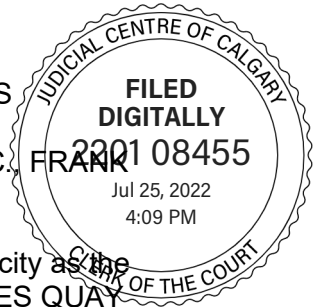


| | |
|---|---|
| COURT FILE NUMBER | 1901 – 06628 |
| COURT | COURT OF QUEEN'S BENCH OF ALBERTA |
| JUDICIAL CENTRE | CALGARY |
| PLAINTIFF | ALBERTA TREASURY BRANCHES |
| DEFENDANTS | EAGLES QUAY PROPERTIES INC., FRANK LAYTON, and CAROL LAYTON |
| APPLICANT | BDO CANADA LIMITED in its capacity as the Court-appointed Receiver of EAGLES QUAY PROPERTIES INC. |
| DOCUMENT | APPLICATION (Sale Approval And Vesting Order, Sealing Order and Approval of Receiver's Activities) |
| ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT | MLT AIKINS LLP Barristers and Solicitors 2100, 222 3 rd Avenue S.W. Calgary, Alberta T2P 0B4 Phone: 403.693.5420/2635 Fax: 403.508.4349 Attention: Ryan Zahara/Brian Catalano File: 0033124.00012 |



NOTICE TO RESPONDENTS: Service List attached hereto as **Schedule “A”**.

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: | August 5, 2022 |
| Time: | 10:00 a.m. |
| Where: | Calgary Courts Centre, 601 – 5 th Street SW, Calgary AB via WebEx |
| Before Whom: | The Honourable Justice C.M. Jones |

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. Capitalized terms not otherwise defined herein shall have the meaning given to them in the Sixth Report dated July 25, 2022 (the “**Sixth Report**”) and the Confidential Supplement to the Sixth Report (the “**Confidential Supplement**”) of BDO Canada Limited, formerly Hardie & Kelly Inc., in its capacity as the court-appointed receiver and manager (the “**Receiver**”) of all current and future assets, undertakings and property of Eagles Quay Properties Inc. (the “**Debtor**” or “**EQPI**”).
2. The Receiver respectfully seeks the following from this Honourable Court:
 - (a) A Sale Approval and Vesting Order substantially in the form of **Schedule “B”** hereto:
 - (i) abridging, if necessary, the time for service of this application (the “**Application**”) and materials in support thereof, and declaring service of the same to be good and sufficient;
 - (ii) approving the transaction contemplated under the real estate purchase contract (the “**Sale Agreement**”) between the Receiver and Daylon Creason or assignee (collectively, the “**Purchaser**”) for Lot 16 (one lot of land) subject to the Receivership (legally described in full below) (the “**Purchased Asset**”). A copy of the Sale Agreement is appended to the Confidential Supplement as Appendix “A”;
 - (iii) authorizing and directing the Receiver to take all steps reasonably required to carry out the terms of the Sale Agreement;
 - (iv) vesting title to the Purchased Asset in and to the proposed Purchaser, or their nominee; and
 - (v) granting leave to the Receiver to apply to this Court for advice and direction as may be necessary to carry out the terms of any Order granted at the within application;
 - (b) an Order substantially in the form of **Schedule “C”** hereto sealing the Confidential Supplement and the Confidential Fourth Affidavit of Jim Jardine, sworn July 22, 2022 (the “**Fourth Confidential Jardine Affidavit**”) until the date of closing of the last of the EQPI Properties (as that term is defined below);

(c) an Order substantially in the form of **Schedule “D”** hereto:

- (i) approving the Receiver’s activities as set out in the Sixth Report and Confidential Supplement;
- (ii) approving the Interim R&D as outlined and defined at paragraph 65 in the Sixth Report;
- (iii) approving the Receiver’s accounts and legal fees outlined in the Sixth Report; and
- (iv) granting such further and other relief as the circumstances may require and as this Honourable Court shall deem appropriate.

