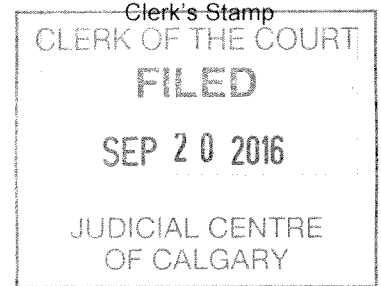


COURT FILE NUMBER 1601-04493  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY  
PLAINTIFF PILLAR CAPITAL CORP.  
DEFENDANTS ACTION RESTORATION LTD.,  
ACTION RESTORATION RD LTD.,  
ACTION ASSET CORPORATION  
and STEP ABOVE EXTERIORS LTD.  
DOCUMENT **APPLICATION**



ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT  
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**NOTICE TO RESPONDENT(S)**

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the master/judge.

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

Date	September 27, 2016
Time	3:00 p.m.
Where	Calgary Courts Center
Before Whom	Justice A.D. Macleod

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

**Remedy claimed or sought:** Hardie & Kelly Inc. (the "**Receiver**"), in its capacity as the receiver and manager of the current and future undertakings, property, and assets (collectively, the "**Property**") of Action Restoration Ltd. ("**Action Restoration**"), Action Restoration RD Ltd. ("**Action Restoration Red Deer**") Step Above Exteriors Ltd. ("**Step Above**"), and Action Asset Corporation ("**Action Asset**", Action Asset, Step Above, Action Restoration Red Deer, and Action Restoration,

are collectively referred to as, the “**Debtors**”) pursuant to the Consent Receivership Order issued by this Honourable Court on April 15, 2016 (the “**Receivership Order**”) applies for an Order substantially in the form attached as Schedule “**A**” hereto:

1. If necessary, declaring, that the time for service of this application (the “**Application**”) and the Second Report of the Receiver, dated September 19, 2016 (the “**Second Receivers Report**”), is abridged, that the Application is properly returnable on September 27, 2016, that service of the Application and the Second Receiver’s Report on the service list is good and sufficient, and that no persons other than those on the service list are entitled to service of the Second Receiver’s Report, the Application, or any orders arising therefrom.

2. Approving the allocation of the net auction proceeds and costs (the “**Proceeds and Costs Allocation**”), as proposed by the Receiver, as between Action Restoration and Action Asset, as further detailed in the Second Receiver’s Report.

3. Declaring that the security granted by Action Asset in favour of Pillar Capital Corp. (“**Pillar**”) is valid and enforceable against the assets, properties, and undertakings of Action Asset.

4. Approving, authorizing, and empowering the Receiver to make a distribution to Pillar up the amount of the indebtedness, liabilities, and obligations, owed by Action Asset to Pillar.

5. Approving the Receiver’s final statement of receipts and disbursements with respect to Action Asset, as described in paragraph 65 of the Second Receiver’s Report.

6. Approving the interim accounts of the Receiver and its legal counsel with respect to Action Restoration, Action Restoration Red Deer, and Step Above, and the interim and final accounts of the Receiver and its legal counsel with respect to Action Asset, as summarized in paragraphs 61 and 70 of the Second Receiver’s Report.

7. Declaring that, as of the date of the Second Receiver’s Report and based on the evidence that is currently before the Court:

- (a) the Receiver has acted honestly and in good faith, and has dealt with the Property in a commercially reasonable manner;
- (b) the actions and conduct of the Receiver are approved;

- (c) the Receiver has satisfied all of its duties and obligations as receiver and manager of Action Asset and Action Asset's Property;
- (d) the Receiver shall not be liable for any act or omission including, without limitation, any act or omission pertaining to the discharge of the Receiver's duties as receiver and manager of Action Asset and Action Asset's Property, save and except for any liability arising out of fraud or wilful misconduct on the part of the Receiver; and,
- (e) any and all claims against the Receiver arising from, relating to, or in connection with, the performance of the Receiver's duties and obligations as receiver and manager of Action Asset and Action Asset's Property, save and except for any claims based on fraud or wilful misconduct, on the part of the Receiver, shall be forever barred and extinguished.

8. Ordering that, upon the filing with this Honourable Court of any order made in connection with this Application discharging the Receiver, the Receiver shall be discharged as receiver and manager of Action Asset and Action Asset's Property and relieved of all further duties and obligations in respect of Action Asset and Action Asset's Property.

9. Declaring that, notwithstanding the discharge of the Receiver, the Receiver remains empowered with residual jurisdiction to perform any act necessary or incidental to the conclusion of the receivership of Action Asset or Action Asset's Property.

10. Declaring that no action or proceeding arising from, relating to, or in connection with, the performance of the Receiver's duties and obligations as receiver and manager of Action Asset or Action Asset's Property may be commenced or continued, without the prior leave of this Honourable Court, on notice to the Receiver, and on such terms as this Honourable Court may direct.

