



COURT FILE NUMBER

1303 13257

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

EDMONTON

PLAINTIFF(S)

CAREVEST CAPITAL INC.

DEFENDANT(S)

830480 ALBERTA INC.

DOCUMENT

RECEIVER'S FIRST REPORT TO THE COURT

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

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**IN THE MATTER OF THE RECEIVERSHIP
OF THE ASSETS, UNDERTAKINGS AND PROPERTIES OF 830480 ALBERTA INC.**

RECEIVER'S FIRST REPORT TO COURT

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I. INTRODUCTION

1. The Bowra Group Inc. was appointed Receiver-Manager (“Receiver”) of 830480 Alberta Inc. (the “Company”) pursuant to an Order made by the Court of Queen’s Bench of Alberta on January 17, 2014. A copy of the Court Order is attached as **Appendix A**.
2. The Company was developing a 173 lot subdivision on 98 acres located in the Windermere neighborhood of Edmonton. The development property is known as Riverpointe (the “Development” or “Riverpointe Lands”).
3. The developer was VIP Development Group (the “Developer”).
4. We write to update the Court on the following:
 - Activities since our appointment as receiver;
 - Request that the Receiver's authorized borrowings be increased from \$5 million to \$7.7 million; and,
 - Seek clarification on the properties that we were appointed Receiver over.

II. BACKGROUND

5. Prior to Receivership the Developer had completed approximately 70% of the site servicing requirements in the Development.
6. At the date of Receivership there was approximately \$13.2 million of hard and soft construction costs remaining to complete the project. The following items had not been completed:
 - Site grading;
 - Landscaping
 - Road paving and curbs to be installed;
 - Sewage lift station;
 - Masonry walls;
 - Fencing;
 - Maintenance work on underground services;
 - Electrical; and,
 - Registration of a subdivision to create 14 lots.

III. RECEIVER'S ACTIVITIES TO DATE

7. Since taking over the development the Receiver has:
 - Investigated the current status of the Development;
 - Created a new sales and marketing strategy; and,
 - Re-started construction.

Investigation into the current status of the Development

8. The Receiver has held meetings with the following parties to determine the current status of the site works and develop a go forward plan with respect to completing the development:
 - The City of Edmonton;
 - IBI Group Inc., the engineer of record;
 - Courtenay Immobilia, the Receiver's developer consultant.
 - Riaz Choudhry, the principal of VIP Development.
9. The Receiver engaged Courtenay Immobilia as their developer consultant to monitor the engineers and oversee the completion of construction. IBI Group, the engineer of record, was engaged to and manage the completion of the Development and manage the architectural controls.
10. The Receiver met with Dawn Loomis, the Developer's on site realtor, to discuss the Development, determine the current status of sales, and proposed go forward sales strategy.
11. The Receiver met with Riaz Choudhry to discuss the issues that the Developer encountered, the construction work to date and the reasons for the Receivership.
12. The Receiver met with Courtenay Immobilia, IBI Group and the City of Edmonton to discuss the construction work completed to date, the work required to complete the Development and other issues they had identified.

Construction

13. The Receiver, with the assistance of Courtenay Immobilia and IBI Group commenced a tender bid process for the remaining work. At the date of Receivership there was an estimated \$7.4 million of construction hard costs to complete.
14. All bids received were reviewed by IBI Group and Courtenay Immobilia and contracts were signed for all remaining construction work.
15. As of the date of this report, the status of the ongoing construction is as follows:
 - Road paving is complete and the installation of sidewalks are approximately 90% complete;
 - Site grading is approximately 90% complete;
 - Fencing is approximately 30% complete;
 - Masonry walls are approximately 50% complete;
 - Paving of the multi-use trails are approximately 50% complete;
 - Landscaping is approximately 30% complete; and,
 - Lift station is complete and operational.
16. The Receiver expects that all work will be complete by the end of this year with the exception of the landscaping which is expected to be completed by June 2015.
17. Total construction and development costs paid to date are \$4,135,000.
18. To date the Receiver has borrowed \$925,000 to fund these costs and \$3.2 million have been funded from proceeds of lot sales.

Sales and marketing

19. The Receiver discussed the Development project with 7 realtors, 17 builders, 4 developers and several real estate lenders.
20. The Receiver obtained marketing proposals from 5 different marketing firms that included proposed pricing for individual lots.

21. To market and sell the development, the Receiver considered the following options:
 - Release the lots for sale in phases versus listing all lots for sale;
 - Selling to builders versus selling direct to the public;
 - Sell the Development enbloc to a developer.

