inc.
<p>WEAVER SIMMONS LLP 233 Brady Street, Suite 400 Sudbury, ON P3B 4H5</p> <p>Geoff Jeffery Email: gjeffery@weaversimmons.com fadeleye@weaversimmons.com</p>	Email	Counsel to Massey Wholesale Inc.
<p>FIRST TRUCK CENTRE VANCOUVER INC. 18688 - 96TH Avenue Surrey, BC V4N 3P9 Canada</p> <p>Marcy Risberg Email: marcy.risberg@firsttruck.ca</p>	Email	PPR Registrant

INTERESTED PARTIES		
<p>G.N. JOHNSTON EQUIPMENT CO. LTD. 5990 Averbury Road Mississauga ON L5R 3R2 Canada</p> <p>Dan Malmberg Email: dan.malmberg@johnstonequipment.com</p> <p>Elton Nesturi Email: Elton.Nesturi@johnstonequipment.com</p>	Email	PPR Registrant
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<p>INLAND PACLEASE 2482 Douglas Road Burnaby, BC V5C 6C9 Canada</p> <p>Erich Schmidt Email: eschmidt@inland-group.com</p>	Email	PPR Registrant
<p>MAXIM TRANSPORTATION SERVICES INC. 1860 Brookside Blvd. Winnipeg, MB R3C 2E6 Canada</p> <p>Jordan Harvey Email: jharvey@maximtruckandtrailer.com</p>	Email	PPR Registrant
<p>MERIDIAN ONECAP CREDIT CORP. Suite 1500, 4710 Kingsway Burnaby, BC V5H 4M2 Canada</p> <p>Email: absecparties@avssystems.ca</p>	Email.	PPR Registrant
<p>PARMALAT CANADA INC./ LACTALIS CANADA 405 The West Mall, Suite 1000 Toronto ON M9C 5J1 Canada</p> <p>Denis Mongeon Email: Denis.MONGEON@ca.lactalis.com</p> <p>Tony Cugliari Email: Tony.CUGLIARI@ca.lactalis.com</p> <p>Jatinder Chera Email: Jatinder.CHERA@ca.lactalis.com</p>	Email	PPR Registrant

INTERESTED PARTIES		
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TIP FLEET SERVICES CANADA LTD. 1880 Britannia RD E Mississauga, ON L4W 1J3 Canada Email: absecparties@avssystems.ca	Email	PPR Registrant
INGENUITY LLP 366 Adelaide Street East, Suite 500 Toronto ON M5A 3X9 Main: 416-977-6724 Fax: 1-866-290-2454 Craig M. Johnston Tel: 416-977-6724 x119 Email: craig@ingenuitylegal.com Drew K. Allen Tel: 416-977-6724 x112 Email: drew@ingenuitylegal.com	Email	Counsel for Trailcon Leasing Inc.
A&M Enterprise Ltd. dba 'Freshslice Pizza' Attention: Vincent Li and Tom Horler Email: Vincent@freshslice.com tom.horler@freshslice.com	Email	PPR Registrant
TRAILER WIZARDS LTD. 1880 Britannia RD. East Mississauga, ON L4W 1J3 Canada Email: absecparties@avssystems.ca	Email	PPR Registrant
WELLS FARGO EQUIPMENT FINANCE COMPANY 900-1290 CENTRAL PARKWAY W. Mississauga, ON, Canada L5C4R3 Email: info@securefact.com	Email	PPR Registrant

