

Clerk's Stamp

COURT FILE NUMBER 2303-11446  
COURT COURT OF KING'S BENCH OF ALBERTA  
JUDICIAL CENTRE EDMONTON

PLAINTIFF UMC FINANCIAL MANAGEMENT INC.

DEFENDANTS CAREADON CORP., 1978753 ALBERTA LTD., and  
TERRENCE HODGSON in his capacity as trustee of  
ALDER INVESTMENT GROUP TRUST 2016

DOCUMENT **RECEIVER'S SECOND REPORT**

**November 28, 2023**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

**RECEIVER**

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## INTRODUCTION, BACKGROUND AND PURPOSE OF THE REPORT

1. On July 7, 2023, pursuant to an application made by UMC Financial Management Inc. (“**UMC**”), this Honourable Court granted an Order (the “**Receivership Order**”) appointing Ernst & Young Inc. (“**EY**” or the “**Receiver**”) as receiver of Careadon Corp. (“**Careadon**” or the “**Company**”). For the remainder of this report, and future reports, any reference to “**Management**” will be used to refer to Mr. Terrence Hodgson, the director of Careadon.
2. Careadon’s sole physical asset is an eight-story independent living facility for adults aged 55 or over. The facility, known as Careadon Village, is located at 2 Inglewood Drive, St. Albert, Alberta (hereinafter referred to as the “**Lands**” or the “**Building**”). The Building is currently under construction, with a total of 164 units, of which approximately 55 are essentially completed with the remaining 109 units to be completed (most of which are on the upper floors of the Building).
3. Notwithstanding the incomplete status of the Building, as at the date of the receivership seven of the completed units were occupied as a result of rental agreements or life leases (the “**Life Leases**”) entered into between the occupants and Careadon. The Receiver has since determined that one Life Lease tenant terminated their Life Lease before the date of Receivership Order. Further a tenant under a rental agreement terminated their lease as per the terms of the agreement. Both of these occupants have moved out, leaving five units occupied as at the date of this report.
4. On August 31, 2023, the Receiver sought, and was granted, a Sales Process Order. Upon receipt of the Sales Process Order, the Receiver ran a six-week process, soliciting offers to purchase from investors, strategic purchasers, and commercial realtors (the “**Sales Process**”).
5. The purpose of this report (the “**Receiver’s Second Report**”) is to provide the Court with information and the Receiver’s comments (where applicable) in relation to the following:
  - a) the activities of the Receiver since the date of the Receiver’s First Report, including the results derived from the Sales Process and the offers received for the Building to date;
  - b) the receipts and disbursements incurred by the Receiver since the onset of the receivership proceeding up to and including November 17, 2023 (the “**November 17 Statement of Receipts and Disbursements**”);

- c) the fees and expenses of the Receiver and its counsel up to and including November 17, 2023;
- d) a proposed interim distribution to certain stakeholders prepared by the Receiver, provided the Offer is approved and the sale of the building proceeds as anticipated and discussed herein;

and to obtain Orders of the Court that:

- e) approve the Receiver's actions to date, as outlined in this report;
- f) approve the Superior Offer (as defined later in this report), and permits the Receiver to proceed to finalize the sale of the Building;
- g) seal the Confidential Supplement to the Receiver's Second Report ("**Second Confidential Supplement**");
- h) approve the November 17 Statement of Receipts and Disbursements;
- i) approve the fees and expenses of the Receiver and those of its legal counsel, including unbilled WIP up to and including November 17, 2023;
- j) approve the interim distribution (the "**Interim Distribution Order**") to the secured creditors from the sales proceeds; and
- k) provide such further relief that the Court considers just and warranted in the circumstances.

## **DISCLAIMER**

6. In preparing the Receiver's Second Report, the Receiver relied upon certain financial information prepared by Careadon and derived from discussions with Management. The Receiver has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the information provided. Accordingly, the Receiver expresses no opinion or other form of assurance on the information contained in this report or relied upon in its preparation.

7. This report should be read in conjunction with any other materials filed before the date of the upcoming application to Court which has currently been set for December 8, 2023. All reports and Orders, save for items directed to be sealed for confidentiality purposes, are available on the Receiver's website established for these proceedings that is located at <https://documentcentre.ey.com/#/detail-engmt?eid=535>

8. All references to dollars are in Canadian currency unless otherwise noted.

## **ACTIVITIES OF THE RECEIVER SINCE THE RECEIVER'S FIRST REPORT**

9. In addition to ongoing discussions with Management, the tenants of the Building, and various other stakeholders, the paragraphs that follow outline the more significant activities of the Receiver since the Receiver's First Report.

### Sales Process

10. Upon granting of the Sales Process Order on August 31, 2023, the Receiver drafted a teaser letter, detailing information on the Building (the "**Teaser Letter**"), and a set deadline for offers to purchase. Attached hereto as **Schedule "A"** is a copy of the Teaser Letter.
11. The Receiver, with some supplemental assistance from UMC and HMT, identified a number of strategic and financial proponents that may have interest in the Building. The Receiver also notified a number of commercial real estate agents and other sales agents of the opportunity such that they could canvass any potential purchasers they may be aware of to participate in the Sales Process. On September 1, 2023, the Teaser Letter was sent to all potential purchasers/investors/agents identified.
12. In an effort to reach as broad an audience as possible, the Receiver canvassed the matter and the Sales Process internally with its corporate finance and transaction real estate groups to extend notice of the Sales Process where possible. As a result, a number of additional parties were identified and the Teaser Letter was forwarded to these additional recipients on September 5, 2023, by email.
13. To add further exposure, the Receiver posted advertisements of the Sales Process in the following publications:
  - a) Globe and Mail;
  - b) Edmonton Journal;
  - c) St. Albert Gazette; and
  - d) Insolvency Insider

Attached hereto as **Schedule "B"** are the tear sheets for these advertisements.

14. Further, the Receiver also posted the opportunity with the particulars of the Building/Sales Process on LoopNet. Attached hereto as **Schedule "C"** is the LoopNet advertisement.

Lastly, a copy of the Teaser Letter was posted to the Receiver's document centre website.

15. As a result of the Receiver's efforts, a total of 163 different parties were directly provided with the Teaser Letter by the Receiver. It is unknown how many other parties may have viewed or otherwise received a copy of the Teaser Letter from the Receiver's website, LoopNet, advertising, or indirectly otherwise. Of those in receipt of the Teaser Letter, eighteen (18) parties requested walkthroughs of the Building, and a number of such parties requested (and the Receiver provided) multiple walkthroughs for due diligence purposes.
16. The Sales Process concluded on October 16, 2023, and at its conclusion, the Receiver was in receipt of seven (7) offers (the "**Initial Offers**"). The Receiver is of the view that the detailed information in relation to the Initial Offers and certain other information pertaining to the sale of the Building is commercially sensitive in nature, and should be kept confidential at this time in the event the sale contemplated in this report (discussed later) fails to close. As such, the Receiver has prepared a Second Confidential Supplement that will be provided to the Court that includes a summary of Initial Offers received and other sensitive information. After reviewing the Initial Offers received, the Receiver presented the Initial Offers to UMC and HMT on a confidential basis for review and comment.
17. Upon review, HMT was supportive of moving forward with negotiating one or several of the Initial Offers received; however, UMC indicated that the Initial Offers were materially too low and that it was not supportive of the Receiver accepting or moving forward with any of the Initial Offers. Further, with the exception of one of the Initial Offers, the balance of the Initial Offers had conditions, which presented potential down-side risk to the ultimate purchase price achieved. Given the difference of positions between HMT and UMC, it was agreed to adjourn further discussions on the Initial Offers for a few business days to allow UMC time to consider its position/advise the Receiver what would be a suitable sale price and related terms. At the reconvened teleconference meeting, UMC continued to advise that the Initial Offers were materially too low and suggested they needed further time to consider their options, which still possibly included accepting or moving forward with one or more if the Initial Offers. As such, given the position of UMC, the Receiver was of the view that there was no benefit to try and counter or negotiate any of the Initial Offers unless UMC's position changed. As at November 1, 2023, Careadon was indebted to UMC in the amount of \$71,144,173.77, with *per diem* interest of \$15,291.09.
18. On October 30, 2023, the Receiver received an unsolicited offer from UMC to purchase the Lands together with all buildings, fixtures, improvements, equipment and personal property situate thereon (the "**Superior Offer**"). Shortly thereafter, during a teleconference meeting held on November 2, 2023, in consultation with HMT and UMC, the Receiver

