



COURT FILE NUMBER	2001-05123
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANT	CONNECT FIRST CREDIT UNION LTD., as the successor in interest to FIRST CALGARY SAVINGS & CREDIT UNION LTD. and FIRST CALGARY FINANCIAL CREDIT UNION LIMITED
RESPONDENTS	WILLOW PARK LIMITED PARTNERSHIP, WILLOW PARK CAPITAL CORP., WESLEY CHURCH BUILDING LIMITED PARTNERSHIP, WESLEY CHURCH BUILDING INC., PARAMOUNT BUILDING LIMITED PARTNERSHIP and PARAMOUNT BUILDING LTD.
PARTY FILING THIS DOCUMENT	ERNST & YOUNG INC., in its capacity as receiver and manager of WILLOW PARK LIMITED PARTNERSHIP, WILLOW PARK CAPITAL CORP., WESLEY CHURCH BUILDING LIMITED PARTNERSHIP, WESLEY CHURCH BUILDING INC., PARAMOUNT BUILDING LIMITED PARTNERSHIP and PARAMOUNT BUILDING LTD.
DOCUMENT	APPLICATION (SALE PROCESS APPROVAL, INTERIM DISTRIBUTION AND INCREASE OF RECEIVER'S BORROWING CHARGE)
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	MLT AIKINS LLP 2100, 222-3 rd Avenue S.W. Calgary, AB T2P 0B4 Attention: Ryan Zahara Telephone: + 1 403.693.5420 Fax: +1 403.508.4349 Email: rzahara@mltaikins.com File No. 0107691/4/5/6

NOTICE TO RESPONDENTS: Service List

This Application is made against you. You are a 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:	October 6, 2020
Time:	2:30 p.m.
Where:	Calgary Courts Centre
Before Whom:	The Honourable Justice R.A. Neufeld

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

Remedy claimed or sought:

1. Declaring that this application (the “**Application**”) is properly returnable October 6, 2020, service of this Application and the first report (the “**First Report**”) of Ernst & Young Inc. in its capacity as receiver and manager (the “**Receiver**”) of Willow Park Limited Partnership (“**Willow Park LP**”) as borrower, Willow Park Capital Corp. (“**Willow Park Corp.**”; together with Willow Park LP “**Willow Park**”), Wesley Church Building Limited Partnership (“**Wesley Church LP**”), Wesley Church Building Inc. (“**Wesley Church Corp.**”; together with Wesley Church LP, “**Wesley Church**”), Paramount Building Limited Partnership (“**Paramount LP**”) and Paramount Building Ltd. (“**Paramount Ltd.**”; together with Paramount LP, “**Paramount**”), dated September 28, 2020, is validated and declared to be good and sufficient, that service of this Application and the First Report on the persons listed on the service list is validated, good, and sufficient and that no persons, other than those on the service list are entitled to service of the Application or the First Report.
2. Authorizing and empowering the Receiver to retain Ernst & Young Inc. Orenda Corporate Finance Inc. (“**EY Transaction Real Estate**” or the “**Sales Agent**”) as the sales agent and to implement the sale process (the “**Sales Process**”) as outlined in the sale process procedures attached hereto as Schedule “A” to the proposed form of Order which is attached as Schedule “A” to the Application and to proceed, carry out, amend (if necessary) and implement any corresponding sales, marketing, or tendering process, including any and all actions and steps related thereto, substantially in accordance with the proposed Sales Process, along with entering into any resulting agreement(s) or transaction(s) (collectively, the “**Sales Process Agreements**”) which may arise in connection thereto, as the Receiver determines are necessary or advisable to close any and all transaction or complete any of the various steps contemplated by the Sales Process. However, the transfer and vesting of any and all of the property of Willow Park, Wesley Church and Paramount, subject to any Sales Process Agreements, which will be subject to and dealt with by further Order of the Court.
3. Authorizing and permitting the Receiver to make an interim distribution of net rents from the Willow Park property to Connect First Credit Union Ltd. (“**Connect First**”) on approval of this Application and on an ongoing basis.
4. Authorizing and permitting an increase to the Receiver’s Borrowing Charge from \$500,000 to \$1,000,000.00.
5. Approving the activities of the Receiver since the date of the Receivership Order.
6. Granting the Receiver leave to apply to this Honourable Court to amend, vary or seek advice and directions or the approval of any transactions, in connection with the Sales Process.

7. Such further and other relief, advice and directions as counsel may advise and this Honourable Court may deem just and appropriate.

