Form 7
[Rule 3.8]

Clerk's Stamp

CLERK OF THE COURT
FILED
JAN 2 4 2020
JUDICIAL CENTRE
OF CALGARY

COURT FILE NUMBER	2001-01349
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANT	ROYAL BANK OF CANADA
RESPONDENT	PETRO WEST LIMITED PARTNERSHIP and PETRO WEST LTD.
DOCUMENT	**ORIGINATING APPLICATION**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**McMillan LLP** #1700, 421 – 7th Avenue SW Calgary, AB T2P 4K9 **Attention:** Adam Maerov Telephone: (403) 215.2752 Fax: (403) 531.4720 Email: adam.maerov@mcmillan.ca Kourtney Rylands Telephone: (403) 355.3326 Fax: (403) 531.4720 Email: kourtney.rylands@mcmillan.ca File No. 271396

NOTICE TO RESPONDENTS: **PETRO WEST LIMITED PARTNERSHIP and PETRO WEST LTD.**

This application is made against you. You are the respondent.

You have the right to state your side of this matter before the Justice.

To do so, you must be in Court when the application is heard as shown below:

Date:	**January 30, 2020**
Time:	**11:30 a.m.**
Where:	**Calgary Courts Centre**
Before Whom:	**The Honourable Justice K.M. Horner**

Go to the end of this document to see what else you can do and when you must do it.

Relief claimed or sought:

1. An order:

(a) abridging, if necessary, the time for service of this application and deeming service good and sufficient;

(b) appointing Ernst & Young Inc. ("**EY**") as receiver and manager, or in the alternative, as receiver, over certain of the assets, undertakings and property (the "**Property**") of the respondents, Petro West Limited Partnership, by its General Partner, Petro West Ltd. (together, the "**Debtor**") by way of an order substantially in the form of the Receivership Order attached as Schedule "A" hereto (the "**Receivership Order**"), which appointment shall be effective immediately upon the filing of a Termination Certificate (as defined below) in accordance with the Interim Receivership Order (as defined below);

(c) approving a proposed sale process of the Property;

(d) awarding costs of this application to the applicant, Royal Bank of Canada ("**RBC**"), on an appropriate scale; and

(e) such further and other relief as counsel may advise and this Honourable Court deems just.

Grounds for making this application:

<u>The Indebtedness of the Debtor</u>

2. The Debtor is indebted to RBC pursuant to a commitment letter dated Octobed 5, 2015 (the "**Loan Agreement**") between RBC and the Debtor.

3. As of January 8, 2020, the Debtor was indebted to RBC in the amount of $7,016,064.51 plus interest accruing thereafter, exclusive of enforcement expenses, legal fees and other out of pocket costs and disbursements (the "**Indebtedness**").

<u>The Security</u>

4. To the best of RBC's knowledge, the Debtor has no employees and its sole asset is a property municipally described as 1210 - 8th Street SW, Calgary, Alberta, and legally described as:

PLAN A1
BLOCK 85
LOTS 1 AND 2
EXCEPTING FIRSTLY: OUT OF SAID LOT 1, THE ROADWAY SHOWN ON PLAN 1917JK SECONDLY: THAT PORTION THEREOUT FOR ROAD WIDENING ON PLAN 8111566

(the "**Real Property**").

5. The Debtor granted certain security to RBC in order to secure the Indebtedness, which security includes, but is not limited to:

(a) a $8,150,000.00 first mortgage and charge on the Real Property (the "**Mortgage**");

(b) a first general assignment of rents and a first general assignment of leases on the Real Property (the "**Assignment of Rents and Leases**");

(c) a site specific security agreement comprising a first security interest on the personal property situate on, used in connection with or arising from the Real Property (the "**Security Agreement**"); and

(d) a beneficial owner consent provided by the Debtor (the "**Consent**").

(collectively, the "**Security**" and collectively with the Loan Agreement, the "**Loan and Security Agreements**").

6. The security interests created by the Mortgage and the Assignment of Rents and Leases have been registered against the Real Property.

