

Court File No. SJM-31-2025

IN THE COURT OF KING'S BENCH OF
NEW BRUNSWICK IN BANKRUPTCY
AND INSOLVENCY

JUDICIAL DISTRICT OF SAINT JOHN

IN THE MATTER OF THE receivership of
686949 N.B. Ltd., carrying on business at the
County of Madawaska the Province of New
Brunswick;

PURSUANT TO section 33 of the *Judicature
Act*, R.S.N.B. 1973, c. J-2, Rules 41, Rules of
Court, New Brunswick and section 243 of the
Bankruptcy and Insolvency Act, R.S.C. 1985,
c. B-3,

BETWEEN:

CITY HOTELS NB LTD., a body corporate
carrying on business in the Province of New
Brunswick

Applicant,

- and -

686949 N.B. LTD., a body corporate carrying
on business in the Province of New Brunswick
Respondent.

**NOTICE OF MOTION
(FORM 37A)**

TO: The Service List attached hereto as
Schedule "A"

Powell Associates Ltd., (the "Receiver"), in its
capacity as Court appointed Receiver, will
apply to the Court of King's Bench of New
Brunswick at 10 Peel Plaza, Saint John, NB, on
the 22nd day of July, 2025,
at 9:30 a.m./p.m. for an order as set out

COUR DE BANC DU ROI DU NOUVEAU-
BRUNSWICK

DIVISION DE PREMIERE INSTANCE

CIRCONSCRIPTION JUDICIAIRE DE
SAINT JEAN

ENTRE:

Demandeur,

- et -

Defendeur.

**AVIS DE MOTION
(FORMULE 37A)**

DESTINAIRE:

Le demandeur (ou selon le cas)
demandera à (lieu précis)
....., le 19, à h
....., d'ordonner (indiquer l'ordonnance
demandée, les motifs à discuter et les renvois
aux dispositions législatives ou règles qui
seront invoquées);

hereunder.

1. Orders, substantially in the form and substance of the draft orders attached hereto as Schedules "B-1", "B-2", "B-3" and "B-4" including, *inter alia*:
 - (a) Abridging and validating the timing and method of service of the Notice of Motion and the Record on Motion, if necessary, so that this Motion is properly returnable and further service is dispensed with;
 - (b) Declaring that the Receiver is authorized to take such steps and execute such documents, or the taking of such additional actions, as may be necessary or desirable for the sale of the lands and premises as well as personal property located at 919 Canada Road, Edmundston, New Brunswick, bearing PID 35257328 (collectively referred to as the "**Property**") to the purchaser in accordance with Agreement of Purchase and Sale described in the Second Report of the Receiver (the "**Second Report**") filed in support of this Motion.
 - (c) Authorizing and approving the execution and delivery by the Receiver of a receiver's certificate ("**Receiver's Certificate**") upon the closing of the sale of the Property.
 - (d) Declaring that upon the delivery of the Receiver's Certificate, all right, title and interest in and to the Property shall vest absolutely in the purchaser free and clear of and from any and all other interests, claims or encumbrances of any nature or kind.
 - (e) Sealing the Confidential Supplement described in and appended to the Second Report (the "**Confidential**

Supplement”), and declaring the Confidential Supplement as confidential until the earlier of (a) the filing of the Receiver’s Certificate as contemplated herein or (b) further order of the Court.

- (f) Increasing the Receiver’s Administrative Charge.
 - (g) Authorizing an interim distribution to the Applicant as the secured creditor of the real property upon completion of the sale of the Property as contemplated by the Second Report.
 - (h) Authorizing and approving the claims process as contemplated by the Second Report
 - (i) Approving the Receiver’s activities and decisions as described in the Second Report.
2. Such further and other relief as may be just.

Upon the hearing of the motion, the Receiver intends to argue the following grounds and rely upon the following statutory provisions or rules:

- a) The Receiver has implemented the Sale and Investment Solicitation Process (“**SISP**”) authorized by the Court by Order dated April 16, 2025.
- b) The Receiver has accepted an offer it considers fair, reasonable and constitutes the best offer available in the circumstances and has entered into an Agreement of Purchase and Sale in accordance with the SISP process.
- c) The Receiver anticipates that expenses are expected to exceed the amount of

A l’audition de la motion, les affidavits ou les autre preuves littérales suivantes seront présentées: *(énumérer les preuves littérales qui seront utilisées lors de l’audition de la requête)*.

the Receiver's Administrative Charge in the Initial Order.

- d) The Receiver is of the view that an interim distribution to the Applicant, the secured creditor of the real property, once the sale of the Property is completed, would be appropriate.
- e) The Receiver is of the view that administering a claims process to identify and quantify remaining claims against the Respondent is appropriate.
- f) The Confidential Supplement of the Receiver should be sealed.
- g) Such further and other grounds as counsel may advise and this Honourable Court may permit.

UPON the hearing of the motion the following affidavit or other documentary evidence will be presented:

- a) The Second Report;
- b) The Confidential Supplement requested to be sealed; and
- c) Such further and other affidavits or documentary evidence as counsel for the Receiver may advise and this Honourable Court may permit.