22. The previous Developer had released all 173 lots for sale and we believe this failed to create urgency as there was too much inventory. The lots that were sold were scattered throughout the Development and made the Development look bare and uninhabited.

23. We believe that any developer purchasing the Development site enbloc would require a discount for their profit margin, risk factor and allowance for the deficiency of the work in place. This would not result in the highest recovery for the creditors.

24. In our discussions with various parties and marketing firms we determined that the following was the best approach for a project of this size:
 - Complete the construction of the Development;
 - Release a limited number of lots for sale in phases to control the amount of inventory on the market;
 - Price the lots correctly;
 - Get a builder group to commit to lots and construct show homes; and,
 - Rename the Development.

25. The Receiver met with or held discussions with 17 prospective builders who had expressed interest in being part of an exclusive builder group to commit to lots and construct a show home parade. After various discussions and meetings with prospective builders, 5 builders each committed to building a show home and purchasing 4 additional lots. The builders were given financing terms and exclusivity for a period of 2 years. The builders included:
 - Augusta Fine Homes;
 - Celebration Homes;
 - Hoxton Homes;
 - Infiniti Master Builder; and,
 - White Eagle Homes.

26. The Receiver changed the name of the development from Riverpointe to WestPointe of Windermere. The negative stigma associated with the Riverpointe name due to the Receivership and the fact that the Development was stagnant for a lengthy period of time required a rebranding of the project.
27. At the date of Receivership there were 11 pending lot sales. Of these, 5 sales have completed and 6 did not complete and cancelled their contracts.
28. While the Receiver was contemplating the go forward sales strategy we accepted a further 5 offers. 4 of these sales have completed and the remaining sale is expected to close in the next month.
29. The builder group has completed the purchase of 25 lots and are expected to close on a further 3 sales in the next month.
30. To date the Receiver has completed the sale of 34 lots for gross sales proceeds of \$12.9 million and expects to complete the sale of a further 4 lots in the next month for gross sales proceeds of \$1.6 million.
31. A summary of lot sales by the Receiver are included in the following table.

	Gross sales proceeds (\$000's)	Vendor's lien and closing adjustments (\$000's)	Net sales proceeds (\$000's)	# of lots
Lots sold to non builders	3,494	132	3,362	9
Lots sold to builder group	9,376	7,965	1,411	25
	<u>12,870</u>	<u>8,097</u>	<u>4,773</u>	<u>34</u>
Lot sales to complete in the next month	1,646	1,023	623	4
	<u>14,516</u>	<u>9,120</u>	<u>5,396</u>	<u>38</u>
Lots sold prior to Receivership				<u>20</u>
				58
Lots available for sale				<u>115</u>
				<u>173</u>

- 32. The Receiver has met with the builder group on multiple occasions to provide an update on construction activities. The Receiver also met with homeowners on site to provide them an update on activities and answer any questions that they may have.
- 33. We have engaged Sandra Crozier of RPM's to prepare marketing material, signage and promote the Development. We expect a marketing program to begin once the builders complete the show home parade next year.

IV. COSTS TO COMPLETE

- 34. Total estimated costs to complete are \$13.2 million. To date we have incurred \$4,135,000 in construction and development costs. We anticipate an additional \$9.1 million in costs to complete the project. This is summarized below.

	(\$000's)		
	Costs incurred to date	Budget	Remaining costs
Costs incurred to date			
Hard costs	1,281	7,428	6,147
Soft costs	2,854	5,781	2,927
	4,135	13,209	9,074

- 35. Actual construction costs to date compared to budget and remaining costs to complete are detailed in **Appendix B**.
- 36. The Receiver estimates that it will require \$6.7 million of additional funding based on the costs to complete estimate. Under the Receivership Order the Receiver is authorized to borrow \$5 million. To date the Receiver has borrowed \$925,000 and requests that the Court increase their authorized borrowings from \$5 million to \$7.7 million to cover all expenditures to complete the Development. The following table is a summary of the Receiver's required additional borrowing powers.

	\$000's
Funds on hand, Sept 2, 2014	1,721
Expected receipts from sales	623
Less: Costs to complete	<u>(9,072)</u>
Required funding	(6,728)
Remaining borrowing powers	<u>4,075</u>
Required increase in borrowing powers	<u>(2,653)</u>

37. The builder group believe that sales activity will be minimal, if any, until their show homes are complete in the summer of 2015. Therefore, the Receiver has assumed there will be no further sales for cash flow purposes with the exception of four lots as described in paragraph 30.
38. Attached as **Appendix C** is a projected cash flow of the Receiver's costs to complete the Development for the period September 1, 2014 to June 30, 2015.

V. ESTIMATED RECOVERY

39. Attached as **Appendix D** is the Receiver's estimated net recovery and shortfall to the first secured creditor. It's expected that there will be a shortfall to the first secured creditor, Carevest Capital Inc. of between \$16 million and \$25 million. This is summarized on the following page.

	Low	High
	(\$000's)	(\$000's)
Proceeds:		
Estimated gross sales proceeds	56,312	64,048
Return of LOC's	2,091	2,091
	58,403	66,139
Costs:		
Paid to date	4,135	4,135
To complete	11,115	9,818
	15,250	13,953
Net Recovery	43,153	52,186
Amount owing to first secured creditor	67,700	67,700
Estimated shortfall to first secured creditor	(24,547)	(15,514)

VI. STATEMENT OF RECEIPTS AND DISBURSEMENTS

40. A Statement of Receipts and Disbursements for the period January 17 to September 2, 2014 is attached as **Appendix E**.

VII. CLARIFICATION OF THE RECEIVERSHIP ORDER

41. It is the Receiver's understanding and confirmed by legal counsel for the petitioning creditor, Carevest Capital Inc., that their intention was to only appoint The Bowra Group Inc. as Receiver over the Riverpointe Lands.
42. The Company is bankrupt pursuant to a bankruptcy order dated June 23, 2014. Paragraph 3 of this order expressly requires the Trustee in Bankruptcy to administer the properties of the bankrupt and expressly leaves the administration of the Riverpointe Lands to the Receiver. A copy of the Bankruptcy Order is attached as **Appendix F**.
43. As such the Receiver has taken possession of the Riverpointe Lands only.

44. The Receiver requests that the initial Order dated January 17, 2014 be amended to only include the Riverpointe Lands.

VIII. CONCLUSION

45. The Receiver has sold 34 lots to date and expects to close on a further 4 lots in the next month.

46. The Receiver has spent \$4.1 million to date expects to spend a further \$9.1 million. A further \$6.7 million of funding is required, and therefore the Receiver's authorized borrowings need to be increased to \$7.7 million, an increase of \$2.7 million. The first secured creditor, Carevest Capital has already approved these increased borrowing powers and is prepared to fund the additional borrowings.

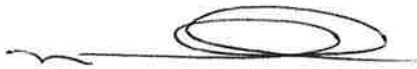
47. The Receiver requests that the Court increase their authorized borrowing power from \$5 million to \$7.7 million.

48. The Receiver requests that the initial Order dated January 17, 2014 be amended to only include the Riverpointe Lands.


All of which is respectfully submitted this 12th day of September 2014.

The Bowra Group Inc.
Receiver-Manager of
830480 Alberta Inc.

Per:



Mario Mainella, CA CIRP



Chris Bowra, CA

APPENDIX A

COURT FILE NUMBER: 1303 13257
COURT: COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE: EDMONTON
PLAINTIFF: CAREVEST CAPITAL INC.
DEFENDANT: 830480 ALBERTA INC.
DOCUMENT: RECEIVER AND MANAGER ORDER
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT: Ronald H. Haggett
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Edmonton, AB T5J 3S4



Phone: (780)969-6912
Fax: (780)969-6901
File No. 39630.103 RHK

DATE ON WHICH ORDER WAS PRONOUNCED: FRIDAY, THE 17TH DAY OF JANUARY, 2014
NAME OF JUSTICE WHO MADE THIS ORDER: JUSTICE D.R.G. THOMAS
IN COMMERCIAL DUTY CHAMBERS
LOCATION OF HEARING: LAW COURTS BUILDING,
EDMONTON, ALBERTA

UPON THE APPLICATION of the Plaintiff, Carevest Capital Inc. ("Carevest") for the appointment of a receiver and manager in respect of the Defendant, 830480 Alberta Inc. ("830480"); AND UPON HEARING READ the Application, the Affidavit of Default of Jill Plasteras filed December 5, 2013, the Affidavit of Jill Plasteras filed October 30, 2013, the Undertaking of the Plaintiff dated December 2, 2013, the Affidavit of Value and Valuation Report of Keith Fraser sworn November 1, 2013; and

the Affidavit of Service of Dana Campbell sworn December 12, 2013, filed; and the Affidavit of Dana Campbell sworn December 13, 2013, filed; AND UPON NOTING the consent of The Bowra Group to act as receiver and manager ("Receiver") of 830480 and in respect of the property and undertaking of the Defendant including lands identified in the Statement of Claim in the within action, filed; AND UPON HEARING the representations of counsel for Carevest; AND UPON HEARING the representations of counsel for 830480; AND UPON HEARING the representations of Standard General Inc., a registered lienholder ; AND UPON THIS APPLICATION being adjourned, at the direction of Justice K.G. Nielsen, peremptorily upon the Defendant, after an initial hearing held December 13, 2013; **IT IS HEREBY ORDERED AND DECLARED THAT:**

