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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 **APPLICATION**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Dentons Canada LLP
Bankers Court
15th Floor, 850 - 2nd Street S.W.
Calgary, Alberta T2P 0R8
Attention: Derek Pontin / John Regush
Ph. (403) 268-6301/7086 Fx. (403) 268-3100
File No.: 559316-3

NOTICE TO RESPONDENTS: Service List attached as Schedule "A"

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: November 2, 2020

Time: 2:00 p.m.

Where: Calgary Courts Centre, Calgary, Alberta
VIA WEB-EX as set out at Schedule "B"

Before Whom: The Honourable Justice K.M. Horner

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

Remedy Claimed or Sought:

1. Hillsboro Ventures Inc. and Hillsboro Enterprises Inc. (collectively "**Hillsboro**") respectfully seeks:
 - (a) substantially in the form attached as Schedule "C" hereto:

- (i) abridging the time for service of this application and deeming service good and sufficient; and
 - (ii) sealing the Confidential Affidavit of Keith Ferrel sworn October 26, 2020 (the “**Confidential Affidavit**”); and
- (b) an Order, substantially in the form attached as Schedule “D” hereto (the “**Sales Approval Order**”):
- (i) declaring that the time for service of this application be abridged, that this application is properly returnable today and that further service of this application be dispensed with;
 - (ii) lifting the stay of proceedings (“**Stay**”) in place pursuant to the Order of the Court of Queen’s Bench of Alberta pronounced July 3, 2019 (the “**Receivership Order**”) appointing Alvaraz and Marsal Canada Inc. as receiver and manager (the “**Receiver**”) of all of the assets, undertakings, and properties of Cean Development Sunridge Inc. (“**Cean Sunridge**”) in favour of Hillsboro, including to the extent required *nunc pro tunc*, to enable Hillsboro to bring the within application, approve and consummate the transaction (“**Transaction**”) described in the Sales Approval Order, and thereafter pursue deficiency judgment against Cean Sunridge;
 - (iii) declaring that Hillsboro’s mortgages and related security, as amended from time to time (collectively, the “**Facility Documents**”), over the assets, properties, and undertakings of Cean Sunridge are valid and enforceable;
 - (iv) granting judgment in favour of Hillsboro against Cean Sunridge for amounts owing by Cean Sunridge to Hillsboro pursuant to the Facility Documents (the “**Mortgage Indebtedness**”);
 - (v) declaring the amount owing to Hillsboro in respect of amounts loaned by Hillsboro to the Receiver pursuant to the terms of the Receivership Order (the “**Receiver’s Borrowings**”);
 - (vi) vesting in Hillsboro, or its nominee, the lands legally described as:
 - PLAN 9811891
 - BLOCK 8
 - LOT 1
 - EXCEPTING THEREOUT ALL MINES AND MINERALS(the “**Lands**”);
- and related property as more particularly described in the Sales Approval Order (the “**Purchased Assets**”), free and clear of all encumbrances except for permitted encumbrances;
- (vii) directing the City of Calgary to transfer certain building permits and development permits to Hillsboro, or its nominee; and

- (viii) declaring that Hillsboro, or its nominee, shall be deemed to be the “developer” for the purposes of the *Condominium Property Act*, RSA 2000 c C-22 (“**CPA**”); and
- (c) such further and other relief as this Honourable Court deems just and appropriate.

Grounds for Making this Application:

The Indebtedness and Security

2. Ceana Sunridge was the developer of a project (“**Project**”) situated on the Lands.
3. Hillsboro extended financing to Ceana Sunridge under and by way of three mortgage facilities (the “**Facilities**”).
4. Mortgages granted in relation to the Facilities charge the Lands.
5. Ceana Sunridge granted Hillsboro various other security in respect of the Facilities, including agreements granting Hillsboro a security interest in all of Ceana Sunridge’s present and after acquired personal property.
6. Hillsboro registered its security in the applicable public registries.
7. The Mortgages are registered subsequent to a mortgage registered in favour of Connect First Credit Union (“**Connect First**”).
8. Ceana Sunridge was in default of its loan obligations and related security.
9. Hillsboro issued demands for repayment and a Notice of Intention to Enforce Security pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985 c B-3.
10. Ultimately, Hillsboro applied for, and was granted, the Receivership Order.

Receivership

11. Upon its appointment, certain phases of the Project had been started (the “**Initial Phases**”), but not completed, and no material work had been done on the Project for some time.
12. Since its appointment, the Receiver has, among other things, overseen the construction of the Initial Phases of the Project.
13. Hillsboro has provided the funding necessary for construction of the Initial Phases pursuant to Receiver’s Borrowing Certificates issued under the Receivership Order.
14. Construction of the Initial Phases of the Project is substantially complete.
15. With the Initial Phases of the Project substantially complete, Hillsboro wishes to exercise its security and acquire the Purchased Assets (through a nominee), at which time Hillsboro will:
 - (a) assume certain contracts and obligations associated with the Purchased Assets, including but not limited to:

- (i) the mortgage of Connect First;
 - (ii) the pre-sale contracts in place with specified purchasers of condominium units comprising the Project, and any deposits made in connection with those pre-sale contracts;
 - (iii) agreements relating to ongoing construction, architecture, security and related matters for the Project;
- (b) become the owner and developer of the Project, including for the purposes of the CPA;
 - (c) oversee completion of the minor work required to finish the Initial Phases;
 - (d) consummate the existing sales contracts; and
 - (e) proceed with permitting and development of additional phases of the Project in Hillsboro's discretion (and at Hillsboro's cost) in due course.
16. The purchase price paid by Hillsboro will be comprised of:
- (a) a cash amount of \$3,000,000, which shall be used to fund final construction costs of the Initial Phases, make a payment as against the mortgage of Connect First in the amount of \$500,000, ensure payment of the fees of the Receiver and its legal counsel, and stand as assurance for any contingencies that may arise in the completion of the Initial Phases;
 - (b) a \$6,000,000 reduction in the indebtedness owed by Ceana Sunridge to Hillsboro;
 - (c) a \$4,782,597 reduction in the Receiver's Borrowings (which will effect full payment of those amounts); and
 - (d) assumption of all amounts owing under the Connect First mortgage.
17. The Receiver has confirmed the Hillsboro Facility Documents are valid and enforceable.
18. The Receiver has reviewed in detail the quantum of the Mortgage Indebtedness and confirmed to Hillsboro the amounts claimed by Hillsboro are amounts due and owing.

