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COURT FILE NUMBER 2401-07573

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY
IN THE MATTER OF THE RECEIVERSHIP
OF TODD BAILEY

APPLICANT BDO CANADA LIMITED in its capacity as Receiver certain property of
TODD BAILEY

RESPONDENT TODD BAILEY

DOCUMENT SALE APPROVAL AND VESTING ORDER

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION
OF PARTY
FILING THIS
DOCUMENT

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File No. 028688-36

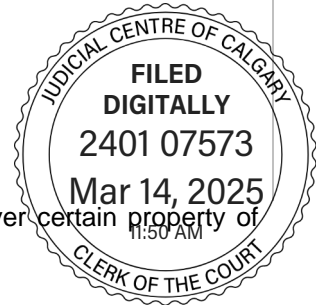
Attention: Danielle Marechal/Danica Jorgenson

DATE ORDER WAS GRANTED: **March 12, 2025**

LOCATION WHERE ORDER WAS GRANTED: **Calgary, AB**

NAME OF JUSTICE WHO MADE THIS ORDER: **Justice Bourque**

Clerk's Stamp



UPON THE APPLICATION of BDO Canada Limited in its capacity as the Court-appointed receiver and manager (the “**Receiver**”) of certain property of Todd Bailey (the “**Debtor**”) for, among other things, approval of the sale transaction (the “**Transaction**”) contemplated by an agricultural sale agreement (the “**Sale Agreement**”) between Dale McAuley and Rosemarie McGinn (collectively, the “**Purchaser**”) and the Receiver dated February 14, 2025 and appended as and appended as Appendix B to the Confidential Supplement to the Receiver’s First Report dated March 4, 2025 (the “**Confidential Supplement**”) and vesting in the Purchaser or its nominee, the Debtor’s right, title and interest in and to the property described in the Sale Agreement (the “**Property**”); **AND UPON** having read the Receiver’s First Report dated March 4, 2025 (the “**First Report**”) and the Confidential Supplement; **AND UPON** hearing submissions of counsel for the Receiver, counsel for any other interested parties in attendance who wished to make submissions; **AND UPON** noting

that the Purchase Price pursuant to the Sale Agreement is less than the list price of \$2,300,000 and that the Purchaser is related to Mr. Erwin Brokop, a creditor of the Debtor; **AND UPON** being satisfied that any party wishing to appeal this Order may do so within 10 days as of the date hereof; **AND UPON** being satisfied that it is appropriate to do so, **IT IS ORDERED THAT:**

Service of Application

1. Service of Notice of this Application for this order (the “**Order**”) and supporting materials is hereby declared to be good and sufficient, and 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 Sale Process

2. The Sale Process as outlined in the First Report of the Receiver is hereby ratified and approved.
3. The Listing Agreement dated September 25, 2024 between the Receiver and Re/Max Real Estate (Central) is hereby ratified and approved.

Approval of the Transaction

4. 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 Property to the Purchaser (or its nominee).

Vesting of Property

5. 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 Property 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 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 "B"** 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 "C"** (collectively, "**Permitted Encumbrances**"),

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

6. 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 Property subject only to the 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 201 076 087 for those lands and premises legally described as:

MERIDIAN 5 RANGE 2 TOWNSHIP 18 SECTION 33 QUARTER NORTH WEST
CONTAINING 64.7 HECTARES (160 ACRES) MORE OR LESS EXCEPTING
THEREOUT; PLAN NUMBER HECTARES (ACRES) MORE OR LESS ROAD
0011043 1.815 4.48 EXCEPTING THEREOUT ALL MINES AND MINERALS AND
THE RIGHT TO WORK THE SAME

(the "**Lands**")

- ii. issue a new Certificate of Title for the Lands in the name of the Purchaser or its nominee (the "**New Certificate of Title**");
 - 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 Certificates 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 Lands.
7. 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 Property of any Claims including Encumbrances but excluding Permitted Encumbrances.
8. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Property is required for the due execution, delivery and performance by the Receiver of the Sale Agreement.
9. 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.
10. For the purposes of determining the nature and priority of Claims, net proceeds from sale of the Property (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Property 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 Property and may be asserted against the net proceeds from sale of the Property with the same priority as they had with respect to the Property immediately prior to the sale, as if the Property 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 Property 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.