Grounds for making this Application:

8. The Receiver was appointed as receiver and manager of Willow Park, Paramount and Wesley Church (collectively, the “**Debtors**”) pursuant to the terms of the Receivership Order granted on April 14, 2020.

Sales Process

9. Pursuant to the Receivership Order, the Receiver is empowered and authorized to market, advertise, and sell the Debtors’ Property with the approval of this Honourable Court.
10. The Receiver has developed the Sales Process in consultation with the Sales Agent and Connect First.
11. The Sales Process contemplates that the Sales Agent will be retained, by the Receiver, as the Debtors’ sales and marketing agent and that the Receiver and the Sales Agent will proceed to market the Debtors’ Property in an open, fair, public, and transparent manner.
12. The purposes of the Sales Process is to canvass the market for a purchaser of some or all of the Debtors’ Property.
13. The Sales Process contemplates the following key milestone deadlines:
 - a) A first phase deadline for the delivery of non-binding letters of intent by no later than 12:00 p.m. November 23, 2020;
 - b) A second phase deadline for the delivery of binding offers in the form of asset purchase agreements by no later than 12:00 p.m. December 14, 2020; and
 - c) A closing date of January 11, 2021, subject to Court approval, of any transactions generated from the Sales Process.
14. Upon completion of the Sales Process, pursuant to the terms therein, the Receiver is entitled to seek approval of a Successful Bid and any corresponding agreement and the vesting of any Property of the Debtors, as contemplated therein.
15. The Receiver has complete authority to administer the Sales Process and to determine whether a successful bid has been received for any of the Debtors’ Property.

Interim Distribution of Net Rents of Willow Park

16. Tenants leasing units at Willow Park remit monthly payments to settle their obligations for basic rent, operating costs, insurance and property taxes, in accordance with the individual lease agreements between each tenant and Willow Park.
17. The Receiver has collected rents and has used these funds for the purposes of remitting payments to vendors who provide services to Willow Park to settle the 2020/2021 insurance premium and 2020 property taxes owing to the City of Calgary.

18. The remaining funds held by the Receiver after payment of operating costs, insurance and property taxes are referred to as the “Willow Park Net Rents”. The Receiver is holding the Willow Park Net Rents in its segregated trust account.
19. The total amount of the Willow Park Net Rents held by the Receiver is currently approximately \$737,000.00. The Receiver is proposing to distribute \$500,000.00 to Connect First upon the granting of this Application.
20. The Receiver is also seeking authorization to distribute out the Willow Park Net Rents to Connect First on a monthly basis, provided that the Receiver retains any amounts necessary to fund ongoing operations for Willow Park.

Increase to the Receiver’s Borrowing Charge

21. The Receiver is seeking an increase in the Receiver’s Borrowing Charge from \$500,000 to \$1,000,000.00
22. As of the date of the First Report, Connect First has advanced \$350,000 to the Receiver under the Receiver’s Borrowing Charge on behalf of Paramount.
23. The Receiver anticipates that it may require additional Receiver’s Borrowings in excess of \$500,000 to fund net cash flow associated with Paramount, repayment of Wesley Church’s 2020/2021 insurance premium to Willow Park and potential capital expenditures required by the Debtors.
24. The grounds set out in the First Report.
25. Such further and other material and evidence as counsel may advise and this Honourable Court may permit.

Applicable rules:

26. Rules 1.3, 6.3, 6.9, 6.28, 11.27 and 13.5 of the *Alberta Rules of Court*, Alta Reg. 124/2010.

Applicable Acts and regulations:

27. *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended,
28. The *Judicature Act*, RSA 2000, c J-2, as amended, and
29. 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:

30. None.

How the application is proposed to be heard or considered:

31. Oral submissions by counsel at an Application in Justice Chambers as agreed and scheduled by counsel, with some or all of the parties present.

AFFIDAVIT EVIDENCE IS REQUIRED IF YOU WISH TO OBJECT.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.

Schedule “A” – Form of Order

Clerk's Stamp:



COURT FILE NUMBER
COURT
JUDICIAL CENTRE OF

2001-05123
COURT OF QUEEN'S BENCH OF ALBERTA
CALGARY

APPLICANTS:

CONNECT FIRST CREDIT UNION LTD., as the
successor in interest to FIRST CALGARY SAVINGS
& CREDIT UNION LTD. and FIRST CALGARY
FINANCIAL CREDIT UNION LIMITED

RESPONDENTS:

WILLOW PARK LIMITED PARTNERSHIP, WILLOW
PARK CAPITAL CORP., WESLEY CHURCH
BUILDING LIMITED PARTNERSHIP, WESLEY
CHURCH BUILDING INC., PARAMOUNT BUILDING
LIMITED PARTNERSHIP and PARAMOUNT
BUILDING LTD.

DOCUMENT
CONTACT INFORMATION OF PARTY
FILING THIS DOCUMENT:

ORDER

MLT AIKINS LLP
2100, 333-2nd Street S.W.
Calgary, AB T2P 0B4
Solicitor: Ryan Zahara

Tel: 403-693-5420
Fax: (403) 508-4349
Email: rzahara@mltaikins.com
File: 0107691/4/5/6

**DATE ON WHICH ORDER WAS
PRONOUNCED:**
**NAME OF JUDGE WHO MADE THIS
ORDER:**
LOCATION OF HEARING:

October 12, 2020

Justice R.A. Neufeld

Calgary Court Centre via Webex

UPON the application of Ernst & Young Inc., in its capacity as receiver and manager (the **"Receiver"**) of Willow Park Limited Partnership (**"Willow Park LP"**) as borrower, Willow Park Capital Corp. (**"Willow Park Corp."**; together with Willow Park LP **"Willow Park"**), Wesley Church Building Limited Partnership (**"Wesley Church LP"**), Wesley Church Building Inc. (**"Wesley Church Corp"**; together with Wesley Church LP, **"Wesley Church"**), Paramount Building Limited Partnership (**"Paramount LP"**) and Paramount Building Ltd. (**"Paramount Ltd."**; together with Paramount LP, **"Paramount"**) (collectively, Willow Park, Wesley Church and Paramount are referred to as the **"Debtors"**), for approval of a sales process (the **"Sales Process"**), approval of the sales process procedures attached hereto as Schedule "A", approval of the engagement of Ernst & Young Inc. Orenda Corporate Finance Inc. (the **"Sales Agent"**) by the Receiver, approval of the interim distribution of net rents from Willow Park, approval of an increase to the Receiver's Borrowing Charge from \$500,000 to \$1,000,000, and approving the activities of the Receiver to date and as outlined in the First Report; **AND UPON** reading the first report (the **"First Report"**) of the Receiver dated September 28, 2020 and the Affidavit of Service of Danielle Christiansen sworn September __, 2020, to be filed; **AND UPON** noting the support of Connect First Credit Union Ltd. (**"Connect First"**); **AND UPON** hearing counsel for the Receiver and counsel for Connect First; **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, if necessary, and deemed good, valid, and sufficient and this application is properly returnable today.

APPLICATION

2. The Sales Process and the Sales Process procedures attached hereto as Schedule "A" are hereby approved.
3. The engagement of the Sales Agent on the terms outlined in the First Report is hereby approved.
4. The Receiver is authorized to make an interim distribution to Connect First in the amount of \$500,000.
5. The Receiver is authorized to distribute to Connect First an amount of the Willow Park Net Rents on a monthly basis that it sees fit, provided sufficient amounts are retained to pay all of the ongoing operating costs for Willow Park.
6. The Receiver's Borrowing Charge is hereby increased to the amount of \$1,000,000.00.
7. The activities of the Receiver as outlined in the First Report are hereby approved.

8. This Order must be served only upon those interested parties attending or represented at the within application and service may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the day of the transmission or delivery of such documents.
9. Service of this Order on any party not attending the Application is hereby dispensed with.

Justice of the Court of Queen's Bench of Alberta

Schedule “A” – Sales Process Procedures

APPENDIX "A"

SALES PROCESS

INTRODUCTION

All capitalized terms not defined herein shall take the meaning ascribed to them in the First Report of the Receiver to which this Appendix "A" is attached.

Ernst & Young Inc. ("EYI") was appointed receiver (the "Receiver") and manager of the property, assets and undertakings of Willow Park Limited Partnership, Willow Park Capital Corp., Wesley Church Building Limited Partnership, Wesley Church Building Inc., Paramount Building Limited Partnership and Paramount Building Ltd. (collectively, the "Debtors"), pursuant to an Order (the "Receivership Order") of the Court of Queen's Bench of Alberta (the "Court"), dated April 14, 2020.

PROPERTIES

Willow Park Property

Willow Park Capital Corp. is the general partner of Willow Park Limited Partnership (together, "Willow Park"), which has a beneficial ownership interest in a single commercial property municipally located at 10325 Bonaventure Drive SE, Calgary, Alberta (the "Willow Park Property"). The primary asset of Willow Park is the Willow Park Property and any personal property related to it.