It is Appropriate to Lift the Stay and Complete the Transaction

19. In order to consummate the Transaction, Hillsboro requires a lifting of the Stay, *nunc pro tunc*.
20. The Receivership Order contemplates that this Honourable Court may grant a party leave to proceed against Ceana Sunridge and its property, which is subject to these receivership proceedings.
21. The continued operation of the Stay is prejudicial to Hillsboro, as it prevents it from making its application for sale to Plaintiff, whereunder it will acquire the Purchased Assets. Hillsboro would face no restriction in making this application in the absence of the Stay.

22. The proposed transaction causes no prejudice to any affected parties. Hillsboro's nominee will be acquiring the Purchased Assets for an amount significantly in excess of fair market value. Hillsboro will continue to have a deficiency position after closing of the sale. All claims against the Purchased Assets will vest in the proceeds of sale, though it is noted given Hillsboro's deficiency there is no equity in the Purchased Assets.
23. Moreover, Hillsboro's nominee is taking on a number of obligations going forward. Counterparties to those obligations will, to the extent not fulfilled, have recourse against Hillsboro's nominee. This includes Connect First (who will continue to have recourse as against the Lands), the purchasers of condo units, and counterparties to ongoing arrangements with the Receiver, including the general construction contractor, architect, site security, condominium planning consultant and others.
24. Hillsboro, through its nominee, has the wherewithal to finish construction of the Initial Phases and complete further development of the Project. Hillsboro is proposing to put more than the necessary funds into escrow upon closing, for use and assurance in respect of the completion of construction and payment of professional costs.
25. Hillsboro is the fulcrum creditor. Hillsboro has been funding and bearing the economic impact of these receivership proceedings, including all construction and professional costs.
26. The Stay should be lifted to allow Hillsboro to complete the Transaction. To deny Hillsboro the Order sought will be significantly prejudicial to Hillsboro, who would be the only materially affected creditor.
27. After completing the Transaction, Hillsboro will still be owed amounts by Ceana Sunridge on account of the Mortgage Indebtedness.
28. Ceana Sunridge has no active operations, other than development of the Project, and as such is not prejudiced by Hillsboro continuing its action against Ceana Sunridge for its deficiency judgement. It is anticipated the Receiver will seek its discharge in due course after closing the Transaction.
29. Delaying Hillsboro in obtaining deficiency judgement is prejudicial to Hillsboro, who will be required to continue to fund these proceedings for no parties' recovery but its own.
30. Accordingly, the Stay should be lifted at this time and the requested Order for Sale to Plaintiff granted as sought.

Restricted Access Order

31. The Confidential Affidavit includes commercially sensitive information regarding the Purchased Assets in the form of an appraisal and commentary on the Purchased Assets.
32. The information in Confidential Affidavit is commercially sensitive, is confidential, and should be sealed to avoid the tainting of any potential future sales, which may be required.
33. The proposed restricted access order is limited in that the Confidential Affidavit would only remain sealed only until November 2, 2022, or any date as provided by further Order.

34. The terms set out in the proposed form of restricted access order, attached as Schedule "C", are necessary to accomplish this.
35. The public disclosure of the information contained in the Confidential Affidavit at this time would cause serious and irreparable harm to the estate and its stakeholders. The proposed restricted access order is a fair and reasonable means to address the harm of restricting public dissemination at this time.
36. Such further and other grounds as counsel may advise and this Honourable Court may permit.

Material or Evidence to be Relied on:

37. The affidavits of Keith Ferrel sworn August 31, 2018, June 21, 2019, January 13, 2020 and October 26, 2020.
38. The confidential affidavit of Keith Ferrel sworn October 26, 2020, unfiled.
39. The Receiver's First Report, Second Report and Third Report, filed.
40. The Receiver's Fourth Report (anticipated, to be filed).
41. The pleadings and proceedings in this action.
42. Such further and other materials as counsel may advise and this Honourable Court may permit.

Applicable Rules:

43. *Alberta Rules of Court*, Alta Reg 124/2010.
44. *Bankruptcy and Insolvency General Rules*, CRC, c 368.
45. Such further and other rules as counsel may advise and this Honourable Court may permit.

Applicable Acts and Regulations:

46. *Bankruptcy and Insolvency Act*, RSC 1985 c B-3.
47. *Judicature Act*, RSA 2000 c J-2.
48. *Land Titles Act*, RSA 2000 c L-4.
49. *Limitations Act*, RSA 2000 c L-12.
50. Such further and other Acts and Regulations as counsel may advise and this Honourable Court may permit.

How the Application is Proposed to be Heard or Considered:

51. Via Web-Ex before the Honourable Justice K.M. Horner.

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" to the Application – Service List

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.

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 SERVICE LIST

Updated October 26, 2020

Party	Mode of Service	Representing
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Alvarez & Marsal Canada Inc. Bow Valley Square IV 1100, 250 – 6 th Avenue SW Calgary, AB T2P 3H7 Attn: Orest Konowalchuk Chad Artem David Williams	Email: okonowalchuk@alvarezandmarsal.com cartem@alvarezandmarsal.com david.williams@alvarezandmarsal.com	Receiver and Manager of Ceana Development Sunridge Inc.
Dentons Canada LLP 850 – 2 nd Street SW Calgary, AB T2P 0R8 Attn: Derek Pontin John Regush	Email: derek.pontin@dentons.com john.regush@dentons.com	Counsel to Hillsboro Ventures Inc. Hillsboro - <i>*Instrument Registered against COT</i>

Party	Mode of Service	Representing
Glenn & Card LLP #100, 2886 Sunridge Way NE Calgary, AB T1Y 7H9 Attn: Thomas Glenn	Email: tfglenn@gclawyers.ca	Counsel to Ceana Development Sunridge Inc.
Bahadur (Bob) Gaidhar	Email: bg@ceana.ca	Guarantor / Shareholder
Shameer Gaidhar	Email: shameerg@mphomes.ca	Representative of Bahadur
KH Dunkley Law Group 1915 32 Ave NE #20 Calgary, AB T2E 7C8 Attn: Khalil Haji	Email: khalil@khlawgroup.com	Former counsel to Ceana Development Sunridge Inc., with respect to purchase deposits
Burnett Duckworth & Palmer LLP 2400, 525-8 th Avenue SW Calgary, AB T2P 1G1 Attn: David LeGeyt	Email: dlegeyt@bdplaw.com	Counsel to Connect First Credit Union Ltd.
McLennan Ross LLP 1900 Eau Claire Tower 600-3 rd Avenue SW Calgary, AB T2P 0G5 Attn: Jaime Flanagan	Email: jflanagan@mross.com	Counsel to Cold Frog Plumbing & Heating Inc. and Emco Corporation <i>*Instrument Registered against COT for either</i>
Chibambo Law Firm 7 03 6 Ave SW Calgary, AB T2P 0T9 Attn: Tchupa Chibambo	Email: chibambolaw@telus.net	Counsel for 1989207 Alberta Ltd. (Purchaser)
Williamson Law 602 11 Avenue SW, Suite 416 Calgary, AB T2R 1J8 Attn: Chad Williamson	Email: chad@williamson.law	Counsel to Quantity Surveying Services International Ltd.
Demon Water Hauling Ltd. 11333-84 th Street SE Calgary, AB T2C 4T4 Attn: Jennifer Singer	Email: DemonWater1@gmail.com	<i>*Instrument Registered against COT</i>