- decided to formally reject all of the Initial Offers. The Superior Offer was materially higher than any of the Initial Offers, contained no conditions, and would serve to significantly reduce UMC's second position exposure in the circumstances. The Receiver determined that it would be in the best interests of all stakeholders to pursue the Superior Offer, despite it being received after the conclusion of the Sales Process as it was materially better than any of the Initial Offers and contained no conditions.
19. The Receiver contacted all of the parties who had submitted Initial Offers and notified them that all of the Initial Offers had been rejected, and returned all deposits that were received. A formalized purchase and sale agreement ("**PSA**") was entered into on November 23, 2023, between the Receiver and UMC which reflects the Superior Offer, a copy of which is included in the Second Confidential Supplement.
  20. Given the above, the Receiver is respectfully recommending that that Superior Offer be approved by the Court.
  21. The Superior Offer and PSA do not contemplate an assignment of the Life Lease but the proposed form of Order permits the Life Lease residents (the "**Life Lease Residents**") to continue to occupy their units for 6 months following closing, or such further period as may be agreed to between the Purchaser and the Life Lease Residents. For clarity, as at the date of this Report, four (4) of the five (5) leased units are subject to Life Leases.
  22. Pursuant to the Life Leases, Life Lease Residents were required to pay to the Debtor a fixed amount made up of two components, a non-refundable entrance fee and a loan to the Debtor. Repayment of the loan amount was to be secured by a \$4 million cash reserve (the "**Cash Reserve**") and a second-place mortgage (the "**Trust Mortgage**") on title that was to be held and registered by Careadon Trust Inc., acting in the capacity of a trustee.
  23. To date, there is no evidence or information to suggest that Careadon or Careadon Trust Inc., the proposed Life Lease trustee, took steps to establish the Cash Reserve or the Trust Mortgage.
  24. As far as the Receiver is aware, Reynolds Mirth Richards and Farmer LLP ("**RMRF**"), Careadon's former corporate counsel, continues to hold an estimated \$1.3MM in trust, being all amounts paid by the Life Lease Residents to Careadon in respect of their Life Leases.
  25. The Receiver is not seeking an adjudication as to claims against the funds held in trust by RMRF at this application but will assess claims to the funds held by RMRF and if necessary, will set down an application returnable before this Honourable Court and on

notice to interested parties to address the matter. The Receiver believed it premature to seek to determine any issues related to the funds held by RMRF until after the Sales Process concluded, in the event that the highest and best offeror sought to take assignment of the Life Leases.

26. A copy of title to the Lands is attached hereto as **Schedule "D"**. Since the date of the First Report, additional liens and interests have been registered as against the Lands.
27. On November 16, 2023, pursuant to an Order of the Honourable Justice M.E. Burns, Careadon was adjudged bankrupt and EY was appointed as Trustee in Bankruptcy of Careadon.

#### Pre-Receivership Litigation

28. The Receiver has been made aware of two (2) actions (the "**Actions**") in which Careadon is a co-Plaintiff with Kota Contracting Inc. ("**Kota**"), a party controlled Management of Careadon. The Actions bear Court of King's Bench of Alberta File Numbers 1803 10233 and 2003 05717.
29. There has been some limited procedural developments in the Actions, culminating in procedural orders granted November 14, 2023 setting down timelines for parties to the Actions to take certain steps, including but not limited to, questioning, answering undertakings and the provision of expert reports.
30. The Receiver continues to explore options related to the Actions with a view to benefitting the receivership estate.

#### Other Actions of the Receiver to Date

31. Since the onset of these receivership proceedings, the Receiver's other actions include, but are not limited to the following:
  - a.) receiving and addressing creditor and other stakeholder questions and concerns;
  - b.) providing walkthroughs of the Building to prospective purchasers throughout the Sales Process;
  - c.) dealing with various operational challenges involving utilities, repairs and maintenance and other items; and
  - d.) preparing this report.



## STATEMENT OF RECEIPTS & DISBURSEMENTS

32. Outlined in the analysis below is a summary of the receipts and disbursements of the Receiver from the onset of these proceedings up to and including November 17, 2023.

<b>Careadon Corp</b>		
<b>Statement of Receipts and Disbursements</b>		
<b>For the Period July 7 to November 17, 2023</b>		
		<b>Jul 7 to Nov 17, 2023</b>
<b>Receipts:</b>		
Receiver's borrowings	<i>a</i>	950,000
Rental/lease income	<i>b</i>	45,489
Cash in bank		12,260
Interest		2,980
<b>Total Receipts</b>		<b>1,010,729</b>
<b>Disbursements:</b>		
Property tax	<i>c</i>	419,893
Insurance	<i>d</i>	260,371
Professional fees	<i>e</i>	182,508
Payroll		21,130
Utilities & telecommunications		15,434
Repairs & maintenance	<i>f</i>	13,355
Receiver's borrowings fees	<i>a</i>	12,600
Furniture rental		11,655
Locksmith & FOB access		2,709
Waste disposal		2,458
IT services		660
Licensing fee		75
<b>Total Disbursements</b>		<b>942,848</b>
<b>Cash on Hand - November 17, 2023</b>		<b>67,881</b>

33. The Receiver provides the following notes in relation to its analysis above:
- a) As per the Receivership Order, \$1,500,000 in total receiver's borrowings have been approved. As at the date of this report, the Receiver has drawn \$950,000 in borrowings from UMC and paid UMC's fund fees in the amount of \$12,600. The Receiver considers UMC's funding fees to be reasonable and in line with market standards;
  - b) Income from two rental units and four leased units up to the month of November 2023. As stated earlier in this report, one of the rental unit tenants moved out in October 2023, leaving five units occupied as of the date of this report;

- c) As referenced in the Receiver's First Report, the Receiver paid the 2022 outstanding property tax amounts in order to avoid further penalties and interest from accruing. On November 9, 2023, the Receiver received a copy of a Statement of Outstanding Taxes from the City of St. Albert noting \$16,795.72 remains outstanding. The Receiver believes this amount is incorrect and has requested further information to support this outstanding amount. As of the date of this report, no information has been provided.
- d) Monthly insurance premiums are approximately \$65,085 and up to date as of the date of this report;
- e) Receiver's fees and disbursements (\$127,450.84) and Receiver's counsel's fees and disbursements (\$55,057.41) to date, which have been invoiced and paid out of funds on hand; and
- f) Repairs and maintenance relating to HVAC repairs, plumbing, and elevator maintenance, among other items.

**PROFESSIONAL FEES TO NOVEMBER 17, 2023**

Summary of Receiver's Accounts

34. Set out in the chart below is a summary of the Receiver's time (and related charges) for each individual who has worked on this matter up to November 17, 2023. To date, the Receiver has rendered one invoice to the estate for its fees and expenses in the amount of \$127,450.84 (inclusive of GST). Attached hereto as **Schedule "E"** is a copy of this invoice.

