

COURT FILE NUMBER 1603 04928
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE EDMONTON
PLAINTIFFS PRESTIGIOUS PROPERTIES INC.,
DEFENDANT COLD LAKE ESTATES INC., NORTHERN
ALBERTA ESTATES INC., THE MULLER
RYAN RICHARD DEVELOPMENTGROUP
INC. also known as the MRR DEVELOPMENT
GROUP INC., M DOUBLE M ENGINEERING
SERVICES INC., CHARLES RYAN, MATTYS
MULLER, ROGER RICHARD and TRI-CITY
CAPITAL CORP.

DOCUMENT

BRIEF OF THE DEFENDANTS

**COLD LAKE ESTATES INC., NORTHERN
ALBERTA ESTATES INC., THE MULLER
RYAN RICHARD DEVELOPMENTGROUP
INC. also known as the MRR
DEVELOPMENT GROUP INC. and
CHARLES RYAN**

**IN RESPONSE TO PLAINTIFF'S
APPLICATION TO RECOVER
THROWN AWAY COSTS**

**CASE MANAGEMENT HEARING
20 JUNE 2017
2:00 p.m.**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

WHEATLEY SADOWNIK
2000, 10123 - 99 Street
Edmonton AB T5J 3H1
Tel (780) 423-6671
Fax (780) 420-6327
ATTENTION: Nestor Makuch
File No. 78,736/7

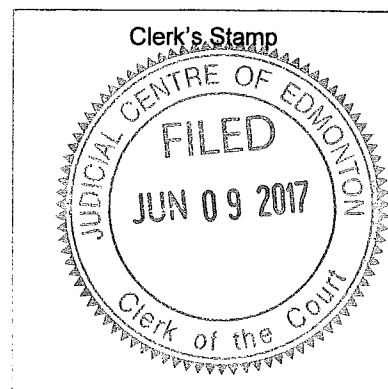


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PART I INTRODUCTION

1. This brief is the response of the Defendants COLD LAKE ESTATES INC., NORTHERN ALBERTA ESTATES INC., THE MULLER RYAN RICHARD DEVELOPMENTGROUP INC. and CHARLES RYAN ("these Defendants") to the Plaintiff's brief filed June 2, 2017 with respect to recovering thrown away costs.

PART II RESPONSE TO PLAINTIFF'S ARGUMENTS

A. THE OBJECTIONS

2. The Plaintiff argues the objections made by Charles Ryan ("Ryan) are all relevant to the pleadings, and that Ryan "conceded" this because he ultimately provided answers
3. Ryan at no time "conceded" the objections were improper. To the contrary, he still considers the objections were legitimate, and made the decision to provide the answers on a practical basis to clear the obstacles preventing his application to set aside the without notice prejudgment attachment order from being heard. In other words, he wanted to speed things up the proceedings, not delay them..

Affidavit of Charles Ryan sworn June 9, 2017, para 11

4. Had Ryan wished to delay proceedings he could simply have scheduled the one day hearing Master Breitkreuz on October 20, 2016 directed the matter be adjourned to in order to address the objections. Then, and only then, could examinations be scheduled. Instead, the examinations were concluded in February 2017 and the matter is now proceeding.
5. When the answers to Ryan's objections were provided on January 23, 2017, the plaintiff's counsel was expressly advised that this was being done voluntarily "in order to clear the way for the substantial examinations on the affidavits necessary to move this matter forward."

Affidavit of Charles Ryan sworn June 9, 2017, para 11

6. There is nothing unusual in an examined party objecting to questions or undertakings during questioning, and having the matter resolved in Chambers at a later point. To suggest that this should entitle the examining party to costs for having "unnecessarily delayed and obstructed the discovery process" is unfounded. It is presumptuous to assume that the examining party is right, and the examined party is wrong, and that the examined party should simply be answering all questions asked without question. The matter was properly put before Master Breitzkreuz for resolution, but he could not deal with it in the one hour he had allocated for this application and adjourned it to a full day hearing. At that point, Ryan decided to voluntarily answer the questions rather than face more interminable delay. He should not be punished for this practical decision which has the effect of speeding up the action.
7. In its brief, the plaintiff implies that many of the objections and resultant delay were caused by Ryan's counsel insisting the examination be limited to the April 2016 and May 31, 2016 Ryan affidavits.
8. The plaintiff's counsel was expressly advised in advance of the questioning that the only two affidavits to be examined on would be the ones sworn April 28, 2016 and May 31, 2016, because they were the only ones tendered in support of the pending application at issue.
9. In response plaintiff's counsel's sent a letter to advising he disagreed and required Ryan's counsel's written confirmation that he would not prevent questioning on other affidavits. The letter further advised that if he did not receive that confirmation by the close of business on Tuesday, June 7, 2016, he would cancel the scheduled questioning so that he could argue that this issue before the Court at an agreed date
10. On June 7, 2016, Ryan's counsel sent a letter to plaintiff's counsel again confirming the only affidavits to be examined on would be the ones sworn April 28, 2016 and May 31, 2016.

Affidavit of Charles Ryan sworn June 9, 2017, para 11

11. The questioning proceeded as scheduled without the plaintiff's counsel cancelling it and taking the matter to court as he said he would do. Notwithstanding, many questions were asked on Ryan's other affidavits, leading to objections. If anyone is responsible for delay caused by the

objections, it is the plaintiff, as the plaintiff had the opportunity to determine the issue in advance of the questioning and failed to do so.

B. PREPARATION TIME

12. The plaintiff alleges that the objections caused the questionings to be "a waste of time, effort and resources."
13. Many questions posed at the questioning were not objected to. In the 393 total pages of transcript from the June and July 2016 examinations, Ryan answered hundreds of questions which were not objected to. All of these voluminous questions and answers served to advance the action.
14. One can hardly say that 72 objections taken over some four days of questioning causes the entire questioning to be "a waste of time, effort and resources." The evidence generated in the other questions answered in the 393 pages of transcript are available for the plaintiff's use in advancing the action.

C. PRESTIGIOUS OBJECTIONS APPLICATION SUPPLANTED

15. The plaintiff in its brief suggests that the "supplanting" of the scheduled hearing of the prestigious objections application was unnecessary as the application was not on "emergency" and could have been brought at a later date.
16. Ryan was faced with a real estate offer with a closing date of November 1, 2016, and had to get an order from the court permitting the sale to take place before that offer could be accepted. It would appear reasonable to bring the application before Master Breitkreuz as he was the Master that had granted the without notice prejudgment attachment order in the first place, and was familiar with the situation. And as he, the Plaintiff and Ryan were all scheduled to be in Court on October 20, 2016 already it was reasonable to have this application heard then as well.

17. After the October 20, 2016 Order permitting the sale was granted, the closing date of the sale was subsequently changed to November 7 and November 14, 2016 for reasons unrelated to Ryan. To suggest that because this happened after the fact that there was no urgency in having the matter heard before Master Breitreuz on October 20, 2016 is a specious argument at best.

Affidavit of Charles Ryan sworn June 9, 2017, para 10 c, d

18. Once the October 20, 2016 order was granted, all the conveyancing documents were prepared and were sent to the buyer's lawyer on October 28, 2016, a week later.

Affidavit of Charles Ryan sworn June 9, 2017, para 10 e

19. The sale closed late on a Protocol basis on November 21, 2016, at which time the buyers paid the cash to close with interest since the closing date of November 14, 2016. The net proceeds were paid to the mortgagee's lawyer on November 22, 2016.

Affidavit of Charles Ryan sworn June 9, 2017, para 10 e, f

20. The Plaintiff's brief seems to find it important that Master Breitreuz's Order "was not even filed until November 25, 2017" [sic], as if that was some indication this application was not urgent. However, the reason the Order was not filed until then was simply because counsel could not agree on the form of the order. There was an issue with respect to payment of realtor's fees which was canvassed by counsel and Master Breitreuz. To facilitate the matter proceeding without delay, Ryan dropped the provision with respect to realtor fees on November 24, 2016. Master Breitreuz then signed and filed the order on November 25, 2016.

Affidavit of Charles Ryan sworn June 9, 2017, para 10 g

21. As well, the Plaintiff's brief seems to take the fact the transfer of title was not completed until December 21, 2016 is somehow demonstrates the matter was not urgent. While the transaction closed on November 21 on a Protocol basis, the title was ultimately transferred when the transfer documents made it to the front of the queue at Land Titles Office on December 1, 2016. There is no jiggery pokery here. This is simply standard conveyancing procedure.

22. The fact that the application to permit the sale took 45 minutes of the 1 hour Master Breitzkreuz had available could just as easily be attributed to the Plaintiff, whose counsel's representations took the majority of that 45 minutes and who always had the option to consent to a bona fide third party sale, as had been represented to the court during the initial without notice prejudgment attachment order application

Affidavit of Trina Jackson sworn June 1, 2017, Tab G

23. In any event, Master Breitzkreuz was of the view the objections application would take a full day, and it is unlikely he would have been able to complete the application on October 20, 2016 in any event, even if the permission to sell application had not been made.

