

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.

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

DOCUMENT **EIGHTH REPORT OF THE RECEIVER**  
**June 28, 2021**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

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## INTRODUCTION

1. On July 3, 2019 (the “**Receivership Date**”), by order of the Honourable Madam Justice B.E.C. Romaine of the Alberta Court of Queen’s Bench (the “**Court**”), which was amended and restated on June 17, 2020 by Madam Justice G.A. Campbell of the Alberta Court of Queen’s Bench (the “**Amended and Restated Receivership Order**”), Alvarez & Marsal Canada Inc. was appointed receiver and manager (the “**Receiver**”), without security, of all of Ceana Development Sunridge Inc.’s (“**Ceana**”, the “**Company**”, or the “**Debtor**”) current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “**Property**”), pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, and sections 13(2) of the *Judicature Act*, RSA 2000, c J-2, 99(a) of the *Business Corporations Act*, RSA 2000, c B-9, and 65(7) of the *Personal Property Security Act*, RSA 2000, c P-7 (such proceedings referred to herein as the “**Receivership Proceedings**”).
2. Section 3 of the Amended and Restated Receivership Order empowers and authorizes, but does not obligate, the Receiver to, among other things, manage, operate and carry on the business of the Debtor and to take possession and control of the Property and any and all proceeds, receipts and disbursements arising out of or from the Debtor, and to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business.
3. On January 14, 2021, the Court granted an Order (the “**Sale to Plaintiff and Vesting Order**”) approving the sale of the commercial retail buildings and land project site located at 2255, 32<sup>nd</sup> Avenue NE, Calgary, Alberta (the “**Project**”) to Hillsboro Ventures Inc. (“**Hillsboro**”), or its assignee.
4. The Project is a 40,000 square foot commercial retail condominium development located on approximately 3.45 acres of land. When completed, the Project will consist of seven (7) individual buildings, namely, A, B, C, D, E, F and G (collectively, the “**Buildings**”). At the time of the noted sale, the proposed number of individual units in the Buildings was twenty-three, with approximately 230 on-grade parking stalls.

5. On February 19, 2021, the Receiver confirmed that it was satisfied that the Closing Conditions had been met respecting the Sale to Plaintiff and Vesting Order and delivered the Receiver's Closing Certificate to Hillsboro. The Receiver's Closing Certificate was filed with this Honourable Court on March 3, 2021.
6. Further background is contained in the Prior Reports (as defined below) and materials filed in support of the Amended and Restated Receivership Order. These documents and other public filed Court materials in these proceedings have been posted on the Receiver's website at: [www.alvarezmarsal.com/ceana](http://www.alvarezmarsal.com/ceana).

## PURPOSE

7. The purpose of this eighth report of the Receiver (the "**Eighth Report**" or "**this Report**") is to provide this Honourable Court with information in respect of the following:
  - a) the ongoing activities of the Receiver since its seventh report dated May 6, 2021 (the "**Seventh Report**");
  - b) a brief update on the outcome of Hillsboro's application heard by this Honourable Court on June 2 and June 3, 2021 regarding, *inter alia*, the quantum of the Hillsboro mortgage indebtedness after the purchase of the Project (the "**Hillsboro Deficiency Amount**");
  - c) an update on the Receiver's efforts with respect to assigning the joint venture agreements (the "**JV Agreements**") that were entered into by Ceana prior to the Receivership Date, to Hillsboro, pursuant to the JV Assignment Order (as defined below);
  - d) the Receiver's communication with Sukhdeep Dhaliwal ("**Mr. Dhaliwal**"), with regards to the proposed destruction of Ceana's books and records and the release of the confidential information (the "**Confidential Documentation**") requested in the May 27, 2021 Order granted by this Court (the "**Dhaliwal Order**");

- e) the Receiver's efforts with respect to collecting outstanding GST returns from the Canada Revenue Agency ("**CRA**");
  - f) the Final Statement of Receipts and Disbursements (as defined below) for the period from May 1, 2021 to June 25, 2021 (the "**Reporting Period**") and the year to date results;
  - g) the Forecast Receipts and Disbursements (as defined below);
  - h) the proposed final distribution of the estimated remaining estate funds after the Forecast Receipts and Disbursements;
  - i) approval of the Receiver's actions, activities and conduct, and the approval of the Receiver's fees and disbursements, and those of its legal counsel, Torys LLP (the "**Receiver's Counsel**"); and
  - j) the proposed discharge of the Receiver.
8. Capitalized words or terms not otherwise defined or ascribed a meaning in this Eighth Report are as defined or ascribed a meaning in the Amended and Restated Receivership Order and the prior reports filed by the Receiver in connection with this matter (the "**Prior Reports**").
9. All references to dollars are in Canadian currency unless otherwise noted.

