

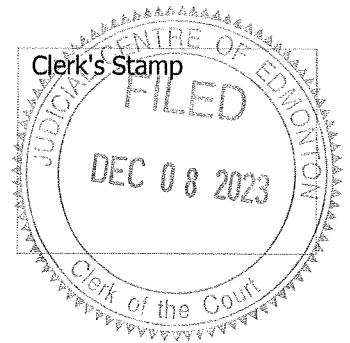
COURT FILE NUMBER 2303 11446

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

PLAINTIFF UMC FINANCIAL MANAGEMENT INC.

DEFENDANTS CAREADON CORP., 1978753 ALBERTA LTD.,
and TERENCE HODGSON IN HIS CAPACITY
AS TRUSTEE OF ALDER INVESTMENT GROUP
TRUST 2016



DOCUMENT **APPROVAL AND VESTING ORDER
(Sale by Receiver)**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF PARTY
FILING THIS DOCUMENT

McLENNAN ROSS LLP
Barristers & Solicitors
12220 Stony Plain Road
Edmonton, AB T5N 3Y4
Solicitors for Ernst & Young Inc. in its capacity as Receiver and Manager
of Careadon Corp.

ATTN: Ryan Trainer
File No.: 20232371
Phone: (780) 482-9153
Fax: (780) 733-9753
File: 20232371

DATE ON WHICH ORDER WAS PRONOUNCED: DECEMBER 8, 2023

LOCATION WHERE ORDER WAS PRONOUNCED: EDMONTON, ALBERTA

NAME OF JUSTICE WHO MADE THIS ORDER: THE HONOURABLE MR. JUSTICE J.T. NEILSON

UPON THE APPLICATION by Ernst & Young Inc. in its capacity as the Court-appointed receiver (the "**Receiver**") of the current and future assets, undertakings, properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof of Careadon Corp. (the "**Debtor**"), for an order approving the sale transaction (the "**Transaction**") contemplated by a purchase and sale agreement (the "**Sale Agreement**") between the Receiver and UMC Financial Management Inc. (the "**Purchaser**") dated November 23, 2023 and appended to the Confidential Supplement to the Receiver's Second Report to the Court dated November 28, 2023 (the "**Second Report**"), and vesting in the Purchaser (or its nominee) the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**");

AND UPON HAVING READ the Receivership Order dated July 7, 2023 (the "**Receivership Order**"), the Second Report, and the Affidavit of Service of Shauna Trueman; **AND UPON HEARING** the submissions of counsel for the Receiver, the Purchaser, those present, and 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, 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 Transaction is hereby approved and 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 completion of the Transaction and conveyance of the Purchased Assets to the Purchaser (or its nominee).

VESTING OF PROPERTY

3. Upon 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 Closing Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets [listed in **Schedule "B"** hereto] shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, "**Claims**") including, without limiting the generality of the foregoing:
 - (a) any encumbrances or charges created by the Receivership Order;
 - (b) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;
 - (c) any liens or claims of lien under the *Builders' Lien Act* (Alberta); and

- (d) all Claims, encumbrances, caveats, interests, easements, and restrictive covenants other than the permitted encumbrances, interests, easements and restrictive covenants listed in **Schedule "C"** (collectively, "**Permitted Encumbrances**"),

and for greater certainty, this Court orders that all Claims including encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged, and terminated as against the Purchased Assets.

4. Upon delivery of the Receiver's Closing Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Receiver's Closing Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser or its nominee clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing:

- (a) the Registrar of Land Titles ("**Land Titles Registrar**") for the lands defined below shall and is hereby authorized, requested, and directed to forthwith:

- (i) cancel existing Certificates of Title No. 162 250 971 for those lands and premises municipally described as 2 Inglewood Dr., St. Albert, Alberta T8N 7W6, and legally described as:

PLAN 1623283
BLOCK 1
LOT 4A
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 1.03 HECTARES (2.55 ACRES) MORE OR LESS

(the "**Lands**")

