

COURT FILE NUMBER 1603 137 37
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE EDMONTON
PLAINTIFF ALBERTA MOTOR ASSOCIATION
DEFENDANT JAMES GLADDEN, DANA GLADDEN,
SPROCKIT APPS INC., 1926378 ALBERTA
LTD., MARATHON MARKETING INC.,
QUIET LIGHT BROKERAGE INC., AND
EASETIME SOFTWARE LTD.

DOCUMENT **SECOND REPORT OF THE RECEIVER,
DELOITTE RESTRUCTURING INC.,
DATED MARCH 14, 2017**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT BENNETT JONES LLP
4500, 855, 2nd St SW
Calgary AB T2P 4K7
Attention: Munaf Mohamed / Mathieu LaFleche
Phone: 403 298 4456 / 780 917 5249
Fax: 403 265 7219
File No.: 000681-00019

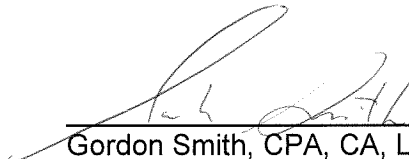
1. On August 4, 2016, the Court of Queen's Bench of Alberta appointed Deloitte Restructuring Inc. ("Deloitte") as Receiver of the current and future assets, undertakings and properties of every nature and kind whatsoever of Sprockit Apps Inc. and 1926378 Alberta Ltd. ("1926378").
2. Deloitte has been managing the operations of Sprockit Apps Inc. and 1926378 since the receivership appointment. Sprockit Apps Inc.'s operations consist of the management and receipt of revenues from the sale of mobile device applications ("apps"). Monthly revenues have been reduced to a negligible amount as a result of Apple no longer permitting many of the apps to operate on their platform. 1926378's operations consist of the owner/landlord of a five story commercial building located near downtown Edmonton Alberta (the "Commonwealth Building").
3. Prior to the Receiver's appointment, the Commonwealth Building was appraised by Gettel Appraisals Ltd. on July 6, 2016 for \$4,825,000. This appraisal is appended to the Receiver's First Report to the Court.

4. Subsequent to the Receiver's appointment the Commonwealth Building was appraised by Colliers International Realty Advisors Inc. ("Colliers") on August 15, 2016 for \$5,350,000. This appraisal is appended to the Receiver's First Report to the Court.
5. The Receiver approached three commercial real estate brokerage firms (Colliers, CW Edmonton Inc. ("CW") and Avison Young Real Estate Alberta Inc.) to provide proposals to list the Commonwealth Building. After receipt of the proposals, on September 15, 2016 the Receiver selected CW Edmonton Inc. to market the property.
6. There is an approximate \$2,880,000 mortgage outstanding on the Commonwealth Building.
7. Attached as Appendix "1" is a summary of all expressions of interest and offers received by CW. The offers range from a low of \$3,000,000 to a high of \$5,000,000. There was a verbal offer of \$6,350,000 received by CW which consisted of \$4,250,000 cash and a tax credit/receipt for \$2,000,000. Verbal offers and tax credit/receipts are of no value to the Receiver.
8. On December 2, 2016 the Receiver sought and obtained a Court Order to conditionally sell the Commonwealth Building for \$5,000,000. The tentative purchaser did not remove conditions and the sale agreement was nullified.
9. On February 2, 2017 the Receiver accepted an offer to conditionally sell the Commonwealth Building for \$4,650,000. Prior to the Receiver seeking Court approval for the sale, the tentative purchaser did not remove conditions and the sale agreement was nullified.
10. On March 2, 2017 the Receiver received an offer from Weal Holdings Ltd. ("Weal") to sell the Commonwealth Building for \$3,900,000 that had minimal conditions (the "Weal Offer"). After consultations with interested parties, the Receiver did not accept this offer.
11. On March 10, 2017 the Receiver received a conditional offer from Primevest Equities Inc. ("Primevest") to sell the Commonwealth Building for \$4,000,000 (the "Primevest Offer"). After consultations with interested parties, the Receiver countered the offer at \$4,100,000. However, the Receiver's counteroffer was not accepted.
12. On March 15, 2017, the Receiver received an amended offer from Weal (the "Amended Weal Offer") increasing their offer to \$3,925,000, and removing substantially all conditions.
13. On March 16, 2017, the Receiver received an amended offer from Primevest (the "Amended Primevest Offer") increasing their offer to \$4,030,000, subject to assumption of the existing mortgage as well as shortening the inspection period. A copy of the Amended Primevest Offer is attached to this report and marked as Appendix "2".