INTERESTED PARTIES		
<p>Maxx Marketing Unit E, 11/F Hop Hing Industrial Building, 702 Castle Peak Road, Kowloon Hong Kong</p> <p>David Kramer Email: David.Kramer@maxx-marketing.com</p>	Email	Creditor
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<p>Noort Homes Vancouver Island Operations 2399 Cienar Dr. Nanaimo, BC. V9T 3L6</p> <p>Email: jhendricks@noorthomes.com</p>	Email	Creditor
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<p>DLA Piper (Canada) LLP 2700, 10220 – 103 Avenue NW Edmonton, AB T5J 0K4</p> <p>Jerritt Pawlyk Email: jerritt.pawlyk@dlapiper.com</p>	Email	Counsel to Waste Management Canada Corporation
<p>Edwards, Kenny & Bray LLP 1900 1040 W Georgia St Vancouver, BC V6E 4H3</p> <p>Fraser Hartley Email: fhartley@ekb.com</p>	Email	Counsel to Regal Ideas

INTERESTED PARTIES		
Paul Gibson Email: pgibson@internationalnews.ca	Email	INS
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Rogers Communications Inc. c/o Parlee McLaws 2400, 150 – 6 Avenue SW Calgary, AB T2P 3Y7 Dale R. Spackman Email: dspackman@parlee.com	Email	Caveator
INS c/o Diegal 131 Oldfield Street Ottawa, ON K2G 7B8 Martin Diegel Email: martin@martindiegel.com	Email	Counsel for INS

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indirasingh@cokecanada.com; mbowmile@cokecanada.com; ptilbury@dayhu.com;
carole.hunter@dlapiper.com; edmond.lamek@ca.dlapiper.com; justin.mooney@ca.dlapiper.com;
mtang@dayhu.com; jeremy.sapers@gowlingwlg.com; jonathan.ross@gowlingwlg.com;
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cbishop@mccarthy.ca; guneev.bhinder@mcmillan.ca; CLiu@mindengross.com;
TDunn@mindengross.com; sean.brandreth@ca.nestle.com; srohatyn@parlee.com; rprins@parlee.com;
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Elton.Nesturi@johnstoneequipment.com; natasha@hornoileasing.com; eschmidt@inland-group.com;
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ar@trailcon.com; absecparties@avssystems.ca; info@securefact.com; jleslie@dickinsonwright.com;
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fadeleye@weaversimmons.com; vincent@freshslice.com; tom.horler@freshslice.com;
David.Kramer@maxx-marketing.com; george@skybluewaterinc.com; bethkep@wacl.com;
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krish@westernsecurities.com; dspackman@parlee.com; martin@martindiegel.com;
corporateservicescalgary@osler.com; derek.pontin@dentons.com

Schedule "B"

COURT FILE NUMBER	2301-15147	Clerk's Stamp
COURT	COURT OF KING'S BENCH OF ALBERTA IN BANKRUPTCY AND INSOLVENCY	
JUDICIAL CENTRE	CALGARY	
	IN THE MATTER OF THE <i>BANKRUPTCY AND INSOLVENCY ACT</i> , RSC 1985, C B-3, as amended	
	AND IN THE MATTER OF THE RECEIVERSHIP OF 772921 ALBERTA INC., SPRUCE IT UP LAND CORP. and RIDGE MEADOWS PROPERTIES LTD.	
DOCUMENT	SALE APPROVAL AND VESTING ORDER	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Cassels Brock & Blackwell LLP Bankers Hall West 3810, 888 3rd St SW Calgary, AB T2P 5C5 E: joliver@cassels.com / jdietrich@cassels.com P: 403 351 2920 / 416 860 5223 Attention: Jeffrey Oliver / Jane Dietrich File no. 54670-8	

DATE ON WHICH ORDER WAS PRONOUNCED: **April 18, 2024**

LOCATION WHERE ORDER WAS PRONOUNCED: **Edmonton (via Webex)**

NAME OF JUSTICE WHO MADE THIS ORDER: **The Honourable Mr. Justice Neilson**

UPON THE APPLICATION by KSV Restructuring Inc., in its capacity as the Court-appointed receiver (in such capacity, the "**Receiver**") of 772921 Alberta Inc. ("**772 Inc.**"), Spruce It Up Land Corp. ("**Spruce Corp.**" or the "**Debtor**") and Ridge Meadows Properties Ltd. ("**Ridge Meadows**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale between the Receiver and Western Securities Limited ("**WSL**") dated March 14, 2024 (the "**Sale Agreement**") and appended to the First Report of the Receiver dated April 8, 2024 (the "**First Report**"), assigned by WSL to Spruce Lands LP (the "**Purchaser**") on March 28, 2024; and vesting in the Purchaser (or its nominee), Spruce Corp.'s right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**");

AND UPON HAVING READ the receivership order of the Honourable Justice M.E. Burns pronounced November 17, 2023 (the "**Receivership Order**"), the Report and the Affidavit of Service; **AND**

UPON HEARING the submissions of counsel for the Receiver, counsel for the Purchaser and any other counsel or parties in attendance at the hearing who made submissions;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. Service of notice of the application (the "**Application**") and materials filed in support of this order (the "**Order**") is hereby declared to be good and sufficient and time for service of the Application is abridged to that actually given.

APPROVAL OF TRANSACTION

2. The Transaction is hereby approved and execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for completion of the Transaction and conveyance of the Purchased Assets to the Purchaser.

VESTING OF PROPERTY

3. Upon delivery of a Receiver's certificate to the Purchaser substantially in the form set out in **Schedule "A"** hereto (the "**Receiver's Closing Certificate**"), all of the Debtor's and the Receiver's right, title and interest in and to the Purchased Assets (as set out in the Sale Agreement) shall vest absolutely in the name of the Purchaser, free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing:
 - (a) any encumbrances or charges created by the Receivership Order;
 - (b) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;
 - (c) any liens or claims of lien under the *Builders' Lien Act* (Alberta); and
 - (d) those Claims listed in **Schedule "B"** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, caveats,

interests, easements, and restrictive covenants listed in **Schedule “C”** (collectively, the **“Permitted Encumbrances”**);

and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets.

4. Upon delivery of the Receiver’s Closing Certificate and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, **“Governmental Authorities”**) are hereby authorized, requested and directed to accept delivery of such Receiver’s Closing Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser, with title in the name of the Purchaser’s general partner, Spruce Lands GP Ltd. (the **“General Partner”**), clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing:

(a) the Registrar of Land Titles (**“Land Titles Registrar”**) for the lands defined below shall and is hereby authorized, requested and directed to forthwith:

- (i) cancel existing Certificate of Title No. 051 463 482 for those lands and premises municipally described as 159 210 Avenue SW, Calgary, Alberta, and legally described as:

PLAN 5235JK
BLOCK A
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 8.4 HECTARES (20.75 ACRES) MORE OR LESS

(the **“Lands”**);

- (ii) issue a new Certificate of Title for the Lands in the name of the General Partner, namely Spruce Lands GP Ltd. of #202, 1329 1st Street SW, Calgary, Alberta T2R 0W3 (the **“New Certificate of Title”**):

- (iii) transfer to the New Certificate of Title, the existing instruments listed in Schedule “B” to this Order, and to issue and register against the New Certificate of Title such new caveats, utility rights of ways, easements or other instruments as are listed in Schedule “B”; and

- (iv) discharge and expunge the Encumbrances listed in Schedule "C" to this Order and discharge and expunge any Claims including Encumbrances (but excluding Permitted Encumbrances) which may be registered after the date of the Sale Agreement against the existing Certificate of Title to the Lands; and
 - (v) the Registrar of the Alberta Personal Property Registry shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Debtor in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.
- 5. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Receiver's Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.
- 6. No authorization, approval or other action by and no notice to or filing with any Governmental Authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Receiver of the Sale Agreement.
- 7. Upon delivery of the Receiver's Closing Certificate together with a certified copy of this Order, this Order shall be immediately registered by the Land Titles Registrar notwithstanding the requirements of section 191(1) of the *Land Titles Act*, RSA 2000, c L-7 and notwithstanding that the appeal period in respect of this Order has not elapsed. The Land Titles Registrar is hereby directed to 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.
- 8. For the purposes of determining the nature and priority of Claims, net proceeds from sale of the Purchased Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Purchased Assets from and after delivery of the Receiver's Closing Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise

ordered (whether before or after the date of this Order), the Receiver shall not make any distributions to creditors of net proceeds from sale of the Purchased Assets without further order of this Court, provided however the Receiver may apply any part of such net proceeds to repay any amounts the Receiver has borrowed for which it has issued a Receiver's Certificate pursuant to the Receivership Order.

9. Except as expressly provided for in the Sale Agreement or by section 5 of the Alberta *Employment Standards Code*, the Purchaser (or its General Partner) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Debtor.
10. Upon completion of the Transaction, the Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its General Partner).
11. The Purchaser (or its General Partner) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Debtor, or any person claiming by, through or against the Debtor.
12. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Receiver.
13. The Receiver is directed to file with the Court a copy of the Receiver's Closing Certificate forthwith after delivery thereof to the Purchaser.
14. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada) and section 20(e) of the Alberta *Personal Information Protection Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser (or its General Partner) all human resources and payroll information in the Debtor's records pertaining to the Debtor's past and current employees. The Purchaser (or its General Partner) shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a

manner which is in all material respects identical to the prior use (of such information) to which the Debtor was entitled.

MISCELLANEOUS MATTERS

15. Notwithstanding:
- (a) the pendency of these proceedings and any declaration of insolvency made herein;
 - (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (the “**BIA**”), in respect of the Debtor, and any bankruptcy order issued pursuant to any such applications;
 - (c) any assignment in bankruptcy made in respect of the Debtor; and
 - (d) the provisions of any federal or provincial statute:

the vesting of the Purchased Assets in the Purchaser (and the New Certificate of Title being issued in the name of the General Partner) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

16. The Receiver, the Purchaser (or its General Partner) and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
17. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, 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 order and to provide such assistance to the Receiver, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

18. 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;
 - (ii) any other person served with notice of the Application for this Order;
 - (iii) any other parties attending or represented at the Application for this Order;
 - (iv) the Purchaser or the Purchaser's solicitors; and
 - (b) posting a copy of this Order on the Receiver's website at <https://www.ksvadvisory.com/experience/case/wallace-and-carey>

and service on any other person is hereby dispensed with.

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

Justice of the Court of King's Bench of Alberta

SCHEDULE "A"**Form of Receiver's Closing Certificate**

COURT FILE NUMBER 2301-15147

Clerk's Stamp

COURT COURT OF KING'S BENCH OF ALBERTA
IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE CALGARY

*IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT,
RSC 1985, C B-3, as amended*AND IN THE MATTER OF THE RECEIVERSHIP OF 772921 ALBERTA
INC., SPRUCE IT UP LAND CORP. and RIDGE MEADOWS
PROPERTIES LTD.DOCUMENT **SALE APPROVAL AND VESTING ORDER**ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY
FILING THIS DOCUMENT
Cassels Brock & Blackwell LLP
Bankers Hall West
3810, 888 3rd St SW
Calgary, AB T2P 5C5E: joliver@cassels.com / [jdietch@cassels.com](mailto:jdietrich@cassels.com)
P: 403 351 2920 / 416 860 5223**Attention: Jeffrey Oliver / Jane Dietrich****RECITALS**

1. Pursuant to an Order of the Honourable Justice Burns of the Court of King's Bench of Alberta, Judicial District of Edmonton (the "**Court**") pronounced November 17, 2023, KSV Restructuring Inc. was appointed as the receiver (in such capacity, the "**Receiver**") of the undertakings, property and assets of 772921 Alberta Inc. ("**772 Inc.**"), Spruce It Up Land Corp. ("**Spruce Corp.**") and Ridge Meadows Properties Ltd. ("**Ridge Meadows**").
2. Pursuant to an Order of the Court pronounced April 18, 2024:
 - a. the Court approved the agreement of purchase and sale made as of March 14, 2024 (the "**Sale Agreement**") between the Receiver and Western Securities Limited ("**WSL**") and appended to the First Report of the Receiver dated April 8, 2024, assigned by WSL to Spruce Lands LP (the "**Purchaser**"); and

b. granted the vesting in the Purchaser, Spruce Corp.'s and the Receiver's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming:

