

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 **SEVENTH REPORT OF THE RECEIVER
May 6, 2021**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

RECEIVER
ALVAREZ & MARSAL CANADA INC.
Bow Valley Square IV
Suite 1110, 250 - 6th Avenue SW
Calgary, Alberta T2P 3H7
Attention: Orest Konowalchuk / David Williams
Telephone: (403) 538-4736 / (403) 538-7536
Email: okonowalchuk@alvarezandmarsal.com /
david.williams@alvarezandmarsal.com

COUNSEL TO RECEIVER
TORYS LLP
Suite 4600, 525 - 8th Avenue SW
Calgary, Alberta T2P 1G1
Attention: Kyle Kashuba
Phone: (403) 776 3744
Fax: (403) 776 3800
Email: kkashuba@torys.com
File: 39108-2003

TABLE OF CONTENTS OF THE SEVENTH REPORT OF THE RECEIVER

INTRODUCTION.....	3
PURPOSE.....	4
TERMS OF REFERENCE AND DISCLAIMER	5
ACTIVITIES OF THE RECEIVER.....	5
SALE OF THE PROJECT TO HILLSBORO.....	7
DISTRIBUTION OF TRUST FUNDS.....	8
ASSIGNMENT OF JOINT VENTURE AGREEMENTS.....	9
INFORMATION REQUEST FROM MR. DHALIWAL	11
APPROVAL OF FEES AND EXPENSES	17
RECEIVER’S ONGOING ACTIVITIES AND FUTURE COURSE OF ACTION	18
RECEIVER’S CONCLUSION AND RECOMMENDATIONS	18

LISTING OF APPENDICES TO THE SEVENTH REPORT OF THE RECEIVER

APPENDIX A	Receiver’s Closing Certificate
APPENDIX B	Letter to Central Halal Meat Ltd. re: Purchase Deposit
APPENDIX C	Hillsboro Letter re: Assignment of Joint Venture Agreements
APPENDIX D	Proposed Joint Venture Assignment Agreement
APPENDIX E	Hillsboro Letter to Thomas Glenn re: Gaidhar and Hillsboro Meeting
APPENDIX F	Receiver’s Fees and Disbursements
APPENDIX G	Receiver’s Counsel’s Fees and Disbursements

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, 32nd Avenue NE, Calgary, Alberta (the “**Project**”) to Hillsboro Ventures Inc. (“**Hillsboro**”) (or its assignee). For clarity, 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.

4. 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.

PURPOSE

5. The purpose of this seventh report of the Receiver (the "**Seventh 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 sixth report dated January 6, 2021 (the "**Sixth Report**");
 - b) a brief update on the Receiver's efforts with respect to transitioning the Project and closing the transaction defined in the Sale to Plaintiff and Vesting Order (the "**Hillsboro Transaction**") granted by Madam Justice K.M. Eidsvik;
 - c) the Receiver's actions with respect to distributing the deposit funds held in trust with the Receiver's Counsel, pursuant to the Order granted February 5, 2021 (the "**Trust Deposit Order**") granted by Madam Justice K.M. Eidsvik;
 - d) the Receiver's intention to assign the joint venture agreements entered into by Ceana prior to the Receivership Date to Hillsboro, per Hillsboro's request;
 - e) the Receiver's response to the request for information contained in the application materials of Sukhdeep Dhaliwal ("**Mr. Dhaliwal**"), an individual who had entered into a purchase agreement to purchase one of the units forming part of the Project and a joint venturer of the Project;
 - f) the Receiver's efforts with respect to coordinating a meeting between Mr. Gaidhar and Hillsboro and their respective accountants, further to the request of Madam Justice K.M. Eidsvik, to address the outstanding issues and discrepancies related to the quantum of the Hillsboro mortgage indebtedness after the purchase of the Project (the "**Hillsboro Deficiency Amount**"), pursuant to the Order granted February 25, 2021 (the "**Scheduling Order**");

- g) the cash flow results for the period from January 2, 2021 to April 30, 2021 (the “**Reporting Period**”) and the year to date results;
 - h) 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; and
 - i) the Receiver’s conclusions and recommendations.
- 6. Capitalized words or terms not otherwise defined or ascribed a meaning in this Sixth 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**”).
- 7. All references to dollars are in Canadian currency unless otherwise noted.

TERMS OF REFERENCE AND DISCLAIMER

- 8. In preparing this Seventh Report, the Receiver has relied upon: (i) the representations of certain management and other key stakeholders of Ceana; and (ii) 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.
- 9. 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

- 10. Since the Sixth Report, the Receiver’s activities have included, but are not limited to, the following:

