

COURT FILE NUMBER 1801-04745

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF HILLSBORO VENTURES INC.

DEFENDANT CEANA DEVELOPMENT SUNRIDGE INC.

DOCUMENT AFFIDAVIT OF BAHADUR (BOB) GAIDHAR

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

GLENN & CARD LAW LLP
Attention: Thomas F Glenn
Email: tfglenn@gclawyers.ca
100, 2886 Sunridge Way NE
Calgary, Alberta T1Y 7H9
Phone: 403.291.2532 / Fax: 403.291.2534
File No.: 03 9771 015 / Call Box: 10 (Rush Legal)

Clerk's Stamp

AFFIDAVIT OF BAHADUR (BOB) GAIDHAR
Affirmed on October 30, 2020

I, **BAHADUR (BOB) GAIDHAR**, of the City of Calgary, in the Province of Alberta, MAKE OATH AND SAY THAT:

1. I am the President and Chief Executive Officer of the Defendant corporation and Guarantor of the corporation's corporate debt to the Plaintiff and as such have a personal knowledge of matters herein deposed to except where stated otherwise.
2. I also proclaim that I have a significant interest in the outcome of this proceeding as a Guarantor of the debt, if any.
3. The Plaintiff here is a mortgagee in three mortgages registered against lands described as:

PLAN 9811891
BLOCK 8
LOT 1
EXCEPTING THEREOUT ALL MINES AND MINERALS

which presently stands in the name of Ceana Development Sunridge Inc. a copy of the title with historic information is attached as **Exhibit "A"** to this my Affidavit.

4. The three mortgages are registered against the property in the order as "1" mortgage number: the sum of \$3,000,000.00 registered on January 26, 2017, "2" the sum of \$2,000,000.00 registered on August 18, 2017 and "3" the sum of \$1,500,000.00 registered on November 22, 2017. Other encumbrances were registered, including the First Connect mortgage which was subsequently substituted as a first mortgagee having received postponements from the various intervening claimants.
5. There were also builder's liens registered.

6. Subsequently, and on the 23rd of October, 2017, the first mortgage, without notice to the Defendant or to me as Guarantor, postponed mortgage "1" to mortgages "2" and "3", which resulted in priorities to "2" and "3" over mortgage "1".
7. Since the date of the advance of mortgage "1", "2" and "3", the Defendant has continuously asked for disclosure and evidenced that the amounts set forth in the mortgages were actually advanced to or for the benefit of the Defendant, all of which is disputed by the Defendant. In other words, the Defendant states that the monies supposedly set out on the face of the mortgages were not advanced to the benefit of the Defendant or at all, and that the Plaintiff is not entitled to enforce money that was not advanced.
8. Notwithstanding our demands for an accounting, no mortgage statements were issued. It is Hillsboro's duty to provide mortgage statements on each and every mortgage, especially when demanded or when action is taken on the mortgage.
9. The *Law of Property Act*, sections 38 (2) and 38 (3) are very clear that upon the demand of the mortgagor (the Defendant) upon the Plaintiff, the Plaintiff is under very strict requirement to provide such accounting, in default of which, the application for foreclosure cannot proceed.
10. As a general statement, if the money set forth in the faces of the mortgages had actually been advanced, the project would have advanced to its completion but it has not advanced to completion, even after the appointment of the Receiver.
11. I attach hereto as **Exhibit "B"** to this Affidavit, copies of the first page of the various mortgages, "1", "2" and "3".
12. I attach as **Exhibit "C"** to this Affidavit a copy of my correspondence to the Plaintiff or it's counsel demanding an accounting for the advance of monies.
13. I attach as **Exhibit "D"** to this Affidavit our own accounting produced by our own accountant showing evidence of the amounts that were actually advanced or received by the Defendant or advanced on the Defendant's behalf as well as our accountant's commentary on the deficiencies in Hillsboro's report from 2018.
14. Because the monies were not advanced, the Defendant was unable to complete the project and the project has sat in abeyance for more than 2 years. Everyone is frustrated. People who have invested money in the project as a joint venture have been frustrated. Individuals who outright purchased an interest in the project have been frustrated.
15. Because the Plaintiff has refused to either provide an accounting or to advance the money so that the project can be completed, the property has been in a stalemate because no other mortgage company would advance money on this project without some form of global arrangement.
16. In July, 2019, this Honourable Court granted a Receiving Order which I attach as **Exhibit "E"** to my Affidavit which appointed Alvarez and Marsal Canada Inc. as Receiver for the project. I understand that the Receiver's appointment was at the request and insistence of the Plaintiff herein and that the Plaintiff agreed to advance sufficient monies to allow the project to be completed.
17. Although I have my own complaints about the Receiver and the Receiver's performance, at least the Receiver was following instructions from the Court and reporting to the Court, the construction was going slowing but it was proceeding.
18. Now the Plaintiff doesn't like the performance by the Receiver and is now seeking to take summary judgement on the foreclosure and replace the Receiver.

THIS IS **EXHIBIT "A"** REFERERED TO
IN THE AFFIDAVIT OF

BAHADUR (BOB) GAIDHAR

AFFIRMED BEFORE ME THIS 30TH DAY OF OCTOBER, 2020.



A COMMISSIONER FOR OATHS IN
AND FOR THE PROVINCE OF ALBERTA

TANYA ROSE FERNANDEZ
Commissioner for Oaths in and for
the Province of Alberta
Commission Expires April 20, 2021



HISTORICAL LAND TITLE CERTIFICATE
CURRENT TITLE WITH HISTORICAL DATA

S
LINC SHORT LEGAL TITLE NUMBER
0027 536 350 9811891;8;1 161 114 536

LEGAL DESCRIPTION
PLAN 9811891
BLOCK 8
LOT 1
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 1.398 HECTARES (3.45 ACRES) MORE OR LESS

ESTATE: FEE SIMPLE
ATS REFERENCE: 4;29;24;28;SE

MUNICIPALITY: CITY OF CALGARY

REFERENCE NUMBER: 981 252 050

REGISTRATION	DATE (DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
161 114 536	17/05/2016	TRANSFER OF LAND	\$6,000,000	\$6,000,000

OWNERS

CEANA DEVELOPMENT SUNRIDGE INC.
OF 101, 3115 - 12 ST NE
CALGARY
ALBERTA T2E 7J2

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
771 147 064	20/10/1977	ZONING REGULATIONS SUBJECT TO CALGARY INTERNATIONAL AIRPORT ZONING REGULATIONS
981 252 051	19/08/1998	RESTRICTIVE COVENANT
981 252 053	19/08/1998	RESTRICTIVE COVENANT (REINSTATED 24/03/2011 BY 111070763)

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

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161 114 536

REGISTRATION

NUMBER	DATE (D/M/Y)	PARTICULARS
981 376 744	01/12/1998	EASEMENT OVER AND FOR BENEFIT OF LOTS 1 TO 5 INCLUSIVE IN BLOCK 8 ON PLAN 9811891 (AREAS "A" TO "F" INCLUSIVE ON PLAN 9813273)
011 235 361	17/08/2001	MORTGAGE MORTGAGEE - ROYAL BANK OF CANADA. 17, 728 NORTHMOUNT DRIVE NW CALGARY ALBERTA T2K3K2 ORIGINAL PRINCIPAL AMOUNT: \$1,000,000
061 074 044	17/02/2006	CAVEAT RE : MORTGAGE AMENDING AGREEMENT CAVEATOR - ROYAL BANK OF CANADA. C/O MICHAEL J BONDAR 1840, 801-6 AVE SW CALGARY ALBERTA T2P3W2 AGENT - MICHAEL J BONDAR
061 074 045	17/02/2006	CAVEAT RE : ASSIGNMENT OF RENTS AND LEASES CAVEATOR - ROYAL BANK OF CANADA. C/O MICHAEL J BONDAR 1840, 801-6 AVE SW CALGARY ALBERTA T2P3W2 AGENT - MICHAEL J BONDAR.
071 085 253	20/02/2007	AMENDING AGREEMENT AMOUNT: \$2,000,000 AFFECTS INSTRUMENT: 011235361
151 222 037	27/08/2015	CAVEAT RE : PURCHASERS INTEREST CAVEATOR - CEANA DEVELOPMENT SUNRIDGE INC. ATTN: BAHADUR GAIDHAR 101, 3115 - 12TH STREET NE CALGARY ALBERTA T2E7J2 AGENT - BAHADUR GAIDHAR
161 114 537	17/05/2016	MORTGAGE MORTGAGEE - CANADIAN WESTERN BANK. 2810 - 32 AVE NE CALGARY ALBERTA T1Y5J4 ORIGINAL PRINCIPAL AMOUNT: \$15,000,000

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

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161 114 536

REGISTRATION

NUMBER DATE (D/M/Y) PARTICULARS

161 114 538	17/05/2016	CAVEAT RE : ASSIGNMENT OF RENTS AND LEASES CAVEATOR - CANADIAN WESTERN BANK. 2810 - 32 AVE NE CALGARY ALBERTA T1Y5J4 AGENT - GARY J COCHRANE
161 114 539	17/05/2016	MORTGAGE MORTGAGEE - HILLSBORO ENTERPRISES INC. 927 7A ST NW CALGARY ALBERTA T2M3J4 ORIGINAL PRINCIPAL AMOUNT: \$630,000
161 114 540	17/05/2016	CAVEAT RE : ASSIGNMENT OF RENTS AND LEASES CAVEATOR - HILLSBORO ENTERPRISES INC. 927 7A ST NW CALGARY ALBERTA T2M3J4 AGENT - TRAVIS MCARTHUR
161 118 375	20/05/2016	DISCHARGE OF MORTGAGE 011235361 AND AMENDING AGREEMENT 071085253
161 118 376	20/05/2016	DISCHARGE OF CAVEAT 061074044
161 118 377	20/05/2016	DISCHARGE OF CAVEAT 061074045
161 146 685	25/06/2016	DISCHARGE OF CAVEAT 151222037
171 023 796	26/01/2017	CAVEAT RE : AMENDING AGREEMENT CAVEATOR - HILLSBORO ENTERPRISES INC. 927 7A ST NW CALGARY ALBERTA T2M3J4 AGENT - TRAVIS MCARTHUR
171 023 797	26/01/2017	MORTGAGE MORTGAGEE - HILLSBORO VENTURES INC. 927-7A ST NW CALGARY ALBERTA T2M3J4 ORIGINAL PRINCIPAL AMOUNT: \$3,000,000
171 023 798	26/01/2017	CAVEAT RE : ASSIGNMENT OF RENTS AND LEASES CAVEATOR - HILLSBORO VENTURES INC.

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTSPAGE 4
161 114 536

REGISTRATION

NUMBER DATE (D/M/Y) PARTICULARS

927-7A ST NW
CALGARY
ALBERTA T2M3J4
AGENT - TRAVIS MCARTHUR

171 059 555 14/03/2017 DISCHARGE OF CAVEAT 171023796
AND CAVEAT 161114540
AND MORTGAGE 161114539

171 065 141 23/03/2017 BUILDER'S LIEN
LIENOR - SOLIDBUILT FOUNDATIONS LTD.
635 CHAPARRAL DR SE
CALGARY
ALBERTA T2X3W9
AMOUNT: \$155,675

171 120 879 06/06/2017 BUILDER'S LIEN
LIENOR - MWC CONSULTING STRUCTURAL ENGINEERS INC.
300,121-15 AVENUE SE
CALGARY
ALBERTA T2G1G1
AGENT - MARK WEBER.
AMOUNT: \$14,596

171 124 565 09/06/2017 DISCHARGE OF BUILDER'S LIEN 171120879

171 124 838 09/06/2017 DISCHARGE OF BUILDER'S LIEN 171065141

171 183 985 18/08/2017 MORTGAGE
MORTGAGEE - HILLSBORO VENTURES INC.
927-7A ST NW
CALGARY
ALBERTA T2M3J4
ORIGINAL PRINCIPAL AMOUNT: \$2,000,000

171 183 986 18/08/2017 CAVEAT
RE : ASSIGNMENT OF RENTS AND LEASES
CAVEATOR - HILLSBORO VENTURES INC.
927-7A ST NW
CALGARY
ALBERTA T2M3J4
AGENT - TRAVIS MCARTHUR

171 235 888 23/10/2017 POSTPONEMENT
OF MORT 171023797 CAVE 171023798
TO MORT 171183985 CAVE 171183986

171 240 017 26/10/2017 MORTGAGE
MORTGAGEE - CONNECT FIRST CREDIT UNION LTD.
BOX 1137

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTSPAGE 5
161 114 536

REGISTRATION

NUMBER DATE (D/M/Y) PARTICULARS

BROOKS

ALBERTA T1R1B9

ORIGINAL PRINCIPAL AMOUNT: \$9,831,770

171 240 018 26/10/2017 CAVEAT

RE : ASSIGNMENT OF RENTS AND LEASES

CAVEATOR - CONNECT FIRST CREDIT UNION LTD.

BOX 1137

BROOKS

ALBERTA T1R1B9

AGENT - LAWRENCE LEON.

171 240 019 26/10/2017 POSTPONEMENT

OF MORT 171023797

TO MORT 171240017 CAVE 171240018

171 240 020 26/10/2017 POSTPONEMENT

OF CAVE 171023798

TO MORT 171240017 CAVE 171240018

171 240 021 26/10/2017 POSTPONEMENT

OF MORT 171183985 CAVE 171183986

TO MORT 171240017 CAVE 171240018

171 251 757 10/11/2017 DISCHARGE OF MORTGAGE 161114537

171 251 758 10/11/2017 DISCHARGE OF CAVEAT 161114538

171 262 890 22/11/2017 MORTGAGE

MORTGAGEE - HILLSBORO VENTURES INC.

927-7A ST NW

CALGARY

ALBERTA T2M3J4

ORIGINAL PRINCIPAL AMOUNT: \$1,500,000

171 262 891 22/11/2017 CAVEAT

RE : ASSIGNMENT OF RENTS AND LEASES

CAVEATOR - HILLSBORO VENTURES INC.

927-7A ST NW

CALGARY

ALBERTA T2M3J4

AGENT - PATRICK MAH

171 279 779 08/12/2017 BUILDER'S LIEN

LIENOR - FAST TRACK COMMERCIAL INC.

C/O MLT AIKINS LLP

ATTN: JEFF W. BRIGHT

1600, 520-3 AVE SW

CALGARY

ALBERTA T2P0R3

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

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161 114 536

REGISTRATION

NUMBER DATE (D/M/Y) PARTICULARS

AMOUNT: \$2,133,455

171 282 494	12/12/2017	BUILDER'S LIEN LIENOR - BIG ROCK WATER HAULING SERVICES LTD. C/O ADMIRAL LAW 301, 522 - 11TH AVENUE SW CALGARY ALBERTA T2R0C8 AGENT - KRISTINA SAEDI AMOUNT: \$2,310
181 001 538	03/01/2018	BUILDER'S LIEN LIENOR - EMCO CORPORATION. C/O MCLENNAN ROSS LLP #1000 FIRST CANADIAN CENTRE 350-7TH AVE SW ATTN: JAMES P. FLANAGAN CALGARY ALBERTA T2P3N9 AGENT - JAMES P FLANAGAN AMOUNT: \$145,783
181 003 370	05/01/2018	DISCHARGE OF BUILDER'S LIEN 171282494
181 016 293	19/01/2018	CERTIFICATE OF LIS PENDENS AFFECTS INSTRUMENT: 171279779
181 023 511	29/01/2018	BUILDER'S LIEN LIENOR - DEMON WATER HAULING LTD. 11333 84 STREET SE CALGARY ALBERTA T2C4T4 AGENT - JENNIFER SINGER AMOUNT: \$24,316
181 071 261	06/04/2018	DISCHARGE OF BUILDER'S LIEN 171279779
181 077 294	17/04/2018	POSTPONEMENT OF MORT 171023797 CAVE 171023798 TO MORT 171262890 CAVE 171262891
181 090 636	03/05/2018	DISCHARGE OF CERTIFICATE OF LIS PENDENS 181016293
181 112 779	01/06/2018	BUILDER'S LIEN LIENOR - COLD FROG PLUMBING & HEATING INC. MCLENNAN ROSS LLP LEGAL COUNSEL ATTN: JAMES P. FLANAGAN 1000 FIRST CANADIAN CENTRE 350 - 7 AVE SW CALGARY

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

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REGISTRATION

NUMBER DATE (D/M/Y) PARTICULARS

ALBERTA T2P3N9
AGENT - JAMES P FLANAGAN
AMOUNT: \$62,580

181 117 808 07/06/2018 BUILDER'S LIEN
LIENOR - FAST TRACK COMMERCIAL INC.
203, 126-17 AVE NE
CALGARY
ALBERTA T2E1L6
AGENT - BRIAN N CLARK
AMOUNT: \$2,711,016

181 123 907 15/06/2018 UTILITY RIGHT OF WAY
GRANTEE - ATCO GAS AND PIPELINES LTD.

181 124 534 15/06/2018 CERTIFICATE OF LIS PENDENS
AFFECTS INSTRUMENT: 181001538

181 139 834 28/06/2018 CERTIFICATE OF LIS PENDENS
AFFECTS INSTRUMENT: 181023511

181 148 885 12/07/2018 BUILDER'S LIEN
LIENOR - ALPHA STEEL BUILDERS INC.
9390 ENTERPRISE WAY SE
CALGARY
ALBERTA T3S0A1
AGENT - KHALID M CHOUDHRY
AMOUNT: \$207,479

181 149 831 13/07/2018 BUILDER'S LIEN
LIENOR - CALGARY LANDSCAPER LTD.
38048 COUNTRY HILLS RPO
CALGARY
ALBERTA T3K5G9
AGENT - BERNHARD PENNER
AMOUNT: \$15,880

181 149 907 13/07/2018 BUILDER'S LIEN
LIENOR - SUNBELT RENTALS OF CANADA LIMITED.
C/O LIEN-PRO INC
17315B-108 AVE NW
EDMONTON
ALBERTA T5S1G2
AGENT - LIEN-PRO INC.
AMOUNT: \$7,104

181 158 526 27/07/2018 CAVEAT
RE : PURCHASERS INTEREST
CAVEATOR - 1785337 ALBERTA LTD.
C/O AB LAW

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

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REGISTRATION

NUMBER	DATE (D/M/Y)	PARTICULARS
		924 - 5075 FALCONRIDGE BLVD NE CALGARY ALBERTA T3J3K9 AGENT - ANSHUMAN BAWA.
181 162 378	03/08/2018	BUILDER'S LIEN LIENOR - ESSENTIAL QUALITY ELECTRICAL SERVICES. 245 MOUNTAIN PARK DRIVE SE CALGARY ALBERTA T2Z2L2 AGENT - BRIAN SCOTT. AMOUNT: \$42,704
181 240 823	07/11/2018	CERTIFICATE OF LIS PENDENS AFFECTS INSTRUMENT: 181149831
181 244 655	13/11/2018	BUILDER'S LIEN LIENOR - SUNBELT RENTALS OF CANADA INC. C/O FIELD LLP ATTN: D KIM BEACHUM 400, 444-7 AVE SW CALGARY ALBERTA T2P0X8 AGENT - D KIM BEACHUM AMOUNT: \$10,881
181 249 778	20/11/2018	CERTIFICATE OF LIS PENDENS AFFECTS INSTRUMENT: 181112779
181 253 136	23/11/2018	CERTIFICATE OF LIS PENDENS AFFECTS INSTRUMENT: 181244655
181 261 750	04/12/2018	DISCHARGE OF BUILDER'S LIEN 181148885
181 262 077	04/12/2018	CERTIFICATE OF LIS PENDENS AFFECTS INSTRUMENT: 181117808
181 263 575	06/12/2018	DISCHARGE OF BUILDER'S LIEN 181244655
191 000 075	02/01/2019	DISCHARGE OF CERTIFICATE OF LIS PENDENS 181262077
191 010 226	16/01/2019	DISCHARGE OF BUILDER'S LIEN 181117808
191 085 526	06/05/2019	BUILDER'S LIEN LIENOR - SUPER SAVE FENCE RENTALS INC. C/O MOORE WITTMAN PHILLIPS 307, 1228 KENSINGTON RD NW CALGARY ALBERTA T2N3P7 AGENT - CHRISTINA DAO

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

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REGISTRATION

NUMBER DATE (D/M/Y) PARTICULARS

AMOUNT: \$7,085

191 146 059 17/07/2019 BUILDER'S LIEN
LIENOR - QUANTITY SURVEYING SERVICES INTERNATIONAL LTD.
C/O WILLIAMSON LAW
#416, 602 - 11TH AVENUE SW
CALGARY
ALBERTA T2R1J8
AGENT - CHAD WILLIAMSON
AMOUNT: \$54,209
(DATA UPDATED BY: CHANGE OF ADDRESS 191150985)

191 150 985 25/07/2019 CHANGE OF ADDRESS FOR SERVICE
RE: QUANTITY SURVEYING SERVICES INTERNATIONAL LTD.
C/O WILLIAMSON LAW
#416, 602 - 11TH AVENUE SW
CALGARY
ALBERTA T2R1J8
AFFECTS INSTRUMENT: 191146059

191 165 898 19/08/2019 CAVEAT
RE : AGREEMENT CHARGING LAND
CAVEATOR - YORKFIELD FINANCIAL CORPORATION.
910, 808-4 AVE SW
CALGARY
ALBERTA T2P3E8
AGENT - PAUL MACMULLIN

191 217 312 24/10/2019 CERTIFICATE OF LIS PENDENS
AFFECTS INSTRUMENT: 191146059

191 234 224 19/11/2019 CAVEAT
RE : PURCHASERS INTEREST
CAVEATOR - CECA HOLDING CO. LTD.
ARKELL LAW
4620 MANILLA ROAD SE
CALGARY
ALBERTA T2G4B7
AGENT - MARTIN J ARKELL

201 051 204 12/03/2020 CAVEAT
RE : PURCHASERS INTEREST
CAVEATOR - SUKHDEEP DHALIWAL
CAVEATOR - MANDEEP MAVI
BOTH OF:
28 CASTLEBROOK PLACE NE
CALGARY
ALBERTA T3J1V8

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

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REGISTRATION

NUMBER DATE (D/M/Y) PARTICULARS

201 069 529 09/04/2020 BUILDER'S LIEN
LIENOR - TRANE CANADA ULC.
C/O MINTZ LAW
400, 10357-109 ST
EDMONTON
ALBERTA T5J1N3
AGENT - BRUCE E MINTZ
AMOUNT: \$94,281

201 120 696 10/07/2020 CAVEAT
RE : AGREEMENT CHARGING LAND
CAVEATOR - AMISH MORJARIA
C/O ROBERT J STACK
1601, 333-11 AVE SW
CALGARY
ALBERTA T2R1L9
AGENT - ROBERT J STACK

201 125 049 17/07/2020 EXPIRATION OF BUILDER'S LIEN 181149907

201 126 075 21/07/2020 CAVEAT
RE : AGREEMENT CHARGING LAND
CAVEATOR - ASHOK MORJARIA
CAVEATOR - MRIDULA MORJARIA
BOTH OF:
C/O ROBERT J. STACK
1601 333 11TH AVENUE SW
CALGARY
ALBERTA T2R1L9
AGENT - ROBERT J STACK

201 155 291 27/08/2020 DISCHARGE OF CERTIFICATE OF LIS PENDENS 181253136

201 182 979 10/10/2020 CAVEAT
RE : PURCHASERS INTEREST
CAVEATOR - CENTRAL HALAL MEATS LTD.
110, 32 WESTWINDS CRES NE
CALGARY
ALBERTA T3J5L3
AGENT - NASIM ALI

201 187 177 16/10/2020 DISCHARGE OF BUILDER'S LIEN 201069529

TOTAL INSTRUMENTS: 079

(CONTINUED)

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN
ACCURATE REPRODUCTION OF THE CERTIFICATE OF
TITLE REPRESENTED HEREIN THIS 30 DAY OF
OCTOBER, 2020 AT 04:06 P.M.

ORDER NUMBER: 40420918

CUSTOMER FILE NUMBER: 039771015



END OF CERTIFICATE

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

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

THIS IS **EXHIBIT "B"** REFERERED TO
IN THE AFFIDAVIT OF

BAHADUR (BOB) GAIDHAR

AFFIRMED BEFORE ME THIS 30TH DAY OF OCTOBER, 2020.



A COMMISSIONER FOR OATHS IN
AND FOR THE PROVINCE OF ALBERTA

TANYA ROSE FERNANDEZ
Commissioner for Oaths in and for
the Province of Alberta
Commission Expires April 20, 2021

LAND TITLES ACT

MORTGAGE

CEANA DEVELOPMENT SUNRIDGE INC. (hereinafter referred to as the "Mortgagor") being registered as owner of an estate in fee simple in possession of that piece of land situated in the Province of Alberta described as follows:

PLAN 9811891
BLOCK 8
LOT 1
EXCEPTING THEREOUT ALL MINES AND MINERALS

(which together with the buildings, improvements and fixtures thereon are hereinafter referred to as the "Land");

IN CONSIDERATION of the sum of \$3,000,000.00 of lawful money of Canada, being the principal sum lent to the Mortgagor by HILLSBORO VENTURES INC., having an office at 927 7A Street N.W. Calgary, T2M 3J4, (hereinafter referred to as the "Mortgagee") the receipt of which sum the Mortgagor does hereby acknowledge, HEREBY COVENANTS WITH the Mortgagee as follows:

PAYMENTS

1. The Mortgagor promises to pay to the Mortgagee in lawful money of Canada, the principal sum lent as aforesaid as follows:

From and including the date of advance, interest at 18.0% per annum, calculated monthly not in advance, as well after as before maturity, default and judgment, on the principal monies remaining unpaid from time to time on the basis of the actual number of days elapsed in a year of 365 days or 366 days, as the case may be, and compounded monthly not in advance as well after as before maturity, default and judgment (which interest rate is sometimes hereinafter referred to as the "Mortgage Rate" and computed from and including the initial advance date which interest shall become due and be paid in monthly instalments commencing on February 1, 2017 and on the first day of each and every month thereafter.

The principal sum of the advance(s) and all other outstanding sums shall become due and be paid in full on January 1, 2018.

STANDBY FEE

2. Intentionally Deleted.

OVERDUE INTEREST

3. The Mortgagor will pay to the Mortgagee interest and standby fee as aforesaid in the manner aforesaid, and all interest and standby fee on becoming overdue shall be forthwith treated (as to payment of interest thereon) as principal and shall bear compound interest at the Mortgage Rate as well after as before maturity of this mortgage, both before and after default, and both before and after judgment under this mortgage until paid, and shall be payable at the times, in the manner, and at the place hereinbefore provided for payment of interest, and all such interest and compound interest shall be a charge on the Land. In the event of nonpayment of any of the moneys hereby secured at the times herein set for payment thereof the Mortgagor will, so long as any part thereof remains unpaid, including after judgment, pay interest at the Mortgage Rate from day to day on the same.

AMENDMENTS

4. In the event the monies advanced hereunder are not advanced by the date expected by the Mortgagee then the Mortgagee may, at its sole option, amend any or all of the Date for Adjustment of Interest, the date of the first payment and the date of the final payment herein, by notice in writing to the Mortgagor and/or by way of an amending agreement which agreement the Mortgagor agrees to execute promptly and return to the Mortgagee's solicitor.

LAND TITLES ACT

MORTGAGE

CEANA DEVELOPMENT SUNRIDGE INC. (hereinafter referred to as the "Mortgagor") being registered as owner of an estate in fee simple in possession of that piece of land situated in the Province of Alberta described as follows:

PLAN 9811891 ✓

BLOCK 8

LOT 1

EXCEPTING THEREOUT ALL MINES AND MINERALS

(which together with the buildings, improvements and fixtures thereon are hereinafter referred to as the "Land");

IN CONSIDERATION of the sum of \$2,000,000.00 of lawful money of Canada, being the principal sum lent to the Mortgagor by **HILLSBORO VENTURES INC.**, having an office at 927 7A Street N.W. Calgary, T2M 3J4, (hereinafter referred to as the "Mortgagee") the receipt of which sum the Mortgagor does hereby acknowledge, **HEREBY COVENANTS WITH** the Mortgagee as follows:

PAYMENTS

1. The Mortgagor promises to pay to the Mortgagee in lawful money of Canada, the principal sum lent as aforesaid as follows:

From and including July 5, 2017, interest at 18.0% per annum, calculated monthly not in advance, as well after as before maturity, default and judgment, on the principal monies remaining unpaid from time to time on the basis of the actual number of days elapsed in a year of 365 days or 366 days, as the case may be, and compounded monthly not in advance as well after as before maturity, default and judgment (which interest rate is sometimes hereinafter referred to as the "Mortgage Rate" and computed from and including July 5, 2017 which interest shall become due and be paid in monthly instalments commencing on August 1, 2017 and on the first day of each and every month thereafter.

The principal sum of the advance(s) and all other outstanding sums shall become due and be paid in full on July 5, 2018.

STANDBY FEE

2. Intentionally Deleted.

OVERDUE INTEREST

3. The Mortgagor will pay to the Mortgagee interest and standby fee as aforesaid in the manner aforesaid, and all interest and standby fee on becoming overdue shall be forthwith treated (as to payment of interest thereon) as principal and shall bear compound interest at the Mortgage Rate as well after as before maturity of this mortgage, both before and after default, and both before and after judgment under this mortgage until paid, and shall be payable at the times, in the manner, and at the place hereinbefore provided for payment of interest, and all such interest and compound interest shall be a charge on the Land. In the event of nonpayment of any of the moneys hereby secured at the times herein set for payment thereof the Mortgagor will, so long as any part thereof remains unpaid, including after judgment, pay interest at the Mortgage Rate from day to day on the same.

AMENDMENTS

4. In the event the monies advanced hereunder are not advanced by the date expected by the Mortgagee then the Mortgagee may, at its sole option, amend any or all of the Date for Adjustment of Interest, the date of the first payment and the date of the final payment herein, by notice in writing to the Mortgagor and/or by way of an amending agreement which agreement the Mortgagor agrees to execute promptly and return to the Mortgagee's solicitor.

MORTGAGE

CEANA DEVELOPMENT SUNRIDGE INC. (hereinafter referred to as the "Mortgagor") being registered as owner of an estate in fee simple in possession of that piece of land situated in the Province of Alberta described as follows:

PLAN 9811891

BLOCK 8

LOT 1

EXCEPTING THEREOUT ALL MINES AND MINERALS

(which together with the buildings, improvements and fixtures thereon are hereinafter referred to as the "Land");

IN CONSIDERATION of the sum of **\$1,500,000.00** of lawful money of Canada, being the principal sum lent to the Mortgagor by **HILLSBORO VENTURES INC.**, having an office at 927 7A Street N.W. Calgary, T2M 3J4, (hereinafter referred to as the "Mortgagee") the receipt of which sum the Mortgagor does hereby acknowledge, **HEREBY COVENANTS WITH** the Mortgagee as follows:

PAYMENTS

1. The Mortgagor promises to pay to the Mortgagee in lawful money of Canada, the principal sum lent as aforesaid as follows:

From and including October 10, 2017 until October 9, 2018, interest at 18.0% per annum, and thereafter, interest at 30% per annum calculated monthly not in advance, as well after as before maturity, default and judgment, on the principal monies remaining unpaid from time to time on the basis of the actual number of days elapsed in a year of 365 days or 366 days, as the case may be, and compounded monthly not in advance as well after as before maturity, default and judgment (which interest rate is sometimes hereinafter referred to as the "Mortgage Rate") and computed from and including October 10, 2017 which interest shall become due and be paid in monthly instalments commencing on November 1, 2017 and on the first day of each and every month thereafter.

The principal sum of the advance(s) and all other outstanding sums shall become due and be paid in full on November 9, 2018.

STANDBY FEE

2. Intentionally Deleted.

OVERDUE INTEREST

3. The Mortgagor will pay to the Mortgagee interest as aforesaid in the manner aforesaid, and all interest on becoming overdue shall be forthwith treated (as to payment of interest thereon) as principal and shall bear compound interest at the Mortgage Rate as well after as before maturity of this mortgage, both before and after default, and both before and after judgment under this mortgage until paid, and shall be payable at the times, in the manner, and at the place hereinbefore provided for payment of interest, and all such interest and compound interest shall be a charge on the Land. In the event of nonpayment of any of the moneys hereby secured at the times herein set for payment thereof the Mortgagor will, so long as any part thereof remains unpaid, including after judgment, pay interest at the Mortgage Rate from day to day on the same.

AMENDMENTS

4. In the event the monies advanced hereunder are not advanced by the date expected by the Mortgagee then the Mortgagee may, at its sole option, amend any or all of the Date for Adjustment of Interest, the date of the first payment and the date of the final payment herein, by notice in writing to the Mortgagor and/or by way of an amending agreement which agreement the Mortgagor agrees to execute promptly and return to the Mortgagee's solicitor.

THIS IS **EXHIBIT "C"** REFERERED TO
IN THE AFFIDAVIT OF

BAHADUR (BOB) GAIDHAR

AFFIRMED BEFORE ME THIS 30TH DAY OF OCTOBER, 2020.



A COMMISSIONER FOR OATHS IN
AND FOR THE PROVINCE OF ALBERTA

TANYA ROSE FERNANDEZ
Commissioner for Oaths in and for
the Province of Alberta
Commission Expires April 20, 2021



LOW, GLENN & CARD LLP

Barristers & Solicitors

THOMAS F GLENN
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General Fax: (403) 291-2534
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E-mail: lawyer@lgc-law.com

September 12, 2018

FAXED

File No.: 03 9756 015
Via Fax: 403.266.1395

Borden Ladner Gervais LLP

1900, 520-3 Ave SW
Calgary, Alberta T2P 0R3

Attention: David T. Madsen, Q.C. / Travis McArthur

Dear Sirs:

RE: Foreclosure by Hillsboro

In confirmation of our meeting with Mr. Madsen before the Honourable Master Prowse on the morning of Tuesday, September 11, 2018, the matter of the foreclosure of Hillsboro Ventures Inc. has been put over to October 15, 2018.

We voice directly to Mr. Madsen our concerns about the accounting and the appraisal. We are presently awaiting word from Mr. Gaidhar as to the appointment of an appraiser.

However, at this point we provide to you a copy of Travis McArthur's letter of August 25, 2017. This letter confirms that Mr. McArthur is holding \$2,440,000 in trust on behalf of Hillsboro Ventures. Our client, Mr. Gaidhar, has alleged to us that Mr. Ferrel instructed Fast Track Commercial and Ceana to continue work on about August 25, 2017 as there was money in your trust account for the sole use of construction. A copy of the letter was sent to Mr. Gaidhar which is the source of the attachment.

The work then proceeded with Fast Track in the expectation that the funds would be available to pay Fast Track. However, when the money was requested, Mr. Ferrel indicated that it was not available.

Apparently this money has never been released to either Fast Track or to Ceana.

The term of your letter suggests that the money was being held in a designated trust account for the purposes and no other use.

At this juncture, we are obliged to ask for BLG's accounting. We understand BLG handled the advance of three mortgages registered on behalf of Hillsboro. We seek your accounting for all three such mortgages.

We also seek confirmation as to the disposition of the funds referenced in your letter and an explanation why those funds were not available when requested. Lastly, a photocopy of your trust account would be appropriate. We can accept that your payment for fees and disbursements may be redacted from the accounting except that our client is liable for your fees and disbursements in any event. A complete listing of your trust account(s) (three) would be appropriate.

We are under the gun to obtain information as quickly as possible for the purpose of preparing for our examination on the Affidavit of Default. We need your immediate cooperation and look forward to your immediate response and delivery.

Yours very truly,
LOW, GLENN & CARD LLP


THOMAS F. GLENN
Barrister and Solicitor
Email: tfglenn@lgc-law.com

/tf/enclosure
cc. Ceana/Gaidhar



GLENN & CARD LAW LLP

BARRISTERS AND SOLICITORS

Thomas F Glenn
Joseph N. Card
M. James Tymchyshyn
Jeffrey B. Woodruff

#100, 2886 Sunridge Way NE
Calgary, Alberta T1Y 7H9
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Fax: 403-291-2534
Real Estate Fax: 403-291-2614

June 2, 2020

Our File No.: 03 9771 015
Via Email: kkashuba@torys.com

TORYS LLP

525 – 8th Avenue SW, 46th Floor
Calgary, Alberta T2P 1G1

Attention: Kyle Kashuba

Dear Sir:

**RE: Receivership Proceedings of Ceana Development Sunridge Inc.
QB Action No.: 1801-04745
Hillsboro Ventures Inc.**

Thank you for yours of May 28, 2020.

The third paragraph of your letter references "Hillsboro's claim". Hillsboro is demanding certain trust funds relating to purchase and sale agreements. How is it that Hillsboro feels entitled to claim trust funds relating to various parties' participation in a joint venture? On behalf of our clients, we are entitled to some details.

As to Hillsboro's claim that they are entitled to funds in your trust account, we have no idea what you might have in your trust account. We have never been the recipient and we are not the holders of any trust funds relating to any of the transactions referenced.

As to Ceana enticing unit purchasers to become investors, we do not have any information about the same. We are however prepared to meet with and inquire of Mr. Gaidhar as to the two questions that you pose in paragraph i. a. & b.

The next paragraphs relate to Hillsboro providing funds to Ceana to "shore up the deposit shortfall". Please request of Hillsboro to provide particulars of the monies which they advanced and of the deposit shortfall.

We assume the deposit shortfall (\$439,000) is simply the sum of the four items set forth in the preceding paragraphs?

Please understand that we were not involved with any such transactions and Glenn & Card Law does not have any information regarding this assignment.

Page 2

However, we are prepared to meet with Mr. Gaidhar and obtain as much information as he has in regards to your inquiry.

We might make further advancement if we had the information that Hillsboro seems to have sent to your office including dates and times of the transfer of such monies and particulars of the required assignment. Who were the instructions or demands sent to? Who appeared to be acting on behalf of Ceana Sunridge or Mr. Gaidhar?

What funds are presently held in your trust account? Ceana Sunridge continues to be the owner of the land.

As to questions iii. a. and b. on the second page of your letter, again, we will be meeting with Mr. Gaidhar to obtain such information as may be available.

We expect that our response will come much sooner than June 15, 2020.

Yours very truly,
GLENN & CARD LAW LLP


THOMAS F. GLENN
Barrister and Solicitor
tfglenn@gclawyers.ca

/tf/cc. client

GLENN & CARD LAW LLP

BARRISTERS AND SOLICITORS

Thomas F Glenn
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Fax: 403-291-2534
Real Estate Fax: 403-291-2614

June 10, 2020

Our File No.: 03 9771 015
Via Email: kkashuba@torys.com

TORYS LLP

525 – 8th Avenue SW, 46th Floor
Calgary, Alberta T2P 1G1

Attention: Kyle Kashuba

Dear Sir:

**RE: Receivership Proceedings of Ceana Development Sunridge Inc.
QB Action No.: 1801-04745
Hillsboro Ventures Inc.**

We thank you for your email of June 10, 2020. You have obviously missed Mr. Gaidhar's point.

Even from the very beginning, Mr. Gaidhar pointed out to the Receiver that Hillsboro had never been frank and open about the money that they have advanced. We have always stated that Hillsboro's claim was excessive, and not just by some marginal amount.

We provided you with a copy of the Affidavit of Bob Gaidhar from July 2, 2019. Although it was filed in the Hillsboro Ventures v. Ceana Development action, it was also produced as part of our response to the application for Receivership.

Our position was ignored by your legal representative. The court of course went along with your Receivership application without additional conditions on Hillsboro.

Immediately after the application, when you had been granted the Order, we had conversations again reaffirming our position that Hillsboro was seeking money to which they were not entitled.

Unfortunately for you, we suspect that you are facing the same problem with Hillsboro.

Hillsboro registered large mortgages, but did not advance monies. In consequence of their failure to advance, Ceana Sunridge was unable to complete the project.

We acknowledge that Hillsboro's default was not the only problem Ceana Sunridge faced, but it was certainly a major issue and became even more important as Hillsboro began its foreclosure action.

As you may or may not be aware, we defended and counterclaimed their action. We suggested a number of issues where Hillsboro was either in default or had actually acted improperly.

And now we receive your letter of June 10, 2020 suggesting to Mr. Gaidhar that this is not the forum where one is to make our position or allegations in this proceeding.

You fail to recognize that Mr. Gaidhar is followed by an entourage of JV holders and prospective purchasers. There are actually two distinct categories. This has all be explained to you.

What has not been explained to everyone on your service list, which is set out on your email to Mr. Gaidhar and this office, is our explanation of the proceedings before the Receiver became involved, and how that misinformation continues to be perpetuated without any adequate response.

Where your Report No. 2 is a reflection of the present reality, we have no objection. The fact is that you have spent money doing this and that is exactly what you were ordered to do by the court.

However, other than demands for the payment and distribution of money, we have seen no report of the monies that the Receiver has actually received. That is why we suspect that the Receiver is actually having the same problem that we had.

As part of the receivership, Hillsboro agreed to advance \$6,000,000. Have you actually received a confirmation of the \$6,000,000? Has it been deposited to your trust account?

This Receivership is probably different than most. Ceana Development Sunridge Inc. continues to be the registered owner. Bob Gaidhar and his wife continue to be guarantors of the Hillsboro debts. We have a tremendous interest in the proper administration by the Receiver, the completion of the property and an accounting based on fact.

This letter will not be circulated to anyone other than yourself. You are certainly entitled to review it with the Receiver.

However, please understand that we are circulating the Affidavit of Bob Gaidhar from July 2, 2019. It is absolutely necessary that our JV holders understand the position that we took a year ago. And our position has not changed.

We reserve the right to circulate any and all correspondence that has occurred between our respective offices. Mr. Gaidhar, in particular, takes umbrage with your suggestion that you have little or no contact with Mr. Gaidhar since approximately the granting of the date of the order. That simply is not true. Mr. Gaidhar has been available by telephone every day since July 2019. In addition, Mr. Gaidhar has been at his office, except for the isolation requirements, almost every day since July 2019.

In particular, paragraph 56 of your Report No. 2 suggests that you are not able to obtain any information from Mr. Gaidhar as requested. That is simply not true. Mr. Gaidhar personally delivered copies of the JV and all other agreements to the Receiver's office. In fact, he needed help from one of the Receiver's staff members to bring the material from his vehicle up to their office.

We review your paragraph 59 in which you have received information with respect to the quantum of Hillsboro's security. You acknowledge receiving documents from the Gaidhar's on August 13, 2019, Affidavits from two former associates at BLG and documents from Dentons. The Receiver has apparently asked for five years of historical bank documents from Ceana Sunridge's bank institutions. Has the Receiver asked for an audited record of Hillsboro's advances under these various mortgages?

You can do the audit yourself. You just need to see the cancelled cheques and the trust accounting for Hillsboro and the trust accounts for the lawyers for Hillsboro and Ceana Sunridge.

At paragraph 60, you state "Once the Receiver concludes its evaluation of the quantum of Hillsboro's security, it will report to Court on the same". Isn't this putting the cart before the horse? Aren't you asking for the court to rubberstamp the balance of your report without actually coming to the crux of the issue that puts Ceana Sunridge in this position in the first place?

We have great respect for the Receiver, who has an excellent reputation, and our comments are not particularly directed to Tors as Tors has a great reputation.

However, it seems unusual that our primary objection to all of this has been that the Receiver has been taking its direction from Hillsboro without calling Hillsboro to account for its own position.

Once we circulate Mr. Gaidhar's Affidavit which attaches a variety of documents, we expect that we will receive a lot of questions from our own JV holders. We expect too that you might receive a lot of questions from the JV holders.

If the Affidavit had not previously been made available to you, that would have been an error on the part of the Receiver.

Yours very truly,
GLENN & CARD LAW LLP



THOMAS F. GLENN
Barrister and Solicitor
tfglenn@gclawyers.ca

/tf/cc. client
enclosure

GLENN & CARD LAW LLP

BARRISTERS AND SOLICITORS

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Real Estate Fax: 403-291-2614

September 21, 2020

Our File No.: 03 9771 015
Via Email: kkashuba@torys.com

TORYS LLP

525 – 8th Avenue SW, 46th Floor
Calgary, Alberta T2P 1G1

Attention: Kyle Kashuba

Dear Sir:

**RE: Receivership Proceedings of Ceana Development Sunridge Inc.
QB Action No.: 1801-04745
Hillsboro Ventures Inc.**

In response to your Application on behalf of the Receiver, we have now reviewed the same thoroughly. We have some objections, but some of this might proceed by agreement.

We do need to outline our concerns. We refer to our concerns by referencing your paragraph numbering.

13. The Receiver did not state nor bring to the court's attention that the Receiver unilaterally made a decision to change the project from five building to seven individual buildings. You have not confirmed that we took objection to the unilateral revision of plans. You did so without consulting, and without adequately responding to our concerns about increased costs and increase risk to Mr. and Ms. Gaidhar, who have provided personal guarantees to the claims and potential claims of Hillsboro.

We raised our objections and the Receiver responded in a rather cavalier fashion, indicating that it was obviously in the best interest of the project, which we have come to understand is in the best interest of Hillsboro.

In return for the increased risk, there was certainly no discussion or proposal to resolve our concerns. This is a matter of profound importance to Mr. and Mrs. Gaidhar who unfortunately have allowed their guarantees to be registered against their home and a small commercial building which was to be their retirement.

In consideration of the glacial speed of which this project is moving, it is inevitable that there will be nothing left at the end of the day after the completion of construction and the payment of the Receiver and the astronomical overbilling by Hillsboro.

20. Although addressed later on, the progress of this project has been abysmal. The Receiver was appointed in July 2019 and nothing happened for seven months. Since the end of January, your general contractor and the various subs have been proceeding at a very slow rate. So slow in fact that the parking lot cannot possibly be paved until next spring. The project can simply not be sold in its present condition.

21. Our clients have no problem having this project condominiumized. That was always the intention. The condominiumization would not ordinarily occur until the project was nearing completion so that any QS assessment or any condominium plan would be based on actual surveys and measurements rather than mere speculation. However, and we intend to raise this with the court, the project is simply taking much longer and at much greater cost than ever anticipated.

43. This paragraph is misleading to the public. The numbers in the financial statements are false and are missing substantiation.

44. Funds received in support of the Offers to Purchase were placed with Mr. Khalil and, to our knowledge, all of those funds have been transferred to counsel for the Receiver. We understand the Receiver is holding those monies and in some cases is trying to negotiate or renegotiate purchase contracts, anticipating that those who were originally interested may continue to be interested.

46. With respect to number 46 through 49, it is obvious that there has been a misunderstanding between the Receiver and Mr. Gaidhar. The Receiver has continued to ask for information in regards to prospective sales of the property. Mr. Gaidhar has provided evidence of a number of sales. However, you persist in suggesting that Mr. Gaidhar is deficient in his disclosure. We refute that.

Mr. Gaidhar has assiduously indicated that there is a significant difference between the Joint Venturers under the Ceana Development Sunridge Joint Venture and prospective purchasers. The differences are dramatic.

Each Joint Venturer signed a Joint Venture Agreement and was assured of an allocation of non-voting shares based on their contribution. The JVAs have all been signed and copies are at our office. No registrations were placed against the Sunridge lands because that was not the plan. Ceana Sunridge is the owner. As owner, Ceana Sunridge issued shares. No subsequent or additional registration was ever anticipated or required.

Certain persons stepped forward asking to purchase outright portions of the five buildings. Those persons put down deposits and entered into Offers to Purchase Interim Agreements typical of a real estate transaction. At the present time we are not aware of how many, if any, actually registered their purchase interest against the title. It would not be unusual that they might register, but that was a decision that the purchasers made.

The big difference is the way in which the deposits were dealt with. Persons who entered into the Joint Venture Agreements have received an allocation of shares. Their deposits were used to fund construction, particularly when the first and second mortgages failed to advance. Those Joint Venture funds have been used.

You continue to insist that somehow Mr. Gaidhar's refusal to provide disclosure about the Joint Venture is not within his purview. We see that as exactly wrong. If we are incorrect, we would like to hear that from a Justice, but we have complied in every fashion with the JV Agreement.

