

COURT FILE NUMBER 1703 20802

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

PLAINTIFF AGRICULTURE FINANCIAL SERVICES COPORATION

DEFENDANTS ALL 4 WATER CORP., FOUR WINDS HOTELS MANAGEMENT CORP., R. HOYDA MANAGEMENT CORP., RONALD ALEXANDER HOYDA and ROSEMARIE HOYDA

APPLICANT ERNST & YOUNG INC., in its capacity as Receiver of Four Winds Hotels Management Corp. and R. Hoyda Management Corp.

DOCUMENT **APPLICATION**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT Stephanie Wanke
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NOTICE TO RESPONDENTS / SERVICE LIST

This application is made against you. You are a respondent. You have the right to state your side of this matter before the judge.

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

Date: Friday, November 23, 2018
Time: 2:00 p.m.
Where: Edmonton Law Courts
1A Sir Winston Churchill Square
Edmonton, AB T5J 0R2
Before Whom: The Honourable Justice K.G. Nielsen

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. An Order:
 - (a) approving the activities to date of Ernst & Young Inc., in its capacity as Receiver (the "**Receiver**") of Four Winds Hotels Management Corp. ("**Four Winds**") and R. Hoyda Management Corp. ("**RHMC**"), including the activities as set out in the Receiver's Second Report; and
 - (b) increasing the borrowing capacity of the Receiver as set out at paragraph 20 of the Receivership Order granted in this matter on October 30, 2017, from a maximum of \$250,000 for Four Winds to a maximum of \$450,000 and from a maximum of \$250,000 for RHMC to a maximum of \$375,000, for an aggregate maximum of \$825,000.

Grounds for making this application:

2. The assets of Four Winds and RHMC comprise a restaurant, lounge, motel and liquor store in the Town of High Level, Alberta.
3. The Receiver engaged in a Request for Proposal process as of February, 2018 in order to sell the Four Winds Centre. Although the Receiver continues to negotiate with interested parties, given the nature, location and state of repairs of the Four Winds Centre, no unconditional offer suitable for recommendation to the Court has yet been secured.
4. With support of the main secured creditors of Four Winds and RHMC, the Receiver has continued limited operations of the Four Winds Centre, however, these operations are continuing on a negative cash flow basis.
5. Until the assets sell, the Receiver is required to borrow to pay for the costs of the operation and maintenance of Four Winds Center as well as the Receiver's fees and legal expenses.
6. The Receiver recommends increasing the borrowing capacity of the Receiver from a maximum of \$250,000 for Four Winds to a maximum of \$450,000 and from a maximum of \$250,000 for RHMC to a maximum of \$375,000, for an aggregate maximum of \$825,000, with a charge against the respective assets of Four Winds and RHMC to secure the borrowing.

Material or evidence to be relied on:

7. First Report of the Receiver, dated February 21, 2018 and filed February 22, 2018; and
8. Second Report of the Receiver, dated and filed November 13, 2018.

Applicable rules:

9. *Alberta Rules of Court*, AR 124/2010, including 1.2, 1.4, 6.1, 6.2 and 11.27

Applicable Acts and regulations:

10. *Judicature Act*, RSA 2000 c J-2, as amended, including s. 13 thereof.
11. *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, including s.243(6)

Any irregularity complained of or objection relied on:

12. Abridgement of time for service, as required.

How the application is proposed to be heard or considered:

13. Before a Justice on the Commercial List.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.