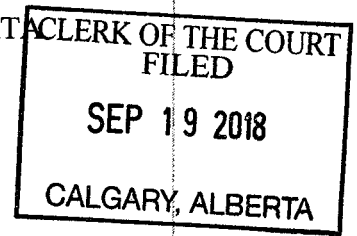


COURT FILE NUMBER 1301-11881
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF JAGER HOLDINGS INC.
DEFENDANT JAGER ENGINEERED WOOD PRODUCTS LTD.
DOCUMENT **APPLICATION**

Clerk's Stamp



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
Phone: 403.260.7060
Fax: 403.260.7024
Email: RVandemosselaer@osler.com
Matter: 1181052

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: October 5, 2018
Time: 11:30 a.m.
Where: Calgary Courts Centre, 601 – 5th Street SW, Calgary, AB
Before Whom: The Honourable Mr. Justice A.D. Macleod

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

Orders Sought:

1. Hardie & Kelly Inc., in its capacity as receiver and manager (the “Receiver”) of Jager Engineered Wood Products Ltd. (the “Debtor”) is seeking an Order (the “Discharge Order”) substantially in the form attached hereto as **Schedule “A”**:

- a. abridging the time for service of this Application and declaring that this Application is properly returnable today, if necessary, and that further service of this Application other than to those listed on the Service List established in these proceedings is hereby dispensed with;
- b. approving the Receiver's Statement of Receipts and Disbursements as at September 6, 2018, as set out in the Second Report of the Receiver, dated September 18, 2018 (the "**Second Report**");
- c. directing and authorizing the Receiver to distribute all remaining funds to Paramount Properties ("**Paramount**"), less an amount to cover unbilled fees of the Receiver and its independent legal counsel, Osler, Hoskin & Harcourt LLP ("**Osler**") and all final fees and costs to complete the Receivership, as described in the Second Report, representing full and final settlement of amounts advanced by Paramount pursuant to Receiver Certificates;
- d. approving the Receiver's accounts and the accounts of the Receiver's independent legal counsel, 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 and other concluding matters, all as set out in the Second Report;
- e. approving the actions, conduct and activities of the Receiver as described in the First Report of the Receiver, dated March 7, 2014 and in the Second Report;
- f. declaring that the Receiver has duly and properly discharged its duties, responsibilities, and obligations as Receiver;
- g. upon the filing of the Receiver's Certificate attached at **Schedule "A"** to the Discharge Order (the "**Receiver's Certificate**"), 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 Debtor including, but not limited to, all causes of actions and allegations advanced in, or in any way related to, Alberta Court of Queen's Bench Action No.

1501-01634 (the “**Landlord Action**”), save and except for any liability arising out of fraud or gross negligence or wilful misconduct on the part of the Receiver;

- h. authorizing the Receiver to destroy the books and records of the Debtor that are not claimed by Mr. Frank Klassen within 30 days of the filing of the Receiver’s Certificate; and
- i. granting such further and other relief as counsel may request and this Honourable Court may deem just.

Grounds for making this application:

- 2. On October 11, 2013, the Receiver was appointed Receiver, without security, of all of the current and future assets, undertakings and properties of every nature and kind whatsoever and wherever situate of the Debtor, including all proceeds thereof (the “**Receivership Order**”).
- 3. The realization of the Property (as that term is defined in the Receivership Order) is complete. Apart from attending to minor administrative matters, including final payment of all Receivership costs and expenses, final distribution of remaining funds to Paramount, and other minor administrative matters, the Receiver has performed its mandate as Receiver under the Receivership Order.
- 4. The parties to the Landlord Action have reached an agreement for the settlement of the Landlord Action as against the Receiver.
- 5. It is appropriate that the Receiver be discharged as Receiver of the Debtor upon filing of the Receiver’s Certificate.
- 6. 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:

- 7. The Second Report of the Receiver, dated September 18, 2018;
- 8. Evidence and Reports of the Receiver previously filed in this Action; and

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

Applicable Rules:

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

Applicable Acts and Regulations:

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

Any Irregularity Complained of or Objection Relied On:

13. None.

How the Application is Proposed to be Heard or Considered:

14. In person before the Honourable Mr. Justice A.D. MacLeod on October 5, 2018 at 11:30 a.m.

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 1301-11881
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF JAGER HOLDINGS INC.
DEFENDANT JAGER ENGINEERED WOOD PRODUCTS LTD.