You are advised that:

- (a) you are entitled to issue documents and present evidence at the hearing in English or French or both;
- (b) the Receiver intends to proceed in the English language; and
- (c) if you intend to proceed in the other official language, an interpreter may be

A l'audition de la motion, les Affidavits ou les autres preuves littérales suivantes seront présentées:

Sachez que:

- (a) vous avez le droit d'émettre des documents et de présenter votre preuve à l'audience en français, en anglais ou dans les deux langues;
- (b) le demandeur (*ou selon le cas*) a l'intention d'utiliser la langue ; et


required and you must so advise the clerk at least 5 days before the hearing.

(c) si vous avez l'intention d'utiliser l'autre langue officielle, les services d'un interprète pourront être requis et vous devrez en aviser le greffier au moins 5 jours avant l'audience.

DATED at Saint John, New Brunswick, this 4th day of July, 2025.

FAIT à le 20.....

.....
Avocat du demandeur (*ou selon le cas*)



 William C. Kean, K.C.
 Brenton Kean
 Solicitors for the Receiver

Brenton Kean
 Lawyers – Avocats
 75 Prince William Street, 4th Floor
 P.O. Box 609
 Saint John, NB, E2L 4A5

Telephone: (506) 633-2556
 Facsimile: (506) 633-5902

Schedule "A"

Court File No. SJM/31/2025

**IN THE COURT OF KING'S BENCH OF NEW BRUNSWICK IN BANKRUPTCY AND
INSOLVENCY****JUDICIAL DISTRICT OF SAINT JOHN**

IN THE MATTER OF THE receivership of 686949 N.B. Ltd., carrying on business at the County of Madawaska the Province of New Brunswick;

PURSUANT TO section 33 of the *Judicature Act*, R.S.N.B. 1973, c. J-2, Rules 41, Rules of Court, New Brunswick and section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3,

BETWEEN:

CITY HOTELS NB LTD., a body corporate carrying on business in
the Province of New Brunswick

Applicant,

- and -

686949 N.B. LTD., a body corporate carrying on business in the
Province of New Brunswick

Respondent.

SERVICE LIST

Paul Moffett, MBA, CIRP, LIT Powell Associates Ltd. Licensed Insolvency Trustee 302-133 Prince William St., Saint John, NB, E2L 2B5 Email: pmoffett@maritimetrustee.ca Receiver	Simon-Pierre Godbout Cox and Palmer Blue Cross Centre, Suite 500 644 Main Street Moncton, NB E1C 1E2 Email: spgodbout@coxandpalmer.com Solicitor for City Hotels NB Ltd.
Scott Wilson McInnes Cooper Suite 1700, 1 Germain Street Saint John, NB E2L 4V1 Email: scott.wilson@mcinnescooper.com Solicitor for The Toronto Dominion Bank	Edwin G. Ehrhardt, K.C. Bingham Law Marven's Place 1 Factory Lane, Suite 310 Moncton, NB E1C 9M3 Email: egehrhardtW@bingham.ca Solicitor for JYSK Holdings Ltd. and James Yom
Romain Viel Connors Stilwell	Charles A. Haché C.A. Haché Law

401-212 Queen Street Fredericton, NB E3B 1A8 Email: romaine.viel@connorsstilwell.com Solicitor for Sunhye Chung, Yoon Joo Jim and Vanessa Lim	20 Marr Road, Suite 300 Rothesay, NB E2E 2R5 Email: charles@cahachelaw.ca Solicitor for Sandhyaji Resorts Inc.
Deanna M. Frappier, K.C. Attorney General of Canada Department of Justice Email: Deanna.frappier@justice.gc.ca Email: agc_pgc_aro-bra@justice.gc.ca	Devon Steele Canada Revenue Agency Insolvency Division Email: Devon.Steele@cra-arc.gc.ca
Lisa Kusterski Loss Recovery Administrator Meridian Onecap Credit Corp. 204-3185 Willingdon Green Burnaby, BC V5G 4P3 Email : Lisa.Kusterski@meridianonecap.ca	George L. Cooper, K.C. Cox and Palmer Blue Cross Centre, Suite 500 644 Main Street Moncton, NB E1C 1E2 Email: gcooper@coxandpalmer.com Solicitor for 15523257 Canada Inc.
ACOA Christine Thériault Email : Christine.Theriault@ACOA-APECA.GC.CA	Superior Lodging Development TL Corporation Trevor Hagel Email: thagel@travelodge.ca

Schedule "B-1"
To Notice of Motion
Draft Sales Approval & Vesting and
Interim Distribution Order

Court File No. SJM-31-2025

IN THE COURT OF KING'S BENCH OF NEW BRUNSWICK

IN BANKRUPTCY AND INSOLVENCY

JUDICIAL DISTRICT OF SAINT JOHN

IN THE MATTER OF THE RECEIVERSHIP OF 686949 N.B. LTD., carrying on business at the County of Madawaska and Province of New Brunswick;

PURSUANT TO SECTION 33 OF THE *JUDICATURE ACT*, R.S.N.B. 1973, C. J-2, RULES 41, RULES OF COURT, NEW BRUNSWICK AND SECTION 243 OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3,

BETWEEN:

CITY HOTELS NB LTD., a body corporate carrying on business in the Province of New Brunswick

APPLICANT

-and-

686949 N.B. LTD., a body corporate carrying on business in the province of New Brunswick

RESPONDENT

SALES APPROVAL & VESTING and
INTERIM DISTRIBUTION ORDER

UPON READING the Notice of Motion of Powell Associates Ltd. (the "**Receiver**") in its capacity as Receiver of the assets, undertakings and properties of 686949 N.B. Ltd. (the "**Respondent**") dated _____, 2025;

AND UPON READING the Affidavit of _____ sworn on _____, 2025, the Second Report the Receiver dated _____, 2025 and the Confidential Supplement to the Second Report of the Receiver (collectively the "**Supporting Documents**");

AND UPON it appearing that appropriate notice of the within Motion has been provided to all interested parties; and

AND UPON HEARING the submissions of counsel for the Receiver and such other counsel as appeared and were heard on the Motion;

IT IS HEREBY ORDERED THAT:

SERVICE

1. The timing and method of service of the Notice of Motion, the Supporting Documents and the Record on Motion are hereby validated, such that this Motion is properly returnable and hereby dispenses with further service hereof.

