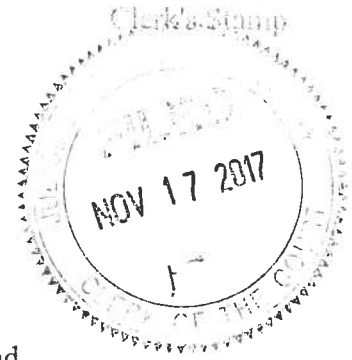


COURT FILE NUMBER 1601-14180
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF HILLSBORO PROPERTIES INC.
DEFENDANT HALF MOON LAKE RESORT LTD and ARMAC INVESTMENTS LTD.



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

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

Osler, Hoskin & Harcourt LLP
Suite 2500, TransCanada Tower
450 – 1st Street SW
Calgary, Alberta T2P 5H1

I hereby certify this to be a true copy of the original Order
Dated this 17 day of Nov 2017
A. Bauer
for Clerk of the Court

Solicitors: Randal Van de Mosselaer / Matthew M. Huys
Phone: 403.260.7060 / 403.260.7037
Fax: 403.260.7024
Email: RVandemosselaer@osler.com / mhuyes@osler.com
Matter: 1182954

DATE ON WHICH ORDER WAS PRONOUNCED: November 16, 2017

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: Mr. Justice C. M. Jones

UPON THE APPLICATION by KPMG Inc. in its capacity as the Court-appointed receiver and manager (the “Receiver”) of the undertaking, property and assets of Half Moon Lake Resort Ltd. and Armac Investments Ltd (collectively the “Debtors”) for an order approving the sale transaction (the “Transaction”) contemplated by an agreement of purchase and sale (the “Sale Agreement”) between the Receiver and Hillsboro Properties Inc. (the “Purchaser”) dated October 31, 2017 and appended to the First Confidential Report of the Receiver dated October 31, 2017 (the “Confidential Report”), and vesting in the Purchaser (or its nominee), the Debtors’ right, title and interest in and to the assets described in the Sale Agreement (the “Purchased

Assets”); **AND UPON READING** the Confidential Report and the First Report of the Receiver dated October 31, 2017 (the “**First Report**”);

AND UPON HAVING READ the Receivership Order dated May 12, 2017 (the “**Receivership Order**”), the First Report, the Confidential Report, and the Affidavit of Service; **AND UPON HEARING** the submissions of counsel for the Receiver, the Purchaser [**Names of other parties appearing**], no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service, filed;

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, 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 TRANSACTIONS

2. The Transaction is hereby approved, and the 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 the completion of the Transaction or for the conveyance of the Purchased Assets to the Purchaser (or its nominee).

VESTING OF PROPERTY

3. Upon the delivery of a Receiver’s certificate to the Purchaser (or its nominee) substantially in the form set out in **Schedule “A”** hereto (the “**Receiver's Certificate**”), all of the Debtors’ right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on **Schedule “B”** hereto shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, caveats, mortgages, leases, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies,

charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing:

- (a) any encumbrances or charges created by the Receivership Order;
- (b) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system; and
- (c) those Claims listed on **Schedule “C”** hereto;

[all of which are collectively referred to as the “**Encumbrances**”, which term shall not include the permitted encumbrances, caveats, easements and restrictive covenants and other registrations against title listed on **Schedule “D”** hereto (the “**Permitted Encumbrances**”)]; 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. Upon the delivery of the Receiver’s Certificate, and upon the filing of a certified copy of this Order, together with any applicable registration fees, the Registrar of Land Titles of Alberta (the “**Registrar**”) is hereby authorized, requested, and directed to cancel the existing Certificate of Title No. 932 396 628 for those lands and premises municipally described as 21524 Twp Rd 520, Strathcona County, Alberta, and legally described as:

ALL THAT PORTION OF THE SOUTH EAST QUARTER OF SECTION SIX (6)
TOWNSHIP FIFTY TWO (52)
RANGE TWENTY ONE (21)
WEST OF THE FOURTH MERIDIAN, NOT COVERED BY ANY OF THE WATERS
OF LAKE NO. 1 AND LAKE NO. 4 AS SHOWN ON A PLAN OF SURVEY OF
THE SAID TOWNSHIP SIGNED AT OTTAWA ON THE 13TH DAY OF MAY A.D.
1901, CONTAINING 56.3 HECTARES (139 ACRES) MORE OR LESS.
EXCEPTING THEREOUT ALL MINES AND MINERALS

(the “**Lands**”)

and to issue a new Certificate of Title for the Lands in the name of the Purchaser, namely, Hillsboro Properties Inc. (or its nominee), and to register such transfers, discharges, discharge statements of conveyances, as may be required to convey clear title to the Lands to the Purchaser (or its nominee), which Certificate of Title shall be subject only to those Permitted Encumbrances listed on **Schedule "D"** hereto.

5. This Order shall be registered by the 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, which appeal period is expressly waived.
6. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.
7. 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.
8. The Debtors and all persons who claim by, through or under the Debtors in respect of the Purchased Assets, save and except for the persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely barred and foreclosed from all estate, right, title, interest, royalty, rental and equity of redemption of the Purchased Assets and, to the extent that any such persons remains in possession or control of any of the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).
9. 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 or through or against the Debtor.