Affidavit of Trina Jackson sworn June 1, 2017, Tab G at p 28, lines 14-15

24. The Plaintiff's brief also suggest that Ryan has "a pattern of delay tactics" because of the late filing of an affidavit in August 2016 before the plaintiff's security for costs application. The actual facts show nothing of the sort and the matter arose out of miscommunication between counsel:
- a. Plaintiff's counsel had sent a letter to Ryan's counsel on April 22, 2016 attaching a draft letter to Master Chambers requesting the Plaintiff's security for costs application be heard on August 24, 2016. He indicated he proposed to send the letter to Masters Chambers one business day later.
 - b. Ryan's counsel responded, and sent a letter to Plaintiff's counsel on April 26, 2016 objecting to the reverse onus type of letter imposing such an arbitrary deadline for response before consent is deemed to have been obtained.
 - c. Ryan's counsel received no follow-up from plaintiff's counsel after his April 26, 2016 letter, and did not receive a sent copy of the proposed correspondence to Masters Chambers or any confirmation that it had been sent. As a result, he believed the letter had not been sent and that plaintiff's counsel was not proceeding with the application for security for costs on August 24, 2016. As a result, he was caught by surprise when he received the plaintiff's counsel's brief on August 8, 2016, and

the Ryan affidavit served on August 12, 2016 was necessary to respond to the Application on short notice.

Affidavit of Charles Ryan sworn June 9, 2017, para 12

25. There was no "pattern of delay tactics" here as alleged. All that happened was a simple miscommunication. If Ryan was intent on using delay tactics, he would never have voluntarily answered the objected questions, which he did to actively speed up the action, not delay it.

D. ANSWERS WERE INSUFFICIENT

26. The plaintiff's brief argues that the answers to the objections Ryan provided on January 23, 2017 were "rudimentary or not substantially responsive", or that their "incomplete nature rendered them virtually useless."
27. This characterization is completely inaccurate, and cannot withstand even a cursory review of the answers provided.
28. Many of the questions posed did not require more than a one or two word answer. Many of the questions posed were simply to provide copies of documents, which were provided in full. The answers were, in short, responsive to the question, fulsome in their response, and answered to the best of Mr. Ryan's ability. They were not "virtually useless" in any way shape or form.

Affidavit of Trina Jackson sworn June 1, 2017, Tab G at p 28, lines 14-15

29. The plaintiff's brief also states that counsel for Prestigious was required to prepare and conduct "the full two day" Ryan Cross Completion. Firstly, that "Ryan Cross Completion" lasted only one and one half days. And secondly, the examination covered matters arising from the questions, which would have been asked in any event had the objections not been made in the first place. The plaintiff is no further ahead or behind, because the same questions arising would more than likely have been asked in the first instance.

Affidavit of Charles Ryan sworn June 9, 2017, para 6

E. COMPLETION OF CROSS EXAMINATION

30. The plaintiff's brief again argues that two full days were necessary to complete the examination after the answers were provided. Again, only 1 ½ days were in fact used and the questions would likely have been asked in any event had the answers been provided in the first instance in any event
31. The plaintiff's brief also alleges that there was a lack of information provided in the objection answers. Again, the answers were responsive to the questions, fulsome in their response, and answered to the best of Mr. Ryan's ability. Even a cursory review will show the plaintiff's characterization to be inaccurate.

F. REQUIREMENT TO PAY ELEVATED COSTS

32. It is submitted that there are no circumstances here which warrant the use of a multiplier to award elevated costs, as there was no conduct that was unnecessary or that unnecessarily lengthened or delayed any step of the action, as alleged by the plaintiff.
33. The Ryan defendants did not delay the action through the objections and supplanting of the Prestigious objections application, as alleged. The objections were a normal part of the litigation process. The application for permission to sell was necessary. And the Objections Application would have to have been adjourned to a full day hearing in any event, as it could not be heard in the one hour allocated to Master Breitzkreuz on October 20, 2016.
34. There were no actions of the Ryan defendants which caused prestigious to incur unnecessary cost and delays. Conversely, counsel for Prestigious stated he would bring an application before the questionings at issue to determine whether the examination could proceed on more than the two affidavits Ryan's counsel was offering. He declined to do so and acquiesced in proceeding with the questioning knowing Ryan's counsel's position, and then ignored it. Any delay arising from the objections could just as easily be laid at the Plaintiff's feet.
35. The Ryan Defendants did not waste limited resources of the court and did not protract the proceedings unnecessarily, as alleged. or at all.
36. This application would not have been necessary, and it is not the result of the Ryan defendants actions. Ryan voluntarily provided the answers to the objections as an alternative to using a full day of the court's scarce resources

to methodically go through each and every objection, thereby clearing this logjam and allowing the applications to proceed. This both sped up the action, and was respectful of the courts resources. However, this is now counterbalanced by the drain on the court's resources caused by this unnecessary application by the plaintiff, which likely has a vindictive and punitive motivation to it.

37. Finally, the plaintiff's bill of costs seriously misrepresents the amount of the costs. The attendance for questioning on June 9 was for a basically a half day, not two full days as claimed. As well, the attendance for questioning on July 11, 12 and 14 2016 was four half days, not the six being claimed.

Affidavit of Charles Ryan sworn June 9, 2017, para 6

38. But more importantly, the steps being claimed for preparation for questioning and attendance for questioning are not properly claimed as "thrown away costs" as the questioning was necessary and dealt with numerous questions other than the ones objected to, which generated evidence for the plaintiff in the prosecution of its claim. To claim that the entire questioning process was wasted, is a completely preposterous claim.

PART IV SUMMARY OF RELIEF SOUGHT

39. The Respondents/Defendants respectfully request:

- a) The Plaintiff's application be denied
- b) Alternatively, any costs awarded be in the cause
- c) Costs

ALL OF WHICH IS RESPECTFULLY SUBMITTED at the City of Edmonton, in the Province of Alberta this 9th day of June, A.D. 2017.

WHEATLEY SADOWNIK

per:


NESTOR MAKUCH

Solicitors for the Respondents/Defendants
**COLD LAKE ESTATES INC., NORTHERN
ALBERTA ESTATES INC., THE MULLER
RYAN RICHARD DEVELOPMENT
GROUP INC., and CHARLES RYAN**

COURT FILE NUMBER 1603 04928

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

PLAINTIFF PRESTIGIOUS PROPERTIES INC.,

DEFENDANTS COLD LAKE ESTATES INC., NORTHERN ALBERTA ESTATES INC., THE MULLER RYAN RICHARD DEVELOPMENT GROUP INC. also known as the MRR DEVELOPMENT GROUP INC., M DOUBLE M ENGINEERING SERVICES INC., CHARLES RYAN, MATTYS MULLER, ROGER RICHARD and TRI-CITY CAPITAL CORP



DOCUMENT **AFFIDAVIT**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **WHEATLEY SADOWNIK**
2000, 10123 - 99 Street
Edmonton AB T5J 3H1
Tel (780) 423-6671
Fax (780) 420-6327
ATTENTION: Nestor Makuch
File No. 78,736/7

AFFIDAVIT OF CHARLES RYAN

Sworn on June 9, 2017

I, CHARLES RYAN of Sturgeon County, Alberta, have personal knowledge of the following or I am informed and do believe that:

1. I am an officer of the Defendants Cold Lake Estates Inc., Northern Alberta Estates Inc., and Muller Ryan Richard Development Group Inc., and a personal Defendant, and as such have a personal knowledge of the matters hereinafter deposed to.
2. I had been scheduled to be questioned on affidavits in this matter on June 9, 2016. I am advised by my solicitor, Nestor Makuch, and do believe that the Plaintiff's counsel was advised in advance of that questioning that the only two affidavits I could be examined on were my affidavits sworn on April 28, 2016, and May 31, 2016.
3. I am advised by Mr. Makuch and do believe the reason for this was because the examinations were taking place in response to my application to set aside the plaintiff's Without Notice Prejudgment Attachment Order granted April 18, 2016, or to fortify the required undertaking for that Order, and these were the only two affidavits tendered in support of that application.
4. Attached as **Exhibit 1** to this affidavit are copies of correspondence between Mr. Makuch and Plaintiff's counsel with respect to the scope of the examination of June 9, 2016:

- a. June 6, 2016 my counsel's letter to plaintiff's counsel advising the only two affidavits to be examined on will be the ones sworn April 28, 2016 and May 31, 2016
 - b. June 6, 2016, plaintiff's counsel's letter to my counsel advising he disagreed that he could examine on only the two affidavits and required my counsel's written confirmation that he would not prevent questioning on other affidavits. The letter advised that if he did not receive that confirmation by the close of business on Tuesday, June 7, 2016, he would cancel the scheduled questioning so that he could argue that this issue before the Court at an agreed date
 - c. June 7, 2016, my counsel's letter to plaintiff's counsel again confirming the only affidavits to be examined on would be the ones sworn April 28, 2016 and May 31, 2016
5. After that exchange of correspondence, the questioning scheduled for June 9, 2016 still proceeded.
 6. The actual questioning time expended for my questionings in June 2016, July 2016 and February 2017 are as follows
 - a. June 9, 2016 10:18 AM-12:04 PM (106 minutes)
1:54 PM-2:31 PM (37 minutes)
 - b. July 11, 2016 11:00 AM-1:00 PM (120 minutes)
2:30 PM-4:30 PM (120 minutes)
 - July 12, 2016 10:05 AM-12:30 PM (145 minutes)
 - July 14, 2016 10:00 AM-1:30 PM (210 minutes)
 - c. Feb 21 2017 10:07 AM-12:29 PM (142 minutes)
2:08 PM-4:02 PM (114 minutes)
 - Feb 23, 2017 9:58 AM-12:42 PM (160 minutes)
 7. Copies of the court reporter's transcripts verifying the start and end times of the questionings are attached as **Exhibit 2** to this my affidavit.
 8. The July 11, 2016 questioning started late because the plaintiff's counsel did not have a court reporter arranged for that day. My counsel and I sat waiting for an hour until a court reporter could be arranged. Additionally, although we had scheduled for the full day of July 12, 2016 for this questioning, plaintiff's counsel could not attend on the afternoon that day because she had another court matter to attend to.
 9. With respect to Trina Jackson's statements on the number of objects to questions and undertakings referred to in paragraph 4-8 of her affidavit, there are 393 total pages of transcript from my June and July 2016 examinations. During those examinations I answered hundreds of questions which were not objected to.
 10. With respect to Trina Jackson's statements on the "Young Land Sale" referred to in paragraph 9 of her affidavit:
 - a. the closing date of the sale at the time of the application before Master Breitkreuz on October 20, 2016 was November 1, 2016;