Grounds for Making the Application:

A. Background

- 3. EQPI is a company incorporated pursuant to the laws of Alberta. EQPI operated in the real estate industry and was located in Sylvan Lake, Alberta. Frank Layton is the sole director of EQPI and Frank P. Layton Professional Corporation owns 100% of its voting shares.
- 4. EQPI’s substantive assets are 11 individual real estate lots (the “**EQPI Properties**”) in a fully serviced development located on the northwest shores of Sylvan Lake, Alberta.
- 5. On March 5, 2019, the Receiver was appointed the receiver and manager over all of the Property of EQPI by Order of Justice K.G. Nielsen of the Alberta Court of Queen's Bench (the “**Receivership Order**”).
- 6. Pursuant to sections 3(k) and (l) of the Receivership Order, the Receiver is authorized to, among other things, market any or all of the Property and sell the Property or any parts thereof with the approval of this Court.
- 7. In an order filed on May 16, 2019 (the “**Sales Process Order**”), the Honourable Justice C.M. Jones approved the Receiver’s proposed sale and listing process (the “**Listing Terms**”), as set out in full in the First Report of the Receiver, dated May 6, 2019. The Sales Process Order also provided for the engagement by the Receiver of Trilliant Real Estate Ltd. as listing agent (the “**Listing Agent**”) for the Lots.

8. The Listing Terms require the Receiver to return to this Honourable Court to obtain an order approving a sale and the vesting of any of the Property to a successful bidder.

B. Sales Process Leading to Offers to Purchase

9. As set out in further detail in the Fourth Confidential Jardine Affidavit, the Listing Agent has been engaged and has listed and marketed the EQPI Properties for sale since June 2019.
10. The Listing Agent and the Receiver have both contacted a number of parties and a large number of parties have viewed the listings on the Multiple Listing Service and other marketing and social media platforms.
11. With the assistance of the Listing Agent, the Receiver negotiated and entered into the Sale Agreement with respect to the Purchased Asset, comprised of Lots 16 of the EQPI Properties, which is legally described as:

PLAN 0740786
BLOCK 1
LOT 16
EXCEPTING THEREOUT ALL MINES AND MINERALS

12. The Purchaser was sourced through the Listing Agent's marketing of the EQPI Properties, and the Receiver is now seeking approval of the Sale Agreement.
13. The Receiver is of the view that the Purchased Asset has been exposed for sale to the market for a significant amount of time and that the transaction contemplated by the Sale Agreement represents the highest and best realization value available in the present circumstances.

C. Sealing of Confidential Supplement and Confidential Jardine Affidavit

14. The Confidential Supplement and Fourth Confidential Jardine Affidavit (collectively, the "**Confidential Materials**") contain confidential information with respect to the Sale Agreement, including the sale price, as well as information with respect to the various listing prices of the Purchased Asset. The Confidential Materials thus contain commercially sensitive information and documentation and the Receiver is seeking to have that information sealed on the Court record until such time as the final sale of all of the lots in the EQPI Properties is completed.

15. 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 Sale Agreement was to not close and the amount of the purchase price for the sale of the Purchased Asset was disclosed. This would negatively impact any future sale of the Purchased Asset if the Sale Agreement does not close, as well as the rest of the EQPI Properties.

D. Approval of Activities of the Receiver to Date

16. All of the actions of the Receiver and its legal counsel in the course of the administration of the receivership of EQPI as described in the Sixth Report and Confidential Supplement are reasonable and appropriate in the circumstances.
17. The amount of professional fees incurred by the Receiver and its legal counsel is reasonable and appropriate in the circumstances and the Receiver is seeking approval of those amounts by the Court.

E. Interim R&D

18. As outlined in the Sixth Report, the Receiver has prepared an Interim Statement of Receipts and Disbursements from the date of the Receivership Order to July 25, 2022 (the “**Interim R&D**”) which is attached as Appendix “B” to the Sixth Report. As indicated in the Interim R&D, the Receiver is holding \$1,101,314.00 of cash in trust.
19. The amounts as outlined in the Interim R&D are reasonable and appropriate in the circumstances and the Receiver is seeking approval of those amounts by the Court.

Material or Evidence To Be Relied Upon:

- (a) The Receiver’s Brief of Law and Authorities, filed on September 8, 2021;
- (b) The Sixth Report of the Receiver, dated July 25, 2022;
- (c) The Confidential Supplement to the Sixth Report dated July 25, 2022;
- (d) The Confidential Affidavit of Jim Jardine, sworn July 22, 2022;
- (e) The Sales Process Order granted by Justice C.M. Jones on May 16, 2019;

- (f) The Receivership Order granted by Justice K.G. Nielsen on March 5, 2019;
- (g) All pleadings, affidavits and other materials filed in this action; and
- (h) Such further and other material as counsel may advise and this Honourable Court may permit.