11. Except as expressly provided for in the Sale Agreement 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.
12. Upon completion of the Transaction, the Debtor and all persons who claim by, through or under the Debtor in respect of the Property, and all persons or entities having any Claims of any kind whatsoever in respect of the Property, 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 Property, and to the extent that any such persons or entities remain in the possession or control of any of the Property, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Property, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).
13. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Property for its own use and benefit without any interference of or by the Debtor, or any person claiming by, through or against the Debtor.
14. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Receiver.
15. 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.
16. 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

17. This 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*, R.S.C. 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 Property 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.

- 18. 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.
- 19. 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.

Service of Order

- 20. This Order shall be served on the Service List (attached as Schedule "A" to the Application) and may be effected by facsimile, electronic mail, personal delivery or courier.
- 21. Additionally, the Receiver shall post a copy of this Order on its website for no less than 6 months at: <http://www.bdo.ca/foothills>.

Michael Baughe

Justice of the Court of King's Bench of Alberta

Schedule "A"
Form of Receiver's Certificate

COURT FILE NUMBER	2401-07573	Clerk's Stamp
COURT	COURT OF KING'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
	IN THE MATTER OF THE RECEIVERSHIP OF TODD BAILEY	
APPLICANT	BDO CANADA LIMITED in its capacity as Receiver certain property of TODD BAILEY	
RESPONDENT	TODD BAILEY	

DOCUMENT RECEIVER'S CERTIFICATE

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Cassels Brock & Blackwell LLP Suite 3810, Bankers Hall West 888 3 rd Street SW Calgary, Alberta, T2P 5C5 Telephone 403-351-2922 Facsimile 403-648-1151 E-mail: dmarechal@cassels.com / djorgenson@cassels.com File No. 028688-36
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Attention: Danielle Marechal/Danica Jorgenson

RECITALS

- A. Pursuant to an Order of the Honourable K. M. Horner of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**") dated July 5, 2024, BDO Canada Limited was appointed as the receiver (the "**Receiver**") certain property of Todd Bailey. (the "**Debtor**").
- B. Pursuant to an Order of the Court dated March 12, 2025 the Court approved the agricultural sale agreement made as of February 14, 2025 (the "**Sale Agreement**") between the Receiver and Dale McAuley and Rosemarie McGinn (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Property, which vesting is to be effective with respect to the Property 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 Property; (ii) that the conditions to Closing as set out in 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 Property payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in 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 **[Time]** on **[Date]**.

**BDO Canada Limited, in its capacity
as Receiver of certain property of
Todd Bailey and not in its personal
capacity.**

Per; _____
Name: Kevin Meyler
Title: Senior Vice President

Schedule "B"
Property

- a. the real property of the Debtor, including all current and future improvements and fixtures, legally described as:

MERIDIAN 5 RANGE 2 TOWNSHIP 18 SECTION 33 QUARTER NORTH WEST
CONTAINING 64.7 HECTARES (160 ACRES) MORE OR LESS EXCEPTING
THEREOUT; PLAN NUMBER HECTARES (ACRES) MORE OR LESS ROAD 0011043
1.815 4.48 EXCEPTING THEREOUT ALL MINES AND MINERALS AND THE RIGHT TO
WORK THE SAME

(the "**Lands**"); and

- b. all present and future rents reserved or payable under the leases relating to the Lands and all present and future leases related to the Lands and the benefits and advantages derived therefrom

(collectively , the "**Property**").

Schedule "C"
Encumbrances

Instrument Number	Registration Date	Instrument
221 039 142	24/02/2022	Mortgage
241 206 930	09/08/2024	Receivership Order
241 243 502	18/09/2024	Caveat re Purchaser Interest

Schedule "D"
Permitted Encumbrances

Instrument Number	Registration Date	Instrument
4871GB	21/09/1949	Caveat re Mines and Mineral Lease Interest
2151L	23/01/1962	Public Utilities Board Order
3405IS	03/04/1963	Caveat re Easement
2558KB	23/01/1968	Public Utilities Board Order
8348KF	26/02/1969	Caveat re Utility Right of Way
761 012 470	03/02/1976	Caveat re Lease Interest
761 012 471	03/02/1976	Caveat re Easement
771 078 003	15/06/1977	Caveat re Easement
771 078 004	15/06/1977	Caveat re Lease Interest
771 078 005	15/06/1977	Caveat re Lease Interest
781 100 872	27/06/1978	Caveat re Order
861 144 486	03/09/1986	Caveat re Right of Way Agreement
971 161 531	06/06/1997	Caveat re Roadway
981 284 419	15/09/1998	Caveat re Utility Right of Way
001 309 427	30/10/2000	Caveat re Surface Lease
001 336 823	23/11/2000	Caveat re Right of Way Agreement