**Receiver's Fee Schedule**

Employee	Hours	Rate	
		(Standard)	Amount
Duncan Yang	1.00	895.00	895.00
Ellie Eplett	13.00	295.00	3,835.00
Evan MacKinnon	108.30	590.00	63,897.00
Khanh Vuong	2.50	675.00	1,687.50
Kim Dao Phan	6.50	395.00	2,567.50
Mark Shtay	18.30	395.00	7,228.50
Matt McCulloch	62.90	895.00	56,295.50
Talia Buzagalo	4.00	395.00	1,580.00
Trina Sorbara	5.10	395.00	2,014.50
Victoria Milis	1.00	525.00	525.00
<b>Total</b>	<b>222.60</b>		<b>140,525.50</b>

35. Using the standard rates of the Receiver, the total invoiced fees as noted above are \$140,525.50 (exclusive of GST); however, the Receiver has provided a courtesy discount in the amount of \$23,923.00, reducing the total fees invoiced to \$116,602.50.
36. Expenses invoiced to date total \$4,779.25 (exclusive of GST). These expenses are predominantly in relation to mail redirection requests, mailouts, advertising the Sales Process and mileage.
37. Accounting for the fees of \$116,602.50, expenses of \$4,779.25, and GST of \$6,069.09, the invoiced total to date is equal to the \$127,450.84 amount referenced in paragraph 34 of this report.
38. The Receiver's total WIP outstanding to November 17, 2023, is \$46,400.59 (inclusive of GST). For clarity, this amount is in addition to the amounts previously invoiced to the estate by the Receiver as indicated above. The breakdown of the Receiver's outstanding WIP is as follows:
  - a) \$44,180.00 in unbilled time charges of the Receiver;
  - b) \$11.04 in expenses relating to postage; and
  - c) \$2,209.55 GST.
39. Since the appointment of the Receiver by this Court, Mr. Matthew McCulloch, CA, CPA, CIRP, LIT, who is a Partner with EY, has had primary responsibility for the work carried out by the Receiver. However, wherever appropriate, work was delegated to other members of the EY team to mitigate the professional fee charges of the Receiver.
40. In the Receiver's respectful opinion, the time and disbursements incurred in the course of its duties are fair and reasonable in these circumstances. Further, the Receiver's costs in relation to the Receivership to November 17, 2023, are comparable to receivership assignments of similar scale and complexity.
41. The hourly rates charged by the Receiver as consistent with the average hourly rates billed by the Receiver on its other engagements and, to the Receiver's knowledge, are reasonably consistent with other firms of comparable size and qualifications engaged on similar receivership matters.
42. The Receiver respectfully requests that the Court approve its fees and expenses incurred to November 17, 2023.

### Receiver's Legal Counsel's Fees

43. The Receiver engaged the services of McLennan Ross LLP as its independent legal counsel to assist with the obligations in these proceedings. The lawyer primarily responsible for assisting the Receiver is Mr. Ryan Trainer.
44. As of the date of this report, Receiver's legal counsel has remitted one invoice totaling \$55,057.41. Attached hereto as **Schedule "F"** is a copy of the legal invoice rendered by McLennan Ross LLP.
45. The Receiver's legal counsel's total WIP outstanding to November 17, 2023 is \$30,409.54 (inclusive of GST). For clarity, this amount is in addition to the amount previously invoiced to the estate. This amount represents \$28,961.47 in unbilled time and \$1,448.07 in GST.
46. Given the specific circumstances encountered in these receivership proceedings to date and the extensive involvement of counsel for UMC, HMT and various other stakeholders, the Receiver advises that its counsel played a crucial role in these receivership proceedings. Further, the Receiver has reviewed the invoice rendered to it by McLennan Ross LLP and believes they are both reasonable and proper. The legal services provided have been necessary for the Receiver to fulfill its obligations in these proceedings.
47. Based on the above, the Receiver respectfully requests that the Court approve the fees and expenses of its legal counsel to November 17, 2023.

### **RECEIVER'S PROPOSED INTERIM DISTRIBUTION**

48. As per the PSA included in the Second Confidential Supplement, it is anticipated that the sale of the Building will close before December 31, 2023.
49. Upon closing of the sale, and receipt of the funds, the Receiver wishes to distribute funds to the first mortgage holder, HMT, to avoid any further interest and fees from accruing. To facilitate the Receiver's request in this regard, the Receiver is seeking to obtain an Interim Distribution Order from the Court that is based on the information outlined in the following paragraphs.
50. Attached hereto as **Schedule "G"** to this report is the payout statement as of November 6, 2023, of the HMT mortgage advanced to Careadon.
51. Based off the information noted in the HMT payout statement, the Receiver has calculated the amount that will be owed to HMT as of December 29, 2023, as follows:

Harbour Mortgage Corp. As of December 29, 2023	
Principal, Accrued Interest & Fees as at Nov 6, 2023	13,913,903.70
Per Diem (Nov 6 to Dec 29) - 53 Days	<u>252,733.15</u>
<b>Total</b>	<b>14,166,636.85</b>

52. Given that the sale is expected to close before the end of 2023, the Receiver anticipates distribution payments to HMT will be made no later than December 29, 2023, the last business day of 2023 or soon thereafter.
53. Provided that the amounts calculated above by the Receiver are accurate and the Court approves the Receiver's request, the Receiver is anticipating making an interim distribution to HMT in the amount of \$14,166,636.85 plus all other unbilled legal fees, disbursements and charges be distributed to HMT from the cash generated from the sale. The analysis below illustrates the potential remaining funds on hand that could be held by the Receiver if the figures calculated above, and the cash generated from the sale of the Building is accurate:

Careadon Corp. Ernst & Young Inc - Receiver Proposed Interim Distribution		
	<b>Note</b>	
<b>Sales Proceeds Available on Closing</b>	<i>a</i>	15,000,000.00
Less Distributions:		
Receiver's Borrowings	<i>b</i>	0.00
Harbour		<u>14,166,636.85</u>
<b>Total Distributions</b>		<b>14,166,636.85</b>
<b>Net Proceeds Available after Distribution</b>		<b>833,363.15</b>

54. The Receiver provides the following notes in relation to its analysis above:
- a) It is anticipated there will be sufficient funds on closing to discharge Careadon's indebtedness to HMT. The remaining terms and funds associated with the sale as per the PSA are detailed further in the Second Confidential Supplement; and
  - b) UMC has agreed to have all or part of the Receiver's borrowings provided to date subordinated to the mortgage of HMT up to a maximum amount of \$1MM.
55. The Receiver will hold back funds to cover any professional fees, Receiver's borrowings (if available) and costs associated with completing the administration of the estate. In the

event there are any funds remaining at the conclusion of these receivership proceedings, such funds will be remitted to UMC as a partial payment towards the Receiver's borrowings.

56. Should the sale proceeds not be available for distribution before December 29, 2023 and/or the distribution of proceeds to HMT not occur as a result of unforeseen issues, the proposed Interim Distribution Order has contemplated a distribution of up to \$14,300,000 to account for additional per diem interest charges and professional costs associated with HMT's loan.
57. As noted in the Receiver's First Report, the Receiver has obtained an opinion from its legal counsel that HMT's security (as detailed in the Receiver's First Report) is valid and enforceable, subject to the standard qualifications and that HMT's security stands in priority to the security held by UMC pursuant to an intercreditor agreement dated on April 20, 2021.

## **RESTRICTED COURT ACCESS ORDER**

58. The Receiver respectfully requests that this Honourable Court approve the temporary sealing of the Second Confidential Supplement. As noted earlier in this report, the Second Confidential Supplement contains commercially sensitive information, including the summary of the Initial Offers received, the Superior Offer, and the PSA. Sealing the Confidential Supplement is required in the event that a further listing or sales process is required, should the transaction contemplated by the PSA fail to close.
59. McLennan Ross LLP, counsel to the Receiver, submitted a Notice to Media of Application to Restrict Access (the "**Notice to Media**") with respect to the Confidential Supplement. Confirmation of receipt of the Notice to Media was delivered by the Clerk of the Court to McLennan Ross LLP on November 27, 2023. A copy of the confirmation of receipt of the Notice to Media is attached as **Appendix "H"**.

## **CONCLUSION**

60. Based on the matters outlined in this report, the Receiver respectfully requests that this Honourable Court grant Orders that:
  - a) approve the Receiver's actions as outlined in this report;
  - b) approve the Superior Offer, permits the Receiver to proceed to finalize the sale of the Building;
  - c) seal the Second Confidential Supplement;

- d) approve the November 17 Statement of Receipts and Disbursements;
- e) approve the fees and expenses of the Receiver and those of its legal counsel, including unbilled WIP up to November 17, 2023;
- f) approve the Interim Distribution as set out herein; and
- g) provide such further relief that the Court considers just and warranted in the circumstances.

Respectfully submitted this 28<sup>th</sup> day of November 2023.

**Ernst & Young Inc.**

In its capacity as Receiver of

**Careadon Corp.**

and not in its Personal Capacity

Per:

A handwritten signature in black ink, appearing to be 'ML', with a vertical line extending downwards from the bottom of the signature.