11. Ordering and declaring that service of any order arising from this Application by email, facsimile, registered mail, courier, regular mail or personal delivery to the persons listed on the service list shall constitute good and sufficient service of such order, and that no persons other than those on the service list are entitled to be served with a copy of such order.

12. Such further and other relief as counsel for the Receiver may advise.

**Grounds for making this application:** The grounds for the Application are as follows:

13. Prior to the granting of the Receivership Order the Debtors and Pillar solicited bids in connection with the marketing and sale of the Debtors' Property. As a result of such solicitation process, the Debtors received two proposals of which the Debtors and Pillar accepted the proposal put forward by Century Services Corp. (the "**Century Services Agreement**") with respect to the liquidation of the Action Asset's and Action Restoration's Property.

14. The Receiver was appointed as receiver and manager over all of the Debtors' Property pursuant to the Receivership Order.

15. Pursuant to the Receivership Order, the Receiver is authorized to sell, convey, transfer, lease, or assign the Debtors' Property or any parts thereof: (i) pursuant to the Century Services Agreement; (ii) without the approval of this Honourable Court in respect of any transaction not exceeding \$150,000, provided that the aggregate consideration for all such transactions does not exceed \$300,000; and (iii) with the approval of this Honourable Court in respect of any transaction in excess of such amounts.

16. All of Action Asset's property and assets have been sold and Action Asset has received all corresponding proceeds derived therefrom.

17. In connection with the sale of the Action Asset's and Action Restoration's Property under the Century Services Agreement, the Receiver, given the cost / benefit limitations of any detailed analysis, has assigned ownership of the property subject to the Century Services Agreement based on a review of insurance documentation, prior tax returns, and discussions with Action Asset's and Action Restoration's management and Pillar.

18. The Receiver has allocated the costs associated with the auction of Action Asset's and Action Restoration's Property, under the Century Services Agreement, based on the nature and ownership of such Property, as further detailed in the Second Receiver's Report.

19. The Receiver has expended time, effort, and expense in order to restructure and liquidated the Debtors' affairs and in order to locate, secure, insure, repair, transport, market, and sell all of the Debtor's Property, including, but not limited to that of Action Asset.

20. Pillar, as lender, advanced various loans secured by Action Asset.

21. The Receiver has obtained a legal opinion from its counsel that the security granted by Action Asset to Pillar is valid and enforceable and ranks in priority to any subsequently appointed trustee in bankruptcy.

22. The Receiver presently holds funds that are available for distribution to Pillar.

23. As set out above, all of Action Asset's Property has been liquidated or otherwise dealt with and any and all funds belonging or owing to Action Asset have been gathered or otherwise dealt with. As such, the administration of the estate of Action Asset is complete and it is appropriate for the Receiver to be discharged on the terms set forth herein.

24. Such further and other grounds as counsel for the Receiver may advise.

**Material or Evidence to be relied On:** The Receiver will rely on the following material:

25. The Second Receiver's Report.

26. The Supplemental Affidavit of Steve Dizep, sworn on April 13, 2016.

27. Such further and other material as counsel for the Receiver may advise.

**Applicable rules:**

28. Rule 6.3, 6.9, and 11.27 of the *Alberta Rules Of Court*, Alta. Reg. 124/2010.

29. Such further and other rules as counsel for the Receiver may advise.

**Applicable Acts and regulations:**

30. *Bankruptcy and Insolvency Act*, RSC 1985, c B-3.

31. Such further and other acts and regulations as counsel for the Receiver may advise.

**Any irregularity complained of or objection relied on:**

32. There are no irregularities complained of or objections relied on.

**How the application is proposed to be heard or considered:**

33. The Receiver proposes that the Application be heard in person with one, some, or all of the parties present.

**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 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.

## SCHEDULE "A"

COURT FILE NUMBER	1601-04493	Clerk's Stamp
COURT	COURT OF QUEEN'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
PLAINTIFF	PILLAR CAPITAL CORP.	
DEFENDANTS	ACTION RESTORATION LTD., ACTION RESTORATION RD LTD., ACTION ASSET CORPORATION and STEP ABOVE EXTERIORS LTD.	
DOCUMENT	<b>ORDER (Allocation, Distribution, and Discharge)</b>	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	McCARTHY TÉTRAULT LLP Barristers & Solicitors Sean F. Collins/Walker W. MacLeod Suite 4000, 421-7th Avenue S.W. Calgary AB T2P 4K9 Phone: 403-260-3531/403-260-3710 Fax: 403-260-3501 Email: scollins@mccarthy.ca wmacleod@mccarthy.ca	
DATE ON WHICH ORDER WAS PRONOUNCED:	September 27, 2016	
LOCATION WHERE ORDER WAS PRONOUNCED:	Calgary, Alberta	
NAME OF JUSTICE WHO MADE THIS ORDER:	Justice A.D. Macleod	