SALE OF ASSETS

2. The sale transaction (the "**Transaction**") contemplated by the Agreement of Purchase and Sale (the "**Agreement**") between the Receiver and HC Hospitality Inc. or its assignee (the "**Purchaser**") as appended as an Exhibit to the Confidential Supplement to the Second Report of the Receiver dated _____, 2025 be and is hereby authorized and approved in accordance with paragraph 3(k)(ii) of the Receivership Order issued in this matter on February 21, 2025 (the "**Receivership Order**").
3. The Receiver and the Purchaser be and are hereby authorized and directed to take such additional steps as are necessary or desirable to carry out and complete the Transaction by which all of the rights, title and interests of the Receiver and the Respondent in and to the Purchased Assets as defined in the Agreement and as described in Schedule "A" hereto (the "**Purchased Assets**") are conveyed to the Purchaser, and to execute and deliver such additional documents and do such other acts as may be necessary or desirable for the completion of the Transaction or for the conveyance of the Purchased Assets to the Purchaser in accordance with the terms of the Agreement.
4. For greater clarity, none of the Purchased Assets shall include any bank account of the Respondent or any monies held by the Receiver on account of the Respondent.
5. On the closing date as set forth in the Agreement, the Receiver, upon being satisfied that all conditions set forth herein and within the Agreement have been fulfilled, shall issue a certificate or certificates to the Purchaser substantially in the form attached as Schedule "B" hereto (the "**Receiver's Certificate**"). On the issuance of the Receiver's Certificate, all rights, title and interests in and to the Purchased Assets described in Schedule "A" hereto shall vest absolutely in the Purchaser, free and clear of and from any and all claims, liabilities, obligations, security

or other interests (whether contractual, statutory or otherwise), hypothecs, mortgages, conditional sales contracts or title retention agreements, trusts or deemed trusts, (whether contractual, statutory or otherwise), liens, encumbrances, judgments, orders, executions, demands, duties, levies, charges, or other financial or monetary claims, whether or not they have attached, been perfected, registered or filed and whether secured, unsecured or otherwise and whether created by or pursuant to orders made in these proceedings or any other proceedings before the Court save and except:

- (a) any easements or rights of way and other similar interests including prescriptive interests in real property;
- (b) any registered restrictions or covenants that run with the real property;
- (c) any registered municipal agreement and registered agreements with any publicly regulated utilities;
- (d) any easements for the supply of domestic utility or telephone services; and
- (e) any easements for drainage, storm or sanitary sewers or other services

(collectively, the "**Exempted Claims**", and the foregoing interests excluding the Exempted Claims are sometimes called the "**Claims**").

6. Without limiting the foregoing, the Purchased Assets shall vest free and clear of all Claims, including those evidenced by registrations pursuant to the *Personal Property Security Act*, SNB 1993, c P-7.1, or the *Land Titles Act*, SNB 1981, c L-1.1, or any other registry system (all of which are collectively referred to as the "**Encumbrances**"); and, for greater certainty, this Court orders that all of the Claims and Encumbrances affecting or relating to the Purchased Assets set out in Schedule "C" hereto, other than the Exempted Claims, are expunged and discharged as against the Purchased Assets (the "**Expunged and Discharged Claims and Encumbrances**") on the issuance of the Receiver's Certificate.
7. For the purpose of determining the nature and priority of any Claims by operation of this Order, the net proceeds from the Transaction shall stand in the place and stead of the Purchased Assets, and from and after the closing of the Transaction, all Claims shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the closing of the Transaction.
8. This Court authorizes that the Registrar of Land Titles or the Registrar of Deeds, as applicable, shall register or record the Receiver's Certificate and discharge the Expunged and Discharged Claims and Encumbrances as may be recorded or registered.

9. Nothing in this Order shall override any requirement for the consent of any party to the assignment of any lease or other contract in accordance with its terms.

APPROVAL OF THE PROFESSIONAL FEES OF RECEIVER

10. The Receiver's fees and expenses to July 2, 2025 are hereby approved. Upon the Receiver Closing the Proposed Sale (the "**Sale**") as provided for in Second Report, the Receiver's fees and expenses to July 2, 2025 may be paid from Sale proceeds.

APPROVAL OF PROFESSIONAL FEES OF BRENTON KEAN

11. The fees and expenses of Brenton Kean to July 2, 2025 are hereby approved. Upon the Receiver Closing the Sale as provided for in Second Report, the Receiver's fees and expenses to July 2, 2025 may be paid from Sale proceeds.

APPROVAL OF INTERIM RECEIPTS & DISBURSEMENTS AND ACTIVITIES

12. The Interim Statement of Receipts and Disbursements dated June 30, 2025 as described in the Second Report is hereby approved.
13. The activities of the Receiver, as set out in the First Report to Court dated April 2, 2025 and the Second Report of the Receiver filed by the Receiver with this Honourable Court, are hereby approved.