Matt McCulloch, CPA, CA, CIRP, LIT  
Senior Vice President

# **SCHEDULE “A”**



September 1 2023

## Request for Offers to Purchase

### Careadon Corp o/a Careadon Village – 2 Inglewood Drive, St. Albert, Alberta

On July 7, 2023, pursuant to an Order granted by the Court of King’s Bench of Alberta, Ernst & Young Inc. (“**EY**” or the “**Receiver**”) was appointed as Receiver over the assets of Careadon Corp (“**Careadon**”). In its capacity as Receiver, EY is currently seeking offers to purchase in relation to an eight-floor (including lower level) 181,456 square foot building, designed for 164 residential units (the “**Property**”), owned and operated by Careadon, located at:

2 Inglewood Drive, St. Albert, Alberta T8N 7W6

Legal Description: Lot 4A, Block 1, Plan 162 3283

On August 31, 2023, the Court authorized the Receiver to initialize a formal sales process commencing September 1, 2023 for the Property.

The Property began construction in 2016 and is situated on approximately 2.55 acres of land off the Sturgeon River. The Property is constructed out of concrete and steel and is designed to feature common area amenities such as a water spa, library, and theatre room. There is an asphalt parking lot located at the front of the Property with 91 surface stalls, along with an underground lot for tenants of the Property. The Property remains under construction to some varying degree, mostly on the upper levels, but is also generally complete on the first three floors and currently houses residents with additional units ready for occupancy.



**(Please do not approach tenants with enquiries about the Property. All questions related to the Property or sale of the Property should be made to the Receiver at the contact information listed below.)**

**Offer to Purchase Deadline: October 16, 2023 at 4:00 PM (MDT)**

All offers in respect of the Property shall be made to the Receiver on an as-is where-is basis, and with the understanding that such offers are submitted without any representations or warranties from the Receiver in relation to the description, quality, quantity, or fitness for use or purpose of the Property, or otherwise. All parties replying to this offer to purchase are responsible for conducting their own due diligence with respect to the Property.

Any offer accepted by the Receiver (if any) must also be approved by the Court of King's Bench of Alberta. Interested parties must make an appointment to inspect the Property. Once submitted, all offers are irrevocable and cannot be withdrawn or amended prior to the earlier of a) notice from the Receiver that the offer has been accepted (subject to Court approval), b) notice from the Receiver that the offer has been rejected, or c) October 23, 2023 at 4:00 p.m. MDT.

Offers shall be accompanied by a deposit equal to at least 5% of the offer price (the "**Deposit**"). The Deposit shall be paid by certified cheque or bank draft payable to "Ernst & Young Inc. – in Trust", in its capacity as Receiver of Careadon Corp.

If an offer is accepted by the Receiver and obtains Court approval, the Deposit will be applied to the purchase price of the Property on closing. If an offer is rejected, the Receiver will notify the offeror and will return the Deposit within five (5) business days of notice being given. Deposit refunds will be sent by registered mail or courier.

Upon an offer obtaining Court approval the Deposit shall be immediately and irrevocably forfeited to the Receiver as a genuine pre-estimate of damages incurred by the Receiver in connection with the closing.

The Receiver may, in its sole discretion:

- a. negotiate the terms of any offer with one or more offerors;
- b. waive or vary any of these Terms and Conditions;
- c. accept an offer, or portion thereof, prior to the sales process deadline;
- d. reject an offer in full and unfettered discretion; and
- e. withdraw from this request for offers to purchase process at any time.

This request for offers to purchase process does not prohibit the Receiver from accepting and closing any offer for all or any part of the Property prior to the sales process deadline, should any acceptable offer be received. If you have questions about the sales process or would like to arrange for a site visit of the Property, please contact **Evan MacKinnon at (780) 441-2447 or by email at [evan.mackinnon@parthenon.ey.com](mailto:evan.mackinnon@parthenon.ey.com)**.

## **SCHEDULE “B”**

# Chinese auto executives urge global co-operation in EV segment

Companies from China are seeking higher margins overseas markets can offer

VICTORIA WALDERSEE  
ZHANG YAN MUNICH

China's electric vehicle industry leaders from policy adviser and "father of EVs" Wan Gang to the heads of car makers BYD and Nio and battery maker CATL called for stronger global co-operation and standardization in policy to ease the technological transition.

Mr. Wan, a key figure in leading China's development of electric vehicles, said efficient batteries, better EV architectures and intelligent driving systems were the three key technologies required to boost EV uptake.

Differences in policy, industrial foundations and the level of technological development were leading to a growing disparity in EV growth across global regions, said Robin Zeng, chairman of the world's largest battery maker CATL.

The executives were speaking at the World New Energy Vehicle Congress (WNEVC) in Munich, happening for the first time outside China in a symbol of Chinese EV makers' ambitions for expansion.

"We want to invite partners from Germany to join BYD to promote green transport," BYD chairman Wang Chuanfeng said.

"Our German colleagues are using China as a basis for research and development, and they were correct to position their operations this way. That puts pressure on us, too," said William Li, chief executive of premium EV maker Nio.

Chinese EV executives from

companies including startup Xpeng, Leapmotor and SAIC have called in recent days for more partnerships with German auto makers, expressing admiration for the innovations on display at Munich's IAA conference.

Chinese companies are seeking the higher margins overseas markets can offer, hoping to leverage German auto makers' scale and branding to boost their own sales and survive China's increasingly crowded EV market.

Mr. Wan, the chairman of WNEVC, advocated for developing hydrogen fuel cell vehicles and plug-in hybrids alongside all-electric battery vehicles, a message echoed by BMW's CEO Oliver Zipse, who called on China to expand its hydrogen charging network.

In a closed-door plenary before the congress, executives across German and Chinese industry discussed topics such as homogenizing standards for tracking carbon emissions across the supply chain.

"We need to promote the whole supply chain of low-carbon development," Mr. Wan said.

Mr. Wan, the former science minister, is often referred to as the "father of EVs" in China's state media for his role in urging China's government to invest heavily in low-emission vehicles.

After 15 years in Germany studying and working at Volkswagen's Audi, he returned to China in 2000 to lead a government-led initiative to develop the EV market.

The experience in Germany "helped me to understand how companies achieved technology innovations and application," Mr. Wan said, addressing Germany's top auto executives and industry officials at the opening of the WNEVC.

REUTERS



Bank of France Governor François Villeroy de Galhau hinted that a fresh rate hike could come from the ECB at a later date, saying the slowdown is not a recession. HEIKO BECKER/REUTERS

## European Central Bank policy-makers say September rate decision still up in the air

FRANCESCO CANEPA FRANKFURT  
LEIGH THOMAS PARIS

European Central Bank policy-makers warned investors who are overwhelmingly betting against an ECB interest rate hike next week that the decision was still up in the air and a rise in borrowing costs was among the options on the table.

With economic activity deteriorating across the 20 countries that use the euro and inflation easing, investors are betting the ECB will end its streak of nine consecutive rate increases on Sept. 14, even if it keeps the door open to further moves.

But speaking on Wednesday, the last day before the ECB's self-imposed quiet period, the Dutch, French, German and Slovak central bank chiefs all said the Governing Council's decision was still open.

France's François Villeroy de Galhau hinted that a fresh rate hike could still come at a later date and argued the slowdown is not a recession and that the ECB needed to persevere in its fight with inflation.

"Our options are open at this council as at the following meetings," he told reporters. "We are close, very close to the peak in our interest rates. We are however still far from the point where we could consider cutting them."

Slovakia's Peter Kazimir, an outspoken policy hawk, was more explicit, arguing that another hike was still needed to tame inflation. He said the ECB could delay a rate rise to one of its autumn meetings or pull the trigger next week.

"The second option seems preferable, reasonable, to me," Mr. Kazimir said in an opinion piece. "It is to deliver another 25 basis points next week and take a breather thereafter."

Dutch central bank Governor Klaas Knot, another staunch advocate of policy tightening in the past, said investors may be underestimating the chances of a rate hike next Thursday, and that the decision would be "a close call."

Markets now see a one in three chance of a hike next week, with a move in October or December viewed as more likely.