Party	Mode of Service	Representing
<p>Calgary Landscaper Ltd. 38048 Country Hills RPO Calgary, AB T3K 5G9 Attn: Bernhard Penner</p> <p><i>*Note: Previous package delivered to the subject address was returned to Torys – the address is incorrect</i></p>	<p>Mail</p>	<p><i>*Instrument Registered against COT</i></p>
<p>Field Law 400, 444-7th Avenue SW Calgary, AB T2P 0X8 Attn: Kim Beachum</p>	<p>Email: kbeachum@fieldlaw.com</p>	<p>Counsel to Sunbelt Rentals of Canada Inc.</p>
<p>Field Law LLP 400 – 444 7 Avenue SW Calgary, AB T2P 0X8 Attn: Douglas Nishimura</p>	<p>Email: dnishimura@fieldlaw.com</p>	<p>Counsel to 1785337 Alberta Ltd. (Joint Venturee/Purchaser)</p>
<p>Reliance Legal Group Commonwealth Centre Unit 1101, 3961 52nd Avenue N.E. Calgary, Alberta T3J 0J7 Attn: David Jung</p>	<p>Email: dj@rlglaw.ca</p>	<p>Counsel to Sukhdeep S Dhaliwal and Mandeep S. Mavi (Purchaser)</p>
<p>Edos Omorotionmwan, LL.M Barrister, Solicitor & Notary Public EO LAW Suite 110, 32 Westwinds Crescent N.E. Calgary, Alberta T3J 5L3</p>	<p>Email: edosmo@eolaw.ca</p>	<p>Counsel for Central Halal Meat (Purchaser)</p>
<p>Brian N. Lester Barrister & Solicitor 16, 2439 - 54 Avenue S.W. Calgary, Alberta T3E 1M4</p>	<p>Email: info@brianlester.com</p>	<p>Counsel to Karim Sharifat (Purchaser)</p>
<p>JSS Barristers 800, 304 - 8 Avenue SW, Calgary, Alberta T2P 1C2 Attn: William Katz</p>	<p>Email: katzw@jssbarristers.ca</p>	<p>Counsel to Alein Mounir</p>
<p>Masuch Law 125 - 8838 Blackfoot Trail SE Calgary AB T2J 3J1 Attn: Rick Seibel</p>	<p>Email: rick@masuchlaw.com</p>	<p>Counsel to Dr. Chinyem Dzwanda, JV Deposit Holder</p>

Party	Mode of Service	Representing
Essential Quality Electrical Services 245 Mountain Park Drive SE Calgary, AB T2Z 2L2 Attn: Brian Scott	Mail	*Instrument Registered against COT
Moore Wittman Phillips 307, 1228 Kensington Road NW Calgary, AB T2N 3P7 Attn: Christina Dao	Email: cdao@nucleus.com	Counsel to Super Save Fence Rentals Inc. Super Save - *Instrument Registered against COT
Moore Wittman Phillips 307, 1228 Kensington Road NW Calgary, AB T2N 3P7 Attn: Brian Phillips, Q.C.	Email: bphillips@nucleus.com	Counsel to Alein Mounir (Purchaser / Joint Venturee)
Arkell Law 4620 Manilla Road SE Calgary, AB T2G 4B7 Attn: Martin Arkell	Email: martin@arkell-law.com	Counsel to CECA Holding Co. Ltd. (Purchaser) CECA - *Instrument Registered against COT
First West Law LLP 1501 1 St SW #100 Calgary, AB T2R 0W1 Attn: Ryan Moneo	Email: ryan@firstwest.com	Counsel to Eureka Prescriptions (Purchaser/Joint Venturee)
Canadian Western Bank 2810-32 nd Avenue NE Calgary, AB T1Y 5J4	Fax: 403-250-8806	
Karim Sharifat 109 Cove Point Chestermere, Alberta T1X 1G1 <i>*Note: Previous package delivered to the subject address was returned to Torys – the address is incorrect/incomplete, September 2020.</i>	Mail	Purchaser
2035043 Alberta Ltd. 670, 433 Marlborough Way NE Calgary, Alberta T2A 5H5 Attn: Simon Touchan	Email: simontouchan@gmail.com	Purchaser

Party	Mode of Service	Representing
Paul Ng 51 Hamptons Circle NW Calgary, Alberta T3A 5T2	Email: ngpaul68@gmail.com	Purchaser
Eureka Prescriptions 58 Hidden Spring Green NW Calgary, Alberta T3A 5N2	Email: megapharm@mail.com	Purchaser / Joint Venturee
1989207 Alberta Ltd. 1528-18 Avenue NW Calgary, Alberta T2M 0W8	Mail	Purchaser / Joint Venturee
Central Halal Meat 205, 4655-54 Avenue NE Calgary, Alberta T3J 3Z4	Mail	Purchaser / Joint Venturee
Sukhdeep S. Dhaliwal & Mandeep S. Mavi 280181 Township Road 242 Chestermere, Alberta T1X 0M5 28 Castlebrook Place NE Calgary, Alberta T3J 1V8	Email: gdcl@live.com	Joint Venturee <i>*Instrument Registered against COT</i>
Dr. Mundi RR6, Site 6, Box 40 Conrad, Alberta T2M 4L5 <i>*Note: Previous package delivered to the subject address was returned to Torys – the address is incorrect, June 16, 2020.</i>	Mail	Joint Venturee / Purchaser
Manish Raval 8403 Ashworth Road SE Calgary, Alberta T2H 1R1	Mail	Joint Venturee / Purchaser
Usveer Singh Grewal & Mahinderpal Singh Sandhu 17 Coral Springs Park NE, Calgary AB, T3J 3R1	Mail	Purchaser
Zahir Karmali & Almas Karmali 207 Edgeland Rise NW Calgary, Alberta T3A 4G1	Email: nim@shaw.ca	Shareholder / Joint Venturee/ Purchaser