Applicable Rules:

- (a) Rules 6.3, 6.9, 6.28, and 11.27 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, including section 243.

How the Application is Proposed to be Heard or Considered:

- (a) Via WebEx hearing before the Honourable Justice C.M. Jones.

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" – Service List

COURT FILE NUMBER: 1901-06628

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF ALBERTA TREASURY BRANCHES

DEFENDANTS EAGLES QUAY PROPERTIES INC., FRANK LAYTON and CAROL LAYTON

APPLICANT BDO CANADA LIMITED in its capacity as the Court-appointed Receiver of EAGLES QUAY PROPERTIES INC.

DOCUMENT **SERVICE LIST**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

MLT AIKINS LLP
 Barristers and Solicitors
 2100, 222 3rd Avenue S.W.
 Calgary, Alberta T2P 0B4
 Phone: 403.693.5420/4311
 Fax: 403.508.4349
 Attention: Ryan Zahara/Kaitlin Ward
 File: 0033124.00012

SERVICE LIST
(Updated July 21, 2022)

| PARTIES | ROLE / REPRESENTATION |
|--|---|
| <p><i>Receiver</i></p> <p>BDO Canada LLP 620-903 8th Avenue S.W. Calgary, Alberta T2P 0P7</p> <p>Kevin Meyler Email: kmeyler@bdo.ca</p> <p>Breanne Barker Email: bbarker@bdo.ca</p> | <p><i>Counsel for BDO Canada Limited</i></p> <p>MLT Aikins LLP 2100 Livingstone Place 222 - 3rd Avenue S.W. Calgary, Alberta T2P 0B4</p> <p>Ryan Zahara Email: rzahara@mltaikins.com</p> <p>Brian Catalano Email: bcatalano@mltaikins.com</p> |

| | |
|---|--|
| <p>ATB Financial</p> | <p><i>Counsel to the Plaintiff, ATB Financial</i></p> <p>DLA Piper (Canada) LLP 1000, 250 2 Street SW Calgary, Alberta T2P 0C1</p> <p>Attn: Donald J. Wilson Email: donald.wilson@dlapiper.com</p> |
| <p>Frank Layton c/o Layton PC 5003 Donsdale Drive Edmonton, Alberta T6M 2V2</p> <p>Email: fplayton@layton-qc.com Email: mbos@layton-qc.com Email: fplayton@shaw.ca</p> | |
| <p>Eagles Quay Properties Inc. c/o Registered Office 3200 Telus House, South Tower 10020-100 Street Edmonton, Alberta T5J 0N3</p> <p>Email: edmcoprservices@bennettjones.com</p> | |
| <p>Carol Layton</p> | <p><i>Counsel to the Defendant, Carol Layton</i></p> <p>Felesky Flynn LLP 2610 Edmonton Tower 10111-104 Avenue Edmonton, AB T5J 0J4</p> <p>Attn: Donald N. Cherniawsky, Q.C. Email: dcherniawsky@felesky.com</p> |

| | |
|--|--|
| <p>Trilliant Real Estate Group Ltd. 100, 33 Beju Industrial Dr Sylvan Lake, Alberta T4S 0B6</p> <p>Attn: Jim Jardine / Deb Garrity / Pat Garrity Email: jim@trilliantrealty.ca Email: deb@trilliantrealty.ca Email: pat@trilliantrealty.ca</p> | <p><i>Listing Agents for the Eagles Quay Properties</i></p> |
| <p>Alvin Reinhard Fritz Architect Inc. 739 Livingston Way NE Calgary, Alberta T3P 1L5</p> <p>Attn: Brandie Hanzel Email: BHanzel@alvinfritzarchitect.com Email: general@alvinfritzarchitect.com</p> | <p><i>Architectural Consultant</i></p> |
| <p>Canada Revenue Agency 220, 4th Avenue SE Calgary, Alberta T2G 0L1</p> <p>Fax: 403-264-5843</p> | |
| <p>Daylon Creason (Purchaser of Lot 16)</p> | <p><i>Real Estate Agent to the Purchasers of Lot 16</i></p> <p>Trilliant Real Estate Group Ltd. #6 40 Hewlett Park Landing Sylvan Lake, Alberta T4S 2J3</p> <p>Attn: Jim Jardine Email: jim@trilliantrealty.ca</p> |