"I continue to think that hitting our inflation target of 2 per cent at the end of 2025 is the bare minimum we have to deliver," Mr. Knot told Bloomberg.

"I would clearly be uncomfortable with any development that would shift that deadline even further out. And I wouldn't mind so much if it shifted forward a little bit."

Bundesbank chief Joachim Nagel, also a past advocate of rapid hikes, took a similarly measured view, saying next week's decision would depend, among other factors, on the ECB's new economic projections. Rate cuts were not imminent in any case, he added.

"It would be wrong to bet on a rapid decrease in interest rates after the peak," Mr. Nagel told German business daily Handelsblatt.

Speaking to the Reuters Global Markets Forum last week, Austria's central bank chief Robert Holzmann said the ECB may still do another "hike or two" while Portugal's Mario Centeno said it needed to be very cautious about any further tightening.

REUTERS

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**TENDERS**

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**LEGALIS**

**Ontario Superior Court of Justice (Commercial List)**

**Court File No. CV-23-00703933-00CL**

**Notice To Creditors of Quality Rugs of Canada**

**Timeline Floors Inc., Ontario Flooring Ltd., Weston Hardwood Design Centre Inc., Malvern Contract Interiors Limited (the "Applicants")**

**Notice of CCAA Filing**

NOTICE IS HEREBY GIVEN that on August 25, 2023, the Applicants sought and obtained an initial order (the "Initial Order") from the Ontario Superior Court of Justice (Commercial List) (the "Court") pursuant to the Companies' Creditors Arrangement Act (the "CCAA"). Pursuant to the Initial Order, RSM Canada Limited was appointed as the monitor, an officer of the Court (the "Monitor"), to monitor the business and financial affairs of the Applicants.

A copy of the Initial Order and as well as other publicly available documents can be found on the Monitor's website at: <http://www.rsmcanada.com/quality-sterling-group>

For further information, please contact:

**RSM CANADA LIMITED**  
Monitor of Quality Rugs of Canada, Timeline Floors Inc., Ontario Flooring Ltd., Weston Hardwood Design Centre Inc., and Malvern Contract Interiors Limited

RSM Place  
700-11 King Street West, PO Box 27  
Toronto ON M5H 4C7  
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**RSM**

BoC RATE HOLD A 'WELCOME RELIEF'

Prime Minister Justin Trudeau's government praised the Bank of Canada for holding interest rates steady, in a rare public reaction to a monetary policy decision. Finance Minister Chrystia Freeland, pictured, who is also deputy prime minister, issued a statement minutes after governor Tiff Macklem and his officials left borrowing costs unchanged at five per cent on Wednesday. "The Bank of Canada's decision to maintain its overnight



interest rate is welcome relief for Canadians," Freeland said. While she noted that she fully respects the central bank's independence, her comments reflect the mounting political pressure policy-makers face as they try to slow the economy without causing unnecessary financial harm. Before Wednesday's decision, the premiers of Ontario, B.C. and Newfoundland and Labrador all urged Macklem to cease raising rates. *Bloomberg*

Real estate sector applauds BoC for holding rate

SHANTAË CAMPBELL

Canada's slowing real estate sector has been granted something of a reprieve by the Bank of Canada, after the central bank chose to hold its policy interest rate at five per cent after casting a chill over the housing market with two consecutive rate hikes to start the summer.

"With recent evidence that excess demand in the economy is easing, and given the lagged effects of monetary policy, governing council decided to hold the policy interest rate at 5 per cent and continue to normalize the Bank's balance sheet," the central bank's governing council said in a statement on its website.

The Wednesday announcement, however, did not take further rate hikes off the table. The governing council said it would remain vigilant against persistent inflationary pressures, and affirmed its readiness to adjust the policy interest rate if deemed necessary.

Mortgage strategist Robert McLister cautioned that the Bank of Canada's warning should not be dismissed.

"If consumer inflation expectations tick meaningfully higher, I have no doubt the Bank of Canada will hammer them back down with at least another quarter-point hike, despite a shrinking economy," McLister said in an email. "That's not my prediction, but it's a distinct possibility."

Pritesh Parekh, a realtor in Toronto, said the rate hold would give many in the housing sector a much-needed respite.

"There's a lot of people exhaling right now," Parekh said. "They were holding their breath and were really stressed out about this because these rates have been really tough for some people to handle."

Adil Dinani, a realtor at Royal LePage West in Vancouver, said that while the relief was palpable, the rate decision isn't a game-changer.

"I think there is a sense of relief. Does it change the current situation? Not really," Dinani said. "Perhaps it provides a glimmer of hope that we're nearing the end of this rate hiking cycle. I still believe we're beginning to see some cracks in the real estate market, especially from those 'mom and pop' investors, less seasoned in the field, who can't sustain their properties with a seven per cent interest rate."

Alex Leduc, CEO of Perch, a digital mortgage consultancy in Toronto, said the Bank of Canada was right to wait and see how things play out after raising its benchmark rate 10 times since 2022.

*Financial Post*



One realtor calls the rate hold a "glimmer of hope that we're nearing the end of this rate hiking cycle."

THE CANADIAN PRESS FILES



The Bank of Canada chose not to hike a key interest rate, but is "prepared to increase the policy rate further if needed." *THE CANADIAN PRESS*

Bank of Canada holds interest rate at 5 per cent as economy weakens

Downshift in economy, price pressures prompt central bank's decision

ERIK HERTZBERG and RANDY THANTHONG-KNIGHT

The Bank of Canada held interest rates steady and kept the door open to further hikes, with economists seeing its historic tightening cycle at its likely end point.

Policy-makers, led by governor Tiff Macklem, maintained the benchmark overnight lending rate at five per cent on Wednesday, the highest level in 22 years. They acknowledged a rapid downshift in the economy and warned that price pressures are proving tough to wrestle all the way back to their target.

"With recent evidence that excess demand in the economy is easing, and given the lagged effects of monetary policy, Governing Council decided to hold," the bank said. Officials, however, remain "concerned about the persistence" of underlying inflation and are "prepared to increase the policy rate further if needed."

The move was expected by economists in a Bloomberg survey and market reaction was muted. While the rate statement suggests policy-makers are comfortable waiting to assess how the deteriorat-

ing economy will restore price stability, officials are still bothered enough by the persistent momentum in inflation to remain cautious.

They're also weighing the cumulative impact of 475 basis points of hikes since March 2022. Keeping a hawkish bias this time around contrasts with January's explicit pause signal and is likely enough to keep premature bets on rate cuts at bay — especially if Macklem is able to reinforce his inflation worries in a speech and press conference Thursday in Calgary.

Most analysts think the Bank of Canada is finished raising rates.

"We doubt it will need to follow through" with another hike, Stephen Brown, an economist at Capital Economics, said in a report to investors. Doug Porter, chief economist at Bank of Montreal, agreed, arguing that "unless growth rebounds in Q3 — which we doubt — the BoC is likely done with rate hikes."

Economists surveyed by Bloomberg before the decision see the bank's next move as a cut in April of next year.

With many central banks globally nearing or at their terminal point for rates, Wednesday's de-

cision suggests Canada's six-member panel may soon transition the debate to how long they need to hold instead of how restrictive policy should be.

On Tuesday, the Reserve Bank of Australia also kept its key interest rate unchanged and maintained a tightening bias. Consecutive pauses in that country imply a higher hurdle for any further hikes and suggest a surprise shift in economic data will be needed to prompt additional tightening.

After its January declaration, the Bank of Canada moved to the sidelines for five months. It resumed hiking in June and July after undaunted consumers drove unexpectedly strong economic growth. But there's ample recent evidence the central bank has now done enough to cool excess demand.

Gross domestic product contracted at a 0.2 per cent annualized rate in the second quarter, far below the bank's estimate for a 1.5 per cent expansion. The labour market is loosening — job vacancies are falling and the unemployment rate continues to tick up — and the housing market has slowed.

"The Canadian economy has entered a period of weaker growth,

which is needed to relieve price pressures," the bank said. "This reflected a marked weakening in consumption growth and a decline in housing activity, as well as the impact of wildfires in many regions of the country."