Wesley Church Property

Wesley Church Building Inc. is the general partner of Wesley Church Building Limited Partnership (together, "Wesley Church"), which has a beneficial ownership interest in a single commercial property municipally located at 1315 – 7th Street SW, Calgary, Alberta (the "Wesley Church Property"). The primary asset of Wesley Church is the Wesley Church Property and any personal property related to it.

Paramount Property

Paramount Building Ltd. is the general partner of Paramount Building Limited Partnership (together, "Paramount"), which has a beneficial ownership interest in a single commercial property municipally located at 1011 – 1st Street SW, Calgary, Alberta (the "Paramount Property"). The primary asset of Paramount is the Paramount Property and any personal property related to it.

The Willow Park Property, the Wesley Church Property and the Paramount Property are collectively referred to herein as the "Properties".

SELLING AGENT

The Receiver retained the Transaction Real Estate group within Ernst & Young Orenda Corporate Finance Inc. as its selling agent (the "Selling Agent") to market and sell the Properties in accordance with the sales process described herein (the "Sales Process").

The Receiver, with the assistance of the Selling Agent, intends to conduct the Sales Process pursuant to approval of the Court granted by an Order dated October 6, 2020 (the "Sales

Process Order”). Under the Sales Process, all qualified interested parties will be provided with an opportunity to participate in the Sales Process.

This document outlines the steps to be undertaken in the Sales Process, comprised principally of three (3) stages: (i) pre-marketing; (ii) marketing; and (iii) offer submission and evaluation.

OPPORTUNITY AND SALES PROCESS SUMMARY

1. The Sales Process is intended to solicit interest in, and opportunities for, a sale of the Properties, whether individually or en bloc, and any personal property related to each of the Properties.
2. Except to the extent otherwise set forth in a definitive sale agreement with a successful bidder, any Binding Offer will be on an “as is, where is” basis and without surviving representations or warranties of any kind, nature or description by the Receiver or any of its respective affiliates, agents, advisors or estates, and, in the event of a sale, all of the right, title and interest of the Receiver and each of the Debtors in and to each of their respective Properties 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 Order, except for permitted encumbrances or as otherwise provided for in such Court Order.
3. Solicitation of interest for binding offers to purchase the Properties (“Binding Offers”) will be on an unpriced basis whereby no set asking price will be stipulated.
4. As described more fully in this Sales Process, the major stages in the Sales Process will be comprised of the following:
 - a) Pre-Marketing: preparation of all marketing material, assembly of all relevant due diligence material, establishment of an electronic data room and preparation of a potential buyer list;
 - b) Marketing: advertising, contacting potential buyers, responding to requests for information and disseminating marketing material to potential buyers; and
 - c) Offer Submission and Evaluation: solicitation, receipt of, evaluation and negotiation of offers from potential buyers, as described below.
5. The offer submission and evaluation stage of the Sales Process will be comprised of a two-phase offering process: “Phase I” being the submission of non-binding letters of intent (“Non-Binding LOI”) from Phase I Qualified Bidders (as defined below), and “Phase II” being the submission of Binding Offers from those parties that submitted Non-Binding LOIs and have been invited by the Receiver, in consultation with the Selling Agent, to participate in Phase II as Phase II Qualified Bidders (as defined below).

TIMELINE

6. The Receiver, acting in its reasonable business judgement and in consultation with the Selling Agent, will determine a date to launch the Sales Process (the “Launch Date”).

7. Due to the unique attributes of the Properties, the Receiver reserves the right to select different Launch Dates for each of the individual Properties
8. The following table sets out the key milestones in the Sales Process:

Milestones	Deadlines
Launch of Sales Process	October 7, 2020
Phase I Non-Binding LOI deadline	12:00 P.M. (Calgary time) November 23, 2020
Phase II Binding Offer deadline	12:00 P.M. (Calgary time) December 14, 2020
Closing date	January 11, 2021, subject to Court approval

