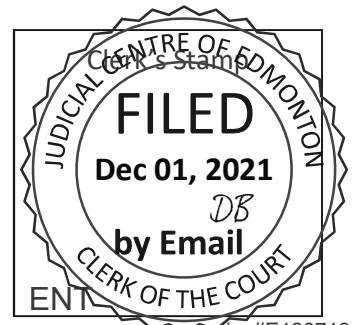


COURT FILE NUMBER 2103-02132
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE EDMONTON



inv#E120718
\$50.00

In the Matter of the Receivership of P7 CONSTRUCTION LTD. et al

APPLICANT **BUSINESS DEVELOPMENT BANK OF CANADA**

RESPONDENTS **P7 CONSTRUCTION LTD., 1619904 ALBERTA LTD., HYOUNG JOON YOON aka JASON YOON, SUNG SOO CHOI aka RICHARD CHOI AND EUNG CHANG KIM**

FILING PARTY BDO CANADA LIMITED in its capacity as the Court-appointed Receiver and Manager of P7 CONSTRUCTION LTD. and 1619904 ALBERTA LTD

DOCUMENT **APPLICATION**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **Caron & Partners LLP**
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Attention: R.J. Daniel Gilborn / Lucinda A. Wong
Solicitors for BDO Canada Limited
Email: dgilborn@caronpartners.com / lwong@caronpartners.com
File No. 60899-000

NOTICE TO THE RESPONDENT(S): See the Service List attached to Service Letter

This Application is made against you or affects you. You are the Respondent(s) or are affected persons.

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

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

Date:	December 9, 2021
Time:	10:00 AM
Where:	Court of Queen's Bench of Alberta, Virtual Courtroom 86 via Webex (Commercial List Court)
Before Whom:	JUSTICE K. FETH (Commercial List)

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

Remedy Claimed or Sought:

1. BDO Canada Limited, which is the Court appointed Receiver and Manager in this Action (the “**Receiver**”), applies for the relief set out under this heading. The Receiver applies for an abridgement, if necessary, of the time for service of this Application and materials in support thereof, to the time actually given and an Order validating service and declaring the same to be good and sufficient.

2. An Order substantially in the form attached hereto as **Appendix “1”**:

(a) approving the sale of the lands legally described as:

**PLAN 0625318
BLOCK 3
LOT 5
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 1.02 HECTARES (2.52 ACRES) MORE OR LESS**

(the “**Lands**”), together with all buildings, fixtures and improvements, including specifically the hotel located on the Lands (collectively, the “**Improvements**”), in accordance with the Agreement of Purchase and Sale dated December 1, 2021 (the “**Purchase Agreement**”) between BDO Canada Limited in its capacity as the Court-appointed receiver (the “**Receiver**”) of P7 Construction and 1619904 Alberta Ltd. (collectively, “**P7 Construction**”) and 2242227 Alberta Ltd.(the “**Proposed Purchaser**”);

(b) authorizing and directing the Receiver to take all steps reasonably required to carry out the terms of the Purchase Agreement; and

(c) vesting title to the Lands and Improvements to the Proposed Purchaser, or its designated nominee, free and clear of all encumbrances save for the Permitted Encumbrances (as such term is defined in the Purchase Agreement) upon the fulfillment and waiver of the respective conditions, and closing of the transaction contemplated, in accordance with the terms of the Purchase Agreement.

3. An Order substantially in the form attached hereto as **Appendix “2”**:

(a) approving the Receiver’s interim statement of receipts and disbursements (the “**Interim SRD**”) that is attached to the Receiver’s First Report, filed December 1, 2021 (the “**Receiver’s First Report**”); and

- (b) approving the actions of the Receiver to date in these Receivership proceedings as set out in the Receiver's First Report and Confidential Supplement to the Receiver's First Report filed December 1, 2021 (the "**Confidential Supplement**").
4. An Order substantially in the form attached hereto as **Appendix "3"** approving the sealing of the Confidential Supplement until 3 months after the closing of the transaction contemplated by the Purchase Agreement, or until the Receiver is discharged (whichever is sooner) (the "**Restricted Court Access Order**").
 5. Such other and further relief as the circumstances may require and as this Honourable Court shall deem appropriate.

Grounds for Making This Application:

A. Sale of Lands and Improvements

6. On May 21, 2021, the Receiver was appointed by this Court as the Receiver and Manager over all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situated, including all proceeds thereof (collectively, the "**Property**") of P7 Construction Ltd. and 1619904 Alberta Ltd. (the "**Companies**") by Order of the Honourable Justice G.S Dunlop of the Alberta Court of Queen's Bench. The said appointment was pursuant, *inter alia*, to s. 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "**BIA**").
7. Prior to its insolvency and the appointment of the Receiver, the Companies were in the business of owning and operating a hotel known as the Holiday Inn & Suites Bonnyville located in the Town of Bonnyville, in the Province of Alberta.
8. The Receiver has operated the business since its appointment and sought to market and liquidate the Property.
9. The Receiver obtained comments with respect to potential value of the Lands which, due to their confidential and commercially sensitive nature, are described in the Confidential Supplement.
10. As described in both the Receiver's First Report and the Confidential Supplement, the Receiver made fulsome efforts to list the Lands for sale through Colliers Macaulay Nicolls Inc. ("**Colliers**").

11. On or about December 1, 2021, the Receiver executed the Purchase Agreement with the Proposed Purchaser. The Purchase Agreement is currently unconditional.
12. The Purchase Agreement contemplates that the Proposed Purchaser will deliver to the Receiver's sales agent a deposit in accordance with the provisions of the Purchase Agreement
13. The Receiver has had the Lands listed for sale and exposed to the market through Colliers pursuant to an exclusive listing agreement dated July 15, 2021 and the marketing of the Property accordingly began on August 5, 2021. Eventually a call for offers date of November 4, 2021 was established resulting in a successful offer and then the Purchase Agreement. As discussed further in the First Report and elaborated upon in the Confidential Supplement, the Receiver believes the Property has been exposed to sale to the market for a sufficient amount of time and that it has received the best possible value for the Property for the benefit of the stakeholders in these circumstances in the form of transaction contemplated in the Purchase Agreement.
14. In the result, the Court should approve the proposed transaction contemplated by the Purchase Agreement and vest the Property in the name of the Proposed Purchaser.

B. Sealing of Confidential Appendix

15. The Confidential Supplement contains confidential information with respect to the purchase price under the Purchase Agreement, and the proposed purchase price for other offers made for the Lands by other interested purchasers, as well as information with respect to the Receiver's expectations as to the value of the Lands. The Confidential Supplement thus contains commercially sensitive information and documentation.
16. In the event the transaction contemplated by the Purchase Agreement were not to close for any reason and the Property was to be required to be re-exposed to the market, there is a real risk of a negative impact and potential prejudice to the stakeholders in the event the confidential information and documentation are publicly disclosed. As such, the said confidential information should be sealed from the public in the form of the Restricted Court Access Order, although temporarily.
17. The Restricted Court Access Order being sought is the least restrictive and prejudicial alternative to permit the dissemination of the said confidential information, such that it is fair and reasonable in the circumstances to restrict public access. The Restricted Court Access Order is also requested to be limited in time and scope.

18. Counsel to the Receiver is submitting a Notice to Media of Application to Restrict Access with respect to the within Application.

C. Approval of Activities of the Receiver and the Interim SRD

19. All of the actions of the Receiver and its legal counsel to date in course of the administration of the receivership of the Companies are reasonable and appropriate in the circumstances.

20. Details regarding the interim statement of receipts and disbursements can be found in the Receiver's First Report.

21. Such further and other grounds as counsel may advise and this Honourable Court may permit.

Material or Evidence to be Relied On:

22. This notice of Application, filed December 1, 2021;

23. The Receiver's First Report, filed December 1, 2021;

24. The Confidential Supplement, filed (under temporary seal) December 1, 2021;

25. The Receivership Order granted by the Honourable Justice G.S. Dunlop on May 21, 2021, filed;

26. All other pleadings, Affidavits and other materials filed in the within Action;

27. The inherent jurisdiction of this Honourable Court to control its own process; and

28. Such further and other material as counsel may advise and this Honourable Court may permit.

Applicable Rules:

29. Rules 6.32, 6.47(a), (c), (d), (e) and (f), 6.11, 11.27 and 13.5 of the *Alberta Rules of Court*, AR 124/2010 (as amended).

Applicable Acts and Regulations:

30. The *Bankruptcy and Insolvency Act* (Canada) (as amended) and in particular, Part XI thereof;

31. The *Bankruptcy and Insolvency General Rules*, C.R.C., c 368 (as amended) and in particular sections 9 and 124-127 thereof;

32. The *Judicature Act*, RSA 2000, c J-2, as amended;

33. The *Business Corporations Act*, RSA 2000, c B-9, as amended; and

34. The *Personal Property Security Act*, RSA 2000, c P-7, as amended.

Any Irregularity Complained of or Objection Relied On:

35. None.

How the Application is Proposed to be Heard or Considered:

36. Via Webex before the Honourable Mr. Justice K. Feth in Chambers on the Commercial List in the virtual courtroom above set out.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the Applicants what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this Application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an Affidavit or other evidence when the Application is heard or considered, you must reply by giving reasonable notice of the material to the Applicant.