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COURT FILE NUMBER 2301-04941

COURT COURT OF KING'S BENCH OF ALBERTA COM
August 4, 2023

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE RECEIVERSHIP OF 2218923 ALBERTA LTD.

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 **SUPPLEMENT TO THE SECOND REPORT OF THE COURT-APPOINTED RECEIVER OF 2218923 ALBERTA LTD.**

DATED JULY 31, 2023

PREPARED BY DELOITTE RESTRUCTURING INC.

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

Receiver
DELOITTE RESTRUCTURING INC.
Suite 700, 850 - 2nd Street SW
Calgary, AB T2P 0R8

Attention: Cassie Poon
Tel: 403-267-1817
Email: caspoon@deloitte.ca

Legal Counsel
DENTONS CANADA LLP
Suite 1500, 850 - 2nd Street SW
Calgary, AB T2P 0R8

Attention: Derek Pontin
Tel: 403-268-6301
Email: derek.pontin@dentons.com

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Introduction and Background

1. On July 11, 2023, the Second Report of the Receiver (the "**Second Report**") was filed in support of the July 21, 2023 application (the "**Receiver's Application**") seeking, among other things, approval of the Sale Process (as defined in the Second Report) proposed by the Receiver in respect of the Property and authorizing and directing the Receiver to take all steps and actions reasonably necessary to implement, conduct and carry-out the Sale Process, including entering into the Listing Agreement (as defined in the Second Report).
2. The Receiver's application was adjourned on consent and the terms of the adjournment were addressed before Justice Sidnell on July 17, 2023. The Order dated July 17, 2023 (the "**Adjournment Order**") is attached hereto as **Appendix "A"**.
3. The Receiver understands that its proposed Sale Process is opposed by certain stakeholders, primarily Anderson & Associates Financial Corp. and Gordon D. Anderson (collectively, "**Anderson**").
4. This report is being prepared as the supplement to the Second Report (the "**Supplement to the Second Report**") and is being filed by the Receiver in support of the Receiver's Application, scheduled to be heard on August 4, 2023 (the "**August 4 Application**"). It is intended to provide additional information concerning the proposed Listing Agreement and Sale Process, and the Receiver's rationale for supporting the Listing Agreement and Sale Process.
5. The Receivership Order, related court documents, the Notice to Creditors, the First Report, the Second Report and this Supplement to the Second Report are posted on the Receiver's website at www.insolvencies.deloitte.ca/en-ca/Westmount.
6. Unless otherwise stated, all other capitalized terms not defined in this Supplement to the Second Report are as defined in the Receivership Order, the First Report, or the Second Report.

Purpose

7. The purpose of this Supplement to the Second Report is to:
 - a) Provide additional information with respect to the Sale Process as proposed by the Receiver; and
 - b) Respectfully recommend that this Honourable Court make orders:
 - i. approving the activities, fees, and disbursements of the Receiver as described in the First Report, Second Report, and this Supplement to the Second 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. sealing **Confidential Appendix "1"** and **"2"** of the Second Report until the earlier of: (i) the closing of the sale of the Medicine Hat Property; (ii) February 28, 2024; or (iii) further Order of this Honourable Court;
 - iii. approving the Revised Sale Process (as defined later in this Supplement to the Second Report) proposed by the Receiver in respect of the Property, and authorizing and directing the Receiver to take all steps and actions reasonably necessary to implement, conduct and carry-out the Revised Sale Process, including entering into the Revised Listing Agreement (as defined later in this Supplement to the Second Report); and
 - iv. providing such further or other relief that the Court considers just and warranted in the circumstances.

Terms of Reference

8. In preparing this Supplement to the Second 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 Supplement to the Second Report.
9. 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 the Supplement to the Second Report. Any use, which any party makes of the Supplement to the Second Report, or any reliance or decision to be made based on the Supplement to the Second Report, is the sole responsibility of such party.

Currency

10. All dollar amounts in this Supplement to the Second Report are in Canadian dollars, unless otherwise indicated.

Marketing and Sale Process

Listing Agreement

11. As discussed in paragraphs 24 through 27 of the Second Report, the Receiver solicited listing proposals from three (3) national realty firms with expertise in the commercial rental building sectors such as the 221 Property. Based on the Receiver's review of the three (3) proposals and with the support of the petitioning lender, BMO, the Receiver proposes to enter into an agreement, subject to court approval with Avison Young Commercial Real Estate Services LP ("**Avison Young**") in collaboration with Newmark (collectively "**N&AY**") to act as the listing agent and facilitate the Revised Sale Process as discussed later in the Supplement to the Second Report.
12. Paragraph 25 of the Second Report provides reasons why the Receiver is of the view that the proposal put forward by N&AY is superior to other proposals considered by the Receiver, and in addition to these reasons the Receiver notes that:
 - a. Avison Young have experience in facilitating transactions in receivership scenarios and completing such transactions in a timely manner with positive outcomes using similar listing strategies as what is being proposed by the Receiver; and
 - b. as an affiliate of a global commercial real estate corporate, Avison Young has access to global list of industry specific investors, resources, and information.
13. Subsequent to the appearance on July 17, 2023, the Receiver worked with Avison Young to revise the listing agreement appended to the Second Report to provide that Avison Young will list the 221 Property in accordance with and subject to the terms of the Sale Process or by such other process or method as may be ordered by this Honourable Court. While the Receiver continues to support the Sale Process, this provision will minimize any prejudice that will occur should a different sales process be ordered by the Court on subsequent application. A copy of the revised listing agreement (the "**Revised Listing Agreement**") is attached hereto as **Appendix "B"**.

Sale Process

14. The Sale Process discussed in paragraphs 28 through 32 of the Second Report has been revised to reflect timing delays as a result of the adjournment of the Receiver's Application (the "**Revised Sale Process**").
15. The proposed timeline for the Revised Sale Process, attached hereto as **Appendix "C"**, is summarized below (capitalized terms have the meanings given to them in the Revised Sale Process):

Phase/ Event	Estimated Timing	Description of Activities
Sale Process Order	August 4, 2023	Court grants an Order approving the Sale Process.
Solicitation of Interest	As soon as reasonably practicable, but in any event by no later than August 10, 2023	<p>Notice of the Sale Process will be published in the Globe and Mail (National Edition) and Calgary Herald and any other industry publication, website, newspaper, or journal as the Receiver consider appropriate;</p> <p>Listing Agent publicly lists Opportunity and creates list of known potential bidders and distributes Teaser Letters and Confidentiality Agreements to known potential bidders; and</p> <p>Receiver to prepare and have available for potential bidders a data room.</p>
Bid Deadline	October 13, 2023 at 3:00 PM (Mountain Standard Time)	<p>Any party who wishes to participate in the Sale Process (each, a "Potential Bidder") must deliver the Qualified Information (as defined in the Sale Process) to the Receiver to be deemed a Qualified Bidder; and</p> <p>Qualified Bidders must submit their formal offer pursuant to the Sales Procedure by the Bid Deadline.</p>
Selection of Successful Bid	TBD	<p>The Receiver will:</p> <ul style="list-style-type: none"> • 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; • 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 221 Property in whole or part; • if there are multiple bids that the Receiver determines are similar in terms of purchase price and benefit to the Debtor and its stakeholders, the Receiver may set a deadline for parties to provide a further best and final Bid by; and

		<ul style="list-style-type: none"> the determination of any Successful Bid by the Receiver shall be subject to approval by the Court.
Transaction Approval Application	October 30, 2023	Subject to Court availability
Closing of any successful bid	November 30, 2023	To occur on the agreed upon date subject to Court approval.