Schedule "B" – Sale Approval and Vesting Orders

COURT FILE NUMBER 1901-06628
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF ALBERTA TREASURY BRANCHES
DEFENDANTS EAGLES QUAY PROPERTIES INC.,
FRANK LAYTON, and CAROL LAYTON
APPLICANT BDO CANADA LIMITED, in its capacity as
receiver and manager of EAGLES QUAY
PROPERTIES INC.
DOCUMENT **APPROVAL AND VESTING ORDER (Sale
by Receiver)**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT MLT AIKINS LLP
Barristers and Solicitors
2100, 222 3rd Avenue S.W.
Calgary, Alberta T2P 0B4
Phone: 403.693.5420/4311
Fax: 403.508.4349
Attention: Ryan Zahara/Kaitlin Ward
File: 0033124.00012

Clerk's Stamp

DATE ON WHICH ORDER WAS PRONOUNCED: AUGUST 5, 2022
LOCATION WHERE ORDER WAS PRONOUNCED: CALGARY, ALBERTA
NAME OF JUSTICE WHO MADE THIS ORDER: JUSTICE C.M. JONES

UPON THE APPLICATION by BDO Canada Limited, in its capacity as the court-appointed receiver and manager (the "**Receiver**") of all current and future assets, undertakings and property of Eagles Quay Properties Inc. (the "**Debtor**" or "**EQPI**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and the purchaser, Daylon Creason or assignee (collectively, the "**Purchaser**") dated May 30, 2022 and appended to the Confidential Supplement (the "**Confidential Supplement**") to the Sixth Report of the Receiver dated July 25, 2022 (the "**Sixth Report**"), and vesting in the Purchaser (or its nominee) the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**");

AND UPON HAVING READ the Receivership Order dated March 5, 2019 (the “**Receivership Order**”), the Sales Process Order dated May 16, 2019, the Sixth Report, the Confidential Supplement, the Confidential Affidavit of Jim Jardine, sworn July 22, 2022, the Receiver’s brief of law filed on September 8, 2021 and the Affidavit of Service of Joy Mutuku; **AND UPON HEARING** the submissions of counsel for the Receiver 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.

APPROVAL OF TRANSACTION

2. The Transaction is hereby approved and execution of the Sale 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 and conveyance of the Purchased Assets 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 Purchased Assets listed in **Schedule “B”** hereto shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all caveats, security interests, 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) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;
- (c) any liens or claims of lien under the *Builders' Lien Act* (Alberta); and
- (d) those Claims listed in **Schedule "C"** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, caveats, interests, easements, and restrictive covenants listed in **Schedule "D"** (collectively, "**Permitted Encumbrances**"))

and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets.

4. Upon delivery of the Receiver's Closing Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Receiver's Closing Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser or its nominee clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing:

- (a) the Registrar of Land Titles ("**Land Titles Registrar**") for the lands defined below shall and is hereby authorized, requested and directed to forthwith:
 - (i) cancel existing Certificate of Title No. 112 391 840 +9 for those lands and premises legally described as:

PLAN 0740786
BLOCK 1
LOT 16
EXCEPTING THEREOUT ALL MINES AND MINERALS
(the "**Lands**")
 - (ii) issue a new Certificate of Title for the Lands in the name of the Purchaser (or its nominee);

- (iii) transfer to the New Certificate of Title the existing instruments listed in **Schedule “D”**, to this Order, and to issue and register against the New Certificate of Title such new caveats, utility rights of ways, easements or other instruments as are listed in **Schedule “D”**; and
 - (iv) discharge and expunge the Encumbrances listed in **Schedule “C”** to this Order and discharge and expunge any Claims including Encumbrances (but excluding Permitted Encumbrances) which may be registered after the date of the Sale Agreement against the existing Certificate of Title to the Purchased Assets; and
 - (b) the Registrar of the Alberta Personal Property Registry (the “**PPR Registrar**”) shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Debtor in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.
5. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Receiver’s Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.
 6. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Receiver of the Sale Agreement.
 7. Upon delivery of the Receiver’s Closing Certificate together with a certified copy of this Order, this Order shall be immediately registered by the Land Titles Registrar notwithstanding the requirements of section 191(1) of the *Land Titles Act*, RSA 2000, c.L-7 and notwithstanding that the appeal period in respect of this Order has not elapsed. The Land Titles Registrar is hereby directed to accept all Affidavits of Corporate

Signing Authority submitted by the Receiver in its capacity as Receiver of the Debtor and not in its personal capacity.

8. For the purposes of determining the nature and priority of Claims, 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 from and after delivery of the Receiver's Closing Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from 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. Unless otherwise ordered (whether before or after the date of this Order), the Receiver shall not make any distributions to creditors of net proceeds from sale of the Purchased Assets without further order of this Court, provided however the Receiver may apply any part of such net proceeds to repay any amounts the Receiver has borrowed for which it has issued a Receiver's Certificate pursuant to the Receivership Order.
9. Except as expressly provided for in the Sale Agreement or by section 5 of the Alberta *Employment Standards Code*, the Purchaser (or its nominee) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Debtor.
10. Upon completion of the Transaction, the Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the

Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).

11. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Debtor, or any person claiming by, through or against the Debtor.
12. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Receiver.
13. The Receiver is directed to file with the Court a copy of the Receiver's Closing Certificate forthwith after delivery thereof to the Purchaser (or its nominee).
14. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada) and section 20(e) of the *Alberta Personal Information Protection Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser (or its nominee) all human resources and payroll information in the Debtor's records pertaining to the Debtor's past and current employees. The Purchaser (or its nominee) shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use (of such information) to which the Debtor was entitled.

MISCELLANEOUS MATTERS

15. Notwithstanding:
 - (a) the pendency of these proceedings and any declaration of insolvency made herein;
 - (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "**BIA**"), in respect of the Debtor, and any bankruptcy order issued pursuant to any such applications;
 - (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.

16. 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.
17. 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.
18. Service of this Order shall be deemed good and sufficient by:
 - (a) Serving the same on:
 - (i) the persons listed on the service list created in these proceedings;
 - (ii) any other person served with notice of the application for this Order;
 - (iii) any other parties attending or represented at the application for this Order;
 - (iv) the Purchaser or the Purchaser's solicitors; and
 - (b) Posting a copy of this Order on the Receiver's website at: <https://www.bdo.ca/en-ca/extranets/eagles-quay/>

and service on any other person is hereby dispensed with.

19. Service of this Order may be effected by facsimile, electronic mail, personal delivery or recorded mail. Service is deemed to be effected the next business day following transmission or delivery of this Order.

Justice of the Court of Queen's Bench of Alberta

Schedule "A"

Form of Receiver's Certificate

| | |
|---|---|
| COURT FILE NUMBER | 1901-06628 |
| COURT | COURT OF QUEEN'S BENCH OF ALBERTA |
| JUDICIAL CENTRE | CALGARY |
| PLAINTIFF | ALBERTA TREASURY BRANCHES |
| DEFENDANTS | EAGLES QUAY PROPERTIES INC., FRANK LAYTON, and CAROL LAYTON |
| APPLICANT | BDO CANADA LIMITED, in its capacity as receiver and manager of EAGLES QUAY PROPERTIES INC. |
| DOCUMENT | RECEIVER'S CERTIFICATE |
| ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT | MLT AIKINS LLP Barristers and Solicitors 2100, 222 3 rd Avenue S.W. Calgary, Alberta T2P 0B4 Phone: 403.693.5420/4311 Fax: 403.508.4349 Attention: Ryan Zahara/Kaitlin Ward File: 0033124.00012 |

Clerk's Stamp

RECITALS

- A. Pursuant to an Order of the Honourable Justice K.G. Nielsen of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**") dated March 5, 2019, Hardie & Kelly Inc. (now BDO Canada Limited) was appointed as the receiver (the "**Receiver**") of the undertakings, property and assets of Eagles Quay Properties Ltd. (the "**Debtor**").
- B. Pursuant to an Order of the Court dated August 5, 2022, the Court approved the agreement of purchase and sale made as of May 30, 2022 (the "**Sale Agreement**") between the Receiver and Daylon Creason or assignee (collectively, the "**Purchaser**") and provided for the vesting in the Purchaser 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 of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article 8 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; 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 Sale 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 Sale Agreement;
2. The conditions to Closing as set out in section 8 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser (or its nominee); and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ am/pm on _____, 2022.

BDO Canada Limited in its capacity as Receiver of the undertakings, property and assets of Eagles Quay Properties Ltd., and not in its personal or corporate capacity.

Per: _____

Name:

Title:

Schedule "B" – Purchased Assets

Certificate of Title No. 112 391 840 +9

Legal Description:

PLAN 0740786
BLOCK 1
LOT 16
EXCEPTING THEREOUT ALL MINES AND MINERALS

Schedule "C" – Encumbrances

| Instrument No. | Registration Date | Instrument |
|----------------|-------------------|--|
| 112 391 841 | December 5, 2011 | Mortgage Mortgagee – Alberta Treasury Branches Edmonton City Centre 10200 102 Ave NW Edmonton Alberta T5J 4B7 |
| 192 065 099 | March 19, 2019 | Order In Favour of Hardie & Kelly Inc. Receivership Order |

Schedule "D" – Permitted Encumbrances

| Instrument No. | Registration Date | Instrument |
|----------------|--------------------|---|
| 852 205 385 | September 24, 1985 | Utility Right of Way Grantee – Diamond Valley Gas Co-op Ltd. |
| 052 227 277 | June 8, 2005 | Caveat Re: Development Agreement pursuant to the Municipal Government Act Caveator – Lacombe County RR3 Lacombe Alberta T4L 2N3 |
| 072 726 198 | December 17, 2007 | Caveat Re: Development Agreement pursuant to the Municipal Government Act Caveator – Lacombe County RR3 Lacombe Alberta T4L 2N3 |
| 072 726 277 | December 17, 2007 | Caveat Re: Restrictive Covenant |
| 072 726 280 | December 17, 2007 | Utility Right of Way Grantee – Lacombe County As to Portion or Plan: 0740787 |
| 082 064 433 | February 9, 2008 | Encumbrance Encumbrancee – The Properties of Eagles Quay Co-op Ltd. 5003 Donsdale Drive Edmonton Alberta T6M 2V2 |
| 082 064 434 | February 9, 2008 | Restrictive Covenant |

Schedule "C" – Sealing Order

COURT FILE NUMBER 1901-06628

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF ALBERTA TREASURY BRANCHES

DEFENDANTS EAGLES QUAY PROPERTIES INC.,
FRANK LAYTON, and CAROL LAYTON

APPLICANT BDO CANADA LIMITED, in its capacity as
receiver and manager of EAGLES QUAY
PROPERTIES INC.

DOCUMENT **SEALING ORDER**

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY FILING THIS
DOCUMENT MLT AIKINS LLP
Barristers and Solicitors
2100, 222 3rd Avenue S.W.
Calgary, Alberta T2P 0B4
Phone: 403.693.5420/4311
Fax: 403.508.4349
Attention: Ryan Zahara/Kaitlin Ward
File: 0033124.00012

Clerk's Stamp

DATE ON WHICH THIS ORDER WAS PRONOUNCED: AUGUST 5, 2022

LOCATION AT WHICH ORDER WAS MADE: CALGARY, ALBERTA

NAME OF THE JUDGE WHO MADE THIS ORDER: JUSTICE C.M. JONES

UPON THE APPLICATION (the "**Application**") of BDO Canada Limited, in its capacity as the Court-appointed 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 Eagles Quay Properties Inc. (the "**Debtor**"), for an Order sealing certain confidential information, among other things; **AND UPON HAVING READ** the Receivership Order dated March 5, 2019 (the "**Receivership Order**"), the Sales Process Order dated May 16, 2019, the Sixth Report of the Receiver dated July 25, 2022 (the "**Sixth Report**"), the Confidential Supplement to the Sixth Report dated July 25, 2022 (the "**Confidential Supplement**"), the

Confidential Affidavit of Jim Jardine, sworn July 22, 2022 (the “**Confidential Jardine Affidavit**”), the Receiver’s brief of law filed on September 8, 2021 and the Affidavit of Service of Joy Mutuku; **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 and all other interested parties present;

IT IS HEREBY ORDERED THAT:

1. Part 6, Division 4 of the *Alberta Rules of Court* does not apply to the Application and the Clerk of the Court is hereby directed to seal the Confidential Supplement and the Confidential Jardine Affidavit.
2. The clerk of the Court is hereby directed to seal the Confidential Supplement and the Confidential Jardine Affidavit on the Court file until the earlier of:
 - i) an Order of this Court directs that the Confidential Supplement and the Confidential Jardine Affidavit be filed in this Action; or
 - ii) a sale of the last of the Debtor’s assets (the “**Assets**”) by the Receiver has closed, and the Receiver files a receiver’s certificate with the Clerk of the Court confirming a sale of the last of the Assets has closed.
3. The Clerk of the Court is hereby directed to seal the Confidential Supplement and the Confidential Jardine Affidavit in an envelope setting out the style of cause in the within proceedings and labelled:

THIS ENVELOPE CONTAINS CONFIDENTIAL DOCUMENTS. THESE CONFIDENTIAL DOCUMENTS ARE SEALED ON COURT FILE 1901-06628 PURSUANT TO THE ORDER ISSUED BY JUSTICE C.M. JONES ON AUGUST 5, 2022. THESE CONFIDENTIAL DOCUMENTS ARE NOT TO BE ACCESSED BY ANY PERSON UNTIL EARLIER OF AN ORDER OF THE COURT DIRECTING THAT THESE CONFIDENTIAL DOCUMENTS BE FILED OR AFTER THE FILING OF A FINAL RECEIVER'S CERTIFICATE FROM BDO CANADA LIMITED, IN ITS CAPACITY AS RECEIVER OF THE DEBTOR, CONFIRMING THAT THE CONFIDENTIAL DOCUMENTS MAY BE FILED.

THE HONOURABLE MR. JUSTICE C.M. JONES
JUSTICE OF THE COURT OF QUEEN'S BENCH
OF ALBERTA

Schedule “D” – Order Approving Receiver’s Activities and Legal Fees

COURT FILE NUMBER 1901-06628

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF ALBERTA TREASURY BRANCHES

DEFENDANTS EAGLES QUAY PROPERTIES INC., FRANK LAYTON, and CAROL LAYTON

APPLICANT BDO CANADA LIMITED, in its capacity as receiver and manager of EAGLES QUAY PROPERTIES INC.

DOCUMENT **ORDER APPROVING RECEIVER'S ACTIVITIES AND LEGAL FEES**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT MLT AIKINS LLP
Barristers and Solicitors
2100, 222 3rd Avenue S.W.
Calgary, Alberta T2P 0B4
Phone: 403.693.5420/4311
Fax: 403.508.4349
Attention: Ryan Zahara/Kaitlin Ward
File: 0033124.00012



DATE ON WHICH ORDER WAS PRONOUNCED: AUGUST 5, 2022

LOCATION WHERE ORDER WAS PRONOUNCED: CALGARY, ALBERTA

NAME OF JUSTICE WHO MADE THIS ORDER: JUSTICE C.M. JONES

UPON THE APPLICATION by BDO Canada Limited, in its capacity as the court-appointed receiver and manager (the "**Receiver**") of all current and future assets, undertakings and property of Eagles Quay Properties Inc. for an order approving the Receiver's activities to date, as set out in the Sixth Report of the Receiver dated July 25, 2022 (the "**Sixth Report**") and the Confidential Supplement to the Sixth Report, dated July 25, 2022 (the "**Confidential Supplement**"), including the approval of the Receiver's fees and expenses and those of its legal counsel, MLT Aikins LLP ("**Counsel**");

AND UPON HAVING READ the Receivership Order dated March 5, 2019 (the “**Receivership Order**”), the Sixth Report, the Confidential Supplement, the Confidential Affidavit of Jim Jardine, sworn July 22, 2022, and the Affidavit of Service of Joy Mutuku; **AND UPON HEARING** the submissions of counsel for the Receiver 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.

APPROVAL OF RECEIVER’S ACTIVITIES

2. The Receiver’s accounts for fees and disbursements, as set out in the Sixth Report, are hereby approved without the necessity of a formal passing of its accounts.
3. The accounts of the Receiver’s Counsel for their fees and disbursements incurred since last approved by this Court on August 5, 2022 and as set out in the Sixth Report, are hereby approved without the necessity of a formal assessment of their accounts.
4. The Interim R&D, as defined and outlined in paragraph 65 of the Sixth Report, is hereby approved.
5. The Receiver’s activities as set out in the Sixth Report filed herein are hereby ratified and approved.

Justice of the Court of Queen’s Bench of Alberta