

COURT FILE NUMBER 1201-08478

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE Calgary

APPLICANTS **IN THE MATTER OF THE COMPANIES'
CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-
36, as amended**

**AND IN THE MATTER OF THE BUSINESS
CORPORATIONS ACT, R.S.A. 2000, c. B-9**

**AND IN THE MATTER OF FOUNDATION
MORTGAGE CORPORATION and FOUNDATION
MORTGAGE "2" CORPORATION**

DOCUMENT **ORDER**

**Re: CCAA Termination
(Foundation Mortgage Corporation and
Foundation Mortgage "2" Corporation)**

ADDRESS FOR SERVICE AND

CONTACT INFORMATION OF

PARTY FILING THIS

DOCUMENT

Robyn Gurofsky
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File No. 439537-000004

I hereby certify this to be a true copy of
the original order

Dated this 23 day of March


for Clerk of the Court

DATE ON WHICH ORDER WAS PRONOUNCED: March 23, 2018

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

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

UPON the application of Foundation Mortgage Corporation ("FM1"), Foundation Mortgage "2" Corporation ("FM2"); AND UPON having read the Affidavit of Gary L. Bentham sworn March 13, 2018, filed (the "Bentham Affidavit") and the Affidavits of Service of Stella



Kim sworn March 23, 2018 and Katie Doran sworn March 22, 2018 (collectively, the “**Service Affidavits**”); **AND UPON** having read the Fourteenth Report of the Monitor (the “**Fourteenth Report**”), Ernst & Young Inc. (the “**Monitor**”) as well as previous Reports of the Monitor, filed herein; **AND UPON** having read the pleadings and materials filed in this action; **AND UPON** hearing the submissions of Counsel for BTM Corporate Advisory Inc., the Court appointed Chief Restructuring Officer (the “**CRO**”), the Monitor, and any other Counsel in attendance at the hearing of this application;

IT IS HEREBY ORDERED THAT:

1. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Bentham Affidavit.
2. Service of this application and supporting material as described in the Service Affidavit is good and sufficient and this hearing is properly returnable before this Honourable Court today and further service thereof is hereby dispensed with.

Distribution of Property

3. The Court hereby authorizes and directs Ernst and Young Inc. in its capacity as Court appointed Receiver of 1330075 Alberta Ltd. (in Court of Queen’s Bench Action No. 1201-06934) to make distributions directly to the creditors of FM1 and FM2 of any recoveries from the sale of the Calmar Lands on a pro rata basis in accordance with the distribution priority scheme accepted by the parties pursuant to the UDI Settlement, as more particularly outlined in the Bentham Affidavit and the Fourteenth Report.
4. The Court hereby authorizes and directs Ernst and Young Inc. in its capacity as Court appointed Receiver of 1357686 Alberta Ltd. (in Court of Queen’s Bench Action No. 1201-10692) to make distribution of the BWLT Trust Units directly to the creditors of FM1 and FM2 based on the distribution list outlined in the Bentham Affidavit and the Fourteenth Report.

Discharge of CRO

5. The CRO is hereby unconditionally discharged from any and all further obligations as CRO, such discharge to take final effect upon the CRO filing a Certificate of Discharge.

6. The actions, conduct and activities of the CRO as outlined in the Bentham Affidavit and the Fourteenth Report are hereby approved and it is hereby declared that on the evidence before the Court, the CRO has satisfied its obligations under and pursuant to the terms of the Order Appointing Chief Restructuring Officer dated July 5, 2012 (the “**CRO Order**”), up to and including the date of the discharge.

7. The CRO shall not be liable for any act or omission on its part including, without limitation, any act or omission pertaining to the discharge of its duties in the within proceedings, save and except for any liability arising out of any gross negligence or wilful misconduct on its part, or with leave of the Court. Subject to the foregoing, any claims against the CRO, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission of the CRO in any way relating to or arising out of or in respect of the performance or intended performance of its duties, mandate or activity are hereby stayed, released, extinguished and forever barred.

8. No action or other proceedings shall be commenced against the CRO in any way arising from or related to its capacity or conduct as CRO, except with prior leave of this Court on notice to the CRO and upon such terms as this Court may direct.

9. Nothing in this order shall derogate from the protections ordered with respect to the CRO in paragraph 6 of the CRO Order.

10. The accounts of the CRO and the CRO’s legal counsel, Borden Ladner Gervais LLP, for fees and disbursements, as set out in the Fourteenth Report, are hereby approved without the necessity of a formal passing of account.

Discharge of Monitor

11. The Monitor is hereby unconditionally discharged from any and all further obligations as Monitor, such discharge to take final effect upon the Monitor filing a Certificate of Discharge.

12. The actions, conduct and activities of the Monitor as outlined in the Fourteenth Report are hereby approved and it is hereby declared that on the evidence before the Court, the Monitor has satisfied its obligations under and pursuant to the terms of the Initial Order dated July 5, 2012 (the “**Initial Order**”), up to and including the date of the discharge.

13. The Monitor shall not be liable for any act or omission on its part including, without limitation, any act or omission pertaining to the discharge of its duties in the within proceedings, save and except for any liability arising out of any gross negligence or wilful misconduct on its part, or with leave of the Court. Subject to the foregoing, any claims against the Monitor, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission of the Monitor in any way relating to or arising out of or in respect of the performance or intended performance of its duties, mandate or activity are hereby stayed, released, extinguished and forever barred.

14. No action or other proceedings shall be commenced against the Monitor in any way arising from or related to its capacity or conduct as Monitor, except with prior leave of this Court on notice to the Monitor and upon such terms as this Court may direct.

15. Nothing in this order shall derogate from the protections ordered with respect to the Monitor in paragraphs 25 through 27 of the Initial Order.

16. The accounts of the Monitor and the Monitor’s legal counsel, McCarthy Tetrault LLP, for fees and disbursements, as set out in the Fourteenth Report, are hereby approved without the necessity of a formal passing of accounts.

Termination of CCAA Proceedings

17. Upon the filing of a Certificate of Discharge by each of the CRO and the Monitor, the within CCAA proceedings shall hereby immediately terminate and the Administration Charge,

the Interim Lender's Charge and the Directors' Charge shall hereby terminate, subject to the distribution scheme for the BWLT Trust Units as set out in the Fourteenth Report.

Miscellaneous

18. Any interested party (including the Applicant and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

19. This Order shall be posted on the website maintained by the Monitor at www.ey.com/ca/foundationgroup and served on the Service List and any further service of this Order is hereby dispensed with.

"A.D. Macleod"
J.C.Q.B.A.