Party	Mode of Service	Representing
<p>1396081 Alberta Ltd. 39 Panorama Hills Cres NW Calgary, Alberta T3K 5H7</p>	<p>Mail</p>	<p>Joint Venturee /Purchaser</p>
<p>Gurjit Singh Dhillon 1731 - 42 Street NE Calgary, Alberta T1Y 2L6</p>	<p>Email: gurjitdhillon77@gmail.com</p>	<p>Shareholder / Joint Venturee / Purchaser</p>
<p>Bhupinder Basati & Ravinder Kaur Basati Box 32, Site 6, RR6 LCD 9 Calgary, Alberta T2M 4L5</p> <p><i>*Note: Previous package delivered to the subject address was returned to Torys – the address is incorrect, June 16, 2020.</i></p>	<p>Mail</p>	<p>Shareholder / Joint Venturee</p>
<p>909472 Alberta Ltd. 115 – 8th Avenue SW Calgary, Alberta T2P 1B4</p>	<p>Mail</p>	<p>Shareholder / Joint Venturee</p>
<p>Shafique Kanji & Yasmin Kanji 243 Hidden Ranch Circle NW Calgary, Alberta T3A 5R2</p>	<p>Mail</p>	<p>Shareholder / Joint Venturee</p>
<p>1814121 Alberta Ltd. 20, 1915 – 32nd Avenue NE Calgary, Alberta T2E 7C8</p>	<p>Mail</p>	<p>Shareholder / Joint Venturee</p>
<p>1630374 Alberta Ltd. 20, 1915 – 32nd Avenue NE Calgary, Alberta T2E 7C8</p> <p><i>*Note: the subject address was obtained through a corporate search.</i></p>	<p>Mail</p>	<p>Joint Venturee</p>
<p>854413 Alberta Ltd. 20, 1915 – 32nd Avenue NE Calgary, Alberta T2E 7C8</p> <p><i>*Note: the subject address was obtained through a corporate search.</i></p>	<p>Mail</p>	<p>Joint Venturee</p>

Party	Mode of Service	Representing
<p>Fiazali and Parin Devji 15 Coral Springs Green NE Calgary, Alberta T3J 3S5</p>	<p>Mail</p>	<p>Joint Venturee</p>
<p>Gordon Piper 1062 Northmount Drive NW Calgary, Alberta T2L 0B9</p>	<p>Email: gpiper333@gmail.com</p>	<p>Joint Venturee</p>
<p>Asif and Simeen Bhanji 2424 Wall Street Vancouver, BC V5I 1B8</p> <p><i>*Note: Previous package delivered to the subject address was returned to Torys – the address is incorrect/incomplete, June 2020.</i></p>	<p>Mail</p>	<p>Joint Venturee</p>
<p>Nathan Professional Corporation 4528 Brisebois Drive NW Calgary, Alberta T2L 2G4</p>	<p>Mail</p>	<p>Joint Venturee</p>
<p>Mark Pugh 19 Ranchridge Road NE Calgary, Alberta T3G 1V7</p>	<p>Mail</p>	<p>Joint Venturee</p>
<p>Tarnbir K. Mundi RR6, Site 6, Box 40 LCD 9 Calgary, Alberta T2M 4L5</p> <p><i>*Note: Previous package delivered to the subject address was returned to Torys – the address is incorrect, June 16, 2020.</i></p>	<p>Mail</p>	<p>Joint Venturee</p>
<p>Nan Investments Ltd. 3310 Country Village Park NE Calgary, Alberta T3K 0W5</p> <p><i>*Note: June 16, 2020 package delivered to the subject address was returned to Torys – the address is incorrect.</i></p> <p><i>*Note: Email address taken from Corporate Search</i></p>	<p>Email: alynanji@gmail.com</p>	<p>Joint Venturee</p>

Party	Mode of Service	Representing
<p>Chem-Pet Process Tech P.O. Box 62064 407 Hawkwood Blvd NW Calgary, Alberta T3G 5S7</p> <p><i>*Note: Previous package delivered to the subject address was returned to Torys – the address is incorrect</i></p>	<p>Mail</p>	<p>Joint Venturee</p>
<p>1673300 Alberta Ltd. 122 Citadel Crest Green NW Calgary, Alberta T3G 4W4</p> <p><i>*Note: the subject address was obtained through a corporate search</i></p>	<p>Mail</p>	<p>Joint Venturee</p>
<p>Quantity Surveying Services International Ltd. 2 Douglasview Rd SE Calgary, Alberta T2Z 2S9</p>	<p>Email: alex@qssi.ca</p>	<p><i>*Instrument Registered against COT</i></p>
<p>Yorkfield Financial Corporation 110, 7330 Fisher Street SE Calgary, Alberta T2H 2H8</p> <p><i>*Note: the subject address was obtained through a corporate search.</i></p>	<p>Mail</p>	<p><i>*Instrument Registered against COT</i></p>
<p>Mintz Law 410, 10339 – 124 St Edmonton, Alberta T5N 3W1 Attn: Bruce Mintz</p> <p><i>*Note: Address was pulled from the Law Society of Alberta website.</i></p>	<p>Mail</p>	<p>Counsel to Trane Canada ULC. <i>*Instrument Registered against COT</i></p>
<p>Pipan and Nirmala Kumar 39 Panorama Hills Crescent NW Calgary, Alberta T3K 5H7</p>	<p>Mail</p>	<p>Joint Venturee</p>
<p>Saj Paleja</p>	<p>Email: sajpaleja@gmail.com</p>	<p>Joint Venturee</p>

Party	Mode of Service	Representing
Reliance Legal Group Commonwealth Centre Unit 1101, 3961 52nd Avenue N.E. Calgary, Alberta T3J 0J7 Attn: Gurteg Singh Gill	Email: gsg@rlglaw.ca	Counsel to Gurjeet Dhillon
Century 21 Bravo Realty 3009 – 23 Street NE Calgary, AB T2E-7A4 Attn: Sarah Mastronardi	Email: sales@century21bravo.com	Conveyancing Administrator
Amish Morjaria, Ashol Morjaria & Mridula Morjaria c/o Robert Stack 1601, 333 – 11 Ave SW Calgary, Alberta T2R 1L9	Mail	
Vogel Verjee 128 2 Avenue SE Calgary, AB T2G 5J5 Attn: Amanda Zalmanowitz	Email: azalmanowitz@vogelverjee.com	Counsel to Ceana Development Inc.
Canada Revenue Agency Surrey National Verification and Collections Centre 9755 King George Blvd. Surrey, BC V3T 5E1	Fax: 866-219-0311	

The following are entities/individuals for which an address was not provided, but which the Receiver has requested Mr. Gaidhar provide.