- b. I am advised by Nestor Makuch and do believe that this application was brought before Master Breitkreuz because he was the Master who had granted the without notice prejudgment attachment order of April 18, 2016 which was preventing the sale;
 - c. After Master Breitkreuz granted the order permitting the sale on October 20, 2016, the closing date was amended to November 7, 2016, and subsequently to November 14, 2016. Attached as **Exhibit 3** is a copy of the amendment to November 14, 2016;
 - d. I am advised by Nestor Makuch and do believe that the reasons for the extensions was because the buyer's mortgage instructions had not yet been received
 - e. I am advised by Nestor Makuch and do believe that once the October 20, 2016 order was granted, all the conveyancing documents were prepared and were sent to the buyer's lawyer on October 28, 2016. A copy of his trust letter is attached as **Exhibit 4**
 - f. I am advised by Nestor Makuch and do believe that once the buyer's mortgage funds were available, the sale closed late on a Protocol basis on November 21, 2016. Attached as **Exhibit 5** to this my affidavit are Nestor Makuch's letter of November 21, 2016 enclosing an amended amended Statement of Adjustments, and the buyers lawyer's letter to Nestor Makuch paying the cash to close with interest since November 14, 2016 by direct deposit
 - g. I am advised by Nestor Makuch and do believe that the reason the "Young Order" referred to in Trina Jackson's affidavit was not filed until November 25, 2016 was because he and plaintiff's counsel could not agree on the form of the order. There was an issue with respect to payment of realtor's fees, and counsel's respective positions were presented to Master Breitkreuz through correspondence. To facilitate the matter, the provision with respect to realtor fees was dropped on November 24, 2016, and then Master Breitkreuz signed and filed the order. A copy of Nestor Makuch's letter dated November 24, 2016 to Master Breitkreuz withdrawing the realtor fee requirement is attached as **Exhibit 6**.
 - h. I am advised by Nestor Makuch and do believe that the net sale proceeds were paid to Servus Credit Union's solicitor on November 22, 2016. An additional amount referable to the realtors fees that had been in dispute was then paid on November 24, 2016 when that dispute was dropped. Attached as Exhibit 7 are copies of Nestor Makuch's letters of November 22, 2016 and November 24, 2016 to that effect.
11. With respect to Trina Jackson's statements on my provision of answers to the objected to questions on January 23, 2017, referred to in paragraph 12-13 of her affidavit:
- a. during the hearing before Master Breitkreuz on October 20, 2016, when we had hoped to have this issue resolved, 45 minutes of the hour available had been taken up with the application dealing with the Young Order. Master Breitkreuz then did not have time to deal with the objections, and directed that this matter be adjourned to a full day's hearing.
 - b. As the objections issue was preventing my application to set aside the without notice prejudgment attachment order, and as I was facing the prospect of considerable additional delay in having that issue resolved as a result, I instructed my counsel, Nestor Makuch, that I would simply answer the questions so that the matter can proceed without delay. While I was still of the view that the objections were legitimate, this decision was

made on a practical basis to clear the obstacles preventing my application to set aside the without notice prejudgment attachment order from being heard.

- c. I am advised by Nestor Makuch and do verily believe that on January 23, 2016 he delivered answers to the previously objected to questions and undertakings to the plaintiff's counsel. A copy of his letter dated January 23, 2016 is attached as Exhibit 8.

12. With respect to Paragraphs 17-20 of the Plaintiff's brief on this issue filed June 2, 2017 dealing with the plaintiff's security for costs application of April August 24, 2016 and it's adjournment

- a. attached as Exhibit 9 are copies of the following letters

- i. April 22, 2016 from the plaintiff's counsel to my counsel;
- ii. April 26, 2016 from my counsel to the plaintiff's counsel; and
- iii. August 8, 2016 from my counsel to plaintiff's counsel

- b. I am advised by Nestor Makuch and do believe that when he received no follow-up from plaintiff's counsel after his April 26, 2016 letter, and did not receive a sent copy of the proposed correspondence to Masters Chambers referred to in the plaintiff's counsel's letter of April 22, 2016, he believed the letter had not been sent and that plaintiff's counsel was not proceeding with the application for security for costs on August 24, 2016. As a result, he was caught by surprise when he received the plaintiff's counsel's brief on August 8, 2016, and the affidavit served on August 12, 2016 was necessary to respond on short notice.

13. Paragraph 3 of Seanna Hemmaway's Affidavit sworn May 30, 2017 ignores Sturgeon County's Net Total Assessment of the "Ryan Home Property", which is shown on Exhibit B of that Affidavit to be \$1,282,530.

14. Paragraph 5 of Seanna Hemmaway's Affidavit sworn May 30, 2017 attaches copies of titles to the various properties owned by my companies which show the changes to the titles since my Affidavit of August 11, 2016. There are several reasons for this deteriorating situation:

- a. My companies and I had been relying on the Plaintiff paying the additional \$6 million outstanding under the purchase contract for the lands at issue in this action. The Plaintiff's failure to pay caused a serious drain on our resources to the point that most of the properties had to be sold to pay off encumbrances once we could no longer service them, or encumbered further to satisfy creditors.
- b. Canada Revenue Agency assessed taxes of approximately \$2 million on the sale to the Plaintiff of the lands at issue in this action. This was on the basis of an \$8 million transaction. When the Plaintiff failed to pay more than \$2 million, this again caused a serious drain on our resources.
- c. In the summer of 2015, the Plaintiff's principal, Thomas Beyer, called me on the telephone to discuss settlement on terms favourable to him. He advised me that if I did not settle he would bury me in litigation until it destroys and bankrupts me and ruins my reputation. I did not settle, and he has lived up to his word to bury me in litigation.

N *1/6/17*

d. All of the above circumstances have now led to the situation where the Plaintiff's failure of the Plaintiff to honour the payments due under the purchase agreement, and the ongoing costs of the litigation now in its third year, have left me and my companies without sufficient resources at this time to be able to provide any security if ordered and meet the ongoing expenses of the action.

15. I make this affidavit in response to the Affidavit of Trina Jackson sworn June 1 , 2017, and the Plaintiff's brief filed June 2, 2017 and the Affidavit of Seanna Hemmaway sworn May 30 , 2017

SWORN BEFORE ME at Edmonton, Alberta,)
this 9th day of June 2017.)

(Commissioner for Oaths in and for the)
Province of Alberta))

NESTOR MAKUCH
LAWYER
NOTARY PUBLIC/COMMISSIONER
IN AND FOR THE PROVINCE OF ALBERTA

[Signature]

CHARLES RYAN

[Faint stamp]

WHEATLEY SADOWNIK

BARRISTERS AND SOLICITORS

Nestor Makuch

Direct line: (780) 702-0440

e-mail: makuch@wheatleysadownik.com

OUR FILE: 78,736/7

YOUR FILE: 59575-2

6 June 2016.

Field LLP
2000, 10235 - 101 Street
Edmonton AB T5J 3G1

VIA FAX TO 780-424-5657

428-9329

ATTENTION: Sndeeep K. Dhir, Q.C.

Dear Sir:

**RE: Prestigious Properties Inc. v. Cold Lake Estates Inc. et al
Court File No. 1603 06360**

Thank you for your letter of June 6, 2016, regarding our application of June 7, 2016.

Perhaps you don't appreciate that we will need only one day for Mr. Beyer's examination. As such there are only 3 of the 4 days on which we are both available on that are required. If you wish to examine on Mr. Ryan's most recent affidavit sworn May 31, 2016, that can be done on June 9 at the same time as you examine him on his affidavit sworn April 28, 2016. Those are the only two affidavits we will be allowing cross examination on these dates.

As the May 31 affidavit is very brief and simply attaches your client's financial statements, we cannot see it being a lengthy procedure. As such we can adjourn our application from June 7 to either June 13 or 14, you can examine Mr. Ryan on June 9 and 10, and we can examine Mr. Beyer on June 13 or 14. We know we are all available on these dates, so there is no need to adjourn *sine die*, which we will not do given the urgency of the matter.

Kindly advise whether you prefer to have the application heard June 13 or 14 and we will adjourn accordingly.

Yours truly,

WHEATLEY SADOWNIK

PER:

NESTOR MAKUCH

NM/nhm

cc: Charles Ryan

This is Exhibit 1 referred

in the Affidavit of

Charles Ryan

Sworn before me this 9th

day of June A.D., 2016

A Notary Public / Commissioner for Oaths
in and for the Province of ALBERTA

NESTOR MAKUCH

LAWYER

NOTARY PUBLIC/COMMISSIONER
IN AND FOR THE PROVINCE OF ALBERTA



2000 - 10235 101 ST NW
Edmonton AB T5J 3G1
fieldlaw.com

CALGARY / EDMONTON / YELLOWKNIFE

SANDEEP K. DHIR, Q.C.
T 780-423-9587
F 780-424-5657
sdhir@fieldlaw.com

Assistant: Seanna Hemmaway
T 780-423-1864
shemmaway@fieldlaw.com

Our File: 59575-2

June 6, 2016

Via Fax (780) 420-6327

Wheatley Sadownik
2000, 10123 – 99th Street
Edmonton, AB T5J 3H1

Attention: Nestor Makuch

Dear Sir:

RE: Prestigious Properties Inc. v Cold Lake Estates et al

We write with reference to your letter of even date received at 12:00 pm in which you stated that the "only two affidavits [upon which] we will be allowing cross examination" on June 9 and 10, 2016 are Mr. Charles Ryan's Affidavits sworn on April 28, 2016 and May 31, 2016.