10. Immediately after the closing of the Transaction, the holders of the Permitted Encumbrances shall have no claim whatsoever against the Receiver or 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).
12. Pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act* and section 20(e) of the Alberta *Personal Information Protection Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Debtors' records pertaining to the Debtors' past and current employees, including personal information of those employees listed in the Sale Agreement. 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 by the Debtor.
13. Notwithstanding:
 - (a) The pendency of these proceedings;
 - (b) Any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtors and any bankruptcy order issued pursuant to any such applications; and
 - (c) Any assignment in bankruptcy made in respect of the Debtor

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 Debtors and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

14. The Receiver, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and directions as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
15. Nothing in this Order shall in any way prejudice either: (a) the ability of the Purchaser to apply, on notice to counsel for the Debtors, for a deficiency judgment against the Debtors, or (b) the Debtors' ability to raise any defence that they may otherwise have to such application.

MISCELLANEOUS MATTERS

16. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States 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 orders as to provide such assistance to the Receiver, as an officer of this 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.
17. This Order must be served only upon those interested parties attending or represented at the within application and service may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following the transmission or delivery of such documents.
18. Service of this Order on any party not attending this application is hereby dispensed with.



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

Schedule "A"

Form of Receiver's Certificate

COURT FILE NUMBER	1601-14180	Clerk's Stamp
COURT	COURT OF QUEEN'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
PLAINTIFF	HILLSBORO PROPERTIES INC.	
DEFENDANT	HALF MOON LAKE RESORT LTD and ARMAC INVESTMENTS LTD.	
DOCUMENT	RECEIVER'S CERTIFICATE	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Osler, Hoskin & Harcourt LLP Suite 2500, TransCanada Tower 450 – 1 st Street SW Calgary, Alberta T2P 5H1 Solicitors: Randal Van de Mosselaer / Matthew M. Huys Phone: 403.260.7060 / 403.260.7037 Fax: 403.260.7024 Email: RVandemosselaer@osler.com / mhuy@osler.com Matter: 1181533	

RECITALS

- A. Pursuant to an Order of the Honourable Justice [●] of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**") dated May 12, 2017, KPMG Inc. was appointed as the receiver (the "**Receiver**") of the undertaking, property and assets of Half Moon Lake Resort Ltd. and Armac Investments Ltd. (collectively the "**Debtors**").
- B. Pursuant to an Order of the Court dated November 16, 2017, the Court approved the agreement of purchase and sale made as of October ●, 2017 (the "**Sale Agreement**") between the Receiver and **Hillsboro Properties Inc.** (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtors' 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 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, terms with initial capitals 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 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 _____ on _____.

KPMG Inc., in its capacity as Receiver of the undertaking, property and assets of Half Moon Lake Resort Ltd. and Armac Investments Ltd., and not in its personal capacity.

Per; _____

**Name: Cecil Cheveldave
Title: Vice President, Deal
Advisory, Restructuring &
Turnaround**

Schedule "B"

Purchased Assets

The real property legally described as:

ALL THAT PORTION OF THE SOUTH EAST QUARTER OF SECTION SIX (6)
TOWNSHIP FIFTY TWO (52)
RANGE TWENTY ONE (21)
WEST OF THE FOURTH MERIDIAN, NOT COVERED BY ANY OF THE WATERS
OF LAKE NO. 1 AND LAKE NO. 4 AS SHOWN ON A PLAN OF SURVEY OF
THE SAID TOWNSHIP SIGNED AT OTTAWA ON THE 13TH DAY OF MAY A.D.
1901, CONTAINING 56.3 HECTARES (139 ACRES) MORE OR LESS.
EXCEPTING THEREOUT ALL MINES AND MINERALS

(the "**Lands**")

and (i) all improvements, structures, fixtures, appurtenances and attachments thereon, and (ii) all chattels owned by the Debtors which are located on the Lands; but excluding all recreational vehicles, trade fixtures, leasehold improvements and other property owned by any tenants or removable under the leases included in the Permitted Encumbrances and all other fixtures, improvements and property not owned by the Vendors or the Debtors).

Schedule "C"

Encumbrances

Registration Number	Registration Date	Description
152 016 877	16/01/2015	Mortgage Mortgagee - Hillsboro Properties Inc. 927-7A Street NW Calgary Alberta T2M3J4 Original Principal Amount: \$2,000,000
152 016 878	16/01/2015	Caveat RE : Assignment of Rents and Leases Caveator - Hillsboro Properties Inc. 927-7A Street NW Calgary Alberta T2M3J4 Agent - Kenneth D Tighe
152 016 879	16/01/2015	Mortgage Mortgagee - 1546201 Alberta Ltd. 235, 6025 - Street SE Calgary Alberta T2H2K1 Original Principal Amount: \$7,774,661 (Data Updated by: Change of Address 152093256)
152 016 880	16/01/2015	Caveat Re : Assignment of Rents and Leases Caveator - 1546201 Alberta Ltd. 235, 6025-12 Street SE Calgary Alberta T2H2K1 Agent - Conan J Taylor
162 103 830	18/04/2016	Caveat Re : Amending Agreement Caveator - 1546201 Alberta Ltd. 235, 6025-12 Street SE Calgary Alberta T2H2K1 Agent - Andrew K Maciag

