

Clerk's Stamp

COURT FILE NUMBER 2003-07601
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE EDMONTON

In the Matter of the Receivership of CHARITY DEVELOPMENTS LTD.

PLAINTIFF **BUSINESS DEVELOPMENT BANK OF CANADA**

DEFENDANT **CHARITY DEVELOPMENTS LTD.**

APPLICANT BDO CANADA LIMITED in its capacity as the Court-appointed Receiver and Manager of CHARITY DEVELOPMENTS LTD.

DOCUMENT **APPLICATION**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **Caron & Partners LLP**
2120, 237 – 4th Avenue SW
Calgary, AB T2P 4K3
Tel: (403) 262-3000
Fax: (403) 237-0111
Attention: R.J. Daniel Gilborn / Lucinda A. Wong
Solicitors for BDO Canada Limited
Email: dgilborn@caronpartners.com / lwong@caronpartners.com
File No. 59238-001

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: January 21, 2021
Time: 11:00 AM
Where: Court of Queen's Bench of Alberta, Virtual Courtroom 86 via Webex (Commercial List Court)
Before Whom: JUSTICE R. GRAESSER (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 and declaring service of the same to be good and sufficient.
2. An Order substantially in the form attached hereto as **Appendix “1”**:
 - (a) approving the sale of lands of Charity Developments Ltd. (“**Charity Developments**”) legally described as:

PLAN 1424093
BLOCK 1
LOT 9
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 0.787 HECTARES (1.94 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 15, 2020 (the “**Purchase Agreement**”) between BDO Canada Limited in its capacity as the Court-appointed receiver (the “**Receiver**”) of Charity Developments and Canalta Real Estate Services 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 January 11, 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 January 11, 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 April 28, 2020, 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 and nature and kind whatsoever, and wherever situate, including all proceeds thereof (collectively, the "**Property**") of Charity Developments by Order of the Honourable Justice S.D. Hillier 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, Charity Developments was in the business of owning and operating a hotel known as the Hampton Inn by Hilton St. Paul located in the Town of St. Paul, in the Province of Alberta.
8. The Receiver has operated the business since its appointment and sought to 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 15, 2020, the Receiver executed the Purchase Agreement with the Proposed Purchaser. The Purchase Agreement is currently unconditional.

12. The Proposed Purchaser has delivered to the Receiver 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 for approximately two months through Colliers pursuant to an exclusive listing agreement dated October 2, 2020 before establishing a call for offers on December 8, 2020. 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 were to be required to be re-exposed to the market, there is a real risk of 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 so as to be less invasive.
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 Professional Fees Incurred to Date 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 Charity Developments are reasonable and appropriate in the circumstances.

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

Material or Evidence to be Relied On:

21. This notice of Application, filed January 11, 2021;

22. The Receiver's First Report, filed January 11, 2021;

23. The Confidential Supplement, filed (under temporary seal) January 11, 2021;

24. The Receivership Order granted by the Honourable Justice S.D. Hillier on April 28, 2020, filed;

25. All other pleadings, Affidavits and other materials filed in the within action;

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

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

Applicable Rules:

28. 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:

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

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

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

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

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

Any Irregularity Complained of or Objection Relied On:

34. None.

How the Application is Proposed to be Heard or Considered:

35. Via Webex before the Honourable Mr. Justice R. Graesser 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.

APPENDIX “1”

COURT FILE NUMBER 2003-07601
COURT COURT OF QUEEN’S BENCH OF ALBERTA
JUDICIAL CENTRE EDMONTON

In the Matter of the Receivership of CHARITY DEVELOPMENTS LTD.

PLAINTIFF **BUSINESS DEVELOPMENT BANK OF CANADA**

DEFENDANT **CHARITY DEVELOPMENTS LTD.**

APPLICANT BDO CANADA LIMITED in its capacity as the Court-appointed Receiver and Manager of CHARITY DEVELOPMENTS LTD.