We disagree that this is the proper scope of our questioning of Mr. Ryan scheduled for June 9-10, 2016.

Mr. Ryan adopts the contents of his March 20, 2016 Affidavit in his Affidavit sworn on April 28, 2016. Accordingly, the March 20, 2016 Affidavit is subject to cross examination on June 9-10, 2016. You have been aware since at least May 6, 2016 when we made submissions before Master Breitzkreuz on May 6, 2016 advising the Court of the scope of our intended questioning on affidavit of Mr. Ryan. Please see pages 5 and 6 of the transcript from that appearance, enclosed, evidencing the same.

We require your written confirmation that you will not prevent us from questioning Mr. Ryan on his Affidavits sworn April 28, 2016, March 20, 2016 and January 18, 2016 on June 9-10, 2016 at your offices. If we do not receive that forthwith (and in any event by close of business Tuesday, June 7, 2016), we will assume that you are maintaining the position set out in your letter faxed at 12:00 pm today and cancel our scheduled questioning of Mr. Ryan so that we may argue this issue before the Court at a mutually agreeable date and time.

We look forward to hearing from you.

Sincerely,

FIELD LLP

SANDEEP K. DHIR, Q.C.

SKD/SAR
Encl.

E2893447.DOCX;1

"Field Law" is a trademark and trade name of Field LLP.



WHEATLEY SADOWNIK

BARRISTERS AND SOLICITORS

Nestor Makuch

Direct line: (780) 702-0440

e-mail: makuch@wheatleysadownik.com

OUR FILE: 78,736/7

YOUR FILE: 59575-2

7 June 2016

VIA FAX TO 780-428-9329

Field LLP
2000, 10235 - 101 Street
Edmonton AB T5J 3G1

ATTENTION: Sndeeep K. Dhir, Q.C.

Dear Sir:

**RE: Prestigious Properties Inc. v. Cold Lake Estates Inc. et al
Court File No. 1603 06360**

Thank you for your letter of June 6, 2016, received by email at 5:00 pm.

The examinations scheduled arise out of our application to set aside your without notice attachment order. The only relevant examination is on the affidavit we filed in support of our application, which is Mr. Ryan's affidavit of April 28, 2016. While he makes reference to his prior affidavit of March 20, 2015, you have already cross-examined on that affidavit.

The only other affidavit we will allow to be examined on is Mr. Ryan's affidavit of May 31, 2016. If your position persists that you will be cancelling Mr. Ryan's examinations (as you previously cancelled his questioning based on an alleged settlement with one of the parties which never materialized), it is our position that you should still examine Mr. Ryan on May 31, 2016 affidavit. He is being made available then, as it is our intention to have our application scheduled for June 7 adjourned to June 14, as we advised in our letter and email of June 6, 2016, to which we have not received any response. We will then examine Mr. Beyer on June 13.

Yours truly,

WHEATLEY SADOWNIK

PER:

NESTOR MAKUCH

NM/nhm

cc: Charles Ryan

COURT FILE NUMBER: 1603 06360

COURT: COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE: EDMONTON

PLAINTIFF: PRESTIGIOUS PROPERTIES INC.

DEFENDANTS: COLD LAKE ESTATES INC., NORTHERN ALBERTA ESTATES INC., THE MULLER RYAN RICHARD DEVELOPMENT GROUP INC. also known as the MRR DEVELOPMENT GROUP INC., M DOUBLE M ENGINEERING SERVICES INC., CHARLES RYAN, MATTYS MULLER, ROGER RICHARD and TRI-CITY CAPITAL CORP

QUESTIONING ON AFFIDAVIT
OF
CHARLES RYAN

This is Exhibit 2 referred to
in the Affidavit of
Charles Ryan
Sworn before me this 9
day of June A.D., 2016
A Notary Public / Commissioner for Oaths
in and for the Province of ALBERTA

NESTOR MAKUCH
LAWYER
NOTARY PUBLIC/COMMISSIONER
IN AND FOR THE PROVINCE OF ALBERTA

S.A. Roberts, Ms.
S.K. Dhir, Q.C.

For the Plaintiff

N. Makuch, Esq.

For the Defendants,
Cold Lake Estates Inc.,
Northern Alberta Estates
Inc., MRR Development
Group Inc., and Charles
Ryan

Michelle Michaud, CSR(A)

Court Reporter

Edmonton, Alberta
June 9, 2016

1 **CHARLES EDWARD RYAN, AFFIRMED AT 10:18 A.M.,**

2 **QUESTIONED BY MS. ROBERTS:**

3 Q MS. ROBERTS: Mr. Ryan, you are the Charles
4 Ryan that is appearing today for a
5 cross-examination -- or sorry -- questioning on
6 affidavit; correct?

7 A Yes.

8 Q And you have sworn a number of affidavits in a
9 variety of actions. I'll begin with the
10 consolidated action, which is 1603 06360. You
11 swore an affidavit on April 28, sir, 2016?

12 A Yes.

13 Q And you also swore an affidavit on May 31, 2016, in
14 that action?

15 A Yes.

16 Q And in an action -- in Court of Queen's Bench
17 action 1503 13545 you swore an affidavit on
18 January 18, 2016?

19 MR. MAKUCH: We are not being examined on
20 that affidavit at this point in time.

21 MR. DHIR: That wasn't the question that
22 was asked.

23 MR. MAKUCH: That's what I'm telling.

24 Q MS ROBERTS: Mr. Ryan, you did swear an
25 affidavit on January 18, 2016, in the 1503 13545
26 proceeding; correct?

27 A Yes.

1 A So they -- well, they covered -- they took them
2 other two properties, yes.

3 MS. ROBERTS: I'm just going to need five
4 minutes to go back and sort through where these
5 mortgages are on the documents to make sure I
6 understand.

7 MR. MAKUCH: Just off the record.

8 **(DISCUSSION OFF THE RECORD)**

9 **(PROCEEDINGS ADJOURNED AT 12:04 P.M.)**

10 **(PROCEEDINGS RECONVENED AT 1:54 P.M.)**

11 Q MS. ROBERTS: Mr. Ryan, you acknowledge
12 you're still under oath?

13 A I do.

14 Q Sir, I'm looking at paragraph 9 of your April 28
15 affidavit, and you reference there that Barbara
16 Ryan had given up her dower rights to -- I think
17 you're referring to the home property there;
18 correct?

19 A Yes. well, no. She's given up her dower rights on
20 a couple of properties. We lived in a couple.

21 Q Okay. If we look at Exhibit 20 to your affidavit,
22 are those couple of properties that you're
23 referencing listed there?

24 A Yeah. We lived in the northeast 6-54-22-4. That
25 was our original home when we moved to Edmonton.

26 Q So that was when you were in Cold Lake, you were
27 saying?

1 questions for you today on the April 28, 2016
2 affidavit.

3 And I will also note that
4 there are a number of questions that I did not ask
5 on the representation from Mr. Makuch that I will
6 receive the same objections that he's been
7 providing throughout the day, and that remains your
8 position, Mr. Makuch?

9 MR. MAKUCH: Yes.

10

11 **PROCEEDINGS ADJOURNED SUBJECT TO UNDERTAKINGS 2:31 P.M.**

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COURT FILE NUMBER: 1603 06360
 COURT: COURT OF QUEEN'S BENCH OF ALBERTA
 JUDICIAL CENTRE: EDMONTON
 PLAINTIFF: PRESTIGIOUS PROPERTIES INC.
 DEFENDANTS: COLD LAKE ESTATES INC., NORTHERN ALBERTA ESTATES INC., THE MULLER RYAN RICHARD DEVELOPMENT GROUP INC. ALSO KNOWN AS THE MRR DEVELOPMENT GROUP INC., M DOUBLE M ENGINEERING SERVICES INC., CHARLES RYAN, MATTHYS MULLER, ROGER RICHARD AND TRI-CITY CAPITAL CORP.

 COURT FILE NUMBER: 1603 06360
 COURT: COURT OF QUEEN'S BENCH OF ALBERTA
 JUDICIAL CENTRE: EDMONTON
 PLAINTIFF BY COUNTERCLAIM: COLD LAKE ESTATES INC.
 DEFENDANTS BY COUNTERCLAIM: PRESTIGIOUS PROPERTIES INC., KINGS CASTLE LIMITED PARTNERSHIP, PRESTIGIOUS INVESTMENT & MANAGEMENT (PRISM)A - LIMITED PARTNERSHIP

Questioning for Discovery of **CHARLES EDWARD RYAN**, taken at the offices of Field Law LLP, Barristers & Solicitors, 2000, 10235 - 99 Street, Edmonton, Alberta, at 11:00 a.m., on the 11th day of July, 2016, continuing at 10:05 a.m., on the 12th day of July, 2016, and continuing at 10:00 a.m., on the 14th day of July, 2016.