7. The Mortgage was registered against the title to the Real Property in the Alberta Land Titles Office on or about November 18, 2015, as instrument number 151 297 230. By the Mortgage, the Debtor mortgaged the Real Property in the amount of $8,150,000 to RBC to secure payment of existing financing in respect of the Real Property.

8. The Assignment of Rents and Leases was registered against the title to the Real Property in the Alberta Land Titles Office on or about November 18, 2015, as instrument number 151 297 231.

9. RBC is the only party with a mortgage and/or an assignment of rents and leases registered on title to the Real Property.

10. The security interest created by the Security Agreement has been perfected by way of registration of a security interest in the Alberta Personal Property Registry ("**PPR**").

11. RBC is the only party with a security interest registered against the Debtor in the Alberta PPR.

<u>The Interim Receiver</u>

12. On December 10, 2019 a Companies' Creditors Arrangement Act (the "**CCAA**") Initial Order (the "**Initial Order**") was granted by the Honourable Madam Justice K.M. Horner of the Court of Queen's Bench of Alberta (the "**Court**") in respect of the Strategic Group of companies (as described in the Initial Order), including the Debtor.

13. On December 20, 2019, the Court denied an application to extend the initial stay of proceedings granted under the Initial Order and granted an Interim Receivership Order (the "**Interim Receivership Order**") appointing Alvarez & Marsal Canada Inc. as the interim receiver and receiver and manager (the "**Interim Receiver**") of the Strategic Group of companies, including the Debtor (the "**Interim Receivership Proceedings**").

14. Paragraph 13 of the Interim Receivership Order provides that, subject to paragraph 18 of the Interim Receivership Order (which requires tenants that are party to leases with members of the Strategic Group to pay rent to the Interim Receiver), nothing contained in

the Interim Receivership Order shall prevent or limit a mortgage lender from taking any steps or exercising any rights under their security or at law.

15. Paragraph 38 of the Interim Receivership Order further provides that:

> At any time after January 31, 2020 any Applicant [in the Interim Receivership Proceedings] may file with the Clerk of the Court and serve on all parties to these proceedings a certificate in the form attached as Schedule "E" (the "**Termination Certificate**") advising that such Applicant wishes to terminate these receivership proceedings in respect of the Property against which it holds security. Effective as of 12:01 a.m. (Mountain Time) on the date of such filing (the "**Termination Time**") without further act or formality, the Receiver shall be discharged as Receiver of the respective Property and Debtors, provided however, that notwithstanding its discharge herein (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein; and (b) the Receiver shall continue to have the benefit of the provisions of this Order and any other Orders made in this proceeding, including the Receiver's Charge, the Receiver's Borrowing Charge, all approvals, protections and stays of proceedings in favour of the Receiver in its capacity as Receiver, including in connection with any action taken by the Receiver following the Termination Time.

16. RBC is an Applicant in the Interim Receivership Proceedings. RBC is seeking the appointment of a receiver which would be effective after January 31, 2020, immediately upon the filing of a Termination Certificate with the Clerk of the Court to allow for the transition of duties from the Interim Receiver to EY as proposed receiver under the Receivership Order.

<u>Default and Demand</u>

17. Events of default have occurred under the Loan and Security Agreements by reason of, among other things, the CCAA Proceedings, the Interim Receivership, and the failure of the Debtor to make a monthly payment of principal and interest for the month of January 2020.

18. On or about January 9, 2020, RBC made demand of the Debtor for immediate payment in full of the Indebtedness (the "**Demand**"). RBC also delivered a Notice of Intention to Enforce Security to the Debtor pursuant to section 244 of the *Bankruptcy and Insolvency Act*.

19. The Debtor has failed to make payment of the Indebtedness to RBC in response to the Demand.

<u>The Appointment of a Receiver</u>

20. Pursuant to the Loan and Security Agreements, RBC is entitled to appoint a receiver upon the occurrence of and during the continuance of any default by the Debtor.

21. The appointment of a receiver of the Property of the Debtor is appropriate to provide for an orderly disposition of the Property.