14. After considering both the Amended Weal Offer and Amended Primevest Offer and consulting with interested parties, the Receiver accepted the Amended Primevest Offer subject to approval of this Honourable Court.
15. In the event that the Receiver does not sell the Commonwealth Building soon, the Receiver anticipates that it will have to incur roof repairs costing about \$150,000.
16. The Receiver believes that CW has properly marketed the Commonwealth Building and that it is unlikely that a bona fide offer will be received in the near future that will approximate the previously appraised values of the building.
17. The Receiver requests that the Court approve the sale of the Commonwealth Building to Primevest on terms consistent with the Amended Primevest Offer. In making this request of the Court, the Receiver has sought and obtained support of this request from those parties that will enjoy the benefits of the sales proceeds after payment of the mortgage debt. In the event, Primevest is unable to remove conditions to consummate the transaction, the Receiver also seeks leave of the Court to sell the Commonwealth Building to any party for not less than \$3,900,000.

All of which is respectfully submitted.

DELOITTE RESTRUCTURING INC.,
In its capacity as Court appointed Receiver of
Sprockit Apps Inc. and 1026378 Alberta Ltd.
and not in its personal capacity.



Gordon Smith, CPA, CA, LIT, CBV, CFE
Senior Vice-President

Appendix "1"



Commonwealth Building
9912 106 Street NW
Edmonton, Alberta
SUMMARY OF OFFERS TO PURCHASE
As of March 13, 2017

PROJECT DETAILS

37,118 Sq. Ft. Income Producing Office Building

OFFERS TO PURCHASE

PROSPECT	OFFER DATE	OFFER DETAILS
Ability Society of Alberta	10/17/2016	Verbal Offer: Acquisition based on \$6.35M - \$4.25M new mortgage and \$2.1M tax credit/receipt. Current mortgage would need to be discharged. <i>Result: Offer was not countered. Receiver cannot accept tax credit/receipt, also too costly to discharge present mortgage.</i>
Vatan Ghumman	October 2016	Verbal Offer: \$700,000 Cash \$1.6M sale of land to receiver, \$2.9M mortgage assumption <i>Result: Offer was not countered. Receiver cannot purchase land to complete sale of property.</i>
	October 2016	Verbal Offer: \$1.1M Cash to mortgage assumption with \$600,000 VTB total Purchase Price of \$4.65M <i>Result: Offer was not countered. Receiver cannot lend money as VTB to complete sale of property.</i>
	October 2016	Verbal Offer: \$1.1M Cash to mortgage assumption total Purchase Price of \$4.05M, Condition Removal October 28, Close January 2017. <i>Result: Offer was not countered.</i>
	02/07/2016	Verbal Offer: \$4.05M with mortgage assumption. Conditional only upon mortgage assumption approval. Closing 30 days. <i>Result: Offer was verbally countered at \$4.2M. Purchaser did not accept.</i>



PROSPECT	OFFER DATE	OFFER DETAILS
Navdeep Virk, Alnoor Mitha, Chittaranjan Virk	10/25/2016	\$3.955M with mortgage assumption. 30 day condition period for due diligence. Closing date December 15, 2016. <i>Result: Offer was not countered. Offer nullified.</i>
	01/26/2017	Revised Offer: \$4.05M with mortgage assumption. 30 day condition period for due diligence. Closing date March 15, 2016. <i>Result: Offer was not countered. Offer nullified.</i>
1873056 Alberta Ltd.	10/26/2016	\$3.0M with mortgage assumption. 14 day condition period for due diligence. 30 day closing period. <i>Result: Offer was not countered. Offer nullified.</i>
Transglobe Holdings Ltd.	11/01/2016	\$4.5M with mortgage assumption. 45 day condition period for due diligence. 30 day closing period. <i>Result: Offer countered at \$5.1M, was not accepted by Purchaser. Offer nullified.</i>
Chang Liu on behalf of a company to be formed	11/01/2016	\$4.2M with mortgage assumption. 60 day condition period for due diligence. 60 day closing period. <i>Result: Offer was not countered. Offer nullified.</i>
	11/02/2016	\$4.6M with mortgage assumption. 60 day condition period for due diligence. 60 day closing period. <i>Result: Offer was not countered. Offer nullified.</i>
	11/03/2016	\$4.8M with mortgage assumption. 60 day condition period for due diligence. 60 day closing period.
	11/17/2016	<i>Result: Conditionally accepted at \$5.0M – Purchaser did not remove conditions. Offer nullified.</i>
RMS Developments Inc.	11/04/2016	\$3.95M with mortgage assumption. 30 day condition period for due diligence. 30 day closing period. <i>Result: Offer was not countered. Offer nullified.</i>
118075 Alberta Ltd.	02/03/2017	\$4.4M with mortgage assumption. 30 day condition period for due diligence. 30 day closing period. <i>Result: Conditionally accepted at \$4.55M – Purchaser did not remove conditions. Offer nullified.</i>



PROSPECT	OFFER DATE	OFFER DETAILS
Anson Gosine	02/27/2017	\$3.85M with mortgage assumption. 30 day condition period for due diligence. 30 day closing period. <i>Result: Offer was not countered. Offer nullified.</i>
Weal Holdings Ltd.	02/23/2017	\$3.75M with mortgage assumption. 15 day condition period for mortgage assumption only. 30 day closing period. <i>Result: Offer was not countered. Offer nullified.</i>
	03/03/2017	\$3.9M with mortgage assumption. 15 day condition period for mortgage assumption only. 30 day closing period.
	03/07/2017	<i>Result: Offer countered at \$4.15M. Counter not accepted by the Purchaser. Offer nullified.</i>
PrimeVest Equities	03/10/2017	\$4.0M with mortgage assumption. 30 day condition period for due diligence. 30 day closing period. <i>Result: Offer to be countered at \$4.1M</i>

Appendix "2"

OFFER TO PURCHASE

TO: Cushman & Wakefield Edmonton
TD Tower
10088 - 102 Avenue, Suite 2700
Edmonton, AB T5J 2Z1

Attention: Ian Newman, Kyle Barton
(Agents for the Vendor)

AND NOT IN ITS
PERSONAL CAPACITY *AK*

The undersigned, **PRIMEVEST EQUITIES INC.** and/or Nominee (hereinafter referred to as the "Purchaser") hereby offers to purchase from **DELOITTE RESTRUCTURING INC. IN ITS CAPACITY AS COURT APPOINTED RECEIVER OF 1926378 ALBERTA LTD.** (hereinafter referred to as the "Vendor"), the lands and buildings legally described as per Schedule "A" attached hereto and forming part hereof and municipally known as the Commonwealth building 9912 106 Street NW Edmonton, AB and including any machinery, equipment, furnishings and fixtures which are owned by the Vendor and used in the operation of and located in or upon the said lands and buildings (hereinafter referred to as the "Property").

THIS OFFER TO PURCHASE IS MADE ON THE FOLLOWING TERMS AND CONDITIONS:

1. PURCHASE PRICE

The full purchase price of the Property shall be **FOUR MILLION THIRTY THOUSAND (\$4,030,000.00) DOLLARS** (hereinafter referred to as the "Purchase Price") in lawful money of Canada payable as follows:

