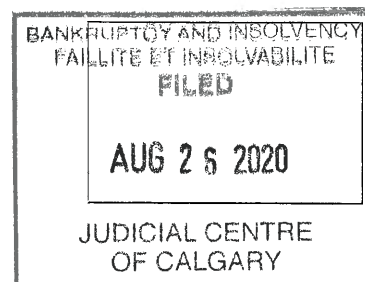


Clerk's Stamp:



COURT FILE NUMBER

25-094627

ESTATE NUMBER

24-094627

COURT

COURT OF QUEEN'S BENCH OF ALBERTA
IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE OF

CALGARY

IN THE MATTER OF THE BANKRUPTCY AND
INSOLVENCY ACT, R.S.C. 1985, c.B-3, AS
AMENDED

AND IN THE MATTER OF THE BANKRUPTCY
OF
SUNRIDGE RV INC.

APPLICANT

ALVAREZ AND MARSAL CANADA INC.

DOCUMENT

NOTICE OF APPLICATION

CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT:

Cassels Brock & Blackwell LLP
Suite 3810, Bankers Hall West
888 3 Street SW
Calgary, Alberta T2P 5C5

Attention: Jeffrey Oliver
Phone: 403-351-2921
Facsimile: 403-648-1151

File No.: 49063-1

NOTICE TO RESPONDENTS:

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: Wednesday, September 2, 2020

Time: 2:00 p.m.
 Where: Calgary Courts Centre
 Before Whom: The Honourable Madam Justice B.E.C. Romaine

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

Remedy claimed or sought:

1. An Order substantially in the form of Schedule "A" hereto:
 - (a) if necessary, abridging the time for service of this Application and supporting Second Report (the "**Report**") of Alvarez and Marsal Canada Inc. ("**A&M**") in its capacity as trustee in bankruptcy (in such capacity, the "**Trustee**") of Sunridge RV Inc. (the "**Company**") and declaring service to be good and sufficient;
 - (b) approving the accounts of the Trustee and its legal counsel (collectively, the "**Professional Fees**") for fees and disbursements as set out in the Report, without the necessity of a formal passing of accounts;
 - (c) authorizing the Trustee to pay from the Bankruptcy Proceeds (as defined below) Professional Fees in an amount to be agreed to by Servus Credit Union Ltd. ("**Servus**") and TCF Commercial Finance Canada, Inc. ("**TCF**");
 - (d) authorizing the Trustee to pay from the Bankruptcy Proceeds the WEPPA Claim (as defined below); and
 - (e) authorizing the Trustee to distribute any funds remaining in the Company's estate (following the payment of the Professional Fees and the WEPPA Claim) to Servus and/or TCF as described in paragraph 15(b) below; and
2. Such further and other relief as this Honourable Court deems just.

Grounds for making this application:

Background

3. On February 10, 2016, Northpoint Commercial Finance LLC ("**Northpoint**") sought and obtained an order appointing Deloitte Restructuring Inc. ("**Deloitte**") as interim receiver of

the assets, undertakings and properties of the Company that were subject to the Northpoint inventory financing agreements (the “**Northpoint Inventory**”).

4. On February 22, 2016, the Company sought protection from its creditors through the filing of a Notice of Intention to Make a Proposal (“**NOI**”) under section 50.4(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3 (the “**BIA**”). A&M was named as the proposal trustee under the NOI.
5. On March 4, 2016, TCF sought and obtained an order appointing Deloitte as interim receiver of the assets, undertakings and properties of the Company that were subject to the TCF inventory financing agreements (the “**TCF Inventory**”).
6. On March 9, 2016, the NOI proceedings were terminated on application by Northpoint and the Company was deemed bankrupt as at that date. A&M was appointed as trustee in bankruptcy of the Company. No inspectors were appointed in the bankruptcy proceedings.
7. On March 23, 2016, TCF sought and obtained an order (the “**Receivership Order**”) appointing Deloitte as receiver of the assets, undertakings and properties of the Company.

Lease Proceeds

8. Pursuant to an Approval and Vesting Order and Order Assigning Lease granted by this Honourable Court on April 26, 2016 in the within proceedings (the “**Vesting Order**”), the sale of a lease held by the Company (the “**Sunridge Lease**”) was approved. The sale of the Sunridge Lease closed on April 29, 2016 and the proceeds from the sale of the Sunridge Lease (the “**Lease Proceeds**”) are currently being held by the Trustee.
9. Pursuant to the Vesting Order, the Lease Proceeds are to be held by the Trustee pending further Order of this Honourable Court.

Distribution of Funds Held by the Trustee

10. The Trustee is currently holding funds in the amount of \$350,750 (the “**Bankruptcy Proceeds**”), which Bankruptcy Proceeds include the Lease Proceeds. Subject to the distribution of the Bankruptcy Proceeds, the administration of the estate of the Company is substantially complete.

