

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 APPLICATION  
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  
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: 1182954

Clerk's Stamp

CLERK OF THE COURT  
**FILED**  
NOV 02 2017  
JUDICIAL CENTRE  
OF CALGARY

**NOTICE TO RESPONDENTS**

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the Justice.

To do so, you must be in Court when the application is heard as shown below:

Date: November 16, 2017  
Time: 10:30 a.m.  
Where: Calgary Courts Centre, 601 – 5<sup>th</sup> Street SW, Calgary, AB  
Before Whom: The Honourable Mr. Justice C. M. Jones

Go to the end of this document to see what else you can do and when you must do it.

**Orders Sought:**

1. Orders substantially in the form attached hereto as **Schedule “A”**, **Schedule “B”**, and **Schedule “C”**:
  - a. dispensing with service of this Application on all parties entitled to service thereof or abridging the time for service to the time given, and deeming service to be good and sufficient in all cases;
  - b. approving the sale transaction (the **“Transaction”**) contemplated by an agreement of purchase and sale (the **“Sale Agreement”**) between KPMG Inc. (the **“Receiver”**) and Hillsboro Properties Inc. (the **“Purchaser”**) dated October 31, 2017;
  - c. vesting in the Purchaser (or its nominee) all of Half Moon Lake Resort Ltd.’s and Armac Investments Ltd.’s (collectively referred to herein as the **“Debtor”**) right, title, and interest in the Purchase Assets as described in the Sale Agreement;
  - d. sealing the Receiver’s First Confidential Report dated October 31, 2017 (**“First Confidential Report”**);
  - e. approving the Receiver’s Statement of Receipts and Disbursements from June 7, 2017 to discharge, as set out in the First Report of the Receiver, dated October 31, 2017 (the **“First Report”**), and authorizing and directing the Receiver to make the distributions set out in the First Report;
  - f. approving the Receiver’s accounts, and the accounts of its independent legal counsel, Osler Hoskin & Harcourt LLP, inclusive of accrual for the fees and disbursements of the Receiver and those of its legal counsel in connection with the completion of these proceedings, including costs of this Application, all as set out in the First Report;
  - g. approving the actions, conduct and activities of the Receiver as outlined in the First Report;
  - h. declaring that the Receiver has duly and properly discharged its duties, responsibilities, and obligations as Receiver;
  - i. upon the filing of a Receiver’s Certificate as contemplated by the form of Order attached as Schedule “C”, discharging and releasing the Receiver from any and all further obligations as Receiver and any and all liability in respect of the discharge of the Receiver’s duties as court-appointed receiver of the Property, save and except for any liability arising out of fraud or gross negligence or wilful misconduct on the part of the Receiver; and
  - j. granting such further and other relief as counsel may request and this Honourable Court may deem just.

**Grounds for making this application:**

1. On June 7, 2017 KPMG Inc. was appointed as the Court-appointed receiver and manager of the undertaking, property, and assets of the Debtor.

*The Sale*

2. The Debtor's only asset of value is a recreational vehicle park and campground adjacent to Half Moon Lake south-east of Sherwood Park, Alberta (the "**RV Park**").
3. The Receiver retained Altus Group Ltd. to carry out an appraisal of the RV Park (the "**Altus Appraisal**"). The Receiver also approached a number of commercial real estate brokerages seeking listing proposals. Three listing proposals were obtained.
4. Based on the Altus Appraisal, and the listing proposals that were obtained, the Receiver determined an initial list price for the RV Park. The initial list price significantly exceeded the appraised market value of the RV Park in the Altus Appraisal, and the proposed list price in the listing proposals.
5. Subsequently, Hillsboro advised the Receiver that it would make a credit-bid for the RV Park (the "**Hillsboro Bid**").
6. Hillsboro is the Debtor's senior secured lender. The Debtor has been unable to maintain its financial commitments to Hillsboro. As of June 7, 2017 the Debtor owed Hillsboro \$2,375,000 plus accruing interest, legal, and other costs.
7. The Hillsboro Bid is higher than the list price determined by the Receiver. This amount is:
  - a. significantly higher than the proposed list price set out in the listing proposals the Receiver obtained;
  - b. significantly higher than the appraised market value in the Altus Appraisal; but
  - c. significantly less than the amount owed by the Debtor to Hillsboro.
8. On the basis of this information, the Receiver reviewed the Hillsboro Bid and determined that it was appropriate to accept the Hillsboro Bid.
9. On or about October 31, 2017 the Receiver and the Purchaser entered into the Sale Agreement in respect of the RV Park. Pursuant to the Sale Agreement, the Receiver proposes to sell and the Purchaser proposes to purchase the RV Park.
10. The Transaction contemplated by the Sale Agreement is conditional upon (among other things) approval of the said purchase and sale by this Honourable Court.
11. The Receiver recommends that this Honourable Court approve the Transaction set out in the Sale Agreement because:

- a. The Hillsboro Bid exceeds both the suggested list price set out in the listing proposals and the appraised market value of the RV Park;
- b. The Hillsboro Bid would provide the highest and best value for the RV Park given the appraised value obtained and the interest shown by commercial real estate brokers;
- c. The Debtor's operations are cash-flow negative;
- d. The Receiver understands that Hillsboro is reluctant to continue funding the receivership as any ongoing funding increases the amount owing to Hillsboro, and, therefore, the shortfall Hillsboro will suffer; and
- e. A listing of the RV Park pursuant to one of the listing proposals received will not only take several months (during which time the amount of the debt owing to Hillsboro will continue to increase), but would result in commissions being paid to the realtor, further eroding recovery.

*Sealing Confidential Report*

12. The First Confidential Report and its exhibits contain confidential information, the disclosure of which may taint the potential market and prejudice creditors if this information were made public and the Transaction did not close. Therefore, it is appropriate that the First Confidential Report be sealed.

*Discharge*

13. Subject to this Honourable Court approving this Transaction, and apart from minor administrative matters outlined in the First Report, the Receiver has performed its mandate as Receiver under the Receivership Order.
14. The realization of the Property (as that term is defined in the Order of the Honourable Justice Eamon, granted May 12, 2017) is complete, apart from attending to (i) closing the Transaction, (ii) the remittance of GST to Canada Revenue Agency; and (iii) finalizing payment of all Receivership expenses.
15. It is appropriate that the Receiver be discharged as Receiver of the Debtor once these final administrative matters have been completed.
16. Such further and other grounds as counsel may recommend and this Honourable Court may permit.

**Affidavit or other Evidence and Materials to be used in Support of this Application:**

17. The First Report of the Receiver, dated October 31, 2017;
18. The First Confidential Report of the Receiver, dated October 31, 2017;
19. Order of the Honourable Justice Eamon, granted May 12, 2017; and

20. Such further and other evidence or materials as counsel may advise and this Honourable Court may permit.

**Applicable Rules:**

21. The *Alberta Rules of Court*, Alta Reg. 124/2010.

**Applicable Acts and Regulations:**

22. The *Bankruptcy and Insolvency Act*, RSC 1985, chap. B-3, as amended.  
23. The *Judicature Act*, RSA 2000, c J-2, as amended.

**Any Irregularity Complained of or Objection Relied On:**

24. None.

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

25. In person.

**WARNING**

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 give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

**Schedule "A"**

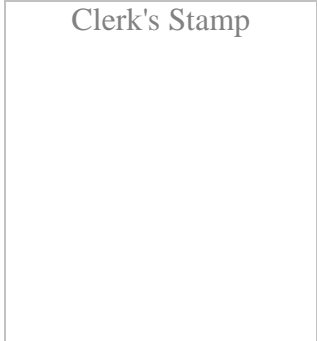
COURT FILE NUMBER 1601-14180

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 – 1<sup>st</sup> 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: 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.

#### **MISCELLANEOUS MATTERS**

15. 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.
16. 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.
17. Service of this Order on any party not attending this application is hereby dispensed with.

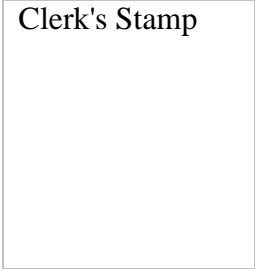
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J.C.C.Q.B.A.

**Schedule "A"**

**Form of Receiver's Certificate**

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	<b>RECEIVER'S CERTIFICATE</b>
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	<b>Osler, Hoskin &amp; Harcourt LLP</b> Suite 2500, TransCanada Tower 450 – 1 <sup>st</sup> 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 / mhufs@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

<u>Registration Number</u>	<u>Registration Date</u>	<u>Description</u>
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

<b>Registration Number</b>	<b>Registration Date</b>	<b>Description</b>
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



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

## Schedule "D"

### Permitted Encumbrances

<u>Registration Number</u>	<u>Registration Date</u>	<u>Description</u>
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

<b>Registration Number</b>	<b>Registration Date</b>	<b>Description</b>
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

<b>Registration Number</b>	<b>Registration Date</b>	<b>Description</b>
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

**Schedule "B"**

COURT FILE NUMBER 1601-14180

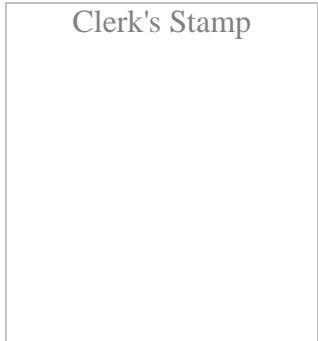
COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF HILLSBORO PROPERTIES INC.

DEFENDANT HALF MOON LAKE RESORT LTD and ARMAC INVESTMENTS LTD.

DOCUMENT **RESTRICTED COURT ACCESS ORDER**



ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

**Osler, Hoskin & Harcourt LLP**  
Suite 2500, TransCanada Tower  
450 – 1<sup>st</sup> 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 / mhuys@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** of KPMG Inc. (the "**Receiver**"); **AND UPON HAVING READ** the pleadings, proceedings, orders and other materials filed in this action, including the First Report of the Receiver, filed October 31, 2017 (the "**First Report**"), and the First Confidential Report of the Receiver, dated October 31, 2017 (the "**First Confidential Report**"); **AND UPON HEARING** from counsel for the Receiver, counsel for Hillsboro Properties Inc. (the "**Purchaser**"), and from any other interested persons who by the Court record have appeared at

the within Application; **AND UPON IT APPEARING** that all interested and affected parties have been served with notice of this Application; **AND WHEREAS** all capitalized terms not defined herein shall take the meaning ascribed to them in the Sale Agreement (as that term is defined in the Sale Approval and Vesting Order granted in the within Action);

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

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, and specifically, the service, notice and formal requirements of Part 6, Division 4 of the *Alberta Rules of Court*, Alta Reg. 124/2010 shall not apply to this Order and are hereby dispensed with.
2. The First Confidential Report shall, subject to further Order of this Court, be marked “SEALED PURSUANT TO COURT ORDER - NOT TO BE OPENED WITHOUT PRIOR ORDER OF THE COURT”, and shall be maintained in accordance with the terms of this Order and shall be treated as confidential, sealed and not form part of the public record.
3. Every person on whom the First Confidential Report is served shall keep the information contained therein confidential and such information:
  - (a) shall be used only for the purposes of this proceeding and not for any business or other purpose whatsoever;
  - (b) shall not be given, shown, made available, or communicated in any way to anyone other than for the purpose of retaining and instructing counsel with respect to these proceedings only, who shall be bound by the terms of this Order; and
  - (c) shall not be copied or reproduced, except by counsel for the purpose of responding to the Receiver’s application or preparing materials for use in these proceedings.

4. The Receiver is at liberty to reapply for further advice, assistance and direction as may be necessary to give full force and effect to the terms of this Order.
5. This Order will remain in effect subject to further Order of the Court granted on notice to the Receiver and the Purchaser, an Application for which may be brought by any interested party only following the filing by the Receiver of the Receiver's Certificate confirming the closing (if any) of the transaction to which First Confidential Report relates.
6. The First Confidential Report shall be filed with the Court 90 days following the closing of the pending transaction contemplated by the Sale Agreement.

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J.C.Q.B.A.

**Schedule "C"**

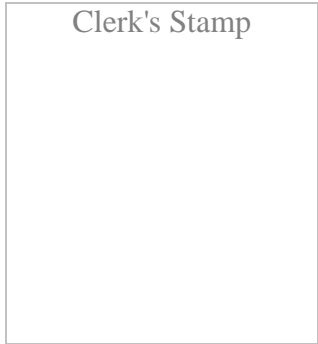
COURT FILE NUMBER      1601-14180

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                **ORDER**  
**Approval of Accounts, and Discharge of Receiver**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT      **Osler, Hoskin & Harcourt LLP**  
Suite 2500, TransCanada Tower  
450 – 1<sup>st</sup> 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 / mhuys@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** of KPMG Inc. in its capacity as Court-appointed receiver (the "**Receiver**") of the Property (as that term is defined in the Order of the Honourable Justice Eamon, granted May 12, 2017 in the within Action (the "**Receivership Order**")) for an Order approving the Receiver's accounts and the accounts of its legal counsel, approving the Receiver's activities and discharging the Receiver; **AND UPON** having read the First Report of the Receiver, dated October 31, 2017 (the "**First Report**") and the First Confidential Report of



the Receiver dated October 31, 2017 (“**First Confidential Report**”); **AND UPON** hearing from counsel for the Receiver and counsel for any other interested party appearing at the hearing of this Application;

**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 RECEIPTS, DISBURSEMENTS AND ACCOUNTS**

2. The Receiver’s accounts and the accounts of its independent counsel, Osler Hoskin & Harcourt LLP, are hereby approved.
3. The Receiver’s Statement of Receipts and Disbursements set out in the First Report is approved and the Receiver is hereby directed and authorized to make the final distributions set out in the First Report and the First Confidential Report.

