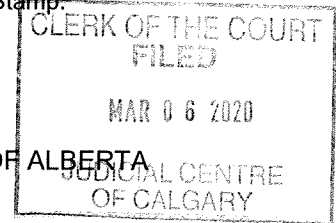


Clerk's Stamp:



COURT FILE NO.	1801-04745
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFF	HILLSBORO VENTURES INC.
DEFENDANT	CEANA DEVELOPMENT SUNRIDGE INC.
PLAINTIFFS BY COUNTERCLAIM	CEANA DEVELOPMENT SUNRIDGE INC., BAHADUR (BOB) GAIDHAR AND YASMIN GAIDHAR
DEFENDANTS BY COUNTERCLAIM	HILLSBORO VENTURES INC., NEOTRIC ENTERPRISES INC., KEITH FERREL AND BORDEN LADNER GERVAIS LLP
DOCUMENT	APPLICATION OF THE DEFENDANTS BY COUNTERCLAIM HILLSBORO VENTURES INC., NEOTRIC ENTERPRISES INC., AND KEITH FERREL
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Dentons Canada LLP Bankers Court 15th Floor, 850 – 2nd Street SW Calgary, Alberta T2P 0R8 Attn: Derek M. Pontin/John Regush Ph. (403) 268-6301/ 7086 Fx. (403) 268-3100 File No.: 559316-3

NOTICE TO RESPONDENTS: CEANA DEVELOPMENT SUNRIDGE INC., BAHADUR (BOB) GAIDHAR, YASMIN GAIDHAR, ALVAREZ AND MARSAL CANADA INC., in its capacity as Court-Appointed Receiver and Manager of the assets, properties, and undertakings of CEANA DEVELOPMENT SUNRIDGE INC., and BORDEN LADNER GERVAIS LLP

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

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

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

Date: March 27, 2020

Time: 10:00 a.m.

Where: Calgary Courts Centre
601 – 5th Street S.W.
Calgary, Alberta
T2P 5P7

Before Whom: Before the Presiding Commercial List Justice

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

Remedy claimed or sought:

1. The applicants, Hillsboro Ventures Inc., Neotric Enterprises Inc., and Keith Ferrel, (collectively, the **"Applicants"**), respectfully seek:
 - (a) an Order, substantially as attached as Schedule "A" hereto:
 - (i) retroactively lifting the stay of proceedings in place pursuant to the Order of the Honourable Madam Justice B.E.C. Romaine as against Ceana Development Sunridge Inc. (**"Ceana"**) for the purpose of allowing the Applicants to file a Statement of Defence to Counterclaim in the within Action;
 - (ii) declaring that the counterclaim commenced in the within Action (the **"Counterclaim"**) by Bahadur (Bob) Gaidhar (**"Bob"**) and Yasmin Gaidhar (**"Yasmin"**, collectively with Bob the **"Gaidhars"**) against the Applicants is a nullity;
 - (iii) removing the Gaidhars as Plaintiffs by Counterclaim from the Counterclaim; and
 - (iv) awarding the Applicants the costs of this Application on a solicitor and its own client full indemnity basis, or on such other basis as the Court may allow;
 - (b) alternatively an Order, substantially as attached as Schedule "B" hereto:
 - (i) retroactively lifting the stay of proceedings in place pursuant to the Order of the Honourable Madam Justice B.E.C. Romaine as against Ceana for the purpose of allowing the Applicants to file a Statement of Defence to Counterclaim in the within Action;
 - (ii) ordering the Gaidhars to provide security for payment of a costs award in the form of payment in to Court of \$100,000 within 2 months of the date of service of the Order;
 - (iii) staying the Gaidhar's Counterclaim until payment of funds into Court;
 - (iv) ordering that failing payment into Court, the Gaidhar's Counterclaim will be dismissed without further order; and
 - (v) awarding the Applicants the costs of this Application on a solicitor and its own client full indemnity basis, or on such other basis as the Court may allow; and

- (c) such further and other relief as counsel may advise and as this Honourable Court deems just and appropriate.

Grounds for making this application:

2. Hillsboro Ventures Inc. ("**Hillsboro**") commenced the within action by statement of claim filed April 5, 2018 (the "**Statement of Claim**").
3. The Statement of Claim listed Hillsboro as the sole Plaintiff and Ceana as the sole defendant.
4. Ceana filed a Statement of Defence on September 25, 2018.
5. On September 27, 2018, Ceana and the Gaidhars filed the Counterclaim. The Counterclaim added the Gaidhars as new Plaintiffs by Counterclaim and added the Applicants as new Defendants by Counterclaim.
6. Ceana is insolvent. On July 3, 2019, this Honourable Court appointed Alvarez and Marsal Canada Inc. as receiver and manager of the assets, properties, and undertakings of Ceana.

a. Removal of the Gaidhars

7. The Counterclaim purports to include the Gaidhars, who are non-parties to the litigation, as new Plaintiffs by Counterclaim.
8. The *Alberta Rules of Court*, Alta Reg 124/2010 do not permit non-parties to advance a counterclaim as Plaintiffs by Counterclaim. This Honourable Court has determined that the inclusion of a non-party as a Plaintiff by Counterclaim renders the pleading a nullity: *Makarchuk v Polland*, [1957] AJ No 38.
9. As such, the Counterclaim is a nullity as far as it concerns the allegations of the Gaidhars against the Applicants. The Gaidhars should be removed as Plaintiffs by Counterclaim from the Counterclaim.

b. If the Gaidhars are not Removed, they should be Ordered to Post Security for Costs

10. If the Gaidhars are not removed as Plaintiffs by Counterclaim, then they ought to be ordered to provide security for payment of a costs award in respect of the Counterclaim.
11. The Gaidhars do not appear to have unencumbered assets in Alberta in order to pay a costs award.
12. The merits of the Counterclaim are dubious. The thrust of the claim is that Hillsboro is liable for failing to advance monies under its credit facilities, at times when Ceana (as borrower) was in default of the said credit facilities and further had failed to meet various conditions precedent to the advancement of funds.
13. An order to give security for payment of a costs award will not unduly prejudice the Gaidhars' ability to continue their claim, but a failure to have security for costs posted is certain to prejudice the Applicants' ability to enforce a cost award against the Gaidhars.

14. Such further and other grounds as counsel may advise and this Honourable Court may permit.

Material or evidence to be relied on:

15. The Affidavit of Keith Ferrel sworn January 13, 2020, filed.
16. The First and Second Affidavits of Keith Ferrel sworn in these proceedings.
17. Written Submissions of the Applicants, to be filed and provided.
18. The pleadings in the within Action.
19. Such further and other material or evidence as counsel may advise and this Honourable Court may permit.

Applicable Rules:

20. *Alberta Rules of Court*, Alta Reg 124/2010.
21. Such further and other Rules as counsel may advise and this Honourable Court may permit.

Any irregularity complained of or objection relied on:

22. None.

How the application is proposed to be heard or considered:

23. In person before the presiding Commercial List Justice.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.

Schedule "A"

COURT FILE NO.	1801-04745
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFF	HILLSBORO VENTURES INC.
DEFENDANT	CEANA DEVELOPMENT SUNRIDGE INC.
PLAINTIFFS BY COUNTERCLAIM	CEANA DEVELOPMENT SUNRIDGE INC., BAHADUR (BOB) GAIDHAR AND YASMIN GAIDHAR
DEFENDANTS BY COUNTERCLAIM	HILLSBORO VENTURES INC., NEOTRIC ENTERPRISES INC., KEITH FERREL AND BORDEN LADNER GERVAIS LLP
DOCUMENT	ORDER
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Dentons Canada LLP Bankers Court 15th Floor, 850 – 2nd Street SW Calgary, Alberta T2P 0R8 Attn: Derek M. Pontin/John Regush Ph. (403) 268-6301/ 7086 Fx. (403) 268-3100 File No.: 559316-3
DATE ON WHICH ORDER WAS PRONOUNCED:	March 27, 2020
LOCATION WHERE ORDER WAS PRONOUNCED:	Calgary, Alberta
NAME OF JUDGE WHO MADE THIS ORDER:	The Honourable Madam Justice K. Eidsvik

UPON THE APPLICATION OF Hillsboro Ventures Inc., Neotric Enterprises Inc., and Keith Ferrel, (collectively, the "**Applicants**") pursuant to Rule 3.74 of the *Alberta Rules of Court*, Alta Reg 124/2010; AND UPON HAVING READ the Affidavit of Keith Ferrel, sworn January 13, 2020, filed, and the pleadings and proceedings in the within Action; AND UPON HEARING from counsel for Hillsboro and such other parties as may be present in person or represented by counsel;

IT IS HEREBY ORDERED THAT:

1. The stay of proceedings in place pursuant to the Order of the Honourable Madam Justice B.E.C. Romaine as against Ceana Development Sunridge Inc. is lifted *nunc pro tunc* for the purpose of

allowing the Applicants to file a Statement of Defence to Counterclaim in the within Action against Ceana Development Sunridge Inc.

2. The Counterclaim commenced in the within Action by Bahadur (Bob) Gaidhar and Yasmin Gaidhar is a nullity.
3. Bahadur (Bob) Gaidhar and Yasmin Gaidhar are removed as Plaintiffs by Counterclaim in the within Action, and the style of cause and pleadings shall be amended to remove them as parties.
4. The Applicants are awarded the costs of this Application on a solicitor and its own client, full indemnity basis.

Justice of the Court of Queen's Bench of Alberta

Schedule "B"

COURT FILE NO.	1801-04745
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFF	HILLSBORO VENTURES INC.
DEFENDANT	CEANA DEVELOPMENT SUNRIDGE INC.
PLAINTIFFS BY COUNTERCLAIM	CEANA DEVELOPMENT SUNRIDGE INC., BAHADUR (BOB) GAIDHAR AND YASMIN GAIDHAR
DEFENDANTS BY COUNTERCLAIM	HILLSBORO VENTURES INC., NEOTRIC ENTERPRISES INC., KEITH FERREL AND BORDEN LADNER GERVAIS LLP
DOCUMENT	ORDER – SECURITY FOR COSTS
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Dentons Canada LLP Bankers Court 15th Floor, 850 – 2nd Street SW Calgary, Alberta T2P 0R8 Attn: Derek M. Pontin/John Regush Ph. (403) 268-6301/ 7086 Fx. (403) 268-3100 File No.: 559316-3
DATE ON WHICH ORDER WAS PRONOUNCED:	March 27, 2020
LOCATION WHERE ORDER WAS PRONOUNCED:	Calgary, Alberta
NAME OF JUDGE WHO MADE THIS ORDER:	The Honourable Madam Justice K. Eidsvik

UPON THE APPLICATION OF Hillsboro Ventures Inc., Neotric Enterprises Inc., and Keith Ferrel, (collectively, the "**Applicants**") for an Order requiring Bahadur (Bob) Gaidhar and Yasmin Gaidhar (collectively, the "**Gaidhars**") to post security for payment of a costs award; AND UPON HAVING READ the Affidavit of Keith Ferrel, sworn January 13, 2020, filed and the pleadings and proceedings in the within Action; AND UPON HEARING from counsel for the Applicants, and such other interested parties as may be present in person or represented by counsel;

IT IS HEREBY ORDERED THAT:

1. The stay of proceedings in place pursuant to the Order of the Honourable Madam Justice B.E.C. Romaine as against Ceana Development Sunridge Inc. is lifted *nunc pro tunc* for the purpose of allowing the Applicants to file a Statement of Defence to Counterclaim in the within Action against Ceana Development Sunridge Inc.
2. The Gaidhars shall post security for costs in the sum of \$100,000 (the "**Security**").
3. The Security must be paid into Court within two (2) months of this Order being filed and served, failing which the Counterclaim of the Gaidhars in the within Action will be dismissed without further Order of this Court.
4. Until the Security is paid into Court, the Counterclaim of the Gaidhars in the within Action is stayed.
5. Costs of this Application are awarded to the Applicants on a solicitor and its own client full indemnity basis as against the Gaidhars on a joint and several basis.

Justice of the Court of Queen's Bench of Alberta