APPEARANCES

<p>S.A. Roberts S.K. Dhir, Q.C. Field Law LLP 2000, 10235 - 101 Street Edmonton, Alberta T5J 3G1 (780) 423-9587</p>	<p>For Prestigious Properties Inc.</p>
<p>N. Makuch Wheatley Sadownik 2000, 10123 - 99 Street Edmonton, Alberta T5J 3H1 (780) 423-6671</p>	<p>For Cold Lake Estates Inc., MRR Development Group Inc., Charles Ryan, Northern Alberta Estates Inc.</p>
<p>Christine L. Godfrey</p>	<p>Court Reporter</p>

1 (PROCEEDINGS COMMENCED AT 11:00 A.M., JULY 11, 2016)

2 CHARLES EDWARD RYAN, AFFIRMED, QUESTIONED BY MS. ROBERTS:

3 Q Sir, so your full name for the record as I heard you
4 just say is Charles Edward Ryan?

5 A Yes.

6 Q And you affirmed today, you took an oath to tell the
7 truth?

8 A Yes.

9 Q And that oath is binding on your conscience?

10 A Yes.

11 Q You have been examined under oath previously, correct?

12 A Yes.

13 Q You understand that when we speak, we need to take
14 turns so that madam court reporter can capture
15 everything that is being said?

16 A Yes.

17 Q You will let me know if you do not understand my
18 questions?

19 A Yes.

20 Q You will also let me know if you need a break?

21 A Yes.

22 Q Sir, you are appearing today in your personal capacity
23 as well as in the capacity as a corporate
24 representative of a number of companies; is that
25 correct?

26 A Yes.

27 Q And the corporate representative you are appearing as

1 MR. MAKUCH: Same objection.

2 OBJECTION NO. 12

3 MS. ROBERTS: We are going to break for lunch.

4 (PROCEEDINGS ADJOURNED AT 1:00 P.M.)

5 (PROCEEDINGS RESUMED AT 2:30 P.M.)

6 Q MS. ROBERTS: Mr. Ryan, you acknowledge you are
7 still under oath, correct?

8 A Yes.

9 Q Thank you for accommodating my extra long lunch break.

10 A No problem.

11 Q Sir, I wanted to go back to something you said very
12 early on when I was asking you a little bit about your
13 educational background and you talked about doing four
14 years in a theology program?

15 A It was -- yeah, it was over a four -- maybe started --
16 three, four or five, yeah.

17 Q And where did you take that -- I think you called it a
18 course, but where did you take those courses?

19 A There was numerous places. It was on -- down by 99th
20 Street on the south side, and then it was at -- that's
21 where most of it was at the time, yeah.

22 Q Okay. Is that with the Catholic church or with a
23 different faith?

24 MR. MAKUCH: Of what relevance is this?

25 Q MS. ROBERTS: Sir, did you ever mention your
26 training in theology or your religious background to
27 Mr. Byer when you were discussing the matters in the

1 Muller or Mr. Richard and inquire whether there
2 were any other records that were relevant or
3 that were pertaining to the lands?

4 A I don't recall. I don't believe so.

5 (DISCUSSION OFF RECORD)

6 MS. ROBERTS: Let's adjourn for today.

7 (PROCEEDINGS ADJOURNED AT 4:30 P.M., JULY 11, 2016)

8 (PROCEEDINGS RESUMED AT 10:05 A.M., JULY 12, 2016)

9 Q MS. ROBERTS: Mr. Ryan, you will confirm you
10 are still under oath?

11 A Yes.

12 Q When we concluded yesterday, we were going to mark a
13 document as an exhibit and I failed to do so, so madam
14 court reporter has done so now. It is the April 15,
15 2011 e-mail from your lawyer, Mr. Makuch, to Mr. Tom
16 Docking. We marked it Exhibit 4.

17 MS. ROBERTS: Mr. Makuch, I assume there is no
18 objection?

19 MR. MAKUCH: No, none.

20 MS. ROBERTS: Thank you.

21 EXHIBIT D-4: COPY OF APRIL 15, 2011 E-MAIL FROM MR. MAKUCH
22 TO MR. DOCKING.

23 Q MS. ROBERTS: Sir, I'm showing you a
24 document -- no, I'm not. Sorry. I'm showing you a
25 document that is dated at the top November 27, 2006.
26 It appears to be a letter from Northern Alberta Estates
27 Inc. to the Municipal District of Bonnyville. Do you

1 happened overnight. This is...

2 MS. ROBERTS: Fair enough. Can we go off for a
3 second?

4 (DISCUSSION OFF RECORD)

5 (PROCEEDINGS ADJOURNED AT 12:30 P.M., JULY 12, 2016)

6 (PROCEEDINGS RESUMED AT 10:00 A.M., JULY 14, 2016)

7 Q MS. ROBERTS: Mr. Ryan, you acknowledge you are
8 still under oath?

9 A Yes, I do.

10 Q Have you discussed the matters or your evidence between
11 anybody between Tuesday when we departed and today?

12 A No.

13 Q And you haven't discussed the evidence that you have
14 given with Mr. Makuch since Tuesday afternoon?

15 A No.

16 MS. ROBERTS: Thank you. Okay, let's go off
17 for a second.

18 (DISCUSSION OFF RECORD)

19 Q MS. ROBERTS: Sir, I'm looking at Section 2.2,
20 Article 2.2 of the area structure plan or ASP. Is it
21 your understanding, sir, that under the ASP, the idea
22 was that the eventual lot type would depend on the
23 servicing?

24 A No.

25 Q What was the lot type to your understanding?

26 A What's that?

27 Q What was the lot type based on? How would a

1 MS. ROBERTS: And that has been put on the
2 record previously. Any other concerns you would like
3 to put on the record?

4 MR. MAKUCH: Just that we are finished except
5 for any questions that arise out of your undertakings
6 or anything that follows from your applications that
7 you may make. Obviously, not concluded with respect to
8 those, but anything else, you are done, correct?

9 MS. ROBERTS: I'm not answering that question
10 again. I have already stated my position and so have
11 you.

12 A And my position is I'm available till 4:00 if you have
13 any further questions for me.

14 MR. MAKUCH: So if there are any other
15 questions, ask them now.

16 A I'm here.

17 MR. MAKUCH: Other than things that may arise
18 from the applications.

19 A If you want to take a break, I'll take a break and come
20 back.

21 MS. ROBERTS: I'm not putting anything further
22 on the record. Okay, thank you very much for coming,
23 Mr. Ryan.

24

25 PROCEEDINGS ADJOURNED:

26 1:30 P.M.

27

COURT FILE NUMBER: 1603 04928

COURT: COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE: EDMONTON

PLAINTIFF: PRESTIGIOUS PROPERTIES INC.

DEFENDANTS: COLD LAKE ESTATES INC.,
NORTHERN ALBERTA ESTATES INC.,
THE MULLER RYAN RICHARD
DEVELOPMENT GROUP INC. also known
as the MRR DEVELOPMENT GROUP INC.,
M DOUBLE M ENGINEERING SERVICES
INC., CHARLES RYAN,
MATTHYS MULLER, ROGER RICHARD and
TRI-CITY CAPITAL CORP

CONTINUATION OF QUESTIONING ON AFFIDAVIT

OF

CHARLES RYAN

S.A. Roberts, Ms. For the Plaintiff
L.E. Miller, Ms.
P.W. Kolida, Student At Law

N. Makuch, Esq. For Cold Lake Estates,
Northern Alberta Estates
Inc., MMP Development
Group Inc., and
Charles Ryan

Sarah Steeves, CSR(A) Court Reporter

Edmonton, Alberta
February 21, 2017

1 CHARLES RYAN, affirmed, questioned by

2 Ms. Roberts, commencing at 10:07 a.m.:

3 Q MS. ROBERTS: Good morning, Mr. Ryan. Can I just
4 have you state your name for the record.

5 A Charles Edward Ryan.

6 Q Thank you. Sir, you have taken an oath today to
7 tell the truth. You understand that?

8 A Yes.

9 Q Okay. And that oath is binding on your
10 conscience?

11 A Yes.

12 Q You've been examined under oath before?

13 A Yes.

14 Q And so you understand that we need to take turns.
15 I will do my best to pause when you are speaking
16 and ask the same of you?

17 A Yes.

18 Q And you'll let me know if you don't understand
19 any of my questions?

20 A Yes.

21 Q And also when you need a break, you'll let me
22 know?

23 A Yes.

24 Q And, sir, you are here today to be examined on a
25 number of affidavits that you have sworn. In
26 total I have counted ten affidavits that you've
27 sworn, some of which you have already been

1 contract, to your knowledge? Did you advise
2 them?

3 A I possibly did, yes.

4 Q Are you aware of whether your counsel advised --
5 sorry. Backing up.

6 Did the Youngs have counsel for
7 this transaction? Do you know, Mr. Ryan?

8 A Yes, I believe they did.

9 Q Are you aware whether your counsel advised them
10 through their counsel of the direction of the
11 Court with respect to 7.6 of the contract?

12 A You mean Barbara -- Barbara's counsel, no. I
13 don't know.

14 MR. MAKUCH: Would this be an appropriate time to
15 break?

16 MS. ROBERTS: Oh, yes. Sure. Sorry.

17 (PROCEEDINGS RECESSED AT 12:29 P.M.)

18 (PROCEEDINGS RECONVENED AT 2:08 P.M.)

19 Q MS. ROBERTS: Mr. Ryan, off the record I was
20 having a conversation with your counsel just
21 following up to the questions that had arisen
22 with respect to the prejudgment attachment order
23 and the order of Master Breitkreuz's dated
24 October 20, 2016. I have located our copy of the
25 order being sent to Mr. Makuch's office --

26 MR. MAKUCH: A photocopy.

27 Q MS. ROBERTS: -- but it was a copy -- yes -- a

1 A Well, I'm not going to run you into Friday, just
2 because --

3 MR. MAKUCH: No, no. No, no.

4 A -- you feel like leaving early today.

5 MS. ROBERTS: I'm not suggesting that --

6 MR. MAKUCH: Calm down. We'll get it done on
7 Thursday.

8 A They did it last time to us. Last time they did
9 it, and they made me come back for the
10 morning.

11 -----

12 **PROCEEDINGS ADJOURNED**

13 **SUBJECT TO UNDERTAKINGS AT 4:02 P.M.**

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COURT FILE NUMBER: 1603 04928

COURT: COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE: EDMONTON

PLAINTIFF: PRESTIGIOUS PROPERTIES INC.