**DISCHARGE OF THE RECEIVER**

4. As of the date of the First Report and based on the evidence before this Honourable Court:
  - (a) The Receiver has acted honestly and in good faith, and has dealt with the Property in a commercially reasonable manner;
  - (b) The actions and conduct of the Receiver are approved and the Receiver has satisfied all of its duties and obligations as receiver of the Property;
  - (c) The Receiver shall not be liable for any act or omission pertaining to the discharge of the Receiver’s duties as court-appointed receiver of the Property, save and except for any liability arising out of fraud or gross negligence or wilful misconduct on the part of the Receiver; and

- (d) Any and all claims against the Receiver arising from, relating to or in connection with the performance of the Receiver's duties and obligations as court-appointed receiver of the Property, save and except for claims based on fraud or gross negligence or wilful misconduct on the part of the Receiver, shall be forever barred and extinguished.
5. No action or proceeding arising from, relating to, or in connection with the performance of the Receiver's duties and obligations in respect of the Property may be commenced or continued without the prior leave of this Honourable Court, on notice to the Receiver and on such terms as this Honourable Court may direct.
6. Upon the filing of the Receiver's Certificate attached hereto as Schedule "A" confirming, among other things, that the Receiver has: (i) closed the sale transaction described in the First Report, (ii) remitted to Canada Revenue Agency all GST owing in relation to the sale of the Property (as that term is defined in the Receivership Order); and (iii) finalized payment of all Receivership expenses as set out in the First Report and the First Confidential Report, the Receiver shall be absolutely and unconditionally discharged as Receiver of the Property and shall have no further duty, liability or obligation with respect to the Property, provided however, that notwithstanding its discharge, the Receiver shall:
- (a) remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership; and
- (b) shall continue to have the benefit of the provisions of this Order and all Orders granted in these proceedings, including all approvals, protections and stays of proceedings in favor of the Receiver in its capacity as Receiver.

## **MISCELLANEOUS**

7. The Receiver has leave to reapply to this Honourable Court for such further advice and directions as may be necessary.
8. 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.

9. Service of this Order on any party not attending this application is hereby dispensed with.

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

**Schedule "A"**

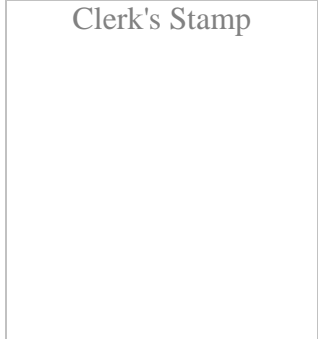
COURT FILE NUMBER      1601-14180

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                **RECEIVER'S CERTIFICATE**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT      **Osler, Hoskin & Harcourt LLP**  
Suite 2500, TransCanada Tower  
450 – 1<sup>st</sup> 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 / mhuys@osler.com  
Matter:            1182954

This Receiver's Certificate is the certificate referred to in paragraph 6 of the Order (Approval of Accounts, and Discharge of Receiver) of the Honourable Mr. Justice C. M. Jones, granted November 16, 2017 (the "**Order**").

Capitalized terms not otherwise defined herein shall have the meanings given to those terms in the Order.

KPMG Inc., solely in its capacity as Court-appointed receiver (the "**Receiver**") of the Property (as that term is defined in the Receivership Order) and not in its personal or corporate capacity, hereby certifies that:

1. The Receiver has closed the sale transaction described in the First Report,

2. All GST remittances owing in relation to the sale of the Property have been remitted by the Receiver to the Canada Revenue Agency,
3. All Receivership expenses have as set out in the First Report and the First Confidential Report have been paid, and
4. The administration of the receivership proceedings as described in the First Report have been completed.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

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.

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Name: Cecil Cheveldave

Title: Vice President, Deal Advisory,  
Restructuring & Turnaround