Deloitte.




| | |
|---|---|
| COURT FILE NUMBER | 2301-04941 |
| COURT | COURT OF KING'S BENCH OF ALBERTA IN BANKRUPTCY AND INSOLVENCY<br><br>IN THE MATTER OF THE RECEIVERSHIP OF 1975847 ALBERTA LTD. |
| JUDICIAL CENTRE | CALGARY |
| PLAINTIFF | BANK OF MONTREAL |
| DEFENDANTS | WESTMOUNT PROJECTS INC., 2218923 ALBERTA LTD., 1975874 ALBERTA LTD., ANDERSON & ASSOCIATES FINANCIAL CORP., IRONCLAD PROJECTS LTD., GORDON D. ANDERSON, and DENI MARIO DANIEL ECHINO |
| DOCUMENT | **THIRD REPORT OF THE COURT-APPOINTED RECEIVER OF 1975847 ALBERTA LTD.**<br><br>**DATED NOVEMBER 2, 2026**<br><br>**PREPARED BY DELOITTE RESTRUCTURING INC.** |
| ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT | Receiver<br>DELOITTE RESTRUCTURING INC.<br>Suite 2800, 888, 3rd Street SW<br>Calgary, AB T2P 5C5<br><br>Attention: Cassie Poon / Naomi McGregor<br>Tel: 403-267-1817 / 403-503-1423<br>Email: caspoon@deloitte.ca / naomcgregor@deloitte.ca<br><br>Legal Counsel<br>DENTONS CANADA LLP<br>Suite 1500, 850 - 2nd Street SW<br>Calgary, AB T2P 0R8<br><br>Attention: John Regush<br>Tel: 403-268-7086<br>Email: john.regush@dentons.com |

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# Introduction and Background

1. On April 27, 2023, Deloitte Restructuring Inc. ("**Deloitte**") was appointed by an Order (the "**Interim Receiver of Rents Order**") of the Court of King's Bench of Alberta (the "**Court**") as the Interim Receiver of Rents (the "**Rent Receiver**"), without security, to collect rents for the five (5) specific properties (the "**Properties**") owned by Westmount Projects Inc. ("**Westmount**"), 1975847 Alberta Ltd. and 2218923 Alberta Ltd. ("**197**" or the **"Debtor"**). The Interim Receiver of Rents Order was granted as a result of an application by Bank of Montreal ("**BMO**"), who had registered security interests in respect of the Properties. The relief sought in the application, except for the relief granted in respect of the Interim Receiver of Rents Order, was adjourned and the adjourned portions of the application were heard on May 10, 2023 and May 15, 2023.

2. The Rent Receiver filed one report with the Court outlining the activities of the Rent Receiver and summarizing additional information with respect to the Properties. The Interim Receiver of Rents Order, the Rent Receiver's report, and all other Court filings (as provided to the Rent Receiver) related to the interim receivership of rents proceedings can be found on Deloitte's website at www.insolvencies.deloitte.ca/en-ca/Westmount (the "**Receiver's Website**").

3. On May 15, 2023 (the "**Date of Receivership**") Deloitte was appointed by Order of the Court (the "**Receivership Order**") as the receiver and manager (the "**Receiver**") of all current and future assets, undertakings, and properties of every nature and kind whatsoever and wherever situated of 197, including all proceeds thereof. The Receivership Order was filed on May 23, 2023.

4. 197 is a private company incorporated in the Province of Alberta on June 13, 2016 and is a wholly owned subsidiary of Westmount. Abdul Sattar ("**Mr. Sattar**") is the sole director of 197. 197 is a real estate holding company for one (1) commercial property located at 1496 Brier Park, Medicine Hat, Alberta (the "**197 Property**") with one (1) tenant currently occupying the 197 Property.

5. 197's primary secured lender is BMO who was owed approximately $7.1 million from 197 as at the Date of Receivership. BMO holds security over all of 197's present and after acquired personal property (the "**BMO Security**") and has registered security against the 197 Property.

6. On June 29, 2023, the First Report of the Receiver (the "**First Report**") was filed in support of the July 5, 2023 application seeking:

    a. approval of the activities, fees, and disbursements of the Receiver as described in the First Report, including, without limitation, the steps taken by the Receiver pursuant to the Receivership Order, and the fees and disbursements of the Receiver's legal counsel Dentons Canada LLP ("**Dentons**"); and

    b. an Order compelling and directing 197 to provide the Receiver with prepaid rents and security deposits concerning the Property, information, books, and records required by the Receiver, and directing 197's director, Abdul Sattar, and representative, Farhan Sattar, to cause 197 to comply with these duties.

7. The portions of the Receiver's application seeking approval of the accounts of the Receiver and Dentons, the Receiver's activities as set out in the First Report, and the statement of receipts and disbursements as attached to the First Report, was adjourned *sine die*, to permit interested parties additional time to review the First Report.

8. The terms of the Order granted at the July 5, 2023 application were finalized and filed with the Court on August 30, 2023 (the "**Compliance Order**"). The Compliance Order requires the Debtor to comply with its duties in returning receivership property and providing books, records, and information to the Receiver and orders Mr. Sattar and Farhan Sattar to take appropriate steps to cause 197 to comply with the obligations placed on it pursuant to the Compliance Order.

9. On July 10, 2023, the Second Report of the Receiver (the "**Second Report**") was filed in support of the July 17, 2023 application seeking:

    a. approval of the activities, fees, and disbursements of the Receiver as described in the First Report and Second Report, including, without limitation, the steps taken by the Receiver pursuant to the Receivership Order, and the fees and disbursements of Dentons;

    b. sealing of the Confidential Appendices of the Second Report until the earlier of: (i) the closing of the sale of the 197 Property; (ii) the discharge of the Receiver; or (iii) further Order of the Court; and

    c. approval of the sale process proposed by the Receiver in respect of the 197 Property and authorizing and directing the Receiver to take all steps and actions reasonably necessary to implement, conduct and carry-out the sale process.

10. The Receiver's application on July 17, 2023 was opposed by certain guarantors of the Debtor (the "**Anderson Parties**") and adjourned to August 4, 2023. On July 31, 2023, the Receiver filed a supplement to the Second Report (the "**Second Report Supplement**") in support of the August 4, 2023 application.

11. On August 4, 2023, the Court pronounced two (2) Orders approving (i) the fees and activities of the Receiver and its legal counsel and the sealing of the confidential appendices as outlined in the Second Report and Second Report Supplement (the "**August 4 Order**"); and (ii) the sale process (the "**Sale Process**") proposed by the Receiver in respect of the 197 Property (the "**Sale Process Order**"). Copies of the August 4 Order and the Sale Process Order are attached hereto as **Appendix "A"** and **Appendix "B"**, respectively.

12. The Anderson Parties set down an application seeking variance of the Sale Process contemplated in the Sale Process Order, which application was adjourned *sine die* by order of the Honourable Justice Feasby pronounced August 17, 2023.

13. The Receivership Order, related court documents, the Notice to Creditors, the First Report, the Second Report, the Second Report Supplement, and this third report of the Receiver (the "**Third Report**" or "**this Report**") are or will be posted on the Receiver's Website.

14. Unless otherwise stated, all other capitalized terms not defined in this Report are as defined in the Receivership Order, the First Report, Second Report, or Second Report Supplement.

# Purpose

15. The purpose of this Report is to:

    a. Provide an update on the administration of the receivership since the Second Report Supplement;

    b. Provide an update with respect to the Sale Process; and

    c. Respectfully recommend that the Court make orders:

        i. approving the activities, professional fees, and disbursements of the Receiver as described in this Report, including, without limitation, the steps taken by the Receiver pursuant to the Receivership Order, and the fees and disbursements of the Receiver's legal counsel;

        ii. approving the auction marketing proposal (the "**Auction Sale Process**") of the 197 Property and authorizing and directing the Receiver to take all steps and actions reasonably necessary to implement, conduct and carry-out the Auction Sale Process; and

iii. Providing such further or other relief that the Court considers just and warranted in the circumstances.

**Terms of Reference**

16. In preparing this Report, the Receiver has relied upon unaudited financial information prepared by the Debtor's management and agents (collectively "**Management**"), the Debtor's books and records, and discussions with Management. The Receiver has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants Canada Handbook* and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the information. The Receiver may refine or alter its observations as further information is obtained or brought to its attention after the date of this Report.

17. The Receiver assumes no responsibility or liability for any loss or damage occasioned by any party as a result of the circulation, publication, reproduction, or use of this Report. Any use, which any party makes of this Report, or any reliance or decision to be made based on this Report, is the sole responsibility of such party.

**Currency**

18. All dollar amounts in this Report are in Canadian dollars, unless otherwise indicated.

# Receiver's Activities

19. The Receiver has undertaken and performed the following activities since the Second Report:

a. preparing and updating from time to time an operating receivership cash flow;

b. corresponding with Dentons on various legal matters relating to these receivership proceedings;

c. corresponding with various contractors regarding property maintenance;

d. corresponding with the tenant of the 197 Property;

e. corresponding with creditors and other stakeholders;

f. arranging for the payment of ongoing operating costs necessary to maintain the 197 Property;

g. conducting the marketing and sales process in respect of the 197 Property, as described in more detail in this Report;

h. corresponding with the commercial brokers with the 197 Property listing, Avison Young Commercial Real Estate Services, LP ("**Avison Young**");

i. preparing interim statutory reports and filing same with the Office of the Superintendent of Bankruptcy in accordance with subsection 246(2) of the *Bankruptcy and Insolvency Act*;

j. effecting service of the Compliance Order on 197 and Farhan Sattar and attempting to effect service of the Compliance Order on Mr. Sattar. As at the date of this Report, 197 has failed or neglected to comply with the provisions of the Compliance Order;

k. preparing, reviewing, and finalizing this Third Report; and

l. addressing additional matters of both a general and specific nature as they arose from time to time.

# Compliance Order

20. As previously discussed, the Compliance Order required the Debtor to comply with its duties by returning receivership property and providing books, records, and information to the Receiver and ordered Mr. Sattar and Farhan Sattar to take appropriate steps to cause 197 to comply with the obligations placed on them pursuant to the Compliance Order.

21. The Receiver effected service of the Compliance Order on 197 and Farhan Sattar. The Receiver also engaged a process server to attempt service of the Compliance Order on Mr. Sattar but such attempts were unsuccessful.

22. Dentons sent follow up correspondence to the Debtor, in care of its then counsel in this matter Llewellyn Law, requiring compliance with the Compliance Order.

23. As at the date of this Report, 197 has failed or neglected to comply with the provisions of the Compliance Order as detailed in paragraphs 24 through 27 of this Report.

**Security deposits and prepaid rents**

24. Paragraph 3 of the Compliance Order directs 197 to advise the Receiver as to whether it received, and whether it remains in possession of funds totalling $68,755 in respect of security deposits and prepaid rents and, if in possession of such funds, pay such funds to the Receiver. If 197 advises that it received these funds but is no longer in possession of the same, it must advise the Receiver as to where the funds have been transferred.

25. As at the date of this Report, the Receiver has not received any security deposits from 197 nor has the Receiver been provided any written correspondence with respect to the whereabouts of the security deposits.

**Outstanding books and records**

26. Paragraph 5 of the Compliance Order directs 197 to provide the Receiver with the information outlined in Annex ”1” of the Compliance Order or confirm in writing that it does not have such information (or any portion thereof).

27. As at the date of this Report the Receiver has not received any written correspondence with respect to the outstanding information.

**Receiver’s Recommendation with Respect to Compliance Order**

28. Notwithstanding the lack of compliance with the Compliance Order, the Receiver is of the view that undertaking further efforts to obtain compliance with the Compliance Order at this time would not be commercially reasonable in the present circumstances. The Receiver will continue to evaluate this matter as the administration of the Debtor’s estate continues.

# Marketing and Sale Process

29. Pursuant to and in accordance with the Sale Process Order, the Receiver undertook a Sale Process of the 197 Property, with the assistance of and in consultation with Avison Young. Capitalized terms used in this section of this Report not otherwise defined have the meaning ascribed to them in the Sale Process Order.

30. As set out in the Second Report and the Sale Process Order, the timing of key milestones relating to the Sales Process was as follows:

| Milestone | Deadline |
|---|---|
| Sale Process Order | August 4, 2023 |
| Solicitation of interest | August 10, 2023 or as soon as reasonably practicable |
| Bid Deadline | October 13, 2023 |
| Selection of Successful Bid | TBD |
| Transaction Approval Application | October 30, 2023 (depending on Court availability) |
| Closing of any successful bid | November 30, 2023 |

31. Avison Young, in consultation with the Receiver, developed marketing brochures (the "**Teasers**") to invite potential purchasers to participate in the Sales Process.

32. On August 16, 2023, Avison Young undertook an extensive sales and marketing process deploying various marketing tools including, but not limited to, an online listing of the 197 Property on Avison Young's commercial website, posting the listing on Avison Young's LinkedIn accounts, and providing the Teaser to several potentially interested third parties using Avison Young's client distribution lists.

33. The Receiver published notice of the Sale Process in the *Calgary Herald* and the *Global and Mail* (National Edition) on August 11, 2023 and August 15, 2023, respectively.

34. Copies of all Sales Process documents were also posted on the Receiver's Website.

35. A secure virtual data room was created by the Receiver and was made available to all "Qualified Bidders", as defined in the Sale Process, who executed confidentiality agreements (the "**CA**"). Throughout the Sale Process, Avison Young provided the Receiver with regular reporting regarding its marketing activities, including the number of prospective purchasers who had expressed an interest in the 197 Property.

36. Avison Young has advised that in addition to the public marketing of the 197 Property on the platforms listed above, approximately ten (10) to twelve (12) potentially interested parties were contacted and five (5) parties executed CAs with the Receiver and were provided access to the virtual data room with detailed financial information on the 197 Property, among other information. A total of four (4) parties toured the 197 Property.

37. Notwithstanding the extensive marketing efforts made by Avison Young, no offers were received at the Bid Deadline of October 13, 2023. As a result, the Receiver, in consultation with Avison Young, amended the Sale Process to a simplified commercial real estate listing (the "**Amended Sale Process**"). The listing price was set at $7.8 million. Avison Young commenced its remarketing program on November 30, 2023.

38. On November 30, 2023, the 197 Property was also marketed by Avison Young on the Multiple Listing Service ("**MLS**") platform, generating 40 automatic emails sent to potential investors, 58 client views, and 1,485 agent views.

39. Avison Young undertook an extensive remarketing process deploying various marketing tools including, but not limited to, an online listing of the Property on Avison Young's commercial website, a listing on the international Business for Sale service, posting the listing on Avison Young's in-house marketing database, and sending brochures to several potentially interested third parties.

40. Throughout the Amended Sale Process, Avison Young continued to provide the Receiver with regular reporting on marketing activities and purchaser interest.

41. Although industrial property inventory in Medicine Hat, Alberta is currently limited, demand is concentrated primarily on shop and warehouse properties of approximately 6,000 square feet or less, with larger properties generally requiring longer marketing periods. The 197 Property has been listed for approximately three (3) years and its listing price has been reduced ten (10) times to the current list price of approximately $5.0 million.

42. In addition to the 197 Property requiring significant repairs and capital investment, the property's substantial size and current condition have presented additional challenges in connection with the sale process.Over the course of the listing period, no viable offers have been made.

**Auction Sale Process**

43. The 197 Property has been marketed through the Sale Process and the Amended Sale Process for approximately three years without a viable offer being received. In light of the length of the marketing period and the results of the marketing efforts to date, the Receiver determined, in consultation with BMO and Avison Young, that it was appropriate to consider an alternative method of marketing the 197 Property.

44. Accordingly, the Receiver consulted with LFC Group of Companies (the "**Auctioneer**") with respect to conducting an auction of the 197 Property. The Auctioneer is comprised of advertising, technology and real estate brokerage companies with global reach and has experience auction marketing commercial and land properties. The Auctioneer has proposed an online auction process utilizing its FRE (Future of Real Estate®) Auctions platform (the "**Auction Sale Process**"). A copy of the Auctioneer's proposal is attached as **Appendix "C".**

45. The salient terms and proposed timeline of the Auction Sale Process are as follows:

    a. subject to Court approval, the Auctioneer will develop and launch an extended marketing campaign for the 197 Property;

    b. the proposed marketing campaign will include onsite signage, photography, internet advertising, listings on various property listing websites, local and regional marketing, and property and auction-specific information on the Auctioneer's FRE auction website;

    c. the marketing campaign is proposed to commence on November 30, 2026, with an initial bidding deadline of February 4, 2027;

    d. interested parties will have an opportunity to conduct due diligence and submit bids through the Auctioneer's online platform;

    e. the Auction Sale Process will utilize the Auctioneer's Auction Plus® bidding format, which permits bids to include contingencies;

    f. the 197 Property will be offered subject to a reserve price to be established by the Receiver, in consultation with the Auctioneer and Avison Young, and the Receiver will have no obligation to accept a bid below the established reserve price;

    g. the Auctioneer will be entitled to a transaction fee equal to 5% of the sale price, payable by the successful purchaser and earned and payable only upon closing; and

h. notwithstanding the identification of a winning bidder through the Auction Sale Process, any winning bid and the transaction contemplated thereby will be subject to further approval of this Honourable Court.

46. The Receiver is of the view that the proposed Auction Sale Process represents a reasonable next step in the marketing and sale of the 197 Property and that the modification of the Sale Process previously approved by the Court should be approved for the following reasons:

    a. notwithstanding the broad and strategic marketing efforts and the subsequent Amended Sale Process, the 197 Property has remained exposed to the market for approximately three years without a viable offer being received;

    b. the Auction Sale Process provides an alternative means of marketing the 197 Property through a defined and competitive bidding process;

    c. the Auctioneer proposes to market the 197 Property nationally through its online auction platform and related advertising campaign;

    d. the Auction Sale Process establishes a defined bidding deadline and is intended to encourage prospective purchasers to submit bids within a specified timeframe;

    e. any winning bid resulting from the Auction Sale Process, and the transaction contemplated thereby, will be subject to further approval of this Honourable Court; and

    f. the Receiver is advised that BMO, as the first-ranking secured creditor with a registered mortgage on the 197 Property, supports the Auction Sale Process.

47. Having regard to the Sale Process and Amended Sale Process undertaken by Avison Young, the length of time the 197 Property has been exposed to the market without a viable offer being received, and the opportunity presented by the Auction Sale Process to market the 197 Property through a defined and competitive bidding process, the Receiver is of the view that the Auction Sale Process is a commercially reasonable means of continuing the marketing and sale of the 197 Property. Accordingly, the Receiver respectfully requests that this Honourable Court approve the modification of the previously approved Sale Process to permit the Receiver to conduct the Auction Sale Process substantially in accordance with the Auctioneer's proposal, provided that any winning bid and any transaction arising from the Auction Sale Process shall be subject to further approval of this Honourable Court.

# Fees and Disbursements of the Receiver and its Legal Counsel

48. Pursuant to the August 4 Order, the fees and disbursements of the Receiver and Dentons have been approved for the periods May 15, 2023 to June 23, 2023.

49. The Receiver is seeking approval of its fees and disbursements for the period May 15, 2023 to October 27, 2026 totalling approximately $116,000 (excluding GST). This total comprises 11 interim invoices for Receiver's fees and disbursements from June 25, 2023 to May 31, 2026 totalling approximately $108,300, and unbilled work-in-progress to October 27, 2026 of approximately $7,700. A summary of the Receiver's invoices is attached as **Appendix "D"**. Detailed time records supporting the invoices are available to the Court upon request.

50. The Receiver is also seeking approval of Dentons' fees for the period of April 25, 2023 through to January 20, 2026, totalling approximately $39,900 (excluding GST). This total comprises 17 interim invoices for legal fees and disbursements from April 25, 2023 to January 20, 2026. A summary of Dentons' invoices is attached as **Appendix "E"**. Detailed time records supporting the invoices are available to the Court upon request.

51. The professional fees of the Receiver and Dentons are calculated based on hours spent at rates established by each professional based on their qualifications and experience.

52. In the Receiver's opinion, the services rendered in respect of its fees and disbursements have been duly rendered in response to required and necessary duties of the Receiver hereunder and are reasonable in the circumstances.

53. The Receiver has reviewed the invoices rendered by Dentons and finds them to be reasonable and appropriate in the circumstances.

# Interim Statement of Receipts and Disbursements

54. The Receiver's Interim Statement of Receipts and Disbursements ("**Interim R&D**") which covers the period from May 15, 2023 to October 28, 2026 is summarized below and detailed in **Appendix "F"**:

| **$CAD** | **1975847 Alberta Ltd.** |
|---|---|
| Receipts | 1,257,361 |
| Disbursements | (1,105,499) |
| **Estate balances as at October 28, 2026** | **151,861** |

55. As at the date of this Report, the Receiver has realized sufficient funds to meet all operating expenses without having to draw on the Court authorized borrowing facility to fund the receivership proceedings.

# Conclusions and Recommendations

56. Based on the foregoing, the Receiver respectfully recommends that the Court grant the relief detailed in paragraph 15(c) of this Report and such further and other relief, as the Court deems appropriate in the circumstances.

*  *  *

All of which is respectfully submitted at Calgary, Alberta this 2nd day of November 2026.

**DELOITTE RESTRUCTURING INC.,**
In its capacity as Court-appointed Receiver for
1975847 Alberta Ltd.
and not in its personal or corporate capacity
Per:



Cassie Poon, CIRP, LIT
Senior Vice-President

Deloitte.

## www.deloitte.ca

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# APPENDIX "A"

Clerk's Stamp:




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|---|---|
| COURT FILE NUMBER | 2301-04941 |
| COURT | COURT OF KING'S BENCH OF ALBERTA |
| JUDICIAL CENTRE | CALGARY |
| PLAINTIFF | BANK OF MONTREAL |
| DEFENDANTS | WESTMOUNT PROJECTS INC., 2218923 ALBERTA LTD., 1975847 ALBERTA LTD., ANDERSON & ASSOCIATES FINANCIAL CORP., IRONCLAD PROJECTS LTD., GORDAN D. ANDERSON, AND DENI MARIO DANIEL ECHINO |
| DOCUMENT | **ORDER – APPROVAL AND RESTRICTED COURT ACCESS** |
| ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT | Dentons Canada LLP<br>Bankers Court<br>15th Floor, 850 - 2nd Street S.W.<br>Calgary, Alberta T2P 0R8<br><br>Attention: Derek Pontin<br>Ph. (403) 268-6301<br>Fx. (403) 268-3100<br>File No.: 569588-14 |
| DATE ON WHICH ORDER WAS PRONOUNCED: | August 4, 2023 |
| LOCATION WHERE ORDER WAS PRONOUNCED: | Calgary, Alberta |
| NAME OF JUSTICE WHO MADE THIS ORDER: | The Honourable Justice Yamauchi |

**UPON** the application of Deloitte Restructuring Inc., in its capacity as Court-appointed receiver and manager ("**Receiver**") pursuant to three Orders of the Honourable Justice Lema pronounced on May 15, 2023 in these proceedings (the "**Receivership Orders**"); **AND UPON** reading the First Reports ("**First Reports**"), Second Reports ("**Second Reports**"), and Supplemental Reports to the Second Reports ("**Supplemental Reports**") of the Receiver in respect of 2218923 Alberta Ltd. and 1975847 Alberta Ltd. (collectively, the "**Debtors**"); **AND UPON** reading the Confidential Appendices 1 and 2 to the Second Reports (collectively, the "**Confidential Appendices**"); **AND UPON** reading the Affidavits of Service of Terry Trojanoski sworn August 2, 2023; **AND UPON** noting the attendance of or hearing from counsel for the Receiver, counsel for Bank of Montreal, counsel for Gordon D. Anderson and Anderson & Associates Financial Corp., counsel for Westmount Projects Inc., 2218923 Alberta Ltd., and 1975847 Alberta Ltd., counsel for the Canada Revenue Agency, counsel for Deni Mario Daniel Echino, and counsel for Horizon Capital Corporation;

**IT IS HEREBY ORDERED AND DECLARED THAT**:

**Service**

1. The time for service of the notice of application for this order is hereby abridged and deemed good and sufficient and this application is properly returnable today.

**Approval of Fees and Activities**

1. The Receiver's accounts for fees and disbursements, as set out in the First Reports are hereby approved without the necessity of a formal passing of its accounts.

2. The accounts of the Receiver's legal counsel Dentons Canada LLP for their fees and disbursements, as set out in the First Reports are hereby approved without the necessity of a formal assessment of their accounts.

3. The Receiver's activities as set out in the First Reports, Second Reports, Supplemental Reports and the Statements of Receipts and Disbursements as attached to the First Reports and Second Reports, are hereby ratified and approved.

**Restricted Court Access**

4. The Confidential Appendices shall be filed in Court of King's Bench of Alberta Action Number 2301-04941 and shall immediately be sealed by the Clerk of the Court, kept confidential and not form part of the public record, and not be available for public inspection until the earlier of: (i) completion of the sale of the real property of the Debtors over which the Receiver is appointed; (ii) February 28, 2024; or (iii) as otherwise ordered by this Court, after application brought upon seven days' notice to all interested parties, whereupon the Clerk of the Court shall remove the Confidential Appendices from the sealed envelope referred to below and place the Confidential Appendices on the public record. The Confidential Appendices shall be sealed and filed in an envelope containing the following statement thereon:

> THIS ENVELOPE CONTAINS CONFIDENTIAL APPENDICES TO THE SECOND REPORTS OF DELOITTE RESTRUCTURING INC. AS THE COURT-APPOINTED RECEIVER AND MANAGER OF 2218923 ALBERTA LTD. AND 1975847 ALBERTA LTD., WHICH SHALL BE SEALED UNTIL: (I) COMPLETION OF THE SALE OF THE REAL PROPERTY OF 2218923 ALBERTA LTD. AND 1975847 ALBERTA LTD. OVER WHICH THE RECEIVER IS APPOINTED; (II) FEBRUARY 28, 2024; OR (III) AS OTHERWISE ORDERED BY THIS COURT, AFTER APPLICATION BROUGHT UPON SEVEN DAYS' NOTICE TO ALL INTERESTED PARTIES AND IS NOT TO BE PLACED ON THE PUBLIC RECORD OR MADE PUBLICLY ACCESSIBLE EXCEPT IN ACCORDANCE WITH THE FOREGOING PROVISIONS.



Justice of the Court of King's Bench of Alberta

# APPENDIX "B"

Clerk's Stamp:




AO

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|---|---|
| COURT FILE NUMBER | 2301-04941 |
| COURT | COURT OF KING'S BENCH OF ALBERTA |
| JUDICIAL CENTRE | CALGARY |
| PLAINTIFF | BANK OF MONTREAL |
| DEFENDANTS | WESTMOUNT PROJECTS INC., 2218923 ALBERTA LTD., 1975847 ALBERTA LTD., ANDERSON & ASSOCIATES FINANCIAL CORP., IRONCLAD PROJECTS LTD., GORDAN D. ANDERSON, AND DENI MARIO DANIEL ECHINO |
| DOCUMENT | **ORDER – MEDICINE HAT PROPERTY** |
| ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT | Dentons Canada LLP<br>Bankers Court<br>15th Floor, 850 - 2nd Street S.W.<br>Calgary, Alberta T2P 0R8<br><br>Attention: Derek Pontin<br>Ph. (403) 268-6301<br>Fx. (403) 268-3100<br>File No.: 569588-14 |

| | |
|---|---|
| DATE ON WHICH ORDER WAS PRONOUNCED: | August 4, 2023 |
| LOCATION WHERE ORDER WAS PRONOUNCED: | Calgary, Alberta |
| NAME OF JUSTICE WHO MADE THIS ORDER: | The Honourable Justice Yamauchi |

**UPON** the application of Deloitte Restructuring Inc., in its capacity as Court-appointed receiver and manager ("**Receiver**") pursuant to three Orders of the Honourable Justice Lema pronounced on May 15, 2023 in these proceedings (the "**Receivership Orders**"); **AND UPON** reading the Second Reports of the Receiver in respect of 2218923 Alberta Ltd. and 1975847 Alberta Ltd. dated July 10, 2023 (the "**Second Reports**") and Confidential Appendices 1 and 2 thereto, the Supplemental Reports to each of the Second Reports dated July 31, 2023 (collectively, the "**Supplemental Reports**"); and the written submissions of the Receiver; **AND UPON** reading the Affidavits of Gordon D. Anderson each sworn/affirmed on July 26, 2023, the Affidavit of Shaunee Vanderham sworn/affirmed on July 26, 2023, the Affidavit of Deni Mario Daniel Echino sworn/affirmed on July 26, 2023, the Affidavit of Gordon D. Anderson sworn August 2,2023, the Submissions by Gordon D. Anderson and Anderson & Associates Financial Corp. (collectively, "**Anderson**") dated July 26, 2023, and the Written Submissions of Anderson dated August 2, 2023; **AND UPON** reading the Affidavits of Service of Terry Trojanoski sworn August 2, 2023; **AND UPON** noting the attendance of or hearing from counsel for the Receiver, counsel for Bank of Montreal, counsel for Anderson, counsel for Westmount Projects Inc., 2218923 Alberta Ltd., and 1975847

Alberta Ltd., counsel for the Canada Revenue Agency, counsel for Deni Mario Daniel Echino, and counsel for Horizon Capital Corporation;

**IT IS HEREBY ORDERED AND DECLARED THAT**:

1. The time for service of the notice of application for this order is hereby abridged and deemed good and sufficient and this application is properly returnable today.

2. The Listing Agreement between the Receiver and Avison Young Commercial Real Estate Services, LP (the "**Listing Agent**"), and attached to the Supplemental Reports as Appendix B (the "**Listing Agreement**") is hereby approved.

3. The execution and delivery of the Listing Agreement by the Receiver, with such minor amendments as the Receiver may deem necessary, is approved and the Receiver is authorized, empowered and directed to take all steps and actions in respect of, and to comply with all of its obligations pursuant to, the Listing Agreement.

4. The Sales Process and the Sales Procedure substantially in the form attached hereto as Schedule "A", are hereby approved and the Receiver is authorized and directed to carry out the Sales Process in accordance with the Sales Procedure and this Order. The Receiver is also hereby authorized and directed to take such steps as it considers necessary or appropriate in carrying out each of its obligations under the Sales Process, subject to approval of this Court being obtained before the completion of any transaction(s) resulting from the Sales Process.

5. The Receiver and Listing Agent, and their respective affiliates, partners, directors, employees, advisors, agents, legal counsel, shareholders and controlling persons shall have no liability with respect to any losses, claims, damages or liability of any nature or kind to any person in connection with or as a result of the Sales Process or the conduct thereof, except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct of any of the foregoing.

6. Service of this order shall be effected on those parties to the service list for the within proceedings and the need for any further service of this order is hereby dispensed with.

7. This Order is without prejudice to any application that may be brought seeking approval of an alternative sale process.



Justice of the Court of King's Bench of Alberta

"Schedule A"

**SALE PROCESS – MEDICINE HAT PROPERTIES**

## INTRODUCTION

1. On May 15, 2023, the Honourable Justice Lema in Alberta Court of King's Bench (the "**Court**") Action No. 2301-04941 (the "**Receivership Proceedings**") granted orders (collectively, the "**Receivership Orders**"), appointing Deloitte Restructuring Inc. ("**Deloitte**") as receiver and manager ("**Receiver**") of:

   (a) all of the assets, properties, and undertakings of 1975847 Alberta Ltd. ("**197 Alberta**"), including the real property listed in Appendix 1 hereto; and

   (b) all of the assets, properties, and undertakings of 2218923 Alberta Ltd. ("**221 Alberta**", collectively with 197 Alberta the "**Debtors**"), including the real property listed in Appendix 1 hereto.

2. On August 4, 2023, the Court granted, among others, an Order (the "**Sales Process Order**"), approving the listing agreement with Avison Young Commercial Real Estate Services, LP (the "**Listing Agent**") and authorizing the Receiver to conduct a sales process (the "**Sales Process**") as further described herein to market and sell the real property listed in Annex 1 hereto (the "**Medicine Hat Property**"), subject to prior approval of the Court before any sale.

3. The Receiver intends to provide all qualified interested parties with an opportunity to participate in the Sales Process.

4. This document (the "**Sales Procedure**") outlines the Sales Process.

5. All dollar amounts expressed herein, unless otherwise noted, are in Canadian currency. Unless otherwise indicated herein, any event that occurs on a day that is not a business day in the Province of Alberta (each, a "**Business Day**") shall be deemed to occur on the next Business Day. All references to time shall be to the current time in Calgary, Alberta. Capitalized terms not otherwise defined in this Sales Procedure have the meanings set forth in the materials filed by the Receiver in support of the Sales Process or the Reports of the Receiver.

## OPPORTUNITY

6. The Sales Process is intended to solicit interest in, and opportunities for, a sale of the Medicine Hat Property (the "**Opportunity**"). The Opportunity may include a sale of all, substantially all, or some of the Medicine Hat Property.

7. Except to the extent otherwise set forth in a definitive sale agreement with a Successful Bidder (as defined herein), any sale of the Medicine Hat Property will be on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description by the Receiver, the Debtors, or any of their respective agents, advisors or estates, and, in the event of a sale, all of the right, title and interest of the Debtors in and to the Medicine Hat Property to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon pursuant to Court orders, but unless specified by the Successful Bidder and approved by the Court, subject to all leases against the Medicine

Hat Property, to the extent that the Court deems it appropriate to grant such relief and except as otherwise provided in such Court orders.

**TIMELINE**

8. The following table sets out the key milestones under the Sales Process:

| Milestone | Deadline |
|---|---|
| Listing Agreement with Listing Agent becomes effective | August 4, 2023 (Upon Court approval) |
| Listing Agent publicly lists Opportunity and creates list of known potential bidders and distributes Teaser Letters and Confidentiality Agreements to known potential bidders | August 10, 2023 |
| Receiver to prepare and have available for potential bidders a data room | August 10, 2023 |
| Bid Deadline | October 13, 2023 |
| Transaction Approval Application Hearing | October 30, 2023 (depending on Court availability) |
| Closing Date Deadline | November 30, 2023 |

9. The dates set out in the Sales Procedure may be extended by the Receiver.

**SOLICITATION OF INTEREST: NOTICE OF THE SALES PROCESS**

10. As soon as reasonably practicable, but in any event by no later than August 10, 2023:

(a) the Listing Agent will prepare a list of Potential Bidders (as defined herein), including:

(i) parties that have approached the Receiver indicating an interest in the Opportunity; and

(ii) parties who the Listing Agent believes may be interested in purchasing all or part of the Medicine Hat Property pursuant to the Sales Process,

(collectively, "**Known Potential Bidders**");

(b) the Receiver will arrange for a notice of the Sales Process (and such other relevant information that the Receiver considers appropriate) (the "**Notice**") to be published in The Globe and Mail (National Edition) and the Calgary Herald and any other industry publication, website, newspaper or journal as the Receiver consider appropriate, if any;

(c) the Listing Agent will list the Medicine Hat Property on such websites or public listing services as it deems appropriate;

(d) the Receiver will prepare:

(i) a process summary (the "**Teaser Letter**") describing the Opportunity, outlining the process under the Sales Process and inviting recipients of the Teaser Letter to express their interest pursuant to the Sales Process; and

(ii) a confidentiality agreement in form and substance satisfactory to the Receiver and its counsel (a "**Confidentiality Agreement**").

11. The Listing Agent shall send the Teaser Letter and Confidentiality Agreement to each Known Potential Bidder by no later than August 10, 2023 and to any other party who requests a copy of the Teaser Letter and Confidentiality Agreement or who is identified to the Listing Agent or the Receiver as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

**BIDDING**

***Qualified Bidders***

12. Any party who wishes to participate in the Sales Process (each, a "**Potential Bidder**") must deliver to the Receiver, unless the Receiver confirms to such Potential Bidder that the below documents were already provided to the satisfaction of, or are already available to, the Receiver (collectively, the "**Qualifying Information**"):

(a) an executed Confidentiality Agreement that shall inure to the benefit of any purchaser of the Medicine Hat Property, or any portion thereof;

(b) a letter setting forth the Potential Bidder's (i) identity, (ii) contact information and (iii) full disclosure of its direct and indirect principals; and

(c) a form of financial disclosure and credit quality support or enhancement that allows the Receiver to make a reasonable determination as to the Potential Bidder's financial and other capabilities to consummate a Bid (as defined herein).

13. If the Receiver determines that a Potential Bidder has:

(a) delivered the Qualifying Information; and

(b) the financial capability based on the availability of financing, experience and other considerations, to be able to consummate a sale pursuant to the Sales Process,

then such Potential Bidder will be deemed to be a "**Qualified Bidder**". For greater certainty, no Potential Bidder shall be deemed to be a Qualified Bidder without the approval of the Receiver.

14. At any time during the Sales Process, the Receiver may, in its reasonable business judgment eliminate a Qualified Bidder from the Sales Process, in which case such bidder will be eliminated from the Sales Process, will no longer be a Qualified Bidder for the purposes of this Sales Process, and shall have no further recourse as against the Receiver.

15. The Receiver, with the assistance of the Listing Agent, shall prepare a data room with additional information considered relevant to the Opportunity. The Receiver, the Listing Agent, and their respective advisors make no representation or warranty as to the information made available pursuant to the Sales Process.

16. Potential Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Medicine Hat Property in connection with their participation in the Sales Process and any transaction they enter into with the Receiver.

***Due Diligence***

17. The Receiver, shall, in its reasonable business judgment and subject to competitive and other business considerations, afford each Qualified Bidder such access to due diligence material and information relating to the Medicine Hat Property as they deem appropriate. Due diligence access may include management presentations, access to electronic data rooms, on-site inspections, and other matters which a Qualified Bidder may reasonably request and as to which the Receiver, in its reasonable business judgment, may agree.

18. The Receiver shall designate a representative to coordinate all reasonable requests for additional information and due diligence access from Qualified Bidders and the manner in which such requests must be communicated. The Receiver shall not be obligated to furnish any information relating to the Medicine Hat Property or Debtors to any person other than to Qualified Bidders.

***Formal Binding Offers***

19. Qualified Bidders that wish to make a formal offer to purchase the Medicine Hat Property, or a portion of it, shall submit a binding offer (a "**Bid**") that complies with all of the following requirements to the Receiver at the address specified in Annex 2 hereto (including by e-mail), so as to be received by them not later than 3:00 PM MT (Calgary Time) on October 13, 2023 (the "**Bid Deadline**"):

    (a) the Bid (either individually or in combination with other Bids that make up one Bid) is an offer to purchase the Medicine Hat Property (or a portion of it) and is consistent with any necessary terms and conditions established by the Receiver and communicated to Qualified Bidders;

    (b) the Bid includes a letter stating that the Qualified Bidder's offer is irrevocable until the selection of the Successful Bidder (as defined herein), provided that if such Qualified Bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the closing of the transaction with the Successful Bidder;

    (c) the Bid includes duly authorized and executed transaction agreements, including the purchase price and any other key economic terms expressed in Canadian dollars (the "**Purchase Price**"), together with all exhibits and schedules thereto;

    (d) the Bid includes written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction that will allow the Receiver to make a determination as to the Qualified Bidder's financial and other capabilities to consummate the proposed transaction;

(e) the Bid is not conditioned on (i) the outcome of unperformed due diligence by the Qualified Bidder; or (ii) obtaining financing;

(f) the Bid includes an allocation of the purchase price among any property purchased;

(g) the Bid fully discloses the identity of each entity that will be entering into the transaction or the financing, or that is participating or benefiting from such Bid;

(h) the bid includes a commitment by the Qualified Bidder to provide a non-refundable deposit in the form of a wire transfer to a trust account specified by the Receiver (a "**Deposit**") in the amount of not less than 10% of the Purchase Price offered upon the Qualified Bidder being selected as the Successful Bidder;

(i) the Bid includes acknowledgements and representations of the Qualified Bidder that the Qualified Bidder:

(i) has had an opportunity to conduct any and all due diligence regarding the Medicine Hat Property and the Debtors prior to making its offer;

(ii) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Medicine Hat Property in making its Bid; and

(iii) did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Medicine Hat Property or the Debtors or the completeness of any information provided in connection therewith;

(j) the Bid is received by the Bid Deadline; and

(k) the Bid contemplates closing the transaction set out therein on or before November 17, 2023.

***Assessment and Evaluation of Bids***

20. If the Receiver is not satisfied with the number or terms of the Bids, the Receiver may, elect to (i) extend the Bid Deadline or (ii) seek Court approval to formally amend the Sales Process.

21. The Receiver may aggregate separate Bids from unaffiliated Qualified Bidders to create one Bid.

22. The Receiver will evaluate Bids based upon several factors including, without limitation:

(a) the Purchase Price and the net value provided by such Bid;

(b) the identity, circumstances and ability of the Qualified Bidder to successfully complete such transactions;

(c) the proposed transaction documents;

(d) factors affecting the speed, certainty and value of the transaction;

(e) the Medicine Hat Property included or excluded from the bid;

(f) encumbrances or interests in the Medicine Hat Property proposed to be excluded or disclaimed;

(g) an related closing costs; and

(h) the likelihood and timing of consummating such transaction.

***Selection of Successful Bid***

23. The Receiver will:

(a) review and evaluate each Bid, provided that each Bid may be negotiated by the Receiver and the applicable Qualified Bidder, and may be amended, modified or varied to improve such Bid as a result of such negotiations; and

(b) identify the highest or otherwise best Bid or Bids (the "**Successful Bid"**, and the Qualified Bidder making such Successful Bid, the "**Successful Bidder**") for any particular Medicine Hat Property in whole or part. The determination of any Successful Bid by the Receiver shall be subject to approval by the Court.

24. The Receiver shall have no obligation to enter into a Successful Bid, and it reserves the right to reject any or all Bids.

***If One or More Bids***

25. If the Receiver determines, in its reasonable discretion, that one or more of the Bids are similar in terms of purchase price to the benefit of the Debtors and their stakeholders, the Receiver may provide the parties making such Bids the opportunity to make further bids by way of submitting a best and final offer, without conditions and subject only to Court approval, to the Receiver by a date set by the Receiver.

26. The Receiver shall select the winning bid (the "**Winning Bid**"). Once a definitive agreement has been negotiated and settled in respect of the Winning Bid as selected by the Receiver (the "**Selected Superior Offer**") in accordance with the provisions hereof, the Selected Superior Offer shall be the "Successful Bid" hereunder and the person(s) who made the Selected Superior Offer shall be the "Successful Bidder" hereunder.

***Transaction Approval Application Hearing***

27. At the hearing of the application to approve any transaction with a Successful Bidder (the "**Transaction Approval Application**"), the Receiver shall seek, among other things, approval from the Court to consummate any Successful Bid. All the Bids other than the Successful Bid, if any, shall be deemed to be rejected by the Receiver on and as of the date of approval of the Successful Bid by the Court.

***Confidentiality and Access to Information***

28. All discussions regarding a Bid shall be directed through the Receiver or the Listing Agent. Under no circumstances should the management of the Debtors be contacted directly without the prior consent of the Receiver. Any such unauthorized contact or communication could result in exclusion of the interested party from the Sales Process.

29. Participants and prospective participants in the Sales Process shall not be permitted to receive any information that is not made generally available to all participants relating to the number or identity of Potential Bidders, Qualified Bidders, Bids, the details of any Bids submitted or the details of any confidential discussions or correspondence between the Debtors, the Receiver, the Listing Agent and such other bidders or Potential Bidders in connection with the Sales Process, except to the extent the Receiver, with the consent of the applicable participants, is seeking to combine separate bids from Qualified Bidders.

30. The Receiver may consult with any other parties with a material interest in the Receivership Proceedings regarding the status of and material information and developments relating to the Sales Procedure to the extent considered appropriate by the Receiver (subject to paragraph **Error! Reference source not found.** and taking into account, among other things, whether any particular party is a Potential Bidder, Qualified Bidder or other participant or prospective participant in the Sales Process or involved in a Bid), provided that such parties shall have entered into confidentiality arrangements satisfactory to the Receiver.

***Deposits***

31. All Deposits shall be retained by the Receiver in a non-interest-bearing trust account located at financial institution in Canada. The Receiver may waive the requirement of a Deposit if it believes sufficient security or certainty has been provided by a Qualified Bidder, including by way of a credit bid.

32. If there is a Bid that constitutes a Successful Bid, the Deposit paid by the Successful Bidder shall be applied to the consideration to be paid upon closing of the transaction constituting the Successful Bid.

33. The Deposit(s) from all Qualified Bidders submitting Bids that do not constitute a Successful Bid shall be returned to such Qualified Bidder within ten (10) Business Days of the earlier of (i) the date that the Receiver selects a Successful Bid pursuant to section **Error! Reference source not found.** hereof or (ii) the Court declares a Successful Bid pursuant to section **Error! Reference source not found.** hereof.

34. If the Qualified Bidder making a Bid is selected as the Successful Bid and breaches or defaults on its obligation to close the transaction in respect of its Successful Bid, it shall forfeit its Deposit to the Receiver for and on behalf of the applicable Debtor or Debtors; provided however that the forfeit of such Deposit shall be in addition to, and not in lieu of, any other rights in law or equity that the Receiver have in respect of such breach or default.

35. If the Receiver is unable to complete the Successful Bid as a result of its own actions or the failure of a condition in the Successful Bid in favour of a the Successful Bidder to be satisfied, in

each case other than by reason of the actions or inactions of the Successful Bidder, then the Deposit shall be returned to the Successful Bidder.

***Supervision of the Sales Process***

36. The Receiver shall oversee the conduct of the Sales Process in all respects. Without limitation to that supervisory role, the Receiver shall participate in the Sales Process in the manner set out in this Sales Procedure, the Sales Process Order, and any other order of the Court, and is entitled to receive all information in relation to the Sales Process. For the avoidance of doubt, the completion of any Bid shall be subject to the approval of the Court and the requirement of approval of the Court may not be waived.

37. The Receiver may waive compliance with any one or more of the requirements of this Sales Process, including, for greater certainty, waive strict compliance with any one or more of the requirements specified in this Sale Procedure and deem a non-compliant Bid to be a compliant Bid and extend such timelines or deadlines as it deems appropriate.

38. This Sales Process does not, and shall not be interpreted to, create any contractual or other legal relationship between the Debtors or the Receiver and any Qualified Bidder or any other party, other than as specifically set forth in a definitive agreement that may be entered into with the Receiver.

39. Without limiting the preceding paragraph, the Receiver and Listing Agent, and their respective agents and advisors, shall not have any liability whatsoever to any person or party, including without limitation any Potential Bidder, Qualified Bidder, the Successful Bidder, the Debtors, or any other creditor or other stakeholder of the Debtors, for any act or omission related to the process contemplated by this Sales Procedure, except to the extent such act or omission is the result from gross negligence or willful misconduct of the Receiver, Listing Agent, or their respective agent and advisors. By submitting a bid, each Potential Bidder, Qualified Bidder, or Successful Bidder shall be deemed to have agreed that it has no claim against the Receiver, Listing Agent, or their respective agents and advisors for any reason whatsoever, except to the extent that such claim is the result of gross negligence or willful misconduct of the Receiver, Listing Agent, or their respective agents and advisors.

40. Participants in the Sales Process are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a transaction.

41. Subject to the terms of the Sales Process Order, the Receiver shall have the right to modify the Sales Process if, in its reasonable business judgment, such modification will enhance the process or better achieve the objectives of the Sales Process; provided that the service list in the Receivership Proceedings shall be advised of any substantive modification to the procedures set forth herein.

42. In order to discharge its duties in connection with the Sales Process the Receiver may engage professional or business advisors or agents as the Receiver deems fit in its sole discretion. Without limiting the foregoing, the Receiver shall be permitted, but not obligated, to consult with the Listing Agent in respect of any aspect of the Sales Process and the steps contemplated in this Sales Procedure.

***Further Orders***

43. At any time during the Sales Process the Receiver may apply to the Court for advice and directions with respect to the discharge of their powers and duties hereunder, if any.

**ANNEX 1**

| | **Legal Description** | **Municipal Description** |
|---|---|---|
| Real property of 197 Alberta: | | |
| | PLAN 0113682<br>BLOCK 2<br>LOT 5<br>EXCEPTING THEREOUT ALL MINES AND MINERALS | 1496 Brier Park Crescent NW, Medicine Hat, AB |
| Real property of 221 Alberta: | | |
| | PLAN 6293JK<br>BLOCK 3<br>EXCEPTING THEREOUT ALL MINES AND MINERALS<br>AND THE RIGHT TO WORK THE SAME<br>AREA: 2.01 HECTARES (4.96 ACRES) MORE OR LESS | 1516 Brier Park Crescent NW, Lethbridge, AB |

**ANNEX 2**

# APPENDIX "C"

LFC

*Marketing Services, Inc.*

October 28, 2026

Naomi McGregor
Cassie Poon
Deloitte
888 3rd Street SW
Suite 2800 Bankers Hall
Calgary, AB T2P 5C5

RE: **Receivership of 1975847 Alberta Ltd.**
Auction Marketing Proposal – Industrial Complex – Medicine Hat, AB (LFC 2619)

Dear Naomi & Cassie:

The LFC Group of Companies is comprised of advertising, technology and real estate brokerage companies. During our 40+ year history, LFC has auction marketed thousands of commercial and land properties worldwide.

LFC proposes to provide you and your client with a turnkey auction campaign to market and sell your above referenced real property. We will be employing our FRE (Future of Real Estate®) Auctions (www.FRE.com) website whose leading-edge technology provides our clients with the following features:

**LFC's**
**Accelerated Marketing Program**

- **International Reach** – Our Internet-based auction technology allows interested prospects to conduct their due diligence and place bids from anywhere in the world.
- **Convenience** – our website is 100% mobile-device compatible.
- **Velocity** – A typical auction campaign is approximately 125 days long: website build-out, inclusion of property information and pictures (15 days), advertising campaign, property viewings and initial bidding (60 days), Last Call® bid extension process (10 days) and closing process (30-40 days).
- **Advertising/Marketing** – LFC's experienced advertising/public relations staff shall expose the subject property to its target market subject to the available advertising budget.
- **Accountability** –Our proprietary Media, Prospect Tracking System (MPTS) will provide us and you with real-time feedback regarding the cost-effectiveness of all advertising/marketing expenditures.
- **Integrity** – Our program does not allow false or phantom bidding to take place.
- **Bid Deadline** – This feature will provide a sense of bidder/buyer urgency and a date certain for the sale of your property.
- **Transparency** – All parties (you, LFC, prospects, and bidders) can monitor the entire process online and in real time.

- **Maximization of Value** – FRE's highly competitive online Last Call® bid extension feature will ensure that the absolute highest possible price point is achieved for your property.

## Proposition

**Bidding Format:** Please understand that the auction event will merely be a point of sale which we will use to create a sense of buyer urgency and drive interested parties to your property on the FRE website. We propose to use our Auction Plus® bidding format which allows bids/offers to include contingencies. Further, your property will be offered with "reserve" which means that if we don't receive a qualified offer at or above the reserve price that you determine, you shall have no obligation to accept.

**Marketing Campaign:** Subject to the Advertising Budget, the proposed marketing campaign will include onsite signage, photography, Internet advertising, inclusion of your property on various property "listing" websites and a local and regional marketing campaign. It will also include property and auction-specific information on the FRE auction website.

(We will need two weeks to develop and launch the marketing campaign from the time we enter into agreement and receive the advertising budget money from you.)

**Financing:** Buyers will be able to include financing contingencies with their bids.

**Advertising Budget:** Given the fact that our anticipated target market for your Property will be nationwide, we are proposing an advertising budget of C$7,500. Once we learn more about the property and the existing advertising media (EG: videos, photography, advertising copy, etc.), we will develop a media schedule which will include costs for your review and approval. Activation of the Marketing Campaign shall be contingent upon your review and approval of the media schedule and its funding by you.

**Commission & Transaction Fees:** LFC proposes that the buyer pay 5% of the sale price as a transaction fee to LFC. The transaction fee shall only be earned and payable at the property closing.

**Proposed Timeline:** Pending court approval on 11/13/2026, we recommend an extended advertising campaign to commence on Monday 11/30/2026 with an initial bidding deadline of Thursday 2/4/2027. This structure will allow us to generate widespread exposure and prepare us to transact in the Q1 reset where funds typically deploy new annual allocations. The holiday season (December 1st – January 10th) is a notoriously slow time of year for real estate transactions which we have accounted for in this proposed timeline.

***Client Comments***

*"We used the FRE Accelerated Marketing Program to sell our 1500+ acre ski resort property in Beaver, Utah. The property included unfinished residential lots, a small ski area, a few residential condominiums and a partially completed golf course. Due to its ample size, the property also had tremendous development potential. FRE focused their international marketing campaign around the property's potential for development and fortunately was able to find a foreign buyer who shared their vision. The property is now known as the Eagle Point Ski Resort. I would highly recommend FRE and its staff of marketing professionals."*

*Shane Gadbaw, Managing Director, XE Capital*
*New York, NY, USA*

*"We talked to numerous organizations who had international property marketing experience and we fortunately elected to use the FRE Accelerated Marketing Program to sell over 250,000 acres of the former Central Pacific Railroad right-of-way land which was owned by the Morgan Stanley Real Estate Fund. This sale included a portion of a 2,500,000-plus-acre land holding that stretched across northern Nevada, literally from California to the Utah border. FRE's successful efforts allowed us to value the remainder of the property, which we then sold to a private equity fund based in Canada. If you have real estate that requires national and/or international exposure, I would recommend that you talk to the marketing professionals at FRE."*

*Jeff Dritley, Kearney Real Estate Group*
*Los Angeles, CA USA*

*"I recently sold a trophy commercial property which was previously listed for more than two years with one of the world's largest commercial brokerages. When I pitched the listing, I included the RE/MAX Commercial Auction team to explain the process. We then launched a 6-week marketing campaign that garnered worldwide attention, resulting in thousands of responses, multiple bids, and a high bidder who closed all-cash in two weeks. RE/MAX Commercial Auctions offers highly sophisticated technology and a global marketing platform to help you get and sell more listings, and best of all, there is no cost to you."*

*Steve Pearson, RE/MAX Commercial Capital*
*Edmonton, AB, Canada*

I would like to thank you for the opportunity to submit this auction marketing proposal and look forward to putting LFC's proven online auction program and experienced marketing team to work for you and your client. You may be assured that we will give you our best efforts.

Respectfully,

Deloitte October 28, 2026

Joel Swartzell
Auction Specialist

17 Corporate Plaza Drive, Newport Beach, CA 92660
949-640-4950 FAX 949-644-7120

# APPENDIX "D"

**In the Matter of the Receivership of**
**1975847 Alberta Ltd.**
**Summary of Receiver's Fees**
**As at October 28, 2026**

| Invoice | Period | Fees | Disbursements | Subtotal | GST | Total |
|---|---|---|---|---|---|---|
| 8003781744 | May 15, 2023 to June 23, 2023 | 13,916 | 191 | 14,107 | 705 | 14,812 |
| 8004021639 | June 25, 2023 to September 22, 2023 | 26,124 | 3,314 | 29,438 | 1,472 | 30,910 |
| 8004491087 | September 23, 2023 to November 15, 2023 | 7,378 | - | 7,378 | 369 | 7,747 |
| 8004899043 | December 4, 2023 to May 29, 2024 | 6,594 | - | 6,594 | 330 | 6,924 |
| 8005133364 | June 5, 2024 to August 9, 2024 | 8,181 | - | 8,181 | 409 | 8,590 |
| 8005254385 | August 14, 2024 - October 9, 2024 | 5,374 | - | 5,374 | 269 | 5,643 |
| 8005659650 | October 15, 2024 - January 14, 2025 | 4,188 | - | 4,188 | 209 | 4,397 |
| 8006084265 | January 13, 2025 - May 9, 2025 | 6,388 | - | 6,388 | 319 | 6,707 |
| 8006709380 | May 5, 2025 - October 3, 2025 | 9,811 | - | 9,811 | 491 | 10,302 |
| 8007272255 | October 6, 2025 - January 30, 2026 | 7,870 | - | 7,870 | 394 | 8,264 |
| 8007578682 | January 19, 2026 - May 31, 2026 | 8,944 | - | 8,944 | 447 | 9,391 |
| | | **104,767** | **3,505** | **108,272** | **5,414** | **113,686** |
| **Work-in-Progress** | | | | | | |
| | May 26, 2026 - October 27, 2026 | 7,733 | - | 7,733 | 387 | 8,120 |
| | | **112,500** | **3,505** | **116,005** | **5,800** | **121,806** |

# APPENDIX "E"

**In the Matter of the Receivership of**
**1975847 Alberta Ltd.**
**Summary of Receiver's Legal Counsel's Fees**
**As at October 28, 2026**

| Invoice | Period | Fees | Disbursements | Subtotal | GST | Total |
|---|---|---|---|---|---|---|
| 3778803 | April 25, 2023 to July 31, 2023 | 23,696 | - | 23,696 | 1,185 | 24,881 |
| 3786953 | August 1, 2023 to August 31, 2024 | 5,702 | - | 5,702 | 284 | 5,986 |
| 3819174 | September 1, 2023 to December 31, 2023 | 2,187 | - | 2,187 | 109 | 2,296 |
| 3863734 | January 4, 2024 to April 24, 2024 | 1,173 | - | 1,173 | 59 | 1,232 |
| 3846195 | January 1, 2024 to April 30, 2024 | 304 | - | 304 | 15 | 319 |
| 3873318 | July 5, 2024 - July 31, 2024 | 833 | - | 833 | 42 | 874 |
| 3876368 | August 16 - August 19, 2024 | 378 | - | 378 | 6 | 385 |
| 3910338 | September 4, 2024 - November 28, 2024 | 706 | 110 | 816 | 41 | 857 |
| 3900183 | November 15, 2024 - November 28, 2024 | 235 | 25 | 260 | 13 | 273 |
| 3907491 | December 2, 2024 - December 3, 2024 | 118 | 5 | 123 | 6 | 129 |
| 3932049 | February 4, 2025 - March 19, 2025 | 132 | 7 | 138 | 7 | 145 |
| 3932600 | February 18, 2025 - March 18, 2025 | 396 | 12 | 408 | 20 | 428 |
| 3938932 | April 11, 2025 - May 7, 2025 | 66 | 2 | 68 | 3 | 71 |
| 260011346 | May 16, 2025 - July 8, 2025 | 2,308 | 115 | 2,423 | 121 | 2,544 |
| 260018859 | July 21, 2025 - July 30, 2025 | 132 | 4 | 136 | 7 | 143 |
| 260029175 | August 15, 2025 - September 29, 2025 | 139 | 7 | 146 | 7 | 154 |
| 260067083 | October 1, 2025 - January 20, 2026 | 1,032 | 52 | 1,084 | 54 | 1,138 |
| | | **39,537** | **339** | **39,876** | **1,980** | **41,856** |

# APPENDIX "F"

**In the Matter of the Receivership of the 1975847 Alberta Ltd.**
**Interim Statement of Receipts and Disbursements**
**As at October 28, 2026**
(All amounts in $CAD)

| | 1975847 Alberta Ltd. |
|---|---|
| **Receipts** | |
| Rental Income | 1,200,583 |
| GST collected | 39,380 |
| Interest | 14,383 |
| Insurance refund | 3,015 |
| **Total receipts** | 1,257,361 |
| | |
| **Disbursements** | |
| Utilities | 447,717 |
| Repairs and maintenance | 90,658 |
| Receivers fees | 104,767 |
| Legal fees | 39,876 |
| Insurance | 202,039 |
| Property Tax | 175,305 |
| Appraisal fee | 6,667 |
| GST paid | 29,675 |
| GST remittances | 3,196 |
| Newspaper Ad | 4,561 |
| Datasite | 636 |
| Travel | 191 |
| Mail redirection fees | 127 |
| Filing fees to the Official Receiver | 75 |
| Search fees | 9 |
| **Total disbursements** | 1,105,499 |
| | |
| **Estate balances as at October 28, 2026** | **151,861** |