DEFENDANTS: COLD LAKE ESTATES INC.,
NORTHERN ALBERTA ESTATES INC.,
THE MULLER RYAN RICHARD
DEVELOPMENT GROUP INC. also known
as the MRR DEVELOPMENT GROUP INC.,
M DOUBLE M ENGINEERING SERVICES
INC., CHARLES RYAN,
MATTHYS MULLER, ROGER RICHARD and
TRI-CITY CAPITAL CORP

CONTINUATION OF QUESTIONING ON AFFIDAVIT

OF

CHARLES RYAN

S.A. Roberts, Ms. For the Plaintiff
L.E. Miller, Ms.
P.W. Kolida, Student At Law

N. Makuch, Esq. For Cold Lake Estates,
Northern Alberta Estates
Inc., MMP Development
Group Inc., and
Charles Ryan

Sarah Steeves, CSR(A) Court Reporter

Edmonton, Alberta
February 23, 2017

1 CHARLES RYAN, previously affirmed, questioned by
2 Ms. Roberts, commencing at 9:58 a.m.:

3 Q MS. ROBERTS: Mr. Ryan, you acknowledge you're
4 still under oath?

5 A Yes.

6 Q Thank you.

7 MS. ROBERTS: I have spoken to your counsel prior to
8 beginning today, and we've just agreed that we
9 will mark those three corporate searches that we
10 looked at yesterday for River Ridge Mobile Home
11 Park, Gold Rush -- Alberta Gold Rush, and
12 Ryan's Realty as exhibits.

13 MR. MAKUCH: And that's 6, 7, and 8 respectively.

14 MS. ROBERTS: Yes.

15 MR. MAKUCH: Okay.

16 MS. ROBERTS: I can't remember the order, which is
17 which.

18 MR. MAKUCH: Well, we'll go in the order you said,
19 River Ridge, Alberta Gold Rush, and Ryan's Realty
20 as 6, 7, 8 respectively.

21 MS. ROBERTS: Yes.

22 EXHIBIT 6:

23 CORPORATE SEARCH FOR RIVER RIDGE

24 MOBILE HOME PARK

25 EXHIBIT 7:

26 CORPORATE SEARCH FOR ALBERTA GOLD RUSH

27 EXHIBIT 8:

AMENDMENT

(For changing contract terms)

This document forms part of purchase contract #: 2364504Aug21

Seller Barbara Ryan Buyer Neil Young

Seller _____ Buyer _____

Municipal Address: NE - 28 - 63 - 4 - W4 44313 Twp 635 Md. of Bonnyville

The contract is changed as follows:

Delete:

Buyer: Stephanie Young

4.1 Closing Date: November 7, 2016

Insert:

4.1 Closing Date: November 14, 2016

-Buyer hereby authorizes contract to close immediately upon delivery of mortgage funds and instructions prior to the above amended closing date.

This is Exhibit 3 referred to
in the Affidavit of
Charles Ryan
Sworn before me this 9
day of June A.D., 2017
Nestor Makuch
Notary Public / Commissioner for Oaths
in and for the Province of ALBERTA
NESTOR MAKUCH
LAWYER
NOTARY PUBLIC/COMMISSIONER
IN AND FOR THE PROVINCE OF ALBERTA

All other terms and conditions in the contract remain unchanged.

Signed and dated at CRANE LAKE, Alberta at _____ m. on Nov 7, 2016

Buyer Signature [Signature] Witness Signature _____ Witness Name (print) _____

Signed and dated at CRANE LAKE, Alberta at _____ m. on Nov 7, 2016

Buyer Signature [Signature] Witness Signature _____ Witness Name (print) _____

Signed and dated at Edmonton, Alberta at _____ m. on Nov. 7, 2016

Seller Signature [Signature] Witness Signature _____ Witness Name (print) _____

Signed and dated at _____, Alberta at _____ m. on _____, 20____

Seller Signature _____ Witness Signature _____ Witness Name (print) _____



OUR FILE: 79,169/7

YOUR FILE:

28 October 2016

Grey Munday Wowk LLP
Barristers and Solicitors
101C, 4910-50 Avenue
P.O. Box 1028, Stn. Main
Cold Lake AB T9M 1P3

Attention: Todd E. Munday

Dear Sir:

RE: Ryan sale to Young
Your file: Unknown
Closing Date: November 7, 2016
NE - 28 -63-4-W4

This is Exhibit 64 referred to
in the Affidavit of
Charles Ryan
Sworn before me this 23
day of June A.D., 2017
A Notary Public / Commissioner for Oaths
in and for the Province of ALBERTA

DELIVERED BY COURIER**NESTOR MAKUCH**
LAWYERNOTARY PUBLIC/COMMISSIONER
IN AND FOR THE PROVINCE OF ALBERTA

We are the solicitors for the Vendor and understand that you are the solicitors for the Purchasers. On that basis, we are pleased to enclose the following:

1. Transfer of Land (you are at liberty to insert your clients' description);
2. Statement of Adjustments;

These documents are forwarded to you in trust and on the understanding that:

1. Prior to use of the Transfer,;
 - a) You shall have in your trust account, the shortfall funds, being the difference between the cash required to close in accordance with our Statement of Adjustments and the net mortgage proceeds of the new first mortgage your clients are taking out, plus any anticipated interest;
 - b) Your clients execute the mortgage documents and, with the exception of registration, satisfies all requirements of the Mortgagee necessary to facilitate the advance of proceeds;
 - c) You shall have on file, a registerable Transfer of the subject property back to our client (the "Transfer Back"); and
 - d) You shall have on file, an executed irrevocable Assignment of the mortgage proceeds in our favour and for an amount sufficient to complete this transaction.
2. You shall register the documents in the following order and concurrently without intervening registrations:

- a) Transfer of Land;
- b) Your clients' mortgage.

3. You shall forthwith upon receipt of the mortgage proceeds and by no later than 12:00 noon on November 7, 2016, pay to us unconditionally the cash required to close set out in the Statement of Adjustments by your solicitor's trust cheque.

4. Funds not received by 12:00 noon on November 7, 2016, shall bear interest at 3% per annum above the Prime Lending Rate of the Alberta Treasury Branches to and including the day that funds are received for unconditional release to our client. Funds received after 12:00 noon on any business day shall bear interest to the following business day.

5. Should your clients require early possession on a tenancy basis, we will seek our client's instructions upon receipt of your written request and your written confirmation that:

- a) you have complied with Trust Condition number 1 in its entirety;
- b) you have evidence of sufficient insurance coverage effective the date of desired possession with the appropriate first loss payable;
- c) you have on file an executed 48 hour Tenancy-at Will Agreement or a Fixed Tenancy Agreement expiring not later than seven (7) days following the Adjustment Date; a Covenant to Restore Title, and a registerable Transfer of the subject property back to our client (the "Transfer Back");
- d) your clients agree to pay interest on the cash to complete from and including the date of possession until funds are unconditionally received by our offices at the rate and on the terms provided above;
- e) you have submitted all documents necessary to complete the transaction to the Land Titles Office for registration; and
- f) you will take all reasonable steps to complete the transaction as soon as possible following possession

6. If we have not unconditionally received the entire cash required to close and accrued interest by 12:00 noon on November 14, 2016, then:

- a) You shall return the enclosed documentation forthwith, unused; or, in the alternative, upon our written instruction to you, you shall proceed to register the Transfer Back such that title to the subject property will be restored to the Vendor free and clear of all encumbrances, save and except those existing as at the date of the Real Estate Purchase Contract, and any others which the Vendor may have caused to be registered subsequently, the full cost of restoring title to the Vendor to be borne solely by your clients;
- b) In the further alternative, if you are unable to re-transfer title as aforesaid, then the Vendor will rely on legal rights and remedies pursuant to the Vendors' Lien Caveat and the Real Estate Purchase Contract and your clients shall be responsible for all costs and expenses of the Vendor on a solicitor/client basis to be paid from (but not limited to) the monies held by you to the credit of this transaction;

- c) If your clients have taken possession, you will forward us the Tenancy-at Will Agreement or the Fixed Tenancy Agreement, and Covenant to Restore Title forthwith upon demand.

7. Notwithstanding any extension of time which may be granted, time is and continues to be of the essence in this transaction.

8. Upon completion of the transaction, kindly advise the Municipal District of Bonnyville No. 87 with respect to the change of ownership.

We confirm that once we are in receipt of the sale proceeds, we undertake to:

- a) use the proceeds to pay out the following:
1. Property Taxes, inclusive of all arrears, and ensure the tax notification 162119733 is discharged.
- b) obtain a registerable Discharge of mortgage 132104369, caveat 132104370, and Order 162105405 attend to registration of the same and thereafter provide your offices with a Certified Copy of Title evidencing discharge of the same in due course.

We confirm we will be registering a caveat on the title protecting my client's equitable interest in the three lots that are to be subdivided in the future. The Servus mortgage 132104369, caveat 132104370, and Order 162105405 will attach to this caveat as well.

Should you wish to direct deposit the cash to close into our trust account, our Alberta Treasury Branches trust account particulars are as follows:

Transit: 08559
Bank: 219
Account: 0052736-00

If you are paying the cash to close by direct deposit, please provide our office with fax confirmation along with a copy of your solicitor's trust cheque and deposit slip before 12:00 noon.