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

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT Caron & Partners LLP
2120, 237 – 4th Avenue SW
Calgary, AB T2P 4K3
Tel: (403) 262-3000
Fax: (403) 237-0111
Attention: R.J. Daniel Gilborn / Lucinda A. Won
Solicitors for BDO Canada Limited
Email: dgilborn@caronpartners.com / lwong@caronpartners.com
File No. 59238-001

DATE ON WHICH ORDER WAS PRONOUNCED: **January 21, 2021**

LOCATION WHERE ORDER WAS PRONOUNCED: **Edmonton, Alberta**

NAME OF JUSTICE WHO MADE THIS ORDER: **JUSTICE R. GRAESSER**

UPON THE APPLICATION filed on January 11, 2021 by **BDO Canada Limited** in its capacity as the Court-appointed receiver and manager (the “**Receiver**”) of the undertakings, property and assets of **Charity Developments Ltd.** (the “**Debtor**”) for an order approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale (the “**Purchase Agreement**”) between the Receiver and Canalta Real Estate Services Ltd. (the “**Purchaser**”) dated **December 15, 2020** and appended to the First Report of the Receiver filed January 11, 2021 (the “**Receiver’s First Report**”) (with an unexpurgated copy being appended to the Confidential Supplement to the Receiver’s

First Report (the “**Confidential Supplement**”) filed January 11, 2021, and vesting in the Purchaser the Debtor’s right, title and interest in and to certain lands, together with all of the Debtor’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 (the “**Application**”);

AND UPON HAVING READ the Application, the Receivership Order dated **April 28, 2020** (the “**Receivership Order**”), the Receiver’s First Report, the Confidential Supplement and the Affidavit of Service of Judy Verrall sworn January 11, 2021;

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, the Purchaser, Business Development Bank of Canada, and all other interested parties present;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. Service of notice of this application and supporting materials is hereby validated and declared to be good and sufficient, no other person is required to have been served with notice of this application (and the materials in support thereof) and time for service of this application is abridged to that actually given.

APPROVAL OF TRANSACTION

2. The Transaction is hereby approved and 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 completion of the Transaction or for the conveyance of the lands legally described as:

**PLAN 1424093
BLOCK 1
LOT 9
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 0.787 HECTARES (1.94 ACRES) MORE OR LESS**

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

VESTING OF PROPERTY

3. Upon 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 Closing Certificate**"), all of the Debtor's right, 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 caveats, security interests (whether contractual, statutory, or otherwise), hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, "**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 ten days from the pronouncement of the within Order, upon delivery of the Receiver's Certificate, and upon 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. 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.

7. 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 over the person having that possession or control immediately prior to the sale.
8. 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 the Debtor, other than the Permitted Encumbrances.
9. The Debtor, and all persons who claim by, through or under the Debtor 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 person remains in possession or control of any of the Purchased Assets, they shall forthwith deliver possession of the same to the Purchaser (or its nominee).
10. 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 the Debtor, or any person claiming by or through or against the Debtor.
11. 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).

MISCELLANEOUS MATTERS

12. Notwithstanding:
 - (a) the pendency of these proceedings;
 - (b) any bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (the "BIA"), in respect of the Debtor;
 - (c) any assignment in bankruptcy made in respect of the Debtor; and
 - (d) the provisions of any federal or provincial statute:

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 the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, 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.

13. The Receiver, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction 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.
14. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, 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 order and to provide such assistance to the Receiver, as an officer of the 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.
15. 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.
16. Service of this Order on any party not attending the Application, other than the Purchaser (or its nominee), is hereby dispensed with.

The Honourable Mr. Justice R. Graesser
Justice of the Court of Queen's Bench of Alberta

Clerk's Stamp

Schedule "A"
Form of Receiver's Certificate

COURT FILE NUMBER 2003-07601
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE EDMONTON

In the Matter of the Receivership of CHARITY
DEVELOPMENTS LTD.

PLAINTIFF BUSINESS DEVELOPMENT BANK OF CANADA

DEFENDANT CHARITY DEVELOPMENTS LTD.

APPLICANT BDO CANADA LIMITED in its capacity as the Court-appointed
Receiver of CHARITY DEVELOPMENTS LTD.

DOCUMENT **RECEIVER'S CERTIFICATE**

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT Caron & Partners LLP
2120, 237 – 4th Avenue SW
Calgary, AB T2P 4K3
Tel: (403) 262-3000
Fax: (403) 237-0111
Attention: R.J. Daniel Gilborn / Lucinda A. Wong
Solicitors for BDO Canada Limited
Email: dgilborn@caronpartners.com / lwong@caronpartners.com
File No. 59238-001