APPROVAL OF INCREASE TO ADMINISTRATIVE CHARGE

14. The Receiver's Administrative Charge is hereby increased from \$150,000 to \$200,000.

INTERIM DISTRIBUTION

15. Upon the Receiver Closing the Sale as provided for in Second Report, the limited distribution to property and priority creditors as well as to the Applicant as a secured creditor as described in the Second Report is hereby approved.

GENERAL

16. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order.
17. The Receiver shall file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof. The Receiver shall not be required to file, register or record this Order, notice thereof or any financing statement with respect thereto but may take such steps as it deems necessary or appropriate to register or record this Order, notice thereof, or any financing statements with respect thereto, if it deems it advisable to do so. The Purchaser is further authorized to execute and register discharges of any registered security or other interest extinguished by this Order after completion of the Transaction.
18. Notwithstanding the pendency of these proceedings, the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on all persons and shall not be void or voidable by any person, including, without limitation, creditors of the Company, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, (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
19. Other than an appeal of this Order which, if any shall be brought in the normal course in accordance with the BIA, any interested party may apply to this Court for direction in respect of the proper execution of this Order or to vary or amend this Order on not less than seven (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.

Dated at Saint John, New Brunswick this ____ day of _____, 2025.

Justice of the Court of King's Bench
of New Brunswick in Bankruptcy and Insolvency

Schedule "A"
Purchased Assets

- (a) lands and premises located at 919 Canada Road, Edmundston, NB, Identified as **PID 35257328** (the "**Purchased Real Property**"), including the buildings (the "**Building**") and all other structures, fixtures, equipment and improvements located on the Purchased Real Property, and which are the property of the 686949 N.B. Ltd. (the "**Respondent**");
- (b) any plans, drawings, architect, planner or other consultant reports and specifications relating to the Purchased Real Property, if any, to the extent they are assignable by the Respondent;
- (c) the chattels and equipment owned by the Respondent located on, incorporated or situated in, on, around or upon any Building or upon the Purchased Real Property, including all equipment, devices or any other chattels or other tangible personal property owned by the Respondent and located on the Purchased Real Property or in any Building and used exclusively in the operation and maintenance of the Purchased Real Property, excluding any chattels and equipment owned by persons other than the Respondent; and
- (d) all of the assets and any and all other fixed assets, machinery, equipment, computers, furniture, furnishings and vehicles owned by the Respondent and currently located at the Purchased Real Property together with all operating manuals, maintenance logs, and equipment drawings and specifications in the possession of the Receiver relating thereto.

Schedule "B"
Receiver's Certificate

Court File No. SJM-31-2025

IN THE COURT OF KING'S BENCH OF NEW BRUNSWICK

IN BANKRUPTCY AND INSOLVENCY

JUDICIAL DISTRICT OF SAINT JOHN

IN THE MATTER OF THE RECEIVERSHIP OF 686949 N.B. LTD., carrying on business at the County of Madawaska and Province of New Brunswick;

PURSUANT TO SECTION 33 OF THE *JUDICATURE ACT*, R.S.N.B. 1973, C. J-2, RULES 41, RULES OF COURT, NEW BRUNSWICK AND SECTION 243 OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3,

BETWEEN:

CITY HOTELS NB LTD., a body corporate carrying on business in the Province of New Brunswick

APPLICANT

-and-

686949 N.B. LTD., a body corporate carrying on business in the province of New Brunswick

RESPONDENT

RECEIVER'S CERTIFICATE

- A. Pursuant to an Order of Mr. Justice Darrell J. Stephenson of the Court of King's Bench of New Brunswick (the "**Court**") dated February 21, 2025, Powell Associates Ltd. was appointed as the receiver (the "**Receiver**") of all of the assets, undertakings and properties of 686949 N.B. Ltd. (the "**Receivership Order**").
- B. Pursuant to an Order of Mr. Justice Stephenson of the Court dated _____ 2025 (the "**Sale Approval and Vesting Order**"), the Receiver was authorized and directed to take such steps as necessary or desirable to carry out and complete the Transaction, as defined in the Sale Approval and Vesting Order, pursuant to an Agreement of Purchase and Sale (the "**Agreement**") as appended as an Exhibit to the Confidential Supplement to the Second Report

of the Receiver dated _____, 2025 of the rights, title and interests of the Respondent and the Receiver in and to certain property particularized in the attached Sale Approval and Vesting Order to HC Hospitality Inc. or its assignee (the "**Purchaser**").

- C. The Sale Approval and Vesting Order provided for the vesting of all right, title and interest in and to the Purchased Assets, free and clear of any Claims and Encumbrances save and except any Exempted Claims, which vesting is to be effective upon the delivery by the Receiver of a certificate in substantially the form of the within.
- D. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Agreement or Sale Approval and Vesting Order.

THE RECEIVER CERTIFIES the following:

- 1. The Purchaser, or the Purchaser's assignee, as the case may be, has paid and the Receiver has received the Purchase Price for the Purchased Assets payable at the Closing Date pursuant to the Agreement.
- 2. The conditions for the closing of the within Transaction as set forth within the Agreement have been satisfied or waived by the Receiver and the Purchaser, including those conditions set out in the Sale Approval and Vesting Order; and
- 3. Accordingly, the Transaction has been completed to the satisfaction of the Receiver.