- i. the payment by the Purchaser of the Purchase Price for the Purchased Assets;
- ii. that the conditions to Closing as set out in Article 7 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
- iii. the Transaction has been completed to the satisfaction of the Receiver.

3. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

- 1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
- 2. The conditions to Closing as set out in Article 7 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
- 3. The Transaction has been completed to the satisfaction of the Receiver.
- 4. This Certificate was delivered by the Receiver on []], 2024.

KSV RESTRUCTURING INC., in its capacity as Receiver of the undertakings, property and assets of 772921 ALBERTA INC., SPRUCE IT UP LAND CORP. and RIDGE MEADOWS PROPERTIES LTD., and not in its personal capacity.

Per: _____
Name:
Title:

SCHEDULE "B"**Permitted Encumbrances***General Permitted Encumbrances*

1. Encumbrances for property Taxes (which term includes charges, rates and assessments, and other governmental charges or levies) or charges for electricity, power, gas, water and other services and utilities in connection with the Lands.
2. Easements, rights of way, restrictive covenants and servitudes and other similar rights in land granted to, reserved or taken by any Governmental Authority, transit authority or public or private utility supplier or any subdivision, development, servicing, site plan or other similar agreement with any Governmental Authority, transit authority or public or private utility supplier; any facility sharing, cost sharing, tunnel, servicing, parking, reciprocal and other similar agreements with neighbouring landowners and/or Governmental Authorities; and any restrictive covenants, private deed restrictions and other similar land use controls or agreements.
3. Title defects or irregularities including any easements or rights of way in favour of any federal, provincial, municipal or other governmental bodies or regulatory authorities, any private or public utility, any railway company or any adjoining owner relating to the Lands.
4. Any subsisting reservations, limitations, provisos, conditions or exceptions in any original grants from the Crown of any Lands or any part thereof or interest therein.
5. The exceptions and reservations set forth in the *Land Titles Act (Alberta)* and reservations or exceptions of mines and minerals.
6. Any rights of expropriation, access, use or any other right conferred or reserved by or in any statute of Canada or Province of Alberta.
7. The provisions of applicable laws including, without limitation, any bylaws, regulations, ordinances and similar instruments relating to development and zoning provided same are complied with in all material respects.
8. The rights reserved to or vested in any Governmental Authority by statutory provisions including the right to acquire portions of the Lands for road widening or interchange construction, and the right to complete or remedy improvements, landscaping or deficiencies in any pedestrian walkways or traffic control or monitoring.
9. Undetermined or inchoate liens incidental to construction, renovations or current operations.
10. Any statutory liens, charges, adverse claims, prior claims, security interests, deemed trusts or other encumbrances of any nature whatsoever, claimed or held by His Majesty the King in Right of Canada, His Majesty the King in Right of the Province of Alberta or by any other Governmental Authority under or pursuant to any applicable laws.

Specific Permitted Encumbrances

Registration No.	Date of Registration	Particulars
6453GC	DECEMBER 3, 1949	UTILITY RIGHT OF WAY GRANTEE – CANADIAN NATURAL GAS COMPANY LIMITED. AS TO PORTION OR PLAN: GL85
917KA	JULY 28, 1967	RESTRICTIVE COVENANT
001 332 857	NOVEMBER 21, 2000	CAVEAT RE ROADWAY CAVEATOR – HER MAJESTY THE QUEEN IN RIGHT OF ALBERTA AS REPRESENTED BY THE MINISTER OF INFRACTURE C/O LANDS ADMIN, HIGHWAY & ROADSIDE PLANNING TECHNICAL STANDARDS BRANCH