16. The Revised Sale Process has been structured to allow for a balanced, transparent, competitive bid process in a timely manner to maximize recoveries for the benefit of all stakeholders. The Receiver notes in particular that:

- a. The approximately 60-day marketing period contemplated in the Revised Sale Process will, in the Receiver's view, provide sufficient time to reasonably canvass the market for the 221 Property. In determining an appropriate marketing period, the Receiver solicited input from N&AY on the appropriate length for the marketing period and understands the pool of potential purchasers and the demand for manufacturing and/or industrial property in Medicine Hat, Alberta is limited. In such a circumstance, it does not appear that a lengthy marketing period, which would be accompanied by additional carrying and receivership costs, is required to broadly expose the property to interested parties. The Receiver is of the view that it is most probable that the majority of the primary audience for this opportunity will access available information regarding the opportunity immediately or shortly after publication of marketing materials.
- b. The Revised Sale Process contemplates listing the properties with no list price. The Receiver considered whether the 221 Property should be marketed for a specified price and determined this was not preferable to marketing the 221 Property without a listing price for the following reasons:
 - i. The Receiver obtained appraisals for the 221 Property and is also aware of other appraisals obtained as part of the Debtor's books and records, as well as other appraisals and proposed listing values put forward by stakeholders. The variance in value suggested by these appraisals and proposed listing values is significant. Accordingly, the Receiver is concerned that there is substantial risk in setting a listing price that such a price may either be too low such that actual market value is not reflected, or too high, such that interested parties are not encouraged to participate in the sale process. The Receiver is not of the view that it is appropriate or viable in the circumstances to use an average or weighting of the various appraisals and proposed listing values to establish a listing price;
 - ii. The opportunity is likely to receive broader market participation as a listing price may disqualify the 221 Property from certain investor interests that are capped at a specific price point;
 - iii. The 221 Property may appear in a wider range of online search parameters, as it may not be excluded from a search by a price range parameter and therefore may have greater exposure;
 - iv. An unpriced property is likely to increase due diligence efforts of any potential purchaser to interpret the property in terms of value, viability, desirability etc.; accordingly, offers received by Avison Young will be more reflective of the potential purchaser's ability to close such a transaction;

- c. As is normal practice in receivership scenarios, any sale is "as is, where is" with no representations or warranties and is subject to Court approval;
 - d. Any interested party, both arms-length and non-arms length, are welcome to participate in the Revised Sale Process and will be subject to the terms and conditions of the Revised Sale Process to ensure all parties have an equal opportunity to put their best offer forward;
 - e. Any interested party wishing to participate in the Revised Sale Process must be deemed a Qualified Bidder (as defined in the Revised Sale Process) to allow the Receiver to make a reasonable determination as to the interested parties' financial and other capabilities to consummate a bid within the terms of the Revised Sale Process and ensure the Revised Sale Process can be facilitated effectively and efficiently and avoid unnecessary professional fees being incurred;
 - f. A Bid may be made for all, or only certain of, the Medicine Hat Property. There is no requirement that a bid be made for the Medicine Hat Property *en bloc*;
 - g. The Receiver or its agent will provide Qualified Bidders with access to an electronic data room containing information regarding the 221 Property;
 - h. The Qualified Bidders have until the Bid Deadline to complete their due diligence with respect to the opportunity including, but not limited to, review of available data room information, on-site inspections, and other matters as reasonably requested by the Qualified Bidder;
 - i. Qualified Bidders that wish to make a formal offer to purchase the 221 Property, or a portion thereof, shall submit a binding offer (a "**Bid**") that complies with the requirements outlined in paragraph 19 of the Revised Sale Process;
 - j. Bids are not conditioned on (i) the outcome of unperformed due diligence by the Qualified Bidder as the Qualified Bidder has been given sufficient time to complete its due diligence prior to the Bid Deadline, and (ii) obtaining financing as one of the bid requirements is to include 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. To be clear, Qualified Bidders are welcome to obtain financing for their Bids, however any financing must be finalized and certain and obtaining financing cannot be a condition of the Bid;
 - k. Each Bid may be negotiated by the Receiver and the applicable Qualified Bidder, and may be amended, modified, or varied to improve such offer as a result of such negotiations.
17. The Receiver has reviewed numerous court approved sale processes relating to receivership proceedings which involve debtors of varying size and sector and, in consultation with N&AY, is of the view that the Revised Sale Process is commercially reasonable given:
- a. The Revised Sale Process contains similar terms and conditions of other court approved sale process relating to receivership proceedings;
 - b. The solicitation of interest creates a competitive environment which encourages potential purchasers to put their best offers forward; and
 - c. The Revised Sale Process prejudices no parties as it is a non-binding solicitation process. There are two (2) alternatives at the end of the solicitation period:

- i. Satisfactory Bids are submitted to the Receiver, or achieved by the Receiver after negotiation with Qualified Bidders, and a Successful Bidder (or Successful Bidders) are selected, subject to court approval; or
- ii. No satisfactory Bids are submitted to the Receiver by the Bid Deadline (or the Receiver is not able to negotiate a satisfactory Bid with a Qualified Bidder) and the Receiver and N&AY remarket the 221 Property through an updated/revised marketing and sale process.

Solicitation of interest

18. Pursuant to the Revised Sale Process, the Receiver and N&AY will broadly canvass the market for approximately 60 days as follows:

- a. Notice of the Sale Process will be published in the Globe and Mail (national addition), the Calgary Herald, and the Receiver's website;
- b. An introduction to the 221 Property (the "**Teaser**"), attached hereto as **Appendix "D"**, will be forwarded to targeted audiences via email from Avison Young that will link back to the full property marketing materials. These audiences include, but are not limited to:
 - i. Local Industrial mailing list containing 350+ recipients. These recipients are potentially interested parties who regularly receive industrial offerings and market data from Avison Young;
 - ii. Regional industrial CRE specialists mailing list containing 165+ recipients. These recipients are industry professionals that act as liaisons to their own client bases;
 - iii. National industrial CRE specialists mailing list containing 325+ recipients. These recipients are industry professionals who often represent businesses with national interests;
 - iv. The Avison Young Industrial Affinity Group containing approximately 240 members across the Avison Young network. Affinity Groups are Avison Young's peer-led, industry specific, collaborative groups that use collaboration and information sharing to provide a distinct, competitive advantage; and
 - v. Targeted local relationships with qualified investors known to Avison Young (estimated at 20+ clients). These local investors represent the pool of potential purchasers that would appear most likely to transact and are well known to the agents through past transactions and/or ongoing touchpoints;
- c. Marketing materials will be made available to the general public via the following:
 - i. Marketed via Avison Young's primary website, avisonyoung.com, which the Receiver is advised receives 90,000+ visits per month with an industry ranking of 3,621 for worldwide commercial real estate web searches and a 68% direct access rate¹;
 - ii. Marketed via secondary sites such as LoopNet, etc., which are entities that re-publish primary site listings to include in their site inventory;

¹ According to SimilarWeb website analytics, rolling averages for Q2 2023.

- iii. Marketed via paid secondary sites, including Co-Star and the Western Investor, which have a wide scope of readership and feature both print and digital publications;
 - iv. Installation of prominent 4 x 8 signage at the 221 Property positioned where local traffic offers the highest exposure; and
 - v. Mail out a physical post card to the local business community; and
 - d. A direct marketing campaign which will include, but not be limited to:
 - i. Outreach by Avison Young leveraging their extensive list of well-known potential purchasers to expose the opportunity directly, qualify interest and field any asset-specific questions;
 - ii. Conducting a sub-market specific cold-calling campaign to neighboring industrial users within Brier Park Industrial Park, Redcliff Industrial Park, and SW Industrial Parks in Medicine Hat, Alberta; and
 - iii. Conducting a cold call campaign by leveraging recent national sales data of parties who are known to have and/or expressed interest in establishing a Western Canadian presence.
19. The Receiver consulted with N&AY and is of the view that listing the 221 Property on MLS will not increase the likelihood of reaching the target audience for the following reasons:
- a. Potential purchasers who are qualified for these assets will most often have relationships with local brokers and are unlikely to seek out real estate opportunities through an online platform;
 - b. MLS is primarily a residential focused listing platform with a commercial component that yielded little success in any of Avison Young past listing agreements;
 - c. Based on an MLS search as at July 27, 2023 for industrial properties in Medicine Hat, Alberta, attached here to as **Appendix "E"**, there are seven (7) active listings with an average days listed on MLS of approximately 428, which, in the Receiver's view, supports the reasons not to list on MLS outlined above;
 - d. The Receiver understands that Avison Young does not subscribe to MLS because, as through an internal review, Avison Young concluded that MLS does not add value to the commercial marketing process; and
 - e. There are other, more appropriate online listing platforms to expose the 221 Property to potentially interested purchasers.
20. The Receiver respectfully requests this Honourable Court approve the Revised Sale Process for the reasons outlined herein.
21. The Receiver has discussed the Revised Sale Process with BMO, which holds security over the 221 Property, and BMO agrees with the Revised Sale Process.