This Certificate was delivered by the Receiver at _____ [time] on _____, 2025.

Powell Associates Ltd., in its capacity as Receiver
over all of the assets, undertakings and properties of
of 686949 N.B. Ltd., and not in its personal capacity

Per: _____

Schedule "C"
Specified Encumbrances For 686949 N.B. LTD.
To Be Expunged and Discharged

Land Titles Act (New Brunswick) - Parcel Identifier 35257328

1. Mortgage in favour of City Hotels NB Ltd. registered on 2016-03-03 as Number 35735605.
2. Lis Pendens filed by JYSK Holdings Ltd. on 2025-01-10 as Number 45704229.

Personal Property Security Act (New Brunswick)

1. PPSA Financing Statement Number 35252998
2. PPSA Financing Statement Number 38361069
3. PPSA Financing Statement Number 40911737

Schedule "B-2"
To Notice of Motion
Draft Sealing Order

Court File No. SJM/31/2025

IN THE COURT OF KING'S BENCH OF NEW BRUNSWICK

IN BANKRUPTCY AND INSOLVENCY

JUDICIAL DISTRICT OF SAINT JOHN

IN THE MATTER OF THE RECEIVERSHIP OF 686949 N.B. LTD., carrying on business at the County of Madawaska and Province of New Brunswick;

PURSUANT TO SECTION 33 OF THE *JUDICATURE ACT*, R.S.N.B. 1973, C. J-2, RULES 41, RULES OF COURT, NEW BRUNSWICK AND SECTION 243 OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3,

BETWEEN:

CITY HOTELS NB LTD., a body corporate carrying on business in the Province of New Brunswick

APPLICANT

-and-

686949 N.B. LTD., a body corporate carrying on business in the province of New Brunswick

RESPONDENT

SEALING ORDER

UPON READING the Notice of Motion of Powell Associates Ltd. (the "Receiver") in its capacity as Receiver over the assets, undertakings and properties of the Respondent dated _____ for, *inter alia*, orders: i) approving the Receiver completing the sale of the Respondent's assets (the "Sale"), and ii) this sealing order, that was heard this _____ at Saint John, New Brunswick;

AND UPON READING the materials filed in this matter as contained in the Record on Motion including the Confidential Supplement to the Second Report of the Receiver dated _____ (the "Second Report");

AND UPON HEARING the submissions of counsel on behalf of the Receiver and such other counsel as appeared and were heard on the Motion;

IT IS HEREBY ORDERED THAT:

1. The Confidential Supplement to the Second Report shall be sealed, kept confidential and not form part of the public record, but rather be placed, separate and apart from all other contents of the Court file, in a sealed envelope and shall only be opened after the Receiver has notified the Court that the Sale has closed or until further order of the Court; but that the Receiver may release parts of the Confidential Supplement or the attachments thereto following completion of the Sale, or parts thereof, provided the recipient of such material executes a confidentiality agreement in form and substance acceptable to the Receiver.
2. Any person affected by this Order which did not receive notice in advance of the hearing of the application may apply to this Court to vary or amend this Order within ten (10) days of such person being served with a copy of this Order of becoming aware of the Order.

DATED at Saint John, New Brunswick, this ____ day of _____, 2025.

Justice of the Court of King's Bench of
New Brunswick in Bankruptcy and Insolvency

Schedule "B-3"
To Notice of Motion
Draft Claims Process Order

Court File No. SJM/31/2025

IN THE COURT OF KING'S BENCH OF NEW BRUNSWICK

IN BANKRUPTCY AND INSOLVENCY

JUDICIAL DISTRICT OF SAINT JOHN

IN THE MATTER OF THE RECEIVERSHIP OF 686949 N.B. LTD., carrying on business at the County of Madawaska and Province of New Brunswick;

PURSUANT TO SECTION 33 OF THE *JUDICATURE ACT*, R.S.N.B. 1973, C. J-2, RULES 41, RULES OF COURT, NEW BRUNSWICK AND SECTION 243 OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3,

BETWEEN:

CITY HOTELS NB LTD., a body corporate carrying on business in the Province of New Brunswick

APPLICANT

-and-

686949 N.B. LTD., a body corporate carrying on business in the province of New Brunswick

RESPONDENT

CLAIMS PROCESS ORDER

UPON READING the Notice of Motion of Powell Associates Ltd. (the "**Receiver**") in its capacity as Receiver of the assets, undertakings and properties of 686949 N.B. Ltd. (the "**Respondent**") dated _____, 2025;

AND UPON READING the Affidavit of _____ sworn on _____, 2025, the Second Report the Receiver dated _____, 2025 (the "**Second Report**") and the Confidential Supplement to the Second Report of the Receiver (collectively the "**Supporting Documents**");

AND UPON it appearing that appropriate notice of the within Motion has been provided to all interested parties; and

AND UPON HEARING the submissions of counsel for the Receiver and such other counsel as

appeared and were heard on the Motion;

AND UPON the Receiver having applied for an Order authorizing and approving the Receiver to proceed with a claims process for secured and unsecured claims in the Second Report.

IT IS HEREBY ORDERED THAT:

SERVICE

1. The timing and method of service of the Notice of Motion, the Supporting Documents and the Record on Motion are hereby validated, such that this Motion is properly returnable and hereby dispenses with further service hereof.

CLAIMS PROCESS

2. Upon the Receiver Closing the Sale as provided for in Second Report; the Receiver will hold surplus proceeds (the **"Surplus Proceeds"**) in trust, to be distributed in accordance with the Claims Process as described below.
3. Within two weeks of the Receiver making the determinations provided for above, (the **"Start Date"**), the Receiver will send notice of the Claims Process (the **"Claims Package"**) in the form attached as Schedule "A" to all known or suspected creditors to or equity holders of The Respondent (each a **"Claimant"**), post the Claims Package on its website, and place an advertisement once in a local newspaper as well as banner ads for 5 consecutive business days on the websites for allnewbrunswick.ca and allnovascotia.ca. The Claims Package shall state that the Surplus Proceeds are held in trust pending resolution of the Claims Process, include the key terms, forms and timeline for the Claims Process, and invite Claimants to submit proofs of claim to the Receiver.
4. Subject to the following paragraph, the deadline for Claimants to submit proofs of claim shall be four weeks from the Start Date (the **"Claims Bar Date"**) failing which, such creditor would be stand forever barred, estopped, and enjoined from asserting or enforcing a claim against the Respondent and such claim would be forever extinguished. Any Claimant who does not submit a proof of claim by the Claims Bar Date shall not be entitled to receive any amounts payable from the Surplus Proceeds.

5. If the Receiver accepts a claim as set forth in a proof of claim form, that claim would be a proven claim (a **“Proven Claim”**);
6. If the Receiver determines that a claim is disallowed or revised, the Receiver shall provide notice to the applicable Claimant that their claim is disallowed or revised by sending a Notice of Revision or Disallowance to the Claimant (**“Notice of Revision or Disallowance”**) in the form attached as Schedule “A”.
7. If any Claimant receives a Notice of Revision or Disallowance, such Claimant shall have ten (10) business days to submit notice to the Receiver that they are disputing the Receiver’s determination of their claim in a form to be attached to the Notice of Revision or Disallowance (**“Notice of Dispute”**) in the form attached as Schedule “A”. If the Receiver does not receive a Notice of Dispute from an applicable Claimant within the ten (10) business days from such Claimant’s receipt of its Notice of Revision or Disallowance, the determination made in the Notice of Revision or Disallowance shall be deemed to be accepted as final and binding as set out in this Notice of Revision or Disallowance.
8. Upon receipt of a Notice of Dispute, the Receiver may:
 - i. resolve the disputed claim with the applicable Claimant by consent, or
 - ii. the Claimant may schedule a motion before this Court, to be heard not later than 30 days following the delivery of the Notice of Dispute by the Claimant to the Receiver, or such other date as this Court will allow. In the event the Claimant fails to schedule the motion by the aforementioned deadline, the Claimant will be deemed to accept the amount of the Claim as set out in the Notice of Revision and Disallowance. Any such court application shall be a true appeal and not a hearing *de novo*.
9. After the expiry eight weeks from the Start Date the Receiver shall make an application to the Court for approval of a proposed distribution of the Surplus Proceeds to Proven Claims and/or direction from the Court on unresolved claims, if any.

Limitation of Liability

10. In carrying out the terms of this Order, the Receiver and its agents and representatives: (i) shall incur no liability or obligation and shall be released and discharged from any and all demands, losses, claims, damages or liabilities, of any nature or kind, to any person, save and except for any fraudulent act, gross negligence or wilful misconduct on its part, as so found by a court of competent jurisdiction; (ii) shall be entitled to rely on the books and records and information of 686949 N.B. Ltd. available to the Receiver, including without limitation, the share register of 686949 N.B. Ltd., save and except where it has actual knowledge of any inaccuracy in same; and (iii) shall not be liable for any demands, losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or resulting from any errors or omissions in such books, records or information, save and except for any fraudulent act, gross negligence or wilful misconduct in its part as so found by a court of competent jurisdiction.

DATED at Saint John, New Brunswick, this ____ day of _____, 2025.

Justice of the Court of King's Bench of
New Brunswick in Bankruptcy and Insolvency

Schedule "A"
To Claims Process Order

Forms of Claims Package, Notice of Revision or Disallowance and Notice of Dispute attached.



POWELL
MARITIME TRUSTEE

IN THE MATTER OF THE RECEIVERSHIP OF
686949 N.B. Ltd. dba TRAVELodge EDMUNDSTON
OF THE CITY OF EDMUNDSTON IN THE PROVINCE OF NEW BRUNSWICK

NOTICE TO CREDITORS

On February 21, 2025, Powell Associates Ltd. ("PAL") was appointed by Order of the Court of King's Bench of New Brunswick (the "Receivership Order") as the receiver (the "Receiver"), without security, of all assets and undertakings of 686949 N.B. Ltd. (the "Travelodge Edmundston"). On _____, 2025, the Court granted an Order (the "Claims Process Order") directing the Receiver to solicit claims from all known or suspected creditors or claimants in respect of Travelodge Edmundston (a "Claimant") for the purposes of identifying those creditors with valid claims in respect of Travelodge Edmundston (a "Claim"), and determination of such Claims.

Any Creditor having a Claim in respect of Travelodge Edmundston arising on or before February 21, 2025, of any nature whatsoever, including an unsecured, secured, property, contingent or unliquidated claim is required to file, in the manner set out in this Notice to Creditors, a Proof of Claim in the prescribed form (which has been provided to you with this Notice to Creditors) with the Receiver in order to participate in any distribution associated with these proceedings.

Additional copies of the fillable prescribed Proof of Claim can be obtained by contacting the Receiver via telephone at (506) 638-9131 or via email at pmoffett@maritimetrustee.ca or it can be downloaded from the Receiver's website at maritimetrustee.ca/blog/corporate-filings/686949-n-b-ltd/

Any Creditor who chooses to file a Proof of Claim is required to provide whatever documentation they may have to support their Claim in respect of Travelodge Edmundston, such as contracts, invoices, bills of lading, and shipping receipts, in relation to the goods and/or services provided to Travelodge Edmundston in the appropriate currency under which their Claim arose.

All Proof of Claim forms, together with the required supporting documentation, must be sent by mail, personally delivered, or sent by courier, facsimile or electronic mail to the following contact information on or before 5:00 p.m. (Atlantic Time) on _____, 2025 (the "Claims Bar Date").

Powell Associates Ltd.
Attn: Paul Moffet
302-133 Prince William Street,
Saint John, NB E2L 2B5
Phone: (506) 638-9220
Fax: (506) 638-1428
pmoffett@maritimetrustee.ca

All creditors must account for the following:

1. All Claims must be adjusted for any equipment and/or other assets released by Travelodge Edmundston to the Claimant whether by court order or otherwise; and
2. Where a Claimant is claiming an offset against all or a portion of amounts owing to Travelodge Edmundston, full particulars of the offset must be included.

ALL CLAIMS RECEIVED BY THE RECEIVER AFTER THE CLAIMS BAR DATE WILL, UNLESS OTHERWISE ORDERED BY THE COURT, BE FOREVER EXTINGUISHED AND BARRED.

The Receiver will accumulate the Proof of Claim forms and, in due course, provide to the Claimant a notice in writing by registered mail, courier, facsimile or electronic mail as to whether their Claim is accepted, or disputed in whole or in part, and indicating the reason for the dispute pursuant to a Notice of Revision or Disallowance.

Where a Claimant objects to a Notice of Revision or Disallowance, the Claimant shall notify the Receiver of its objection in writing (the "Notice of Dispute") within 14 days from the date the Notice of Revision or Disallowance was received.

The Receiver will attempt to consensually resolve disputes with respect to any Claim. If the dispute cannot be resolved, the Claimant will be required to bring an application before the Court for the determination of the Claim.

A Claimant that does not provide to the Receiver a Notice of Dispute to a Notice of Revision or Disallowance issued by the Receiver shall, unless otherwise ordered by the Court, be conclusively deemed to have accepted the assessment of its Claim as set out in such Notice of Revision or Disallowance.

DATED at _____, this ____ day of _____, 2025.

POWELL ASSOCIATES LTD.

in its capacity as Court-appointed Receiver of 686949 N.B. Ltd.
and not in its personal or corporate capacity

Paul Moffett, MBA CIRP LIT

Vice President

D: 506.638.9131 | pmoffett@maritimetrustee.ca

Form 31

Proof of Claim

Section 50.1, subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2), 128(1), and paragraphs 51(1)(e) and 66.14(b) of the Act)

All notices or correspondence regarding this claim must be forwarded to the following address: _____

In the matter of the bankruptcy (or the proposal, or the receivership) of 686949 N.B. Ltd. dba Travelodge Edmundston (name of debtor) of Edmundston, NB (city and province) and the claim of _____, creditor.

I, _____ (name of creditor or representative of the creditor), of _____ (city and province), do hereby certify:

1. That I am a creditor of the above-named debtor (or that I am _____ (state position or title) of _____ (name of creditor or representative of the creditor)).

2. That I have knowledge of all the circumstances connected with the claim referred to below.

3. That the debtor was, at the date of bankruptcy (or the date of the receivership, or in the case of a proposal, the date of the notice of intention or of the proposal, if no notice of intention was filed), namely the 21st day of February, 2025, and still is, indebted to the creditor in the sum of \$0, as specified in the statement of account (or affidavit) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.)

4. (Check and complete appropriate category.)

\$ _____

☐ A. UNSECURED CLAIM OF \$ _____

(other than as a customer contemplated by Section 262 of the Act)

That in respect of this debt, I do not hold any assets of the debtor as security and

(Check appropriate description)

☐ Regarding the amount of \$ _____, I claim a right to a priority under section 136 of the Act.

- ☐ Regarding the amount of \$ _____, I do not claim a right to a priority.

(Set out on an attached sheet details to support priority claim.)

- ☐ B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$ _____.

That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)

- ☐ C. SECURED CLAIM OF \$ _____

That in respect of this debt, I hold assets of the debtor valued at \$0 as security, particulars of which are as follows:

(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

- ☐ D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$ _____

That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$0

(Attach a copy of sales agreement and delivery receipts.)

- ☐ E. CLAIM BY WAGE EARNER OF \$ _____

☐ That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$

☐ That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$

- ☐ F. CLAIM AGAINST DIRECTOR \$ _____

(To be completed when a proposal provides for the compromise of claims against directors.)

That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)

- ☐ G. CLAIM OF EQUITY HOLDER \$ _____

That I hereby make an Equity Claim as defined in section 2 of the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)

5. That, to the best of my knowledge, I am (or the above-named creditor is) (or am not or is not) related to the debtor within the meaning of section 4 of the Act, and have (or has) (or have not or has not) dealt with the debt or in a non-arm's length manner.