- (ii) issue a new Certificate of Title for the Lands in the name of the Purchaser (or its nominee), namely, UMC Financial Management Inc.;
- (iii) transfer to the New Certificate of Title the existing instruments listed in Schedule "C", to this Order, and to issue and register against the New Certificate of Title such new caveats, utility rights of ways, easements or other instruments as are listed in Schedule "C"; and

- (iv) discharge and expunge any encumbrances and Claims (but excluding Permitted Encumbrances) which may be registered after the date of the Sale Agreement against the existing Certificate of Title to the Lands;
 - (b) the Registrar of the Alberta Personal Property Registry (the "**PPR Registrar**") shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Debtor in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.
- 5. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Receiver's Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including encumbrances but excluding Permitted Encumbrances.
- 6. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Receiver of the Sale Agreement.
- 7. Upon delivery of the Receiver's Closing Certificate together with a certified copy of this Order, this Order shall be immediately registered by the Land Titles 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. The Land Titles Registrar is hereby directed to accept all Affidavits of Corporate Signing Authority submitted by the Receiver in its capacity as Receiver of the Debtor and not in its personal capacity.
- 8. For the purposes of determining the nature and priority of Claims, net proceeds from 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 from and after delivery of the Receiver's Closing Certificate and all Claims including encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from 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. Unless otherwise ordered (whether before or after the date of this Order), the Receiver shall not make any distributions to creditors of net proceeds from sale of the Purchased Assets without further order of this Court, provided however the Receiver may apply any part of such net proceeds to repay any amounts the Receiver has borrowed for which it has issued a Receiver's Certificate pursuant to the Receivership Order.

9. The Purchaser (or its nominee) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Debtor.
10. Upon completion of the Transaction, the Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).
11. 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, through or against the Debtor.
12. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Receiver.
13. The Receiver is directed to file with the Court a copy of the Receiver's Closing Certificate forthwith after delivery thereof to the Purchaser (or its nominee).
14. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada) and section 20(e) of the *Alberta Personal Information Protection Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser (or its nominee) all human resources and payroll information in the Debtor's records pertaining to the Debtor's past and current employees. 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) to which the Debtor was entitled.

APPROVAL OF ACTIVITIES

15. The actions, conduct and activities of the Receiver as outlined in the Second Report are hereby ratified and approved.

APPROVAL OF RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

16. The Receiver's interim statement of receipts and disbursements for the period of July 7, 2023, to November 17, 2023 as set out in the Second Report are hereby ratified and approved.

APPROVAL OF RECEIVER'S FEES

17. The Receiver's account for fees and disbursements included in the Second Report are fair and reasonable and are hereby approved without the necessity of a formal passing of accounts.
18. The accounts of the Receiver's independent legal counsel, McLennan Ross LLP, for its fees and disbursements included in the Second Report are fair and reasonable and are hereby approved without the necessity of a formal passing of accounts.

LIFE LEASES AND TENANT OCCUPANCY

19. The Receiver transfers and assigns its interests in the residential leases being assigned pursuant to the Sale Agreement (the "**Assigned Leases**") which are included at **Schedule "D"**. To the extent that the Assigned Leases are not enforceable or not able to be assigned by the Receiver, the tenants and the Purchaser shall enter into new lease agreements. The Receiver is not liable for any costs or damages that could or should occur if the Assigned Leases are deemed not enforceable or assignable.
20. Residents occupying the Lands pursuant to unassigned life lease agreements (the "**Life Lease Residents**") with Debtor are permitted to remain in and occupy their current rental units for a period of no less than 6 months from the date of closing of the Transaction, or such further period as is agreed to between the Purchaser and the Life Lease Residents (the "**Tenant Occupancy Period**"). During the Tenant Occupancy Period, the Life Lease Residents shall continue to pay the same costs as they are currently paying.
21. The Life Lease Residents shall provide vacant possession at the end of the Tenant Occupancy Period and a Civil Enforcement Agency acting on behalf of the Purchaser has authority to evict any remaining Life Lease Residents after the aforesaid date.

MISCELLANEOUS MATTERS

22. Notwithstanding:

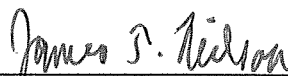
- (a) the pendency of these proceedings and any declaration of insolvency made herein;
- (b) the bankruptcy of the Debtor; and
- (c) the provisions of any federal or provincial statute:

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 Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the *Bankruptcy and Insolvency Act* 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.

- 23. The Receiver, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction 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.
- 24. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, 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 order and to provide such assistance to the Receiver, as an officer of the 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.
- 25. Service of this Order shall be deemed good and sufficient by:
 - (a) Serving the same on:
 - (i) the persons listed on the service list created in these proceedings;
 - (ii) any other person served with notice of the application for this Order;
 - (iii) any other parties attending or represented at the application for this Order;
 - (iv) the Purchaser or the Purchaser's solicitors; and
 - (b) Posting a copy of this Order on the Receiver's website at:
https://documentcentre.ey.com/#/detail-engmt?eid=535*

and service on any other person is hereby dispensed with.

26. Service of this Order may be effected by facsimile, electronic mail, personal delivery, or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

A handwritten signature in cursive script, reading "James P. Nielson".

Justice of the Court of Queen's Bench of Alberta

Schedule "A"**Form of Receiver's Certificate**

COURT FILE NUMBER	2303 11446	Clerk's Stamp
COURT	COURT OF QUEEN'S BENCH OF ALBERTA	
JUDICIAL CENTRE	EDMONTON	
PLAINTIFF	UMC FINANCIAL MANAGEMENT INC.	
DEFENDANTS	CAREADON CORP., 1978753 ALBERTA LTD., and TERENCE HODGSON IN HIS CAPACITY AS TRUSTEE OF ALDER INVESTMENT GROUP TRUST 2016	
DOCUMENT	RECEIVER'S CERTIFICATE	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	McLENNAN ROSS LLP Barristers & Solicitors 12220 Stony Plain Road Edmonton, AB T5N 3Y4 Solicitors for Ernst & Young Inc. in its capacity as Receiver and Manager of Careadon Corp. ATTN: Ryan Trainer File No.: 20232371 Phone: (780) 482-9153 Fax: (780) 733-9753 File 20232371	

RECITALS

- A. Pursuant to an Order of the Honourable Associate Chief Justice K.G. Nielsen of the Court of King's Bench of Alberta, Judicial District of Edmonton (the "**Court**") dated July 7, 2023, Ernst & Young Inc. was appointed as the receiver and Manager (the "**Receiver**") of the undertakings, property and assets of Careadon Corp. (the "**Debtor**").
- B. Pursuant to an Order of the Court dated December 8, 2023 the Court approved the agreement of purchase and sale made as of November 23, 2023 (the "**Sale Agreement**") between the Receiver and UMC Financial Management Inc. (the "**Purchaser**") and provided for the vesting in the Purchaser the Debtor's right, title and interest in and to the assets described in the Sale Agreement (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 section 10 of 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, capitalized terms 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 section 10 of 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 _____.

Ernst & Young Inc. in its capacity as Receiver of the undertakings, property, and assets of Careadon Corp., and not in its personal capacity.

Per; _____

Name: Matt McCulloch

Title: Partner, Senior Vice-President

Schedule "B"

Purchased Assets

Lands legally described as:

PLAN 1623283

BLOCK 1

LOT 4A

EXCEPTING THEREOUT ALL MINES AND MINERALS

AREA: 1.03 HECTARES (2.55 ACRES) MORE OR LESS

Together with all buildings, fixtures, improvements, equipment, and personal property situate thereon.

Schedule "C"**Permitted Encumbrances**

Registration No.	Particulars
122 205 468	Caveat re: Easement "Affects Part of this Title"

Schedule "D"

Assigned Leases

All leases of units at the Debtor's building except the life leases of Bev Halisky, Pat & Roy Troughton, John Juhl, Ernestine Zuidema, and Janice Moore