Clerk's Stamp

DOCUMENT **ORDER**
**(Approval of Receiver's Fees and Disbursements,
Approval of Receiver's Activities, Final Distribution
and Discharge Of 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

Solicitors: Randal Van de Mosselaer
Phone: 403.260.7060
Fax: 403.260.7024
Email: RVandemosselaer@osler.com
Matter: 1182059

DATE ON WHICH ORDER WAS PRONOUNCED: October 5, 2018

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Mr. Justice A.D. Macleod

UPON THE APPLICATION of Hardie & Kelly Inc., in its capacity as receiver and manager (the "**Receiver**") of Jager Engineered Wood Products Ltd. (the "**Debtor**"); **AND UPON** reviewing the Second Report of the Receiver, dated September 18, 2018 (the "**Second Report**"); **AND UPON** hearing from counsel for the Receiver and counsel for any other interested party appearing at the hearing of the 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 ("**Osler**"), as set out in the Second Report, are hereby approved.
3. The Receiver's Statement of Receipts and Disbursements, as set out in the Second Report, is hereby approved.
4. Upon receipt of either:
 - a. a filed Discontinuance of Action in Alberta Court of Queen's Bench (the "**Court**") Action No. 1501-01634 (the "**Landlord Action**"), or
 - b. an Order of the Court in the Landlord Action dismissing the Landlord Action in its entirety,

the Receiver is authorized and directed to distribute all remaining funds to Paramount Properties ("**Paramount**"), less an amount to cover unbilled fees of the Receiver and Osler and all final fees and costs to complete the Receivership, as described in the Second Report, representing full and final settlement of amounts advanced by Paramount pursuant to Receiver Certificates.

DISCHARGE OF THE RECEIVER

5. As of the date of the Second 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 (as that term is defined in the Receivership Order of the Honourable Madam Justice Strekaf, granted in these proceedings on October 11, 2013) 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 including, but not limited to, all causes of actions and allegations advanced in, or in any way related to, any of the allegations raised in any of the pleadings filed in the Landlord Action, 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 including, but not limited to, all matters alleged in any of the pleadings in the Landlord Action, 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.
6. 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 including, but not limited to, the Landlord Action, 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.
7. The Receiver is hereby authorized and permitted to deliver to Mr. Frank Klassen (at Mr. Frank Klassen's own expense) the corporate records in the possession and control of the Receiver relating to the Debtor. In the event corporate records remain in the possession and control of the Receiver 30 days following the filing of the Receiver's Certificate, the Receiver is hereby authorized and directed to destroy or dispose of such records in whatever manner the Receiver deems appropriate.
8. Upon the filing of the Receiver's Certificate attached hereto as Schedule "A" confirming, among other things, that the Receiver has: (i) finalized payment of all Receivership costs and expenses as set out in the Second Report; (iii) distributed all remaining funds to Paramount; (iv) completed all other minor administrative matters; and (v) received a filed

Discontinuance of Action in the Landlord Action or an Order of the Court dismissing the Landlord Action in its entirety, 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.

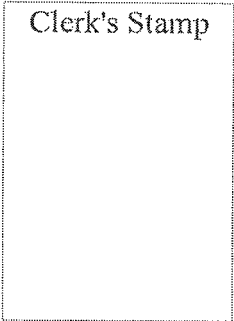
MISCELLANEOUS

9. The Receiver has leave to reapply to this Honourable Court for such further advice and directions as may be necessary.
10. 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.
11. Service of this Order on any party not attending this application is hereby dispensed with.

J.C.Q.B.A.

Schedule "A"

COURT FILE NUMBER 1301-11881
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF JAGER HOLDINGS INC.
DEFENDANT JAGER ENGINEERED WOOD PRODUCTS 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 – 1st Street SW
Calgary, Alberta T2P 5H1

Solicitors: Randal Van de Mosselaer
Phone: 403.260.7060
Fax: 403.260.7024
Email: RVandemosselaer@osler.com
Matter: 1182059

This Receiver's Certificate is the certificate referred to in paragraph 8 of the Order (Approval of Receiver's Fees and Disbursements, Approval of Receiver's Activities, Final Distribution and Discharge Of Receiver) of the Honourable Mr. Justice A.D. Macleod, granted October 5, 2018 (the "Order").

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

Hardie & Kelly 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. All Receivership costs and expenses as set out in the Second Report have been paid.
2. All remaining amounts have been distributed to Paramount.
3. It has received a filed Discontinuance of Action in Alberta Court of Queen's Bench Action No. 1501-01634 or an Order of the Court in Alberta Court of Queen's Bench Action No. 1501-01634 dismissing the said action in its entirety.
4. The administration of the receivership proceedings as described in the Second Report have been completed.

Dated this ___ day of _____, 2018.

**Hardie & Kelly Inc., in its capacity as
Receiver of the undertakings, property
and assets of Jager Engineered Wood
Products Ltd.**

NAME:

TITLE: