

Clerk's Stamp



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.

IN THE MATTER OF THE RECEIVERSHIP OF  
JAGER ENGINEERED WOOD PRODUCTS LTD.

APPLICANT HARDIE & KELLY INC., in its capacity as Court-appointed  
Receiver and Manager of the assets, undertakings and property of  
JAGER ENGINEERED WOOD PRODUCTS LTD.

DOCUMENT **APPLICATION for a SALE APPROVAL AND VESTING ORDER  
and a RESTRICTED COURT ACCESS ORDER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT  
Norton Rose Fulbright Canada LLP  
400 3<sup>rd</sup> Avenue SW, Suite 3700  
Calgary, Alberta T2P 4H2  
Phone: +1 403.267.8222  
Fax: +1 403.264.5973  
Email: [kyle.kashuba@nortonrosefulbright.com](mailto:kyle.kashuba@nortonrosefulbright.com)

Attention: Kyle D. Kashuba  
File No. 01135476-0010

**NOTICE TO RESPONDENT(S):**

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: Thursday, March 13, 2014  
Time: 10:00 a.m.  
Where: Calgary Courts Centre  
Before Whom: The Honourable Madam Justice J. Streckf, of the Commercial List

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

**Remedy claimed or sought:**

1. An Order in substantially the same form as that attached as Schedule "A" to this Application, granting the following relief and directions:
  - 1.1 Abridging, if necessary, the time for service of this Application and deeming service good and sufficient;
  - 1.2 authorizing, approving and ratifying the sale transaction between Hardie & Kelly Inc. in its capacity as Court-appointed receiver and manager (the "**Receiver**") over the assets, undertakings and property of Jager Engineered Wood Products Ltd. ("**Jager**" or the "**Debtor**") and Louisiana-Pacific Corporation ("**LP**" or the "**Purchaser**"), as described in the First Report of the Receiver, filed March 7, 2014 (the "**First Report**") and the First Confidential Report of the Receiver, dated March 7, 2014 (the "**First Confidential Report**");
  - 1.3 approving the actions of the Receiver, and in particular, approving the Receiver's sale process that has been undertaken;
  - 1.4 authorizing and directing the Receiver to take such steps and execute all such deeds, documents and instruments as may be reasonably necessary to consummate the transaction as contemplated with LP (collectively, the "**Transaction**");
  - 1.5 vesting Jager's right, title and interest, in and to the Assets (as that term is described and defined in the First Report and the First Confidential Report) to be sold to LP, free from all claims and encumbrances;
  - 1.6 authorizing and directing the Receiver to deliver to LP, at the closing of the Transaction, an instrument of transfer of the Assets, signed by the Receiver, along with the conveyances necessary to convey title of the Assets to LP or LP's nominee;
  - 1.7 directing that the proceeds from the sale of the Assets shall be used to pay the outstanding costs of the administration of the receivership estate, with the balance being held in the place and stead of the Assets, pending further order of the Court; and
  - 1.8 granting leave to the Receiver to apply or reapply to this or any court or administrative body in any province of Canada for advice, assistance and directions as may be necessary to carry out the terms of the Order sought.
2. An Order in substantially the form as attached as Schedule "B" to this Application sealing the First Confidential Report.
3. Such further and other relief, advice and directions as counsel may advise and this Honourable Court may deem just and appropriate.

**Grounds for making this Application:**

4. On October 11, 2013, Hardie & Kelly Inc. was appointed the Receiver over the assets, undertakings and property (collectively, the "**Property**") of Jager by a Receivership Order granted by the Honourable Madam Justice J. Strekaf (the "**Receivership Order**").
5. Pursuant to the terms of the Receivership Order, and in particular paragraphs 3(l)(i) and (ii) thereof, the Receiver is entitled to sell, convey, transfer, lease or assign the Debtor's Property, or any part or parts thereof, out of the ordinary course of business without the approval of this Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$300,000 and, with the approval of this Court in respect of any transaction in which the purchase price exceeds \$100,000 or the aggregate consideration for all such transaction exceeds \$300,000.
6. The Receiver has marketed and arranged for a sale of certain portions of the Debtor's Property, in compliance with the Receivership Order, as set out and described in the First Report and the First Confidential Report.
7. The Receiver has entered into an agreement for sale of the Assets to LP, which is subject to the approval of this Honourable Court.
8. The sale of the Assets described in the First Report, and the utilization of sale proceeds as proposed, are just, appropriate and in the best interest of the administration of the receivership estate and the stakeholders affected thereby.
9. The terms as set out in the proposed form of Order attached hereto as Schedule "A" are necessary to effect the sale of the Assets as contemplated by the Receiver and LP.
10. The First Confidential Report should be sealed to avoid the tainting of any future sales process, which may be required should the sales to the proposed Purchaser fail to be completed, and the terms as set out in the proposed form of Order attached hereto as Schedule "B" are necessary to accomplish this.
11. Such further and other grounds as counsel may advise and this Honourable Court may permit.

**Material or evidence to be relied on:**

12. All pleadings, proceedings, reports and the other materials filed in the within action, including the Receivership Order
13. The First Report of the Receiver, filed March 7, 2014.
14. The First Confidential Report, dated March 7, 2014, to be filed.
15. The proposed forms of Orders, attached hereto as Schedules "A" and "B".
16. The inherent jurisdiction of this Honourable Court to control its own process.

17. Such further and other material and evidence as counsel may advise and this Honourable Court may permit.

**Applicable Rules:**

18. Part 6, Divisions 4 and 7, and in particular, Rules 6.3(1), 6.9(1)(a), 6.28(b), 6.47(e) and (f), and 11.27.

**Applicable Acts and Regulations:**

19. *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended, the *Judicature Act*, RSA 2000, c J-2, as amended, and such other Rules, Acts and Regulations as counsel may advise and that this Honourable Court may permit.

**Any irregularity complained of or objection relied on:**

20. None.

**How the application is proposed to be heard or considered:**

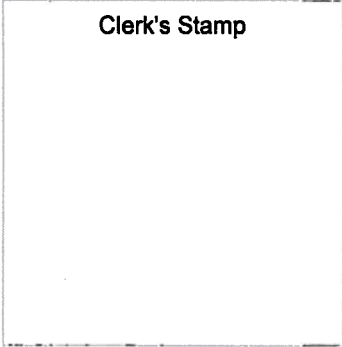
21. Oral submissions by counsel at an application in Justice Chambers as agreed and scheduled by counsel, with some or all of the parties present.

**AFFIDAVIT EVIDENCE IS REQUIRED IF YOU WISH TO OBJECT.**

**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 rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.

**Schedule "A" to the Application**



COURT FILE NUMBER 1301-11881  
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JUDICIAL CENTRE CALGARY  
PLAINTIFF JAGER HOLDINGS INC.  
DEFENDANT JAGER ENGINEERED WOOD PRODUCTS LTD.

IN THE MATTER OF THE RECEIVERSHIP OF  
JAGER ENGINEERED WOOD PRODUCTS LTD.

APPLICANT HARDIE & KELLY INC., in its capacity as Court-appointed Receiver and Manager of the assets, undertakings and property of JAGER ENGINEERED WOOD PRODUCTS LTD.

DOCUMENT **SALE APPROVAL AND VESTING ORDER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT  
Norton Rose Fulbright Canada LLP  
400 3<sup>rd</sup> Avenue SW, Suite 3700  
Calgary, Alberta T2P 4H2  
Phone: +1 403.267.8222  
Fax: +1 403.264.5973  
Email: [kyle.kashuba@nortonrosefulbright.com](mailto:kyle.kashuba@nortonrosefulbright.com)  
  
Attention: Kyle D. Kashuba  
File No. 01135476-0010

**DATE ON WHICH ORDER WAS PRONOUNCED:** Thursday, March 13, 2014  
**NAME OF JUDGE WHO MADE THIS ORDER:** Madame Justice J. Streckf  
**LOCATION OF HEARING:** Calgary, Alberta

**SALE APPROVAL AND VESTING ORDER**

**UPON THE APPLICATION** of Hardie & Kelly Inc. in its capacity as Court-appointed receiver and manager (the "Receiver") over the assets, undertakings and property of Jager Engineered Wood Products Ltd. ("Jager"); **AND UPON** reading the Application and the First Report of the Receiver, both filed March 7, 2014 (the "First Report"), and the First Confidential Report of the Receiver, dated March 7, 2014 (the "First Confidential Report"); **AND UPON** hearing counsel for the Receiver and any other interested parties that may be present, including the Purchaser (as that term is defined below); **AND UPON IT APPEARING** that all interested

and affected parties have been served with notice of this Application; **AND UPON** having read the pleadings, proceedings, orders and other materials filed in these proceedings; **AND WHEREAS** all capitalized terms not defined herein shall take the meaning ascribed to them in the First Report; **AND UPON IT APPEARING** that the sale of the Assets (as that term is defined in the First Report) as proposed is just, fair and appropriate in all the circumstances;

**THE COURT IS CONVINCED AND HEREBY ORDERS AND DECLARES THAT:**

**Service**

1. Service of the notice of this Application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this Application, and time for service of this Application is abridged to that actually given.

**Approval of Transaction**

2. The sale transaction between the Receiver and Louisiana-Pacific Corporation ("LP" or the "Purchaser") pertaining to the Assets (as that term is described and defined in the First Report and the First Confidential Report) is hereby approved and ratified, and it is hereby declared that the sale transaction to LP is commercially reasonable.
3. The Receiver is authorized and directed to conclude the transaction contemplated with LP (the "Transaction") and to take all such steps and execute all such deeds, documents and instruments as may reasonably be necessary to consummate the Transaction contemplated therein substantially in accordance with its terms, subject to such amendments as the parties thereto may approve which do not materially and adversely alter the Transaction.

**Vesting of Property**

4. Upon the closing of the sale to LP, all purchase monies due and owing in respect of such sale have been tendered to the Receiver, then:
  - (a) the Assets shall be vested in the name of the Purchaser, free of all estate, right, title, interest, royalty, rental, and equity of redemption of Jager and all persons who claim by, through or under Jager in respect of the Assets;
  - (b) Jager and all persons who claim by, through or under Jager in respect of the Assets, shall stand absolutely barred and foreclosed from all estate, right, title, interest, royalty, rental and equity of redemption of the Assets and, to the extent that any such person remains in possession or control of any of the Assets, they shall forthwith deliver possession of same to the Purchaser or its nominee; and
  - (c) the Purchaser shall be entitled to enter into and upon, hold and enjoy the Assets for its own use and benefit without any interference of or by Jager, or any person claiming by or through or under the Jager.
5. Upon closing of the Transaction, all of Jager's interests in the Assets shall vest in the Purchaser free and clear from all security interests, claims, estate, security, right, title, interest, and liens, including but not limited to, claims, hypothecs, mortgages, charges,

liens (whether contractual, statutory or otherwise), security interests, assignments, actions, levies, taxes, judgments, writs of execution, trusts or deemed trusts (whether contractual, statutory or otherwise), options, agreements, disputes, debts, encumbrances or other rights, limitations or restrictions of any nature whatsoever, against Jager including without limitation any rights or interests of any of the stakeholders or creditors of Jager, whether or not they have attached or been perfected, registered or filed, whether secured or unsecured or otherwise, whether liquidated, unliquidated or contingent (all of the foregoing being collectively referred to hereinafter as the "Claims"), whether such Claims against Jager came into existence prior to, subsequent to or as a result of any previous Order of this Court, by or of all persons or entities of a kind whatsoever, including, without limitation, all individuals, firms, corporations, partnerships, joint ventures, trusts, unincorporated organizations, governmental and administrative bodies, agencies, authorities or tribunals and all other natural persons or corporations, whether acting in their capacity as principals or agents, trustees, executives, administrators or other legal representatives (collectively, the "Claimants"), including for greater certainty and without limiting the generality of the foregoing: (i) any Claims held by or in favour of the individuals and entities served (either directly or through their solicitors) with this Application; and (ii) the beneficiary of any Claims created or provided for pursuant to any previous Order in these proceedings, are extinguished, released and forever discharged.

6. For greater certainty, the Purchaser shall, by virtue of the completion of the Transaction, have no liability of any kind whatsoever to any Claimants to the Assets or against Jager.
7. Upon the closing of the sale of the Assets to LP, the Receiver shall apply the sale proceeds to the outstanding costs of the administration of the receivership estate, with the balance being held in the place and stead of the Assets, pending further order of the Court.
8. The Transaction shall not be void or voidable at the instance of Claimants and shall not constitute nor shall be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance or other challengeable or reviewable transaction under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended or any other applicable federal or provincial legislation, and the Transaction, or any actions taken in connection therewith, shall not constitute conduct meriting an oppression remedy.
9. This Honourable Court hereby requests the aid and recognition of any court or administrative body in any province of Canada, the Federal Court of Canada, any administrative tribunal or other court constituted pursuant to the Parliament of Canada or any of its provinces or territories and any federal or state court or administrative body or any other foreign courts to act in aid of and to be complimentary to this Court in carrying out the terms of this Order.
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 and, if served by facsimile 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.

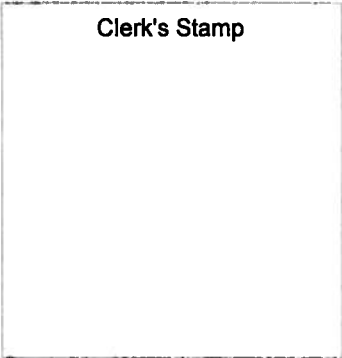
12. The Receiver is at liberty to reapply for further advice, assistance and direction as may be necessary to give full force and effect to the terms of this Order.

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Justice of the Court of Queen's Bench of Alberta



**Schedule "B" to the Application**



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JUDICIAL CENTRE CALGARY  
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DEFENDANT JAGER ENGINEERED WOOD PRODUCTS LTD.

IN THE MATTER OF THE RECEIVERSHIP OF  
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APPLICANT HARDIE & KELLY INC., in its capacity as Court-appointed  
Receiver and Manager of the assets, undertakings and property of  
JAGER ENGINEERED WOOD PRODUCTS LTD.

DOCUMENT **RESTRICTED COURT ACCESS ORDER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT  
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400 3<sup>rd</sup> Avenue SW, Suite 3700  
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Fax: +1 403.264.5973  
Email: [kyle.kashuba@nortonrosefulbright.com](mailto:kyle.kashuba@nortonrosefulbright.com)  
  
Attention: Kyle D. Kashuba  
File No. 01135476-0010

**DATE ON WHICH ORDER WAS PRONOUNCED: Thursday, March 13, 2014**

**NAME OF JUDGE WHO MADE THIS ORDER: Madame Justice J. Streckf**

**LOCATION OF HEARING: Calgary, Alberta**

**RESTRICTED COURT ACCESS ORDER**

**UPON THE APPLICATION** of Hardie & Kelly Inc. in its capacity as Court-appointed receiver and manager (the "Receiver") over the assets, undertakings and property of Jager Engineered Wood Products Ltd.; **AND UPON** reading the Application and the First Report of the Receiver, both filed March 7, 2014, and the First Confidential Report of the Receiver, dated March 7, 2014; **AND UPON** hearing counsel for the Receiver and any other interested parties that may be present, including the Purchaser (as that term is defined below); **AND UPON IT APPEARING** that all interested and affected parties have been served with notice of this Application; **AND UPON** having read the pleadings, proceedings, orders and other materials

filed in this action; **AND UPON** it appearing that the relief requested is just, fair and appropriate in all the circumstances;

**THE COURT IS CONVINCED AND HEREBY ORDERS AND DECLARES THAT:**

1. The time for service of the application materials in support of the Application for the restricted court access order in this matter (this "**Order**") is hereby dispensed with, 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 of the Receiver dated March 7, 2014, shall be treated as confidential, sealed and not form part of the public record, and shall be inserted in a sealed envelope which shall be clearly marked "SEALED PURSUANT TO COURT ORDER - NOT TO BE OPENED WITHOUT PRIOR AUTHORITY FROM THE HONOURABLE J. STREKAF OR ANY OTHER JUSTICE OF THE COURT OF QUEEN'S BENCH".
3. 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.

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Justice of the Court of Queen's Bench of Alberta