But with wage growth stuck around four per cent or five per cent, and inflationary pressures remaining broad-based, policy-makers are still seeing the difficulty in the last mile of returning inflation to the two per cent target. "The longer high inflation persists, the greater the risk that elevated inflation becomes entrenched, making it more difficult to restore price stability."

The bank kept the last three sentences of the rate statement the same, laying out key metrics policymakers will be monitoring, including the evolution of excess demand, inflation expectations, wage growth and corporate pricing behaviour.

The central bank's next decision is due Oct. 25, after double releases of jobs, inflation and retail data, as well as gross domestic product numbers for July and an August estimate.

*Bloomberg*

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# Fundraiser walk to honour life, legacy of St. Albert woman

**JACKIE CARMICHAEL**  
Special to the Gazette

This Sunday at Lions Park in St. Albert, a fundraising walk will honour the legacy of a determined young woman and support the causes dear to her heart.

Debilitating strokes and an unthinkable, rare autoimmune disease moved quickly to claim the life of Kaylyn Medeiros, 25, in June.

In February 2022 a doctor in an Edmonton emergency room initially dismissed Medeiros's numbness and crooked facial features as stress and being overtired. But by the next day, the entire left side of her body was paralyzed: she had suffered a stroke.

Hospitalization and rehabilitation in the locked-down COVID-19 era made it challenging to mingle with others and hang out with peers like others her age.

But with personal grit, Medeiros slowly came back to the point where she could walk, work, and foster dogs in need of a friend.

"It was a very challenging time, but she wasn't going to just sit back and let this happen," said her father, Frank Medeiros of St. Albert.

Kaylyn Medeiros had a lot to live for. She had a maturity beyond her years, a vibrant smile and bright dark eyes.

She loved keeping her own home, and quietly helped friends with anything they needed. She was creative, making T-shirts and mugs for gifts, decorating to mark every season and occasion.

"Kaylyn loved to cook," her mom, Anna Olivieri, said. "She always had a smile for you ... she was resourceful, strong, opinionated, very independent-minded."

She was beautiful inside and out, her family said, noting her tender care of rescue dogs and hopes of becoming a pet groomer.

"She said she wanted to be the owner of a business," Frank Medeiros recalled. "She marched to her own beat, and it was usually pretty quick."

Very family-oriented, Kaylyn Medeiros divided her time between her father and stepmother



JACKIE CARMICHAEL/St. Albert Gazette

Pictured, from left, Anna Olivieri, Frank Medeiros, Zenda Medeiros, prepare for Sunday's Lions Park walk honouring their late daughter, Kaylyn Medeiros.

Zenda in St. Albert, and her mother and stepfather Gino in Edmonton, but was determined to be independent and live on her own.

"We thought the worst was the stroke; she was done," Anna Olivieri recalled.

But in October 2022, Medeiros fell when her foot didn't respond as it should. Pain in her torso made her suspect a cracked rib or something that was displaced. The pain got worse, with muscular aches throughout the body.

## Something was wrong

She knew something else was wrong. "She was tenacious," Olivieri recalled. "She researched, she knew there was something wrong with her. She said, 'I know myself, and I know what's going on.'"

"There was more than just the fall," Frank Medeiros said. "Something was wrong."

"She knew it herself, she just knew," her

dad said.

In December, there was more blood work. By January, still more tests. By April 2023, there was a grim diagnosis.

Takayasu's arteritis, a rare form of vasculitis, was causing rampant inflammation in the walls of her aorta and its main branches. The narrowing of arteries was reducing blood flow to parts of her body.

The occurrence of Takayasu's arteritis is just one in three million. Of those who contract it, about three per cent die from it.

"They started her on steroids," her mother said. "They needed to bring the inflammation down."

Still more tests were scheduled amid efforts to live a normal life, until things suddenly felt apart.

On June 16, 2023, Olivieri stopped by Medeiros's home and found her crumpled unconscious on the floor.

An aneurysm had flooded her lungs with blood. She was still alive, but only

barely.

Surgeons were able to repair her aorta, but the damage done to her brain was too great.

"She survived like a rock star, but her brain suffered a lack of oxygen," Olivieri said.

Placed in an induced coma to counter the stress on her body, Medeiros didn't show the normal signs of recovery from surgery. A scan of her brain showed massive damage in both lobes.

Family filed in to say goodbye; her dad estimated there were dozens of people in the room when she slipped away.

It had been an exceptionally rainy week in June, but on that day, the sun came shining through, with two double rainbows, in what felt to her family like a benediction of sorts.

"Those rainbows showed up just as she was preparing to leave us," her mom said.

"We knew she had lots of people waiting for her."

The Kaylyn Medeiros Memorial Fund at the Edmonton Community Foundation ([www.ecfoundation.org](http://www.ecfoundation.org)) has already raised \$20,000. Donations will help fund research on autoimmune diseases.

A walk will honour her memory starting at Lions Park in St. Albert this Sunday, Sept. 10 at 9 a.m. A balloon drop is planned prior to the walk. The walk will raise awareness, funds and practical items like toys, treats and food for dogs, and for Paws Up, an organization Medeiros supported by fostering dogs, as well as for research into autoimmune diseases.

There will be three walk lengths: 3.4 kilometres, 2 km and 1 km. Dogs must be leashed, and participants are reminded to bring their own water and bug repellent. Honouring Kaylyn Medeiros's love for pink and purple, everyone is invited to wear these colours, or accent with them, if they wish.

For more information, check Facebook for Kaylyn's Birthday Walk.

"We're just trying to bring awareness about autoimmune diseases," said Frank Medeiros. "I just don't want her death to be in vain. Hopefully someone can learn from what she went through." ■

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# **SCHEDULE “C”**



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## Careadon Village | 2 Inglewood Dr

164 Unit Apartment Building | For Sale | St. Albert, AB



### INVESTMENT HIGHLIGHTS

91 surface parking spots plus underground parking

The mostly complete property will include amenities such as a water spa, library, and theatre room

### EXECUTIVE SUMMARY

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## Careadon Village | 2 Inglewood Dr

164 Unit Apartment Building | For Sale | St. Albert, AB

steel and is designed to feature common area amenities such as a water spa, library, and theatre room. There is an asphalt parking lot located at the front of the Property with 91 surface stalls, along with an underground lot for tenants of the Property. The Property remains under construction to some varying degree, mostly on the upper levels, but is also generally complete on the first three floors and currently houses residents with additional units ready for occupancy. All offers in respect of the Property

the Receiver in relation to the description, quality, quantity, or fitness for use or purpose of the Property, or otherwise. All parties replying to this offer to purchase are responsible for conducting their own due diligence with respect to the Property.

If you have questions about the sales process or would like to arrange for a site visit of the Property, please contact Evan MacKinnon at (780) 441-2447 or by email at [evan.mackinnon@parthenon.ey.com](mailto:evan.mackinnon@parthenon.ey.com).

### PROPERTY FACTS

Sale Type	Investment
No. Units	164
Property Type	Multifamily
Property Subtype	Apartment
Building Class	B
Lot Size	2.55 AC
Construction Status	Under Construction

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## **SCHEDULE “D”**



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ENCUMBRANCES, LIENS & INTERESTS

PAGE 2

# 162 250 971

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152 356 498	17/11/2015	CAVEAT RE : ASSIGNMENT OF RENTS AND LEASES CAVEATOR - UMC FINANCIAL MANAGEMENT INC. SUITE 201, 14020-128 AVE NW EDMONTON ALBERTA T5L4M8 AGENT - BRUCE G NEILL
192 050 766	04/03/2019	AMENDING AGREEMENT AMOUNT: \$37,835,000 AFFECTS INSTRUMENT: 152356497
192 066 688	20/03/2019	CAVEAT RE : ACCESS CAVEATOR - CAREADON CORP. 3200, 10180 101 STREET NW EDMONTON ALBERTA T5J3W8
192 184 984	06/08/2019	AMENDING AGREEMENT AMOUNT: \$45,475,000 AFFECTS INSTRUMENT: 152356497
192 304 464	16/12/2019	AMENDING AGREEMENT AMOUNT: \$51,548,170 AFFECTS INSTRUMENT: 152356497
212 131 361	14/06/2021	MORTGAGE MORTGAGEE - HMT HOLDINGS INC. 36 TORONTO STREET, SUITE 500 TORONTO ONTARIO M5C2C5 ORIGINAL PRINCIPAL AMOUNT: \$18,700,000
212 131 362	14/06/2021	CAVEAT RE : ASSIGNMENT OF RENTS AND LEASES CAVEATOR - HMT HOLDINGS INC. SUITE 500, 36 TORONTO STREET TORONTO ONTARIO M5C2C5 AGENT - ERIC P VAILLANT
212 131 363	14/06/2021	POSTPONEMENT OF MORT 152356497 CAVE 152356498 AMEA 192050766 AMEA 192184984 AMEA 192304464