Sameer and Aliya Dhalla		Joint Venturee
Amish Morjaria		Joint Venturee
Ashoke and Mridula Morjaria		Joint Venturee
Antony Retchaganathan and Sulochana Antony		Joint Venturee

<p>HMA Homes and Investment Ltd. 1812, 608-9th Street SW Calgary, Alberta T2P 2B3</p> <p><i>*Note: June 16, 2020 package delivered to the subject address was returned to Torys – the address is incorrect.</i></p> <p><i>*Note: Email address taken from Corporate Search</i></p>	<p>Email: gopal1111@gmail.com</p>	<p>Shareholder / Joint Venturee</p>
<p>Suleman Lakhani 114 Sage Hill Way NW Calgary, Alberta T3R 0H5</p> <p><i>*Note: June 16, 2020 package delivered to the subject address was returned to Torys – the address is incorrect.</i></p>	<p>Mail</p>	<p>Joint Venturee</p>
<p>1785337 Alberta Ltd. 44 Skyview Springs Rd NE Calgary, Alberta T3N OC2</p> <p><i>*Note: the subject address was obtained through a corporate search</i></p> <p><i>*Note: homeowner called June 17, 2020 to confirm that they are not associated with the matter.</i></p> <p><i>*Note: Email address taken from Corporate Search</i></p>	<p>Email: call1ac@sm-cpa.ca</p>	<p>Joint Venturee</p>
<p>1965411 Alberta Ltd.</p>	<p>Email: drjmundi@gmail.com</p>	<p>Purchaser</p>
<p>Dream Sleep Respiratory Services Ltd. 5149 Country Hills Blvd NW #202, Calgary, AB T3A 5K8</p>	<p>Mail</p>	<p>Purchaser</p>

Schedule "B" to the Application – Web-Ex Particulars

Counsel: Please ensure that all relevant parties have received Webex information.

Virtual Courtroom 60 has been assigned for the following matter:

Date: Nov 02, 2020 02:00 PM

Style of Cause: HILLSBORO VENTURES INC. v. CEANA DEVELOPMENT SUNRIDGE INC. 1801 04745

Presiding Justice: HORNER, J

Virtual Courtroom Link:

<https://albertacourts.webex.com/meet/virtual.courtroom60>

Instructions for Connecting to the Meeting

1. Click on the link above or open up Chrome or Firefox and cut and paste it into your browser address bar.
2. If you do not have the Cisco Webex application already installed on your device, the site will have a button to install it. Follow installation instructions. Enter your full name and email address when prompted
3. Click on the **Open Cisco Webex Meeting**.
4. You will see a preview screen. Click on **Join Meeting**.

Key considerations for those attending:

1. Please connect to the courtroom **15 minutes prior** to the start of the hearing.
2. Please ensure that your microphone is muted and remains muted for the duration of the proceeding, unless you are speaking. Ensure that you state your name each time you speak.
3. If bandwidth becomes an issue, some participants may be asked to turn off their video and participate by audio only.
4. **Note: Recording or rebroadcasting of the video is prohibited.**
5. **Note: It is highly recommended you use headphones with a microphone or a headset when using Webex. This prevents feedback.**

If you are a non-lawyer attending this hearing remotely, **you must** complete the undertaking located here: <https://www.albertacourts.ca/qb/resources/announcements/undertaking-and-agreement-for-non-lawyers>

For more information relating to Webex protocols and procedures, please visit:

<https://www.albertacourts.ca/qb/court-operations-schedules/webex-remote-hearings-protocol>

Thank you

Maria Mancica

Schedule "C" to the Application – Restricted Court Access Order

Clerk's Stamp:

COURT FILE NUMBER 1801-04745

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF HILLSBORO VENTURES INC.

DEFENDANTS CEANA DEVELOPMENT SUNRIDGE INC.

DOCUMENT **Restricted Access Order**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT Dentons Canada LLP
Bankers Court
15th Floor, 850 - 2nd Street S.W.
Calgary, Alberta T2P 0R8
Attn: Derek Pontin
Ph. (403) 268-6301 Fx. (403) 268-3100
File No.: 559316-3

DATE ON WHICH ORDER WAS PRONOUNCED

LOCATION WHERE ORDER WAS PRONOUNCED Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER

UPON THE APPLICATION by Hillsboro Ventures Inc. and Hillsboro Enterprises Inc. (collectively, "**Hillsboro**"); AND UPON reading the Confidential Affidavit of Keith Ferrel sworn October 26, 2020 (the "**Confidential Affidavit**"); AND UPON hearing submissions from counsel as to service; AND UPON hearing submissions of counsel to Hillsboro, and such other parties as may be participate in the application personally or by counsel;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. Part 6 Division 4 of the *Alberta Rules of Court*, Alta Reg 124/2010 does not apply to this application.
2. The Confidential Affidavit shall be filed in Court of Queen's Bench of Alberta Action Number 1801-04745 and shall immediately be sealed by the Clerk of the Court, kept confidential and not form part of the public record, and not be available for public inspection until November 2, 2022, or until otherwise ordered by this Court, after application brought upon seven days' notice to all interested parties, whereupon the Clerk of the Court shall remove the Confidential Affidavit from the sealed envelope referred to below and place the Confidential Affidavit on the public record. The Confidential Affidavit shall be sealed and filed in an envelope containing the following statement thereon:

THIS ENVELOPE CONTAINS THE CONFIDENTIAL AFFIDAVIT OF KEITH FERREL SWORN OCTOBER 26, 2020, WHICH SHALL BE SEALED UNTIL NOVEMBER 2, 2022, OR UNTIL FURTHER ORDER OF THIS COURT AND IS NOT TO BE PLACED ON THE PUBLIC RECORD OR MADE PUBLICALLY ACCESSIBLE EXCEPT AFTER NOVEMBER 2, 2022 OR IN ACCORDANCE WITH SUCH ORDER.