- a) undertaking the day to day management of operations of the Project, including with respect to site supervision, payment for services rendered and approved by the Receiver (including approving change orders) until the closing conditions set out in the Sale to Plaintiff and Vesting Order were fulfilled and the Hillsboro Transaction was completed to the satisfaction of the Receiver on February 19, 2021;
- b) attending the February 25, 2021 court hearing for the Hillsboro application seeking relief with respect to various matters (detailed further in this Report);
- c) distributing the funds in the Receiver's Counsel's trust account (the "**Trust Deposit Account**"), as permitted by the Trust Deposit Order;
- d) out of courtesy, contacting Central Halal Meat Ltd. ("**Central Halal**") to query whether they had a position with respect to funds in the Trust Deposit Account for which they were a beneficiary and informing them of this Court's decision, wherein parties who were in a similar situation as them and who were successful in their respective applications for the release of the applicable funds in the Trust Deposit Account;
- e) communicating with Mr. Gaidhar and Hillsboro on a regular and ongoing basis with respect to matters related to the Hillsboro Deficiency Amount;
- f) communicating with various vendors regarding the sale of the Project and assigning their agreements to Hillsboro pursuant to the Sale to Plaintiff and Vesting Order;
- g) communicating with Hillsboro regarding the construction of the Project and regarding their request for the Receiver to assign the JV Agreements (as defined below) to them; and
- h) attending to matters related to Mr. Dhaliwal's application, including conducting a review of the documentation that he requested disclosure of and outlining potential issues with such disclosure, and providing technical

assistance to Mr. Dhaliwal, through the Receiver's Counsel, related to CaseLines.

SALE OF THE PROJECT TO HILLSBORO

11. Pursuant to the Sale to Plaintiff and Vesting Order, the Receiver was required to deliver a receiver's certificate (the "**Receiver's Closing Certificate**") to Hillsboro upon the Receiver being satisfied with the following conditions being met (the "**Closing Conditions**"):
 - a) cash in the amount of \$3 million having been tendered into escrow, and the payment of \$500,000 having been made to Connect First Credit Union Ltd. ("**CFCU**") on account of its mortgage indebtedness and the Receiver's final fees and costs and those of the Receiver's Counsel being approved by the Court at or before the Receiver's discharge;
 - b) the assignment to Hillsboro of the agreements described in Schedule "D" of the Sale to Plaintiff and Vesting Order (the "**Operative Agreements**"); and
 - c) the delivery by Hillsboro to the Receiver of a GST certificate and/or undertaking, as applicable.
12. Shortly after the Sale to Plaintiff and Vesting Order was granted, the Receiver began to assign the Operative Agreements to Hillsboro. These Operative Agreements included, but were not limited to:
 - a) Construction management – contract with Executive Flight Centre Development Inc.;
 - b) Site fencing – contract with Super Save Fence Rentals;
 - c) Architecture – contract with Rick Balbi Architect Ltd.;
 - d) Utility and condominium planning – contract with Vista Geomatics Ltd.;

- e) Fibre optic networking marking program – contract with TELUS Communications Inc.;
 - f) Budgetary review and loan monitoring – contract with Quantity Surveying Services International; and
 - g) Marketing and sales – contract with Barclay Street Real Estate.
13. While in the process of assigning the Operative Agreements to Hillsboro, the Receiver continued to progress forward with the remaining construction for Phase I of the Project and completed certain additional construction work. The Receiver informed Hillsboro of all construction activities throughout this transition period and consulted with Hillsboro with respect to change orders and the construction schedule.
14. On February 19, 2021, the Receiver confirmed that it was satisfied that the Closing Conditions had been met, and delivered the Receiver's Closing Certificate to Hillsboro. The Receiver's Closing Certificate was filed with this Honourable Court on March 3, 2021 and is attached to this Report as **Appendix A**.

DISTRIBUTION OF TRUST FUNDS

15. On February 5, 2021, the Court granted the Trust Deposit Order in connection with the Sale to Plaintiff and Vesting Order and the written decision of the Honourable Justice Eidsvik. The Trust Deposit Order set out how the funds in the Trust Deposit Account were to be distributed, however the order did not specifically address the funds of Central Halal as they had not previously brought forward an application disputing the transfer of their deposit.
16. On February 18, 2021, the Receiver, through the Receiver's Counsel, sent a letter to Central Halal advising them that their deposit of \$73,000 was being held in the Receiver's Counsel trust account, which is subject to an Order (the Trust Deposit Order) being sought forthwith that will provide that the subject funds do not comprise purchaser deposits under any purchase contract or the *Condominium Property Act*, RSA 2000, c C-22 and shall be released to the Receiver as general property of the estate of Ceana, to be dealt with in

accordance with the applicable debt priorities. A copy of the courtesy letter is attached to this Report as **Appendix B**. This letter was sent to Central Halal in the event that they wanted to bring forward an application with respect to these funds. As of the date of this Report, the Receiver has not received a response to the letter.

17. Pursuant to the Trust Deposit Order, the Receiver's Counsel distributed the remaining \$864,625 in the Trust Fund Account on April 1, 2021, as follows:
 - a) \$76,000 to Mounir Alein as a refund of his purchase deposit;
 - b) \$525,625 to Dentons Canada LLP ("**Dentons**"), in its capacity as prescribed trustee of the purchase deposits of Eureka Prescription Inc. (\$100,000), Paul Ng (\$195,625) and 2035043 Alberta Ltd. (\$230,000); and
 - c) \$263,000 to the Receiver, which was comprised of the deposit funds of Central Halal (\$73,000), 1989207 Alberta Ltd. (\$90,000) and Eureka Prescriptions Inc. (\$100,000). These amounts were subsequently paid to CFCU on April 15, 2021 on account of its mortgage indebtedness.
18. Prior to transferring the \$525,625 of purchase deposits to Dentons, the Receiver's Counsel sent notices to Eureka Prescription Inc., Paul Ng and 2035043 Alberta Ltd. in compliance with section 20.32(8) of the *Alberta Condominium Property Regulation*, Alta Reg 168/2000 advising them that their deposits were being transferred.

ASSIGNMENT OF JOINT VENTURE AGREEMENTS

19. On April 13, 2021, the Receiver received a letter from Hillsboro requesting that the Receiver assign to Hillsboro the seventeen (17) joint venture agreements (the "**JV Agreements**") in respect of the Project. A copy of the letter is attached to this Report as **Appendix C**. Hillsboro also provided a copy of the assignment agreement (the "**Assignment Agreement**") pursuant to which the Receiver would assign the JV Agreements to Hillsboro. A copy of the Assignment Agreement is attached to this Report as **Appendix D**.

20. In view of the Hillsboro Deficiency Amount (to be crystallized in Court on June 2 and 3, 2021), the Receiver understands that there is value to Hillsboro in the JV Agreements and the rights of Ceana under those agreements (the “**JV Rights**”). The Receiver intends to assign the JV Agreements for the following reasons:
- a) the JV Rights appear to be of nominal value to Ceana, but are of value to Hillsboro. The Receiver notes that an independent public sales process has not been undertaken specifically on the JV Agreements and JV Rights by the Receiver and that there are not sufficient funds to undertake such a process. The Receiver is also of the view that even if a sales process were undertaken respecting the sale or assignment of the JV Rights, the Receiver does not believe there would be any material value achieved and that the costs of such a process will likely outweigh the benefit and these costs would be at the detriment to the estate and, specifically, Hillsboro;
 - b) the JV Rights are subject to Hillsboro’s security agreements. Hillsboro has confirmed that they could pursue these rights under its security, but this would add unnecessary costs to the receivership estate;
 - c) the interests of Hillsboro, as the largest secured creditor (and fulcrum creditor), are served by the assignment;
 - d) in the event the JV Rights are monetized by Hillsboro, there will be a direct corresponding benefit to the receivership estate in the manner of equal reduction to Hillsboro’s secured deficiency claim.;
 - e) Connect First continues to be the first secured creditor in the estate and it would appear that Connect First remains unaffected and well secured based on the value assigned on the Project, which was subject to the Sale to Plaintiff and Vesting Order granted by the Court in the Project being sold to Hillsboro.
21. The Receiver is of the view that this Report serves as notice to the counterparties of the JV Agreements to be assigned. Should any of the affected counterparties wish to raise any defence application respecting the joint venture agreements to Hillsboro, they should

submit materials to the Court in advance of the hearing on May 17, 2021. Further, the Receiver will make itself available to any affected counterparty should there be any questions arising.

INFORMATION REQUEST FROM MR. DHALIWAL

22. On April 19, 2021, Mr. Dhaliwal submitted an application to the Court to be heard on May 17, 2021. Mr. Dhaliwal's application included, among other things, a request for the Receiver to disclose the following information:

- a) Item #1: fiscal 2018 financial statements and general ledgers prepared by Ceana management;
- b) Item #2: bank statements received directly from ATB Financial and Canadian Western Bank (for the period of July 25, 2015 to the Receivership Date) the Historical Bank Statements;
- c) Item #3: supporting cheque and wire transfer scan(s) received from the banks for all transactions in the Historical Bank Statements;
- d) Item #4: the "Source and Uses" schedule prepared by the Receiver utilizing the Historical Bank Statements, which itemizes and sorts the banking transaction into identifiable categories (as best as possible, where possible);
- e) Item #5: copies of all original General Contractor bids including selected bid(s);
- f) Item #6: copies of all invoices paid by Ceana to contractors and service providers prior to Receivership Proceedings;
- g) Item #7: a copy of 2035043 Alberta Ltd.'s purchase and sale agreement for Building C; and

- h) Item #8: documents of any agreements Ceana had signed with previous General Contractor (Fast Track Commercial Inc or its owner Dan Deilami), in relation to liens placed against or discharged for Ceana project(s).
- 23. While Mr. Dhaliwal has always had access to CaseLines as he was included in the original invite list for same, shortly after receiving Mr. Dhaliwal's materials, the Receiver uploaded his materials, as requested by the Court. As Mr. Dhaliwal is self-represented and unfamiliar the Court application process, the Receiver and the Receiver's Counsel offered to provide him with further guidance regarding CaseLines should he need it and has instructed him to review any emails from the Commercial Coordinator to ensure he is abiding by the Court's requests.
- 24. On April 21, 2021 the Receiver and the Receiver's Counsel arranged a call with Mr. Dhaliwal to obtain clarity regarding his requests for disclosure as certain of his requests appeared to be irrelevant or related to confidential appendices, some of which are currently subject to certain Restricted Court Access Orders. Prior to the call, the Receiver asked Mr. Dhaliwal if he had any reservations with having the Receiver's legal counsel on the call and he informed the Receiver that he did not. On the subject call, the Receiver advised Mr. Dhaliwal that it would seek advice and direction from the Court with respect to certain of his requests and suggested that he consider directly contacting the parties who submitted confidential appendices or whose information has been sealed from the public eye to obtain their consent for the release of such documents as it would be more efficient and minimize costs to the receivership estate.
- 25. Upon review of Mr. Dhaliwal's request for information, the Receiver was unsure whether some or all of the information requested would be (or should) released from the Receiver's possession. As such, the Receiver is seeking advice and directions from this Honourable Court whether some or all of the information requested by Mr. Dhaliwal should be released by the Receiver. To assist the Court, the Receiver provides the following commentary on each request of Mr. Dhaliwal:
 - a) the Receiver is prepared to provide Mr. Dhaliwal with the information requested in Item #1 and Item #2, noted above. The Receiver would also be

willing to provide Mr. Dhaliwal with the information requested in Item #3, however the Receiver queries whether the disclosure of this additional supporting information is required since the transactions have been clearly explained in Appendix F of the Third Report.