( CONTINUED )

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ENCUMBRANCES, LIENS & INTERESTS

PAGE 3  
# 162 250 971

REGISTRATION

NUMBER	DATE (D/M/Y)	PARTICULARS
		TO MORT 212131361 CAVE 212131362
212 131 364	14/06/2021	AMENDING AGREEMENT AFFECTS INSTRUMENT: 152356497
222 151 931	07/07/2022	AMENDING AGREEMENT AMOUNT: \$65,000,000 AFFECTS INSTRUMENT: 152356497
232 143 913	06/05/2023	CONSTRUCTION LIEN LIENOR - NORDIC MECHANICAL SERVICES LTD. C/O KIRWIN LLP 100, 12420-104 AVE NW EDMONTON ALBERTA T5N3Z9 AGENT - ANASTASIYA BILOVODSKA AMOUNT: \$28,255 DATE RECEIVED: MARCH 7, 2023
232 246 525	16/08/2023	CERTIFICATE OF LIS PENDENS AFFECTS INSTRUMENT: 212131361
232 250 680	19/08/2023	CONSTRUCTION LIEN LIENOR - SMOKY LAKE CABINETS AND WOODWORKING LTD. C/O BIAMONTE LLP 1700,10025-102A AVENUE EDMONTON ALBERTA T5J2Z2 AGENT - JOSEPH ELIAS STAHL AMOUNT: \$117,523 RECEIVED JULY 11, 2023
232 252 947	21/08/2023	CONSTRUCTION LIEN LIENOR - ESTELAR CONSTRUCTION LTD. C/O KNISLEY LAW 700 - 10050 112 ST NW EDMONTON ALBERTA T5K2J1 AGENT - YANNICK JIMENEZ FAJARDO AMOUNT: \$55,953 RECEIVED JULY 21/2023
232 289 990	23/09/2023	BUILDER'S LIEN LIENOR - DYRBYE DEVELOPMENTS LTD. 3 OVERTON PLACE ST. ALBERT ALBERTA T8N6W9 AMOUNT: \$79,032 WAGES RECEIVED AUGUST 22, 2023

( CONTINUED )



REGISTRATION

NUMBER      DATE (D/M/Y)      PARTICULARS

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232 294 361      27/09/2023 BUILDER'S LIEN  
LIENOR - KOTA CONTRACTING INC.  
C/O 3200, 10180-101 ST  
EDMONTON  
ALBERTA T5J3W8  
AMOUNT: \$8,655,744  
RECEIVED DATE: AUGUST 25, 2023

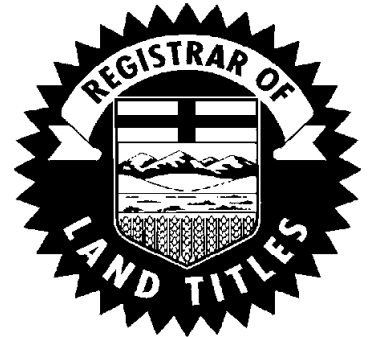
232 319 375      20/10/2023 CERTIFICATE OF LIS PENDENS  
AFFECTS INSTRUMENT: 232252947  
"RECEIVED SEPT/20/2023"

TOTAL INSTRUMENTS: 019

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN  
ACCURATE REPRODUCTION OF THE CERTIFICATE OF  
TITLE REPRESENTED HEREIN THIS 24 DAY OF  
NOVEMBER, 2023 AT 02:24 P.M.

ORDER NUMBER: 48976007

CUSTOMER FILE NUMBER: 20232371/RTT



\*END OF CERTIFICATE\*

-----  
THIS ELECTRONICALLY TRANSMITTED LAND TITLES PRODUCT IS INTENDED  
FOR THE SOLE USE OF THE ORIGINAL PURCHASER, AND NONE OTHER,  
SUBJECT TO WHAT IS SET OUT IN THE PARAGRAPH BELOW.

THE ABOVE PROVISIONS DO NOT PROHIBIT THE ORIGINAL PURCHASER FROM  
INCLUDING THIS UNMODIFIED PRODUCT IN ANY REPORT, OPINION,  
APPRAISAL OR OTHER ADVICE PREPARED BY THE ORIGINAL PURCHASER AS  
PART OF THE ORIGINAL PURCHASER APPLYING PROFESSIONAL, CONSULTING  
OR TECHNICAL EXPERTISE FOR THE BENEFIT OF CLIENT(S).

## **SCHEDULE “E”**



**Ernst & Young Inc.**  
Edmonton, AB

Careadon Corp.  
2 Inglewood Drive  
St. Albert, AB T8N 7W6  
Canada

**Invoice**

**Invoice No.: CA12C500009795**  
Please include this number with payment

Invoice Date: October 03, 2023  
Due Date: Upon receipt  
Client No.: 0013475236  
Engagement No.: E-67560857

Please see last page of the invoice for payment instructions.

For work performed by the Receiver, Ernst & Young Inc., from the date of Receivership, July 7, 2023 up to and including September 29, 2023.

	Net	Tax	Rate	Tax Amount	<b>CAD</b> Total
Fees	140,525.50				
Less: Courtesy Discount	-23,923.00				
Subtotal	116,602.50	GST	5 %	5,830.13	122,432.63
Expenses	4,779.25	GST	5 %	238.96	5,018.21
	<b>121,381.75</b>			<b>6,069.09</b>	<b>127,450.84</b>
<b>Invoice summary</b>	<b>121,381.75</b>				
Tax:		5% GST		6,069.09	
<b>Total:</b>	<b>121,381.75</b>			<b>6,069.09</b>	<b>127,450.84</b>

*A member of Ernst & Young Global*

**Terms:** Payment due upon receipt. Interest is charged at the rate of 12 % per annum on balances unpaid after 30 days from date of invoice. Any disbursements not charged to your account on the date of this invoice will be billed later.  
**GST/HST:** R123425522 **QST:** 1006354498



**Ernst & Young Inc.**  
Edmonton, AB

### Payment Options and Instructions

#### Interac e-Transfer

Email to use for transfer: [etransfer.eyllp.cad@ca.ey.com](mailto:etransfer.eyllp.cad@ca.ey.com)

Auto-deposit is enabled, no password is required.

In Notes/Comments section, please include invoice number(s).

#### Wire Transfer

Beneficiary: Ernst & Young LLP  
Address: 100 Adelaide Street West  
Toronto, ON, M5H 0B3  
Beneficiary Bank: BMO Bank of Montreal  
Bank SWIFT Code: BOFMCAM2  
Code CC: 000124112  
Beneficiary's Account #: 24111000237

#### Cheques

P.O. Box 57104  
Postal Station A  
Toronto, ON M5W 5M5.

Please include the invoice number(s) on the cheque details.

#### Electronic Funds Transfer (EFT)

Legal Name: Ernst & Young LLP  
Banking Information: Bank of Montreal  
Bank : 001  
Transit : 24112  
Account #: 1000237

To ensure proper application of your electronic payment, please provide client and invoice number details directly to:  
[gss.CanadaAccountsReceivable@xe02.ey.com](mailto:gss.CanadaAccountsReceivable@xe02.ey.com).