Justice of the Court of Queen's Bench of Alberta

Schedule "D" to the Application – Sales Approval Order

Clerk's Stamp:



COURT FILE NUMBER 1801-04745

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE OF CALGARY

PLAINTIFF: HILLSBORO VENTURES INC.

DEFENDANT: CEANA DEVELOPMENT SUNRIDGE INC.

DOCUMENT **ORDER – SALE TO PLAINTIFF AND VESTING**

CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT: 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:		
NAME OF JUDGE WHO MADE THIS ORDER:		Honourable
LOCATION OF HEARING:		Calgary, Alberta

UPON the application of Hillsboro Ventures Inc. (or its assignee, herein the "**Purchaser**") in respect of Ceana Development Sunridge Inc. ("**Ceana**"); AND UPON the Court noting Ceana is the subject of a Receivership Order made July 3, 2019, as amended and restated on June 17, 2020 (the "**Receivership Order**"), whereupon Alvarez & Marsal Canada Inc. was appointed as receiver manager of Ceana (the "**Receiver**"); AND UPON having read the Application, the Affidavits of Keith Ferrel, dated _____; the ____ Reports of the Receiver, the Affidavit of Service of _____ dated _____, 2020, all filed; AND UPON hearing counsel for HVI, counsel for the Receiver, 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.

Lifting of the Stay

2. The stay of proceedings in place pursuant to the Receivership Order (the “**Stay**”) is lifted and the Purchaser is granted leave, *nunc pro tunc*, to file the within Application and pursue the relief set out herein, and to take such further and other steps as may be necessary or appropriate to complete the transfers and transactions contemplated hereunder (together, the “**Transaction**”), and to give better effect to this Order.

Validity of Loan and Security Documentation and Indebtedness

3. In this Order the secured property is as follows:

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

(the “**Lands**”), along with all improvements, structures, fixtures, appurtenances, attachments, chattels, property, applications, plans, permits, licences, approvals, deposits, and letters of authorization of Ceaná associated with the Lands (together with the Lands, the “**Purchased Assets**”).

4. The mortgages granted by Ceaná to HVI and registered against the Purchased Assets are valid and enforceable, as follows:

Registration Number	Date	Particulars
171 023 797	26/01/2017	MORTGAGE MORTGAGEE - HILLSBORO VENTURES INC. 927-7A ST NW CALGARY ALBERTA T2M3J4 ORIGINAL PRINCIPAL AMOUNT: \$3,000,000
171 183 985	18/08/2017	MORTGAGE MORTGAGEE - HILLSBORO VENTURES INC. 927-7A ST NW CALGARY ALBERTA T2M3J4

		ORIGINAL PRINCIPAL AMOUNT: \$2,000,000
171 262 890	22/11/2017	MORTGAGE MORTGAGEE - HILLSBORO VENTURES INC. 927-7A ST NW CALGARY ALBERTA T2M3J4 ORIGINAL PRINCIPAL AMOUNT: \$1,500,000

(collectively, the "**Mortgages**").

5. The facility documentation entered into by HVI and Ceana, and the security granted by Ceana to HVI, including the Loan Commitment letters, Security Agreements, Assignments of Project Agreements, Assignments of Leases, Assignments of Rents and Postponements, all as described in the Affidavit of Keith Ferrel sworn June 21, 2019 and filed June 24, 2019 in this Action, are valid and enforceable as against Ceana and the Purchased Assets (all together with the Mortgages, referred to as the "**Security**").
6. The Forbearance Agreement, dated May 16, 2018, entered into by HVI and Ceana and others, as described in the Affidavit of Keith Ferrel sworn August 31, 2018, is valid and enforceable (the "**Forbearance Agreement**", together with the Security, referred to as the "**Facility Documents**").
7. As of October 31, 2020, the amount of the indebtedness owed to the Purchaser by Ceana under and in connection with the Facility Documents is \$11,919,265, set out as follows:

Mortgage Facility 1:	\$5,596,844
Mortgage Facility 2:	\$3,652,297
Mortgage Facility 3:	\$2,633,950
Additional legal costs:	\$36,174
Total:	\$11,919,265

(collectively, plus all additional costs, including legal costs on a solicitor and own client full indemnity basis, and interest as awarded hereunder, the "**Mortgage Indebtedness**").

8. The Purchaser is awarded judgment against Ceana for the Mortgage Indebtedness.

9. As of October 31, 2020, the amount of the indebtedness owed to the Purchaser by the Receiver, in respect of borrowings of the Receiver made by way of Receiver's Borrowing Certificates in the within receivership, is \$4,762,335, set out as follows:

Principal borrowings:	\$4,495,435
Accrued interest:	\$266,899
Total:	\$4,762,335

(the "**Receiver's Borrowings**", together with the Mortgage Indebtedness, the "**Indebtedness**").

Transaction

10. The Receiver shall deliver a Receiver's Certificate to the Purchaser, substantially in the form set out in Schedule "A" hereto (the "**Receiver's Closing Certificate**"), forthwith upon the Receiver being satisfied of the following conditions being met (the "**Closing Conditions**"):
- (a) cash in the amount of \$3,000,000 (the "**Closing Cash**") having been tendered by the Purchaser into escrow, on terms agreeable to the Purchaser and Receiver acting reasonably, for purposes of assurance of payment of: i) final construction costs for that part of the Purchased Assets designated as Buildings A, B, C and D; ii) \$500,000 on account of the mortgage indebtedness owing to Connect First Credit Union Ltd. (the "**Connect Payment**"), registered as instrument number 171 240 017 against the Lands (the "**Connect Mortgage**"); and iii) the Receiver's final fees costs and those of its legal counsel, to be approved by this Honourable Court at or before the Receiver's discharge;
 - (b) the assignment to the Purchaser of the agreements described in Schedule "D" to this Order (the "**Operative Agreements**"); and
 - (c) the delivery by the Purchaser to the Receiver of a GST certificate and/or undertaking, as applicable.
11. Upon delivery of the Receiver's Closing Certificate in accordance with paragraph 10 hereof:
- (a) the Purchaser shall be deemed to have paid to the Receiver, and the Receiver deemed to have received, the total purchase price of **[\$17,662,335 (est.)]** for the Purchased Assets, comprised as follows (the "**Purchase Price**"):
 - (i) \$3,000,000, being the Closing Cash;