The Anderson Sale Process

22. The Receiver understands that Anderson opposes the proposed Sale Process and in opposition has provided materials and proposed an alternative sale process (the "**Anderson Sale Process**"). While approval of the Anderson Sale Process will be the subject of a separate application, and is not before the Court at the August 4 hearing, the Receiver has considered the materials and the proposed Anderson Sale Process and does not view that the Anderson Sale Process is achievable, nor likely to maximize values for the Medicine Hat Property owned by 221 Alberta, including because:
- a. it proposes an MLS listing process, which the Receiver views is not likely to maximize sale price for the reasons described above;
 - b. the proposed MLS listing agreement is not suited to use in receivership proceedings, and would need to be modified to be appropriate for use in these proceedings;
 - c. it contemplates that bids in both the "MLS process" and proposed "tender process" may be conditional on financing or due diligence, such that it introduces uncertainty and the potential for additional cost and expense in pursuing bids that may fall apart on the basis that these conditions are not met. Given the present information about the 221 Property, the Receiver is of the view that the timing proposed in the Receiver's Revised Sale Process will provide sufficient time for interested parties to complete diligence and confirm financing for any bid;
 - d. it contemplates that "Deni Echino, Gord Anderson and related parties shall be deemed Qualified Bidders." Without any necessity of those parties meeting the criteria applicable to all other parties in order to be Qualified Bidders, which the Receiver views creates an argument for unfairness in the process, and may discourage participation from other potential purchasers;
 - e. it contemplates that "guarantors and the debtors shall a right [*sic*] of redemption up to the date of Court approval of any proposed sale.". It would appear that what is being proposed is a right to match or better any offer, and the Receiver views that this would be likely to chill interest of potential purchasers, and work unfairness into the proposed Revised Sale Process. The guarantors are welcome to participate in the Revised Sale Process and could put in an offer valued at the cost of their redemption to secure any "equity of redemption" that they assert may exist and which they may wish to preserve.
23. Overall, the Receiver views that the Anderson Sale Process is unlikely to maximize value for the 221 Property, is not achievable in its present form, and would introduce significant uncertainty and potential delays and additional cost by contemplating the acceptance of conditional bids. The Receiver is further concerned that the preferential treatment proposed to be given to certain "inside" parties, including deeming them to be Qualified Bidders and providing rights to match the ultimate winning bids could be construed in the circumstances as creating an unfair process and would disincentivize participation and reduce interest in the 221 Property.
24. The Receiver has reviewed the Affidavit of Gordon D. Anderson sworn/affirmed on July 26, 2023 (the "**Anderson Affidavit**"). The Receiver observes that the Anderson Affidavit states that the Receiver's proposed Sale Process "seems to require any bidder to buy all 2 properties as a single offer." This is not correct, and the Sale Process provides that offers may be made for "all, substantially all, or some" of the Medicine Hat Property. The Anderson Affidavit also appears to state that the Sales Process is restricted to cash offers. This is incorrect, as offers can be funded by financing; however, cannot be conditional on obtaining financing, simply meaning that parties must have financing in order before the bid deadline.
25. The Receiver further observes that the Anderson Affidavit does not provide any evidence of experience or expertise of the affiant that would suggest the affiant is specially qualified to provide evidence on sales processes or property value. Moreover, the affiant's evidence is that he was "unable to find any empirical

evidence for Canadian residential or commercial property to show the benefits of MLS over tender (off MLS).” Articles included in the Anderson Affidavit appear to speak to “homes” and not to commercial properties, and as such are in the Receiver’s view of limited assistance.

26. The Receiver has also reviewed the Affidavit of Deni Mario Daniel Echino sworn/affirmed on July 26, 2023 (the “**Echino Affidavit**”), which concerns the Medicine Hat Property. The Receiver observes that the Echino Affidavit does not provide any evidence of experience or expertise of the affiant that would suggest the affiant is specially qualified to provide evidence on sales processes or property value. The Echino Affidavit contains statements asserting that there will be prejudice unless “[t]he properties are exposed to a MLS system prior to any tender” and “[t]he sale process allows for conditional offers – subject to financing”. The Echino Affidavit does not provide any substantiation for these assertions, and the Receiver continues to be of the view that an MLS listing is not appropriate and that a process that accepts conditional bids is not likely to be in the best interests of the stakeholders. The Receiver is of the view that the Revised Sale Process is transparent, as its terms will be subject to Court approval and any sale will ultimately be subject to a subsequent application to the Court.

27. The Receiver has also reviewed the Affidavit of Shaunee Vanderham sworn/affirmed on July 26, 2023 (the “**Vanderham Affidavit**”), which provides opinions of value with respect to the Medicine Hat Property owned by 221 Alberta. The Receiver observes that the opinion of value includes a notice to reader that expressly states:

“This opinion of value or price estimate was prepared solely for the client for the purpose or function indicated in the report and is not intended for subsequent use. ***It was not prepared by an authorized or accredited real estate appraiser and is not a real estate appraisal.*** It does not comply with the standards of professional appraisal practice and should not be used in lieu of an appraisal performed by an authorized appraiser.” [Emphasis in original]

28. In light of the caution in the notice to reader, the Receiver would place limited reliance on the statements contained in the opinion of value. The Receiver observes that there is no evidence that the affiant made inspection of the premises and took its condition into consideration in rendering the “opinion of value”.

29. The Receiver has considered the proposed Anderson Sale Process, Anderson Affidavit, Echino Affidavit, and Vanderham Affidavit and remains of the view that the Receiver’s proposed Revised Sale Process is fair, reasonable, and likely to achieve the greatest value for the Medicine Hat Property owned by 221 Alberta.

Conclusions and Recommendations

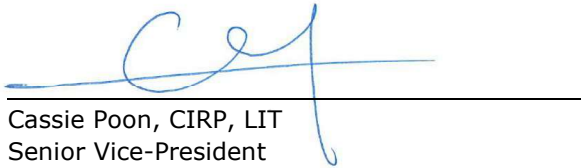
30. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court grant the relief detailed in Section 7 b) of this Supplement to the Second Report and such further and other relief, as this Honourable Court deems appropriate in the circumstances.

* * *

All of which is respectfully submitted at Calgary, Alberta this 31st day of July 2023.

DELOITTE RESTRUCTURING INC.,

In its capacity as Court-appointed Receiver
of 2218923 Alberta Ltd.
and not in its personal or corporate capacity
Per:



Cassie Poon, CIRP, LIT
Senior Vice-President

APPENDIX "A"

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

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

Dentons Canada LLP
Bankers Court
15th Floor, 850 - 2nd Street S.W.
Calgary, Alberta T2P 0R8

Attention: Derek Pontin
Ph. (403) 268-6301
Fx. (403) 268-3100
File No.: 569588-14

DATE ON WHICH ORDER WAS PRONOUNCED: July 17, 2023
LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta
NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice Sidnell

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 application of the Receiver returnable July 21, 2023 (the "**Receiver's Application**"); **AND UPON** noting the request for an adjournment of the Receiver's Application by counsel for Gordon D. Anderson and Anderson & Associates Financial Corp ("**Anderson**"); **AND UPON** reading the application of Anderson with respect to certain matters concerning listing of the properties subject to the Receivership Orders (the "**Anderson Application**"); **AND UPON** hearing submissions 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, and counsel for Deni Mario Daniel Echino;

IT IS HEREBY ORDERED AND DECLARED THAT:

Receiver's Application

1. The Receiver's Application is adjourned to be heard at 10:00 a.m. on August 4, 2023 before the presiding Commercial List Justice. Any party who wishes to oppose the Receiver's Application may do so and may file materials in opposition of the Receiver's Application in accordance with paragraph 2 of this Order. Without limiting the foregoing, at the Receiver's Application any party may seek to have any Order granted as a result of the Receiver's Application be without prejudice to the Anderson Application and the presiding Commercial List Justice at the Receiver's Application shall determine whether such relief, if sought, is granted.
2. Any materials responding to the Receiver's Application shall be sent for filing and served on or before 4:00 p.m. on July 26, 2023 (it being understood that for parties receiving service other than by email, the materials will be sent on or before such date).
3. Any supplemental or additional reports and materials of the Receiver in respect of the Receiver's Application shall be sent for filing and served on or before 4:00 p.m. on July 31, 2023 (it being understood that for parties receiving service other than by email, the materials will be sent on or before such date).

Anderson Application

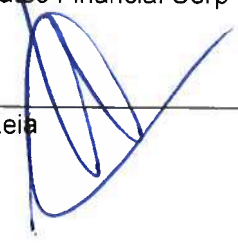
4. The Anderson Application shall be adjourned to August 17, 2023 or such earlier date as may be agreed upon by the parties.
5. Any materials by Anderson or any other party in support of the Anderson Application shall be sent for filing and served on or before 4:00 p.m. on August 3, 2023 (it being understood that for parties receiving service other than by email, the materials will be sent on or before such date).
6. Any materials by party opposing the Anderson Application shall be sent for filing and served on or before 4:00 p.m. on August 10, 2023 (it being understood that for parties receiving service other than by email, the materials will be sent on or before such date).
7. Any Receiver's reports and materials of the Receiver in response to the Anderson Application shall be sent for filing and served on or before 4:00 p.m. on August 14, 2023 (it being understood that for parties receiving service other than by email, the materials will be sent on or before such date).
8. Approval of this Order by any party other than counsel for Anderson is dispensed with. Counsel for Anderson may provide approval of this order electronically.


Justice of the Court of King's Bench of Alberta

Approved as the Order granted by:

Wolff Leia, lawyers for Gordon D. Anderson and
Anderson & Associates Financial Corp

Per:



Gregory J. Leia

APPENDIX "B"

RE: Those lands described as follows:

Location(s)

1516 Brier Park Crescent NW, Lethbridge, AB (29,966 sq. ft. industrial); and
1496 Brier Park Crescent NW, Medicine Hat, AB (61,412 sq. ft. industrial)

Legal Description

See Schedule "A"

(the "**Property**")

EXCLUSIVE COMMERCIAL LISTING AGREEMENT

In consideration of Avison Young Lethbridge (2016) Inc. ("**Avison Young**"), agreeing to provide its services in accordance with the terms of this Exclusive Commercial Listing Agreement (the "**Listing Agreement**"), **Deloitte Restructuring Inc.**, in its capacity as court appointed Receiver and Manager of, among other things, the Property, and not in its personal or corporate capacity and without personal or corporate liability ("**Receiver**", "**we**", "**our**" or "**us**") irrevocably authorize and empower Avison Young to act as our exclusive agent to list for sale and to procure offers for the purchase and sale of the Property ("**Purchase Agreement**") on the following terms and conditions.

1. **Term.** Subject to termination in accordance with Paragraph 15 below, this Listing Agreement:
 - (a) remains in full force and effect from the date of the execution of this Listing Agreement by both Parties until 5:00 o'clock p.m., Alberta time on December 17, 2023; and
 - (b) automatically renews for consecutive terms of three (3) months until terminated by either Avison Young or us by way of written notice delivered not less than thirty (30) days prior to the end of the term or any renewal.

("Term" means the term of this Listing Agreement and any renewals.)

2. **Listing.** Avison Young will list the Property in accordance with and subject to the terms of the Sales Process – Medicine Hat Properties attached hereto as Schedule "B" ("**Sales Process**") or by such other process or method as may be ordered by the Court of King's Bench of Alberta. Without limiting the foregoing, the parties understand and agree that the Sales Process does not contemplate or provide that there will be a formal list price for the Property for the duration of the Sales Process.
3. **Commission.** Should the Property be sold (as defined in Paragraph 4 hereof) during the Term, or should a sale be made as a result of negotiations that originated during the Term, whether or not Avison Young takes part in those negotiations, we agree to pay Avison Young a commission equal to 3.50% of the gross purchase price payable under the Purchase Agreement, excluding G.S.T.

In the event that a creditor or lender of the Property acquires the Property at any time during the Listing Agreement or within 60 days after expiration of termination of the Listing Agreement, we agree to pay a commission of 1.50% of the gross purchase price, excluding G.S.T.

(the "Commission").

4. **Sale of Property.** The Property will be deemed to be sold, and the Commission fully earned by Avison Young, immediately upon the closing of any sale of the Property, provided that no sale of any kind shall be deemed to have occurred and no Commission shall have been earned hereunder until the later of the date upon which:
 - (i) the Purchase Agreement or other disposition has been approved by the Court of King's Bench of Alberta; and
 - (ii) any conditions precedent have been satisfied or waived
5. **Payment of Commission.** We will unconditionally and without any set off or deduction, pay the Commission on the closing date provided for in any Purchase Agreement (the "Closing Date"), provided that:
 - (a) all conditions have been satisfied or waived; and
 - (b) funds are releasable to us, as vendor, thereunder,provided further that if funds are not releasable within ten (10) business days after the Closing Date (other than as a result of a default by the purchaser or any Order of the Court), or if the Purchase Agreement is terminated as a result of any gross negligence or wilful misconduct by us, the Commissions shall become immediately due and payable. If the transaction contemplated in the Purchase Agreement is not completed as a result of a default by the purchaser, the Commission will not be payable. In the event the Property is sold or deemed to be sold during the Term other than by way of Purchase Agreement, the Property will be deemed to be sold for a price equal to the gross sale price payable by the buyer, and the Commission will be fully earned, due, and unconditionally payable to Avison Young immediately upon such disposition taking place.
6. **Taxes.** In addition to any other amounts payable, we agree to pay to Avison Young, at the time of payment of the Commission, any G.S.T., sales tax, value added tax, or any other similar tax imposed against us by any federal, provincial, or municipal law, bylaw, or regulation (collectively "Taxes"), to the extent that such Taxes are imposed on us by reason of any service provided to us by Avison Young.
7. **Deposit.** We agree that if any Purchase Agreement provides for any deposits (collectively, the "Deposit") to be paid, will be held by the Receiver's Solicitor in its trust account in accordance with the Purchase Agreement. We authorize Avison Young to invoice earned Commission and other amounts that may be or become owing by us to Avison Young from any such Deposit when such Commission becomes payable. In the event of a sale not being completed as result of a default by the purchaser, and the Deposit being forfeited by the purchaser, we authorize Avison Young to receive one-half of the Deposit, up to a sum

equivalent to the Commission. The remaining balance of the Deposit will then be paid to us.

8. **Irrevocable Order and Direction to Pay.** Subject to any Order of the Court, we will cause our solicitors to pay to Avison Young any and all additional Commission and other amounts that may be or become owing by us to Avison Young from proceeds of sale of the Property when such proceeds are releasable, and we irrevocably assign such amounts to Avison Young. For that purpose, we will execute and deliver to our solicitors an irrevocable order and direction to pay in favour of Avison Young.
9. **Sales Following Expiration of Term.** We agree that in the event the Property is sold or deemed to be sold within sixty (60) days following the earlier of the expiration of the Term or the date of the termination of the Listing Agreement and:
 - (a) the purchaser was introduced to us by Avison Young; or
 - (b) the purchaser purchased the Property as a result of negotiations or services provided by Avison Young prior to the termination or expiration of the Term,

then we agree to pay the Commission and any other amounts payable to Avison Young in accordance with the provisions of this Listing Agreement. Within seven (7) days of the expiration or termination of the Term, Avison Young will provide to us, a written list of any prospective purchasers, who have been in direct contact with Avison Young with respect to the potential purchase of the Property or that Avison Young are actively pursuing. Notwithstanding the foregoing or any other provision contained in this Listing Agreement, if we engage a subsequent broker (the “**Subsequent Broker**”) upon expiration or termination of this Listing Agreement and within sixty (60) days after the expiration or termination of this Listing Agreement and a commission becomes payable under this paragraph, Avison Young agrees that the Commission shall be shared by Avison Young and the Subsequent Broker. The proportion of the Commission that the Subsequent Broker is entitled to shall be a fraction equal to the number of days that the Subsequent Broker was engaged by us divided by the number of days from the date of this Listing Agreement to the date of execution of the Purchase Agreement.

10. **Legal Costs.** We agree to pay to you, and such amount will become part of the amounts owing, all costs, charges, and expenses (including without limitation all legal fees and disbursements as between a solicitor and his own client on a full indemnity basis) incurred by Avison Young as a result of any default by us in complying with any term or condition of the Listing Agreement.
11. **Representations and Warranties.**
 - (a) We represent and warrant that, to the best of our knowledge, and except as otherwise disclosed in writing to Avison Young, the following statements respecting the Property are true and accurate:
 - (i) we are the Court-appointed receiver and manager of the Property and have the authority to enter into this Listing Agreement, subject to Court approval; and

- (ii) to the best of our knowledge we are not aware that the information provided by us to Avison Young is inaccurate.

12. **Duties and Responsibilities of Receiver.** For the duration of the Term, we will:

- (a) give Avison Young convenient access at all reasonable times for the purpose of showing the Property;
- (b) maintain the Property in a state of good and safe repair;
- (c) permit Avison Young to market the Property in accordance with the Sales Process, providing Avison Young discloses to all interested parties that any and all purchase offers or Purchase Agreements must contain a seller's condition of acceptance being subject to approval of the Court of King's Bench of Alberta;
- (d) insure the Property and its contents against loss or damage due to perils normally insured against for similar properties;
- (e) communicate and co-operate with Avison Young in a timely manner;
- (f) take commercially reasonable efforts to provide Avison Young with all information necessary for the listing and marketing of the Property;
- (g) immediately advise Avison Young of any material change in the physical condition or status of the Property; and
- (h) refer to Avison Young any and all offers for purchase and sale submitted to us from any source whatsoever.

13. **Expenses.** All expenses relating to marketing the Property shall be borne by Avison Young.

14. **Confidentiality.** Unless otherwise advised in writing, any and all information received by Avison Young from us, or from any other party regarding us, in the course of the agency relationship contemplated will be deemed to be information disclosed in confidence to Avison Young notwithstanding that such information may have been received before the execution of this Listing Agreement.

15. **Termination on Default.** Either party (the "**Terminating Party**") may terminate the Listing Agreement as follows.

- (a) In the event that a party makes a general assignment for the benefit of its creditors, files or presents a bankruptcy application, makes a proposal, or commits any act of bankruptcy, or if any action is taken for the winding up, liquidation, or the appointment of a liquidator, trustee in bankruptcy, custodian, curator, sequestrator, receiver, or any other officer with similar powers, or if a judgment or order will be entered by any court approving a plan or proposal for reorganization, arrangement, or compromise or in respect of any party, then the Terminating Party, may but will not be obligated, to terminate the Listing Agreement immediately upon giving written notice to the other party.

- (b) In the event a party (the "**Defaulting Party**") is in default of complying with any other term or condition of the Listing Agreement, the Terminating Party will notify the Defaulting Party in writing of its intent to terminate this Listing Agreement for default or non-performance by the Defaulting Party. Such notice will provide the specifics of the alleged default or non-performance by the Defaulting Party and the Defaulting Party will have ten (10) days from receipt of such notice to remedy or rectify such default or non-performance, or, if not remediable or rectifiable within ten (10) days, to take such steps to commence to remedy or rectify such default or non-performance as is reasonable in the circumstance (the "**Cure Period**"). If, in the Terminating Party's opinion, acting reasonably, such default or non-performance has not been remedied or rectified, the Terminating Party may, after expiry of the Cure Period, terminate this Listing Agreement upon providing ten (10) days written notice to the Defaulting Party.
- (c) Notwithstanding Paragraphs 15 (a) or (b), in the event that a party makes a general assignment for the benefit of its creditors, files or presents a bankruptcy application, makes a proposal, or commits any act of bankruptcy, or if any action is taken for the winding up, liquidation, or the appointment of a liquidator, trustee in bankruptcy, custodian, curator, sequestrator, receiver, or any other officer with similar powers, or if a judgment or order is entered by any court approving a plan or proposal for reorganization, arrangement, or compromise or in respect of any party, then the Terminating Party, may but will not be obligated, to terminate the Listing Agreement immediately upon giving written notice to the other party.
- (d) Notwithstanding Paragraphs 15 (a), (b), or (c), the Listing Agreement may be terminated by order of the Court of King's Bench of Alberta.

16. **Notice.** Any notice required to be given may be given:

- (a) to us at:

Deloitte Restructuring Inc.
700, 850 2 Street SW
Calgary, AB, T2P 0R8
Attn: Cassie Poon
Emails: caspoon@deloitte.ca

- (b) to Avison Young at:

704 4th Avenue South, Suite 295
Lethbridge, Alberta, T1J 0N8
Attn: Josh Marti and/or Doug Mereska
Email(s): josh.marti@avisonyoung.com and/or
doug.mereska@avisonyoung.com

or to such other address of which either party may notify the other from time to time in writing.

17. **Unenforceable Terms.** Any term, condition, or provision of this Listing Agreement that is or will be deemed to be void, prohibited, or unenforceable in any jurisdiction will, as to such jurisdiction, be severable and be ineffective to the extent of such avoidance, prohibition, or unenforceability without in any way invalidating the remaining terms, conditions, and provisions.
18. **Conflict of Laws.** This Listing Agreement will be construed and enforced in accordance with the applicable laws of the Province of Alberta and the applicable laws of Canada and the Parties attorn to the courts of the Province of Alberta.
19. **Enurement.** This Listing Agreement will enure to the benefit of and be binding upon the Parties together with their heirs, executors, administrators, successors, and permitted assigns.
20. **Headings.** The headings used in this Listing Agreement are for convenience of reference only and will not be deemed to be a part of this Listing Agreement and will not be referred to in connection with the construction and interpretation of this Listing Agreement.
21. **Severability.** The invalidity or unenforceability of any provision of this contract will not affect the validity or enforceability of any other provision contained in this Listing Agreement. If any provision of this Listing Agreement is illegal, invalid, or void under any applicable law, such provision should be considered severable, remaining provisions will not be impaired and the Listing Agreement will be interpreted as far as possible so as to give effect to its stated purpose.
22. **Time of the Essence.** Time is of the essence of this Listing Agreement and of every part of it.
23. **Counterparts.** This Listing Agreement may be executed in one or more counterparts, each of which will be considered an original but all of which together will constitute one and the same instrument. In addition, facsimile or electronic copies of executed counterparts will be conclusively regarded for all purposes as originally executed counterparts pending the delivery of the originals.
24. **Authority.** We confirm that, subject to approval of the Court of King's Bench of Alberta, we have the full power and authority to enter into this Listing Agreement and to sell the Property. We acknowledge having read this Listing Agreement and having received a true copy of it. We further acknowledge to you that we do not hold an authorization as a real estate broker issued by the Real Estate Council of Alberta.
25. **Referral Agreement.** Avison Young will act as the primary Listing Agent, with cooperation and consultation with Chris Chornohos of Newmark Valuation & Advisory. Avison Young agrees to pay a referral fee to Newmark Valuation & Advisory, to be detailed in a separate agreement between Avison Young and Newmark Valuation & Advisory, the payment of which will be the sole responsibility of Avison Young.
26. **Court Approval.** The Effectiveness of the Listing Agreement is subject to approval of the Court of King's Bench of Alberta.

DATED at the City of _____, in the Province of _____, this
_____ day of July, 2023.

**Deloitte Restructuring Inc., solely in its capacity
as Court-appointed Receiver of the Property and
not in its personal or corporate capacity.**

Per: _____

Print Name: _____

Title: _____

ACCEPTED AND AGREED in the City of Lethbridge, in the Province of Alberta, this
25th day of July, 2023.

Avison Young Lethbridge (2016) Inc.

Per: Doug Mereska

Doug Mereska,
Managing Director

Schedule "A"

Location

Legal Description

1516 Brier Park Crescent NW,
Medicine Hat, AB

Plan 6293JK, Block 3

1496 Brier Park Crescent NW,
Medicine Hat, AB

Plan 0113682, Block 2, Lot 5

Schedule "B"

APPENDIX "C"

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:

<u>Milestone</u>	<u>Deadline</u>
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 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;
- (g) 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;
- (h) 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;
- (i) the Bid is received by the Bid Deadline; and
- (j) 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

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

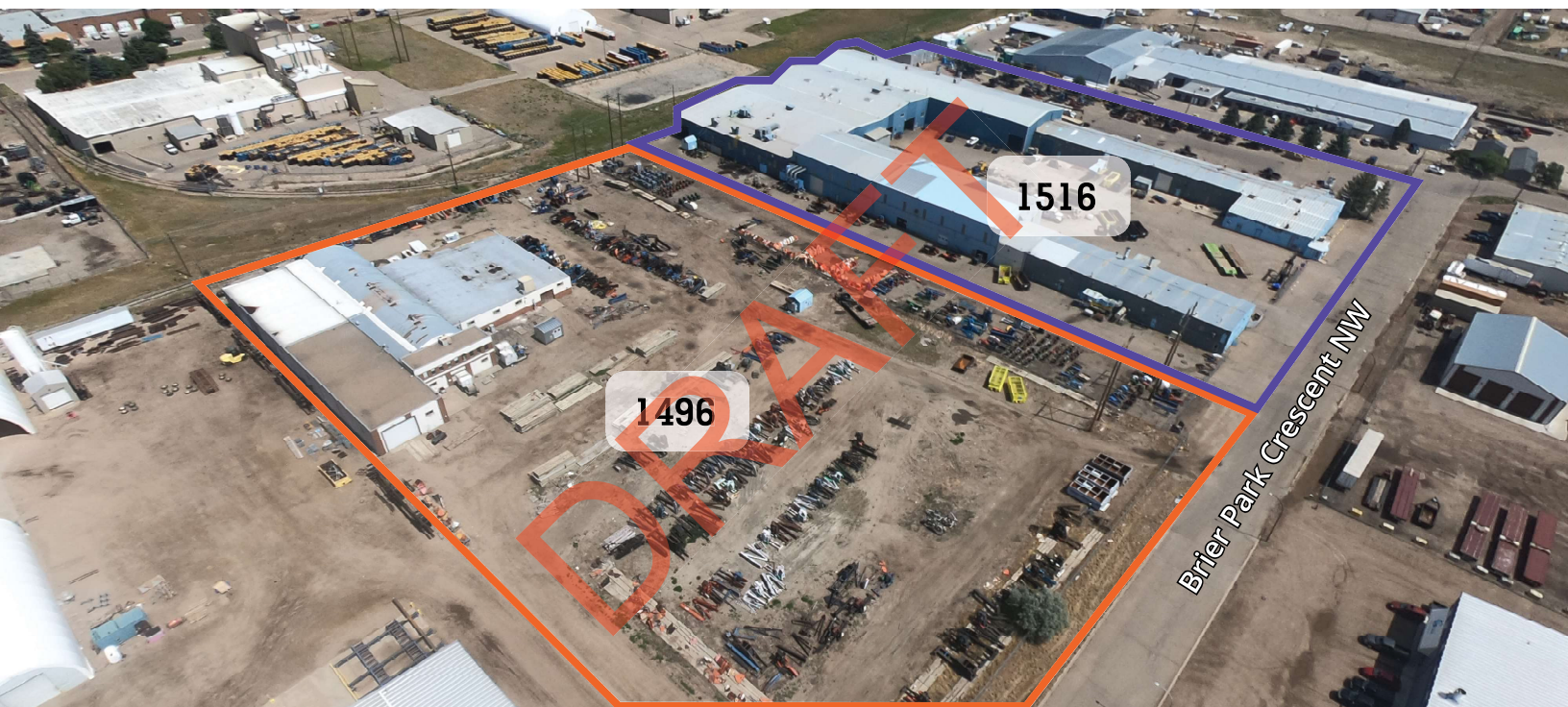
ANNEX 2

APPENDIX "D"

**AVISON
YOUNG**

1496 and 1516 Brier Park Crescent NW

Medicine Hat, Alberta



For more property information

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doug.mereska@avisonyoung.com

RECEIVERSHIP SALE

704 4th Avenue South, Suite 295 | Lethbridge, AB | +1 403 330 3338

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Property Overview

Municipal Address

1496 Brier Park Crescent NW
Medicine Hat, AB

Legal Address

0113682;2;5

Zoning

General Industrial (I-G)

Building Area

104,666 SF

Site Area

8.18 Acres

Sale Price

Un-Priced

Taxes

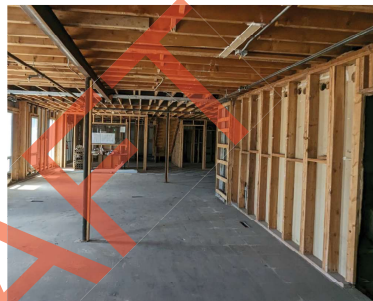
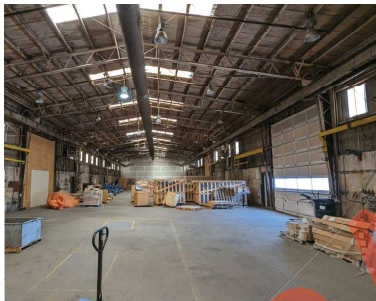
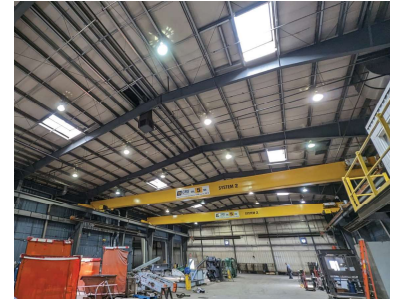
\$70,899.08

Year Built

Rear addition built in 1990



1496 Brier Park Crescent NW



Property Details

Large industrial or industrial manufacturing opportunity located in the Brier Industrial Park. Renovated in 1990, this property was expanded from its original offering to a 100,000+ square foot assembly-line facility. The property currently has three month-to-month tenancies and is also well suited to an owner-user with an industrial use, specifically an industrial manufacturing facility that could make use of the assembly line setup and 5 to 10 ton cranes. Please contact a listing agent to discuss the opportunity further.

Highlights

- 24' - 36' ceiling height
- 4 x 5 ton cranes
- 1 x 10 ton crane
- Steel frame construction
- Rail access behind lot

**These two neighbouring properties can be sold together or separately.*

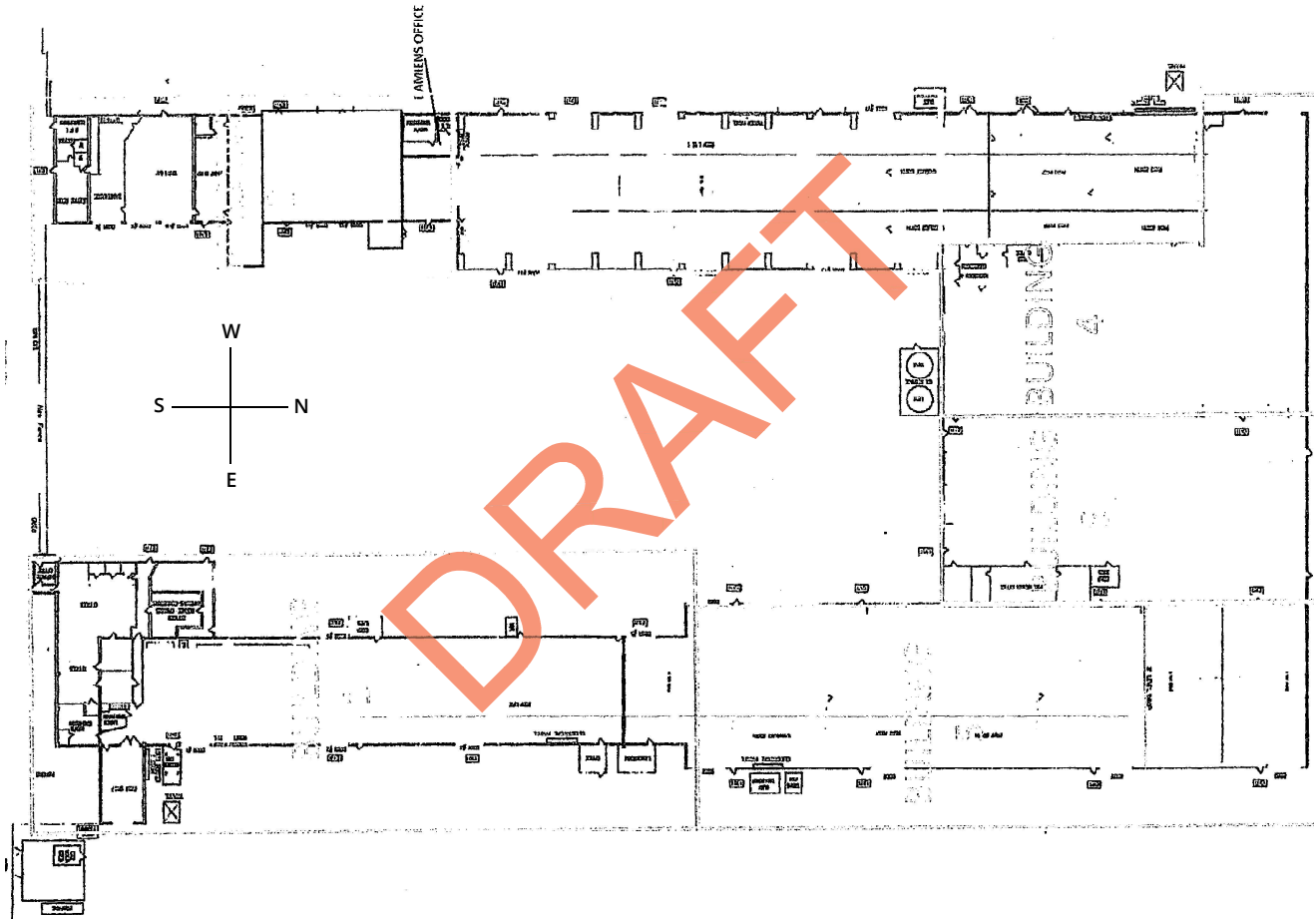
The information contained herein was obtained from sources which we deem reliable and, while thought to be correct, is not guaranteed by Avison Young.

**INDUSTRIAL FLEX
OPPORTUNITY**

**AVISON
YOUNG**

Floor Plan

1496 Brier Park Crescent NW



Property Overview

Municipal Address

1516 Brier Park Crescent NW
Medicine Hat, AB

Legal Address

6293JK;3

Zoning

General Industrial (I-G)

Building Area

29,955 SF

Site Area

4.96 Acres

Sale Price

Un-Priced

Taxes

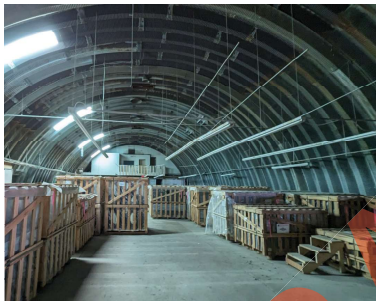
\$27,655.60

Year Built

1975



1516 Brier Park Crescent NW



Property Details

Industrial redevelopment opportunity in the Brier Industrial Park. The property consists of nearly 5 acres of fenced yard space, where the front portion of the site could be fully developed independently of existing buildings, or the entire site could be redeveloped in phases. With an open warehouse floor and adjoining quonset, the existing building has most recently been used as a storage facility. Please contact a listing agent to discuss the opportunity further.

Highlights

- Fully leased property
- 3-phase, 600 volt power, 800 AMP
- 12' - 18' ceiling height
- Large, fenced yard space
- Rail access behind lot

**These two neighbouring properties can be sold together or separately.*

The information contained herein was obtained from sources which we deem reliable and, while thought to be correct, is not guaranteed by Avison Young.

REDEVELOPMENT OPPORTUNITY

**AVISON
YOUNG**

Uses

Permitted Uses

- Industrial Support Services
- Motor Vehicle and R.V. Sales
- Motor Vehicle Gas Stations
- Motor Vehicle Service Stations
- Self-Storage Facilities

Discretionary Uses

- Accessory Uses
- Animal Services
- Business Support Services
- Education Institutions
- Funeral Establishments
- Garden Centres
- Government Services
- Greenhouses
- Industrial Operations
- Parking Facilities
- Renewable Energy
- Retail and Consumer Services
- Temporary Vendors



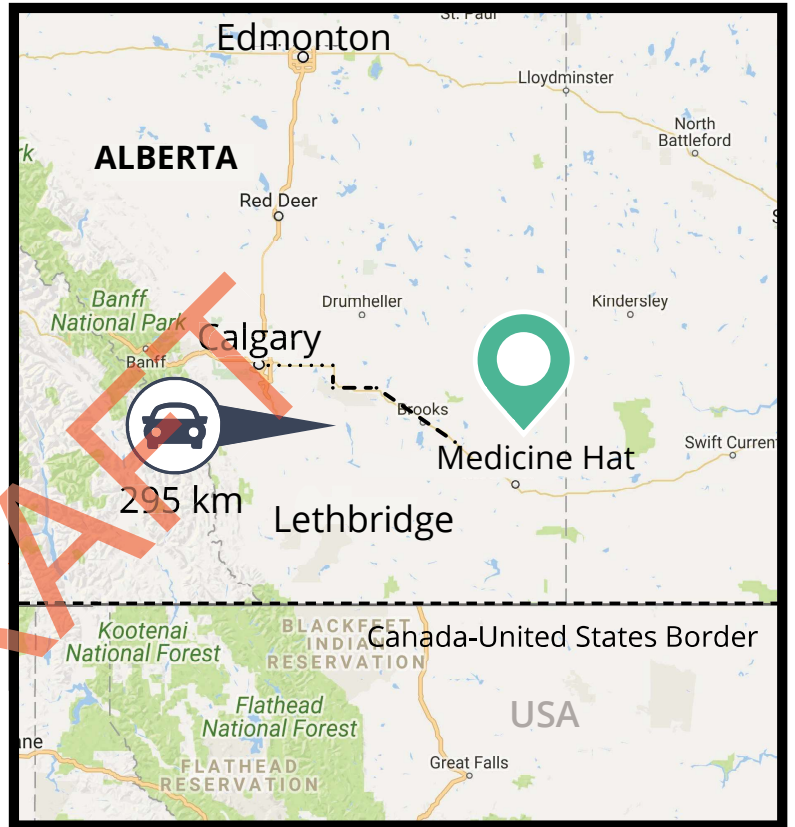
Location

These two properties are located in the Brier Industrial Park, which is primarily general industrial and has access to the Trans-Canada Highway. Medicine Hat is approximately 144 km North of the Wildhorse Canada/US border crossing, 169 km east of Lethbridge, and 295 km southeast of Calgary. It is intersected by the Trans-Canada Highway (Highway 1), which connects Saskatchewan and Eastern Canada to Calgary, and is the eastern terminus of the Crowsnest Highway 3, which comes from Western Canada through Southern Alberta. Medicine Hat is known as the "Gas City" for its industrial base and large natural gas reserves.



**AVISON
YOUNG**

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Offering Process

- August 5 - Listing comes to market for 60 days
- October 13 - Bid deadline for Medicine Hat properties (3:00 PM MST)
- TBD - Transaction approval hearing
- TBD - Closing date deadline

**The sale of these properties are subject to court approval.*

For more property information

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Platinum member

**AVISON
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APPENDIX "E"

**In the Matter of the Receivership of
2218923 Alberta Ltd. and 1975874 Alberta Ltd.
Summary of MLS Search
As at July 27, 2023**

Industrial Properties in Medicine Hat and surrounding area listed on Realtor.ca		Days listed on Realtor.ca
1	1631 Dirkson Drive	2169
2	47 South West Drive SW	435
3	870 16 Street SW	332
4	135 South West Drive SW	43
5	1954 10 Avenue NW	9
6	570 18 Street SW	8
7	1442 & 1448 & 1454 Brier Estates Crescent NW	1
<u>Average time listed on Realtor.ca</u>		<u>428</u>

Medicine Hat, AB

Min Price

Max Price

Building Size

Land Size

Results: 7 Listings

Sort By

Oldest



\$650,000
1631 Dirkson Drive,
Redcliff, Alberta



\$749,900
47 South West Drive SW,
Medicine Hat, Alberta

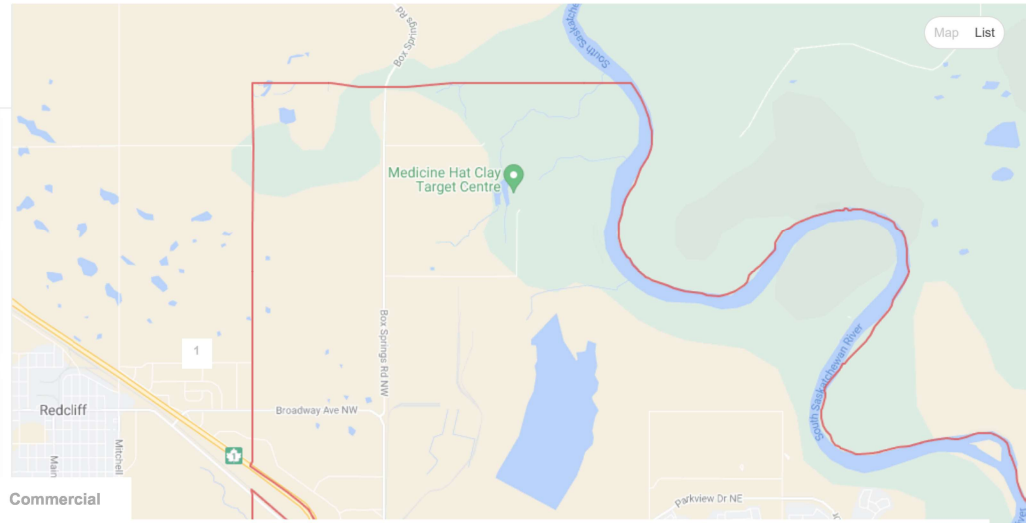


\$798,900
870 16 Street SW, Medicine
Hat, Alberta



Residential

Commercial



Map List

Medicine Hat, AB

Transaction Type

For sale For Lease Sold

Property Type

Industrial

Min Price

0

Max Price

Unlimited

Building Size

Any

Land Size

Any

Year Built

Any

- Any

Listed Since

mm/dd/yyyy



Listings With Visible Offers Only

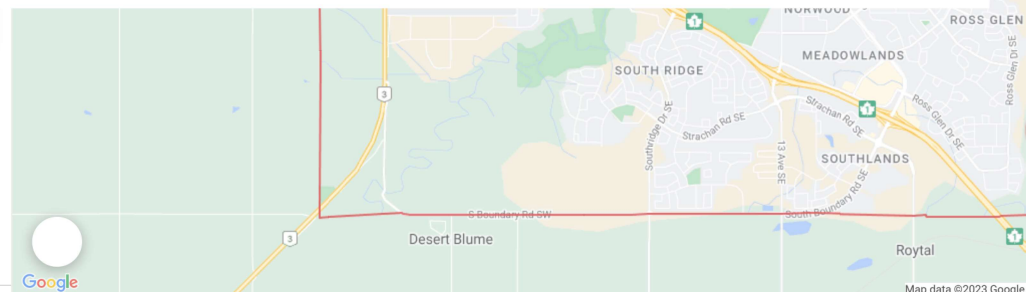
Keywords

Waterfront, Garage, Pool...



Medicine Hat, Alberta

23 hours ago



Map data ©2023 Google

Trusted listings from REALTOR® Agents. The MLS® mark and associated logos identify professional services rendered by REALTOR® members of CREA to effect the purchase, sale and lease of real estate as part of a cooperative selling system.



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Medicine Hat, AB

Min Price


Max Price


Building Size


Land Size


Results: 7 Listings


Sort By


- 


\$650,000
1631 Dirkson Drive,
Redcliff, Alberta
- 

\$749,900
47 South West Drive SW,
Medicine Hat, Alberta
- 

\$798,900
870 16 Street SW, Medicine
Hat, Alberta
- 

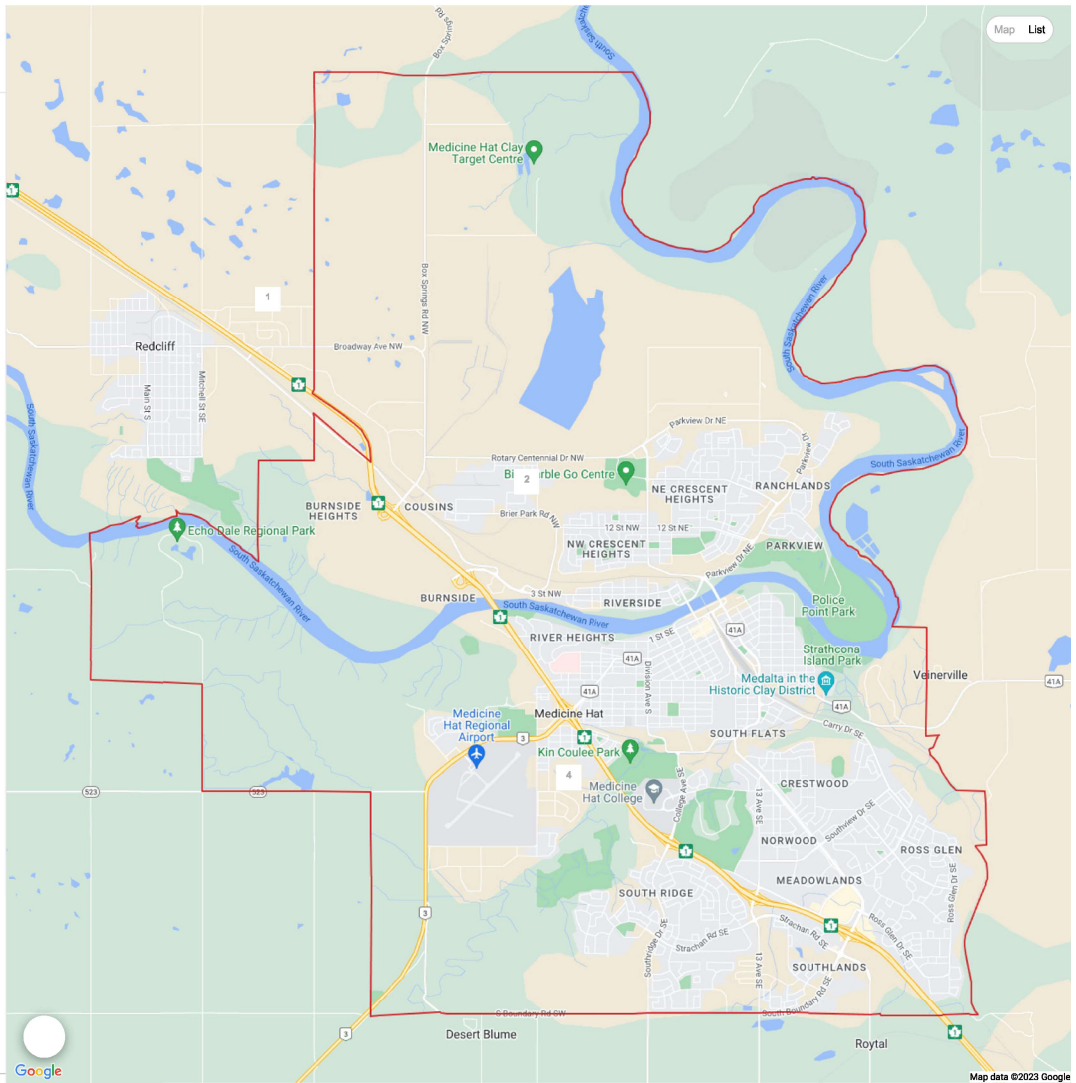
\$615,000
135 South West Drive SW,
Medicine Hat, Alberta
- 

\$2,100,000
1954 10 Avenue NW,
Medicine Hat, Alberta
- 

\$445,000
570 18 Street SW, Medicine
Hat, Alberta
- 

\$3,875,000
1442 & 1448 & 1454 Brier
Estates Crescent NW,
Medicine Hat, Alberta

23 hours ago



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Medicine Hat, AB

Min Price

Max Price

Building Size

Land Size

Results: 7 Listings

Map List

Sort By




\$650,000

1631 Dirkson Drive, Redcliff, Alberta

RE/MAX MEDALTA REAL ESTATE








\$749,900

47 South West Drive SW, Medicine Hat, Alberta




ROYAL LEPAGE COMMUNITY REALTY

\$798,900

870 16 Street SW, Medicine Hat, Alberta



RE/MAX MEDALTA REAL ESTATE

\$615,000

135 South West Drive SW, Medicine Hat, Alberta



EXP REALTY


\$2,100,000

1954 10 Avenue NW, Medicine Hat, Alberta




RE/MAX MEDALTA REAL ESTATE

\$445,000

570 18 Street SW, Medicine Hat, Alberta



ROYAL LEPAGE COMMUNITY REALTY

\$3,875,000

1442 & 1448 & 1454 Brier Estates Crescent NW, Medicine Hat, Alberta

RE/MAX MEDALTA REAL ESTATE

23 hours ago

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