

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re: ENERGERA, INC. <i>et al.</i> , ¹ Debtors in a Foreign Proceeding.	§ § § § § §	Chapter 15 Case No. 26-90433 (ARP) (Jointly Administered)
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FOREIGN REPRESENTATIVE’S MOTION FOR REJECTION OF LEASE

If you object to the relief requested, you must respond in writing. Unless otherwise directed by the Court, you must file your response electronically at <https://ecf.txsb.uscourts.gov/> within twenty-one days from the date this motion was filed. If you do not have electronic filing privileges, you must file a written objection that is actually received by the clerk within twenty-one days from the date this motion was filed. Otherwise, the Court may treat the pleading as unopposed and grant the relief requested.

Alvarez & Marsal Canada Inc., solely in its capacity as court-appointed receiver, manager, and authorized foreign representative (“Receiver” or “Foreign Representative”) of Energera, Inc. (formerly known as Frac Shack Inc.) (“Energera”); Energera America Inc. (formerly known as Frac Shack America Inc.) (“Energera America”); and Sandtinel LLC (“Sandtinel,” and collectively with Energera and Energera America, the “Debtors”), pursuant to the *Consent Receivership Order* dated and pronounced on March 17, 2026 (the “Receivership Order”)² entered by the Court of King’s Bench of Alberta in Judicial Centre of Edmonton, Alberta, Canada, Court File No. 2603-02889 (the “Canadian Court” and the “Canadian

¹ Simultaneous chapter 15 petitions were filed by the Receiver for the following affiliated debtors: Energera Inc. f/k/a Frac Shack Inc.; Energera America Inc. f/k/a Frac Shack America Inc.; and Sandtinel LLC.

² A certified copy of the Receivership Order is attached to the Verified Petition as **Exhibit 1** and can also be downloaded free of charge at the Receiver’s website: <https://www.alvarezandmarsal.com/Energera> and is incorporated herein for all purposes. Energera International Inc. (formerly known as Frac Shack International Inc.) (“Energera International”) is a Canadian entity that is also part of the Canadian Proceeding and subject to the Receivership Order.

Proceeding”), pending under Canada’s *Bankruptcy and Insolvency Act* (“BIA”), and as authorized foreign representative of the Debtors, respectfully submits this *Motion for Allowance for the Rejection of a Lease* (“Motion”) and respectfully requests entry of an order, substantially in the form attached hereto (the “Proposed Order”), and in support thereof states as follows:

PRELIMINARY STATEMENT

1. The Foreign Representative is the court-appointed receiver, manager, and authorized foreign representative of the Debtors in the Canadian Proceeding. By this Motion, the Foreign Representative seeks entry of an order authorizing the rejection of that certain Multi-Tenant Office Lease dated June 24, 2015, as amended, by and between LBA Realty Fund III - Company III, LLC, as landlord, and Energera America Inc. (formerly known as Frac Shack America Inc.), as tenant, for certain premises located at Denver Place, 999 18th Street, Denver, Colorado (as amended, the “Denver Lease”). The relief sought herein is conditioned upon entry of an order recognizing the Canadian Proceeding as a foreign main proceeding or, alternatively, as a foreign nonmain proceeding, which is set for hearing on May 7, 2026.

2. The Denver Lease pertains to commercial office space that is no longer being utilized by the Debtors in their operations. Continued performance under the Denver Lease would impose unnecessary administrative burdens and deplete assets to the detriment of creditors. Rejection of the Denver Lease is in the best interests of the Debtors’ creditors and Canadian estates and is consistent with the Receiver’s mandate to maximize value for the benefit of all stakeholders. Furthermore, formal rejection of the Denver Lease will provide the landlord with a definitive, court-approved decision facilitating return of the premises and any claim it may assert in the Canadian Proceeding.

JURISDICTION AND VENUE

3. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P). The Debtors confirm their consent, pursuant to Rule 7008 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that this Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

4. The predicates for the relief requested herein are sections 105(a), 365, and 1521 of the Bankruptcy Code and rules 6006 and 9014 of the Bankruptcy Rules.

BACKGROUND

A. The Foreign Proceeding and Receivership Order

5. On March 17, 2026, the Canadian Court entered the Receivership Order, appointing Alvarez & Marsal Canada Inc. as receiver and manager of the Debtors’ current and future assets, undertakings, and properties of every nature and kind. The Receivership Order empowers the Receiver, among other things, to: (a) take possession of and exercise control over the Debtors’ property; (b) manage, operate, and carry on the business of the Debtors, including the power to cease to carry on all or any part of the business or cease to perform any contracts; (c) settle, extend, or compromise any indebtedness owing to or by the Debtors; and (d) initiate, prosecute, defend, and settle proceedings with respect to the Debtors. The Receivership Order also provides a broad stay of proceedings and enforcement actions against the Debtors and their property, prohibiting any person from commencing or continuing any proceeding or enforcement process against the Debtors except with the written consent of the Receiver or leave of the Canadian Court.

6. On March 30, 2026, the Foreign Representative filed a *Verified Petition for (I) Recognition of Foreign Proceeding, (II) Recognition of Foreign Representative, and (III) Related Relief Under Chapter 15 of the Bankruptcy Code* [Dkt. No. 3] with this Court. Concurrently, the Foreign Representative filed its *Emergency Motion for Provisional Relief Pursuant to Bankruptcy Code Section 1519* [Dkt. No. 6].³

7. On April 1, 2026, this Court entered an *Order Granting Foreign Representative's Emergency Motion for Provisional Relief Pursuant to Bankruptcy Code Section 1519* (the "Provisional Relief Order") [Dkt. No. 15].

8. This Court has scheduled a hearing on recognition of the Canadian Proceeding for May 7, 2026, at 3:00 p.m. (prevailing Central Time).

B. The Denver Lease

9. On June 24, 2015, LBA Realty Fund III - Company III, LLC, as landlord, and Frac Shack America Inc. (now known as Energera America), as tenant, entered into that certain Multi-Tenant Office Lease for premises located at Denver Place, 999 18th Street, Denver, Colorado 80202.

10. As currently constituted, the Denver Lease demises to the Tenant approximately 12,706 rentable square feet of office space located at Suite 3400S on the thirty-fourth (34th) floor of the South Tower of Denver Place, Denver, Colorado. The current monthly base rent under the Denver Lease is approximately \$31,235.58, plus Tenant's pro rata share of operating expenses, taxes, insurance costs, and utility costs. The term of the Lease for the Premises is currently scheduled to expire on November 30, 2026.

³ The Verified Petition contains additional information and background regarding the Debtors and the Canadian Proceeding.

C. Current Status of the Denver Premises

11. The premises demised under the Denver Lease are no longer being utilized by the Debtors in their operations. As part of the restructuring of the Energera Group’s business and in light of the Canadian Proceeding, the Debtors have ceased operations at the Denver location. Office furniture and other personal property remain at the premises, and the Receiver will work cooperatively with the Landlord regarding removal or disposal of same during the notice period for this Motion.

12. Continued performance under the Denver Lease would require the Debtors to pay monthly rent plus operating expenses, taxes, insurance costs, and utility costs, for premises that provide no operational benefit to the Debtors’ estates. The Receiver has determined, in the exercise of its business judgment, that rejection of the Denver Lease is in the best interests of the Debtors’ creditors and Canadian estates.

LEGAL ARGUMENT

A. The Court’s Authority Under Chapter 15 to Authorize Lease Rejection

13. Upon recognition of a foreign proceeding, whether as a foreign main proceeding or a foreign nonmain proceeding, this Court may grant “any appropriate relief” at the request of the foreign representative “where necessary to effectuate the purpose of this chapter and to protect the assets of the debtor or the interests of the creditors[.]” 11 U.S.C. § 1521(a). Specifically, section 1521(a)(7) authorizes the Court to grant “any additional relief that may be available to a trustee,” which includes the relief available under section 365 of the Bankruptcy Code relating to the assumption or rejection of executory contracts and unexpired leases. *See* 11 U.S.C. §§ 1521(a)(7), 365.

14. Courts in this District and others have routinely granted relief under section 1521(a)(7) upon recognition of a foreign proceeding. *See, e.g., In re Calmena Energy Servs. Inc.*, No. 15-30786, ECF No. 17 (Bankr. S.D. Tex. Mar. 5, 2015) (recognizing Canadian BIA receivership proceeding and granting related relief); *In re BOS Solutions Ltd.*, No. 20-32465, ECF No. 41 (Bankr. S.D. Tex. May 19, 2020) (same).

B. Rejection is Conditioned Upon Recognition of the Foreign Proceeding

15. The relief available under section 1521 of the Bankruptcy Code, including the authority to reject unexpired leases pursuant to section 365, is contingent upon recognition of the foreign proceeding by this Court. *See* 11 U.S.C. § 1521(a) (“Upon recognition of a foreign proceeding, whether main or nonmain . . . the court may . . . grant any appropriate relief.”). Accordingly, the Foreign Representative requests that any order authorizing rejection of the Denver Lease be conditioned upon entry of an order recognizing the Canadian Proceeding as a foreign main proceeding or, alternatively, as a foreign nonmain proceeding.

16. As set forth in the Verified Petition, the Foreign Representative has demonstrated that the Canadian Proceeding qualifies for recognition as a foreign main proceeding or, alternatively, a foreign nonmain proceeding, which will be determined at the May 7 hearing. The 21-day notice period for this Motion will thus expire after a determination on recognition is made by the Court.

C. The Business Judgment Standard for Lease Rejection

17. Section 365(a) of the Bankruptcy Code provides that a trustee, “subject to the court’s approval, may assume or reject any executory contract or unexpired lease of the debtor.” 11 U.S.C. § 365(a). The decision to assume or reject an executory contract or unexpired lease is governed by the “business judgment” standard. *See NLRB v. Bildisco & Bildisco*, 465 U.S. 513,

523 (1984); *Richmond Leasing Co. v. Capital Bank, N.A.*, 762 F.2d 1303, 1309 (5th Cir. 1985); *In re Pilgrim's Pride Corp.*, 403 B.R. 413, 423 (Bankr. N.D. Tex. 2009). Rejection of an executory contract is appropriate where rejection of the contract would benefit the estate. *See Sharon Steel Corp. v. Nat'l Fuel Gas Distrib. Corp.*, 872 F.2d 36, 40 (3d Cir. 1989). Courts apply a deferential standard when reviewing a debtor's or trustee's decision to reject an unexpired lease. *See Richmond Leasing Co.*, 762 F.2d at 1311.

D. Rejection Benefits Creditors and the Canadian Estates

18. Rejection of the Denver Lease satisfies the business judgment standard and is in the best interests of the Debtors' creditors and Canadian estates. The Debtors are no longer utilizing the Denver Lease premises. Continued performance under the Denver Lease would obligate (at least contractually, absent any applicable Canadian law or U.S. law) the Debtors to pay base rent, plus a pro rata share of operating expenses, taxes, insurance costs, and utility costs, for premises that provide no benefit to the Debtors' operations or the administration of their Canadian estates. Over the remaining term of the Denver Lease, these obligations would deplete available assets that could otherwise be distributed to creditors.

19. Rejection of the Denver Lease will eliminate these ongoing administrative obligations, preserve estate assets for the benefit of creditors, and allow the Receiver to focus its resources on the sale process and other matters necessary to maximize value for all stakeholders in the Canadian Proceeding. The Receiver has determined, in the exercise of its sound business judgment, that rejection of the Denver Lease is in the best interests of the Debtors' estates.

20. Rejection of the Denver Lease will also provide the landlord clarity with respect to its rights—during the pendency of the bankruptcy stay—to reclaim the premises and assert any rightful claim in the Canadian Proceeding.

WHEREFORE, the Foreign Representative respectfully requests that the Court (i) enter an order authorizing the rejection of the Denver Lease, conditioned upon entry of an order recognizing the Canadian Proceeding as a foreign main proceeding or, alternatively, as a foreign nonmain proceeding, (ii) affirm that the stay is lifted or otherwise inapplicable post-rejection to the leased premises; (iii) determine that the Landlord's claim, if any, arising from rejection of the Denver Lease shall be treated in accordance with applicable law and the orders entered in the Canadian Proceeding, and (iv) grant such other and further relief as is just and proper.

Dated: April 23, 2026.

Respectfully submitted,

MUNSCH HARDT KOPF & HARR, P.C.

By: /s/ John D. Cornwell

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Canada Inc., Solely in its Capacity as
Court-Appointed Receiver and
Manager of the Debtors***

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on April 23, 2026, a true and correct copy of the foregoing document was served electronically through the Court's ECF system on parties registered to receive electronic notice in the above-captioned Bankruptcy Case and as indicated below by US first class mail postage prepaid.

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