### ORDER

**UPON THE APPLICATION** by Hardie & Kelly Inc. in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of all of the undertakings, property, and assets (collectively, the "**Property**") of Action Restoration Ltd. ("**Action Restoration**"), Action Restoration RD Ltd. ("**Action Restoration Red Deer**") Step Above Exteriors Ltd. ("**Step Above**") and Action Asset Corporation ("**Action Asset**", Action Asset, Step Above, Action Restoration Red Deer, and Action Restoration, are collectively referred to as, the "**Debtors**") pursuant to the Consent Receivership

Order, dated April 15, 2016 (the "**Receivership Order**"); **AND UPON** reading the Second Report of the Receiver, dated September 19, 2016 (the "**Second Receiver's Report**"), filed; **AND UPON** reading the Affidavit of Service of Katie Doran, sworn •, 2016 (the "**Affidavit of Service**"), filed; **AND UPON HEARING** the submissions of counsel for the Receiver, and for any other parties who may be present;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

**SERVICE**

1. The application filed by the Receiver in the within proceedings on September 20, 2016 (the "**Application**") is properly returnable today, service of the Application and the Second Receiver's Report on the service list, in the manner described in the Affidavit of Service, is validated and no persons other than those on the service list are entitled to service of the Second Receiver's Report or the Application.

**PROCEEDS AND COSTS ALLOCATION**

2. The Receiver's proposed allocation of the net proceeds and costs, as between Action Restoration and Action Asset, in connection with the repair, marketing, and sale of Action Restoration's and Action Asset's Property, as set forth at paragraphs 57 to 61 of the Second Receiver's Report (the "**Proceeds and Costs Allocation**"), be and is hereby approved.

**DISTRIBUTION**

3. The security granted by Action Asset to Pillar Capital Corp. ("**Pillar**") represents a valid and enforceable charge against the assets, properties, and undertakings of Action Asset. The Receiver be and is hereby expressly authorized and empowered to distribute any and all funds held by the Receiver on behalf of Action Asset, to Pillar, in accordance with Pillar's priority to any such funds, until all of the indebtedness, liabilities, and obligations owed by Action Asset to Pillar are indefeasibly paid in full.



## DISCHARGE

4. The Receiver's interim and final statement of receipts and disbursements with respect to Action Asset, as outlined in paragraph 65 of the Second Receiver's Report, be and is hereby approved.

5. The interim accounts of the Receiver and its legal counsel with respect to Action Restoration, Action Restoration Red Deer, and Step Above, and the interim and final accounts of the Receiver and its legal counsel with respect to Action Asset, as summarized in paragraphs 61 and 70 of the Second Receiver's Report, be and are hereby approved.

6. As of the date of the Second Receiver's Report and based on the evidence that is currently before this Honourable Court:

- (a) the Receiver has acted honestly and in good faith, and has dealt with the Property in a commercially reasonable manner;
- (b) the actions and conduct of the Receiver are approved;
- (c) the Receiver has satisfied all of its duties and obligations as receiver and manager of Action Asset and Action Asset's Property;
- (d) the Receiver shall not be liable for any act or omission including, without limitation, any act or omission pertaining to the discharge of the Receiver's duties as receiver and manager of Action Asset and Action Asset's Property, save and except for any liability arising out of fraud or wilful misconduct on the part of the Receiver; and,
- (e) any and all claims against the Receiver arising from, relating to, or in connection with, the performance of the Receiver's duties and obligations as receiver and manager of Action Asset and Action Asset's Property, save and except for claims based on fraud or wilful misconduct on the part of the Receiver, shall be forever barred and extinguished.

7. Upon the filing of this Order the Receiver shall be discharged as receiver and manager of Action Asset and Action Asset's Property and relieved of all further duties and obligations with respect to Action Asset and Action Asset's Property.

8. Notwithstanding the discharge of the Receiver in accordance with this Order, the Receiver remains empowered to perform any act necessary or incidental to the conclusion of the receivership of Action Asset and Action Asset's Property.

9. No action or proceeding arising from, relating to, or in connection with, the performance of the Receiver's duties and obligations as receiver and manager of Action Asset or Action Asset's Property may be commenced or continued without the prior leave of this Honourable Court, on notice to the Receiver, and on such terms as this Honourable Court may direct.

**MISCELLANEOUS MATTERS**

10. The Receiver and any other interested party, shall be at liberty to apply for further advice, assistance, and directions, as may be necessary, in order to give full force and effect to the terms of this Order.

11. Service of this Order on the persons listed on the service list shall be by any of email, facsimile, courier, registered mail, regular mail, or personal delivery, and no persons other than those on the service list are entitled to be served with a copy of this Order.

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**J.C.Q.B.A.**