Registration Number	Registration Date	Description
162 169 042	25/06/2016	Caveat Re : Lease Interest Caveator - Robert Lindsay Caveator - Linda Lindsay Both of: 7116-67 St Edmonton Alberta T6B3A6
172 077 188	28/03/2017	Caveat Re : Lease Interest Caveator - Phillip Durant Caveator - Susan Durrant BOTH OF: #16, 3311 - 58 Street Edmonton Alberta T6L6K3 Agent - James W Kadavil
172 155 930	20/06/2017	Caveat Re : Lease Interest Caveator - Sharon Veilleux Caveator - Alain Velilleux Both of: 521 Grandin Drive Morinville Alberta T8R0E3 Agent - Mark W Krochak
172 178 020	12/07/2017	Caveat Re : Lease Interest Caveator - Douglas M Currie Caveator - Michelle D Currie Both of: 80 50322 RR 232 Leduc County Alberta T4X0K9
172 222 694	26/08/2017	Caveat Re : Lease Interest Caveator - Alan Karmaschek Caveator - Ann Karmaschek Both of: 314, 222 Baseline Road Sherwood Park Alberta T8H1S8

Registration Number	Registration Date	Description
172 258 227	02/10/2017	Caveat Re : Lease Interest Caveator - Linda Dunsby 36 Estates Court Sherwood Park Alberta T8B1M9

Schedule "D"

Permitted Encumbrances

Registration Number	Registration Date	Description
5547PL	01/02/1968	Utility Right of Way Grantee: Atco Gas and Pipelines Ltd. "Part"
1101ST	22/10/1971	Utility Right of Way Grantee: Atco Gas and Pipelines Ltd. "Part"
762 140 627	09/08/1976	Utility Right of Way Grantee: Atco Gas and Pipelines Ltd.
772 094 429	26/05/1977	Utility Right of Way Grantee: Atco Gas and Pipelines Ltd.
812 007 829	13/01/1981	Utility Right of Way Grantee: Atco Gas and Pipelines Ltd.
952 267 107	05/10/1995	Utility Right of Way Grantee: Strathcona County
962 243 157	09/09/1996	Discharge of Utility Right of Way 952267107 Partial Except Plant/Portion 9620637
042 008 513	07/01/2004	Caveat Re: Lease Caveator – Charles Bauman
042 413 899	23/09/2004	Caveat Re: Lease Caveator – Kelly Joseph Schmaltz
042 426 074	30/09/2004	Caveat Re: Lease Caveator – Melvin J Clifford
042 426 075	30/09/2004	Caveat Re: Lease Caveator – Melvin J Clifford

Registration Number	Registration Date	Description
042 487 750	05/11/2004	Caveat Re: Lease Caveator – Ken McKinnon Caveator – Elizabeth McKinnon
052 094 450	14/03/2005	Caveat Re: Lease Caveator – Lorna Groome Caveator – Geoffrey Groome
052 094 454	14/03/2005	Caveat Re: Lease Caveator – Susan Gaudin
052 120 360	04/04/2005	Caveat Re: Lease Caveator – Percy Sutton
052 123 901	05/04/2005	Caveat Re: Lease Caveator – Lynne H A Williams
052 145 637	18/04/2005	Caveat Re: Lease Caveator – Daryl Paul Ammann
052 152 167	22/04/2005	Caveat Re: Lease Caveator – Arthur Ammann Caveator – Cheryl Ammann
052 517 127	23/11/2005	Caveat Re: Lease Caveator – After Eight Holdings Ltd.
062 591 898	28/12/1006	Lease Lessee – CIDC Mortgage Corp. Commencing on the 15 day of July, 2006 Terminating on the 31 day of August, 2037 As to areas A127 to A131, Plan 0224824
062 591 994	28/12/2006	Leasehold Title Application New title issued Affects Instrument: 062591898

Registration Number	Registration Date	Description
072 517 119	27/08/2007	Lease Lessee – Clearquest Media Corp. Commencing on the 13 day of June, 2007 Terminating on the 31 day of August, 2037 As to area A109 Plan 0224824 Leasehold title issued
072 517 122	27/08/2007	Lease Lessee – Clearquest Media Corp. Commencing on the 13 day of June, 2007 Terminating on the 31 day of August, 2037 As to area A110 Plan 0224824 Leasehold title issued
072 517 139	27/08/2007	Lease Lessee – Clearquest Media Corp. Commencing on the 13 day of June, 2007 Terminating on the 31 day of August, 2037 As to area A108 Plan 0224824 Leasehold title issued
102 196 464	08/06/2010	Caveat Re: Lease Interest Caveator – John Kuss Caveator – June Kuss
142 120 277	29/04/2014	Order
152 096 941	27/03/2015	Order