DECLARATION

1. The mortgage of the Plaintiff described in Paragraph 3 of the Statement of Claim in the within action, as amended, is a valid and enforceable mortgage over the lands legally described in Schedule "C" of this Order (the "Lands"). There is due and owing to the Plaintiff as at January 17, 2014 the sum of **\$67,671,389.60**, plus solicitor-and-his-own-client, or indemnity, costs, plus interest thereafter at the rate set out in the said Mortgage, as amended. This Declaration shall be provisional, subject only to any application brought on behalf of the Defendant or any claimant with a financial encumbrance registered against title to any lands which are the subject of this Order, and in such Application, the applicant shall bear the onus to prove that the balance provisionally declared herein is incorrect. If no such Application is filed or before April 30, 2014, this Declaration shall be final.

APPOINTMENT

2. Pursuant to subsection 13(2) of the *Judicature Act*, R.S.A. 2000, and Section 49 of the *Law of Property Act*, R.S.A. 2000, c. L-7, The Bowra Group Inc. is hereby appointed Receiver, without security, of all of the Debtor's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "Property").

RECEIVER'S POWERS

3. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
 - (b) to take possession and control of any lands forming part of the Property, and any and all proceeds, receipts and disbursements arising out of or from the Lands;
 - (c) to manage, administer, maintain and operate the lands, including the completion of construction and servicing thereof, and such improvements to the lands as the Receiver may deem advisable;
 - (d) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
 - (e) to manage, operate and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part other business, or cease to perform any contracts of the Debtor;
 - (f) to engage contractors, consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

- (g) to purchase or lease machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (h) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (i) to settle, extend or compromise any indebtedness owing to or by the Debtor;
- (j) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (k) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (l) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding, and provided further that nothing in this Order shall authorize the Receiver to defend or settle the action in which this Order is made unless otherwise directed by this Court.
- (m) to market any or all of the Property, including the Lands, and including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate.

- (n) to sell, convey, transfer, lease or assign the Property, including the Lands, or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction to sell any lot or lots forming part of the Property, provided that the consideration for such sale is for a gross sale price not less than 95% of the corresponding valuation for such lot or lots as set out in Schedule "C" attached to this Order; and
 - (ii) with the approval of this Court including in respect of any transaction for the sale of the Lands in which the purchase price, or the aggregate purchase price, for any lot or lots forming part of the Lands, is less than applicable amount set out in the preceding clause, or where a sale of more than five (5) lots is proposed to any purchaser,

and in each such case notice under subsection 60(8) of the *Personal Property Security Act*, R.S.A. 2000, c. P-7 shall not be required.

- (o) where necessary to apply for any vesting order or other orders necessary to convey the Lands or Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (p) where a vesting order is not necessary, to authorize the conveyance of any lot forming part of the Lands as follows: Upon the Receiver's counsel for any sale transaction within the scope of Paragraph 3(n) above providing to the Registrar of Land Titles a letter of instructions substantially in the form attached to this Order as Schedule "B", the Registrar of Land Titles shall discharge from the title to lot forming part of the Property described in the letter all encumbrances then existing on the title to the lot or lots so described, but subject to such permitted encumbrances as may be identified in the letter, and shall issue a new certificate of title in the name of the purchaser as identified.

- (q) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (r) to register a copy of this Order and any other Orders in respect of the Property against title to any part of the Property;
- (s) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (t) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (u) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (v) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. (i) 830480, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall

forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver's request.

5. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.
6. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all

such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. No proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

8. No Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court, provided, however, that nothing in this Order shall: (i) prevent any Person from commencing a proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such proceeding is not commenced before the expiration of the stay provided by this paragraph 8; and (ii) affect a Regulatory Body's investigation in respect of the debtor or an action, suit or proceeding that is taken in respect of the debtor by or before the Regulatory Body, other than the enforcement of a payment order by the Regulatory Body or the Court. "Regulatory Body" means a person or body that has powers, duties or functions relating to the enforcement or administration of an Act of Parliament or of the legislature of a province.

NO EXERCISE OF RIGHTS OF REMEDIES

9. All rights and remedies (including, without limitation, set-off rights) against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court,

provided however that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

10. No Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

11. All Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and this Court directs that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

12. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

EMPLOYEES

13. Subject to employees' rights to terminate their employment, all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA"), other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, S.C. 2005, c.47 ("WEPPA").
14. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale,

shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. (a) Notwithstanding anything in any federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:
 - (i) before the Receiver's appointment; or
 - (ii) after the Receiver's appointment unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.
- (b) Nothing in sub-paragraph (a) exempts a Receiver from any duty to report or make disclosure imposed by a law referred to in that sub-paragraph.
- (c) Notwithstanding anything in any federal or provincial law, but subject to sub-paragraph (a) hereof, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, the Receiver is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order,
 - (i) if, within such time as is specified in the order, within 10 days after the order is made if no time is so specified, within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, or during the period of the stay referred to in clause (ii) below, the Receiver:

- A. complies with the order, or
 - B. on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;
- (ii) during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) above, within 10 days after the order is made or within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, by,
- A. the court or body having jurisdiction under the law pursuant to which the order was made to enable the Receiver to contest the order; or
 - B. the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or
- (iii) if the Receiver had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

LIMITATION ON THE RECEIVER'S LIABILITY

16. Except for gross negligence or wilful misconduct, as a result of its appointment or carrying out the provisions of this Order the Receiver shall incur no liability or obligation that exceeds an amount for which it may obtain full indemnity from the Property. Nothing in this Order shall derogate from any limitation on liability or other protection afforded to the Receiver under any applicable law, including, without limitation, Section 14.06, 81.4(5) or 81.6(3) of the *Bankruptcy and Insolvency Act of Canada* (the "BIA").

RECEIVER'S ACCOUNTS

17. The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case, incurred at their standard rates and charges. The Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, incurred both before and after the making of this Order in respect of these proceedings, and the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person but subject to section 14.06(7), 81.4(4) and 81.6(2) of the BIA.
18. The Receiver and its legal counsel shall pass their accounts initially within one (1) year of the date of this Order, and thereafter as may be directed by this Honourable Court.
19. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including the legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

20. The Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed Five Million (\$5,000,000.00) Dollars (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property

shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges set out in sections 14.06(7), 81.4(4) and 81.6(2) of the BIA.

21. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
22. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.
23. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

ALLOCATION

24. Any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the various assets comprising the Property.

GENERAL

25. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
26. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Receiver will report to the Court from time to time,

which reporting is not required to be in affidavit form and shall be considered by this Court as evidence.

27. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.
28. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
29. The Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
30. The Receiver is hereby authorized and directed to assume the powers and responsibilities of the Plaintiff pursuant to the Preservation Order granted in the within Action dated October 30, 2013, and the Receiver shall within a reasonable time, reimburse the Plaintiff for its costs and expenses incurred in furtherance of the said Preservation Order, which reimbursement shall be a disbursement of the Receiver within the scope of Article 17 of this Order.
31. In the event that the Receiver purports or attempts to realize on any lands or property of the Defendant which are not part of or related to the Riverpointe at Windermere Project, the Receiver shall provide reasonable prior written notice to


the Defendant and any known claimant of the Defendant who shall then be at liberty to bring application to this Honourable Court for advice and directions in respect of the proposed realization.

32. Upon determining listing prices for, or receiving any acceptable offer to purchase in respect of, any portion of the Lands, the Receiver shall provide a copy the proposed listing prices or agreement for sale, as the case may be, to the Defendant and to any claimant with a financial encumbrance registered against title to any of the Lands, and such information is to be held confidential by the recipient.
33. The Plaintiff shall have its costs of the within action and this Application, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis, to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.
34. Any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

FILING

35. This Order is issued and shall be filed in Court of Queen's Bench Action No. 1303 13257 (the "Action"). All further proceedings shall be taken in the Action, unless otherwise ordered.
36. There shall be an interim sealing by the Clerk of the Court of Schedule "C" to this Order, and the Affidavit of Value of Keith N. Fraser filed in the within action on December 5, 2013.

37. The Receiver shall establish and maintain a website in respect of these proceedings at www.bowragroup.com and shall post there as soon as practicable:
- (a) all materials prescribed by statute or regulation to be made publically available; and
 - (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, or served upon it, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.



JUSTICE OF THE COURT OF
QUEEN'S BENCH OF ALBERTA
Thomas

APPROVED AS BEING
THE ORDER GRANTED:

BENNETT JONES LLP
Counsel for the Defendant

Per: _____
William B. Hembroff

BROWNLEE LLP
Counsel for Standard General Inc.

Per: _____
Daniel R. Peskett

37. The Receiver shall establish and maintain a website in respect of these proceedings at www.bowragroup.com and shall post there as soon as practicable:

- (a) all materials prescribed by statute or regulation to be made publically available; and
- (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, or served upon it, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.

