

COURT FILE NUMBER	2301-12990	Clerk's Stamp
COURT JUDICIAL CENTRE	COURT OF KING'S BENCH OF ALBERTA CALGARY	
APPLICANTS	TIMBERCREEK MORTGAGE SERVICING INC., and COMPUTERSHARE TRUST COMPANY OF CANADA solely in its capacity as bare trustee for TIMBERCREEK MORTGAGE SERVICING INC.	
RESPONDENTS	SCREO I 700 2ND INC., 58508 ALBERTA LTD. and SCREO I 700 2ND L.P. by its general partner SCREO I 700 2ND GP INC.	
DOCUMENT	<b>APPLICATION – AMEND RECEIVERSHIP ORDER, ETC.</b>	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Cassels Brock & Blackwell LLP Suite 3810, Bankers Hall West 888 3 <sup>rd</sup> Street SW Calgary, Alberta, T2P 5C5  Telephone 403-351-2922 Facsimile 403-648-1151 E-mail: <a href="mailto:joliver@cassels.com">joliver@cassels.com</a> / <a href="mailto:dmarechal@cassels.com">dmarechal@cassels.com</a> File No. 49076-24	

**Attention: Jeffrey Oliver / Danielle Marechal**

**NOTICE TO RESPONDENT:**

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

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

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

Date:	Monday, October 23, 2023
Time:	2:00 PM
Where:	Edmonton Law Courts – Via Webex
Before Whom:	The Honourable Justice M.J. Lema

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

**Remedy claimed or sought:**

1. MNP Ltd. (“**MNP**”), in its capacity as receiver and manager (in such capacity, the “**Receiver**”) of the Property (as defined in the Receivership Order granted by the Honourable Justice M.E. Burns on October 5, 2023 (the “**Receivership Order**”)), which is legally or beneficially owned or held by

SCREO I 700 2ND Inc., 58508 Alberta Ltd. and SCREO I 700 2ND L.P., by its general partner SCREO I 700 2ND GP Inc. (collectively, the “**Debtors**”), seeks the following relief:

- (a) an order substantially in the form attached hereto as Schedule “A”:
    - (i) if necessary, abridging the time for service of this Application and the supporting First Report of the Receiver, dated October 18, 2023 (the “**Report**”) and declaring service to be good and sufficient;
    - (ii) authorizing and approving an increase in the Receiver’s borrowings secured by the Receiver’s Borrowing Charge as defined and set out in paragraph 21 of the Receivership Order (defined herein);
    - (iii) authorizing the leasing of certain of the Property without regard to the sales threshold set out in paragraph 3(l) of the Receivership Order (the “**Leasing Exemption**”); and
    - (iv) authorizing and approving payment of certain pre-receivership invoices with respect to the Tenant Projects (defined in the Report as the “**Critical Supplier Payments**”); and
  - (b) such further and other relief, advice and directions as counsel may advise and this Honourable Court may deem just and appropriate.
2. Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Report.

**Grounds for making this application:**

**Background**

- 3. On October 5, 2023, upon application by Timbercreek Mortgage Servicing Inc. (“**Timbercreek**”) and Computershare Trust Company of Canada, solely in its capacity as bare trustee for Timbercreek (collectively, the “**Applicants**”), this Honourable Court granted the Receivership Order appointing MNP as Receiver over the Property.
- 4. The Property includes the commercial building known as Stephen Avenue Place located at 700 2<sup>nd</sup> Street SW in Calgary, Alberta (“**Stephen Avenue Place**”) and all personal property located on or used in conjunction with Stephen Avenue Place.

**Miscellaneous Relief**

### *Leasing Exemption*

5. As set out at paragraphs 9 to 13 of the Report, the Leasing Exemption is necessary to facilitate the administration of the receivership pursuant to the Receivership Order.
6. Pursuant to paragraph 3(l) of the Receivership Order, the Receiver is empowered to:
  - (a) 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 \$150,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and
    - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause.
7. The Receiver is seeking approval of this Court to amend paragraph 3(l) of the Receivership Order to confirm that the Receiver may lease all or portions of the Property without further approval of the Court, subject only to the approval of Timbercreek.
8. The Leasing Exemption is necessary to empower and authorize the Receiver to enter into certain lease agreements regarding the commercial space located on the Property, with prior consent of Timbercreek. The Leasing Exemption will facilitate a more timely and cost-effective administration of the receivership estate by, among other things, reducing the number of court applications and appearances required by the Receiver.

### *Increase Receiver's Borrowings*

9. As set out at paragraphs 14 to 16 of the Report, the Receiver is requesting an increase of the Receiver's Borrowings from \$250,000 to \$2.0 million, as increased funding is required for the Receiver to carry out its mandate and the administration of the receivership pursuant to the Receivership Order.
10. The increase in Receiver's Borrowings is necessary to make the Critical Supplier Payments to pay landlord obligations for tenant improvements and landlord work, which are estimated to total \$1.4 million for the post-receivership period ended March 31, 2023 as well as to fund a large capital project for which the scope of work is still being assessed.

### *Critical Supplier Payments*

11. As set out in paragraphs 17 and 18 of the Report, the Receiver is seeking approval to make certain pre-filing Critical Supplier Payments substantially as described in the Report.
12. Cooperation of the parties, namely, the Contractor, is needed to complete the Tenant Projects. Completion of the Tenant Projects is accretive to the estate as it will allow for leasing of the applicable premises and will allow the Tenant Projects to be kept free of any liens in the circumstances.

### **Material or evidence to be relied on:**

13. Receivership Order granted by the Honourable Justice M.E. Burns on October 5, 2023 and filed October 12, 2023;
14. First Report of the Receiver, dated October 18, 2023, filed; and
15. Such further and other materials as counsel may advise and this Honourable Court may permit.

### **Applicable rules:**

16. The *Alberta Rules of Court*, including Rules 1.2, 1.3, 1.4, 6.1, 6.2, 6.3, 6.47 and 9.15;
17. Rules 3 and 11 of the Bankruptcy and Insolvency General Rules; and
18. Such further and other rules as counsel may advise and this Honourable Court may permit.

### **Applicable Acts and regulations:**

19. *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended;
20. *Judicature Act*, RSA 2000, c J-2; and
21. 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:**

22. None.

### **How the application is proposed to be heard or considered:**

23. 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	2301-12990	Clerk's Stamp
COURT	COURT OF KING'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
APPLICANTS	TIMBERCREEK MORTGAGE SERVICING INC., and COMPUTERSHARE TRUST COMPANY OF CANADA solely in its capacity as bare trustee for TIMBERCREEK MORTGAGE SERVICING INC.	
RESPONDENTS	SCREO I 700 2ND INC., 58508 ALBERTA LTD. and SCREO I 700 2ND L.P. by its general partner SCREO I 700 2ND GP INC.	
DOCUMENT	<b>ORDER RE MISCELLANEOUS RELIEF</b>	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Cassels Brock & Blackwell LLP Suite 3810, Bankers Hall West 888 3 <sup>rd</sup> Street SW Calgary, Alberta, T2P 5C5  Telephone 403-351-2922 Facsimile 403-648-1151 E-mail: <a href="mailto:joliver@cassels.com">joliver@cassels.com</a> / <a href="mailto:dmarechal@cassels.com">dmarechal@cassels.com</a> File No. 49076-24	

**Attention: Jeffrey Oliver / Danielle Marechal**

**DATE ON WHICH ORDER WAS PRONOUNCED:** Monday, October 23, 2023

**LOCATION WHERE ORDER WAS PRONOUNCED:** Edmonton, Alberta

**NAME OF JUSTICE WHO MADE THIS ORDER:** The Honourable Justice M.J. Lema

**UPON THE APPLICATION** (the "**Application**") of MNP Ltd. in its capacity as the Court-appointed receiver and manager (in such capacity, the "**Receiver**") over the Property (as defined in the Receivership Order granted by the Honourable Justice M.E. Burns on October 5, 2023 (the "**Receivership Order**")); **AND UPON** having read the Receivership Order filed in the within proceedings, the First Report of the Receiver, dated October 18, 2023 (the "**Report**") and the Affidavit of Service of [●], sworn October [●], 2023; **AND UPON** hearing from counsel for the Receiver and any other interested parties in attendance;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

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

2. Capitalized terms used but not otherwise defined herein shall have the meaning given to them in the Report.
  3. The Receiver's Borrowings Charge and authorized borrowings granted pursuant to paragraph 21 of the Receivership Order is hereby increased from \$250,000 to \$2.0 million.
  4. The Receivership Order shall be amended as follows:
    - (a) paragraph 3(l) shall be deleted and replaced with the following:
      - (i) to sell, convey, transfer or assign the Property or any part or parts thereof out of the ordinary course of business:
        - (A) without the approval of this Court in respect of any transaction not exceeding \$150,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and
        - (B) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;
- and in each such case notice under subsection 60(8) of the *Personal Property Security Act*, RSA 2000, c. P-7 or any other similar legislation in any other province or territory shall not be required. Notwithstanding any provision of this Order, the Receiver is hereby authorized and permitted to lease all or portions of the Property with only the prior consent of the Applicants;
5. The Receiver is hereby authorized and permitted to make the Critical Supplier Payments, substantially as set out in paragraph 17 of the Report.
6. In all other respects, the terms of the Receivership Order remain unaltered and in full force and effect.

#### General

7. Any person 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.
8. 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 <https://mnpdebt.ca/en/corporate/corporate-engagements/sap>

and service on any other person is hereby dispensed with.

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Justice of the Court of King's Bench of Alberta