22. The Indebtedness remains unpaid.

23. The Debtor is insolvent.

24. The appointment of a receiver over the Property is just, equitable, convenient and necessary to preserve RBC's Security.

25. EY has consented to act as receiver and manager over the Property.

<u>Sale Process</u>

26. EY has filed a pre-filing report (the "**Proposed Receiver's Report**") that proposes a sale solicitation process for the marketing and sale of the Property (the "**Proposed Sales Process**").

27. The Property represents all of the assets of the Debtor and RBC is the only secured creditor of the Debtor.

28. RBC supports the Proposed Sales Process.

29. The Debtor has no employees.

30. The CCAA Proceedings have been terminated and an Interim Receiver appointed with respect to the Debtor and others. An orderly sale process for the sale of the Property is now required.

31. Approval of the Sale Process at this time will assist RBC and EY in managing costs and fees by avoiding the need for a subsequent application to approve the Sales Process.

32. The Sales Process will allow for the sale of the Property on an expeditious basis and maximize the value of the Property.

33. Approval of the Proposed Sales Process is therefore warranted at this time and supported by RBC, the chief stakeholder in this proceedings.

34. Such further and other grounds as counsel may advise and this Honourable Court may permit.

Affidavit or other evidence to be used in support of this application:

35. The Affidavit of Greg Smith, sworn January 22, 2020;

36. The Pre-Filing Report of the Ernst & Young Inc., dated January 23, 2020;

37. The inherent jurisdiction of this Honourable Court; and

38. Such further and other material and evidence as counsel may advise and this Honourable Court may permit.

Applicable Rules:

39. Rules 1.2, 1.3, 1.4, 3.72, 6.47, 11.27 and 13.5(2) of the Alberta Rules of Court; and

40. Such further and other rules as counsel may advise.

Applicable Acts and regulations:

41. *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended, and particularly s. 243 thereof;

42. *Business Corporations Act*, RSA 2000, c B-9;

43. *Judicature Act*, RSA 2000, c J-2, as amended, and particularly s. 13(2) thereof;

44. *Personal Property Security Ac*t, RSA 2000, c P-7, as amended, and particularly s. 65(7) thereof; and

45. Such other rules, acts, and regulations as counsel may advise and that this Honourable Court may permit.

Any irregularity complained of or objection relied on:

46. None are anticipated.

How the application is proposed to be heard or considered:

47. Orally.

WARNING

You are named as a respondent because you have made or are expected to make an adverse claim in respect of this originating application. If you do not come to Court either in person or by your lawyer, the Court may make an order declaring you and all persons claiming under you to be barred from taking any further proceedings against the applicant(s) and against all persons claiming under the applicant(s). You will be bound by any order the Court makes, or another order might be given or other proceedings taken which the applicant(s) is/are entitled to make without any further notice to you. If you want to take part in the application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of this form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

Schedule "A"

	Clerk's Stamp:
COURT FILE NUMBER	
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE OF	CALGARY
APPLICANT:	ROYAL BANK OF CANADA
RESPONDENT(S):	PETRO WEST LIMITED PARTNERSHIP and PETRO WEST LTD.
DOCUMENT	RECEIVERSHIP ORDER
CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT:	McMillan LLP #1700, 421 – 7th Ave SW Calgary, AB T2P 4K9 Attention: Adam Maerov Telephone: (403) 215.2752 Fax: (403) 531.4720 Email: adam.maerov@mcmillan.ca Kourtney Rylands Telephone: (403) 355.3326 Fax: (403) 531.4720 Email: kourtney.rylands@mcmillan.ca File No. 271396

DATE ON WHICH ORDER WAS PRONOUNCED:	January 30, 2020
NAME OF JUDGE WHO MADE THIS ORDER:	The Honourable Justice K.M. Horner
LOCATION OF HEARING:	Calgary Courts Centre