- (a) **FIFTY THOUSAND (\$50,000.00) DOLLARS** to be paid to Cushman & Wakefield Edmonton within Two Business Days of dual execution of this Offer to Purchase, as a first deposit to be held in trust in a non-interest bearing account, pending the removal of all Conditions Precedent outlined in Paragraphs 4 and 5 herein;
- (b) **TWO HUNDRED THOUSAND (\$200,000.00) DOLLARS** to be paid to Cushman & Wakefield Edmonton as a second deposit within Two Business Days upon removal of all Conditions Precedent as outlined in Paragraphs 4 and 5 herein, to be held in a non-interest bearing trust account pending Closing;
- (c) Assumption of the existing mortgage on title with Canada IC1 Capital Corporation for approximately **TWO MILLION EIGHT HUNDRED AND SIXTY THOUSAND (\$2,860,000.00) DOLLARS**. If the Purchaser does not successfully qualify for and assume the existing mortgage on title, the Purchaser shall pay the mortgage discharge penalty as part of the statement of adjustments for the Closing of this Property;
- (d) The balance of the Purchase Price by way of a certified cheque, mortgage proceeds, solicitor's trust cheque or bank draft payable to the Vendor's solicitor, in trust, subject to adjustments on the Closing Date as hereinafter provided.

2. WARRANTIES AND COVENANTS

The Vendor represents and warrants to the Purchaser that to the knowledge and belief of the Vendor:

- (a) There are no actions, suits or proceedings before any court against or affecting the Vendor which would affect the sale of the Property, nor, to the Vendor's knowledge are any such actions, suits or proceedings contemplated or threatened; except the Attachment Order presently affecting the property which shall be discharged upon Closing by the Vendor;
- (b) There are no proceedings by or before any government commission, department, board, authority or other administrative officer against the Vendor or the Property that would adversely affect the Property, nor, to the knowledge of the Vendor, are any such proceedings contemplated or threatened;
- (c) There are no contracts or agreements or modifications thereto entered into by the Vendor relating to the Property which has not been disclosed to the Purchaser, and the Vendor agrees that unless the Purchaser consents in writing, no contracts or agreements will be entered into prior to the Closing Date;
- (d) There are no outstanding levies or payments owing to any municipality, company, organization or other agency having jurisdiction related to the Property;
- (e) The Vendor has the full power and authority to sell the Property and to accept this Offer to Purchase;
- (f) The Vendor is not and shall not at the Date of Closing be a non-resident of Canada within the meaning of the Income Tax Act (Canada); and

3. DELIVERY OF DOCUMENTS

The Vendor covenants within Five (5) business days of the acceptance of this Offer to deliver to the Purchaser the following:

- (a) The most recent Real Property Report in the possession of the Vendor;
- (b) A list of any and all machinery, equipment and furnishings (except building fixtures) which are owned by the Vendor and located in or upon the Property;
- (c) Material agreements including any service and employment contracts affecting the Property;
- (d) True copies of all leases affecting the Property in the Vendors possession;
- (e) Building operating expenses for the previous one year if in the Vendors possession;
- (f) Copies of real property tax bills for the previous two years if in the Vendors possession;

- (g) As built architectural, engineering, structural and mechanical plans and specifications for the building including all renovations thereto in the possession or control of the Vendor;
- (h) Copies of soil and structural tests, engineering reports and other professional reports relating to the condition of the building and the Property in the possession or control of the Vendor; and
- (i) Copies of any appraisals relating to the Property for the previous two years in the possession of the Vendor.

All of the foregoing shall be held by the Purchaser and shall be returned to the Vendor if the transaction contemplated herein is not completed. Any information that the Purchaser obtains that is related to this transaction shall be kept confidential by the Purchaser and shall not be disclosed to third parties except as required by regulatory authorities and to those as are necessary to obtain financing and to complete the transaction contemplated herein.

4. PURCHASER CONDITION PRECEDENT

- (a) The Purchaser shall have **FIFTEEN (15) Days** from the date of dual acceptance of the Offer to Purchase (hereinafter referred to as the "Purchaser's Condition Expiry Date") in which to:
 - (i) arrange for an assumption of the existing mortgage on title on terms and conditions suitable to the Purchaser.

and to consider any other matters relating to the Property which it deems necessary and it is a condition precedent to the agreement that the Purchaser is in its sole discretion satisfied with the results of such inspections and reviews and provides written notice to the Vendor prior to 5:00 o'clock p.m., Mountain Standard Time, on the Purchaser's Condition Expiry Date that these conditions have been satisfied on or before such time and date provides written notice that these conditions have been waived.

The rights herein are for the sole benefit of the Purchaser and can be unilaterally waived only by the Purchaser.

- (b) In the event that the Purchaser fails to provide written notice that the conditions in Paragraph 4(a) have been satisfied or waived within the time herein limited, then:
 - (i) the Purchaser shall return the documents delivered to the Purchaser pursuant to Paragraph 3;
 - (ii) the Vendor shall return the deposit immediately to the Purchaser; and
 - (iii) the Agreement shall be considered terminated and of no further force and effect and the Purchaser shall have no further interest in the Property.
- (c) In the event the Purchaser provides notice that the conditions in Paragraph 4(a) have been satisfied or waived within the time period specified and the Vendor also provides written notice that the conditions in Paragraph 5(a) have been satisfied or waived within the time period specified the **TWO HUNDRED FIFTY THOUSAND (\$250,000.00)** Dollar deposit, as outlined in Paragraph 1(a) and 1(b), shall become non-refundable.

5. VENDOR CONDITION PRECEDENT

- (a) The Vendor shall have **FIFTEEN (15) Days** from the date of dual acceptance of the Offer to Purchase (hereinafter referred to as the "Vendor's Condition Expiry Date") in which to:
- (i) Obtain Court Approval to proceed with the Offer to Purchase

The rights herein are for the sole benefit of the Vendor and can be unilaterally waived only by the Vendor,

- (b) In the event that the Vendor fails to provide written notice that the conditions in Paragraph 5(a) have been satisfied or waived within the time herein limited, then:
- (i) the Purchaser shall return the documents delivered to the Purchaser pursuant to Paragraph 3;
- (iv) the Vendor shall return the deposit immediately to the Purchaser; and
- (v) the Agreement shall be considered terminated and of no further force and effect and the Purchaser shall have no further interest in the Property.

6. TITLE

If the Purchaser is not in default hereunder, the Vendor shall deliver to the Purchaser on closing a Transfer of Title to the Property in registerable form, free and clear of all encumbrances, excepting those outlined in Paragraph 7 herein (the "Permitted Encumbrances").

7. PERMITTED ENCUMBRANCES

As per Schedule 'B'.

8. CLOSING DOCUMENTATION

- (a) At least Fifteen (15) business days prior to the Closing Date, the Vendor agrees to deliver to the Purchaser's solicitor, in trust, together with any other closing documentation, which may be required, the following:
- (i) A Transfer of Title, in registrable form to the Property transferring the Property to the Purchaser or to such other party designated in writing by the Purchaser;
- (ii) the Vendor's Statement of Adjustment;
- (iii) a duly executed bill of sale referring all machinery, equipment, furnishings and fixtures to the extent that such is required in order to transfer title to any and all chattels included in the Property free and clear of all liens, charges and encumbrances, save and except the Permitted Encumbrances;

- (iv) such other documents and assurances as may be reasonably required by the Purchaser to give full effect to the intent and meaning of this Agreement;
- (v) Real Property Report with Compliance Certificate; and
- (vi) Estoppel certificates executed by each tenant.

All of the matters of payment and delivery of documents by the Vendor and the Purchaser, pursuant to the terms hereof, shall be in accordance with such reasonable trust conditions as are established between the Vendor's solicitor and the Purchaser's solicitors.

- (b) Upon the fulfillment by the Purchaser of its obligations in this Paragraph, and upon trust conditions agreeable to the Vendor and Purchaser acting reasonably, the Vendor shall deliver possession of the Property to the Purchaser subject only to the Permitted Encumbrances.
- (c) Each party shall be responsible for its own legal fees and disbursements. The Purchaser shall bear the expense of registration of the transfer. The Vendor shall be responsible for the costs, if any, of clearing any encumbrances from title that are not permitted.

9. ADJUSTMENTS

Except as set out below, adjustments shall be made as of the Closing Date as specified in Paragraph 15 herein, with respect to rent, taxes, deposits and other items normally adjusted between a vendor and a purchaser for similar transactions. The Closing Date shall be for the Purchaser's account both as to income and expense.

