

COURT FILE NUMBER 1803-21971  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE EDMONTON



IN THE MATTER OF THE BANKRUPTCY  
AND INSOLVENCY OF 1119658 ALBERTA  
LTD. and 101285461 SASKATCHEWAN LTD.

PLAINTIFF BUSINESS DEVELOPMENT BANK OF  
CANADA

DEFENDANTS 1119658 ALBERTA LTD. and 101285461  
SASKATCHEWAN LTD.

APPLICANT HARDIE & KELLY INC. in its capacity as the  
Court-appointed Receiver of 1119658  
ALBERTA LTD. and 101285461  
SASKATCHEWAN LTD.

DOCUMENT **APPLICATION**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS  
DOCUMENT MLT Aikins LLP  
Suite 2100, 222 – 3 Avenue S.W.  
Calgary, AB T2P 0B4  
Phone: 403-693-4305  
Fax: 403-508-4349  
Attention: Dean A. Hutchison  
Solicitors for Hardie & Kelly Inc.

**NOTICE TO RESPONDENT(S):**

This application is made against you. You are the 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: Thursday, August 8, 2019  
Time: 10:00 a.m.  
Where: Court of Queen's Bench of Alberta, Edmonton Law Courts,  
1A Sir Winston Churchill Square, Edmonton, Alberta  
Before Whom: The Honourable Mr. Justice J.J. Gill, In Chambers  
(Booked on the 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. An abridgement, if necessary, of the time for service of this Application and materials in support thereof, and an Order declaring service of same to be good and sufficient.
2. An Order substantially in the form attached hereto as **Schedule "A"**:

- (a) approving the sale of lands of 1119658 Alberta Ltd. ("**1119 AB Ltd.**") legally described as:

Plan 0720020  
Block 151  
Lot 8  
Excepting Thereout All Mines and Minerals

(the "**Lands**"), together with all buildings, fixtures and improvements, including specifically the hotel located on the Lands (collectively, the "**Improvements**"), in accordance with the Offer to Purchase dated July 7, 2019 (the "**Purchase Agreement**") between Hardie & Kelly Inc. in its capacity as the Court-appointed receiver (the "**Receiver**") of 1119 AB Ltd. and Harkiran Ghuman (the "**Proposed Purchaser**");

- (b) authorizing and directing the Receiver to take all steps reasonably required to carry out the terms of the Purchase Agreement;
- (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 **Schedule "B"**:

- (a) approving the Receiver' monthly interim statement of receipts and disbursements (the "**Interim Monthly SRD**") that is attached as Appendix "A" to the

Confidential Supplement to the Receiver's First Report dated July 29, 2019 (the "**Confidential Supplement**");

- (b) approving the professional fees, receipts and disbursements of the Receiver and those of the Receiver's legal counsel as provided for in paragraphs 71 to 72 of the Receiver's First Report dated July 29, 2019 (the "**Receiver's First Report**"); and
  - (c) approving the actions of the Receiver to date in these Receivership proceedings as set out in the Receiver's First Report and the Confidential Supplement.
4. An Order substantially in the form attached hereto as **Schedule "C"** approving the sealing of the Confidential Supplement until three (3) months after the transaction contemplated by the Purchase Agreement has closed (the "**Restricted Court Access Order**").
  5. An Order granting leave to the Receiver to apply to this Court for advice and directions as may be necessary to carry out the terms of any Order granted at the within application.
  6. An Order granting such other and further relief as the circumstances may require and as this Honourable Court shall deem appropriate.

**Grounds for Making the Application:**

**A. Sale of Lands and Improvements**

- (a) On December 5, 2019, Hardie & Kelly Inc. was appointed the receiver and manager of over all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (collectively, the "**Property**") of 1119 AB Ltd. and 101285461 Saskatchewan Ltd. ("**1012 Sask. Ltd.**") by Order of the Honourable Mr. Justice S.D. Hillier of the Alberta Court of Queen's Bench.
- (b) 1119 AB Ltd. was in the business of owning and operating a hotel known as the Westwood Inn located on the Lands which is situated in the Town of Drayton Valley, in the Province of Alberta. 1012 Sask Ltd. was in the business of owning

and operating a hotel known as the Quality Inn & Suites - Yorkton located in the City of Yorkton, in the Province of Saskatchewan.