48. With the clear distinction between the JV claimants and the purchaser claimants in mind, we then refer to your statements at paragraph 48. The statement at paragraph 48 is not accurate.

If you continue to conflate JV with purchase, the statement will continue to be inaccurate. And the worst part is that you are publishing this to all of the parties who also follow that example and confuse JV with purchase.

We are encouraging Mr. Gaidhar to release the JV information to you so that at the very least your statements will be accurate and Mr. Gaidhar will not be accused of wrongfully mismanaging the deposits. Properly characterized, the Receiver and the courts will see that the purchase deposits are properly accounted for, as have been the JV deposits.

49. Starting at paragraph 49, you seek to outline the issues raised in the foreclosure by Hillsboro, the Defendants' defence of the same and the Counterclaim filed. However, you focus on the Counterclaim rather than commencing in the right place. The right place is to point out to the court that there is a foreclosure on the \$3,000,000 mortgage but that there has been marshalling on the part of the Plaintiff in order to protect their other two mortgages. At that point the Defence and Counterclaim make sense.

To focus on the Counterclaim without reference to the claim itself is a mischaracterization or an unsupported misrepresentation of the position of the parties.

Even your letter of September 4, 2020 focuses on the Counterclaim.

We have continually asked you, on behalf of the Receiver, to demand a full accounting from Hillsboro.

We have provided our accounting. We believe you have a copy of the same, but you have given it no credence, preferring to accept without reservation the evidence of Hillsboro.

We have not asked the Receiver to pursue this Defence or Counterclaim on behalf of the Gaidhars. In your paragraph iii, you state "there are a number of claims made by the Plaintiffs by Counterclaim which have not been substantiated and which the Receiver would need to work with Mr. Gaidhar to obtain further information or documentation on;..." That is true. You will need additional information.

However, from that point above, you state "however, as you are aware, given that Mr. Gaidhar has not been responsive to the Receiver's previous requests, the Receiver is of the view that it would be extremely difficult, cumbersome and costly to coordinate with Bob Gaidhar if he chooses to pursue the within action". Blaming Mr. Gaidhar for his Defence and his rights to pursue a Counterclaim, seeking to preserve both his economic survival and potential retirement is misdirected.

We are not asking the Receiver to do the heavy lifting on this litigation. We are asking the Receiver to complete the project.

It is apparent that Hillsboro and the other Defendants by Counterclaim are not pursuing this action with any expedience. Their Defence to Counterclaim by BLG was filed back in January 2020 and the Defence to Counterclaim by the other Defendants was only filed in March 2020. Hillsboro has never provided an Affidavit of Records, notwithstanding our Defence. We are preparing our own Affidavit of Records with the anticipation that we would apply for Summary Judgment against Hillsboro.

We are proposing that you adjourn your Application to dismiss or withdraw the Defence and Counterclaim until such time as we have had the opportunity to provide our Affidavit of Records and conduct an examination on the Officers of Hillsboro. If in fact as we believe we can prove, that Hillsboro has not advanced money that they had agreed to provide, their foreclosure action will have a significantly different result than they anticipate.

From a different prospective, we do not believe the Receiver appreciated the gravity of this lawsuit when it agreed to act as Receiver, and we are not asking the Receiver to expend itself in that regard. We have only asked for the Receiver's cooperation in demanding the accounting that we claim.

At the same time, we are asking the Receiver to refrain from acting as the trial judge and unilaterally deciding this case by withdrawing.

You may not be aware, but BLG produced a letter indicating that they were holding a substantial amount of money in their trust account to be applied against the construction and shortly thereafter tried to deny the whole misrepresentation. See attached.

You may have been lulled into some false sense of complacency that Hillsboro has experienced significant damages when in fact they have not advanced the money they agreed to advance in the first place.

If they had advanced the money they agreed to advance, this project would have been completed before the Receiver became involved.

51. At paragraph 51, you note that on March 6th Hillsboro filed a Statement of Defence "refuting the allegations of the Counterclaim..." Hillsboro may have denied the allegations, but they certainly have not provided any evidence refuting the allegations.

We acknowledge that we have not pursued this with the vigour perhaps required. When we learned of your Application in July 2019, we were perhaps lulled into some false sense of security that the intervention of the Receiver would result in the speedy completion of the project with its resultant sale which would clear off all of the encumbrances including Hillsboro. Financially, Ceana Sunridge was not in any position to dispute the appointment of a Receiver. However, it has become more evident that the Receiver is more closely attuned to the wishes of Hillsboro than to the registered owner. But we believe the Receiver has responsibilities to both the owner and the mortgagees.

57 & 61 At paragraph 57, you again address the issue of communication with Mr. Gaidhar, which we have addressed above. We appreciate your concerns, however, the content of paragraph 61 suggests that you are not yet prepared to make full disclosure of Hillsboro's "workbook" outlining Hillsboro's calculation of interest and fees for each of the three mortgage advances.

We recognize that the Receiver requires its fees and disbursements to be paid so that it might continue on until this construction is concluded. As such, we will be indicating to the court to that we do not object the Receiver being paid the fees and disbursements and the amounts that it claims for the conduct of its business.

We are prepared to concede that the Receiver's legal counsel is entitled to being paid its fees and disbursements, but we will be asking the court to reserve to ourselves (Ceana Development Sunridge Inc.) the right to have those legal costs, including fees and disbursements, to be reviewed by a Review Officer of the Court of Queen's Bench. Essentially, the upfront cost will be paid but the fairness of those fees and disbursements is not yet finalized. We know that you are looking for some declaration from the court approving the reasonableness of those fees and disbursements. We believe that your Third Report is inadequate for the purpose of determining the reasonableness of those tariffs.

71. As you state in paragraph 71, the Receiver's counsel accounts will be "made available upon request and are summarized in Appendix L to this Report." Unfortunately, to us as the recipient of your Third Report, the Appendix L is both illegible and does not comply with the Rules relating to solicitor/client accounts.

We attach Mr. Gaidhar's Affidavit from September 26, 2018 which includes the title showing Hillsboro's mortgages, Ceana's accounting, which was never responded to and BLG's letter with representation of funds in their trust account. The existence of the money having been denied.

Finally, in the Third Report, you acknowledge the existence of some form of accounting which you have received from Hillsboro. You state that further review will occur before your next report. Since Ceana Development Sunridge Inc. is still the registered owner of the land, why have you not provided to the owner the proposed accounting which we have been demanding for two years?

We apologize for the lateness of this letter. To delay is partly a result of the logistics of my own quarantine which expires Tuesday at midnight.

We are happy to discuss this with you by telephone.

Yours very truly,
GLENN & CARD LAW LLP


THOMAS F GLENN
Barrister and Solicitor
tfglenn@gclawyers.ca

/tf/cc. client
Enclosures

cc. *Dentons Canada LLP (for Hillsboro)*
Attention: Derek Pontin
Via Email: derek.pontin@dentons.com

Peacock Linder Halt & Mack (for BLG)
Attention: Edward W. Halt, Q.C.
Via Email: ehalt@plhlaw.ca

Vogel Verjee
Attention: Amanda Zalmanowitz
Via Email: azalmanowitz@vogelverjee.com

THIS IS **EXHIBIT "D"** REFERERED TO
IN THE AFFIDAVIT OF

BAHADUR (BOB) GAIDHAR

AFFIRMED BEFORE ME THIS 30TH DAY OF OCTOBER, 2020.



A COMMISSIONER FOR OATHS IN
AND FOR THE PROVINCE OF ALBERTA

TANYA ROSE FERNANDEZ
Commissioner for Oaths in and for
the Province of Alberta
Commission Expires April 20, 2021

DATE AND DESCRIPTION	AMOUNT BLG TRUST	PAID OUT BALANCE	PAID BY	BALANCE	IN FUND RECEIVED	COMMENTS	INTEREST ON BALANCE	IN	FEES	DOC REGISTERED	MYG DATE	AMOUNT	REG #
TOTAL:		\$ 5,232,500.00			\$ 2,746,504.48	Outstanding	\$ 1,277,000.00		\$ 138,025.00			\$ 16,500,000.00	
LOAN PROCEEDS - 2M:													
Mar 12 2017		\$ 3,433,500.00											
Mtg Payent		\$ 3,433,500.00	BLG	\$ 650,000.00		650K mtg payent for Liberty Mtg							
Held back interest reserve		\$ 550,000.00	BLG	\$ 1,200,000.00		550K interest reserve held back							
Balance		\$ 1,233,500.00	BLG	\$ 2,481,350.00									
Apr 12 2017		\$ 1,233,500.00	BLG	\$ 2,481,350.00		Paid to KH							
Apr 12 2017		\$ 60,000.00	BLG	\$ 2,421,350.00		Interest reserve fees							
Apr 12 2017		\$ 200,000.00	BLG	\$ 2,221,350.00		Disbursements							
Balance		\$ 87,500.00	BLG	\$ 2,133,850.00		Balance							
March 22 2017		\$ 107,968.74	BLG	\$ 2,025,881.26		BLG legal							
March 22 2017		\$ 489,931.26	BLG	\$ 1,535,950.00		Paid to KH							
March 22 2017		\$ 489,931.26	BLG	\$ 1,046,018.74		Paid to KH							
Balance of UNDERFUNDING													
TOTAL LOAN		\$ 3,000,000.00											
ADDITIONAL NOT ACCOUNTED FOR													
UNDERFUNDED - INTEREST HB NOT IN TRUST		\$ 17,500.00											
NOT IN TRUST ACCOUNT BLG		\$ 550,000.00											
TOTAL FUNDED		\$ 2,432,500.00											
Total funding													
\$ 2,432,500.00													
LOAN PROCEEDS - 2M:													
Aug 2 2017		\$ 1,300,000.00	ONLY 1.3 M WAS PUT INTO THE TRUST ACCOUNT THEREFORE 700,000 SHORT										
Aug 2 2017 - Payent		\$ 150,000.00	BLG	\$ 150,000.00		150K Alpha Steel							
Aug 2 2017 - Payent		\$ 100,000.00	BLG	\$ 250,000.00		100K Kason							
Aug 2 2017 - Payent		\$ 300,000.00	BLG	\$ 550,000.00		PT Commercial 200K							
Aug 2 2017 - Payent		\$ 841,543.00	BLG	\$ 1,391,543.00		100K Primary Engineering							
Aug 2 2017 - Payent		\$ 651,999.97	BLG	\$ 2,043,542.97		KH Quarry Insurance and fees							
Balance of funding		\$ 648,000.00	BLG	\$ 2,691,542.97									
August 18 2017		\$ 1,291,999.97	BLG	\$ 1,399,543.00		HB interest reserve (20K alpha)							
August 18 2017		\$ 1,291,999.97	BLG	\$ 2,687,543.03		HB interest reserve							
Sept 12 2017		\$ 8,000.00	BLG	\$ 2,695,543.03		BLG legal							
Balance of funding		\$ 94,499.97	BLG	\$ 2,789,543.00		Balance of funding							
Oct 6 2017		\$ 100,000.00	BLG	\$ 2,889,543.00		Paid to KH							
Oct 10 2017		\$ 167,000.00	BLG	\$ 3,056,543.00		Paid to KH							
Oct 12 2017		\$ 39,500.00	BLG	\$ 3,096,043.00		Paid to KH							
Balance of UNDERFUNDING													
\$ 689,999.97													
UNDERFUNDED													
TOTAL LOAN		\$ 2,000,000.00											
NOT FUNDED - NOT DEPOSITED IN TRUST		\$ 689,999.97											
NOT IN TRUST ACCOUNT BLG		\$ 1,300,000.00											
TOTAL FUNDED		\$ 1,300,000.00											
Total funding													
\$ 1,300,000.00													
STOCK FUNDED FROM THE 2.4 M DEPOSIT HOWEVER 2M SHOULD HAVE BEEN DEPOSITED INTO TRUST ACCOUNT IN FIRST PLACE AND THEN 2M WORTH OF DISBURSEMENTS TO OFFSET. STILL MONEY IN THERE THAT SHOULD NOT HAVE BEEN FUNDED AS FOLLOWS													
DEPOSIT		\$ 2,441,522.48											
TOTAL		\$ 2,441,522.48											
FROM ABOVE		\$ 2,000,000.00											
REMAINING		\$ 441,522.48											
TO NEGOTIATING		\$ 501,324.00											
TOTAL		\$ 1,499,997.19											
SHOULD NOT BE THERE AS MORTGAGE DOC SIGNED IN NOV 2017													
LOAN PROCEEDS - 1.5M:													
Nov 7 2017		\$ 1,500,000.00	IN TRUST ACCOUNT BUT ADVANCED BEFORE DOC SIGNED AND BY MISREPRESENTATION TO FASTTRACK										
Nov 7 2017 - Payent		\$ 202,500.00	BLG	\$ 202,500.00		Interest reserve							
Nov 7 2017 - Payent		\$ 27,500.00	BLG	\$ 230,000.00		Liberty and Philcores fees							
Nov 7 2017 - Payent		\$ 281,125.00	BLG	\$ 511,125.00		Specific lender fees							
Balance		\$ 1,216,875.00				Total							
Nov 7 2017 - Payent		\$ 425,300.40	BLG	\$ 756,399.40		Paid to KH							
Apr 12 2018		\$ 4,156.96	BLG	\$ 760,556.36		BLG legal							
May 31 2018		\$ 18,076.57	BLG	\$ 778,632.93		BLG legal							
Sept 7 2018		\$ 3,209.56	BLG	\$ 781,842.49		BLG legal							
Balance of UNDERFUNDING													
\$ 759,227.52													
UNDERFUNDED													
TOTAL LOAN		\$ 1,500,000.00											
NOT FUNDED		\$ 759,227.52											
NOT IN TRUST ACCOUNT NOT GIVEN		\$ 740,772.48											
TOTAL FUNDED		\$ 740,772.48											
Total funding													
\$ 740,772.48													
UNDERFUNDED													
LOAN		\$ 2,026,727.48											
FUNDED		\$ 5,232,500.00											
TOTAL		\$ 7,259,227.48											
LOAN PRINCIPLE		\$ 6,500,000.00											
FUNDED		\$ 4,473,272.52											
UNDERFUNDED		\$ 2,026,727.48											
EXCESSIVE/INCORRECT FEES		\$ 650,125.00											

Aug 6 2017
2M mortgage registered under Sunridge

Aug 6 2017
2M mortgage registered under Sunridge

Aug 6 2017
2M mortgage registered under Sunridge

Aug 6 2017
2M mortgage registered under Sunridge

Aug 6 2017
2M mortgage registered under Sunridge

Aug 6 2017
2M mortgage registered under Sunridge

Nov 22 2017
1.5M mortgage registered under Sunridge

Nov 22 2017
1.5M mortgage registered under Sunridge

Nov 22 2017
1.5M mortgage registered under Sunridge

Nov 22 2017
1.5M mortgage registered under Sunridge

Nov 22 2017
1.5M mortgage registered under Sunridge

Nov 22 2017
1.5M mortgage registered under Sunridge

Nov 22 2017
2M mortgage registered under Council

Nov 22 2017
2M mortgage registered under Council

Nov 22 2017
2M mortgage registered under Council

Nov 22 2017
2M mortgage registered under Council

Nov 22 2017
2M mortgage registered under Council

Nov 22 2017
2M mortgage registered under Council

June 6 2018
8.5M mortgage registered under Council

June 6 2018
8.5M mortgage registered under Council

June 6 2018
8.5M mortgage registered under Council

June 6 2018
8.5M mortgage registered under Council

June 6 2018
8.5M mortgage registered under Council

June 6 2018
8.5M mortgage registered under Council

EVIDENCE OF MARGELLING AS ONLY KIM WENT TO KH DUNNLEY AND EVEN THAT WAS DIRECTED FOR SPENDING FOR THEM AND NOT GIVEN AUTHORITY TO PAY AS NEEDED

RECONCILIATION OF OVERALL INTEREST OWING VERSUS INTEREST PAID BY DATE

DESCRIPTION	MONEY OUT	MONEY IN	ROLLING BALANCE	DIFFERENCE AND COMMENTS	
TOTALS AND DIFFERENCE	\$ 1,177,153.48	\$ 1,177,000.00		\$	153.48
OPENING BALANCE OF INTEREST RESERVE		\$ 550,000.00	\$ 550,000.00	JAN 12 2017 3M LOAN (SEE BLG PAGE3)	
INTEREST LOAN 3M TOTAL PER OUR CALC (FEB TO JULY)	\$ 193,402.50		\$ 356,597.50		
FEES PER OUR CALC 3M	\$ -		\$ 356,597.50	Taken from BLG trust (see accounting)	
ADDITIONAL 2 M LOAN INTEREST RESERVE HOLDBACK		\$ 330,000.00	\$ 686,597.50	640K less alpha Steel - AUG 18 2017 (SEE BLG PAGE 16)	
ADDITIONAL 2 M LOAN INTEREST RESERVE HOLDBACK		\$ 94,500.00	\$ 781,097.50	Sept 1 2017 (SEE BLG PAGE 17)	
INTEREST LOAN 3M TOTAL PER OUR CALC (AUG TO OCT)	\$ 110,250.00		\$ 670,847.50		
INTEREST LOAN 2M TOTAL PER OUR CALC (AUG TO OCT)	\$ 55,075.50		\$ 615,772.00		
FEES PER OUR CALC 2M	\$ 0		\$ 615,772.00		
ADDITIONAL 1.5M LOAN INTEREST RESERVE HOLDBACK		\$ 202,500.00	\$ 818,272.00	NOV 3 2017 (SEE PG 26 BLG TRUST)	
INTEREST LOAN 3M TOTAL PER OUR CALC (NOV TO OCT 2018)	\$ 441,000.00		\$ 377,272.00		
INTEREST LOAN 2M TOTAL PER OUR CALC (NOV TO OCT 2018)	\$ 283,590.00		\$ 93,682.00		
INTEREST LOAN 1.5M TOTAL PER OUR CALC (NOV TO OCT 2018)	\$ 93,835.48		\$ -	153.48	
			\$ -	153.48	

COMMENTS:

THERE WAS NEVER A POINT WHERE CEANA WAS IN DEFAULT OR NEEDED ADDITIONAL FUNDING.

DAVID T. MADSEN, Q.C.
T 403-232-9612
F 403-266-1395
dmadsen@blg.com
file no : 443707-06

Borden Ladner Gervais LLP
Centennial Place, East Tower
1900, 520 - 3rd Ave SW
Calgary, AB, Canada T2P 0R3
T 403.232.9500
F 403.266.1395
blg.com



DELIVERED BY EMAIL

September 24, 2018

Low, Glenn & Card LLP
100, 2886 Sunridge Way NE
Calgary, Alberta T1Y 7H9

Attention: Thomas Glenn

Dear Sir:

Re: Foreclosure by Hillsboro Ventures Inc. ("Hillsboro")

We are writing to you in response to your letter dated September 12, 2018.

We confirm that Borden Ladner Gervais LLP ("BLG" or "we") acted for Hillsboro in connection with the loan advances to Ceana Development Sunridge Inc. ("Ceana") pursuant to the three mortgages registered on behalf of Hillsboro.

As per your request, please find enclosed:

\$3,000,000.00 Loan

- (a) Statement of Disbursement of Funds (advance date January 12, 2017);
- (b) BLG Trust Detail with respect to (a) above;
- (c) Statement of Disbursement of Funds (advance date March 2, 2017);
- (d) BLG Trust Detail with respect to (c) above; and
- (e) BLG Trust Letter to KH Dunkley Law Group dated March 2, 2017.

\$2,000,000.00 Loan

- (a) Statement of Disbursement of Funds (various advance dates);
- (b) BLG Trust Detail with respect to (a) above;
- (c) BLG Trust Letter to KH Dunkley Law Group dated August 2, 2017;
- (d) Copy of cheque to Alpha Steel Builders Inc. issued by Hillsboro dated July 11, 2017;
- (e) BLG Letter to Hillsboro dated August 18, 2017 for prepaid interest, fees and payment of Alpha Steel Builders Inc. (\$640,000.00);
- (f) BLG Letter to Hillsboro dated September 1, 2017 (\$94,500.00) for prepaid interest;

- (g) BLG Trust Letter to KH Dunkley Law Group dated October 6, 2017;
- (h) BLG Trust Letter to KH Dunkley Law Group dated October 10, 2017; and
- (i) BLG Trust Letter to KH Dunkley Law Group dated October 17, 2017.

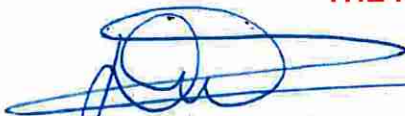
\$1,500,000.00 Loan

- (a) Statement of Disbursement of Funds (November 7, 2017);
- (b) BLG Trust Detail with respect to (a) above. As of September 18, 2018, we confirm that we are holding \$759,227.51 in our account;
- (c) BLG Trust Letter to KH Dunkley Law Group dated November 7, 2017; and
- (d) BLG Letter to Hillsboro dated November 3, 2017 (funds representing broker fees, management fees and prepaid interest).

With respect to the letter dated August 25, 2017 (the "**Letter**") from BLG and addressed to Fast Track Development ("**Fast Track**"), we advised Fast Track that BLG was holding \$2,440,000.00 in our trust account on behalf of Hillsboro to be used only for the purpose of the development of the Project (as defined therein) and no other uses. We refer you to document (b) under the \$2,000,000.00 loan and the line item dated August 29, 2017 evidencing that BLG had \$2,449,524.16 in our trust account on this matter. In response to your query as to an explanation why those funds were not available when requested, our statement in the Letter was a confirmation of factual information. Under the Letter, BLG had no obligation to advance funds directly to Fast Track or to Ceana.

Yours truly,

BORDEN LADNER GERVAS



DAVID T. MADSEN

assistant: Chris Moggert
direct line: 403.232.9604
/encs

**WAS NOT IN THE TRUST ACCOUNT AND THERE WAS NO REASON
FOR THESE FUNDS TO BE IN HERE AS THEY DONT CORRESPOND TO
THE REPORTS OR TRUST**

BORDEN LADNER GERVAIS LLP

STATEMENT OF DISBURSEMENT OF FUNDS

OUR FILE: 440221-04A TM
LENDER: HILLSBORO ENTERPRISES INC.
BORROWER: CEANA DEVELOPMENTS SUNRIDGE INC.
PROPERTY: 2255 - 32 Street NE, Calgary

**THIS WAS NEVER PUT INTO
THE TRUST ACCOUNT AT
BLG THEREFORE THIS WAS
NOT ACCOUNTED FOR
FROM THEM IN THE TRUST
ACCOUNT BUT ONLY THEIR
REPORTS**

FIRST AND FINAL ADVANCE - Date: January 12, 2017

PRINCIPAL AMOUNT OF LOAN:	\$3,000,000.00
Withheld by Lender re. 2 nd Mortgage Funded	\$650,000.00
Withheld by Lender for interest on amendment and new mortgage	\$550,000.00
TOTAL FUNDS RECEIVED:	<u>\$1,800,000.00</u>

DISBURSED HEREWITH:

Withheld for legal fees & disbursements	\$8,450.00
Paid KH Dunkley Law Group – in trust	\$1,231,350.00
Withheld re. holdback until final documents	\$500,000.00
Withheld for payment of broker fees	\$60,000.00
Withheld for final disbursements	<u>\$200.00</u>

TOTAL DISBURSED THIS ADVANCE: \$1,800,000.00

E. & O.E.

Borden Ladner Gervais LLP

Trust Detail

Printed: 9/19/2018 10:58 AM ET
Report: trt06

Page 1

Client/Matter/Trust

Tran Date Hold Date

Next Compound Date

Balance

Amount

GIC

Amount Type

440221 Hillsboro Enterprises Inc.

000004 Ceana Development Sunridge Inc.

Canadian Dollars

CDN

Trust Id #4520 CAL - RBC \$CDN Trust (CT05)

Payor: CC CIBC BD/ Hillsboro Enterprises Inc., Cheque Number: 267788016, Cheque Date: 04/12/16, CC CIBC BD/ Hillsboro Enterprises Inc Re: Mortgage proceeds

Payor: NC Liberty Mortgage Corp., Cheque Number: 254, Cheque Date: 04/11/16, NC Liberty Mortgage Corp Re: legal retainer

Payee: KH Dunkley Law Group, Cheque Number: 52019771, Cheque Date: 04/29/16, TM Loan Advance

Payee: Hillsboro Enterprises Inc., Cheque Number: 52019773, Cheque Date: 05/02/16, TM Lender's fee

Payee: Hillsboro Enterprises Inc., Cheque Number: 52019774, Cheque Date: 05/02/16, TM Prepaid interest

Payee: Borden Ladner Gervais LLP, Cheque Number: 52019797, Cheque Date: 05/06/16, To transfer funds to general account to pay invoice 697335396

Payee: Borden Ladner Gervais LLP, Cheque Number: 52020568, Cheque Date: 11/18/16, Transfer to general account to pay invoice # 697397106

Payor: CC CIBC Draft (Hillsboro Enterprises Inc., Cheque Number: 275201002, Cheque Date: 01/09/17, CC CIBC Draft (Hillsboro Enterprises Inc.) Re: Mortgage Proceeds

Payee: KH Dunkley Law Group - in trust, Cheque Number: 52020849, Cheque Date: 01/12/17, TM Loan Advance

Payee: Yorkfield Financial Corporation, Cheque Number: 52020860, Cheque Date: 01/13/17, TM Broker Fee (50)

Payee: Liberty Mortgage Services Ltd, Cheque Number: 52020861, Cheque Date: 01/13/17, TM Broker fee (50)

TR FR 440221/000004 to 443707/000001 transfer money as it will be disbursed from the other file

Payee: Ceana Development Sunridge Inc., Cheque Number: 52021090, Cheque Date: 03/09/17, TM Balance of funds in trust

Payee: Borden Ladner Gervais LLP, Cheque Number: 52021091, Cheque Date: 03/10/17, To transfer funds to general account to pay invoice 697438485

Payee: Ceana Development Sunridge Inc., Cheque Number: 52021090, Cheque Date: 11/09/17, Stale Dated Cheque Cancellation

Payee: Ceana Development Sunridge Inc., Cheque Number: 52022085, Cheque Date: 11/13/17, PM Balance in trust - re: issuing of stale dated cheque

Payee: Ceana Development Sunridge Inc., Cheque Number: 52022085, Cheque Date: 05/12/18, Stale Dated Cheque Cancellation

630,000.00	630,000.00	
2,500.00	632,500.00	
-567,670.43	64,829.57	
-31,500.00	33,329.57	
-27,300.00	6,029.57	
-5,977.96	51.61	
-51.61	0.00	
1,800,000.00	1,800,000.00	
-1,231,350.00	568,650.00	
-30,000.00	538,650.00	
-30,000.00	508,650.00	
-500,000.00	8,650.00	
-210.65	8,439.35	
-8,439.35	0.00	
210.65	210.65	
-210.65	0.00	
210.65	210.65	

Borden Ladner Gervais LLP
Trust Detail

Client/Matter/Trust

Tran Date Hold Date

Next Compound Date

Amount Type

GIC

Amount

Balance

Total for Trust Id #4520 CAL - RBC \$CDN Trust (CT05)

Trust Total 210.65

Held Amount 0.00

Available Amount 210.65

Total Canadian Dollars

Trust Total 210.65

Held Amount 0.00

Available Amount 210.65

Summary

Trust Currency

Canadian Dollars:

Trust Total

\$210.65

Held Amount

\$0.00

Available Amount

\$210.65

BORDEN LADNER GERVAIS LLP

STATEMENT OF DISBURSEMENT OF FUNDS

OUR FILE: 443707-01 TM
 LENDER: HILLSBORO VENTURES INC.
 BORROWER: CEANA DEVELOPMENTS SUNRIDGE
 PROPERTY: 443707-01

FIRST AND FINAL ADVANCE - Date: March 2, 2017

PRINCIPAL AMOUNT OF LOAN:

Less previously advanced on January 12, 2017

Less amount withheld by Lender for interest amendment and new mortgage

Less amount withheld by Lender to payout Hillsboro Enterprises mortgage

TOTAL FUNDS RECEIVED:

**THIS WAS NEVER PUT
 INTO THE TRUST
 ACCOUNT AT BLG
 THEREFORE THIS WAS
 NOT ACCOUNTED FOR
 FROM THEM IN THE
 TRUST ACCOUNT BUT
 ONLY THEIR REPORTS**

\$3,000,000.00
 (\$1,300,000.00)

(\$550,000.00)

(\$650,000.00)

\$500,000.00

DISBURSED HERewith:

Paid BLG legal fees & disbursements

Paid KH Dunkley Law Group - in trust - net mortgage proceeds

Withheld for final disbursements

\$10,768.74

\$489,031.26

\$200.00

0. * USED THIS ADVANCE:

\$500,000.00

0. *

3,000,000.00 +

1,300,000.00 -

550,000.00 -

650,000.00 -

500,000.00

500,000.00 *+

500,000.00 +

10,768.74 -

200.00 -

489,031.26

489,031.26 *+

0. *

0. *

0. *

Report: trt06

Trust Detail

Client/Matter/Trust

Tran Date Hold Date

Amount Type

GIC

Amount

Balance

Next Compound Date

443707 Hillsboro Ventures Inc.

000001 Ceana Developments Sunridge

Canadian Dollars

CDN

Trust Id #4520 CAL - RBC \$CDN Trust (CT05)

3/2/2017 TR FR 440221/0000004 to 443707/0000001 transfer money as it will be disbursed from the other file Principal 500,000.00 500,000.00

3/2/2017 Payee : KH Dunkley Law Group - in trust , Cheque Number: 52021075 , Cheque Date: 03/02/17 , TM Net Mortgage Proceeds Principal -489,031.26 10,968.74

3/10/2017 Payee : Borden Ladner Gervais LLP , Cheque Number: 52021091 , Cheque Date: 03/10/17 , To transfer funds to general account to pay invoice 697437219 Principal -10,768.74 200.00

Total for Trust Id #4520 CAL - RBC \$CDN Trust (CT05)

Trust Total 200.00
Held Amount 0.00

Available Amount 200.00

Total Canadian Dollars

Trust Total 200.00
Held Amount 0.00

Available Amount 200.00

Summary

Trust Currency

Canadian Dollars:

Trust Total \$200.00

Held Amount \$0.00

Available Amount \$200.00

Travis McArthur
Direct tel.: (403) 232-9720
e-mail: tmcArthur@blg.com

Borden Ladner Gervais LLP
Centennial Place, East Tower
1900, 520 - 3rd Ave SW
Calgary, AB, Canada T2P 0R3
T 403.232.9500
F 403.266.1395
blg.com



File No. 443707-01

March 2, 2017

KH Dunkley Law Group
20, 1915 - 32nd Avenue N.E.
Calgary, AB T2E 7C8

Attention: Khalil Haji

Dear Sir:

Re: Loan to CEANA DEVELOPMENT SUNRIDGE INC. by HILLSBORO VENTURES
INC.
\$3,000,000.00

We enclose herewith our firm trust cheque in the sum of \$489,031.26 representing the net mortgage proceeds as detailed in the attached Statement of Disbursement of Mortgage Funds.

The enclosed funds are sent to you on the trust condition that within a reasonable period of time you will provide us with proof of payment of all outstanding property taxes, arrears and penalties, if any, with respect to the property including property taxes levied in 2016. ✓

If you are unable to accept the above trust conditions, you are to return the enclosed cheque to the writer forthwith.

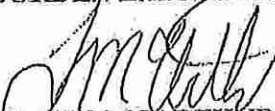
Note that the enclosed funds are not releasable until we confirm that the Certificate of Insurance is acceptable.

We have withheld the sum of \$200.00 in anticipation of final disbursements and will provide you with our statement of account in due course.

We confirm our undertaking that we will discharge LTO Registration Nos. 161 114 539-40 and 171 023 796 as well as PPR Registration no. 16042644218 and will provide you with a Certificate of Title and PPR Discharge Notice in due course.

Yours truly,

~~BORDEN LADNER GERVAIS LLP~~


TRAVIS MCARTHUR
/cb

paralegal: Cecilia Brandao
direct line: 403.232.9524
e-mail: cbrandao@blg.com

CAL01-#2185926-v1-mORTGAGE_DISB_JETTER_- 443707-01

BORDEN LADNER GERVAIS LLP

STATEMENT OF DISBURSEMENT OF FUNDS

OUR FILE: 443707-04

LENDER: Hillsboro Ventures Inc.

BORROWER: Ceana Development Sunridge Inc.

PROPERTY: 2255-32 Street NE, Calgary

ACCOUNTING BY BLG IS INCORECT AS THERE SHOULD HAVE BEEN 2M INTO THE TRUST AND THEN THE PAYMENTS TO ALPHA SEE BLG PG 13) STEEL KASON/FT/PRIMARY / LEGAL = 1.3 NET AND NOT GROSS - (SEE BLG PG 13) THIS SHOULD BE 2M

CHEQUE RECEIVED FROM HILLSBORO VENTURES INC. - Mortgage Proceeds - July 12, 2017 \$1,300,000.00

TRANSER FROM NEOTRIC ENTERPRISES INC. FILE- August 29, 2017 \$2,441,524.16

CHEQUE RECEIVED FROM HILLSBORO VENTURES INC. - Mortgage Proceeds - September 8, 2017 \$260,000.00

Not mortgage amounts this should not have been here

TOTAL FUNDS RECEIVED:

\$4,001,524.16

Not mortgage amounts this should not have been here

AMOUNTS DISBURSED:

ONLY ITEM THAT SHOULD HAVE BEEN ON THIS REPORT IS 2M IN AND 2M DISBURSED OUT NONE OF THE

SHOULD HAVE EVER BEEN HERE AND DEPOSITED TO THE TRUST ACCOUNT AS A (DOUBLE COUNTED SHOULD BE OFF 2M LOAN) - (SEE BLG PG 13) FOR. THIS WAS A CLEAR MISREPRESENTATION TO MAKE FT BELIEVE THERE WAS A MONVLE COUNTE SHOLD BE OFF 2M LOAN) - (SEE BLG PG 13)

BY THE LETTER THAT WAS WRITTEN TO FT BEFORE THESE FUNDS WERE EVER IN THE ACCOUNT

August 1, 2017 - Disbursement of	\$150,000.00
August 3, 2017 - Disbursement of	\$100,000.00
August 3, 2017 - Disbursement of	\$300,000.00
August 3, 2017 - Disbursement of	\$99,584.17
August 18, 2017 - Paid KH Dunkley Law Group - in trust - disbursement of loan proceeds	\$10,113.00
August 18, 2017 - Paid Hillsboro Ventures Inc. - Prepaid interest fee	\$100,000.00 - (SEE BLG PG 13)
September 1, 2017 - PAID Hillsboro Ventures Inc. - Prepaid Interest, Fees, etc.	\$94,500.00
September 19, 2017 - PAID Borden Ladner Gervais LLP - Transfer Funds to General Account to pay Invoice 697499913	\$8,000.00
October 6, 2017 - PAID KH Dunkley Law Group - in trust - Loan Advance	\$100,000.00

October 10, 2017 - PAID KH Dunkley Law Group – in trust – Loan Advance	\$167,000.00
October 17, 2017 - PAID KH Dunkley Law Group – in trust – Loan Advance	\$338,500.00
TOTAL DISBURSED:	<u>\$2,000,000.00</u>
October 20, 2017 – Paid to Neotric Enterprises Inc. for excess funds in our trust account	\$501,524.16
Transfer of funds to matter 03 – third loan to Ceana	<u>\$1,500,000.00</u>
Total Disbursed	\$4,001,524.16

E. & O.E.

**MTG NOT SIGNED
TILL NOV 1 2017
WHY MONEY IN ACCOUNT????**

It is like they advanced the trust account with other money to pay their bills and make fasttrack do work and then did a mtg after the fact to recoup funding. This was not a mortgage that ceana was advanced because the next mtg was in Oct. Ceana never authorized this to be done on their behalf. The loaned the trust account \$ to cover their interest. This money from Neotric should never have been advanced as this is not CEANA money or the three mtgs. Again HB took this on themselves to make these decisions.

Borden Ladner Gervais LLP

Page 1

Printed: 9/13/2018 4:27 PM ET
Report: tr06

Trust Detail

Client/Matter/Trust	Tran Date	Hold Date	Amount Type	GIC	Amount	Balance	Next Compound Date
443707 Hillsboro Ventures Inc.							
000004 Ceana Development Sunridge Inc. (second							
Canadian Dollars							
Trust Id #4520 CAL - RBC SCDN Trust (CT05)							
7/12/2017	7/19/2017		Payor: NC Hillsboro Ventures Inc. , Cheque Number: 000313 , Cheque Date: 07/04/17 , NC Hillsboro Ventures Inc. re: Mortgage proceeds	Principal	1,300,000.00	1,300,000.00	
8/2/2017			Payee : KH Dunkley Law Group - in trust , Cheque Number: 52021670 , Cheque Date: 08/02/17 , TM re: Net Mortgage proceeds	Principal	-652,000.00	648,000.00	
8/2/2017			Payee : KH Dunkley Law Group - in trust , Cheque Number: 52021670 , Cheque Date: 08/02/17 , Check Cancellation - to re-issue	Principal	652,000.00	1,300,000.00	
8/3/2017			Payee : Alpha Steel Inc. , Cheque Number: 52021671 , Cheque Date: 08/03/17 , TM Disbursement of Loan Proceeds	Principal	-150,000.00	1,150,000.00	
8/3/2017			Payee : Kason Excavating , Cheque Number: 52021672 , Cheque Date: 08/03/17 , TM Disbursement of Loan Proceeds	Principal	-100,000.00	1,050,000.00	
8/3/2017			Payee : Fast Track Commercial Inc. , Cheque Number: 52021673 , Cheque Date: 08/03/17 , TM Disbursement of Loan Proceeds	Principal	-300,000.00	750,000.00	
8/3/2017			Payee : Primary Engineering and Construction Corp. , Cheque Number: 52021674 , Cheque Date: 08/03/17 , TM Disbursement of Loan Proceeds	Principal	-93,584.17	656,415.83	
8/3/2017			Payee : KH Dunkley Law Group , Cheque Number: 52021675 , Cheque Date: 08/03/17 , TM Disbursement of Loan Proceeds	Principal	-8,415.83	648,000.00	
8/18/2017			Payee : Hillsboro Ventures Inc. , Cheque Number: 52021734 , Cheque Date: 08/18/17 , TM Prepaid Interest, Fees, Etc.	Principal	-640,000.00	8,000.00	
8/29/2017			TR FR 444103/000001 to 443707/000004 money will be disbursed on file 443707/000004 pursuant to instructions from client	Principal	2,441,524.16	2,449,524.16	
9/1/2017			Payee : Hillsboro Ventures Inc. , Cheque Number: 52021790 , Cheque Date: 09/01/17 , TM re: Lender Fees	Principal	-94,500.00	2,355,024.16	
9/1/2017			Payee : Hillsboro Ventures Inc. , Cheque Number: 52021790 , Cheque Date: 09/01/17 , Wrong description on the cheque; to be reissued	Principal	94,500.00	2,449,524.16	
9/1/2017			Payee : Hillsboro Ventures Inc. , Cheque Number: 52021791 , Cheque Date: 09/01/17 , TM re: Prepaid Interest, Fees, etc.	Principal	-94,500.00	2,355,024.16	
9/1/2017	9/8/2017		Payor: NC Hillsboro Ventures Inc. , Cheque Number: 000319 , Cheque Date: 08/28/17 , NC Hillsboro Ventures Inc. re: Mortgage proceeds	Principal	260,000.00	2,615,024.16	
9/19/2017			Payee : Borden Ladner Gervais LLP , Cheque Number: 52021864 , Cheque Date: 09/19/17 , To transfer funds to general account to pay invoice 697499913	Principal	-8,000.00	2,607,024.16	
10/6/2017			Payee : KH Dunkley Law Group - in trust , Cheque Number: 52021932 , Cheque Date: 10/06/17 , TM Loan Advance	Principal	-100,000.00	2,507,024.16	
10/10/2017			Payee : KH Dunkley Law Group - in trust , Cheque Number: 52021937 , Cheque Date: 10/10/17 , TM Loan Advance	Principal	-167,000.00	2,340,024.16	

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Borden Ladner Gervais LLP
Trust Detail

Client/Matter/Trust	Tran Date	Hold Date	Amount Type	GIC	Amount	Balance	Next Compound Date
	10/16/2017		Payee : KH Dunkley Law Group - in trust , Cheque Number: 52021965 , Cheque Date: 10/16/17 , TM Advance of funds	Principal	-300,000.00	2,040,024.16	
	10/17/2017		Payee : KH Dunkley Law Group - in trust , Cheque Number: 52021967 , Cheque Date: 10/17/17 , TM Advance of funds	Principal	-338,500.00	1,701,524.16	
	10/17/2017		Payee : KH Dunkley Law Group - in trust , Cheque Number: 52021965 , Cheque Date: 10/17/17 , check cancellation - issued for wrong amount	Principal	300,000.00	2,001,524.16	
	10/18/2017		Moeny will be disbursed on the other file 443707-05	Principal	-1,500,000.00	501,524.16	
	10/20/2017		Payee : Neotric Enterprises Inc. , Cheque Number: 52021980 , Cheque Date: 10/20/17 , TM Return of excess trust funds	Principal	-501,524.16	0.00	
Total for Trust Id #4520 CAL - RBC \$CDN Trust (CT05)							
				Trust Total	0.00		
				Held Amount	0.00		
				Available Amount	0.00		
Total Canadian Dollars				Trust Total	0.00		
				Held Amount	0.00		
<div>THIS WAS NOT OUR LOAN AND THIS MONEY SHOULD NOT HAVE BEEN IN THE TRUST ACCOUNT IN THE FIRST PLACE</div>							
Summary							
Trust Currency				Trust Total	Held Amount	Available Amount	
Canadian Dollars:				\$0.00	\$0.00	\$0.00	

EAI
DO

Travis McArthur
Direct.tel.: (403) 232-9720
e-mail: tmcArthur@blg.com



File No. 443707-04

August 2, 2017

KH Dunkley Law Group
20, 1915 – 32nd Avenue N.E.
Calgary, AB T2E 7C8

Attention: Khalil Haji

Dear Sir:

Re: Loan to CEANA DEVELOPMENT SUNRIDGE INC. by HILLSBORO VENTURES INC.

\$2,000,000.00

2M - 652K = \$1,348,000 THAT SHOULD BE IN TRUST ACCOUNT

We enclose herewith our firm trust cheque in the total sum of \$652,000.000 representing the net mortgage proceeds, broken out as follows:

Alpha Steel Inc. .	\$150,000.00
Kason Excavating	\$100,000.00
Fast Track Commercial Inc.	\$300,000.00
Primary Engineering and Construction Corp.	\$93,584.17
KH Dunkley Law Group	\$8,415.83

The enclosed funds are sent to you on the trust condition that:

1. You provide the enclosed cheques to an officer of the Borrower (other than the cheque made payable to KH Dunkley Law Group) and advise such officers to pay the respective contractor; and
2. You ensure that title insurance policy no. 170728001418 is in place and that you have a mortgage and are free to utilize same, and you have submitted the same for registration and in due course you provide us a copy of the title(s) evidencing the Mortgage and our Caveat as registered.


If you are unable to accept the above trust conditions, you are to return the enclosed cheque to the writer forthwith.



We will provide our Statement of funds received and advanced via email.

Yours truly,

BORDEN/LADNER GERV AIS LLP


TRAVIS MCARTHUR
/nl

paralegal: Na Lu
direct line: 403.232.9671
e-mail: nlu@blg.com

000315

HILLSBORO VENTURES INC.
927 7A STREET N.W.
CALGARY, ALBERTA T2M 3J4

DATE 2017-07-11
Y Y Y Y M M D D

PAY to the order of ALPHA STEEL BUILDERS INC \$ 310,000.00
THREE HUNDRED TEN THOUSAND DOLLARS - 00/100 DOLLARS

CIBC CANADIAN IMPERIAL BANK OF COMMERCE
MOUNT ROYAL
1222 - 17TH AVE. S.W.
CALGARY, ALBERTA T2T 0B8

HILLSBORO VENTURES INC.

RE Cash/Drawn/Em PER R. J. J. J.

⑈000315⑈ ⑆00209⑈010⑆ 47⑈01712⑈

PART OF THE CHEQUE THAT WAS DISBURSED TO HB THEREFORE THIS IS NOT ADDITIONAL FUNDING. THIS WAS CLEAR THROUGH THE HAND WRITTEN REPORT PROVIDED TO US.

ALSO FURTHER DOCUMENTED BELOW

Travis McArthur
T (403) 232-9720
F (403) 266-1395
tcarthur@blg.com

Borden Ladner Gervais LLP
Centennial Place, East Tower
1900, 520 - 3rd Ave SW
Calgary, AB, Canada T2P 0R3
T 403.232.9500
F 403.266.1395
blg.com

File No.: 443707/04

August 18, 2017

HILLSBORO VENTURES INC.
927-7A Street N.W.
Calgary, Alberta T2M 3J4

Attention: Keith Ferrel

Dear Sirs:


Re: Loan to CEANA DEVELOPMENT SUNRIDGE INC.
\$2,000,000.00
PLAN 9811891
BLOCK 8
LOT 1
~~EXCEPTING THEREOUT ALL MINES AND MINERALS~~

With respect to the above, we enclose our trust cheque in the amount of \$640,000.00 representing the release of the prepaid interest, fees and advance Alpha Steel.

We trust the enclosed to be satisfactory. We will send a copy of our invoice once all the disbursements have been posted.

Yours truly,

BORDEN LADNER GERVAYS LLP


Travis McArthur
Enclosures
TMcb

Legal Assistant: Cecilia Brandao
Email: cbrandao@blg.com
Direct Line: 403-232-9524

Travis McArthur
T (403) 232-9720
(403) 266-1395
tmcArthur@blg.com

Borden Ladner Gervais LLP
Centennial Place, East Tower
1900, 520 - 3rd Ave SW
Calgary, AB, Canada T2P 0R3
T 403.232.9500
F 403.266.1395
blg.com



File No.: 443707/04

September 1, 2017

HILLSBORO VENTURES INC.
927-7A Street N.W.
Calgary, Alberta T2M 3J4

Attention: Keith Ferrel

Dear Sirs:

Re: Loan to CEANA DEVELOPMENT SUNRIDGE INC.
PLAN 9811891
BLOCK 8
LOT 1
EXCEPTING THEREOUT ALL MINES AND MINERALS

With respect to the above, we enclose our trust cheque in the amount of \$94,500.00 representing the prepaid interest on this loan.

We trust the enclosed to be satisfactory.

Yours truly,

BORDEN LADNER GERVAIS LLP

A handwritten signature in dark ink, appearing to read 'T. McArthur', is written over the printed name of Travis McArthur.

Travis McArthur
Enclosures
TMcb

Legal Assistant: Cecilia Brandao
Email: cbrandao@blg.com
Direct Line: 403-232-9524

Travis McArthur
Direct tel.: (403) 232-9720
e-mail: tmcArthur@blg.com

Borden Ladner Gervais LLP
Centennial Place, East Tower
1900, 520 Third Avenue S.W.
Calgary, AB, Canada T2P 0R3

File No: 443707.4 TM

October 6, 2017

KH Dunkley Law Group
20, 1915 – 32nd Avenue N.E.
Calgary, AB T2E 7C8

Attention: Khalil Haji

Dear Sir:

Re: Loan to CEANA DEVELOPMENT SUNRIDGE INC. by HILLSBORO VENTURES INC.

With respect to the above noted matter, we enclose the following:

1. A Land Titles Postponement executed by Hillsboro Ventures Inc. (the "Postponement"). You are authorized to insert the Connect First Credit Union registration particulars once known; and
2. Our firm's trust cheque in the amount of \$100,000.00.

The Postponement is sent to you on the following trust conditions:

1. That you pay out and discharge the Canadian Western Bank mortgage and send to our office an updated Certificate of Title evidencing the discharge instruments 161 114 537-8; and
2. That you send to our office evidence of discharge of the CWB PPR registration No. 160421284403.

The enclosed funds are sent to you on the following trust conditions:

1. That you shall use up to \$70,000.00 for the development of the project located at 2255 – 32nd Street NE, Calgary, AB; and
2. That you shall hold \$30,000.00 in your trust account pending further written instructions from our office.

If you are not able to comply with the above trust conditions you are to return the Postponement and the enclosed funds to the attention of the writer immediately.

Yours truly,

BORDEN LADNER GERVAIS LLP


TRAVIS MCARTHUR

Travis McArthur
Direct.tel.: (403) 232-9720
e-mail: tmcArthur@blg.com

Borden Ladner Gervais LLP
Centennial Place, East Tower
1900, 520 Third Avenue S.W.
Calgary, AB, Canada T2P 0R3

File No: 443707.4 TM

October 10, 2017

KH Dunkley Law Group
20, 1915 – 32nd Avenue N.E.
Calgary, AB T2E 7C8

Attention: Khalil Haji

Dear Sir:


Re: Loan to CEANA DEVELOPMENT SUNRIDGE INC. by HILLSBORO VENTURES
INC

With respect to the above noted matter, we enclose our firm's trust cheque in the amount of \$167,000.00. This amount is fully releasable provided that the funds are used for the development of the project located at 2255 – 32nd Street NE, Calgary, AB.

We advise that the amount of \$30,000.00 held by your office from the total amount sent to you on October 6, 2017 is now releasable.

Yours truly,

BORDEN LADNER GERVAIS LLP



TRAVIS MCARTHUR
TM/mb

Travis McArthur
Direct tel.: (403) 232-9720
e-mail: tmcArthur@blg.com

Borden Ladner Gervais LLP
Centennial Place, East Tower
1900, 520 Third Avenue S.W.
Calgary, AB, Canada T2P 0R3

File No: 443707.4 TM

October 17, 2017

KH Dunkley Law Group
20, 1915 – 32nd Avenue N.E.
Calgary, AB T2E 7C8

Attention: Khalil Hajj

Dear Sir:

Re: Loan to CEANA DEVELOPMENT SUNRIDGE INC. (the "Borrower") by HILLSBORO VENTURES INC.

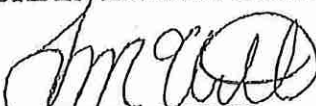
With respect to the above noted matter, we enclose our firm's trust cheque in the amount of \$338,500.00. The enclosed funds are sent to you on the following trust conditions:

1. That you shall immediately pay \$312,000.00 to Fast Track Commercial Inc. in payment for services rendered in connection with the project located at 2255 – 32nd Street NE, Calgary ("the Project"); and
2. That you shall hold the balance of \$26,500.00, minus your legal fees, in trust and apply them to future Project costs.

If you are not able to comply with the above trust conditions you are to return the enclosed funds to the attention of the writer immediately.

Yours truly,

BORDEN LADNER GERVAIS LLP


TRAVIS MCARTHUR
TMcb

Branch: Cecilia

From: Amanda Luong <Amanda@khlawgroup.com>
Sent: October-18-17 10:10 AM
To: McArthur, Travis
Cc: Brandao, Cecilia; Mah, Patrick; Khalil Haji
Subject: RE: Hillsboro loan to Ceana

That's great.

Thanks Travis,

Amanda Luong | Paralegal
e. amanda@khlawgroup.com

KH | Dunkley Law Group
20, 1915- 32nd Avenue N.E.
Calgary, Alberta T2E 7C8
p. 403.207.4662
f. 587.318.6755
www.khlawgroup.com

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From: McArthur, Travis [mailto:TMcArthur@blg.com]
Sent: Wednesday, October 18, 2017 10:07 AM
To: Amanda Luong
Cc: Brandao, Cecilia; Mah, Patrick; Khalil Haji
Subject: RE: Hillsboro loan to Ceana

Hi Amanda,

Please accept this email as confirmation that our trust letter of yesterday's date is amended such that your office is authorized to pay the sum of \$310,125.91 to Factors Western Inc. and the balance of funds (minus your legal fees) are to be held by your office in trust to be applied to future project costs.

Please let us know if you need anything further.

Thanks.
Travis

Travis McArthur
Associate
T 403.232.9720 | F 403.266.1395 | tmcarthur@blg.com
Centennial Place, East Tower, 1900, 520 - 3rd Ave S W, Calgary, AB, Canada T2P 0R3

Brandao, Cecilia

From: Amanda Luong <Amanda@khlawgroup.com>
Sent: October-18-17 9:11 AM
To: McArthur, Travis
Cc: Brandao, Cecilia; Mah, Patrick; Khalil Haji
Subject: RE: Hillsboro loan to Ceana
Attachments: Notice of Direction and Invoice.PDF

Hello Travis,

Further to your trust letter of yesterday's date, please see the attached the letter of direction and invoice received from Factors Western Inc. on behalf of Fast Track Commercial Inc.

Accordingly, we request that you amend your trust condition for us to pay the sum of \$310,125.91 to Factors Western Inc. in accordance with the attached.

Please advise at your earliest opportunity.

Kind regards,

Amanda Luong | Paralegal
e. amanda@khlawgroup.com

KH | Dunkley Law Group
20, 1915- 32nd Avenue N.E.
Calgary, Alberta T2E 7C8
p. 403.207.4662
f. 587.318.6755
www.khlawgroup.com

This e-mail communication is CONFIDENTIAL AND LEGALLY PRIVILEGED. If you are not the intended recipient, please notify me at the telephone number shown above or by return e-mail and delete this communication and any copy immediately. Thank you.

From: McArthur, Travis [mailto:TMcArthur@blg.com]
Sent: Monday, October 16, 2017 4:46 PM
To: Amanda Luong
Cc: Brandao, Cecilia; Mah, Patrick
Subject: RE: Hillsboro loan to Ceana

Hi Amanda,

I've cc'ed my colleague Pat Mah on this email as he's going to handle the preparation of the new security documents.

I spoke with Pat and his intention is to get security documents to you on Wednesday. Please let us know if that timeline is problematic from your perspective.

Thanks.

Travis



NOTICE OF SALE AND ASSIGNMENT OF DEBT & DIRECTION TO PAY

To: CEANA DEVELOPMENT INC.

May 17, 2017

ATTENTION: ACCOUNTS PAYABLE

As of the date above, FACTORS WESTERN INC. has been contracted by EAST TRUCK COMMERCIAL INC. to assist them with the administration of their accounts receivable. In this regard, they have assigned to Factors Western Inc. the present accounts owing to them by your company, in the sum of \$310,125.91 pursuant to Invoice #T17-552 dated January 5, 2017.

These assignments, which appear below, is your complete and exclusive authority to submit payment directly to Factors Western Inc. at Suite 200, 5221 Ash Street, Chicago, IL 60630 and our receipt thereof shall be the only full and complete discharge to you of and from the said account.

The assignment referred to herein is for the valuable consideration paid is unconditional and irrevocable unless or until withdrawn in writing by Factors Western Inc.

FACTORS WESTERN INC.

EAST TRUCK COMMERCIAL INC.

[Signature]
Authorized signatory

[Signature]
Authorized signatory or Assessor

ACKNOWLEDGEMENT: Please sign us indented below and fax the signed copy to Factors Western Inc. at (403) 250-3150.

"We acknowledge herewith that the account described in the above noted invoice is due and payable without dispute or offset and undertake to make payment directly to Factors Western Inc. at the address indicated above."

CEANA DEVELOPMENT INC.
(Company)

[Signature]
Authorized Signature
BOB GALOCHAR, PRESIDENT
Print name and title

www.factorswestern.com

Page 02064321 - 236 Street NW Calgary Alberta T2C 1V9



Calgary : Ph: 403-2348610
Fax: 403-234-8616
Dir: 403-464-9659
Toll Free: 855-723-6399
Edmonton: Ph: 780-708-6295
Dir: 780-708-6390
Fax: 866-591-6581
Email: info@fasttrackcomm.ca

Progressive INVOICE

DATE: JAN,05,2017

Invoice: F.T17-552

Address: 2255 32 Street NE, Calgary

Attn: Bob Gaidhar

Project Details: Sunridge Way NE

Total contract: \$ 7,425,800.00 plus GST

Progressive Invoice No 2:

10% hold back

Total:

GST

Payment Due:

\$ 328,175.57

\$ 32,817.56

\$ 295,358.01

\$ 14,767.90

\$ 310,125.91

We do appreciate your business.

Dan Deilami

dani@fasttrackcomm.ca

ASSIGNMENT NOTICE
Pursuant to the terms of an
accounts receivable purchase dated
on or about January 7, 2017
This invoice has been transferred
and is to be paid directly to:
Factors Western Inc.
Suite 204, 4321 - 23B Street NE
Calgary, AB T2E 7V9
Any inquiries please call 1-877-717-2922

GST#: 808032015RT0001

Calgary: P: 403-234-8610 F: 403-234-8616 Edmonton: P: 780-708-6295 F: 866-5916581

Factors Western Inc.
204, 4321 - 23B Street NE
Calgary, AB T2E 7V9
P: 403-234-8610 F: 403-234-8616

info@fasttrackcomm.ca

BORDEN LADNER GERVAIS LLP

STATEMENT OF DISBURSEMENT OF FUNDS

OUR FILE: 443707-05
LENDER: Hillsboro Ventures Inc.
BORROWER: Ceana Development Sunridge Inc.
PROPERTY: Plan 9811891; Block 8; Lot 1 and Plan 0112710, Lot 1

ADVANCE - Date: November 7, 2014

PRINCIPAL AMOUNT OF LOAN: \$1,500,000.00

Less:

Paid Hillsboro Ventures Inc. re Prepaid interest fee	\$202,500.00
Paid Hillsboro Ventures Inc. re Liberty Fees	\$27,500.00
Paid Neotric Enterprises Inc. re lender's fee	\$51,125.00
BALANCE IN TRUST:	<u>\$1,218,875.00</u>

DISBURSED HEREWITH:

Withheld for BLG legal fees & disbursements	\$10,000.00
Paid KH Dunkley Law Group - in trust - net mortgage proceeds	\$424,204.40
	<u>\$434,204.40</u>

0* * ED THIS ADVANCE:

0* * DISBURSED:

\$784,670.60

1,500,000.00

1,218,875.00

1,218,875.00

1,218,875.00

1,218,875.00

1,218,875.00

1,218,875.00

1,218,875.00

784,670.60

0* *

ge_Disb_Statement_-_mutetr_05.doc

0* *

Borden Ladner Gervais LLP

Trust Detail

Printed: 9/18/2018 11:58 AM ET
Report: trt06

Client/Matter/Trust

Tran Date Hold Date

Next Compound Date

Amount Type GIC Amount Balance

443707 Hillisboro Ventures Inc.
000005 Ceana Development Sunridge Inc. (third l

Canadian Dollars CDN

Trust Id #4520-CAL-RBC-SCDN-Trust (CT05)

1	10/18/2017	Moeny will be disbursed on the other file 443707-05	Principal	1,500,000.00	1,500,000.00
2	11/3/2017	Payee : Hillisboro Ventures Inc. , Cheque Number: 52022057 , Cheque Date: 11/03/17 , PM Prepaid Interest	Principal	-202,500.00	1,297,500.00
3	11/3/2017	Payee : Hillisboro Ventures Inc. , Cheque Number: 52022058 , Cheque Date: 11/03/17 , PM Liberty Fees	Principal	-27,500.00	1,270,000.00
4	11/3/2017	Payee : Neotric Enterprises Inc. , Cheque Number: 52022059 , Cheque Date: 11/03/17 , PM Lender's Fee	Principal	-51,125.00	1,218,875.00
5	11/7/2017	Payee : KH Dunkley Law Group - in trust , Cheque Number: 52022066 , Cheque Date: 11/07/17 , PM Net Mortgage Proceeds	Principal	-424,204.40	794,670.60
6	1/5/2018	Payee : Borden Ladner Gervais LLP , Cheque Number: 52022304 , Cheque Date: 01/05/18 , To transfer funds to general account to pay invoice 697536470	Principal	-10,000.00	784,670.60
7	4/23/2018	TR FR 443707/000005 to 443707/000006 to Pay BLG Invoice 697572443	Principal	-4,156.96	780,513.64
8	5/31/2018	TR FR 443707/000005 to 443707/000006 to Pay BLG Invoice 697586562	Principal	-18,076.57	762,437.07
9	9/7/2018	TR FR 443707/000005 to 443707/000006 client has authorized payment of invoice 697598123 issued on matter 6 from the financing funds held in trust on matter 5	Principal	-3,209.56	759,227.51

Total for Trust Id #4520 CAL - RBC \$CDN Trust (CT05)

Trust Total 759,227.51
Held Amount 0.00

Available Amount 759,227.51

Total Canadian Dollars

Trust Total 759,227.51
Held Amount 0.00

Available Amount 759,227.51

Borden Ladner Gervais LLP

Trust Detail

Client/Matter/Trust		Tran Date	Hold Date	Amount Type	GIC	Amount	Balance	Next Compound Date
Summary								
<u>Trust Currency</u>				<u>Trust Total</u>	<u>Held Amount</u>	<u>Available Amount</u>		
Canadian Dollars:				\$759,227.51	\$0.00	\$759,227.51		

Patrick Mah
Direct.tel.: (403) 232-9637
e-mail: pmah@blg.com

Borden Ladner Gervais LLP
Centennial Place, East Tower
1900, 520 - 3rd Ave SW
Calgary, AB, Canada T2P 0R3
T 403.232.9500
F 403.266.1395
blg.com



File No. 443707-05

November 7, 2017

KH Dunkley Law Group
20, 1915 - 32nd Avenue N.E.
Calgary, AB T2E 7C8

Attention: Khalil Haji

Dear Sir:

Re: Loan to CEANA DEVELOPMENT SUNRIDGE INC. by HILLSBORO VENTURES INC.
Plan 9811891; Block 8; Lot 1 and Plan 0112710, Lot 1 (the "Properties")

We enclose herewith our firm trust cheque in the sum of \$424,204.40 representing the net mortgage proceeds as detailed in the attached Statement of Disbursement of Mortgage Funds.

1. That you shall immediately pay \$424,204.40 to Fast Track Commercial Inc. in payment for change orders 1/2/3/4/8 as per invoices enclosed herewith.
2. That you will ensure payout and discharge of instrument number(s) 081 071 075 and 161 114 537-8 and provide our office with a certified copy of title(s) evidencing the above within a reasonable period of time.
3. That within a reasonable period of time you will provide us with the following:
 - (a) verification statement evidencing discharge of PPR registration number(s) 16042128403, 16042129029 and 16042819785 for CWB;
 - (b) proof of payment of all outstanding property taxes, arrears and penalties, if any, with respect to the property including property taxes levied in 2017 for Plan 0112710, Lot 1.
4. That you ensure that title insurance policy 171027002133 and 171102001025 are in place and that you have registerable mortgages and are free to utilize same, and you have submitted the same for registration in the following order:
 - (i) For Plan 9811891; Block 8; Lot 1: a) \$1,500,000.00 Mortgage; b) \$3,000,000.00 Mortgage;
 - (ii) For Lot 1, Plan 0112710: a) our Mortgage; and b) our Caveat with Assignments of Rents and Leases;

and in due course you provide us a copy of the titles evidencing the Mortgages and our Caveat as registered.

If you are unable to accept the above trust conditions, you are to return the enclosed cheque to the writer forthwith.

In due course, please provide our office with Certificates of Insurance for the Properties.

We have withheld the sum of \$10,000.00 for our legal fee, disbursements and GST and will provide you with our statement of account in due course.

We confirm our undertaking that we will Postpone our Mortgage and Caveat 171 183 797-8 to the \$1,500,000.00 to be registered.

Yours truly,

BORDEN LADNER GERVAIS LLP



PATRICK MAH
/cb

Legal Assistant: Cecilia Brandao
direct line: 403.232.9524
e-mail: cbrandao@blg.com

Patrick Mah
T (403) 232-9637
(403) 266-1395
mah@blg.com

Borden Ladner Gervais LLP
Centennial Place, East Tower
1900, 520 - 3rd Ave SW
Calgary, AB, Canada T2P 0R3
T 403.232.9500
F 403.266.1395
blg.com



File No.: 443707/05

November 3, 2017

HILLSBORO VENTURES INC.
927-7A Street N.W.
Calgary, Alberta T2M 3J4

Attention: Keith Ferrel

Dear Sirs:

Re: Loan to CEANA DEVELOPMENT SUNRIDGE INC.
Plan 9811891; Block 8; Lot 1 and PLAN 0112710, Lot 1

With respect to the above, we enclose our trust cheques as follows:

- 1) \$202,500.00 representing the prepaid interest on this loan.
- 2) \$27,500.00 representing Liberty Fees.
- 3) \$51,125.00 payable to Neotric Enterprises Inc. representing Neotric's fees.

We trust the enclosed to be satisfactory.

Yours truly,

BORDEN LADNER GERVAIS LLP

A handwritten signature in black ink, appearing to read 'Patrick Mah', is written over a horizontal line.

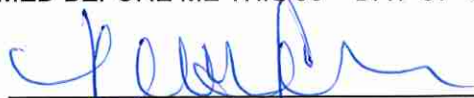
Patrick Mah
Enclosures
PM/cb

Legal Assistant: Cecilia Brandao
Email: cbrandao@blg.com
Direct Line: 403-232-9524

THIS IS **EXHIBIT "E"** REFERERED TO
IN THE AFFIDAVIT OF

BAHADUR (BOB) GAIDHAR

AFFIRMED BEFORE ME THIS 30TH DAY OF OCTOBER, 2020.



A COMMISSIONER FOR OATHS IN
AND FOR THE PROVINCE OF ALBERTA

TANYA ROSE FERNANDEZ
Commissioner for Oaths in and for
the Province of Alberta
Commission Expires April 20, 2021

I hereby certify this to be a true copy of
the original Order

Dated this 3 day of July 2019

for Clerk of the Court

COURT FILE NUMBER

COURT

JUDICIAL CENTRE OF

PLAINTIFF:

DEFENDANT:

DOCUMENT

CONTACT INFORMATION OF PARTY

FILING THIS DOCUMENT:

Clerk's Stamp:

1801-04745

COURT OF QUEEN'S BENCH OF ALBERTA

CALGARY

HILLSBORO VENTURES INC.

CEANA DEVELOPMENT SUNRIDGE INC.

RECEIVERSHIP ORDER

Dentons Canada LLP
Bankers Court
15th Floor, 850 - 2nd Street S.W.
Calgary, Alberta T2P 0R8
Attention: Derek M. Pontin
Ph. (403) 268-6301 Fx. (403) 268-3100
File No.: 559316-3



DATE ON WHICH ORDER WAS PRONOUNCED:	July 3, 2019
NAME OF JUDGE WHO MADE THIS ORDER:	Honourable Madam Justice B.E.C. Romaine
LOCATION OF HEARING:	Calgary, Alberta

UPON the application of Hillsboro Ventures Inc. in respect of Ceana Development Sunridge Inc. (the "**Debtor**"); **AND UPON** having read the Application, the Affidavit of Keith Ferrel, dated June 21, 2019; and the Affidavit of Service of Izzy Kowalcze, filed; **AND UPON** reading the consent of Alvarez and Marsal Canada Inc. to act as receiver and manager (the "**Receiver**") of the Debtor, filed; **AND UPON** hearing counsel for the Plaintiff, counsel for the Defendant, and any other counsel or other interested parties present; **IT IS HEREBY ORDERED AND DECLARED THAT:**

SERVICE

1. The time for service of the notice of application for this order (the "**Order**") is hereby abridged and deemed good and sufficient and this application is properly returnable today.

APPOINTMENT

2. Pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "**BIA**"), and sections 13(2) of the *Judicature Act*, R.S.A. 2000, c.J-2, 99(a) of the *Business Corporations Act*, R.S.A. 2000, c.B-9, and 65(7) of the *Personal Property Security Act*, R.S.A. 2000, c.P-7 Alvarez and Marsal Canada Inc. is hereby appointed Receiver, without security, of all of the Debtor's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "**Property**").

RECEIVER'S POWERS

3. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
 - (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
 - (b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
 - (c) to manage, operate and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, carry on the construction and development of the Property, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;

- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel, contractors, general contractors, professionals, tradespersons and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to or by the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding, and provided further that nothing in this Order shall authorize the Receiver to defend or settle the action in which this Order is made unless otherwise directed by this Court;
- (k) to market any or all the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:
 - (i) without the approval of this Court in respect of any transaction not exceeding \$25,000, provided that the aggregate consideration for all such transactions does not exceed \$200,000; and

- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,

and in each such case notice under subsection 60(8) of the *Personal Property Security Act*, R.S.A. 2000, c. P-7 or any other similar legislation in any other province or territory shall not be required.

- (m) to apply for any vesting order or other orders (including, without limitation, confidentiality or sealing orders) necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other orders in respect of the Property against title to any of the Property, and when submitted by the Receiver for registration this Order shall be immediately registered by the Registrar of Land Titles of Alberta, or any other similar government authority, notwithstanding Section 191 of the *Land Titles Act*, RSA 2000, c. L-4, or the provisions of any other similar legislation in any other province or territory, and notwithstanding that the appeal period in respect of this Order has not elapsed and the Registrar of Land Titles shall accept all Affidavits of Corporate Signing Authority submitted by the Receiver in its capacity as Receiver of the Debtor and not in its personal capacity;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (r) to assign the Debtor into bankruptcy;
- (s) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and

- (t) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons, including the Debtor, and without interference from any other Person (as defined below).

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

- 4. (i) The Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver's request.
- 5. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.
- 6. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the Information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the

Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names, and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. No proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

8. No Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court, provided, however, that nothing in this Order shall: (i) prevent any Person from commencing a proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such proceeding is not commenced before the expiration of the stay provided by this paragraph; and (ii) affect a Regulatory Body's investigation in respect of the debtor or an action, suit or proceeding that is taken in respect of the debtor by or before the Regulatory Body, other than the enforcement of a payment order by the Regulatory Body or the Court. "**Regulatory Body**" means a person or body that has powers, duties or functions relating to the enforcement or administration of an Act of Parliament or of the legislature of a Province.

NO EXERCISE OF RIGHTS OF REMEDIES

9. All rights and remedies of any Person, whether judicial or extra-judicial, statutory or non-statutory (including, without limitation, set-off rights) against or in respect of the Debtor or the Receiver or affecting the Property are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, including, without limitation, any rights or remedies or provisions in any construction, ownership or operating agreement, joint venture agreement or any other agreements to which the Debtor is a party provided; however, that this stay and suspension does not apply in respect of any "eligible financial contract" (as defined in the BIA), and further provided that nothing in this Order shall empower the Debtor to carry on any business that the Debtor is not lawfully entitled to carry on; prevent the filing of any registration to preserve or perfect a security interest; prevent the registration of a claim for lien; or

exempt the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment.

10. Nothing in this Order shall prevent any party from taking an action against the Applicant where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Monitor at the first available opportunity.

NO INTERFERENCE WITH THE RECEIVER

11. No Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, except with the written consent of the Receiver, or leave of this Court. Nothing in this Order shall prohibit any party to an eligible financial contract (as defined in the BIA) from closing out and terminating such contract in accordance with its terms.

CONTINUATION OF SERVICES

12. All persons having:

- (a) statutory or regulatory mandates for the supply of goods and/or services; or
- (b) oral or written agreements or arrangements with the Debtor, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Debtor

are hereby restrained until further order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Debtor or exercising any other remedy provided under such agreements or arrangements. The Debtor shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the date of this Order are paid by the Debtor in accordance with the payment practices of the Debtor, or such other practices as may be agreed upon by the supplier or service provider and each of the Debtor and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

EMPLOYEES

14. Subject to employees' rights to terminate their employment, all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, S.C. 2005, c.47 ("**WEPPA**").
15. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. (a) Notwithstanding anything in any federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:
- (i) before the Receiver's appointment; or
 - (ii) after the Receiver's appointment unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.
- (b) Nothing in sub-paragraph (a) exempts a Receiver from any duty to report or make disclosure imposed by a law referred to in that sub-paragraph.
- (c) Notwithstanding anything in any federal or provincial law, but subject to sub-paragraph (a) hereof, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, the Receiver is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order,
- (i) if, within such time as is specified in the order, within 10 days after the order is made if no time is so specified, within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, or during the period of the stay referred to in clause (ii) below, the Receiver:
 - A. complies with the order, or
 - B. on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;
 - (ii) during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) above, within 10 days after the order is made or within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, by,
 - A. the court or body having jurisdiction under the law pursuant to which the order was made to enable the Receiver to contest the order; or
 - B. the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or

- (iii) if the Receiver had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

LIMITATION ON THE RECEIVER'S LIABILITY

- 17. Except for gross negligence or wilful misconduct, as a result of its appointment or carrying out the provisions of this Order the Receiver shall incur no liability or obligation that exceeds an amount for which it may obtain full indemnity from the Property. Nothing in this Order shall derogate from any limitation on liability or other protection afforded to the Receiver under any applicable law, including, without limitation, Section 14.06, 81.4(5) or 81.6(3) of the BIA.

RECEIVER'S ACCOUNTS

- 18. The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case, incurred at their standard rates and charges. The Receiver and counsel to the Receiver shall be entitled to the benefits of and are hereby granted a charge (the "**Receiver's Charge**") on the Property as security for their professional fees and disbursements incurred at the normal rates and charges of the Receiver and such counsel, both before and after the making of this Order in respect of these proceedings, and the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person but subject to section 14.06(7), 81.4(4) and 81.6(2) and 88 of the BIA.
- 19. The Receiver and its legal counsel shall pass their accounts from time to time.
- 20. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including the legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

- 21. The Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$4,500,000 (or such greater amount as this Court may by further order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim

expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges set out in sections 14.06(7), 81.4(4), 81.6(2) and 88 of the BIA.

22. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
23. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.
24. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.
25. The Receiver shall be allowed to repay any amounts borrowed by way of Receiver's Certificates out of the Property or any proceeds, including any proceeds from the sale of any assets without further approval of this Court.

ALLOCATION

26. Any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the various assets comprising the Property.

GENERAL

27. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
28. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Receiver will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Receiver's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.

29. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.
30. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.
31. The Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
32. The Plaintiff shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis, including legal costs on a solicitor-client full indemnity basis, to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.
33. Any interested party may apply to this Court to vary or amend this Order on not less than 7 days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

FILING

34. The Receiver shall establish and maintain a website in respect of these proceedings (the "**Receiver's Website**") and shall post there as soon as practicable:
 - (a) all materials prescribed by statute or regulation to be made publically available; and
 - (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, or served upon it, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.
35. Service of this Order shall be deemed good and sufficient by:

- (a) serving the same on:
 - (i) the persons listed on the service list created in these proceedings or otherwise served with notice of these proceedings;
 - (ii) any other person served with notice of the application for this Order;
 - (iii) any other parties attending or represented at the application for this Order; and
- (b) posting a copy of this Order on the Receiver's Website:

www.alvarezandmarsal.com/ceana

and service on any other person is hereby dispensed with.

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

"B.E.C. Romaine"

Justice of the Court of Queen's Bench of Alberta

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that **[RECEIVER'S NAME]**, the interim receiver and receiver and manager (the "**Receiver**") of all of the assets, undertakings and properties of **[DEBTOR'S NAME]** appointed by Order of the Court of Queen's Bench of Alberta and Court of Queen's Bench of Alberta in Bankruptcy and Insolvency (collectively, the "**Court**") dated the **[day]** day of **[month]**, **[year]** (the "**Order**") made in action numbers **[●]**, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of **[\$]**, being part of the total principal sum of **[\$]** that the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded **[daily]** **[monthly not in advance on the ● day of each month]** after the date hereof at a notional rate per annum equal to the rate of **[●]** per cent above the prime commercial lending rate of Bank of **[●]** from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property (as defined in the Order), in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at **[●]**.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.
7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 20__.

[RECEIVER'S NAME], solely in its capacity as Receiver of the Property (as defined in the Order), and not in its personal capacity

Per: _____
Name: _____
Title: _____

THIS IS **EXHIBIT "F"** REFERERED TO
IN THE AFFIDAVIT OF

BAHADUR (BOB) GAIDHAR

AFFIRMED BEFORE ME THIS 30TH DAY OF OCTOBER, 2020.



A COMMISSIONER FOR OATHS IN
AND FOR THE PROVINCE OF ALBERTA

TANYA ROSE FERNANDEZ
Commissioner for Oaths in and for
the Province of Alberta
Commission Expires April 20, 2021

October 2020

WITHOUT PREJUDICE

I am providing details of the current situation.

Due to the lien that was registered by the contractor (Fast Track), in spite of being paid (in fact overpaid), the bank refused to provide further funding. I had to fight in court for over a year and 4 months at a cost of \$168,000. Anyone can slap a lien on anyone and the onus is on you to prove that the lien is frivolous.

I have managed to get the lien discharged and then had several meetings with Mr. Kunle of Connect First and tried to convince him to release the remaining amount of the construction draw so I could complete the front four buildings and pay them out and pay out 50% of the Hillsboro loan. I have had several meetings with Mr. Kunle but he was not receptive and had made up his mind to recall the construction loan.

Hillsboro subsequently went to court to try and foreclose but did not get approved.

Mr. Kunle had several meetings with Keith Ferrel of Hillsboro and they somehow decided to get the receiver to get involved.

The location is excellent behind the Sunridge Mall. I had Joint Venture partners and presales agreements signed.

Mr. Ferrel entered the situation at the beginning and offered financing to support the project. He forwarded funds by way of registering three mortgages. Every time he forwarded funds, he shorted the amounts due and subsequently starved the project of the needed, required and agreed to funding (quite possibly his intent from the beginning, which seems to be his 'modus operandi'). If Hillsboro had funded the project properly, the project would not have short funds and would have been completed in timely and efficient manner.

I met Keith Ferrel with my broker, Hector McMullin. I offered that I can still raise \$1 M if he could pump in \$2 MILL and the front Four buildings would be completed and both of them would be paid out. He agreed but an hour later he sent an email suggesting that I pitch in \$2 M and he would only pitch in \$1 M. I called him and said that I could not do that.

He had a big role to play in the lien by contractor. His law firm wrote a letter to the contractor that they had \$2.444 MILL in the trust account and he could continue work, even though the Contractor had over invoiced for the amount of work completed. Trust statements shows that the funds were not in the trust account on that particular day and were transferred after 4-5 days and I was charged \$50,000. This shows how Hillsboro was operating behind the scenes, and not in the best interest of the project and was unduly stressing the financing on the project to further his own ends, which appears to be to take over the project through financial stresses.

Meanwhile, Keith Ferrel showed up frequently at my office and bullied and threatened me. Keith Ferrel was aggressive and demeaning to my Project Manager (Kerry Cattle) and threatened to fire him for explaining to Mr. Ferrel that his numbers were not correct and that there was +/- 1M gap that needed explanation. This precipitated the tirade from Mr. Ferrel and yet he could not explain the 1 M gap he presented to the reality of the project costs. Hillsboro postponed their 3rd, 2nd and 1st mortgages to first place as this was a smaller amount. This is called Marshalling.

In reality, Hillsboro had funded only \$3.7 M of the \$8.5 M he was claiming on the project. Ceana has completed a forensic accounting due to the misleading claims from Hillsboro, to protect its interests. His trust statements did not make sense. He was charging monitoring fees, and other costs. He charged Ceana \$50,000 to transfer funds from one of his accounts to the mortgage advanced to Ceana. He threatened myself as well as my sick wife that if we do not sign the forbearance, he would show me how the world works. He registered \$8.5M on my commercial building in Westwinds and close to \$5 million on my residence. This subsequently blocked me from borrowing money on these properties to forward to the completion of the project.

I am attaching several attachments that you all can read. He was sued by the Government Canada (see attachment). THIS IS PUBLIC KNOWLEDGE AND I SAW IT ON GOOGLE

He was fired by GENESIS for the reasons unknown but one can speculate.

He has a habit of starving the projects, put them into foreclosure and take them over, working behind the scenes and purposely taking advantage of stressed owner financing to his advantage.

Ceana has spent time and money on good lawyers and Accountants to further the successful resolution and on behalf of the JV's and investors but has had difficulty due to time to deal with Hillsboro's claims. Behind Ceana's and my back, he met with the Architect, sub-trades and was working on his agenda to take over through the receiver and has put undo influence on these entities to further his agenda.

Bob Gaidhar