10. MISCELLANEOUS

It is agreed that there is no representation, warranty, collateral agreement or condition affecting this Offer or the Property and supported hereby other than is expressed herein in writing.

11. REAL ESTATE COMMISSION

The Vendor solely shall be responsible for and pay all real estate commission due to Cushman & Wakefield Edmonton upon completion of this transaction as per a separate agreement.

12. NOTICE

Any notice required or permitted to be given hereunder or any tender of delivery of documents may be sufficiently given by personal or courier delivery to the Vendor at the following address or email:

C/O Cushman & Wakefield Edmonton Inc.
Suite 2700, TD Tower
10088 102 Avenue NW
Edmonton, AB T5J 2Z1

Attention: Ian Newman & Kyle Barton
Email: ian.newman@ewedm.com, kyle.barton@ewedm.com

and to the Purchaser at the following address:

Primevest Equities Inc.
727 6th Avenue S.W. Calgary
Alberta T2P 0V1

Attention: Nawaz Hirji (President)
Email: hirji@primevest.ca
Phone: 403-264-2515 ext 6

13. TIME & ASSIGNMENT

This Offer, when duly accepted by the Vendor and Purchaser (and not until then), shall constitute a binding contract of purchase and sale and time shall be in all respects of the essence thereof. The Agreement shall extend to and be binding upon and enure to the benefit of the parties hereto and their respective successors and assigns.

14. TAXES

Notwithstanding any provision contained in this Offer, it is expressly agreed to by the Purchaser that all taxes or assessments in the nature of sales tax, goods and services taxes or value added taxes (the "Tax") which may be charged, levied or assessed as a result of the sale of the Property contemplated herein shall be the responsibility of the Purchaser and the Purchaser shall, on the earlier of the date of possession or payout of the Purchase Price of the Property, pay the Tax to the Vendor. The Vendor shall have the right to refuse to convey title to the Purchaser until and unless the Purchaser shall have paid the Tax or shall have otherwise established to the Vendor's satisfaction that the Purchaser has complied with all applicable provisions of the Excise Tax Act (Canada) with respect to the within purchase. The Vendor acknowledges and agrees that if the Purchaser delivers to the Vendor on the Closing Date, a certified copy of its confirmation of registration as a "registrant" under the Excise Tax Act (Canada), no Tax will have to be remitted to the Vendor but rather directly by the Purchaser to Revenue Canada and the Purchaser hereby covenants to make such payment. The Tax shall be deemed to be monies owing and collectable in a like manner as the Purchase Price. The

Purchaser hereby indemnifies the Vendor against any and all obligations to remit the Tax. The Purchaser further agrees, represents and warrants that it is a registrant within the meaning of Part IX of the Excise Tax Act (Canada). The Purchaser covenants that it shall complete and execute such other forms, make such filings and reports, and do all other things that are necessary or required pursuant to the Excise Tax Act (Canada), all within the time limits prescribed in such Act. The Vendor warrants that it is a "registrant" under the Excise Tax Act (Canada) with registration no. _____.

15. CLOSING DATE

The date for the completion of the purchase and sale transaction (the "Closing Date"), unless otherwise agreed by the parties shall be THIRTY (30) days from Purchaser's conditional removal date.

16. DEFAULT BY PURCHASER

In the event that the Purchaser has the obligation to close this transaction and the Purchaser thereafter fails to execute the required documents or fails to make any payment required to be made by it, then in such event, it is agreed that all payments made by the Purchaser in terms of this Offer shall be absolutely forfeited to the Vendor as liquidated damages and not as a penalty, whereupon this Offer shall be null and void and neither the Vendor nor the Purchaser shall have any other rights of any nature whatsoever hereunder.