SCHEDULE "C"**Non-Permitted Encumbrances**

REGISTRATION NO.	DATE OF REGISTRATION	PARTICULARS
051 463 483	DECEMBER 6, 2005	MORTGAGE MORTGAGEE - 772921 ALBERTA INC. C/O WALLACE & CAREY INC 5445 8 ST NE CALGARY ALBERTA T2K5R9 ORIGINAL PRINCIPAL AMOUNT: \$4,000,000
051 463 484	DECEMBER 6, 2005	CAVEAT RE: ASSIGNMENT OF RENTS AND CAVEATOR - 772921 ALBERTA INC. ATTN: ROBERT T HOUSMAN C/O GOWLING LAFLEUR HENDERSON LLP 1400,700 2 ST SW CALGARY ALBERTA T2P4V5
101 354 558	DECEMBER 7, 2010	CAVEAT RE LEASE INTEREST CAVEATOR - ROGERS COMMUNICATIONS INC. C/O DALE R. SPACKMAN PARLEE MCLAWS 2400 SUNCOR ENERGY CENTRE 150- 6 AVENUE SW CALGARY ALBERTA T2P 3Y7 AGENT – DALE R SPACKMAN (DATA UPDATED BY: TRANSFER OF CAVEAT 111306281)
221 026 290	FEBRUARY 8, 2022	MORTGAGE MORTGAGEE - CANADIAN WESTERN BANK. CREDIT SUPPORT-PRAIRIES REGIONAL CENTRE 300,606-4TH STREET SW CALGARY ALBERTA T2P1T1 ORIGINAL PRINCIPAL AMOUNT: \$12,000,000
221 026 291	FEBRUARY 8, 2022	CAVEAT RE: ASSIGNMENT OF RENTS AND CAVEATOR - CANADIAN WESTERN BANK. CREDIT SUPPORT-PRAIRIES REGIONAL CENTRE 300,606-4TH STREET SW CALGARY ALBERTA T2P1T1 AGENT - MOHAMMED ALI MEMON

221 026 292	FEBRUARY 8, 2022	POSTPONEMENT OF MORT 051463483 CAVE 051463484 TO MORT 221026290 CAVE 221026291
231 275 608	SEPTEMBER 12, 2023	MORTGAGE MORTGAGEE - CANADIAN IMPERIAL BANK OF COMMERCE. 199 BAY STREET, 4TH FLOOR TORONTO ONTARIO M5L1A2 ORIGINAL PRINCIPAL AMOUNT: \$65,000,000
231 275 609	SEPTEMBER 12, 2023	POSTPONEMENT OF MORT 051463483 CAVE 051463484 TO MORT 231275608

Schedule "C"

COURT FILE NUMBER	2301-15147	Clerk's Stamp
COURT	COURT OF KING'S BENCH OF ALBERTA IN BANKRUPTCY AND INSOLVENCY	
JUDICIAL CENTRE	CALGARY	
	IN THE MATTER OF THE <i>BANKRUPTCY AND INSOLVENCY ACT</i> , RSC 1985, C B-3, as amended	
	AND IN THE MATTER OF THE RECEIVERSHIP OF 772921 ALBERTA INC., SPRUCE IT UP LAND CORP. and RIDGE MEADOWS PROPERTIES LTD.	
DOCUMENT	ORDER APPROVING FEES, CONDUCT, AND RESTRICTED ACCESS	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Cassels Brock & Blackwell LLP Bankers Hall West 3810, 888 3rd St SW Calgary, AB T2P 5C5 E: joliver@cassels.com / jdietrich@cassels.com P: 403 351 2920 / 416 860 5223 Attention: Jeffrey Oliver / Jane Dietrich File no. 54670-8	