- (c) The Receiver obtained valuations of the Lands which, due to their confidential and commercially sensitive nature, are described in the Confidential Supplement.
- (d) As described in both the Receiver's First Report and the Confidential Supplement, the Receiver entered into a realtor listing agreement with Colliers International Hotels and CIR Commercial Realty Inc. for the listing of the Lands for sale.
- (e) On July 15, 2019, the Receiver executed the Purchase Agreement with the Proposed Purchaser. The Purchase Agreement is conditional upon the Proposed Purchaser confirming in writing that it is satisfied with the its investigations of the Lands, including, without limitation: economic feasibility reports and environmental assessment reports (the "**Purchaser's Condition**").
- (f) On July 19, 2019, the Proposed Purchaser provided the Receiver with written confirmation that it was removing the Purchaser's Condition.
- (g) The Proposed Purchaser has delivered to the Receiver two deposits in accordance with the provisions of the Purchase Agreement.
- (h) The Receiver has had the Lands listed for sale and exposed to the market for approximately four (4) months. It is unlikely that additional time and effort will result in a sale that is materially greater than the purchase price provided under the Purchase Agreement. Business Development Bank of Canada ("**BDC**"), the senior secured lender in this matter, is in agreement with the approval of the Purchase Agreement.
- (i) The Receiver is of the view that the Lands have been exposed for sale to the market for a significant amount of time and that the transaction contemplated by the Purchase Agreement represents the highest realization value to stakeholders which is available in the circumstances.

**B. Sealing of Confidential Appendix**

- (j) 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 valuations the Receiver obtained regarding the appraised value of the Lands. The Confidential Supplement thus contains commercially sensitive information and documentation.
- (k) There will be a negative impact and significant potential prejudice to stakeholders in the event such confidential information and documentation were disclosed to the public and the transaction contemplated by the Purchase Agreement were to not close and the sales process regarding the sale of the Lands were resumed.
- (l) The Restricted Court Access Order being sought is the least restrictive and prejudicial alternative to permit the dissemination of the said commercially sensitive information and documentation, such that it is fair and reasonable in the circumstances to restrict public access to such commercially sensitive information and documentation.
- (m) Counsel to the Receiver has completed and submitted a Notice to Media of Application to Restrict Access with respect to the Restricted Court Access Order being sought.
- (n) The terms as set out in the proposed form of Restricted Court Access Order attached hereto as Schedule "C" are necessary to effect the sealing of the Confidential Supplement.

**C. Approval of Activities of the Receiver and Professional Fees Incurred to Date and the Interim Monthly SRD**

- (o) All of the actions of the Receiver and its legal counsel to date in the course of the administration of the receivership of 1119 AB Ltd. and 1012 Sask Ltd. are reasonable and appropriate in the circumstances.

- (p) All of the actions in respect of the fees and disbursements incurred by the Receiver and its legal counsel to date, during the course of the administration of the within proceeding, as well as the receipts and disbursements of the Receiver as set in in the Interim Monthly SRD, are reasonable, having been validly incurred in connection with the conduct of the Receiver's obligations.
- (q) Such further and other grounds as counsel may advise and this Honourable Court may permit.

**Material or Evidence To Be Relied Upon:**

- (a) This notice of Application, filed;
- (b) The Receiver's First Report dated July 29, 2019, filed;
- (c) The Confidential Supplement to the Receiver's First Report dated July 29, 2019;
- (d) The Amended Receivership Order granted by the Honourable Mr. Justice S.D. Hillier on December 5, 2018, filed;
- (e) All pleadings, Affidavits and other materials filed in this action;
- (f) The inherent jurisdiction of this Honourable Court to control its own process; and
- (g) Such further and other material as counsel may advise and this Honourable Court may permit.