In the event you are unable or unwilling to comply with any of the trust conditions described above, please contact our office to confirm any amendment, failing which the enclosed documents are to be returned to our office immediately upon demand.

Yours truly,

WHEATLEY SADOWNIK

PER:

NESTOR MAKUCH

NMnhm
Enclosures

WHEATLEY SADOWNIK
BARRISTERS AND SOLICITORS

Nestor Makuch

Direct line: (780) 702-0440
e-mail: makuch@wheatleysadownik.com

OUR FILE: 79,169/7

YOUR FILE:

21 November 2016

Grey Munday LLP
Barristers and Solicitors
5110 - 51 Avenue
P.O. Box 1028, Stn. Main
Cold Lake AB T9M 1P3

FACSIMILE TRANSMISSION
FAX NO: (780) 594-0211
ANY PROBLEMS, CALL:
ORIGINALS MAILED: no
NO OF PAGES: 2

Attention: Todd E. Munday

Dear Sir:

RE: Ryan sale to Young
Your file:
Closing Date: November 14, 2016
NE - 28 -63-4-W4

Please find enclosed our Amended Amended Statement of Adjustment reflecting the new closing date of November 14, 2016 and the tax adjustment based on the last tax levy, not the current balance.

Yours truly,

WHEATLEY SADOWNIK

PER:

NESTOR MAKUCH
NM/jas
Enclosure

This is Exhibit 5 referred to
in the Affidavit of
Mark Ryan
Sworn before me this 21
day of Nov A.D., 2016
A Notary Public / Commissioner for Oaths
in and for the Province of ALBERTA

NESTOR MAKUCH
LAWYER
NOTARY PUBLIC/COMMISSIONER
IN AND FOR THE PROVINCE OF ALBERTA

AMENDED AMENDED STATEMENT OF ADJUSTMENTS

File No: 79,169/7

VENDOR: Barbara Ryan
PURCHASERS: Neil Young and Stephanie Young
PROPERTY: 4;4;63;28;NE

ADJUSTMENT DATE: November 14, 2016

	CREDIT PURCHASER	CREDIT VENDOR
PURCHASE PRICE:		\$395,000.00
GST DEPOSIT	\$10,000.00	\$19,750.00
TAX ADJUSTMENT based on 2016 levy		
Vendor Portion: \$2,658.21 x 319/366	2,316.86	
Vendor Paid:	2,658.21	
Vendor Credit:	341.35	\$341.35
CASH TO CLOSE:	\$405,091.35	
TOTAL	\$415,091.35	\$415,091.35

WHEATLEY SADOWNIK

PER:

NESTOR MAKUCH

NM/

NOTES: E. & O. E. This Statement has been prepared based upon information provided to us and believed to be correct. However, its accuracy is not guaranteed. Any adjustments not contained in this Statement are to be made directly between the Vendor and the Purchaser. When the Purchaser receives a tax credit he will then be responsible for payment in full of property taxes for the current year and is advised to check with the municipal taxing authority to ensure he receives a tax notice or copy. Unless otherwise expressly provided in writing, the parties shall adjust utilities accounts and like services themselves. The parties shall arrange for their own insurance or assignment of existing policy.



Grey Munday Wowk LLP

November 21, 2016

RE-3850

VIA FAX: 1-780-420-6327
Wheatley Sadownik
2000 Sun Life Place
10123-99 Street
Edmonton, Alberta
T5J 3H1

Attention: Nestor Makuch

Dear Sir:

RE: Young Purchase from Ryan
Closing Date: November 14, 2016
4;4;63;28;NE

Further to your correspondence of October 28th, 2016, we enclose herewith our firm trust cheque in the sum of \$415,596.05, representing the cash to close herein, including the initial deposit and accrued interest in the amount of \$504.70 calculated as follows:

Cash to Complete	\$405,091.35
	x
Interest Rate	5.7%
	x
Number of Days/Number of Days in Year	8/366

The enclosed funds are forwarded upon your undertaking to pay out and discharge Servus Credit Union Ltd. Mortgage 132 104 369, Servus Credit Union Ltd. Caveat - Assignment of Rents and Leases 132 104 370, Amending Agreement 132 146 126, Order 162 105 405 and MD of Bonnyville No. 87 Tax Notification 162 119 733 and thereafter provide our office with a Certified Copy of Title evidencing same within a reasonable period of time.

We look forward to the completion of this matter in due course.

Yours truly,
GREY MUNDAY WOWK LLP
Per: 

Todd E. Munday
TEM/kc
Enclosure

COLD LAKE OFFICE
Box 1028
200, 5110 - 51 Avenue
Cold Lake, AB T9M 1P3
T: 780.594.0299
F: 780.594.0211

Your Small City Law Firm

www.gmwllp.ca
Toll Free: 877.594.0299

BONNYVILLE OFFICE
Box 6488
4809 - 50 Avenue
Bonnyville, AB T9N 2H1
T: 780.826.3312
F: 780.826.3313

ATB Financial
Cold Lake
6501-51 St.
Phone: 780-594-7149



Grey Munday Wowk LLP

Transaction Record

Date: 21-NOV-2016
Employee: Savannah

Time: 11:31 AM

Transaction	Acct Number	Amount
Deposit	8550****273600	\$415596.05

DIRECT DEPOSIT

CUSTOMER RECEIPT

k
9 Account No.: 0052736-00

Further to the above-noted matter, enclosed please find our trust cheque in the amount of \$415,596.05, payable to Wheatley Sadownik for direct deposit only. Please deposit funds to their account and provide our office with a receipt evidencing the same.

We thank you in advance for your co-operation.

Yours truly,
GREY MUNDAY WOWK LLP

Per:

Todd E. Munday
TEM/kc
Enclosure(s)

COLD LAKE OFFICE
Box 1028
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Bonnyville, AB T9N 2H1
T: 780.826.3312
F: 780.826.3313

OUR FILE: 79,169/7

YOUR FILE:

VIA FAX TO (780) 427-2548

24 November 2016

Master W. Breitzkreuz, Q.C.
Masters Chambers
Court of Queen's Bench of Alberta
Law Courts Building
1A Sir Winston Churchill Square
Edmonton AB T5J OR2

Dear Master Breitzkreuz:

RE: QB Action 1603 04928
Prestigious Properties Inc. v. Cold Lake Estates Inc. et al

Mr. Dhir has advised me that you attempted to contact me for a conference call yesterday afternoon, but unfortunately could not reach me. He further advised me that you communicated that you would be approving an order dealing with the real estate commission issue in the manner set out in Mr. Dhir's letter of Monday, November 21, 2016.

Unfortunately, that procedure is totally unworkable for my client, who does not wish to get involved in any additional costly legal procedures and examinations that are unnecessary, and who has an obligation to pay the realtor now

Rather than engaging in Mr. Dhir's proposed procedure, my client will simply withdraw the request to have realtor s fees paid out of the sale proceeds. He will deal with Sterling Real Estate directly. The balance of the funds that would otherwise be paid to the realtor can be paid to Servus Credit Union along with the other sale proceeds to pay down the mortgage.

I have advised Mr. Dhir I will approve his order accordingly in which the only deduction from the sale proceed would be for property taxes and for the a maximum \$3,000 in legal fees (as previously approved by yourself)..

We trust the above satisfactorily deals with the real estate commission issue.

Yours truly,

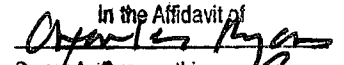
WHEATLEY SADOWNIK

Per: 

NESTOR MAKUCH
NM/nhm

cc: Charles Ryan

cc. Sandeep K. Dhir
VIA FAX TO 780-428-9329

This is Exhibit 6 referred to
in the Affidavit of

Sworn before me this 23
day of June A.D., 2017


Notary Public / Commissioner for Oaths
in and for the Province of ALBERTA

NESTOR MAKUCH
LAWYER
NOTARY PUBLIC/COMMISSIONER
IN AND FOR THE PROVINCE OF ALBERTA

OUR FILE: 79,169/7

YOUR FILE: 152485

22 November 2016

McLennan Ross LLP
Barristers & Solicitors
600 McLennan Ross Building
12220 Stony Plain Road
Edmonton AB T5N 3Y4

Attention: Charles Russell, Q.C.

Dear Sir:

RE: Servus Credit Union Ltd. v. Cold Lake Estates Inc. et al

for the tier letter of November 3, 2016, we enclose our trust cheque in the amount of three and \$366,513.12 being the net proceeds from the sale of 4;4;63;28;NE (copy of title is attached for your reference) which finally closed yesterday. The net proceeds are calculated as set out on the attached statement of receipts and disbursements.

These funds are sent to you on the following trust conditions:

- 1) That the funds be applied to the mortgage indebtedness in this matter
2. That within a reasonable period of time you provide us with registrable partial discharges of your client's mortgage 132 104 369 and caveat 132 104 370 registered against the title
- 3) That you take no further steps in this action without reasonable notice to our office

We can accept service of your Statement of Claim on the individual defendants, Charles and Barbara Ryan.

As I mentioned my email yesterday, my client has negotiated a sale of three other parcels of land, which will together should net another approximately \$1M-\$1.1M which will be applied to the mortgage deadness in this matter. The deal will close on January 30, 2017. If your client has a bit more patience, this matter should be resolvable.