#### **TERMS OF REFERENCE AND DISCLAIMER**

10. In preparing this Eighth Report, the Receiver has relied upon: (a) the representations of certain management and other key stakeholders of Ceana; and (b) financial and other information of the Debtor, which were limited and not completely produced by the Debtor and were alleged to have been maintained principally by the Debtor. The Receiver has not performed an audit, review or other verification of such information.
11. The Receiver has not performed an audit, review or otherwise attempted to verify the accuracy or completeness of the Company's financial information that would wholly or

partially comply with Canadian Auditing Standards (“CASs”) pursuant to the Chartered Professional Accountants Canada Handbook, and accordingly, the Receiver expresses no opinion or other form of assurance contemplated under CASs in respect of the financial information. Future oriented financial information relied upon in this Report is based on the Receiver’s assumptions regarding future events and actual results achieved will vary from this information and the variations may be material.

## ACTIVITIES OF THE RECEIVER

12. Since the Eighth Report, the Receiver’s activities have included, but are not limited to, the following:
- a) attending the June 2 and June 3, 2021 court hearing in connection with, *inter alia*, Hillsboro’s application seeking relief with respect to the Hillsboro Deficiency Amount and the Receiver’s application seeking relief and approval with respect to, *inter alia*, its actions, conduct and fees;
  - b) engaging a tax consultant to assist the Receiver in preparing and filing the Company’s tax returns for fiscal years 2018, 2019 and 2020 in order to collect outstanding GST credits from the CRA;
  - c) assigning the JV Agreements to Hillsboro, pursuant to the JV Assignment Order;
  - d) communicating with Mr. Dhaliwal regarding the disclosure of the Confidential Documentation and proposed destruction of Ceana’s pre-receivership books and records; and
  - e) continued communication with the Receiver’s Counsel, stakeholders and counsel of Hillsboro on file matters Receiver’s discharge matters.

## OUTCOME OF HILLSBORO’S APPLICATION

13. On June 3, 2021, the Honourable Justice K.M Eidsvik (“**Justice Eidsvik**”) confirmed the quantum of the Hillsboro Deficiency Amount and awarded interest from February 19, 2021

to the date of judgment (June 3, 2021) pursuant to the established contractual rates. Justice Eidsvik also confirmed that Hillsboro would be awarded judgment interest and confirmed that costs would be awarded on a full indemnity scale.

14. On June 21, 2021, the Court granted a Summary Judgment and Dismissal Order dated June 3, 2021, which ordered and declared that:
  - a) the quantum of the Hillsboro Deficiency Amount is \$9,106,539.24 for the purpose of the Sale to Plaintiff and Vesting Order dated January 14, 2021 and filed January 27, 2021;
  - b) summary judgment is granted in favour of Hillsboro as against as against Bahadur Gaidhar (“**Bob**”) in the amount of \$9,106,539.24 as at June 3, 2021;
  - c) summary judgment is granted in favour of Hillsboro as against as against Yasmin Gaidhar (“**Yasmin**”) in the amount of \$3,182,178.16 as at June 3, 2021;
  - d) the Counterclaim filed on September 27, 2019 by and on behalf of Ceana, Bob and Yasmin, is struck and summarily dismissed in its entirety as against Hillsboro, Neotric Enterprises Inc. and Keith Ferrel; and
  - e) the costs are awarded in favour of Hillsboro as against Bob, Yasmin and Ceana Development Westwinds Inc. (“**Ceana Westwinds**”) on a solicitor and own client, full indemnity basis. The aggregate of Hillsboro’s costs to and including May 31, 2021 was approved at \$455,194.95. Costs in the sum of \$111,400.10 are included in the judgment amount of \$9,106,539.24 and costs of \$356,367.40 are awarded in addition to the judgment amount of \$3,182,178.16.
15. The Summary Judgment and Dismissal Order has been endorsed by the Receiver and Thomas Glenn, in his capacity as former-counsel for Bob, Yasmin and Ceana Westwinds and has been approved by Connect First Credit Union, CECA Holding Co. Ltd. and Mr. Dhaliwal.

## ASSIGNMENT OF JV AGREEMENTS

### Queries from Mr. Haji

16. On or about June 8, 2021, the Receiver's Counsel was contacted by Khalil Haji ("Mr. Haji") of KH Dunkley Law Group, who had various questions with regards to the JV Agreements. Specifically, Mr. Haji inquired about:

- a) how the JV Agreements could be assigned if they were rejected and void;
- b) why certain agreements were rejected while others were not; and
- c) why all the JV Agreements were not rejected.

Mr. Haji advised the Receiver that he was aware of other JV Agreements that were not rejected, including (but not limited to) agreements with 1814121 Alberta Ltd., 1630374 Alberta Ltd. and 854413 Alberta Ltd.