IMPORTANT: Please select the option that applies in the paragraph above.

6. That the following are the payments that I have received from, and the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of Section 2 of the Act: *(Provide details of payments, credits and transfers at undervalue.)*

Dated at _____, this _____ day of 2025.

Witness

Creditor

Creditor

Phone Number:

Fax Number:

E-mail Address: (____)_____

Note: If an affidavit is attached, it must have been made before a person qualified to take affidavits.

Warnings: A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.

Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

Note: If a copy of this Form is sent electronically by means such as email, the name and contact information of the sender, prescribed in Form 1.1, must be added at the end of the document.



POWELL
MARITIME TRUSTEE

IN THE MATTER OF THE RECEIVERSHIP OF
686949 N.B. Ltd. dba TRAVELODGE EDMUNDSTON
OF THE CITY OF EDMUNDSTON IN THE PROVINCE OF NEW BRUNSWICK

NOTICE OF REVISION OR DISALLOWANCE

To: _____
(Name of Creditor)

Defined terms not defined in this Notice of Revision or Disallowance shall have the meaning ascribed in the Claims Process Order, dated _____, 2025.

Pursuant to the Claims Process Order, Powell Associates Ltd., in its capacity as Receiver, hereby gives you notice that it has reviewed your Proof of Claim dated _____ and in the amount of \$ _____ and has revised or disallowed your Claim. Subject to further dispute by you in accordance with the Claims Process Order, your Claim will be allowed as follows:

Claim Amount \$ _____

REASON(S) OF DISALLOWANCE:

If you intend to dispute the Notice of Revision or Disallowance, you must within 14 days of the date of receipt of the Notice of Revision or Disallowance deliver to the Receiver the enclosed Notice of Dispute either by courier, facsimile or electronic mail to the address noted below. Notices of Dispute shall be deemed to be received upon actual receipt thereof by the Receiver during normal business hours on a Business Day, or, if delivered outside of normal business hours, on the next Business Day.

Powell Associates Ltd.
Attn: Paul Moffet
302-133 Prince William Street,
Saint John, NB E2L 2B5
Phone: (506) 638-9220
Fax: (506) 638-1428
pmoffett@maritimetrustee.ca

IF YOU FAIL TO FILE YOUR NOTICE OF DISPUTE WITHIN 14 DAYS OF THE DATE YOU RECEIVED (OR ARE DEEMED TO HAVE RECEIVED) THIS NOTICE OF REVISION OR DISALLOWANCE, THE VALUE OF YOUR CREDITOR CLAIM WILL BE DEEMED TO BE

**ACCEPTED AS FINAL AND BINDING AS SET OUT IN THIS NOTICE OF REVISION OR
DISALLOWANCE.**

DATED at _____, this ____ day of _____, 2025.

POWELL ASSOCIATES LTD.

in its capacity as Court-appointed Receiver of 686949 N.B. Ltd.
and not in its personal or corporate capacity

Paul Moffett, MBA CIRP LIT

Vice President

D: 506.638.9131 | pmoffett@maritimetrustee.ca

IN THE MATTER OF THE RECEIVERSHIP OF
686949 N.B. Ltd. dba TRAVELODGE EDMUNDSTON
OF THE CITY OF EDMUNDSTON IN THE PROVINCE OF NEW BRUNSWICK

NOTICE OF DISPUTE

Terms not defined in this Notice of Dispute shall have the meaning ascribed in the Claims Process Order, dated _____, 2025.

Particulars of Claimant:

Full legal name of Claimant: _____

Full mailing address of Claimant: _____

Tel: _____

Fax: _____

Email: _____

Attention: _____

Dispute of Notice of Revision or Disallowance:

The Claimant hereby disagrees with the value of its Claim as set out in the Notice of Revision or Disallowance and asserts a Claim as follows:

Claim \$ _____

REASON(S) FOR DISPUTE:

(You must include a list of reasons as to why you are disputing your Claimant Claim as set out in the Claimant Notice of Revision or disallowance.)

SERVICE OF NOTICE OF DISPUTE:

If you intend to dispute the Claimant Notice of Revision or Disallowance, you must within 14 days of the Date of receipt of the Notice of Revision or Disallowance deliver to the Receiver this Claimant Dispute Notice either by courier, facsimile or electronic mail to the address noted below. The Notice of Dispute shall be deemed to be received upon actual receipt thereof by the Receiver during normal business hours on a Business Day, or, if delivered outside of normal business hours, on the next Business Day.

Powell Associates Ltd.
Attn: Paul Moffet
302-133 Prince William Street,
Saint John, NB E2L 2B5
Phone: (506) 638-9220
Fax: (506) 638-1428
pmoffett@maritimetrustee.ca

IF YOU FAIL TO FILE YOUR NOTICE OF DISPUTE WITHIN 14 DAYS OF THE DATE YOU RECEIVED (OR ARE DEEMED TO HAVE RECEIVED) THIS NOTICE OF REVISION OR DISALLOWANCE, THE VALUE OF YOUR CREDITOR CLAIM WILL BE DEEMED TO BE ACCEPTED AS FINAL AND BINDING AS SET OUT IN THIS NOTICE OF REVISION OR DISALLOWANCE.

DATED at _____, this ____ day of _____, 2025.

Witness

Full Legal Name Claimant

Name & Title of Representative if
Claimant is a Corporation

Signature of Claimant or
Representative of Claimant

Must be signed and witnessed