JUSTICE OF THE COURT OF
QUEEN'S BENCH OF ALBERTA

APPROVED AS BEING
THE ORDER GRANTED:

BENNETT JONES LLP
Counsel for the Defendant

Per: 
William B. Hembroff

BROWNLEE LLP
Counsel for Standard General Inc.

Per: _____
Daniel R. Peskett

37. The Receiver shall establish and maintain a website in respect of these proceedings at www.bowragroup.com and shall post there as soon as practicable:

- (a) all materials prescribed by statute or regulation to be made publically available; and
- (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, or served upon it, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.

JUSTICE OF THE COURT OF
QUEEN'S BENCH OF ALBERTA

APPROVED AS BEING
THE ORDER GRANTED:

BENNETT JONES LLP
Counsel for the Defendant

Per: _____
William B. Hembroff

BROWNLEE LLP
Counsel for Standard General Inc.

Per: _____
Daniel R. Peskett

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that The Bowra Group Inc., the receiver and receiver and manager (the "Receiver") of all of the assets, undertakings and properties of 830480 Alberta Inc. appointed by Order of the Court of Queen's Bench of Alberta (the "Court") dated the 17th day of January, 2014 (the "Order") made in Court File No. 1303 13257, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$_____, being part of the total principal sum of \$5,000,000.00 which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily] [monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at _____.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property) as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 20__.

THE BOWRA GROUP INC. solely in its capacity as Receiver of the Property (as defined in the Order), and not in its personal capacity

Per: _____

Name:

Title:

SCHEDULE "B"

Registrar of Land Titles
Mezzanine Fl., John E. Brownlee Building
10365 - 97 Street
Edmonton, Alberta T5J 3W7

Dear Sir/Madam:

Re: Action Number: 1303 13257
Carevest Capital Inc. v. 830480 Alberta Inc.

This letter is issued and delivered to you pursuant to the terms of the Receiver and Manager Order of the Court of Queen's Bench of Alberta granted in Queen's Bench Action No. 1303 13257 on January 17, 2014 which has previously been filed with your office.

This letter shall be your sufficient authority to cancel the present Certificate of Title to Lands legally described as:

and standing in the name of 830480 Alberta Inc. and to issue a new Certificate of Title in the name of the following purchaser(s):

free and clear of all registrations against the said title except for the following:

and to make notation of the discharge of the registrations discharged pursuant to this letter and respecting the lands as described herein.

Yours truly,

Name

Counsel for The Bowra Group Inc.
Appointed as Receiver in Court File No. 1303 13257

COURT OF QUEEN'S BENCH FILE NO.: 1303 13257
SCHEDULE "C" REMOVED BY ORDER OF THE COURT

APPENDIX B

**Riverpointe
Construction Budget vs Actual costs to date
As at September 3, 2014**

	Costs incurred to date (\$)	Budget (\$)	Remaining costs to complete (\$)
Site grading allowance:			
- Ideal Earthworks	103,074		
	<u>103,074</u>	200,000	96,926
Sanitary Sewers allowance:			
	-		
	<u>-</u>	33,900	33,900
Storm lines allowance			
	-		
	<u>-</u>	30,700	30,700
Lift station			
- Scarab Technologies	144,577		
- Lorac Construction	51,650		
- Rukus Liquid waste removal	5,445		
- Alberta Asphalt	7,248		
	<u>208,920</u>	225,000	16,080
Road Works (stage 8 and 17)			
- Alberta Asphalt	208,109		
	<u>208,109</u>	1,920,700	1,712,591
Masonry			
- G&M Stone	594,520		
	<u>594,520</u>	1,486,000	891,480
Watermain payout for Windermere Cres. Association			
	90,000	90,000	
	<u>90,000</u>	90,000	-
General landscaping and maintenance			
- Delta Valley	12,985		
	<u>12,985</u>	360,000	347,015
Playground			
- Habitat Systems	4,500		
	<u>4,500</u>	70,000	65,500
Power (walk ways and municipal reserve)			
	-		
	<u>-</u>	170,000	170,000
Underground and SFC maintenance allowance			
	-		
	<u>-</u>	220,000	220,000
Storm Water landscaping			
	-		
	<u>-</u>	870,000	870,000
Fencing			
	-		
	<u>-</u>	432,000	432,000
Archways			
	-		
	<u>-</u>	90,000	90,000
Signage			
	-		
	<u>-</u>	150,000	150,000

Riverpointe
 Construction Budget vs Actual costs to date
 As at September 3, 2014