17. The Receiver's Counsel responded to the three queries as follows:

- a) the rejection notices (which were previously discussed in paragraphs 19 to 24 of the Sixth Report) were intended to simply advise the counterparties that the Receiver is not obligated to fulfill its obligations under the JV Agreements, in accordance with the Amended and Restated Receivership Order (specifically, paragraphs 3(c) and 9). With respect to Mr. Haji's comments that the JV Agreements are void, the Receiver's Counsel informed Mr. Haji that the intention of the rejection notices was for the Receiver to simply reject its obligations under the agreements and not to extinguish a party's rights, for which Court approval would be required, which was further described in the Sixth Report (specifically, paragraph 22);
- b) details respecting why certain agreements were rejected while other were not were addressed in paragraphs 19 to 24 of the Sixth Report. One item that was considered (with respect to the purchase agreements) was whether the counterparty intended to complete the purchase transaction and provide an



additional deposit / whether the Receiver's Counsel was holding a deposit in their trust account for such party. If there was no chance for an agreement to complete due to missing trust funds or otherwise, then such agreement was rejected (among other reasons); and

- c) all the JV Agreements in the Receiver's possession as at the date of the Sixth Report were rejected and if there were certain JV Agreements missing it was because the Receiver was not aware of their existence. The Receiver requested that Mr. Haji send an email with the list of parties he noted not to have received rejection notices and to also provide copies of those JV Agreements for the Receiver's records. As of the date of this Report, the Receiver has not received a response from Mr. Haji.

### **Assignment of JV Agreements**

- 18. On June 17, 2021, the Court granted an Order (effective June 3, 2021), that included (among other things), approval of the assignment (the "**Assignment**") of the JV Agreements to Hillsboro (the "**JV Assignment Order**"). The Assignment does not impact the rights and obligations of the parties to the JV Agreements. Any limitation period argument, potential defenses or rights in the merits of the JV Agreements or otherwise are not being waived or adversely impacted by the Assignment.
- 19. On June 24, 2021, the Receiver executed the joint venture assignment agreement with Hillsboro (the "**JV Assignment Agreement**"). A copy of the executed JV Assignment Agreement is attached as **Appendix A** to this Report – there were certain minor amendments made to the original form of the JV Assignment Agreement that was attached to the Seventh Report, including, the incorporation of an indemnity provision.

### **ADDITIONAL COMMUNICATION WITH MR. DHALI WAL**

- 20. On June 16, 2021, the Receiver communicated with Mr. Dhaliwal to advise him that the Receiver's intention is to seek an Order to destroy the remaining books and records (the "**Records**") of Ceana due to the Receiver not specifically requiring the same for its purposes, and which is customary practice when a Receiver seeks its discharge. Mr.

Dhaliwal advised the Receiver that he did not believe that he required any further information and believed he would be able to get any additional information he required from the Confidential Documentation and from the Company records held by Thomas Glenn.

21. To be clear, the Receiver will give Ceana's former directors and officers 30 days notice of its intention to destroy the Records. Ceana's former directors and officers would then have 30 days to make appropriate arrangements with the Receiver to physically take possession of the Records, at their sole cost and expense. In the event that Ceana's former directors and officers do not exercise their option to obtain the Records, the Receiver would then be authorized to have all of the Records destroyed 60 days after giving notice as set out and described above.
22. In addition to discussing the proposed destruction of the Records, the Receiver asked Mr. Dhaliwal when the Receiver can expect to receive the \$2,500 pursuant to paragraphs 2 and 3 of the Dhaliwal Order so that the Receiver can deliver Mr. Dhaliwal the Confidential Documentation he had sought from the Receiver and this Court. The Receiver is prepared to deliver the required documents to Mr. Dhaliwal upon receipt of the \$2,500 payment of the estimated costs and expenses fees for the Receiver's and the Receiver's Counsel in accordance with the Dhaliwal Order. As of the date of this Report, the Receiver has not received payment from Mr. Dhaliwal.

## **OUTSTANDING GST CREDITS**

23. The Receiver has submitted 23 GST returns to the CRA throughout these Receivership Proceedings and on May 11, 2021, the CRA issued a notice of assessment to the Receiver, which confirmed that the amount payable to Ceana as at April 30, 2021 was approximately \$238,000 (the "**GST Credits**").
24. In order to collect the GST Credits, all outstanding tax returns of the Company must be filed. As such, the Receiver has engaged a tax consultant to assist with filing the 2018, 2019 and 2020 tax returns. The Receiver is hopeful that these returns will be filed within

the next 4 weeks and expects to collect all outstanding GST credits from the CRA by August 31, 2021.