**Applicable Rules:**

- (a) Rules 6.32, 6.47 (a), (c) (d), (e) and (f), 11.27 and 13.5 of the *Alberta Rules of Court*.

**Applicable Acts and Regulations:**

- (a) The *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3, as amended;
- (b) The *Judicature Act*, R.S.A. 2000, c. J-2, as amended;

- (c) The *Business Corporations Act*, R.S.A. 2000, c. B-9, as amended;
- (d) The *Personal Property Security Act*, R.S.A. 2000, c. P-7, as amended;

**How the Application is Proposed to be Heard or Considered:**

- (a) In person before the Honourable Mr. Justice J.J. Gill in Chambers.

**WARNING TO THE RESPONDENT:**

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 1803-21971

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

IN THE MATTER OF THE BANKRUPTCY AND  
INSOLVENCY OF 1119658 ALBERTA LTD. and  
101285461 SASKATCHEWAN LTD.

PLAINTIFF BUSINESS DEVELOPMENT BANK OF CANADA

DEFENDANTS 1119658 ALBERTA LTD. and 101285461  
SASKATCHEWAN LTD.

APPLICANT HARDIE & KELLY INC. in its capacity as the Court-  
appointed Receiver of 1119658 ALBERTA LTD. and  
101285461 SASKATCHEWAN LTD.

DOCUMENT **SALE APPROVAL AND VESTING ORDER  
(Sale by Receiver)**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS  
DOCUMENT MLT AIKINS LLP  
Barristers and Solicitors  
Suite 2100, 222 – 3 Avenue S.W.  
Calgary, Alberta T2P 0B4  
Phone: 403.693.4305  
Fax: 403.508.4349  
Attention: Dean A. Hutchison  
Counsel for the Receiver, Hardie & Kelly Inc.

---

**DATE ON WHICH ORDER WAS PRONOUNCED: THURSDAY, AUGUST 8, 2019**

**LOCATION OF HEARING OR TRIAL: EDMONTON, ALBERTA**

**NAME OF JUDGE WHO MADE THIS ORDER: HONOURABLE MR. JUSTICE J.J. GILL**

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**UPON THE APPLICATION** of Hardie & Kelly Inc. in its capacity as the Court-appointed receiver (the "**Receiver**") of all of the current and future assets, undertaking, and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof, of 1119658 Alberta Ltd. ("**1119 AB Ltd.**" or the "**Debtor**") and 101285461 Saskatchewan Ltd. ("**1012 Sask Ltd.**"), for an Order approving the sale transaction (the "**Transaction**") contemplated by an Offer to Purchase (the "**Purchase Agreement**") between the Receiver and Harkiran Ghuman (the "**Purchaser**") dated July 7, 2019 and appended to the Confidential Supplemental to the Receiver's First Report dated July 29, 2019 (the

"**Confidential Supplement**"), and vesting in the Purchaser 1119 AB Ltd.'s right, title and interest in and to certain lands, together with all of the 1119 AB Ltd.'s rights, title and interest in the buildings, fixtures and improvements, including specifically the hotel, located on such lands, which lands are defined below as the Lands, filed July 29, 2019 (the "**Application**");

**AND UPON HAVING READ** the Application, the Amended Receivership Order granted by the Honourable Mr. Justice S.D. Hillier on December 5, 2018 (the "**Receivership Order**"), the Receiver's First Report dated July 29, 2019 (the "**Receiver's First Report**"), the Confidential Supplement and the Affidavit of Service of Lorraine Chanasyk sworn \_\_\_\_\_, 2019; **AND UPON IT** appearing that all interested and affected parties have been served with notice of the Application; **AND UPON HEARING** the submissions of counsel for the Receiver, counsel for the Business Development Bank of Canada, and all other interested parties present;

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

**SERVICE**

1. Service of notice of the Application and supporting materials is hereby declared to be good and sufficient, and no other person is required to have been served with notice of the Application, and time for service of the Application is abridged to that actually given.