	Costs incurred to date (\$)	Budget (\$)	Remaining costs to complete (\$)
Contingency:			
- Epcor for power to lift station	31,655		
- Lorac Construction Ltd. (repairs to collection manhole)	27,611		
	59,266	1,079,700	1,020,434
Total Hard costs	1,281,374	7,428,000	6,146,626
Soft costs:			
Consultants:			
Courtenay Immobilia	134,639	200,000	65,361
IBI	121,670	785,110	663,440
IBI arrears	200,000	345,206	145,206
CCC Applications	-	61,000	61,000
Materials testing	-	75,000	75,000
Fence staking	-	30,000	30,000
	456,309	1,496,316	1,040,007
Contingency	3,570	115,111	111,541
Stage 21 Registration			
IBI consultant fee	-	10,000	10,000
Legal lot posting	21,173	12,000	(9,173)
City endorsement fees	8,848	9,500	652
Land titles endorsements	-	375	375
	30,021	31,875	1,854
Building guidelines:			
IBI	5,432	116,850	111,418
IBI - Marketing plan update (per diem)	2,954	5,000	2,046
Other costs:			
Receiver's fees	397,761	750,000	352,239
Legal fee's	135,666	294,000	158,334
Marketing	49,187	300,000	250,813
Altus appraisal	2,525		(2,525)
Stantec - windermere cost sharing agreement	1,959		(1,959)
Insurance	19,316	40,000	20,684
Carevest - Interest	13,968	200,000	186,032
Property taxes	1,636,818	2,037,000	400,182
Utilities	413	10,000	9,587
Contingency funding in draw	98,017	385,000	286,983
	2,355,630	4,016,000	1,660,370
Total Soft costs	2,853,916	5,781,152	2,927,236
Total hard and soft costs	4,135,290	13,209,152	9,073,862

Note: Other costs are only included up to June 30, 2015 at which point it is assumed there will be sufficient sales to cover remaining soft costs.

APPENDIX C

Riverpointe
 Projected cash flow (\$000's)
 September 3, 2014 - June 30, 2015

	Monthly				6 Months		Total
	Sept 2014	Oct 2014	Nov 2014	Dec 2014	Jan - June 2015	Jan - June 2015	
Opening balance (Per R&D at Sept 2, 2014)	1,721	1,132	62	(1,661)	(2,151)		1,721
Receipts:							
Sale of 4 lots with accepted offers	623	-	-	-	-	-	623
Disbursements:							
Hard costs	946	845	1,452	300	2,604		6,147
Soft costs	151	150	206	135	623		1,265
Professional fees	90	50	40	30	300		510
2015 property taxes	-	-	-	-	400		400
Marketing costs	25	25	25	25	150		250
Contingency (Note 1)	-	-	-	-	500		500
	1,212	1,070	1,723	490	4,577		9,072
Net cash flow	(589)	(1,070)	(1,723)	(490)	(4,577)		(8,449)
Closing cash balance	1,132	62	(1,661)	(2,151)	(6,728)		(6,728)

Notes:

- 1) We believe there will be additional costs with respect to installing a water main, however we are still in the process of determining what those costs will be.
- 2) The Receiver has the authority under the court order to borrow \$5 million. To date we have borrowed \$925,000.
- 3) It is assumed that no additional sales are made in this period.

APPENDIX D

Riverpointe
Estimated Recovery
September 3, 2014

	Low	High
	(\$000's)	(\$000's)
Cash position, Sept 2, 2014	1,721	1,721
Sale of 4 lots in the next month	623	623
Future Receiver's borrowings	6,775	6,000
Sale of remaining 26 lots in phase 1	8,736	9,832
Release of vendor's lien on 28 accepted sales to builders	8,978	8,978
Sale of 44 lots in phase 2	16,059	19,271
Sale of 45 lots in phase 3	17,142	20,570
Return of LOC's from the City of Edmonton	2,091	2,091
	62,125	69,086
Future costs:		
Remaining costs to complete	9,072	8,700
2016 - 2018 property taxes	800	400
Professional fee's (June 30, 2015 onwards)	800	400
Marketing costs (June 30, 2015 onwards)	400	300
Repayment of Receiver's borrowings	7,700	6,925
Interest on Receiver's borrowings	200	175
	18,972	16,900
Net recovery	43,153	52,186
Balance owing to 1st secured creditor	67,700	67,700
Shortfall to 1st secured creditor	(24,547)	(15,514)

Note: The low recovery scenario contemplates sales proceeds equal to the Court approved pricing.
High recovery contemplates sales proceeds equal to 20% above the Court approved pricing.

APPENDIX E

**In the Matter of the Receivership of 830480 Alberta Inc.
Statement of Receipts and Disbursements
For the Period January 17, 2014 - September 2, 2014**

	\$
Receipts	
Gross Sales Proceeds (net of Vendor's lien)	4,900,060
Receiver borrowing's	925,000
GST collected	137,928
Windermere cost sharing agreement refund	39,211
Interest	1,781
	6,003,980
Disbursements	
Property taxes	1,636,500
Construction and development costs	1,396,385
Receivers fees	351,091
Pre-receivership A/P (IBI)	200,000
Legal fees	162,901
GST paid	161,286
Commissions	92,620
Funds held in trust for water main contribution	90,000
Sales & marketing	49,687
Insurance	21,140
Travel	14,719
Interest on Receiver's borrowings	13,968
Administrative disbursement	8,211
Legal fee holdback for lot closings	3,647
Utilities	1,429
Misc expenses (courier, postage etc.)	666
Licenses	218
Filing fees	70
Bank charges	45
	4,204,581
Payments to Carevest	-
Receiver Cash on Hand	1,799,399
GST receivable (payable)	23,358
Less: Contractor holdback account	(101,993)
Net Cash Available to Receiver	1,720,763

APPENDIX F

I hereby certify this to be a true copy of the original Bankruptcy Order of which it purports to be a copy.

COURT FILE and
BANKRUPTCY NUMBER

Dated this 23 day of June 2014
BK25-94445

BANKRUPTCY AND INSOLVENCY
FALLITE ET INSOLVABILITE
FILED's Stamp

COURT

Joy Registrar at Calgary
Bankruptcy Division of the
COURT OF QUEEN'S BENCH OF ALBERTA IN
BANKRUPTCY AND INSOLVENCY

JUN 23 2014

JUDICIAL CENTRE
OF CALGARY

BANKRUPTCY MATTER

IN THE MATTER OF THE BANKRUPTCY OF
830480 ALBERTA INC.

DOCUMENT

BANKRUPTCY ORDER

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF THE
PARTY FILING THIS
DOCUMENT

Robyn Gurofsky
Borden Ladner Gervais LLP
1900, 520 3rd Ave. S.W.
Calgary, AB T2P 0R3
Telephone: (403) 232-9774
Facsimile: (403) 266-1395
File No. 432391-000080

DATE ON WHICH ORDER WAS PRONOUNCED: June 23, 2014

LOCATION WHERE THIS ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF THE JUSTICE WHO MADE THIS ORDER: Honourable J. Strickland

UPON the application of CareVest Capital Inc. ("CareVest"), a creditor of 830480 Alberta Inc. ("830"); UPON having read the Affidavit of Truth of Jill Plasteras, sworn April 2, 2014 (filed); UPON having read the Affidavit of Service (filed) and being satisfied that 830 has been served with notice of the within Application; UPON being satisfied that 830 has committed and act of bankruptcy in the 6 months preceding the filing of the within Application, specifically that it has ceased to meet its liabilities as they become due; UPON noting the consent of Hardie and Kelly Inc. to be appointed as the trustee in bankruptcy in the within proceedings and being satisfied that it is a person so qualified to act; AND UPON hearing from counsel to CareVest and from any other party or person; AND UPON noting the consent of Counsel for 830:

IT IS HEREBY ORDERED AND DECLARED AS FOLLOWS:

1. Service of the Application for Bankruptcy Order is hereby deemed good and sufficient.


2. 830480 Alberta Inc. is hereby adjudged bankrupt by virtue of the within Bankruptcy Order made as of this date.
3. Hardie and Kelly Inc. is appointed as trustee (the "Trustee") of the bankrupt estate of 830480 Alberta Inc. and shall be deemed to take possession of the property of 830480 Alberta Inc., with the exception of the property known as the "Riverpointe Lands", being the property under the care and control of the Bowra Group Inc., in its capacity as court appointed Receiver and Manager of 830480 Alberta Inc.
4. In accordance with section 16(1) of the *Bankruptcy and Insolvency Act* (Canada) the Trustee shall give security in cash or by bond.
5. The costs of the within Application and Bankruptcy Order shall be paid out of the bankrupt estate of 830480 Alberta Inc. upon taxation thereof.
6. This Bankruptcy Order is subject to provisional execution notwithstanding any appeal therefrom, in accordance with section 195 of the *Bankruptcy and Insolvency Act* (Canada).



J.C.Q.B.A.

CONSENTED TO THIS
20 DAY OF JUNE , 2014 BY:

FIELD LAW LLP

Per: 

Douglas Nishimura
Counsel for 830480 Alberta Inc.