- (ii) \$6,000,000, by way of a reduction of the amount owing by Ceana to the Purchaser in respect of the Mortgage Indebtedness (the “**Credit Offset Amount**”);
 - (iii) \$4,762,335, by way of a reduction of the amount owing by the Receiver to the Purchaser for Receiver’s Borrowings (the “**Receiver’s Borrowings Offset Amount**”); and
 - (iv) \$[**3,900,000 (est.)**], being the assumption by the Purchaser of the balance owing under the Connect Mortgage, after reduction for the Connect Payment;
- (b) the Purchaser will be and be deemed to be the developer of the Purchased Assets, for the purposes of the *Condominium Property Act*, RSA 2000 c C-22, and be assigned the Presale Contracts and Presale Deposits, as defined and set out at Schedule “E” to this Order.
12. Upon delivery of the Receiver’s Closing Certificate to the Purchaser, all of Ceana’s right, title and interest in and to the Purchased Assets shall vest absolutely in the name of the Purchaser free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, liabilities, damages, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, “**Claims**”) including, without limiting the generality of the foregoing:
- (a) any encumbrances or charges created by the Receivership Order;
 - (b) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;
 - (c) any liens or claims of lien under the *Builders’ Lien Act* (Alberta); and
 - (d) those Claims listed in Schedule “B” hereto (all of which are collectively referred to as the “**Encumbrances**”, which term shall not include the permitted encumbrances listed in Schedule “C” (collectively, “**Permitted Encumbrances**”)),

and for greater certainty, this Court orders that all Claims including Encumbrances, other than the Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets.

13. The Receiver's Closing Certificate shall be delivered to the Purchaser and filed and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Receiver's Closing Certificate and certified copy of this Order as though they were originals and to register such transfers, assignments, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing:
- (a) the Registrar of Land Titles ("**Land Titles Registrar**") shall and is hereby authorized, requested and directed to forthwith:
 - (i) cancel existing Certificate of Title No. 161 114 536 for the Lands;
 - (ii) issue a new Certificate of Title for the Lands in the name of the Purchaser (or its nominee), namely, Hillsboro Properties Inc.;
 - (iii) transfer to the New Certificate of Title the existing instruments listed in Schedule "C" (Permitted Encumbrances), to this Order, and to issue and register against the New Certificate of Title such caveats, utility rights of ways, easements or other instruments as are listed in Schedule "C"; and
 - (iv) discharge and expunge the Encumbrances listed in Schedule "B" to this Order and discharge and expunge any Claims including Encumbrances (but excluding Permitted Encumbrances) which may be registered as against the existing Certificate of Title to the Lands;
 - (b) the Registrar of the Alberta Personal Property Registry shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of Ceana in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods, if any; and

- (c) the City of Calgary shall and is hereby directed to forthwith recognize and transfer to the Purchaser all applications, authorizations, plans, approvals, agreements, forms, designations and permits, without limitation including all development permits, building permits, land use designations and redesignations, and subdivision and bareland condominium plans, (all whether as approved or in the process of approval) relating to the Purchased Assets.
14. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order. Presentment of this Order and the Receiver's Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances, but excluding Permitted Encumbrances.
 15. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution and delivery by the Receiver of the Receiver's Closing Certificate, and the performance by the Receiver and Purchaser of the of the terms of this Order.
 16. Upon delivery of the Receiver's Closing Certificate together with a certified copy of this Order, this Order shall be immediately registered by the Land Titles Registrar, notwithstanding the requirements of section 191(1) of the *Land Titles Act*, RSA 2000, c.L-7 and notwithstanding that the appeal period in respect of this Order has not elapsed. The Land Titles Registrar is hereby directed to accept all Affidavits of Corporate Signing Authority submitted by the Receiver in its capacity as Receiver of Ceana and not in its personal capacity.
 17. For certainty, the Purchaser shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against Ceana.
 18. The Receiver is directed to file with the Court a copy of the Receiver's Closing Certificate forthwith after delivery thereof to the Purchaser.
 19. Upon delivery of the Receiver's Closing Certificate, the Transaction shall be deemed completed and all Claims, including but not limited to Encumbrances (but excluding Permitted Encumbrances) shall cease to attach to, encumber or otherwise form a charge, security interest, lien, or other claim against the Purchased Assets. All persons who claim by, through or under Ceana in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the

benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser.

20. The Purchaser shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by Ceana, or any person claiming by, through or against Ceana.
21. Immediately upon completion of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Receiver.

Deficiency Judgment

22. The Stay is hereby lifted to the extent as may be required by the Purchaser to apply for an Order determining the quantum of Mortgage Indebtedness remaining owing by Ceana to the Purchaser after the closing of the Transaction. Nothing herein shall prevent the Purchaser from being entitled to any distribution of funds or property, further to its remaining Mortgage Indebtedness and Security, notwithstanding the specific quantum of its remaining Mortgage Indebtedness may not yet have been assessed.

Miscellaneous

23. The Purchaser is awarded its costs of this application and this action on a full indemnity basis as against Ceana, including legal costs on a solicitor-client full indemnity basis, as provided for by the terms of the Facility Documents.
24. The obligations of the Purchaser under Rule 9.35 of the *Alberta Rules of Court*, Alta Reg 124/2010 are waived.
25. The Receiver and the Purchaser shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in completing the Transaction.
26. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in

any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, 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 order and to provide such assistance to the Receiver, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

27. Service of this Order shall be deemed good and sufficient by serving the same on:
- (a) the persons listed on the service list created in these proceedings; and
 - (b) posting a copy of this Order on the Receiver's case website for the Receivership

www.alvarezandmarsal.com/ceana

and service on any other person is hereby dispensed with.

28. 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.

Justice of the Court of Queen's Bench of Alberta

SCHEDULE "A"
RECEIVER'S CLOSING CERTIFICATE

Clerk's Stamp:

COURT FILE NUMBER	1801-04745
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFF	HILLSBORO VENTURES INC.
DEFENDANTS	CEANA DEVELOPMENT SUNRIDGE INC.
DOCUMENT	<u>RECEIVER'S CLOSING CERTIFICATE</u>
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Dentons Canada LLP Bankers Court 15 th Floor, 850 - 2 nd Street S.W. Calgary, Alberta T2P 0R8 Attn: Derek Pontin Ph. (403) 268-6301 Fx. (403) 268-3100 File No.: 559316-3

RECITALS

- A. Pursuant to an Order of the Honourable Justice Romaine of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**") dated July 3, 2019, as amended and restated on June 17, 2020, Alvarez and Marsal Canada Inc. was appointed as receiver and manager (the "**Receiver**") of the undertakings, property and assets of Ceana Development Sunridge Inc. (the "**Debtor**").
- B. Pursuant to an Order of the Court dated [] (the "**Sale Order**"), the Court approved the Transaction (as defined in the Sale Order) between the Receiver and Hillsboro Ventures Inc., or its nominee (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming that the Closing Conditions (as defined in the Sale Order) have been fulfilled.
- C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Closing Conditions set out in the Sale Order have been fulfilled.
2. The Transaction has been completed to the satisfaction of the Receiver.
3. This Certificate was delivered by the Receiver at **[Time]** on **[Date]**.

Alvarez and Marsal Canada Inc. in its capacity as Receiver of the undertakings, property and assets of Ceana Development Sunridge Inc. and not in its personal capacity.

Per; _____

Name:

Title:

SCHEDULE "B"

NON-PERMITTED ENCUMBRANCES

Instrument Number	Date	Description
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
181 023 511	29/01/2018	BUILDER'S LIEN LIENOR - DEMON WATER HAULING LTD. 11333 84 STREET SE CALGARY ALBERTA T2C4T4 AGENT - JENNIFER SINGER AMOUNT: \$24,316
181 112 779	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 ALBERTA T2P3N9 AGENT - JAMES P FLANAGAN AMOUNT: \$62,580
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
181 149 831	13/07/2018	BUILDER'S LIEN LIENOR - CALGARY LANDSCAPER LTD. 38048 COUNTRY HILLS RPO CALGARY ALBERTA T3K5G9 AGENT - BERNHARD PENNER AMOUNT: \$15,880
181 158 526	27/07/2018	CAVEAT RE : PURCHASERS INTEREST CAVEATOR - 1785337 ALBERTA LTD. C/O AB LAW 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
181 249 778	20/11/2018	CERTIFICATE OF LIS PENDENS AFFECTS INSTRUMENT: 181112779
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 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)
191 165 898	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
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
201 126 075	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
201 182 979	10/10/2020	CAVEAT RE : PURCHASERS INTEREST CAVEATOR - CENTRAL HALAL MEATS LTD. 110, 32 WESTWINDS CRES NE CALGARY ALBERTA T3J5L3 AGENT - NASIM ALI

SCHEDULE "C"

PERMITTED ENCUMBRANCES

"Permitted Encumbrances" means the following:

1. The reservations, limitations, exceptions, provisos and conditions, if any, expressed in any original grants from the Crown including, without limitation, the reservation of any mines and minerals in the Crown or in any other person.
2. Undetermined or inchoate statutory liens for taxes, assessments, rates, governmental charges or utility charges or levies not due as at the date of transfer.
3. Without limitation, subdivision agreements, site plan control agreements, development agreements, easements, rights-of-way and rights in the nature of easements (including, without limiting the generality of the foregoing, licenses, easements, rights-of-way and rights in the nature of easements for sidewalks, public ways, sewers, drains, gas, steam and water mains or electric light and power, or telephone and telegraph conduits, poles, wires and cables), heritage easements and agreements relating thereto, servicing agreements, utility agreements, permits, licenses, airport zoning regulations, zoning, land use and building restrictions, by-laws, regulations and other similar agreements with municipal, provincial and federal governmental authorities or private or public utilities affecting the development or use of the Purchased Assets, provided same have been complied with, and provided the same are registered on title to the Purchased Assets on the date hereof.
4. Any rights of expropriation, access or use or any other similar rights conferred or reserved to any municipal, provincial and federal governmental authorities by applicable law.
5. Encumbrances for real property taxes (which term includes charges, rates and assessments), and charges for electricity, power, gas, water and other utility services in connection with the Purchased Assets that are not yet due and owing or, if due and owing, are paid on or before the date of the Receiver's Closing Certificate.
6. Minor encroachments by the Purchased Assets over neighbouring lands and/or permitted under agreements with neighbouring landowners and minor encroachments over the Purchased Assets by improvements of neighbouring landowners and/or permitted under agreements with neighbouring landowners that, in either case, do not materially and adversely impair the current use, operation or marketability of the Purchased Assets.
7. The provisions of all applicable laws, including by-laws, regulations, ordinances and similar instruments relating to development and zoning of the Purchased Assets, provided same have been complied with and there are no breaches of same.
8. The terms and conditions of the agreements purchased/assigned pursuant to this Order and any applicable permits, including the building permits and development permits.
9. All caveats and instruments registered by or on behalf of the Purchaser.
10. All easements, rights of way, servitudes, permits, licenses and other similar rights in land, including rights of way and servitudes for highways and other roads, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone, telegraph and cable television conduits, poles, wires and cable.

11. Those encumbrances listed below as are registered on the title to the Lands as of October 22, 2020, namely:

Instrument Number	Date	Description
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)
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)
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. 927-7A ST NW CALGARY ALBERTA T2M3J4 AGENT - TRAVIS MCARTHUR
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 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
171 262 890	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
181 077 294	17/04/2018	POSTPONEMENT OF MORT 171023797 CAVE 171023798 TO MORT 171262890 CAVE 171262891
181 123 907	15/06/2018	UTILITY RIGHT OF WAY GRANTEE - ATCO GAS AND PIPELINES LTD.

SCHEDULE “D”

1. Primary construction management – contract between the Receiver and Executive Flight Centre Development Inc.;
 2. Site fencing – contract between the Receiver and Super Save Fence Rentals;
 3. Architecture – contract between the Receiver and Rick Balbi Architect Ltd.;
 4. Utility and condominium planning – contract between the Receiver and Vista Geomatics Ltd.;
 5. Budgetary review and loan monitoring – contract between the Receiver and Quantity Surveying Services International; and
 6. Unit marketing and sales – contract between the Receiver and Barclay Street Real Estate;
- (together, the “**Operative Agreements**”).

SCHEDULE "E"

Purchaser	Unit	Purchase Price	Presale Deposit
Mounir Alein	2	\$798,000	\$76,000
Paul Ng	3	\$821,625	\$195,625
UG MS Group	4	\$748,125	\$178,125
Karim Sharifat	7A	\$894,258	\$127,751
Eureka Prescriptions	7B	\$1,034,250	\$200,000
1989207 Alberta Inc.	9	\$945,000	\$90,000
Dream Sleep	12	\$748,125	\$71,250
Central Halal Meat	13	\$765,581	\$73,000
2035043 Alberta Ltd.	17, 18, 19	\$2,300,000	\$230,000