Yours truly,

WHEATLEY SADOWNIK

Per:

NESTOR MAKUCH
NM/nhm

This is Exhibit 7 referred to
in the Affidavit of
Charles Ryan
Sworn before me this 9
day of Nov A.D., 2017
A Notary Public / Commissioner for Oaths
in and for the Province of ALBERTA
NESTOR MAKUCH
LAWYER
NOTARY PUBLIC/COMMISSIONER
IN AND FOR THE PROVINCE OF ALBERTA

OUR FILE: 79,169/7

YOUR FILE: 152485

24 November 2016

McLennan Ross LLP
Barristers & Solicitors
600 McLennan Ross Building
12220 Stony Plain Road
Edmonton AB T5N 3Y4

Dear Sir:

RE: Servus Credit Union Ltd. v. Cold Lake Estates Inc. et al

Further to our letter of November 22, 2016, we enclose an additional trust cheque in the amount of three and \$16,642.50 being the part of the proceeds from the sale of 4;4;63;28;NE which were to have been paid out for real estate commissions. As alternate arrangements have been made for those commissions, we are remitting this additional payment to you on the same trust conditions as set out in our letter of November 22, 2016.

We trust the above is satisfactory.

Yours truly,

WHEATLEY SADOWNIK

Per:

NESTOR MAKUCH
NM/nhm

WHEATLEY SADOWNIK

BARRISTERS AND SOLICITORS

Nestor Makuch

Direct line: (780) 702-0440

e-mail: makuch@wheatleysadownik.com

OUR FILE: 78,736/7

YOUR FILE: 59575-2

23 January 2016

VIA email to sdhir@fieldlaw.com

Field LLP
2500, 10175 - 101 Street
Edmonton AB T5J 0H3

ATTENTION: Sandeep K. Dhir, Q.C.

Dear Sir:

**RE: Prestigious Properties Inc. v. Cold Lake Estates Inc. et al
Court File No. 1603 04928**

Mt Ryan will now voluntarily provide answers to the questions and undertakings previously objected to in order to clear the way for the substantive examinations on the affidavits necessary to move this matter forward. Attached please find his answers (the format follows your application brief), as well as the documents referenced therein

We trust the above is satisfactory.

Yours truly,

WHEATLEY SADOWNIK

Per


NESTOR MAKUCH
NM/nhm

cc: Cold Lake Estates Inc.

This is Exhibit 8 referred to

in the Affidavit of

Charles Ryan

Sworn before me this 9

day of June A.D., 2017


Notary Public / Commissioner for Oaths
in and for the Province of ALBERTA

NESTOR MAKUCH

LAWYER

NOTARY PUBLIC/COMMISSIONER

IN AND FOR THE PROVINCE OF ALBERTA

SANDEEP K. DHIR, Q.C.
T 780-423-9587
F 780-424-5657
sdhir@fieldlaw.com

Assistant: Wendy-Lee Bryenton
T 780-423-7637
wbryenton@fieldlaw.com

Our File: 59575-2

This is Exhibit 9 referred to
in the Affidavit of
Charles Ryan
Sworn before me this 9
day of June A.D., 2017

~~Notary Public~~ Commissioner for Oaths
IN AND FOR THE PROVINCE OF ALBERTA

NESTOR MAKUCH
LAWYER
NOTARY PUBLIC/COMMISSIONER
IN AND FOR THE PROVINCE OF ALBERTA

April 22, 2016

Via Fax (780) 420-6327

Wheatley Sadownik
2000, 10123 - 99th Street
Edmonton, AB T5J 3H1
Attention: Nestor Makuch

Dear Sir:

Re: **Prestigious Properties Inc v Cold Lake Estates et al ("Prestigious Action")**
Court File No. 1503 08440

Cold Lake Estates Inc v Prestigious Properties et al ("Cold Lake Estates Action")
Court File No. 1503 13545

Prestigious Properties Inc v Cold Lake Estates et al ("Consolidated Action")
Court File No. 1603 06360

We write with reference to the parties' scheduled appearance in Master's Special Chambers on August 24, 2016, for the hearing of your client's summary judgment application in the Prestigious Action.

Please find enclosed a copy of correspondence that we intend to deliver to Terry Cranston by 12:00 pm on Tuesday, April 26, 2016 requesting that our clients' security for costs application be heard during our scheduled appearance on August 24, 2016 (the "Prestigious Security for Costs"). We are agreeable to you setting down your client's security for costs application at the same time (the "Ryan Security for Costs").

It occurs to us that this is an opportune time to advise Ms. Cranston that the Prestigious Action and the Cold Lake Action have been consolidated into the Consolidated Action and to provide her with a copy of the consolidation Order.

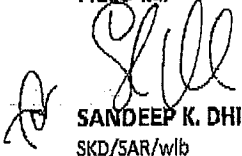
We trust that this will pose no difficult given the representations you made to the Court during our appearance before Master Schulz in morning Chambers on December 3, 2015 to the effect that you're the Prestigious Security for Costs and the Ryan Security for Costs applications could be heard in the time permitted for routine matters set down in morning Chambers.

E2833252.DOCX;1

Should you have any concerns with the language in our enclosed letter to Ms. Cranston we look forward to receipt of the same no later than 11:00 am on Tuesday, April 26, 2016.

Sincerely,

FIELD LLP



SANDEEP K. DHIR, Q.C.
SKD/SAR/wlb
Encls.

Cc: Client - Via Email
Cc: Lindsey Miller (via email)
Sharon Roberts (via email)

SANDEEP K. DHIR, Q.C.
T 780-423-9587
F 780-424-5657
sdhir@fieldlaw.com

Assistant: Wendy-Lee Bryenton
T 780-423-7637
wbryenton@fieldlaw.com

Our File: 59575-2

April 26, 2016

COPY

VIA DELIVERY

Masters Chambers Coordinator
Court of Queen's Bench of Alberta
2ND Floor
Law Courts, 1A Sir Winston Churchill Square
Edmonton, AB T5J 0R2

Attention: Terry Cranston

Dear Madam:

**Re: Prestigious Properties Inc v Cold Lake Estates et al ("Prestigious Action")
Court File No. 1503 08440**

**Cold Lake Estates Inc v Prestigious Properties et al ("Cold Lake Estates Action")
Court File No. 1503 13545**

**Prestigious Properties Inc v Cold Lake Estates et al ("Consolidated Action")
Court File No. 1603 06360**

We write with reference to the application of Cold Lake Estates et al, represented by Mr. Makuch, that is currently scheduled in Master's Special Chambers on August 24, 2016 at 2:00 p.m. (the "August 24, 2016 Special").

Upon having given prior notice to Mr. Makuch, we request your assistance in setting down the Application for Security for Costs of Prestigious Properties Inc. to be heard at the August 24, 2016 Special. We enclose a copy of our client's Application and supporting affidavits.

Mr. Makuch's client has also filed a Security for Costs Application. We have advised Mr. Makuch of our consent to his having that Application set down to be heard at the August 24, 2016.

Finally, the Parties wish to advise that the Prestigious Action and the Cold Lake Estates Action, as well as a third action (Court of Queen's Bench File No. 1503 09321) have been consolidated into Court of Queen's Bench File No. 1603 06360.

We enclose a copy of the Order directing consolidation for your ease of reference.

E2833259.DOCX;1



We are grateful for your assistance with this matter.

Sincerely,

FIELD LLP

SANDEEP K. DHIR, Q.C.

SKD/SAR/wlb

Encls.

Cc: Client - Via Email
Cc: Lindsey Miller (via email)
Sharon Roberts (via email)

WHEATLEY SADOWNIK

BARRISTERS AND SOLICITORS

Nestor Makuch

Direct line: (780) 702-0440

e-mail: makuch@wheatleysadownik.com

OUR FILE: 78,736/7

YOUR FILE: 59575-2

26 April 2016

VIA FAX TO 780-424-5667Field LLP
2000, 10235 - 101 Street
Edmonton AB T5J 3G1**ATTENTION: Sandeep K. Dhir**

Dear Sir:


**RE: Prestigious Properties Inc. v. Cold Lake Estates Inc. et al
Court File No. 1503 08440**

Thank you for your letter of April 22, 2016, regarding the security for costs application.

We do not agree or consent to having our security for costs application postponed to August 24. It is our intention to bring our application back onto the chambers list in the next two weeks once our Defence to the consolidated claim is filed. If you wish to set yours for August 24, that is up to you. Our application can properly be heard in morning chambers.

For future reference, please be advised that we do not consent or agree to any of your reverse onus letters which impose an arbitrary deadline (usually one clear day) for response before you then deem our consent to have been obtained. Our standing response to any such letters will be we do not agree or consent to whatever your unilaterally imposed proposal is within your unilaterally imposed deadline. Our positive response will be required in each and every such case.

Yours truly,

WHEATLEY SADOWNIKPER: 
NESTOR MAKUCH
NM/nhm

cc: Charles Ryan

Nestor Makuch

Direct line: (780) 702-0440

e-mail: makuch@wheatleysadownik.com

OUR FILE: 78,736/7

YOUR FILE: 59575-2

8 August 2016

VIA FAX TO 780-428-9329

Field LLP
2000, 10235 - 101 Street
Edmonton AB T5J 3G1

ATTENTION: Sabdeep K. Dhir, Q.C.

Dear Sir:

**RE: Prestigious Properties Inc. v. Cold Lake Estates Inc. et al
Court File No. 1603 06360**

Thank you for your letter of today's date.

Your letter of April 22, 2016 enclosed a proposed draft correspondence. I gave you my response on April 26, and did not receive any further follow-up from you thereafter. I did not receive any confirmation that your proposed draft correspondence to Masters Chambers was in fact actually sent, as I would've expected to receive. As such, I was led to believe that you did not send the letter and were not proceeding with any such application at this time. You made no further mention of it until I received your brief at 4:30 PM on Friday.

The end result is that I'm left prejudiced and sandbagged by this development.

Yours truly,

WHEATLEY SADOWNIK

PER:

NESTOR MAKUCH

NM/nhm

cc: Charles Ryan