**APPROVAL OF THE TRANSACTION**

2. The Transaction is hereby approved, and the execution of the Purchase Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction or for the conveyance of the lands legally described as:

Plan 0720020  
Block 151  
Lot 8  
Excepting Thereout All Mines and Minerals

(collectively, the "**Lands**") to the Purchaser (or its nominee).

### VESTING OF PROPERTY

3. Upon the delivery of a Receiver's certificate to the Purchaser (or its nominee) substantially in the form set out in **Schedule "A"** hereto (the "**Receiver's Certificate**"), all of the Debtor's rights, title and interest in and to the Lands, together with all of the Debtor's rights, title and interest in the buildings, fixtures and improvements, including specifically the hotel, located on the Lands, as described in the Purchase Agreement (collectively, the "**Purchased Assets**"), shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, caveats, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing:

- (a) any encumbrances or charges created by the Receivership Order;
- (b) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta), the *Land Titles Act* (Alberta), or any other personal property registry system or real property registry system (all of which are collectively referred to as, the "**Encumbrances**", which term shall not include the Permitted Encumbrances as defined and set out in **Schedule "B"** hereto); and

for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. The Transaction is hereby approved and ratified and it is hereby declared that the Transaction is commercially reasonable.
5. Upon the delivery of the Receiver's Certificate, and upon the filing of a certified copy of this Order, together with any applicable registration fees, the Registrar of Land Titles of Alberta (the "**Registrar**") is hereby authorized, requested and directed to proceed in accordance with the directions set out in **Schedule "B"** hereto.

6. Upon the Registrar completing the steps identified in this Order, the Registrar shall forthwith make available to the Purchaser's counsel a certified copy of the new Certificate of Title concerning the Lands in accordance with the direction set out in **Schedule "B"** hereto.
7. This Order shall be registered by the Registrar notwithstanding the requirements of section 191(1) of the *Land Titles Act*, R.S.A. 2000, c. L-7 and notwithstanding that the appeal period in respect of this Order has not elapsed, which appeal period is expressly waived.
8. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.
9. The Purchaser (and its nominee, if any) shall, by virtue of the completion of the Transaction, have no liability of any kind whatsoever in respect of any Claims against 1119 AB Ltd., other than the Permitted Encumbrances.
10. 1119 AB Ltd., and all persons who claim by, through or under 1119 AB Ltd. in respect of the Purchased Assets, save and except for the persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely barred and foreclosed from all estate, right, title, interest, royalty, rental and equity of redemption of the Purchased Assets and, to the extent that any such persons remains in possession or control of any of the Purchased Assets, they shall forthwith deliver possession of same to the Purchaser (or its nominee).
11. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Lands for its own use and benefit without any interference of or by 1119 AB Ltd., or any person claiming by or through or against 1119 AB Ltd..
12. The Receiver is to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof to the Purchaser (or its nominee).

13. Notwithstanding:

- (a) the pendency of these proceedings;
- (b) any bankruptcy order issued pursuant to *the Bankruptcy and Insolvency Act*, R.S.C. 1985, C. B-3 (the "**BIA**") in respect of 1119 AB Ltd.; and
- (c) any assignment in bankruptcy made in respect of 1119 AB Ltd.;

the vesting of the Purchased Assets in the Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of 1119 AB Ltd. and shall not be void or voidable by creditors of 119 AB Ltd., nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

14. The Receiver, the Purchaser (or its nominee), 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 and to assist and aid the parties in closing the Transaction.

#### **MISCELLANEOUS MATTERS**

15. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body in any province of Canada, the Federal Court of Canada, or other court constituted pursuant to the Parliament of Canada or any of its provinces or territories and any federal or state court or administrative body or any other foreign courts to act in aid of and to be complimentary to this Honourable Court in carrying out the terms of this Order.

16. This Order must be served only upon the Purchaser (or its nominee) and those interested parties attending or represented at the within Application and service may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the same business day as the transmission or delivery of such documents.

17. Service of this Order on any party not attending the Application, other than the Purchaser (or its nominee), is hereby dispensed with.

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The Honourable Mr. Justice J.J. Gill,  
Justice of the Court of Queen's Bench of Alberta

**SCHEDULE "A"**

**Form of Receiver's Certificate**

COURT FILE NUMBER	1803-21971
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	EDMONTON
	IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY OF 1119658 ALBERTA LTD. and 101285461 SASKATCHEWAN LTD.
PLAINTIFF	BUSINESS DEVELOPMENT BANK OF CANADA
DEFENDANTS	1119658 ALBERTA LTD. and 101285461 SASKATCHEWAN LTD.
APPLICANT	HARDIE & KELLY INC. in its capacity as the Court- appointed Receiver of 1119658 ALBERTA LTD. and 101285461 SASKATCHEWAN LTD.
DOCUMENT	<b>RECEIVER'S CERTIFICATE</b>
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	MLT AIKINS LLP Barristers and Solicitors Suite 2100, 222 – 3 Avenue S.W. Calgary, Alberta T2P 0R3 Phone: 403.693.4305 Fax: 403.508.4349 Attention: Dean A. Hutchison Counsel for the Receiver, Hardie & Kelly Inc.

**RECITALS**

- A. Pursuant to an Amended Receivership Order of the Honourable Mr. Justice S.D. Hillier of the Court of Queen's Bench of Alberta (the "**Court**") dated December 5, 2019, Hardie & Kelly Inc. was appointed as the receiver (the "**Receiver**") of all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof, of 1119658 Alberta Ltd. ("**1119 AB Ltd.**" or the "**Debtor**") and 101285461 Saskatchewan Ltd.
- B. Pursuant to an Order of the Honourable Mr. Justice J.J. Gill of the Court dated August 8, 2019 (the "**Sale Approval and Vesting Order**"), the Court approved the Offer to Purchase made July 7, 2019 (the "**Purchase Agreement**") between the Receiver and Harkiran Ghuman (the

"Purchaser") and provided for the vesting in the Purchaser (or its nominee) of the Debtor's right, title and interest in and to the Purchased Assets (as such term is defined in the Sale Approval and Vesting Order), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser (or its nominee) of a certificate confirming: (i) the payment by the Purchaser (or its nominee) of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in the Purchase Agreement have been satisfied or waived by the Receiver and the Purchaser (or its nominee) (as applicable); and (iii) the Transaction (as such term is defined in the Sale Approval and Vesting Order) has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Purchase Agreement.

**THE RECEIVER CERTIFIES** the following:

1. The Purchaser (or its nominee) has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the date of closing of the Transaction pursuant to the Purchase Agreement;
2. The conditions to closing as set out in the Purchase Agreement have been satisfied or waived by the Receiver and the Purchaser (or its nominee) (as applicable); and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at \_\_\_\_\_ on the \_\_\_\_ day of \_\_\_\_\_, 2019.

**HARDIE & KELLY INC., in its capacity as Court-appointed Receiver of 1119658 Alberta Ltd. and 101285461 Saskatchewan Ltd., and not in its personal capacity.**

**Per:** \_\_\_\_\_

**Name:**

**Title:**



**SCHEDULE "B"**

**DIRECTIONS TO THE REGISTRAR OF LAND TITLES ALBERTA**

Upon receipt of a transfer of land from Hardie & Kelly Inc., in its capacity as the Court-appointed receiver of 1119658 Alberta Ltd. and 101285461 Saskatchewan Ltd. (the "**Transfer of Land**"), the Registrar of Land Titles of Alberta (the "**Registrar**") shall immediately do the following with respect to the lands legally described as:

Plan 0720020  
Block 151  
Lot 8  
Excepting Thereout All Mines and Minerals

(the "**Lands**):

1. Immediately discharge the following encumbrances, liens and interests from the Lands:
  - (a) Registration Number 152 256 556  
(Mortgage – Business Development Bank of Canada)
  - (b) Registration Number 152 339 577  
(Mortgage – 1621804 Alberta Ltd.)
2. Maintain the following encumbrances, liens and interest in the Lands (the "**Permitted Encumbrances**):
  - (a) Registration Number 882 228 085  
(Utility Right of Way – ARC Resources Ltd.)
  - (b) Registration Number 072 004 378  
(Utility Right of Way – The Town of Drayton Valley)
  - (c) Registration Number 112 393 797  
(Restrictive Covenant)
3. Accept and register the Transfer of Land, cancel the existing Certificate of Title No. 072 004 376 and issue a new Certificate of Title for the Lands in the name of Harkiran Ghuman (or his nominee) as described in the Transfer of Land.



SCHEDULE "B"

COURT FILE NUMBER 1803-21971

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

IN THE MATTER OF THE BANKRUPTCY AND  
INSOLVENCY OF 1119658 ALBERTA LTD. and  
101285461 SASKATCHEWAN LTD.

PLAINTIFF BUSINESS DEVELOPMENT BANK OF CANADA

DEFENDANTS 1119658 ALBERTA LTD. and 101285461  
SASKATCHEWAN LTD.

APPLICANT HARDIE & KELLY INC. in its capacity as the Court-  
appointed Receiver of 1119658 ALBERTA LTD. and  
101285461 SASKATCHEWAN LTD.

DOCUMENT **ORDER FOR APPROVAL OF RECEIVER'S FEES and  
DISBURSEMENTS and APPROVAL OF RECEIVER'S  
ACTIVITIES**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS  
DOCUMENT MLT AIKINS LLP  
Barristers and Solicitors  
Suite 2100, 222 – 3 Avenue S.W.  
Calgary, Alberta T2P 0B4  
Phone: 403.693.4305  
Fax: 403.508.4349  
Attention: Dean A. Hutchison  
Counsel for the Receiver, Hardie & Kelly Inc.

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**DATE ON WHICH ORDER WAS PRONOUNCED: THURSDAY, AUGUST 8, 2019**

**LOCATION OF HEARING OR TRIAL: EDMONTON, ALBERTA**

**NAME OF JUDGE WHO MADE THIS ORDER: HONOURABLE MR. JUSTICE J.J. GILL**

---

**UPON THE APPLICATION** of Hardie & Kelly Inc. in its capacity as the Court-appointed receiver (the "**Receiver**") of all of the current and future assets, undertaking, and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof, of 1119658 Alberta Ltd. and 101285461 Saskatchewan Ltd., filed July 29, 2019 (the "**Application**"); **AND UPON HAVING READ** the Application, the Amended Receivership Order granted by the Honourable Mr. Justice S.D. Hillier on December 5, 2018 (the "**Receivership Order**"), the Receiver's First Report dated July 29, 2019

(the "**Receiver's First Report**"), the Confidential Supplement to Receiver's First Report dated July 29, 2019 (the "**Confidential Supplement**") and the Affidavit of Service of Lorraine Chanasyk sworn \_\_\_\_\_, 2019; **AND UPON IT** appearing that all interested and affected parties have been served with notice of the Application; **AND UPON HEARING** the submissions of counsel for the Receiver, counsel for the Business Development Bank of Canada, and all other interested parties present;

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

**SERVICE**

1. Service of notice of the Application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of the Application, and time for service of the Application is abridged to that actually given.

**APPROVAL OF THE FEES AND DISBURSEMENTS OF THE RECEIVER AND ITS LEGAL COUNSEL**

2. The accounts of the Receiver for fees and disbursements, as set out in the Receiver's First Report are hereby approved without the necessity of the formal passing of the Receiver's accounts.
3. The accounts of the Receiver's legal counsel, MLT Aikins LLP (the "**Receiver's Legal Counsel**"), as set out in the Receiver's First Report, are hereby approved without the necessity of a formal assessment of the Receiver's Legal Counsel's accounts.