PRE-MARKETING STAGE

9. Prior to the Launch Date:
 - a) The Selling Agent, in consultation with the Receiver, will prepare: (i) a teaser letter (the "Teaser") describing the Properties, outlining the Sales Process and inviting recipients of the Teaser to express their interest to participate in the Sales Process; (ii) a non-disclosure agreement ("NDA") in form and substance satisfactory to the Receiver and its legal counsel; and (iii) a confidential information memorandum ("CIM"). The CIM will specifically stipulate that the Receiver, Selling Agent and their respective advisors make no representation or warranty as to the accuracy or completeness of the information contained in the CIM, the Data Room (as defined below), or otherwise made available pursuant to the Sales Process, except as expressly contemplated in any definitive sale agreement with a Successful Bidder (as defined below) ultimately executed and delivered by the Receiver;
 - b) The Receiver and the Selling Agent will gather and review all required due diligence material to be provided to interested parties and shall establish a secure, electronic data room (the "Data Room"), which will be maintained and administered by the Selling Agent during the Sales Process;
 - c) The Receiver will develop a template form of purchase and sale agreement for use during the Sales Process (the "Template PSA"), a copy of which will be placed in the Data Room. The Receiver will develop a Template PSA for each of the Willow Park Property, Wesley Church Property and Paramount Property, and the Receiver will also develop a Template PSA for all Properties to be used in the submission of en bloc offers; and
 - d) The Selling Agent will prepare a list of potential bidders, including (i) parties that have approached the Receiver or the Selling Agent to express an interest in the Properties, and (ii) local, national and international strategic and financial parties who the Receiver and the Selling Agent believe may be interested in purchasing the Properties (collectively, "Known Potential Bidders").

MARKETING

10. The Receiver will arrange for notice of the Sales Process (and such other relevant information as the Receiver and the Selling Agent consider appropriate) (the "Notice") to be published in the Calgary Herald and any other newspaper or journals as the Receiver and the Selling Agent consider appropriate, if any.
11. The Receiver will issue a press release with Canada Newswire (the "Press Release") setting out the information contained in the Notice and such other relevant information as the Receiver and the Selling Agent consider appropriate for dissemination in Canada.
12. The Selling Agent will send the Teaser and NDA to all Known Potential Bidders, the Selling Agent's proprietary list of investors, the Selling Agent's global network and third-party local brokerages, and any other party responding to the Notice or the Press Release, as soon as reasonably practicable after such request or identification, as applicable.
13. The Selling Agent will send the CIM and grant access to the Data Room to those parties who have executed and delivered an NDA to the Receiver, as soon as reasonably practicable after such request or identification.
14. Requests for information and access will be directed to the Selling Agent or such other representatives as designated by the Receiver, at the contact information listed in Schedule "A" hereto. All printed information shall remain the property of the Receiver and, if requested by the Receiver, shall be returned without further copies being made and/or destroyed with an acknowledgement that all such material has either been returned and/or destroyed and no electronic information has been retained.
15. Any party who wants to participate in the Sales Process (a "Potential Bidder") must, prior to being given any additional information such as the CIM and access to the Data Room, have provided or made available to the Receiver:
 - a) An NDA executed by it, and a letter setting forth the identify of the Potential Bidder, the contact information for such Potential Bidder, and full disclosure of the direct and indirect principals of the Potential Bidder; and
 - b) If requested by the Receiver, such 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 Binding Offer, as applicable.
16. If, in the opinion of the Receiver, acting reasonably, a Potential Bidder has delivered the documents contemplated in paragraph 15 above, then such Potential Bidder will be deemed to be a "Phase I Qualified Bidder". No Potential Bidder shall be deemed to be a Phase I Qualified Bidder without the approval of the Receiver.

Due Diligence

17. The Receiver and the Selling Agent shall, in their reasonable business judgment and subject to competitive and other business considerations, afford each Phase I Qualified Bidder such access to due diligence materials through the Data Room and information relating to the Sales Process as they deem appropriate. Due diligence access may further include presentations, on-site inspections, and other matters which a Phase I Qualified Bidder may reasonably request and to which the Receiver, in its reasonable business judgment, may agree. The Selling Agent will designate a representative to coordinate all reasonable requests for additional information and due diligence access from Phase I Qualified Bidders and the manner in which such requests must be communicated. Neither the Selling Agent nor the Receiver will be obligated to furnish any information relating to the Properties to any person other than to Phase I Qualified Bidders.

OFFER SUBMISSION AND EVALUATION STAGE

Phase I: Non-Binding LOI Submission Phase

18. At any time prior to the Phase I Bid Deadline (as defined below), the Receiver may, in its reasonable business judgment, eliminate a Phase I Qualified Bidder from the Sales Process, in which case such bidder will no longer be a Phase I Qualified Bidder for purposes of the Sales Process.
19. Potential Bidders must rely solely on the own independent review, investigation and/or inspection of all information and of the Properties in connection with their participation in the Sales Process and any transaction they enter into with the Receiver.
20. Phase I Qualified Bidders who advise the Receiver or the Selling Agent that they wish to submit a non-binding offer for the purchase of the Properties, whether individually or en bloc, will be provided with a copy of the Non-Binding LOI form.
21. A Phase I Qualified Bidder interested in submitting a non-binding offer for the purchase of the any or all of the Properties must deliver a Non-Binding LOI to the Receiver at the address specified in Schedule "A" attached hereto (including by email), so as to be received by the Receiver by no later than 12:00 P.M. (Calgary time) on November 23, 2020 (the "Phase I Bid Deadline").
22. A Non-Binding LOI submitted to the Receiver will be considered a qualified LOI (a "Qualified LOI") only if:
 - a) It is submitted on or before the Phase I Bid Deadline by a Phase I Qualified Bidder;
 - b) The Qualified LOI identifies or contains the following:
 - i. The purchase price, in Canadian dollars, including details of any liabilities to be assumed by the Phase I Qualified Bidder and key assumptions supporting the valuation of the Willow Park Property, Wesley Church Property or Paramount Property, as applicable. In the event of an en bloc offer, the Qualified LOI contains an allocation of the purchase price amongst each of the Properties subject to the transaction;

- ii. A description of the property subject to the transaction, including whether any obligations of the Debtors in respect of the Properties are excluded;
 - iii. A specific indication of the financial capability, together with evidence of such capability, of the Phase I Qualified Bidder and the expected structure and financing of the transaction;
 - iv. A description of the conditions and approvals required prior to submitting a Binding Offer;
 - v. An outline of any additional due diligence required to be conducted in order to submit a Binding Offer; and
 - vi. Any other terms or conditions that the Phase I Qualified Bidder believes are material to the transaction; and
 - c) It contains such other information as reasonably requested by the Receiver and/or the Selling Agent from time to time.
23. The Receiver and the Selling Agent may waive strict compliance with any one or more of the requirements specified above and deem such non-compliant bids to be a Qualified LOI. For the avoidance of doubt, the completion of a transaction for the purchase of any or all of the Properties shall be subject to approval of the Court, and the requirement of approval of the Court may not be waived.

Preliminary Assessment of Phase I Non-Binding LOIs and Subsequent Process

24. Following the Phase I Bid Deadline, the Receiver and the Selling Agent will assess the Qualified LOIs. If it is determined by the Receiver and the Selling Agent that a Phase I Qualified Bidder that has submitted a Qualified LOI (i) has a bona fide interest in completing a transaction for the purchase of any or all of Properties, and (ii) has the financial capability (based on availability of financing, experience and other considerations) to consummate such a transaction based on the financial and other information provided, then such Phase I Qualified Bidder will be deemed a "Phase II Qualified Bidder", provided that the Receiver and the Selling Agent may, in their reasonable business judgment, limit the number of Phase II Qualified Bidders (and thereby eliminate some Phase I Qualified Bidders from the process). Only Phase II Qualified Bidders shall be permitted to proceed to Phase II of the Sales Process. No Phase I Qualified Bidder that has submitted a Qualified LOI shall be deemed to be a Phase II Qualified Bidder without the approval of the Receiver.
25. The Receiver and the Selling Agent will prepare a bid process letter for Phase II (the "Bid Process Letter"), which will include the Template PSA. The Bid Process Letter will be sent to all Phase II Qualified Bidders who are invited to participate in Phase II.

Phase II: Formal Offers and Selection of Successful Bidder

26. Paragraphs 28 – 36 below and the conduct of bidding in Phase II are subject to paragraphs 22 – 24 above, and any adjustments made to Phase II in accordance with the Bid Process Letter and any further Court order regarding the Sales Process.

Binding Offers

27. Phase II Qualified Bidders that wish to make a formal offer to purchase any or all of the Properties shall submit to the Receiver a sealed Binding Offer that complies with all of the following requirements at the address specified in Schedule “A” attached hereto (including by email or fax transmission), so as to be received by no later than 12:00 P.M. (Calgary time) on December 14, 2020, or such other date and time as may be modified and set out in the Bid Process Letter (the “Phase II Bid Deadline”).
- a) The Binding Offer shall comply with all of the requirements set forth in respect of Qualified LOIs;
 - b) Cash is the preferred form of consideration, but if the Binding Offer utilizes other consideration, a description of the material terms of the consideration shall be provided;
 - c) The Binding Offer is an offer to purchase any or all of the Properties on terms and conditions reasonably acceptable to the Receiver;
 - d) Unless otherwise agreed to, the Binding Offer shall take the form of the Template PSA and shall include a letter stating that the Phase II Qualified Bidder’s Binding Offer is irrevocable until the selection of the Successful Bidder (as defined below), provided that if such Phase II Qualified Bidder is selected as the Successful Bidder, its Binding Offer shall remain irrevocable until the closing of the transaction with the Successful Bidder;
 - e) The Binding Offer includes duly authorized and executed transaction agreements as set out in the Template PSA, including, but not limited to, the purchase price and any other key economic terms expressed in Canadian dollars (the “Purchase Price”), together with all exhibits and schedules thereto, and the name or names of the ultimately beneficial owner(s) of the Phase II Qualified Bidder, including their respective percentage ownership interest(s). In the event multiple Properties are subject to the transaction, such Phase II Qualified Bidder shall allocate the Purchase Price amongst each of the Properties;
 - f) To the extent that a Binding Offer is conditional upon new or amended agreements being entered into with other parties, the interested parties shall provide the proposed terms of such amended or new agreements and identify how such agreements may differ from existing agreements to which a Debtor may be a party. A Phase II Qualified Bidder’s willingness to proceed without such conditions and, where such conditions are included in a Binding Offer, the likelihood of satisfying such conditions shall be an important factor in evaluating the Binding Offer;

- g) The Binding Offer 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 Phase II Qualified Bidder's financial and other capabilities to consummate the proposed transaction;
- h) The Binding Offer shall not be conditioned on the outcome of unperformed due diligence by the Phase II Qualified Bidder, apart from, to the extent applicable, to the disclosure of due diligence materials that represent proprietary or sensitive information which was withheld in Phase II from the Phase II Qualified Bidder;
- i) Each Phase II Qualified Bidder must provide with its Binding Offer details regarding its ability to obtain a method of financing the proposed transaction, the timetable for obtaining financing and, if appropriate, the amount of senior debt, subordinated debt, equity and any other source of financing contemplated in the pro forma capital structure;
- j) The Binding Offer fully discloses the identity of each entity that will be entering into the transaction or the financing, of that is participating or benefiting from such Binding Offer;
- k) The Binding Offer includes a commitment by the Phase II Qualified Bidder to provide a refundable deposit in the amount of not less than 10% of the Purchase Price offered, upon such Phase II Qualified Bidder being selected as the Successful Bidder, which shall be paid to the Receiver in trust (the "Deposit"). One half of the Deposit shall be paid to the Receiver in trust upon submission of a Binding Offer by a Phase II Qualified Bidder. The second half of the Deposit shall be submitted upon the Phase II Qualified Bidder being selected as the Successful Bidder. The Successful Bidder's Deposit shall be applied as against the Purchase Price, and all other Deposits submitted by Phase II Qualified Bidders who are not selected as the Successful Bidder shall be returned within one week of obtaining Court approval for the Successful Bid;
- l) The Binding Offer includes acknowledgements and representations of the Phase II Qualified Bidder that: (i) it has had an opportunity to conduct any and all due diligence regarding the Properties and the Debtors, prior to making its Binding Offer (apart from, to the extent applicable, the disclosure of due diligence materials that represent proprietary or sensitive competitive information which were withheld in Phase II from the Phase II Qualified Bidder); (ii) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/of the Properties in making its Binding Offer; and (iii) it did not rely upon any written or oral statements, representations, warranties or guarantees whatsoever made by the Receiver and/or the Selling Agent, whether expressed, implied, statutory or otherwise, regarding the Properties or the Debtors or the accuracy or completeness of any information provided in connection therewith, except as expressly stated in the definitive transaction agreement executed between such Phase II Qualified Bidder and the Receiver;
- m) All required corporate approvals of the Phase II Qualified Bidder will have been obtained prior to the submission of a Binding Offer;

- n) The Binding Offer shall identify all material conditions in favour of the Phase II Qualified Bidder to be resolved prior to closing a transaction;
 - o) The Binding Offer is received by the Phase II Bid Deadline; and
 - p) The Binding Offer contemplates a schedule for closing the transaction set out therein (the "Closing Date").
28. Following the Phase II Bid Deadline, the Receiver and the Selling Agent will assess the Binding Offers received. The Receiver will designate the most competitive bids that comply with the foregoing requirements to be "Qualified Binding Offers". No Phase II bids received shall be deemed to be a Qualified Binding Offer without the approval of the Receiver. Only Phase II Qualified Bidders whose bids have been designated as Qualified Binding Offers are eligible for selection as the Successful Bidder (as defined below).
29. The Receiver and the Selling Agent may waive strict compliance with any one or more of the requirements specified above and deem such non-compliant bids to be a Qualified Binding Offer in Phase II.
30. The Receiver and/or the Selling Agent shall notify each Phase II Qualified Bidder in writing as to whether its Binding Offer constituted a Qualified Binding Offer within ten (10) business days of the Phase II Bid Deadline, or such later time as deemed appropriate by the Receiver.
31. If the Receiver is not satisfied with the number or terms of the Qualified Binding Offers received in Phase II, the Receiver may extend the Phase II Bid Deadline or seek Court approval of an amendment to the Sales Process.
32. The Receiver may terminate, at any time, further participation in Phase II of the Sales Process by any interested party, or modify dates or procedures as deemed appropriate or necessary, or to terminate the Sales Process in its entirety.

Evaluation of Qualified Binding Offers

33. A Qualified Binding Offer submitted to the Receiver in Phase II of the Sales Process will be evaluated based upon several factors, including, without limitation, items such as the Purchase Price and the net value and form of consideration to be paid, the identity, circumstances and ability of the Phase II Qualified Bidder to successfully complete a transaction for the purchase of any or all of the Properties, including any conditions attached to the Qualified Binding Offer and the expected feasibility of such conditions, the proposed transaction documents, factors affecting the speed, certainty and value of the transaction, the assets included or excluded in the Qualified Binding Offer, any related restructuring costs, and the ability of the Phase II Qualified Bidder to finance and ultimately consummate the proposed transaction within the timelines established by the Receiver and set out in this Sales Process.

Selection of Successful Bid

34. The Receiver and the Selling Agent: (i) will review and evaluate each Qualified Binding Offer, and the applicable Phase II Qualified Bidder, and such Qualified Binding Offer may be amended, modified or varied as a result of any negotiations between the Receiver and the Phase II Qualified Bidder, (ii) identify the highest or otherwise best Qualified Binding Bid (the "Successful Bid"), and the Phase II Qualified Bidder making such Successful Bid (the "Successful Bidder"). The determination of any Successful Bid by the Receiver shall be subject to approval by the Court.
35. For clarity, in the event a Qualified Binding Offer for an en bloc purchase of all of the Properties is not submitted to the Receiver, the Receiver may select multiple Successful Bids in respect of each of the Properties (or a combination thereof).
36. The Receiver shall have no obligation to enter into a Successful Bid and reserves the right to reject any or all Qualified Binding Offers submitted in Phase II.

Sale Approval Motion Hearing

37. At the hearing of the motion to approve a transaction with any Successful Bidder for the purchase of any or all of the Properties, the Receiver shall seek, among other things, approval from the Court to consummate any Successful Bid. All of the Qualified Binding Offers 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

38. 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, Phase I Qualified Bidders, Non-Binding LOIs, Phase II Qualified Bidders, Qualified Binding Offers, the details of any bids submitted or the details of any confidential discussions or correspondence between the Receiver, the Selling Agent and such other bidders in connection with the Sales Process.

Supervision of the Sales Process

39. The Receiver and the Selling Agent will supervise in the Sales Process in the manner set out herein and are entitled to receive all information in relation to the Sales Process.
40. The Sales Process does not and will not be interpreted to create any contractual or other legal relationship between the Receiver, the Selling Agent and any Phase I Qualified Bidder or Phase II Qualified Bidder, other than as specifically set forth in a definitive agreement that may be executed by the Receiver and subject to the approval of this Court.
41. Without limiting the preceding paragraph whatsoever, the Receiver and the Selling Agent shall not have any liability whatsoever to any person or party, including, without limitation, any Potential Bidder, Phase I Qualified Bidder, Phase II Qualified Bidder, the Successful Bidder, or any other creditor or stakeholder of the Properties or the Debtors, for any act or omission related to the process contemplated by this Sales Process, except to the extent such act or omission is the result from gross negligence or willful

misconduct of the Receiver and/or the Selling Agent. By submitting a bid, each Phase I Qualified Bidder, Phase II Qualified Bidder or Successful Bidder shall be deemed to have agreed that it has no claim against the Receiver and/or the Selling Agent for any reason whatsoever, except to the extent such claim is the result from gross negligence or willful misconduct of the Receiver and/or the Selling Agent.

42. Participants in the Sales Process are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Non-Binding LOI, Qualified Binding Offer, due diligence activities and any further negotiations or such actions, whether or not they lead to the consummation of a transaction.
43. The Receiver shall have the right to modify the Sales Process and the deadlines set out herein (including, without limitation, pursuant to the Bid Process Letter) if, in its reasonable business judgment, such modification will enhance the process or better achieve the objectives of the Sales Process.

SCHEDULE "A"

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acting solely in its capacity as Receiver of the Debtors
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