## FINAL RECEIPTS AND DISBURSEMENTS – MAY 1, 2021 TO JUNE 25, 2021

25. The following is a final statement of the Receiver's receipts and disbursements in respect of Ceana during the Reporting Period (the "Final Statement of Receipts and Disbursements"):

<b>Ceana Development Sunridge Inc. - in Receivership</b> <b>Final Statement of Receipts &amp; Disbursements</b> <b>July 3, 2019 to June 25, 2021</b> <i>CAD\$, unaudited</i>			
	<b>Seventh Report</b> <b>July 3/19 to</b> <b>April 30/21</b>	<b>Reporting Period</b> <b>May 1/21</b> <b>June 25/21</b>	<b>Total</b> <b>July 3/19 to</b> <b>June 25/21</b>
<b>Opening cash balance</b>	<b>\$ 1,091</b>	<b>\$ 98,923</b>	<b>\$ 1,091</b>
<b>Receiver's borrowings</b>	<b>\$ 5,495,435</b>	<b>\$ -</b>	<b>\$ 5,495,435</b>
<b>Receipts</b>			
Deposits collected	265,856	-	265,856
Other collections	145,985	6,757	152,742
Interest	83	10	93
<b>Total Receipts</b>	<b>\$ 5,908,450</b>	<b>\$ 105,690</b>	<b>\$ 5,915,216</b>
<b>Disbursements</b>			
Property taxes	342,597	-	342,597
Development costs	370,094	-	370,094
Construction costs	3,024,747	1,729	3,026,476
General & administrative costs	153,818	197	154,014
GST payments	237,707	2,395	240,102
Professional fees and costs			
Court approved fees and costs (Jul 3/19 - April 30/21)	1,417,564	-	1,417,564
Fees and cost (May 1/21 - May 31/21)	-	52,919	52,919
<b>Total disbursements</b>	<b>\$ 5,546,527</b>	<b>\$ 57,240</b>	<b>\$ 5,603,766</b>
<b>Distribution to Secured Creditor (CFCU)</b>	<b>(263,000)</b>	<b>-</b>	<b>(263,000)</b>
<b>Ending cash balance</b>	<b>\$ 98,923</b>	<b>\$ 48,450</b>	<b>\$ 48,450</b>

26. There was approximately \$99,000 of opening cash available at the start of the Reporting Period.
27. The Receiver has collected approximately \$7,000 during the Reporting Period, relating primarily to a credit received from Enmax upon closing the Receiver's accounts.
28. The Receiver made disbursements of approximately \$57,000 during the Reporting Period, relating primarily to:

- a) construction costs of approximately \$1,700 relating to payment of final utilities invoices to Enmax;
- b) general and administrative costs of approximately \$200 relating to bank charges;
- c) GST paid on disbursements of approximately \$2,400; and
- d) professional fees and costs totaling approximately \$53,000, for the Receiver and its legal counsel, in the approximate amounts of \$15,000, and \$38,000, respectively, for the period from May 1, 2021 to May 31, 2021; and

29. Total ending cash available as at June 25, 2021 is approximately \$48,000.

## FORECAST RECEIPTS AND DISBURSEMENTS

30. The table below provides a summary of the remaining estimated forecast receipts and disbursements to be collected and paid by the Receiver (the “**Forecast Receipts and Disbursements**”):

<b>Ceana Development Sunridge Inc. - in Receivership</b> <b>Forecast Statement of Receipts &amp; Disbursements</b> <b>June 26, 2021 to Discharge</b> <i>CAD\$, unaudited</i>	
<b>Opening cash balance</b>	<b>\$ 48,450</b>
<b>Forecast Receipts</b>	
Payment from Mr. Dhaliwal	2,500
GST collection	238,000
	<b>\$ 240,500</b>
<b>Forecast Disbursements</b>	
Receiver's Actual Fees (June 1 to 27)	20,782
Receiver's Counsel's Actual Fees (June 1 to 27)	31,997
Receiver's Forecast Fees (June 28 to discharge)	20,000
Receiver's Counsel's Forecast Fees (June 28 to discharge)	10,000
Tax consultant	10,000
File and administration costs	5,000
Contingency	10,000
	<b>\$ 107,779</b>
<b>Forecast ending cash balance</b>	<b>\$ 181,171</b>

31. The Receiver estimates collections of approximately \$241,000, primarily from the payment of the outstanding GST Credits.
32. The Receiver estimates that the remaining forecast disbursements to be made are approximately \$108,000 as follows:
  - a) actual professional fees and costs totaling approximately \$53,000, for the Receiver and its legal counsel, in the approximate amounts of \$21,000, and \$32,000, respectively, for the period from June 1, 2021 to June 27, 2021; and
  - b) forecast professional fees and costs of the Receiver and its legal counsel totaling approximately \$30,000, in the approximate amounts of \$20,000, and \$10,000, respectively, to complete the Receivership Proceedings;
  - c) payment to the Receiver's tax consultant of \$10,000 in order to file the outstanding 2018 to 2020 tax returns;
  - d) file and administration costs of \$5,000; and
  - e) a contingency for any unknown and unanticipated costs of \$10,000.
33. The Receiver estimates that there may be approximately \$181,000 available for distribution to Connect First Credit Union Ltd. ("CFCU").

#### **PROPOSED FINAL DISTRIBUTION**

34. Pursuant to paragraph 13 of the Amended and Restated Receivership Order, the monies collected during the Receivership Proceedings shall be held by the Receiver to be paid or distributed in accordance with the terms of the Receivership Order or any order of this Court.
35. As discussed in the First Report, the Receiver's independent counsel has provided a security opinion to the Receiver, which provides that the CFCU security and the Hillsboro security are valid and enforceable against the Debtor's property and ranks in priority to the unsecured creditors of the Debtor's estate. For clarity, CFCU's security ranks in priority to

Hillsboro. If the forecast receipts (as outlined in the Forecast Receipts and Disbursements) are collected, the Receiver recommends making a final distribution to CFCU as repayment of the overall indebtedness owing to CFCU. The final distribution would be made from the estimated forecast ending cash balance of \$181,000.

36. Should the GST Credits not be collected, the Receiver has requested that Hillsboro, in accordance with the Sale to Plaintiff and Vesting Order, pay \$25,000 to the Receiver as partial payment for the Receiver's fees and disbursements by August 31, 2021. To the extent that a GST Credit is received after August 31, 2021, after payment of any of the outstanding fees and disbursements of the Receiver, in priority, Hillsboro will be reimbursed all or a portion of the \$25,000, as applicable, and any remaining funds will be distributed to CFCU. For certainty, should the GST Credit not be received for any reason, this Order does not in any way limit Hillsboro's obligations pursuant to paragraph 10(a) of the Sale to Plaintiff and Vesting Order..
37. As set forth in the Receiver Certificates, the Receiver borrowed approximately \$5.5 million from Hillsboro and related entities during the Receivership Proceedings. As part of Hillsboro's offer and Sale to Plaintiff and Vesting Order, the offer included the Receiver's borrowings as part of the purchase price of the Project. As a result, there is no further obligation by the Receiver and receivership estate to Hillsboro.

#### **APPROVAL OF FEES AND EXPENSES**

38. The Receiver previously sought and obtained approval from this Honourable Court of the Receiver's and the Receiver's Counsel's professional fees, disbursements and costs incurred since the Receivership Date (July 3, 2019) to April 30, 2021.
39. The Receiver seeks further approval from this Honourable Court of the respective professional fees and disbursements of the Receiver and its legal counsel for the period of May 1, 2021 to June 27, 2021.
40. Professional fees and expenses rendered by the Receiver from May 1, 2021 to June 27, 2021, total \$35,690.00 (exclusive of GST) (the "**Receiver's Fees and Costs**"). The

accounts will be made available upon request and are summarized in **Appendix B** to this Report.

41. Professional fees and expenses rendered by the Receiver's Counsel from May 1, 2021 to June 27, 2021, total \$70,008.37 (exclusive of GST) (the "**Receiver's Counsel's Fees and Costs**"). The accounts will be made available upon request and are summarized in **Appendix C** to this Report.
42. The accounts of the Receiver's and the Receiver's Counsel outline the date of the work completed, the description of the work completed, the length of time taken to complete the work and the name of the individual who completed the work.
43. The professional fees and costs of the Receiver and the Receiver's Counsel for May 1, 2021 to May 31, 2021 have been paid and are reflected in the actual cash flow receipts and disbursements discussed above.
44. Payment of the professional fees and costs of the Receiver and the Receiver's Counsel for June 1, 2021 to June 27, 2021 are contemplated in the Forecast Receipts and Disbursements.
45. The Receiver and the Receiver's Counsel's estimated fees and costs to complete this engagement (June 28 to discharge) are approximately \$30,000 (the "**Forecast Fees and Costs**"), which include fees and costs incurred but not paid.
46. The Receiver respectfully submits that its professional fees and disbursements and those of the Receiver's Counsel are fair and reasonable in the circumstances and as outlined in this Report and in Prior Reports, and respectively requests that this Court approve the Receiver's Fees and Costs, the Receiver's Counsel's Fees and Costs and the Forecast Fees and Costs.

## **APPROVING CONDUCT AND DISCHARGE OF THE RECEIVER**

47. The Receiver respectfully requests that this Honourable Court grant an Order which, among other things, and subject to the filing of a certificate confirms the Receiver has satisfied its obligations under the Receivership Order, absolutely, forever and

unconditionally discharges the Receiver from any claims against the Receiver arising from, relating to, or in connection with, the performance of the Receiver's duties and obligations as Receiver, save and except for claims based on gross negligence.

48. The Receiver is respectfully of the view that it has conducted itself appropriately in these Receivership Proceedings and respectfully requests that this Court approve the actions and conduct of the Receiver since the Seventh Report and throughout the Receivership Proceedings.
49. The Receiver's administration of the estate is substantially complete, subject to the forecast receipts to be collected and payments to be made as set out in the forecast disbursements and final distribution described herein. In addition, the Receiver will have some miscellaneous administrative items to attend to post discharge, including the filing of GST returns with the CRA, receiving the forecast receipts and paying the forecast disbursements, final reconciliation of accounts and addressing various other CRA matters. The Receiver is of the view that these items are administrative in nature and should not prevent this Court from granting an unconditional discharge.
50. The Receiver's next steps include, but are not limited to:
  - a) filing the outstanding 2018, 2019 and 2020 tax returns;
  - b) collecting the remaining receipts and disbursing funds as described in the Forecast Receipts and Disbursements, including funds from Hillsboro, by August 31, 2021 to settle the remaining accounts of the Receiver pursuant to the Receiver's Charge;
  - c) preparing a final distribution to CFCU and Hillsboro (if required); and
  - d) completing administrative tasks in accordance with the Receivership discharge requirements under the BIA.
51. Upon completion, the Receiver will file an affidavit with the Court confirming that all outstanding matters reported in this Report have been completed. Upon filing the discharge affidavit, the Receiver will be automatically discharged without further order of the Court.



A copy of the draft Discharge Affidavit is attached as **Appendix D** to this Report.

## **RECEIVER'S CONCLUSION AND RECOMMENDATIONS**

52. The Receiver is of the view that it has made commercially reasonable efforts to obtain the highest and most efficient realizations of the assets of Ceana. The Receiver is satisfied that the interests of the financial stakeholders of Ceana have been considered during the course of the realization process and these Receivership Proceedings.
53. The Receiver recommends that this Honourable Court grant the following relief:
- a) approve the actions, conduct and activities of the Receiver as reported in the Receiver's Eighth Report and Prior Reports;
  - b) approve the Receiver's Final Statement of Receipts and Disbursements from the Receivership Date (July 3, 2019) to June 25, 2021;
  - c) approve the Receiver's Forecast Receipts and Disbursements;
  - d) approve the Receiver's Fees and Costs and the Receiver's Counsel's Fees and Costs as set out in the Final Statement of Receipts and Disbursements and the Forecast Fees and Costs; and
  - e) approve the discharge of the Receiver.

All of which is respectfully submitted this 28<sup>th</sup> day of June, 2021.

**ALVAREZ & MARSAL CANADA INC.,  
in its capacity as the Court-appointed Receiver of  
Ceana Sunridge Development Inc., and not in  
its personal or corporate capacity**

A handwritten signature in blue ink, appearing to be 'Orest Konowalchuk', with a stylized, flowing script.

Orest Konowalchuk, CPA, CA, CIRP, LIT  
Senior Vice President

A handwritten signature in blue ink, appearing to be 'David Williams', with a stylized, flowing script.

David Williams, CPA  
Manager

## **APPENDIX “A”**

## ASSIGNMENT AGREEMENT

### THIS AGREEMENT IS MADE AMONG:

**ALVAREZ & MARSAL CANADA INC., in its capacity as Court-appointed receiver  
and manager of Ceana Sunridge Development Inc.**

(the “**Assignor**”)

-and-

**HILLSBORO ENTERPRISES INC.**

(the “**Assignee**”)

### WHEREAS:

- A. Hillsboro Ventures Inc. (“**HVI**”) extended financing to Ceana Development Sunridge Inc. (“**Ceana Sunridge**”) under and by way of three mortgage facilities (the “**Facilities**”).
- B. Ceana Sunridge granted to HVI certain security in support of its indebtedness to Hillsboro (the “**Security**”), including security agreements, assignments of project agreements, and mortgages registered against lands legally described as PLAN 9811891, BLOCK 8, LOT 1 (the “**Lands**”).
- C. HVI has assigned to the Assignee all of its rights, claims, Security and indebtedness under the Facilities.
- D. The Assignor is the Court-appointed receiver and manager (“**Receiver**”) of Ceana Sunridge, further to an Amended and Restated Receivership Order dated June 17, 2020 and filed June 22, 2020 in Alberta Court of Queen’s Bench Action No. 1801-04745.
- E. The Assignee has requested that the Assignor assign absolutely to the Assignee all of the right, title and interest of Ceana Sunridge in and to any and all Joint Venture Agreements entered into by Ceana Sunridge in connection with the development of the Lands (collectively, the “**Assigned Rights**”), including without limitation those agreements described in Schedule “A” hereto, and the Assignor has agreed to such assignment in accordance with the terms and conditions hereinafter set forth.

**NOW THEREFORE THIS AGREEMENT WITNESSES THAT** in consideration of the premises and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged by each of the parties hereto, the parties agree as follows:

### ARTICLE 1 INTERPRETATION

- 1.1 The recitals form an integral part of this Agreement and the parties agree that the recitals are true and correct in all respects, to the best of their respective knowledge, information and belief.

- 1.2 Words importing the singular include the plural and vice versa; and words importing gender include all genders.
- 1.3 This Agreement shall be governed and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein. All references to currency are to Canadian currency.
- 1.4 The Article and section headings contained in this Agreement are not intended to be full or accurate descriptions of the contents thereof.

## **ARTICLE 2**

### **ASSIGNMENT OF ASSIGNED RIGHTS**

- 2.1 In consideration of the payment of \$2.00, the receipt and sufficiency of which is hereby acknowledged, the Assignor hereby bargains, sells, assigns, transfers and sets over absolutely unto the Assignee all of the right, title and interest of Ceana Sunridge in and to the Assigned Rights.
- 2.2 The Assignor represents and warrants to the Assignee that the Assignor has done no act to encumber or assign any of the Assigned Rights.
- 2.3 The Assignee acknowledges and agrees that the Assignee is acquiring the Assigned Rights on "as is, where is" basis and that except as expressly set out herein, there is no representation, warranty or covenant, express or implied, by the Assignor with respect to the Assigned Rights.
- 2.4 The Assignee, at its option, may prepare and register any documentation necessary to record the assignment of the Assigned Rights. The Assignee is permitted to use the corporate name of Ceana Sunridge for any purpose relating to the enforcement and recovery of the Assigned Rights or any portion thereof.

## **ARTICLE 3**

### **GENERAL**

- 3.1 Each provision of this Agreement is intended to be severable. If any provision of this Agreement shall be held illegal, invalid or unenforceable, such illegality, invalidity or unenforceability shall not affect the validity of the remainder hereof.
- 3.2 This Agreement is dated effective the 24th day of June, 2021.
- 3.3 Time shall be of the essence hereof.
- 3.4 This Agreement shall enure to the benefit of each of the parties hereto and their respective successors and assigns and shall remain binding on the successors and assigns of the parties hereto. No party other than the Assignee may assign any rights hereunder without the express written consent of the Assignee, which consent may be withheld for any reason.

- 3.5 The Assignee shall indemnify and hold harmless the Assignor, its affiliates, and their respective directors, officers, employees, agents, representatives, shareholders, successors, and permitted assigns, in its capacity as Receiver and its corporate and personal capacity (collectively, the "**Indemnified Party**") against any and all losses, costs, and expenses incurred or sustained by Indemnified Party based upon or relating to the Assigned Rights.
- 3.6 This Agreement contains the entire agreement among the parties with respect to the subject matter hereof and may not be amended or modified in any respect except by written instrument signed by the parties. This Agreement may be executed in any number of counterparts, all of which shall, collectively, constitute one Agreement. This Agreement may be executed and delivered by any one or more of the parties by transmitting a copy of this Agreement (executed by such delivering party) by e-mail or similar means of electronic communication.

**IN WITNESS WHEREOF** the parties hereto have caused this Agreement to be duly executed as of the effective date stated herein.

**ALVAREZ & MARSAL CANADA INC.,  
in its capacity as Court-appointed  
receiver and manager of Ceana Sunridge  
Development Inc.**

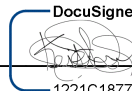


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David Williams, Manager

**HILLSBORO ENTERPRISES INC.**

DocuSigned by:



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## SCHEDULE A

<u>Joint Venture Party</u>	<u>Agreement Date (if known)</u>
1396081 Alberta Ltd.	2-May-16
1630374 Alberta Ltd.	
1673300 Alberta Ltd.	
1785337 Alberta Ltd.	30-Jan-16
1814121 Alberta Ltd.	
1989207 Alberta Inc.	23-Aug-16
1989207 Alberta Inc.	1-Sep-16
854413 Alberta Ltd.	
909472 Alberta Ltd.	
Amish Morjaria	19-Jul-16
Antony Retchaganathan & Sulochana Antony	
Ashok Morjaria & Mridula Morjaria	
Asif Bhanji & Simeen Bhanji	
Bero Barn	
Bhupinder Basati & Ravinder Kaur Basati	
CECA Holding Co Ltd.	15-Jul-17
Central Halal Meats	29-Oct-16
Chem-Pet Process Tech	
Eureka Prescriptions Inc.	8-Jun-16
Eureka Prescriptions Inc.	8-Jun-16
Fiazali Devji & Parin Devji	
Gordon Piper	
Gurjit Singh Dhillon	4-Feb-16
HMA Homes and Investment Ltd.	
Jasbir Mundi	27-Apr-16
Manish Raval	27-Apr-16
Mark Pugh	
Mounir Alein	12-Dec-15
Nan Investments Ltd.	
Nathan Prof. Corp	
Pipan Kumar & Nirmala Kumar	
Rahul Kapoor & Sachin Sarna	21-Jul-15
Ravinder K Rao	
Saj Paleja	
Sameer Dhalla & Aliya Dhalla	
Shafique Kanji & Yasmin Kanji	
Sukhdeep S. Dhaliwal & Mandeep S. Mavi & Rajinder Mavi	9-Dec-15
Suleman Lakhani	1-Sep-15
Tarnbir K Mundi	
Zahir Karmali & Almas Karmali	30-Sep-15

And all other joint venture agreements as were entered by or on behalf of Ceana Development Sunridge Inc.

