

COURT FILE NUMBER 2201-13540
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFFS BANCORP FINANCIAL SERVICES INC.,
BANCORP BALANCED MORTGAGE FUND
II LTD. and BANCORP GROWTH
MORTGAGE FUND II LTD.



DEFENDANTS (RESPONDENTS) ALVARO DEVELOPERS INC., ALVARO
LIMITED PARTNERSHIP, CRUZ
CUSTOM HOMES LTD., 1770374
ALBERTA INC., SUNSET HOMES LTD.,
DANIEL RODOLFO ASTETE-CRUZ and
PEDRO ARNOLDO OCANA MULLER

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IN THE MATTER OF THE RECEIVERSHIP
OF ALVARO DEVELOPERS INC. and
ALVARO LIMITED PARTNERSHIP

APPLICANT ALVAREZ & MARSAL CANADA INC. in its
capacity as Court-appointed Receiver and Manager
of the assets, undertakings and properties of
ALVARO DEVELOPERS INC. and ALVARO
LIMITED PARTNERSHIP

DOCUMENT **Order**
(Approval of SISP, Revival of the Debtor,
Extension of the Limited Partnership
Agreement, and the Receiver's Fees, Actions,
and Conduct)

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT Torys LLP
4600 Eighth Avenue Place East
525 - Eighth Ave SW
Calgary, AB T2P 1G1

Attention: Kyle Kashuba
Telephone: +1 403.776.3744
Fax: +1 403.776.3800
Email: kkashuba@torys.com
File No. 39108-2010

DATE UPON WHICH ORDER WAS PRONOUNCED: Wednesday, March 29, 2023
 NAME OF JUSTICE WHO MADE THIS ORDER: Mr. Justice J.S. Little
 LOCATION OF HEARING: Edmonton, Alberta

UPON THE APPLICATION being made by Alvarez & Marsal Canada Inc. in its capacity as the Court-appointed receiver and manager (the “**Receiver**”) of the assets, undertakings and properties (the “**Property**”) of Alvaro Developers Inc. (the “**Trustee**”) and Alvaro Limited Partnership (the “**Beneficial Owner**”, and together with the Trustee, the “**Debtor**”); **AND UPON** having read the First Report of the Receiver, filed March 23, 2023 (the “**First Report**”); **AND UPON** having read the Affidavit of Fees of Orest Konowalchuk, sworn March 21, 2023; **AND UPON** having read the Affidavit of Service of Leah Bruchet, to be filed (the “**Service Affidavit**”); **AND UPON** hearing counsel for the Receiver, counsel for Bancorp Financial Services Inc., Bancorp Balanced Mortgage Fund II Ltd., Bancorp Growth Mortgage Fund II Ltd., and from any other interested parties who may be present; **AND UPON** it appearing that all interested and affected parties have been served with notice of the corresponding Application;

IT IS HEREBY ORDERED AND DECLARED THAT:

Service

1. The time for service of notice of this Application is abridged to the time actually given and service of the Application and supporting materials as described in the Service Affidavit is good and sufficient, and this hearing is properly returnable before this Honourable Court today and further service thereof is hereby dispensed with.

SISP

2. The sale and investment solicitation process (the “**SISP**”) that has been proposed by the Receiver, as set out and described in the First Report and is appended at Appendix **D** thereof, is hereby approved.
3. The Receiver is hereby authorized and empowered, but not required, to implement the SISP and to proceed, carry out and implement any corresponding sales, marketing, or tendering processes, including any and all actions related thereto, substantially in accordance with the proposed SISP, and, furthermore, the Receiver is hereby authorized to enter into any resulting agreement(s) or transaction(s) which may arise in connection thereto, as the Receiver determines are necessary or

advisable in connection with or in order to complete any or all of the various steps, as contemplated by the SISP.

Sales Agent Listing Agreement

4. The sales agent listing agreement between Avison Young Commercial Real Estate Services, LP and the Receiver substantially in the form attached as Appendix C (the “**Listing Agreement**”) to the First Report, or otherwise presented to the Court, is hereby approved and the Receiver is hereby authorized and empowered, but not required, to execute the Listing Agreement to the extent that the Receiver determines it is appropriate to do so.

Revival of the Trustee as an Alberta Corporation & Extension of the Beneficial Owner’s Termination Date

5. The revival of the Trustee is hereby authorized and approved.
6. The Alberta Corporate Registry and/or any other agency or party that the Receiver deems fit, is hereby directed to:
 - a. revive the Trustee for a period of two years (the “**Temporary Revival Period**”), commencing on the date that this Order is granted, for the purposes of the receivership proceeding, and accept the signature of the Receiver on the revival documents related thereto, as necessary;
 - b. relieve the Receiver and the Debtor of any obligation to file the Trustee’s delinquent and future annual returns during the Temporary Revival Period; and
 - c. extend the “Termination Date” of the Beneficial Owner from August 1, 2023 to December 31, 2024.
7. The Receiver is required to send the Alberta Corporate Registry, as requested by the Alberta Corporate Registry, a yearly report regarding the status of the action that led to the revival of the Trustee.
8. The Beneficial Owner’s Limited Partnership Agreement is hereby amended such that the termination date therein is changed from August 1, 2023 to December 31, 2024.

9. The Receiver is hereby permitted and authorized to apply for further direction from this Honourable Court concerning the matters set out in paragraphs 5 through 8 of this Order, if requested to do so by the Alberta Corporate Registry.

Compelling Daniel Astete-Cruz to produce Accounting Records

10. The Court hereby directs Daniel Astete-Cruz to produce the Accounting Records (as defined in the First Report) to the Receiver by no later than April 15, 2023.

Approval of the Receiver's Actions, Conduct and Fees

11. The previously undertaken actions, conduct and activities of the Receiver and of the Receiver's counsel as reported in the First Report, are hereby authorized and approved.
12. The legal fees and disbursements of the Receiver and the Receiver's legal counsel, Torys LLP, incurred to date in the receivership proceeding and as summarized in the First Report, are fair and reasonable and are hereby approved and ratified.

Miscellaneous

13. The Receiver is hereby authorized and empowered to apply to this Honourable Court to amend, vary, or seek any advice, directions, or the approval or vesting of any transactions, in connection with the SISP.
14. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, 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 as 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 or to assist the Receiver and its agents in carrying out the terms of this Order.
15. This Order must be served only upon those interested parties attending or represented at the within Application and service may be effected by facsimile, electronic mail, personal delivery or courier, or by posting a copy of this Order on the Receiver's website at: <https://www.alvarezandmarsal.com/alvaro>. Service is deemed to be effected the next business day following the transmission or delivery of such documents.

16. Service of this Order on any party not attending this Application is hereby dispensed with.



Justice of the Alberta Court of King's Bench