## **SCHEDULE “F”**

# MCLENNAN ROSS

LEGAL COUNSEL

ERNST & YOUNG INC.  
10423 101 STREET NW, SUITE 1400  
EDMONTON, AB T5H 0E7  
EVAN MACKINNON

Invoice Date: September 27, 2023  
Invoice No.: 839638  
Client No.: 004355  
Matter No.: 20232371 RTT

ATTENTION: EVAN MACKINNON

## SUMMARY OF ATTACHED ACCOUNT

**RE: RECEIVERSHIP OF CAREADON CORPORATION, CITIPOINT DEVELOPMENT LTD,  
ARTISAN RESIDENCES LTD., CHALTON HOTEL (ST. ALBERT) LTD. AND 1097016 BC  
LTD.**

Total fees, other charges, disbursements and tax for professional services rendered, details of which are attached.

Currency: CAD

Fees	\$51,639.00
Costs (Taxable)	\$729.96
	<hr/>
	\$52,368.96
GST	\$2,618.45
	<hr/>
	\$54,987.41
Costs (Non-Taxable)	\$70.00
	<hr/>
<b>Total Amount Due</b>	<b>\$55,057.41</b>

### G.S.T. #R119415172

ALL ACCOUNTS ARE PAYABLE UPON RECEIPT, INTEREST AT THE RATE OF 1.5% PER MONTH (18% PER ANNUM) SHALL BE CHARGED ON ALL ACCOUNTS FROM DATE OF BILLING; HOWEVER, NO INTEREST WILL BE CHARGED ON ACCOUNTS PAID WITHIN 30 DAYS.

SEE REMITTANCE PAGE FOR PAYMENT OPTIONS

#### Edmonton

600 McLennan Ross Building  
12220 Stony Plain Road  
Edmonton, AB T5N 3Y4  
Telephone 780 482 9200  
Facsimile 780 482 9100  
Toll-free 800 567 9200

#### Calgary

1900 Eau Claire Tower  
600 – 3<sup>rd</sup> Avenue SW  
Calgary, AB T2P 0G5  
Telephone 403 543 9120  
Facsimile 403 543 9150  
Toll-free 888 543 9120

#### Yellowknife

301 Nunasi Building  
5109 – 48<sup>th</sup> Street  
Yellowknife, NT X1A 1N5  
Telephone 867 766 7677  
Facsimile 867 766 7678  
Toll-free 888 836 6684

**SCHEDULE “G”**



October 30, 2023

**MORTGAGE STATEMENT**

**To: Careadon Corp.  
166 Westridge Road  
Edmonton, Alberta T5T 1B8**

**RE: Mortgage number: 21019 - Careadon Village  
Mortgagor: Careadon Corp.  
Property Address: 2 Inglewood Drive, St. Albert, Alberta**

The summary for the above noted mortgage is as follows:

Interest Rate:	Greater of Royal Bank Prime + 5.55% or 8.00%	12.75%
Principal Balance:	as at May 1, 2023	\$ 12,943,966.00
Principal Paydown	June 2, 2023	-\$ 6,405.18
Capitalized Legal Fee	July 18, 2023	\$ 17,839.08
Capitalized Legal Fee	August 24, 2023	\$ 19,516.35
Capitalized Legal Fee	September 14, 2023	\$ 9,889.98
Capitalized Legal Fee	October 19, 2023	\$ 15,671.25
Principal Balance:		<u>\$ 13,000,477.48</u>
Accrued Interest:		\$ 793,919.97
Insurance Renewal Fee:		\$ 1,638.50
Property Inspection Fees (two at \$1,500 each, one at \$2,000):		\$ 5,000.00
Outstanding Legal Fees (payable to Swainson Miki Peskett LLP):		\$ 6,882.75
Outstanding Renewal Fee:		\$ 100,000.00
Outstanding Consulting Fees (payable to BTY):		\$ 5,985.00
<b>Total Amount Due:</b>		<b><u>\$ 13,913,903.70</u></b>

Interest Calculation	Rate	Principal	From	To	# of Days	Total
Accrued Interest	12.25%	\$ 12,943,966.00	1-May-23	31-May-23	31	\$ 132,136.32
Less: Interest Payment						-\$ 41,601.73
Accrued Interest	12.25%	\$ 13,034,500.59	1-Jun-23	1-Jun-23	1	\$ 4,374.59
Accrued Interest	12.25%	\$ 13,028,095.41	2-Jun-23	7-Jun-23	6	\$ 26,234.66
Accrued Interest	12.50%	\$ 13,028,095.41	8-Jun-23	30-Jun-23	23	\$ 102,618.56
Accrued Interest	12.50%	\$ 13,161,323.22	1-Jul-23	12-Jul-23	12	\$ 54,087.63
Accrued Interest	12.75%	\$ 13,161,323.22	13-Jul-23	17-Jul-23	5	\$ 22,987.24
Accrued Interest	12.75%	\$ 13,179,162.30	18-Jul-23	31-Jul-23	14	\$ 64,451.52
Accrued Interest	12.75%	\$ 13,320,688.69	1-Aug-23	23-Aug-23	23	\$ 107,021.70
Accrued Interest	12.75%	\$ 13,340,205.04	24-Aug-23	31-Aug-23	8	\$ 37,279.48
Accrued Interest	12.75%	\$ 13,484,506.22	1-Sep-23	13-Sep-23	13	\$ 61,234.44
Accrued Interest	12.75%	\$ 13,494,396.20	14-Sep-23	30-Sep-23	17	\$ 80,134.53
Accrued Interest	12.75%	\$ 13,635,765.16	1-Oct-23	18-Oct-23	18	\$ 85,737.21
Accrued Interest	12.75%	\$ 13,651,436.41	19-Oct-23	30-Oct-23	12	\$ 57,223.83

**Statement Date: October 30, 2023**  
Effective Date: November 6, 2023  
**Per Diem \$ 4,768.65**

**Statement Conditions:**

1. PLEASE REMIT THE BALANCE DUE VIA WIRE PAYMENT. The wire instructions are attached to this statement.
2. Confirmation from the Borrower or its Counsel of the wire transfer must be sent via email to [MortgageServicing@harbourmortgage.ca](mailto:MortgageServicing@harbourmortgage.ca) to ensure the application of funds on the appropriate business date.
3. The preparation and registration of the discharge documents are your responsibility. Please forward to Harbour Mortgage Corp. the discharge documents for execution, including and PPSA discharges.
4. This statement expires on November 6, 2023. A new statement must be requested if repayment is made after this date.
5. Funds received after 12:00 noon ET on the expected Statement Date shall be deemed to have been made and received on the next business day and Harbour Mortgage Corp. shall be entitled to the additional **Per Diem**.

Sincerely,

  
**Bruce Shepherd**

Vice President, Servicing Agent for HMT Holdings Inc.

E. & O.E.



## **SCHEDULE “H”**

**Subject:** Notice to Media - Application to Restrict Access

**From:** CommunicationsOfficer QB <[CommunicationsOfficer.QB@albertacourts.ca](mailto:CommunicationsOfficer.QB@albertacourts.ca)>  
**Sent:** Monday, November 27, 2023 10:44 AM  
**To:** Ryan Trainer <[ryan.trainer@mross.com](mailto:ryan.trainer@mross.com)>  
**Subject:** Fw: Notice to Media - Application to Restrict Access

**Notice: External Email**

Please see the below confirmation that the Court of King's Bench of Alberta has received your Application to Restrict Access.

**Notice:**

The Applicant intends to apply for an order restricting publication of or public access to Court proceedings or records. You have the right to state your side of this matter before the judge. To do so, you must be present in Court when the application is heard on the date and at the time and place indicated in the Details of Hearing, below.

**Details of hearing:**

*Details of hearing*

Court File Number	2303 11446
Plaintiff	UMC Financial Management Inc.
Name(s) of Accused(s), Defendant(s), Respondent(s)	Careadon Corp. et al
Court Location	Edmonton
Court Date and Time	December 8, 2023 at 10 a.m.

*Details of Application*

Applicant Type	Other
Applicant's Name	Ernst & Young Inc. in its capacity as Court Appointed Receiver and Manager of Careadon Corp.
Applicant's Lawyer	Ryan Trainer
Email Address	<a href="mailto:ryan.trainer@mross.com">ryan.trainer@mross.com</a>
Details of restriction applied for	The Receiver is seeking to seal the Confidential Supplement to the Receiver's Second Report to the Court.

Please do not reply to this e-mail. For further information, please contact the email address provided in Details of Application, above.

To remove your email address from this list click [unsubscribe](#)