DATE ON WHICH ORDER WAS PRONOUNCED: April 18, 2024

LOCATION WHERE ORDER WAS PRONOUNCED: Edmonton, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice Neilson

UPON THE APPLICATION by KSV Restructuring Inc. in its capacity as the Court-appointed receiver (in such capacity, the "**Receiver**") of 772921 Alberta Inc. ("**772 Inc.**"), Spruce It Up Land Corp. ("**SIU**") and Ridge Meadows Properties Ltd. ("**Ridge Meadows**" and together with 772 Inc. and SIU, the "**Debtors**") for an order, among other things, a) approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and Western Securities Limited (the "**Purchaser**") dated March 14, 2024 and appended as Confidential Appendix 2 to the First Report of the Receiver dated April 8, 2024 (the "**First Report**"); b) approving the Receiver's activities; c) approving the professional fees and disbursements of the Receiver and its counsel; d) approving the sealing of Confidential Appendix "1" and "2" (collectively, the "**Confidential Appendices**") to the First Report;

AND UPON HAVING READ the Receivership Order granted on November 17, 2023 (the "**Receivership Order**"), the First Report, the Fee Affidavit of Natalie Thompson, sworn April 8, 2024 (the "**Thompson Fee Affidavit**"), the Fee Affidavit of Jason Knight, sworn April [●], 2024 (the "**Knight Fee Affidavit**"), the Confidential Appendices and the Affidavit of Service of Angeline Gagnon, sworn April [●], 2024; **AND UPON HEARING** the submissions of counsel for the Receiver and counsel to any other interested parties in attendance who wished to make submissions;

IT IS HEREBY ORDERED AND DECLARED THAT:

Service of the Application

1. Service of notice of the Application and supporting materials is hereby declared to be good and sufficient and time for service of the Application is abridged to that actually given.

Sealing the Confidential Appendices

2. The Confidential Appendices shall be sealed on the Court file notwithstanding Division 4, Part 6 of the *Alberta Rules of Court*, Alta Reg 124/2010 until the earlier of:
 - (a) the filing of a Receiver's Certificate confirming that the Transaction has been completed to the satisfaction of the Receiver;
 - (b) the discharge of the Receiver; or
 - (c) further order of this Honourable Court;
 (collectively, the "**Unsealing Date**").
3. Until the Unsealing Date, the Confidential Appendices shall be sealed and kept confidential, to be shown only to a Justice of the Court of King's Bench of Alberta, and accordingly, shall be filed with the Clerk of the Court who shall keep the Confidential Appendices in a sealed envelope attached to a notice that sets out the style of cause of these proceedings and states:

THIS ENVELOPE CONTAINS CONFIDENTIAL MATERIALS FILED IN COURT FILE NO. 2301 15147. THE CONFIDENTIAL APPENDICES TO THE FIRST REPORT ARE SEALED PURSUANT TO THE SEALING ORDER ISSUED BY THE HONOURABLE JUSTICE NEILSON ON APRIL 18, 2024.

4. Any person may apply to set aside paragraph 2 of this order upon providing the Receiver and all other interested parties with 5 days notice of such application.

Receiver's Activities and Professional Fees

5. The Receiver's actions, conduct and activities as disclosed in the First Report are hereby ratified and approved.
6. The Receiver's accounts for fees and disbursements, as set out in the First Report and the Knight Fee Affidavit, are hereby approved without the necessity of a formal passing of its accounts.
7. The accounts of the Receiver's legal counsel, Cassels Brock & Blackwell LLP, for its fees and disbursements, as set out in the First Report and the Thompson Fee Affidavit, are hereby approved without the necessity of a formal assessment of its accounts.

Service of this Order

8. Service of this order shall be deemed good and sufficient by serving same on the persons and manner listed on the service list in these proceedings and by posting a copy of it on the Receiver's website at: <https://www.ksvadvisory.com/experience/case/wallace-and-carey>

Justice of the Court of King's Bench of Alberta