17. RISK

- (a) The Property will be and remain at the risk of the Vendor until the purchase and sale of the Property has been completed in accordance with Paragraph 7 herein. After that time, the Property will be at the risk of the Purchaser.
- (b) If there is any Material Loss or Damage (as defined in subparagraph (c) below) to the Property prior to the passing of risk, the Vendor shall immediately report same to the Purchaser and, if the Material Loss or Damage occurs within fifteen (15) business days prior to the Closing Date, the Closing Date shall be postponed. The Purchaser shall, within fifteen (15) days of being aware of such loss or damage, give notice in writing of its election to either:
 - (i) terminate the Agreement, in which case all deposits together with any accrued interest thereon shall be returned to the Purchaser and the parties shall have no further obligations to each other, or
 - (ii) elect to complete the purchase, in which case the proceeds and the right to receive the proceeds of insurance payable with respect to the material loss shall be assigned by the Vendor to the Purchaser on the Closing Date, and the deductible amount under such policy of insurance shall be the responsibility of the Vendor and deducted from the Purchase Price. Upon such election, the Vendor shall diligently commence the repair of the damage caused to the Property and shall provide such security to the Purchaser on the Closing Date as may be reasonably requested by the Purchaser in order to ensure that such repairs will be completed and paid in full.

In the absence of delivery of such notice, the Purchaser shall be deemed to have elected to complete the purchase.

21. ACCEPTANCE

This Offer to Purchase is open for acceptance until 5:00 p.m. Mountain Standard Time on the 17th day of March 2017 and thereafter, if not accepted, shall be terminated and of no further force and effect.

DATED at the City of Calgary, in the Province of Alberta, this 17 day of March 2017.

PRIMEVEST EQUITIES INC.

And/or Nominee

Per: 
Authorized Signatory

Print Name: Nawaz Hirji
Authorized Signatory

VENDOR'S ACCEPTANCE

The Vendor hereby accepts this Offer to Purchase and agree to be bound by the terms and conditions contained herein.

DATED at the City of Edmonton, in the Province of Alberta, this 17th day of March 2017.

DELOITTE RESTRUCTURING INC. IN ITS CAPACITY
AS COURT APPOINTED RECEIVER OF 1926378
ALBERTA LTD, AND NOT IN ITS PERSONAL CAPACITY

Per: 
Authorized Signatory

for: Gordon Smith
Authorized Signatory

SCHEDULE "A"

LEGAL DESCRIPTION

Plan: B

Block: 6

Lot: 84 and THE MOST SOUTHERLY FORTY (40) FEET THROUGHOUT OF LOT EIGHTY THREE (83)
Excepting thereout all mines and minerals

SCHEDULE 'B'
PERMITTED ENCUMBRANCES

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
162 003 122	07/01/2016	CAVEAT - ASSIGNMENT OF RENTS AND LEASES CAVEATOR - CANADA ICI CAPITAL CORPORATION
172 024 678	25/01/2017	MORTGAGE MORTGAGEE - CANADA ICI CAPITAL CORPORATION. ORIGINAL PRINCIPAL AMOUNT: \$2,950,000

- (c) In this section, "Material Loss or Damage" means the occurrence by any cause whatsoever of any loss or damage to the Property which cannot be substantially repaired or replaced within sixty (60) days of such occurrence or which shall have a cost to replace, repair or remedy reasonably estimated to exceed One Hundred Thousand (\$100,000.00) Dollars.

18. INSURANCE AND MAINTENANCE

The Vendor shall maintain insurance coverage with respect to the Property in full force and effect until the Closing Date in such amounts and on such terms as would a prudent owner. The Vendor shall, until the Closing Date, maintain the Property in substantially the same condition as existed at the date of this Offer to Purchase.

19. AGENCY DISCLOSURE

The Vendor & Purchaser acknowledge that Ian Newman (Associate Partner) and Kyle Barton (Associate) of Cushman & Wakefield Edmonton Inc. have disclosed that the Brokerage (including its broker, associate brokers, and associates) represents only the interests of the Vendor.

20. ACKNOWLEDGEMENT

The Vendor and Purchaser acknowledges that there are no representations, covenants, agreements, warranties or conditions in any way relating to the subject matter of this Offer, whether express or otherwise except as set forth in the Offer to Purchase and the schedules attached hereto.

The parties of this Offer to Purchase acknowledge the Cushman & Wakefield Edmonton has recommended that legal, tax and accounting advice be obtained through the Vendor and Purchaser's own professional advisors and that no information provided by Cushman & Wakefield Edmonton is to be considered as expert legal, tax or accounting advice.