## **APPENDIX “B”**



**Ceana Development Sunridge Inc. - In Receivership**  
Summary of Receiver's Fees and Disbursements ("Interim Period Billings")  
May 1, 2021 to June 27, 2021

Invoices subject to Court Approval

Inv. No.	Period	Fees	Disbursements	Total Fees & Disbursements	GST	Total
20	May 1, 2021 to May 31, 2021	14,683.00	225.00	14,908.00	745.40	15,653.40
21	June 1, 2021 to June 27, 2021	20,707.00	75.00	20,782.00	1,039.10	21,821.10
TOTAL		\$ 35,390.00	\$ 300.00	\$ 35,690.00	\$ 1,784.50	\$ 37,474.50

## APPENDIX “C”

**Ceana Development Sunridge Inc. - In Receivership**

Summary of the Receiver's Counsel's (Torys) Fees and Disbursements (the "Interim Period Billings")

May 1, 2021 to June 27, 2021

**Invoices subject to Court Approval**

Inv. No.	Period	Fees	Disbursements	Total Fees & Disbursements	GST	Total
1539337	May 1, 2021 to May 31, 2021	37,104.00	907.27	38,011.27	1,900.56	39,911.83
1541226	June 1, 2021 to June 27, 2021	30,982.50	1,014.60	31,997.10	1,599.86	33,596.96
<b>TOTAL</b>		<b>\$ 68,086.50</b>	<b>\$ 1,921.87</b>	<b>\$ 70,008.37</b>	<b>\$ 3,500.42</b>	<b>\$ 73,508.79</b>

## **APPENDIX “D”**

**Schedule "A"**

**AFFIDAVIT**

**(Confirming Discharge of Receiver)**

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.

Clerk's Stamp

	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	<b>AFFIDAVIT</b> <b>(Confirming Discharge of Receiver)</b>
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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: <a href="mailto:kkashuba@torys.com">kkashuba@torys.com</a> File No. 39108-2003
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**AFFIDAVIT OF OREST KONOWALCHUK**  
**Sworn on ■, 2021**

I, Orest Konowalchuk, of the City of Calgary, in the Province of Alberta, SWEAR AND SAY THAT:

1. I am a Licenced Insolvency Trustee, and a Senior Vice President with Alvarez & Marsal Canada Inc., which is the Court-appointed receiver and manager (the “**Receiver**”) of the assets, undertakings and properties of Ceana Development Sunridge Inc. (the “**Debtor**”).
2. Pursuant to the Order granted by the Honourable Madam Justice B.E.C. Romaine of the Court of Queen’s Bench of Alberta (the “**Court**”) dated June 17, 2020, Alvarez & Marsal Canada Inc. was appointed as the Receiver over the assets, undertakings and properties of the Debtor.
3. Pursuant to an Order (Final Distribution, the Approval of the Receiver’s Activities, Fees and Disbursements, and the Receiver’s Discharge) granted by Madam Justice B.E.C. Romaine dated July 7, 2021 (the “**Discharge Order**”), the Court approved the discharge of the Receiver, subject to the filing an Affidavit in the within form confirming that the Receiver had completed certain other administrative activities required to complete its administration of the Debtors’ receivership proceedings.
4. This will confirm that the Receiver has completed all other activities required to complete its administration of the Debtors’ receivership proceedings, including, without limitation, all matters set out in paragraph 6 of the Discharge Order and the Eighth Report.
5. I make this Affidavit further to the requirements of the Discharge Order, and understand that upon the filing of this Affidavit, Alvarez & Marsal Canada Inc. will be fully and finally discharged from its capacity as the Receiver of the Debtor.
6. Due to the circumstances of the COVID-19 pandemic, I am unable to be physically present to swear in this affidavit. I, however, was linked by way of video technology to the Commissioner for Oaths (“**Commissioner**”) notarizing this document. The following steps have been or will be taken by the Commissioner or me:

- a. I have shown the Commissioner the front and back of my current government-issued photo identification (“**ID**”) and the Commissioner has compared my video image to the information on the ID.
- b. The Commissioner has taken a screenshot of the front and back of my ID and will retain it.
- c. The Commissioner and I have a paper copy of the affidavit before us, including exhibits.
- d. The Commissioner and I have reviewed each page of this affidavit and exhibits to verify the pages are identical and have initialed each page in the lower right corner.
- e. At the conclusion of our review of the affidavit and exhibits, the Commissioner administered the oath to me, and the Commissioner watched me sign my name to this affidavit.
- f. I will send the signed affidavit including exhibits electronically to the Commissioner.

7. I make this Affidavit for no other or improper purpose.

SWORN before me at the City of )  
Calgary, in the Province of Alberta, )  
this \_\_\_\_ day of \_\_\_\_\_, 2021 )

\_\_\_\_\_  
A Commissioner for Oaths in and )  
for the Province of Alberta )

\_\_\_\_\_  
Name: Orest Konowalchuk, LIT