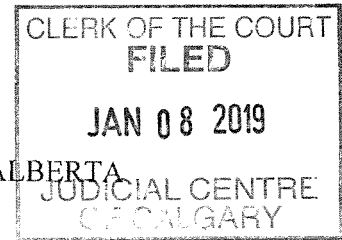


Clerk's Stamp



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.
DOCUMENT **POST-DISCHARGE REPORT OF THE RECEIVER, HARDIE & KELLY INC. JANAURY 8, 2019**

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**POST-DISCHARGE REPORT OF THE RECEIVER
HARDIE & KELLY INC.
JANUARY 8, 2019**

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INTRODUCTION

1. On October 11, 2013, Jager Holdings Ltd. made an application to the Court of Queen's Bench of Alberta (the "Court") for the appointment of a receiver and manager (the "Receiver") of the current and future assets, property and undertakings of Jager Engineered Wood Products Ltd. ("Jager" or the "Company").
2. The Court granted an Order (the "Receivership Order") on October 11, 2013 (the "Date of Receivership") appointing Hardie & Kelly Inc. as the Receiver.
3. On September 18, 2018, the Receiver filed its second report (the "Second Report") with the Court in advance of the Receiver's October 5, 2018 application to Court (the "Discharge Application").
4. On October 5, 2018, the Court granted an Order, *inter alia*:
 - a. Approving the accounts of the Receiver and its legal counsel;
 - b. Approving the Receiver's Statement of Receipts and Disbursements;
 - c. Directing the Receiver, upon receipt of either a filed Discontinuance of Action in respect of Court Action No. 1501-01634 (the "Landlord Action") or an Order dismissing the Landlord Action in its entirety, to distribute all remaining funds (the "Residual Funds") to Paramount Properties ("Paramount") representing full and final settlement of amounts advanced by Paramount pursuant to Receiver Certificates;
 - d. Authorizing the Receiver to destroy the books and records of the Company in the Receiver's possession if not claimed by Mr. Frank Klassen, the former Director of the Company, within 30 days of filing of the Receiver's Certificate (the "Certificate");
 - e. Discharging the Receiver upon filing of the Certificate; and
 - f. Granting the Receiver leave to reapply to the Court for such further advice and directions as may be necessary.

5. The purpose of this report (the “Post-Discharge Report”) is to advise the Court of a pre-receivership GST refund paid by Canada Revenue Agency (“CRA”) to the Receiver subsequent to its discharge and the Receiver’s recommendation in respect of the dispensation of same.

ADMINISTRATIVE UPDATE

6. On October 12, 2018, a Consent Dismissal Order in respect of the Landlord Action was pronounced by the Court.
7. On October 29, 2018, the Receiver delivered \$175,153.06, representing the Residual Funds, to Paramount’s legal counsel.
8. On October 29, 2018, the Certificate was filed with the Court.
9. The Receiver arranged for the destruction of the Corporate Records.

GST REFUND

10. On November 22, 2018, the Receiver received a cheque in the amount of \$24,033.20 from CRA on account of an apparent pre-receivership GST refund (the “GST Refund”). The Receiver had not been anticipating any such refund and as such had not contemplated the potential for any refund at the time of the Discharge Application.
11. As referenced in the Second Report, the Receiver borrowed approximately \$291,000 from Paramount by way of the issuance of Receiver Certificates pursuant to the provisions of Paragraph 20 of the Receivership Order; with such funds being utilized by the Receiver to pay occupation rent to Paramount in its capacity as the landlord of Jager’s premises located in Claresholm, Alberta.
12. The Residual Funds that were distributed to Paramount are approximately \$116,000 less than the amount advanced by Paramount pursuant to Receiver Certificates. Consequently, the Receiver recommends that the GST Refund, less the costs of the Receiver and its legal counsel preparing this Post-Discharge Report and preparing for and attending at the associated application (the “Residual Costs”), be distributed to Paramount.

13. At this time, the Receiver anticipates the Residual Costs will not exceed \$6,000, plus GST.
14. Although the Receiver is not anticipating any further refunds from CRA, the Receiver recommends that any such additional refunds which the Receiver might receive be distributed to Paramount to the extent of any remaining shortfall in respect of the repayment to Paramount of the Receiver Certificates.

RECOMMENDATIONS

15. The Receiver is seeking and recommends to this Honourable Court the following:
 - a. Approval of the distribution of the GST Refund, less the Residual Costs, to Paramount in full and final settlement of the Receiver Certificates;
 - b. Approval of the Residual Costs without the need of further taxation; and
 - c. Authorization for the Receiver to distribute any additional refunds that the Receiver might receive from CRA to Paramount to the extent of any remaining shortfall in respect of the repayment to Paramount of the Receiver Certificates.

All of which is respectfully submitted this 8th day of January 2019.

Hardie & Kelly Inc.,
in its capacity as Receiver and Manager of
Jager Engineered Wood Products Ltd.
and not in its personal capacity

Per:


Mare Kelly
Senior Vice President