- b) With respect to Item #4, the Receiver has already provided this information in paragraph 43 and Appendix F of the Third Report, which can be found on CaseLines or on the Receiver's website.
- c) With respect to Item #5 and Item #7, the Receiver does not believe it should provide this information directly to Mr. Dhaliwal as it may be subject to implied confidentiality and may be prejudicial to the parties whose commercially sensitive information may be disclosed. As previously discussed, the Receiver suggests that Mr. Dhaliwal contact the parties who submitted this information to request copies of same.
- d) The Receiver is not in possession of the information requested in Item #6 and has advised Mr. Dhaliwal to reach out to Mr. Gaidhar and his counsel on the same. On the April 21, 2021 call, Mr. Dhaliwal advised the Receiver that he had not yet received a response from Mr. Gaidhar or his counsel regarding his request for this information.

- 26. The Receiver has limited remaining funds in the estate to carry out its statutory obligations of this estate and or any additional requests of that of the Court. The Receiver notes that should this Honourable Court direct the Receiver to gather and provide the required documents and information to Mr. Dhaliwal, above and beyond what has been provided by the Receiver in its reporting to this Court, there will be costs incurred by the Receiver and these costs should respectfully be borne by Mr. Dhaliwal and/or the investors that support Mr. Dhaliwal's application and requests.
- 27. In light of Mr. Dhaliwal's application, the Receiver would like to request the sealing of Confidential Appendices 1 to 3 of both the First Report and Second Report of the Receiver, which were previously granted by this Court. Confidential Appendices 1 to 3 of the First

Report contain matters of a sensitive commercial nature, including proposals, valuations, realization analysis, and other sensitive information, including sensitive information of third parties, and Confidential Appendices 1 to 3 to the Second Report contain sensitive commercial information provided by real estate brokerages, purchasers, and included in correspondence between the Debtor's former legal counsel and the lenders, or communications with other stakeholders (collectively, the "**Confidential Information**").

28. The publication or dissemination of the Confidential Information could result in harm and be highly prejudicial to the third parties whose confidential information and/or documentation form part of the Confidential Information, and/or may negatively impact potential realizations on the sale of the various units of the project that was subject to the Receivership Proceedings. As such, the Receiver believes that it is fair and just in the circumstances to restrict public access to the Confidential Information.

HILLSBORO DEFICIENCY AMOUNT

29. On February 25, 2021, Hillsboro brought forward an application to compel Mr. Gaidhar to provide responses to the outstanding undertakings, consolidate the Court Action between Hillsboro, the Gaidhars and Ceana Development Westwinds into the Court Action for these Receivership Proceedings, confirm the quantum of the Hillsboro Deficiency Amount and grant summary judgment against the Guarantors in the same amount as the Hillsboro Deficiency Amount.
30. The Court adjourned the relief being sought by Hillsboro and granted the Scheduling Order, which rescheduled Hillsboro's application to a full day hearing on each of June 2 and June 3, 2021 and outlined a schedule for the filing of materials in respect of the adjourned matters. The Honourable Justice Eidsvik also requested that the Receiver coordinate a meeting with the accountants of Hillsboro and the Gaidhars to discuss the quantum of the Hillsboro Deficiency Amount calculated by each of the parties in order to address the noted discrepancies.
31. On February 27, 2021, the Receiver delivered communication to Hillsboro and Mr. Gaidhar to schedule a meeting to discuss the issues with the quantum of the Hillsboro Deficiency

Amount. In response, Hillsboro informed the Receiver that it had sent a letter to Mr. Gaidhar's counsel on March 2, 2021 (the "**March 2, 2021 Letter**") requesting that he provide particulars with respect to his concerns with Hillsboro's accounting as a meeting would not be productive without this information. A copy of the March 2, 2021 Letter is attached as to this Report **Appendix E**.

32. The Receiver has followed up with Hillsboro and Mr. Gaidhar several times since February 27, 2021 to request an update regarding the particulars of the Hillsboro Deficiency Amount. As of the date of this Report, Mr. Gaidhar has not responded the Receiver's multiple follow up emails or to the March 2, 2021 Letter. Furthermore, Mr. Gaidhar has failed to file responding materials in accordance with the dates set out in the Scheduling Order. On April 26, 2021, Mr. Gaidhar filed an affidavit (the "**Gaidhar Affidavit**") in response to the relief Hillsboro is seeking. As a result of this late filing, the Court has advised the affected parties that it may impact the schedule hearing dates.
33. In the Gaidhar Affidavit, Mr. Gaidhar continues to allege that the Receiver's accounting of the quantum of Hillsboro's debt is incorrect. The Receiver wishes to reiterate that the accounting review done by the Receiver and discussed in Prior Reports is independent from any party, accurate, detailed and complete based on the information the Receiver has been provided. The Receiver has not been provided with any information from Mr. Gaidhar or anyone that would alter the Receiver's opinion on the sources and uses of funds from the estate, notwithstanding the multiple requests made of Mr. Gaidhar to provide such information.
34. Mr. Gaidhar also sent numerous emails to the Service List, in which he has made, in our view, unfounded statements. As such, we requested that Mr. Gaidhar cease and desist from making such statements and, again requested, through the Receiver's Counsel, through a letter to Mr. Gaidhar's counsel, Thomas Glenn, that if Mr. Glenn continues to represent Mr. Bob Gaidhar, that Mr. Glenn should consider, to the extent that he has not already, whether this is an appropriate forum for Mr. Gaidhar to share his thoughts or whether submissions to the Court regarding his thoughts would be more appropriate.

RECEIPTS AND DISBURSEMENTS – JANUARY 2, 2021 TO APRIL 30, 2021

35. The following is a statement of the Receiver's receipts and disbursements in respect of Ceana during the Reporting Period:

Ceana Development Sunridge Inc. - in Receivership Interim Statement of Receipts & Disbursements July 3, 2019 to April 30, 2021 <i>CAD\$, unaudited</i>			
	Sixth Report July 3/19 to January 1/21	Reporting Period January 2/21 April 30/21	Total July 3/19 to April 30/21
Opening cash balance	\$ 1,091	\$ 518,925	\$ 1,091
Receiver's borrowings	\$ 5,495,435	\$ -	\$ 5,495,435
Receipts			
Deposits collected	2,856	263,000	265,856
Other collections	-	145,985	145,985
Interest	14	70	83
Total Receipts	\$ 5,499,395	\$ 927,980	\$ 5,908,450
Disbursements			
Property taxes	312,903	29,694	342,597
Development costs	234,047	136,047	370,094
Construction costs	2,847,131	177,616	3,024,747
General & administrative costs	140,808	13,011	153,818
GST payments	213,783	23,924	237,707
Professional fees and costs			
Court approved fees and costs (Jul 3/19 - Dec 31/20)	1,231,799	-	1,231,799
Fees and cost (Jan 1/21 - April 30/21)	-	185,765	185,765
Total disbursements	\$ 4,980,470	\$ 566,057	\$ 5,546,527
Distribution to Secured Creditor (CFCU)	-	(263,000)	(263,000)
Ending cash balance	\$ 518,925	\$ 98,923	\$ 98,923

36. There was approximately \$519,000 of opening cash available at the start of the Reporting Period.
37. The Receiver has collected approximately \$409,000 during the Reporting Period, relating primarily to:
- \$263,000 from the Trust Deposit Account, which is comprised of the deposit funds of Central Halal (\$73,000), 1989207 Alberta Ltd. (\$90,000) and Eureka Prescriptions Inc. (\$100,000); and
 - investment payment of approximately \$146,000 from Enmax as a result of completing site electrical work on the Project.

38. The Receiver made disbursements of approximately \$829,000 during the Reporting Period, relating primarily to:

- a) payment of 2020 municipal taxes of approximately \$30,000 through the Tax Instalment Payment Plan (TIPP) program;
- b) development costs of approximately \$136,000 relating to permitting deposits payable to The City of Calgary, engineering services and architecture services;
- c) construction costs of approximately \$178,000, primarily relating to, construction management, general site costs and sub-trade construction costs and quantity surveying;
- d) general and administrative costs of approximately \$13,000 relating to insurance and bank charges;
- e) GST paid on disbursements of approximately \$24,000; and
- f) professional fees and costs totaling approximately \$186,000, for the Receiver and its legal counsel, in the approximate amounts of \$69,000 and \$117,000, respectively, for the period from January 1, 2021 to April 30, 2021; and

39. Total ending cash available as at April 30, 2021 is approximately \$99,000.

APPROVAL OF FEES AND EXPENSES

40. 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 December 31, 2020.

41. 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 January 1, 2021 to April 30, 2021.

42. Professional fees and expenses rendered by the Receiver from January 1, 2021 to April 30, 2021, total \$68,695.55 (exclusive of GST) (the "**Receiver's Fees and Costs**"). The

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

43. Professional fees and expenses rendered by the Receiver's Counsel from January 1, 2021 to April 30, 2021, total \$117,069.92 (exclusive of GST) (the "**Receiver's Counsel's Fees and Costs**"). The accounts will be made available upon request and are summarized in **Appendix G** to this Report.
44. 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.
45. The professional fees and costs of the Receiver and the Receiver's Counsel for January 1, 2021 to April 30, 2021 have been paid and are reflected in the actual cash flow receipts and disbursements discussed above.
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 and the Receiver's Counsel's Fees and Costs.

RECEIVER'S ONGOING ACTIVITIES AND FUTURE COURSE OF ACTION

47. The Receiver's next steps include, but are not limited to:
 - a) assigning the JV Agreements to Hillsboro (subject to this Court granting the Order before this Court approving the proposed go-forward actions, conduct and activities of the Receiver); and
 - b) continued communication with the Company's significant stakeholders.

RECEIVER'S CONCLUSION AND RECOMMENDATIONS

48. 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 Seventh Report and Prior Reports, including the assignment of the JV Agreements as permitted in paragraph 3(h) of the Receivership Order;
- b) seal Confidential Appendices 1 to 3 to the First Report of the Receiver, and Confidential Appendices 1 to 3 to the Second Report of the Receiver;
- c) approve the Receiver's Fees and Costs and the Receiver's Counsel's Fees and Costs; and
- d) provide advice and directions regarding disclosure of the documentation and information that Mr. Dhaliwal has requested.

All of which is respectfully submitted this 6th day of May, 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.

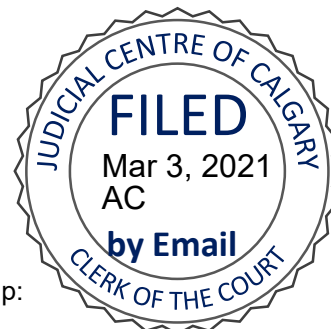
Orest Konowalchuk, CPA, CA, CIRP, LIT
Senior Vice President

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

David Williams, CPA
Manager

APPENDIX “A”

ENTERED



RECEIVER'S CLOSING CERTIFICATE

Clerk's Stamp:

COURT FILE NUMBER	1801-04745	COM April 12 2021 J. Romaine
COURT	COURT OF QUEEN'S BENCH OF ALBERTA	26788
JUDICIAL CENTRE	CALGARY	
PLAINTIFF	HILLSBORO VENTURES INC.	
DEFENDANTS	CEANA DEVELOPMENT SUNRIDGE INC.	

DOCUMENT

RECEIVER'S CLOSING CERTIFICATE

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY FILING THIS
DOCUMENT

Dentons Canada LLP
Bankers Court
15th Floor, 850 - 2nd Street S.W.
Calgary, Alberta T2P 0R8
Attn: Derek Pontin
Ph. (403) 268-6301 Fx. (403) 268-3100
File No.: 559316-3

RECITALS

- A. Pursuant to an Order of the Honourable Justice Romaine of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "Court") dated July 3, 2019, as amended and restated on June 17, 2020, Alvarez and Marsal Canada Inc. was appointed as receiver and manager (the "Receiver") of the undertakings, property and assets of Ceana Development Sunridge Inc. (the "Debtor").
- B. Pursuant to an Order of the Court dated January 14, 2021 (the "Sale Order"), the Court approved the Transaction (as defined in the Sale Order) between the Receiver and Hillsboro Ventures Inc., or its nominee (the "Purchaser") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming that the Closing Conditions (as defined in the Sale Order) have been fulfilled.
- C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Order.

THE RECEIVER CERTIFIES the following:

1. The Closing Conditions set out in the Sale Order have been fulfilled.
2. The Transaction has been completed to the satisfaction of the Receiver.
3. This Certificate was delivered by the Receiver to Dentons Canada LLP, 15th Floor, Bankers Court, 850 - 2nd Street SW Calgary, AB T2P 0R8 Canada, on February 19, 2021.

**Alvarez and Marsal Canada Inc. in its capacity
as Receiver of the undertakings, property and
assets of Ceana Development Sunridge Inc. and
not in its personal capacity.**

Per:



Name: Orest Konowalchuk
Title: Senior Vice President

APPENDIX “B”

February 18, 2021

URGENT

COURIER

Central Halal Meat
205, 4655-54 Avenue NE
Calgary, AB T3J 3Z4

Dear Sirs/Mesdames:

**Re: In the Matter of the Receivership of Ceana Development Sunridge Inc.;
Alberta Court of Queen's Bench Action No. 1801-04745
Trust Account Deposits Application and Decision Related Thereto**

Further to our email enclosed dated December 10, 2020 to your former legal counsel (EO Law), wherein we noted that Mr. Mounir Alein, Eureka Prescriptions Inc., and 1989207 Alberta Inc., have or will be bringing forward an Application to deal with the claim of Hillsboro Ventures Inc. (“**Hillsboro**”) over certain trust funds in Torys LLP's trust account which were provided to Torys LLP pursuant to the *Condominium Property Act* for the benefit of the noted parties and advised of the relevant dates for Central Halal Meat Ltd. to file a similar Application, if it preferred to do so, we note that Justice Eidsvik has rendered a decision in connection with the trust funds held in our trust account for the benefit of Mr. Mounir Alein and Eureka Prescriptions Inc. which is enclosed.

After we sent the said email to EO Law, we received an email on December 24, 2020 from EO Law, who informed us that EO Law no longer represents Central Halal Meat Ltd. and to contact you directly. Given that the email correspondence was sent to EO Law prior to the notification that they do not represent you, we reasonably assumed that you were provided with the said correspondence.

We continue to hold \$73,000 deposit funds in our trust account, which we note is subject to an Order being sought forthwith that will provide that the subject funds do not comprise purchaser deposits under any purchase contract or the *Condominium Property Act*, RSA 2000, c C-22 and shall be released to the Receiver as general property of the estate of Ceana Development Sunridge Inc., to be dealt with in accordance with the applicable debt priorities. Out of courtesy, we wanted to draw this to your attention in the event that you wanted to take a position on same and/or in case you were intending to bring forward an Application requesting that the funds be released to you.

We trust that you understand the seriousness of this matter and will act promptly to attend to the matters noted herein.

Yours truly,

A handwritten signature in cursive script, appearing to read 'K. Kashuba'.

Kyle Kashuba

KDK/jw

Enclosures

cc: The Receiver, Alvarez & Marsal Canada Inc., Attention: Orest Konowalchuk & David Williams (via email)

31768939.1

APPENDIX “C”

April 13, 2021

File No.: 123233-1561

Sent via Email

Torys LLP
Suite 4600, 525 – 8th Ave SW
Calgary, AB T2P 1G1

Attention: Kyle Kashuba and Jessie Mann

Dear Sir/Madam:

**Re: Hillsboro Ventures Inc. v Ceana Development Sunridge Inc.
Court of Queen's Bench of Alberta Action No.: 1801-04745**

As you are aware, we are counsel to Hillsboro Ventures Inc. and its affiliates (together, "**Hillsboro**"). Hillsboro is a secured creditor of Ceana Sunridge and holds, among other things, security in all present and after-acquired personal property of Ceana Sunridge. Hillsboro has completed its acquisition of the development project previously carried on by Ceana Sunridge and is in the process of crystallizing its deficiency claim in respect of the remaining loan obligations of Ceana Sunridge. The amount of Hillsboro's deficiency is \$8,514,724, as of February 19, 2021 (the date of closing), which is set out in Affidavit No. 7 of Keith Ferrel, sworn March 19, 2021.

As you are also aware, Ceana Sunridge is party to a number of Joint Venture Agreements ("**JV Agreements**") in respect of the Project. The Receiver has reported on these agreements from time to time, and most recently in its Sixth Report wherein the Receiver described its intention to reject any obligations under a listing agreement, various purchase and sale agreements, and 17 JV Agreements. The Receiver therein advised it would later assess the propriety of whether any of the Rejected Agreements (as defined in the Sixth Report) should be assigned (among other things – see paragraph 22 for certainty).

In view of its large deficiency, there is value to Hillsboro in the JV Agreements and the rights of Ceana Sunridge under those agreements (referred to hereafter as the "**JV Rights**"). The JV Rights are assignable and would be subject to Hillsboro's security as any of Ceana Sunridge's choses in action would be. Hillsboro could enforce its security, but proposes instead to take assignment of the JV Rights with the consent of the Receiver.

There are a number of factors that support Hillsboro's request, which we outline as follows for the Receiver's benefit:

1. The JV Rights are of nominal value to the estate, but are of value to Hillsboro.
2. The JV Rights are the subject of Hillsboro's security agreements. Hillsboro could be forced to pursue these rights under its security, but this would simply add unnecessary process and costs.
3. The JV Agreements are assignable in accordance with their terms.

Rattagan Macchiavello Arocena ► Jiménez de Aréchaga, Viana & Brause ► Lee International ► Kensington Swan ► Bingham Greenebaum ► Cohen & Grigsby ► Sayarh & Menjra ► Larrain Rencoret ► Hamilton Harrison & Mathews ► Mardemootoo Balgobin ► HPRP ► Zain & Co. ► Delany Law ► Dinner Martin ► For more information on the firms that have come together to form Dentons, go to [dentons.com/legacyfirms](https://www.dentons.com/legacyfirms)

4. The Receiver has a view to all stakeholders:
- the interests of Hillsboro, as the largest secured creditor, are served by the assignment;
 - the rights of the account debtors under the JV Agreements are adequately protected, including by operation of section 41(2) of the *Personal Property Security Act*, RSA 2000, c P-7;
 - the proposed assignment has no adverse effect on any stakeholder, as all counterparties with a nexus to the JV Rights are entitled to raise any defence applicable to Cean Sunridge as against Hillsboro as assignee; and
 - in the event the JV Rights are monetized by Hillsboro, there will be a direct corresponding benefit to the estate in the manner of equal reduction to Hillsboro's secured deficiency claim.

In light of the foregoing, there is immediate benefit to Hillsboro and no apparent prejudice to any stakeholder in this proposition. Conversely, there is prejudice to Hillsboro should the assignment be denied, as Hillsboro will be put to increased costs to accomplish the same end.

Should you have questions or wish to discuss the foregoing, please contact the writer. We are hoping to hear from you as soon as possible.

Yours truly,

Dentons Canada LLP

DocuSigned by:



156B6CBFCA0D47B...

Derek Pontin

APPENDIX “D”

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 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 4 GENERAL

- 4.1 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.
- 4.2 This Agreement is dated effective the _____ day of March, 2021.
- 4.3 Time shall be of the essence hereof.
- 4.4 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.

- 4.5 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.**

HILLSBORO ENTERPRISES INC.

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 “E”

大成 DENTONS

Derek Pontin

derek.pontin@dentons.com
D +1 403 268 6301

Dentons Canada LLP
15th Floor, Bankers Court
850-2nd Street SW
Calgary, AB, Canada T2P 0R8

dentons.com

March 2, 2021

File No.: 559316-3

SENT VIA E-MAIL: tfglenn@lgc-law.com

Low, Glenn & Card LLP
100, 2886 Sunridge Way NE
Calgary, Alberta T1Y 7H9

Attention: Thomas Glenn

Dear Sir:

**RE: Hillsboro Ventures Inc. v. Ceana Development Sunridge Inc.
QB Action No. 1801-04745**

We write further to the hearing before Honourable Justice Eidsvik on February 25, 2021. You will recall Her Ladyship suggested a meeting take place among Mr. Gaidhar and Hillsboro to discuss Hillsboro's accounting.

The Receiver's counsel has now reached out and invited our clients and their respective accounting advisors to convene for a meeting. We are willing to discuss the propriety of a meeting, but there are preliminary issues that must first be addressed.

At the hearing, you will recall the Receiver's counsel mentioned there were more than a dozen correspondences sent to your office by the Receiver with varied inquiries for Mr. Gaidhar. The Receiver has asked on numerous occasions for particulars of Mr. Gaidhar's concerns with the Hillsboro accounting. In the Receiver's Second Report, from June 2020, the Receiver attached much of that correspondence. The Receiver has confirmed your client's lack of response. At the last hearing you had no answer for why all those letters have been ignored.

Over the same period, Hillsboro has provided to the Receiver and your client its full and complete disclosure of all loan documentation and accounting records. The Receiver reviewed everything in significant detail and confirmed its agreement with Hillsboro's accounting. That is reported in the Receiver's Fourth Report. It suffices to say Hillsboro has nothing further to add. Hillsboro notes no discrepancies; we have no questions. The accounting has been reviewed and approved.

We have reviewed the accounting provided (and filed) by Bob Gaidhar (Exhibit "D" to his Affidavit of October 30, 2020). That material has been referred to as a "report" of your client's accountant, but it is not. The material does not demonstrate any meaningful analysis nor provide any conclusion. In parts it is illegible. We are unable to respond to any particular concerns of Mr. Gaidhar as they are not evident in those materials. No specific questions have ever been put to Hillsboro in respect of any accounting "discrepancies", as defined in the Receiver's latest correspondence.

In light of the foregoing, Hillsboro is willing to attend a call with your clients and their accountant, but there will only be a purpose to that if your clients can provide particulars of their concerns with the accounting. As noted above, Hillsboro's accounting has already been reviewed and accepted by the Receiver. We have nothing to add at this time. If a call is to have any point, Mr. Gaidhar needs to specify what his issues are, so that we can review and discuss.

In furtherance of the foregoing, we ask that Mr. Gaidhar's concerns be particularized for Hillsboro in writing, with specific reference to available accounting documentation. In particular, and without limitation, we ask that Mr. Gaidhar specify the paragraphs of Hillsboro's mortgages and loan agreements, and/or the Forbearance Agreement, that are contrary to Hillsboro's accounting. We can then see where the gaps or problems are, obtain further records if necessary, and alleviate or address any concerns. We note the Receiver reported, at paragraph 21 of its Fourth Report, that Mr. Gaidhar "will be providing the Receiver with additional evidence to support his position" regarding the accounting. This has been a long-standing complaint of your clients, yet no such evidence has been brought to Hillsboro's or the Receiver's attention.


Absent specific inquiries from your client, there is no purpose to us having a call – Hillsboro has nothing to add to its accounting, which has been proven by the Receiver already. Hillsboro will of course respond to any questions from Mr. Gaidhar, and address any elements of concern, but this requires Mr. Gaidhar to first make his position clear.

To ensure the progress of this matter, and in light of the scheduling of the balance of processes pending the June hearing dates, we ask for the foregoing particulars to be provided to us no later than March 11, 2021. We will endeavour to review the same and compile whatever information is necessary for return to you within 10 days after that. If a call is then warranted to discuss, we can set an agenda, date and time.

Absent any response, we can only take that as confirmation that your client is unable to substantiate his objections to our client's proven accounting.

We look forward to hearing from you.

Yours truly,
Dentons Canada LLP

DocuSigned by:

156B6CBFCA0D47B...

Derek Pontin

DMP

APPENDIX “F”

Ceana Development Sunridge Inc. - In Receivership

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

January 1, 2021 to April 30, 2021

Invoices subject to Court Approval

Inv. No.	Period	Fees	Disbursements	Total Fees & Disbursements	GST	Total
16	January 1, 2021 to January 31, 2021	30,426.50	35.90	30,462.40	1,523.12	31,985.52
17	February 1, 2021 to February 28, 2021	12,942.50	720.40	13,662.90	683.15	14,346.05
18	March 1, 2021 to March 31, 2021	12,973.50	324.75	13,298.25	664.91	13,963.16
19	April 1, 2021 to April 30, 2021	11,222.00	50.00	11,272.00	563.60	11,835.60
TOTAL		\$ 67,564.50	\$ 1,131.05	\$ 68,695.55	\$ 3,434.78	\$ 72,130.33

APPENDIX “G”

Ceana Development Sunridge Inc. - In Receivership

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

January 1, 2021 to April 30, 2021

Invoices subject to Court Approval

Inv. No.	Period	Fees	Disbursements	Total Fees & Disbursements	GST	Total
1528062	January 1, 2021 to January 31, 2021	38,453.50	3,118.82	41,572.32	2,078.47	43,650.79
1531037	February 1, 2021 to February 28, 2021	32,107.50	465.66	32,573.16	1,627.01	34,200.17
1533599	March 1, 2021 to March 31, 2021	21,546.50	4,701.94	26,248.44	1,312.42	27,560.86
1536263	April 1, 2021 to April 30, 2021	16,623.00	53.00	16,676.00	831.15	17,507.15
TOTAL		\$ 108,730.50	\$ 8,339.42	\$ 117,069.92	\$ 5,849.05	\$ 122,918.97