RECITALS

- A. Pursuant to an Order of the Honourable Justice S.D. Hillier of the Court of Queen's Bench of Alberta, Judicial District of Edmonton (the "**Court**") dated April 28, 2020, BDO Canada Limited was appointed as the receiver (the "**Receiver**") of the undertakings, property and assets of Charity Developments Ltd. (the "**Debtor**").
- B. Pursuant to an Order of the Court dated January 21, 2021 (the "**Sale Approval and Vesting Order**"), the Court approved the Agreement of Purchase and Sale made as of December 15, 2020 (the "**Purchase Agreement**") between the Receiver and Canalta Real Estate Services Ltd. (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, 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); and (iii) the Transaction 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 Closing Date pursuant to the Purchase Agreement;
2. The conditions to Closing as set out in Article 7 of 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 _____, 2021

**BDO Canada Limited in its capacity
of Court-appointed Receiver of
Charity Developments 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 BDO Canada Limited in its capacity as the Court-appointed receiver of Charity Developments 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 1424093
BLOCK 1
LOT 9
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 0.787 HECTARES (1.94 ACRES) MORE OR LESS**

(the “**Lands**”):

1. Immediately discharge the following encumbrances, liens and interests from the Lands:
 - (a) Registration Number 152 324 186
(Mortgage – Business Development Bank of Canada)
 - (b) Registration Number 182 126 090
(Amending Agreement – Affects Instrument 152 324 186)
 - (c) Registration Number 202 105 515
(Order – Business Development Bank of Canada)

2. Maintain the following encumbrances, liens and interest in the Lands (the “**Permitted Encumbrances**”):
 - (a) Registration Number 092 034 321
(Caveat Re: Access – Sobeys Capital Incorporated)
 - (b) Registration Number 092 034 325
(Caveat Re: Restrictive Covenant)
 - (c) Registration Number 092 034 326
(Caveat Re: Access – Canadian Tire Properties Inc.)
 - (d) Registration Number 092 114 989
(Utility Right of Way – AltaGas Utilities Inc.)
 - (e) Registration Number 102 216 493
(Caveat Re: Right of Way Agreement – ATCO Electric Ltd.)
 - (f) Registration Number 112 085 000
(Caveat Re: Utility Right of Way – Telus Communications Inc.)
 - (g) Registration Number 122 242 619
(Restrictive Covenant)

- (h) Registration Number 122 242 620
(Restrictive Covenant)
 - (i) Registration Number 122 242 621
(Caveat Re: Easement)
 - (j) Registration Number 132 222 335
(Caveat Re: Utility Right of Way – ATCO Electric Ltd.)
 - (k) Registration Number 152 019 041
(Caveat Re: Amending Agreement – Canadian Tire Properties Inc.)
 - (l) Registration Number 162 283 398
(Caveat Re: Right of Way Agreement – ATCO Electric Ltd.)
 - (m) Registration Number 192 067 877
(Caveat Re: Utility Right of Way – ATCO Electric Ltd.)
3. Accept and register the Transfer of Land, cancel the existing Certificate of Title No. 152 324 185 and issue a new Certificate of Title for the Lands in the name of Canalta Real Estate Services Ltd. as owner in fee simple (or its Nominee) as described in the Transfer of Land.

APPENDIX "2"

COURT FILE NUMBER 2003-07601
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE EDMONTON

In the Matter of the Receivership of CHARITY DEVELOPMENTS LTD.

PLAINTIFF **BUSINESS DEVELOPMENT BANK OF CANADA**

DEFENDANT **CHARITY DEVELOPMENTS LTD.**

APPLICANT BDO CANADA LIMITED in its capacity as the Court-appointed Receiver and Manager of CHARITY DEVELOPMENTS LTD.

DOCUMENT **ORDER FOR APPROVAL OF RECEIVER'S ACTIVITIES**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Caron & Partners LLP
2120, 237 – 4th Avenue SW
Calgary, AB T2P 4K3
Tel: (403) 262-3000
Fax: (403) 237-0111
Attention: R.J. Daniel Gilborn / Lucinda A. Wong
Solicitors for BDO Canada Limited
Email: dgilborn@caronpartners.com / lwong@caronpartners.com
File No. 59238-001

DATE ON WHICH ORDER WAS PRONOUNCED: **January 21, 2021**

LOCATION WHERE ORDER WAS PRONOUNCED: **Edmonton, Alberta**

NAME OF JUSTICE WHO MADE THIS ORDER: **MR. JUSTICE R. GRAESSER**

UPON THE APPLICATION filed January 11, 2021 by **BDO Canada Limited** in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of the undertakings, property and assets of **Charity Development Ltd.** (the "**Debtor**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Purchase Agreement**") between the Receiver and Canalta Real Estate Services Ltd. (the "**Purchaser**") dated **December 15, 2020** and appended to the First Report of the Receiver filed January 11, 2021 (the "**Receiver's First Report**") (with an unexpurgated copy being appended to the Confidential Supplement to the Receiver's First

Report (the “**Confidential Supplement**”) dated January 11, 2021 and vesting in the Purchaser the Debtor’s right, title and interest in and to certain lands, together with all of the Debtor’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 (the “**Application**”);

AND UPON HAVING READ the Application, the Receivership Order dated **April 28, 2020** (the “**Receivership Order**”), the Receiver’s First Report, the Confidential Supplement and the Affidavit of Service of Judy Verrall sworn January 11, 2021;

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, the Purchaser, Business Development Bank of Canada and all other interested parties present;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. Service of notice of this application and supporting materials is hereby validated and declared to be good and sufficient, no other person is required to have been served with notice of this application (and the materials in support thereof) and time for service of this application is abridged to that actually given.

APPROVAL OF THE ACTIVITIES OF THE RECEIVER

2. The activities of the Receiver asset set out in the Receiver’s First Report and the Confidential Supplement, are hereby approved.

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

3. The interim statement of receipts and disbursements of the Receiver as attached at Appendix C to the Receiver’s First Report is hereby approved.
4. This Order need only be served upon those interested parties attending or represented at the within application and those parties set out in the Service List appended to the Affidavit of Service for this Application, and services 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.

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

The Honourable Mr. Justice R. Graesser
Justice of the Court of Queen's Bench of Alberta

Appendix "3" – Proposed Form of Sealing Order

Clerk's Stamp

COURT FILE NUMBER 2003-07601
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE EDMONTON

In the Matter of the Receivership of CHARITY DEVELOPMENTS LTD.

PLAINTIFF **BUSINESS DEVELOPMENT BANK OF CANADA**

DEFENDANT **CHARITY DEVELOPMENTS LTD.**

APPLICANT BDO Canada Limited in its capacity as the Court-appointed Receiver and Manager of CHARITY DEVELOPMENTS LTD.

DOCUMENT **RESTRICTED COURT ACCESS ORDER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Caron & Partners LLP
2120, 237 – 4th Avenue SW
Calgary, AB T2P 4K3
Tel: (403) 262-3000
Fax: (403) 237-0111
Attention: R.J. Daniel Gilborn / Lucida A. Wong
Solicitors for BDO Canada Limited
Email: dgilborn@caronpartners.com / lwong@caronpartners.com
File No. 59238-001

DATE ON WHICH ORDER WAS PRONOUNCED: **January 21, 2021**

LOCATION WHERE ORDER WAS PRONOUNCED: **Edmonton, Alberta**

NAME OF JUSTICE WHO MADE THIS ORDER: **MR. JUSTICE R. GRAESSER**

UPON THE APPLICATION filed January 11, 2021 by **BDO Canada Limited** in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of the undertakings, property and assets of **Charity Developments Ltd.** (the "**Debtor**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Purchase Agreement**") between the Receiver and Canalta Real Estate Services Ltd. (the "**Purchaser**") dated **December 15,**

2020 and appended to the First Report of the Receiver dated January 11, 2021 (the “**Receiver’s First Report**”) (with an unexpurgated copy being appended to the Confidential Supplement to the Receiver’s First Report (the “**Confidential Supplement**”) dated January 11, 2021 and vesting in the Purchaser the Debtor’s right, title and interest in and to certain lands, together with all of the Debtor’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 (the “**Application**”);

AND UPON HAVING READ the Application, the Receivership Order dated **March 13, 2017** (the “**Receivership Order**”), the Receiver’s First Report, the Confidential Supplement and the Affidavit of Service of Judy Verrall sworn January 11, 2021;

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, the Purchaser, Business Development Bank of Canada, and all other interested parties present;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

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

SEALING OF DOCUMENTS

2. The Confidential Supplement to the Receiver’s First Report filed January 11, 2021 is hereby sealed by this Honourable Court until the earlier of:
 - (a) three (3) months from the date of the Receiver filing with this 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 R. Graesser in the within proceedings on January 21, 2021, or until the Receiver is discharged (whichever is sooner); or
 - (b) further Order of this Honourable Court.

3. The Receiver, or any other affected party or person, has leave to apply to any judge of the Commercial List to vary, modify or substitute a term of this Order.

4. This Order need only be served upon those interested parties attending or represented at the within application and those parties set out in the Service List appended to the Affidavit of Service for this Application, and services 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.

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

The Honourable Mr. Justice R. Graesser
Justice of the Court of Queen's Bench of Alberta