**APPROVAL OF THE ACTIVITIES OF THE RECEIVER**

4. The activities of the Receiver as set out in the Receiver's First Report and the Confidential Supplement, are hereby ratified and approved.

**APPROVAL OF INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS OF THE RECEIVER**

5. The interim statement of receipts and disbursements of the Receiver as attached as Appendix "A" to the Confidential Supplement are hereby ratified and approved.
6. This Order must be served only upon those interested parties attending or represented at the within application and service may be effected by facsimile, electronic mail,

personal delivery or courier. Service is deemed to be effected the day of the transmission or delivery of such documents.

7. Service of this Order on any party not attending the Application is hereby dispensed with.

---

The Honourable Mr. Justice J.J. Gill,  
Justice of the Court of Queen's Bench of Alberta



SCHEDULE "C"

COURT FILE NUMBER 1803-21971

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

IN THE MATTER OF THE BANKRUPTCY AND  
INSOLVENCY OF 1119658 ALBERTA LTD. and  
101285461 SASKATCHEWAN LTD.

PLAINTIFF BUSINESS DEVELOPMENT BANK OF CANADA

DEFENDANTS 1119658 ALBERTA LTD. and 101285461  
SASKATCHEWAN LTD.

APPLICANT HARDIE & KELLY INC. in its capacity as the Court-  
appointed Receiver of 1119658 ALBERTA LTD. and  
101285461 SASKATCHEWAN LTD.

DOCUMENT **RESTRICTED COURT ACCESS ORDER**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS  
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Attention: Dean A. Hutchison  
Counsel for the Receiver, Hardie & Kelly Inc.

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**DATE ON WHICH ORDER WAS PRONOUNCED: THURSDAY, AUGUST 8, 2019**

**LOCATION OF HEARING OR TRIAL: EDMONTON, ALBERTA**

**NAME OF JUDGE WHO MADE THIS ORDER: HONOURABLE MR. JUSTICE J.J. GILL**

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**UPON THE APPLICATION** of Hardie & Kelly Inc. in its capacity as the Court-appointed receiver (the "**Receiver**") of all of the current and future assets, undertaking, and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof, of 1119658 Alberta Ltd. and 101285461 Saskatchewan Ltd., filed July 29, 2019 (the "**Application**"); **AND UPON HAVING READ** the Application, the Amended Receivership Order granted by the Honourable Mr. Justice S.D. Hillier on December 5, 2018 (the "**Receivership Order**"), the Receiver's First Report dated July 29, 2019 (the "**Receiver's First Report**"), the Confidential Supplement to the Receiver's First Report dated July 29, 2019, and the Affidavit of Service of Lorraine Chanasyk sworn \_\_\_\_\_, 2019; **AND UPON**

**IT** appearing that all interested and affected parties have been served with notice of the Application; **AND UPON HEARING** the submissions of counsel for the Receiver, counsel for the Business Development Bank of Canada, and all other interested parties present;

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

**SERVICE**

1. Service of notice of the Application and supporting materials is hereby declared to be good and sufficient, and no other person is required to have been served with notice of the Application, and time for service of the Application is abridged to that actually given.

**SEALING OF DOCUMENTS**

2. The Confidential Supplement to the Receiver's First Report dated July 29, 2019 is hereby sealed by this Honourable Court until the earlier of:
  - (a) three (3) months from the date of the Receiver filing with this Honourable Court a Receiver's Certificate substantially in the form attached as Schedule "A" to the Sale Approval and Vesting Order (Sale by Receiver) granted by the Honourable Mr. Justice J.J. Gill in the within proceedings on August 8, 2019; or
  - (b) further Order of this Honourable Court.

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The Honourable Mr. Justice J.J. Gill,  
Justice of the Court of Queen's Bench of Alberta