11. The Trustee is aware of the following possible priority or secured claims to the Bankruptcy Proceeds:
 - (a) a claim by the Trustee for paid disbursements and operating costs incurred by the Trustee and unpaid Professional Fees;
 - (b) a claim by Servus for a shortfall in an amount in excess of all remaining proceeds currently held by the Trustee;
 - (c) a secured claim by WEPPA in the amount of \$66,358 (the "**WEPPA Claim**");
 - (d) an alleged secured claim by TCF against the Lease Proceeds in an amount in excess of the Lease Proceeds; and
 - (e) an alleged claim by the Receiver under the Receivership Order.
12. A dispute arose between the Receiver, Servus, TCF and the Trustee with regards to the various priorities of the above noted parties to the Bankruptcy Proceeds.
13. Servus, TCF and the Trustee have now reached a settlement arrangement with regards to the priority of these parties to the Bankruptcy Proceeds. Subject to one condition, Servus and TCF have agreed to allow for the payment of the Professional Fees (in an amount to be agreed to by the Trustee, Servus and TCF) and the WEPPA Claim (collectively, the "**Priority Claims**") from the Bankruptcy Proceeds provided that all remaining Bankruptcy Proceeds are paid to Servus and TCF in accordance with their mutual agreement.
14. The one condition to the above noted settlement arrangement is that Servus and TCF must agree to the allocation of the Priority Claims as between the secured and inventory creditors, namely Servus, TCF and Northpoint.

Approval of Professional Fees

15. The accounts of the Trustee for the period commencing March 10, 2016 and ending April 6, 2017 total approximately \$210,898.38, inclusive of GST.
16. The accounts of the counsel to the Trustee for the period commencing April 25, 2016 and ending July 31, 2019, total approximately \$20,094.38, inclusive of GST.

17. The invoices rendered by the Trustee and its counsel are reasonable and were validly incurred.

Material or evidence to be relied on:

18. Second Report of the Trustee dated August 26, 2020; and
19. Such further and other materials as counsel may advise and this Honourable Court may permit.

Applicable rules:

20. *Alberta Rules of Court*, Alta Reg 124/2010, including Rules 1.2, 1.3, 6.1, 6.3 and 13.5; and
21. *Bankruptcy and Insolvency General Rules*, CRC 1978, c 368; and
22. Such further and other rules as counsel may advise and this Honourable Court may permit.

Applicable Acts and regulations:

23. *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (as amended) and the regulations thereunder; and
24. Such further and other acts and regulations as counsel may advise and this Honourable Court may permit.

Any irregularity complained of or objection relied on:

25. None.

How the application is proposed to be heard or considered:

26. Via Webex.

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 this form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of

that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

Schedule "A"

Clerk's Stamp:



| | |
|--------------------|--|
| COURT FILE NUMBER | 25-094627 |
| ESTATE NUMBER | 24-094627 |
| COURT | COURT OF QUEEN'S BENCH OF ALBERTA IN BANKRUPTCY AND INSOLVENCY |
| JUDICIAL CENTRE OF | CALGARY |
| | IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c.B-3, AS AMENDED |
| | AND IN THE MATTER OF THE BANKRUPTCY OF |
| | SUNRIDGE RV INC. |
| APPLICANT | ALVAREZ AND MARSAL CANADA INC. |
| DOCUMENT | ORDER |

DATE ON WHICH ORDER WAS PRONOUNCED: Wednesday, September 2, 2020

LOCATION AT WHICH THIS ORDER WAS MADE: Calgary

NAME OF THE JUSTICE WHO MADE THIS ORDER: The Honourable Madam Justice B.E.C. Romaine

UPON THE APPLICATION by Alvarez and Marsal Canada Inc. in its capacity as trustee in bankruptcy of Sunridge RV Inc. (in such capacity, the "**Trustee**"), filed [●], 2020 (the "**Notice of Application**"); **AND UPON HAVING READ** the Second Report of the Trustee dated August 26, 2020 (the "**Report**") and the Affidavit of Service of Richard Kay; **AND UPON HEARING** the submissions of counsel for the Trustee, and such other counsel as are present;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application and time for service of this application is abridged to that actually given.

2. Terms not otherwise defined herein shall have the meaning ascribed to them in the Notice of Application.

Approval of Fees and Disbursements

3. The Trustee's accounts for fees and disbursements (the "**Trustee Fees**"), as set out in the Report are hereby approved without the necessity of a formal passing of its accounts.
4. The accounts of the Trustee's legal counsel, Cassels Brock & Blackwell LLP, for their fees and disbursements, as set out in the Report (the "**Legal Fees**" and together with the Trustee Fees, the "**Professional Fees**") are hereby approved without the necessity of a formal assessment of their accounts.

Distribution of Bankruptcy Proceeds

5. The Trustee is authorized and directed to pay from the Bankruptcy Proceeds the WEPPA Claim in the amount of \$66,358.
6. The Trustee is authorized and directed (without further Order of this Honourable Court) to pay from the Bankruptcy Proceeds the Professional Fees in an amount to be agreed to by Servus Credit Union Ltd. ("**Servus**") and TCF Commercial Finance Canada, Inc. ("**TCF**").
7. The Trustee is authorized (without further Order of this Honourable Court) to distribute any Bankruptcy Proceeds remaining following the payment of the WEPPA Claim and the Professional Fees described in paragraph 6 above to Servus and/or TCF upon obtaining the agreement of Servus and TCF with respect to the allocation of the remaining Bankruptcy Proceeds as between Servus and TCF.
8. 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. Service is deemed to be effected the next business day following the transmission or delivery of such documents.

9. Service of this Order on any party not attending this application is hereby dispensed with.

Justice of the Court of Queen's Bench of Alberta