UPON the application of **Royal Bank of Canada** ("**RBC**") in respect of Petro West Limited Partnership and its general partner, Petro West Ltd. (together, the "**Debtor**"); **AND UPON** having read the Application, the Affidavit of Greg Smith; and the Affidavit of Service of [•], filed; **AND UPON** reading the consent of Ernst & Young Inc. to act as receiver and receiver and manager (the "**Receiver**") of the Debtor, filed; **AND UPON** noting the consent endorsed hereon of Ernst & Young Inc.; **AND UPON** noting that an interim receivership order (the "**Interim Receivership Order**") was granted with respect to the Debtor, among others, by the Honourable Justice K. M. Horner on December 20, 2019 (the "**Interim Receivership**"), appointing Alvarez & Marsal Canada Inc. as interim receiver (the "**Interim Receiver**"); **AND UPON** hearing counsel for RBC, counsel for the proposed Receiver and any other counsel or other interested parties present; **IT IS HEREBY ORDERED AND DECLARED THAT**:

SERVICE

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

APPOINTMENT

2. Pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "**BIA**"), and sections 13(2) of the *Judicature Act*, R.S.A. 2000, c.J-2, 99(a) of the *Business Corporations Act*, R.S.A. 2000, c.B-9, and 65(7) of the *Personal Property Security Act*, R.S.A. 2000, c.P-7, and upon the filing of a Termination Certificate (as defined in the Interim Receivership Order) with the Clerk of the Court in accordance with the Interim Receivership Order, Ernst & Young Inc. is hereby appointed Receiver, without security, of:

   (a) the lands and premises legally described as:

   PLAN A1
   BLOCK 85
   LOTS 1 AND 2
   EXCEPTING FIRSTLY: OUT OF SAID LOT 1, THE ROADWAY SHOWN ON PLAN 1917JK
   SECONDLY: THAT PORTION THEREOUT FOR ROAD WIDENING ON PLAN 8111566 (the "**Petro West Lands**"); and

   (b) all of the Debtor's present and after-acquired personal property consisting of all goods, chattel paper, documents of title, instruments, intangibles, money and securities nor or hereinafter situate on, used in connection with or arising from the business or affairs carried on at the Petro West Lands, including all Net Rents, deposits, bank accounts, other accounts and all books and records associated with such property and the Petro West Lands (the "**Collateral**" and together with the Petro West Lands, the "**Property**"). (As used in this Order "**Net Rents**" means all rents collected by the Interim Receiver net of costs directly incurred by the Interim Receiver in relation to the Petro West Lands and any costs reasonably allocated to the Debtor as determined in the Interim Receivership proceedings).

RELEASE OF INTERIM RECEIVERSHIP CHARGES

3. Upon the filing of the Termination Certificate with the Clerk of the Court the Receiver's Charge and the Receiver's Borrowings Charge (as those terms are defined in the Interim Receivership Order) granted to the Interim Receiver shall be released and discharged from and against the Property.

RECEIVER'S POWERS

4. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

(a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

(b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

(c) to manage, operate and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;

(d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel, and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

(e) to enter into a property management agreement in respect of the Property with a property manager acceptable to the Receiver, which property manager may, for greater clarity, be Colliers Macaulay Nicolls Inc. or an affiliate thereof;

(f) to purchase or lease machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;

(g) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;

(h) to settle, extend or compromise any indebtedness owing to or by the Debtor;

(i) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;

(j) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;

(k) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding, and provided further that nothing in this Order shall authorize the Receiver to defend or settle the action in which this Order is made unless otherwise directed by this Court;

(l) to market any or all the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

(m) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:

(i) without the approval of this Court in respect of any transaction not exceeding $250,000.00, provided that the aggregate consideration for all such transactions does not exceed $500,000.00; and

(ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,

and in each such case notice under subsection 60(8) of the *Personal Property Security Act*, R.S.A. 2000, c. P-7 or any other similar legislation in any other province or territory shall not be required.

(n) to apply for any vesting order or other orders (including, without limitation, confidentiality or sealing orders) necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

(o) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

(p) to register a copy of this Order and any other orders in respect of the Petro West Lands against title to the Petro West Lands, and when submitted by the Receiver for registration this Order shall be immediately registered by the Registrar of Land Titles of Alberta, or any other similar government authority, notwithstanding Section 191 of the *Land Titles Act*, RSA 2000, c. L-4, or the provisions of any other similar legislation in any other province or territory, and notwithstanding that the appeal period in respect of this Order has not elapsed and the Registrar of Land

Titles shall accept all Affidavits of Corporate Signing Authority submitted by the Receiver in its capacity as Receiver of the Debtor and not in its personal capacity;

(q) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

(r) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

(s) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and

(t) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

(u) to implement the sales process affixed as Appendix "A" the pre-filing report of the Receiver (the "**Sales Process**"), which are hereby approved, and authorized:

(i) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof as contemplated by the Sales Process;

(ii) to enter into any resulting agreement(s) or transaction(s) which may arise in connection thereto, as the Receiver determines are necessary or advisable in connection with or in order to complete any or all of the various steps, as contemplated by the Sales Process, and

(iii) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property, in which case notice under subsection 60(8) of the Personal Property Security Act, R.S.A. 200, c. P-7 shall not be required, and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons, including the Debtor, and without interference from any other Person (as defined below).

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. (i) The Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver's request.

6. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.

7. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the

information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names, and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

8. No proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

9. No Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court, provided, however, that nothing in this Order shall: (i) prevent any Person from commencing a proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such proceeding is not commenced before the expiration of the stay provided by this paragraph; and (ii) affect a Regulatory Body's investigation in respect of the debtor or an action, suit or proceeding that is taken in respect of the debtor by or before the Regulatory Body, other than the enforcement of a payment order by the Regulatory Body or the Court. "**Regulatory Body**" means a person or body that has powers, duties or functions relating to the enforcement or administration of an Act of Parliament or of the legislature of a Province.

NO EXERCISE OF RIGHTS OF REMEDIES

10. All rights and remedies of any Person, whether judicial or extra-judicial, statutory or non-statutory (including, without limitation, set-off rights) against or in respect of the Debtor or the Receiver or affecting the Property are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, **and further provided** that nothing in this Order shall:

    (a) empower the Debtor to carry on any business that the Debtor is not lawfully entitled to carry on;

    (b) prevent the filing of any registration to preserve or perfect a security interest;

    (c) prevent the registration of a claim for lien; or

    (d) exempt the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment.

11. Nothing in this Order shall prevent any party from taking an action against the Applicant where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Monitor at the first available opportunity.

NO INTERFERENCE WITH THE RECEIVER

12. No Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, except with the written consent of the Debtor and the Receiver, or leave of this Court.

CONTINUATION OF SERVICES

13. All persons having:

    (a) statutory or regulatory mandates for the supply of goods and/or services; or

    (b) oral or written agreements or arrangements with the Debtor, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Debtor

are hereby restrained until further order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Debtor or exercising any other remedy provided under such agreements or arrangements. The Debtor shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the date of this Order are paid by the Debtor in accordance with the payment practices of the Debtor, or such other practices as may be agreed upon by the supplier or service provider and each of the Debtor and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

14. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

EMPLOYEES

15. Subject to employees' rights to terminate their employment, all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, S.C. 2005, c.47 ("**WEPPA**").

16. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a “**Sale**”). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

17. (a) Notwithstanding anything in any federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:

(i) before the Receiver's appointment; or

(ii) after the Receiver's appointment unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.

(b) Nothing in sub-paragraph (a) exempts a Receiver from any duty to report or make disclosure imposed by a law referred to in that sub-paragraph.

(c) Notwithstanding anything in any federal or provincial law, but subject to sub-paragraph (a) hereof, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, the Receiver is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order,

(i) if, within such time as is specified in the order, within 10 days after the order is made if no time is so specified, within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, or during the period of the stay referred to in clause (ii) below, the Receiver:

A. complies with the order, or

B. on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;

(ii) during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) above, within 10 days after the order is made or within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, by,

A. the court or body having jurisdiction under the law pursuant to which the order was made to enable the Receiver to contest the order; or

B. the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or

(iii) if the Receiver had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

LIMITATION ON THE RECEIVER'S LIABILITY

18. Except for gross negligence or wilful misconduct, as a result of its appointment or carrying out the provisions of this Order the Receiver shall incur no liability or obligation that exceeds an amount for which it may obtain full indemnity from the Property. Nothing in this Order shall derogate from any limitation on liability or other protection afforded to the Receiver under any applicable law, including, without limitation, Section 14.06, 81.4(5) or 81.6(3) of the BIA.

RECEIVER'S ACCOUNTS

19. The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case, incurred at their standard rates and charges. The Receiver and counsel to the Receiver shall be entitled to the benefits of and are hereby granted a charge (the "**Receiver's Charge**") on the Property, which charge shall not exceed an aggregate amount of $100,000.00, as security for their professional fees and disbursements incurred at the normal rates and charges of the Receiver and such counsel, both before and after the making of this Order in respect of these proceedings, and the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person but subject to section 14.06(7), 81.4(4) and 81.6(2).

20. The Receiver and its legal counsel shall pass their accounts from time to time.

21. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including the legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

22. The Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed $250,000.00 (or such greater amount as this Court may by further order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges set out in sections 14.06(7), 81.4(4) and 81.6(2) of the BIA.

23. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

24. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule “A” hereto (the “**Receiver's Certificates**”) for any amount borrowed by it pursuant to this Order.

25. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

26. The Receiver shall be allowed to repay any amounts borrowed by way of Receiver’s Certificates out of the Property or any proceeds, including any proceeds from the sale of any assets without further approval of this Court.

ALLOCATION

27. Any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Receiver’s Charge and Receiver’s Borrowings Charge amongst the various assets comprising the Property.

GENERAL

28. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

29. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Receiver will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Receiver’s reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.

30. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

31. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.

32. The Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

33. The Plaintiff shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis, including legal costs on a solicitor-client full indemnity basis, to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

34. Any interested party may apply to this Court to vary or amend this Order on not less than 7 days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

FILING

35. This Order is issued and shall be filed in Court of Queen’s Bench in Bankruptcy Action No. ____________________.

36. The Receiver shall establish and maintain a website in respect of these proceedings (the “**Receiver’s Website**”) and shall post there as soon as practicable:

(a) all materials prescribed by statue or regulation to be made publically available; and

(b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, or served upon it, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.

37. Service of this Order shall be deemed good and sufficient by:

(a) serving the same on:

(i) the persons listed on the service list created in these proceedings or otherwise served with notice of these proceedings;

(ii) any other person served with notice of the application for this Order;

(iii) any other parties attending or represented at the application for this Order; and

(b) posting a copy of this Order on the Receiver's Website

and service on any other person is hereby dispensed with.

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

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Justice of the Court of Queen's Bench of Alberta

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. ________________________

AMOUNT $ ________________________

1. THIS IS TO CERTIFY that **ERNST & YOUNG INC**., the receiver (the "**Receiver**") of the real property of **PETRO WEST LIMITED PARTNERSHIP** and **PETRO WEST LTD.** and all personal property situate thereon appointed by Order of the Court of Queen's Bench of Alberta and Court of Queen's Bench of Alberta in Bankruptcy and Insolvency (collectively, the "**Court**") dated the **30th** day of **January, 2020** (the "**Order**") made in action numbers **[●]**, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of **[$]**, being part of the total principal sum of **[$]** that the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded **[daily] [monthly not in advance on the ● day of each month]** after the date hereof at a notional rate per annum equal to the rate of **[●]** per cent above the prime commercial lending rate of Bank of **[●]** from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property (as defined in the Order), in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at **[●]**.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the

Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _______ day of _______________, 20__.

ERNST & YOUNG INC., solely in its capacity as Receiver of the Property (as defined in the Order), and not in its personal capacity

Per: ________________________________

Name:

Title: