

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.

IN THE MATTER OF THE RECEIVERSHIP OF
CEANA DEVELOPMENT SUNRIDGE INC.

APPLICANT ALVAREZ & MARSAL CANADA INC. in its capacity as
Court-appointed Receiver and Manager of the assets,
undertakings and properties of CEANA
DEVELOPMENT SUNRIDGE INC.

DOCUMENT **APPLICATION**
(Order for Final Distribution, Approval
of Receiver's Fees and Disbursements, Approval of
Receiver's Activities and Discharge of Receiver)

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY FILING THIS
DOCUMENT

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File No. 39108-2003

NOTICE TO RESPONDENT(S):

This Application is made against you. You are a Respondent.

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

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

Date: July 7, 2021

Time: 10:00 a.m.

Where: Calgary Courts Centre, via WebEx videoconference

Before Whom: The Honourable Justice B.E.C. Romaine, of the Commercial List

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

Remedy claimed or sought:

1. An Order in substantially the form of the proposed Order attached as Schedule “A” to this Application, granting the following relief and directions:
 - 1.1 abridging, if necessary, the time for service of this Application and deeming service good and sufficient;
 - 1.2 approving the actions and conduct of Alvarez & Marsal Canada Inc. (“A&M”) in its capacity as the Court-appointed receiver and manager (the “Receiver”) of the assets, undertakings and properties (the “Property”) of Ceana Development Sunridge Inc. (the “Debtor”) and those of its legal counsel to date, as set out in the Receiver’s eighth report, filed June 28, 2021 (the “Eighth Report”);
 - 1.3 the review and approval of the professional fees, of the Receiver, and those of the Receiver’s legal counsel, along with their respective estimated forecast fees and costs, and the final receipts and disbursements, all as set out in the Eighth Report;
 - 1.4 authorizing the Receiver to release or destroy any books and records (the “Records”) of the Debtor that the Receiver may have in their possession;
 - 1.5 Should the GST Credits (particulars of which are set forth in the Eighth Report, and for certainty, which have been estimated to be approximately \$238,000) not be collected by the Receiver by August 31, 2021, directing Hillsboro, in accordance with the January 14, 2021 Hillsboro Order – Sale to Plaintiff and Vesting granted by Justice Madam Justice K.M. Eidsvik, to pay \$25,000 to the Receiver as partial payment for the Receiver’s fees and disbursements;
 - 1.6 discharging A&M as Receiver of the Debtor’s Property, upon the conclusion of the remaining specified and administrative duties as described in the Eighth Report; and
 - 1.7 granting leave to the Receiver to apply or reapply to this or any court or administrative body in any province of Canada for advice, assistance and directions as may be necessary to carry out the terms of the Order sought.
2. Such further and other relief, advice and directions as counsel may advise and this Honourable Court may deem just and appropriate.

Grounds for making this Application:

3. On July 3, 2019, following the Application of Hillsboro Ventures Inc. (“Hillsboro”), A&M was appointed Receiver over the Property of the Debtor, by Order of the Honourable Madam Justice B.E.C. Romaine (the “Receivership Order”), which Receivership Order was amended and restated on June 17, 2020 by an Order of the Honourable Mr. Justice C.M. Jones (the “Amended and Restated Receivership Order”).
4. The Receiver has duly marketed and attempted to arrange for the sale of the Debtor’s Property. The Receiver has sold substantially all of the Debtor’s Property situated in the province of Alberta to Hillsboro, in compliance with the Amended and Restated Receivership Order and an Order of the Honourable Madam Justice K.M. Eidsvik dated January 14, 2021.

5. The sales process and manner in which offers have been received has been fair, with the interests of all parties being considered, and the Receiver has made significant efforts to obtain the best price for the Property in the circumstances.
6. The Receiver has now completed, or is about to complete, all aspects concerning the administration of the within receivership proceedings.
7. All of the actions and conduct in respect of the fees and disbursements incurred by the Receiver and its legal counsel during the course of the administration of the within proceedings are reasonable, have been validly and duly incurred in connection with the conduct of the Receiver's obligations herein, and have now been or are about to be completed.
8. The Receiver is not aware of any reason that it should be required for any further purposes herein, and should be discharged as Receiver of the Property of the Debtor upon the conclusion of the remaining specified and other administrative duties as described in the Eighth Report.
9. The discharge of the Receiver as proposed is just, appropriate and in the best interest of the administration of the receivership estate and the stakeholders affected thereby.
10. Certain of the Records contain confidential information and should the discharge of the Receiver be approved, it would be unfair and unreasonable to require the Receiver to maintain the Records indefinitely, at its cost and expense, as the Records are of no use to the Receiver. The Debtor's former directors and officers will be provided 30 days notice of the Receiver's intention to destroy the Records. At such time, the former directors and officers shall then have 30 days to make appropriate arrangements with the Receiver to physically take possession of the Records, at their sole cost and expense. The Receiver has already provided or agreed to provide certain Records requested by certain stakeholders. The Receiver is not aware of any other Records that may be required by other stakeholders and therefore, the proposed steps to destroy the Records is fair and reasonable under the circumstances.
11. The terms as set out in the proposed form of Order attached hereto as Schedule "A" are necessary to effect the discharge of the Receiver as contemplated herein.
12. Such further and other grounds as counsel may advise and this Honourable Court may permit.

Material or evidence to be relied on:

13. All pleadings and proceedings filed in the within action, including the Amended and Restated Receivership Order.
14. The Eighth Report of the Receiver, filed June 28, 2021.
15. The proposed form of Order attached as Schedule "A" to this Application.
16. The inherent jurisdiction of this Honourable Court to control its own process.
17. Such further and other material and evidence as counsel may advise and this Honourable Court may permit.

Applicable rules:

18. Rules 1.3, 6.3(1), 6.47(e) and (f), 6.9(1)(b), 6.10, 11.27, 11.29, and 13.5, and such further and other Rules as counsel may advise and that this Honourable Court may permit.

Applicable Acts and regulations:

19. *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended, the *Judicature Act*, RSA 2000, c J-2, as amended, and such other Rules, Acts and Regulations as counsel may advise and that this Honourable Court may permit.

Any irregularity complained of or objection relied on:

20. None.

How the Application is proposed to be heard or considered:

21. Oral submissions by counsel at an Application in Commercial List Chambers as agreed and scheduled by counsel, before the Honourable Justice B.E.C. Romaine of the Commercial List, at the Calgary Courts Centre, 601 - 5th Street SW, at Calgary, Alberta, via WebEx videoconference, on July 7, 2021 at 10:00 a.m. or as soon thereafter as counsel may be heard.

AFFIDAVIT EVIDENCE IS REQUIRED IF YOU WISH TO OBJECT.

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 at the 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 materials to the Applicant.

SCHEDULE "A"

Form of Order

(Final Distribution, the Approval of the Receiver's Activities, Fees and Disbursements, and the Receiver's Discharge)

(See attached)