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APPLICANTS	HSBC BANK CANADA
RESPONDENTS	GENCO HOLDINGS LTD.
DOCUMENT	SEVENTH REPORT OF THE RECEIVER NOVEMBER 10, 2020

Clerk's Stamp

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

RECEIVER

ERNST & YOUNG INC.
Calgary City Centre
2200, 215 2nd Street SW
Calgary, AB T2P 1M4
Attention: Peter Chisholm / Dylan Holwell
Telephone: (403) 206-5061 / (403) 206-5431
Fax: (403) 206-5075
Email: peter.chisholm@ca.ey.com / dylan.holwell@ca.ey.com

COUNSEL

FASKEN MARTINEAU DUMOULIN LLP
First Canadian Centre
350 – 7th Avenue SW, Suite 3400
Calgary, AB T2P 3N9
Attention: Travis Lysak
Telephone: (403) 261-5501
Email: tlysak@fasken.com

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INTRODUCTION

1. Ernst & Young Inc. ("EYI") was appointed Receiver (the "Receiver") of Genco Holdings Ltd.'s right, title and interest in 12 individual commercial condominium units located at 634 – 6th Avenue SW, Calgary, Alberta, and any personal property related to it (the "634 Units"), pursuant to an Order (the "HSBC Receivership Order") dated March 22, 2019 (the "HSBC Receivership Date").

2. The HSBC Receivership Order authorized the Receiver, among other things, to take possession and control of the 634 Units, to receive, protect and maintain control of the 634 Units, and to market and solicit offers to purchase the 634 Units.

3. The HSBC Receivership Order also authorized the Receiver to sell, convey, transfer, lease or assign the 634 Units or any parts thereof out of the ordinary course of business, subject to approval by this Honourable Court for any transaction exceeding $100,000, or the aggregate of multiple transactions exceeding $1.0 million.

4. The purpose of this Seventh Report of the Receiver (the "Seventh Report") is to provide this Honourable Court with the Receiver's comments on:

   a) The agreement of purchase and sale (the "PSA") between the Receiver and Jae H. Shim Professional Corporation (the "Purchaser") for the sale of certain of the 634 Units (the "634 Transaction"), and the Receiver's request for approval of the 634 Transaction;

   b) The Receiver's proposed scheme of distribution of net sale proceeds (the "634 Distribution") and request for approval thereof; and

   c) The Receiver's recommendations.

BACKGROUND

5. Genco Holdings Ltd. ("Genco Holdings") is a corporation incorporated pursuant to the laws of the Province of Alberta with registered offices in Calgary, Alberta. Genco Holdings is in the business of real estate development and sales/leasing.

Receivership Application

6. As at the HSBC Receivership Date, the aggregate indebtedness owed to HSBC Bank Canada ("HSBC") by Genco Holdings, the primary secured creditor respecting the 634 Units, totalled approximately $8.6 million.

7. HSBC applied to this Honourable Court for an Order appointing EYI as receiver and manager, to exercise the powers and duties pursuant to section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3 and section 13(2) of the Judicature Act, R.S.A. 2000 c. J-2, of Genco Holdings' right, title and interest in the 634 Units.

8. As at the HSBC Receivership Date, HSBC also held a first-ranking security interest in certain real property owned by Genco Holdings and referred to as the 160 Acres Lands (as defined in the HSBC Receivership Order). The 160 Acres Lands are not subject to the HSBC Receivership Order.

9. Subsequent to the HSBC Receivership Date, HSBC entered into an agreement (the "Assignment Agreement") with HMT Holdings Inc., which held a security interest in the 160 Acres Lands subordinate to the first-ranking charge of HSBC. Pursuant to the Assignment Agreement, HSBC assigned all security it had registered against the 160 Acres Lands, including HSBC's first-ranking mortgage, to HMT Holdings Inc. for cash proceeds of $3.35 million. The Assignment Agreement was approved by this Court pursuant to an Order dated August 20, 2019.

10. As at the date of this Seventh Report, the total indebtedness owing to HSBC by Genco Holdings is approximately $7.8 million, including borrowings of $1.725 million advanced by HSBC to the Receiver under the Receiver's Borrowings Charge.

11. Additional information on Genco is available on the Receiver's website at www.ey.com/ca/genco.

TERMS OF REFERENCE AND DISCLAIMER

12. In preparing this Seventh Report, the Receiver has relied upon unaudited financial information, Genco Holdings' records, and discussions with management of Genco Holdings. The Receiver has not performed an audit, review or other verification of such information.

13. Capitalized terms not otherwise defined in this Seventh Report are as defined in the HSBC Receivership Order, or the First through Sixth Reports of the Receiver.

14. All references to dollars are in Canadian currency unless otherwise noted.

634 UNITS - MARKETING ACTIVITIES TO DATE

15. Over the past 19 months, the Receiver has undertaken extensive efforts to sell the 634 Units, as described below.

16. Following the HSBC Receivership Date, the Receiver commenced a 6-month formal sales process (the "Sales Process") led by Cushman & Wakefield ULC ("C&W"), as real estate broker. The activities undertaken in the Sales Process included the following:

    a) Following an extensive request for proposals from real estate brokers process to act as the Receiver's selling agent in the Sales Process and consultation with HSBC, the Receiver and C&W entered into an exclusive listing agreement effective June 4, 2019 (the "C&W ELA");

    b) The Receiver, in consultation with HSBC and C&W, listed the 634 Units individually and interested parties were also given the option to submit an en bloc offer for the purchase of all of the 634 Units;

    c) C&W prepared a non-confidential teaser letter (the "Teaser Letter") describing the opportunity to acquire the 634 Units and inviting recipients of the Teaser Letter to express their interest, and a non-disclosure agreement ("NDA"). On June 12, 2019, C&W sent an electronic email communication (the "E-Blast") to its proprietary list of 4,700 investors and other interested parties. The E-Blast contained the Teaser Letter and NDA, and on June 25, 2019, C&W resent the E-Blast to approximately 2,200 recipients who did not view the original E-Blast;

    d) Between June 27 and July 5, 2019, C&W advertised the sale of the 634 Units in print and online in the Calgary Herald; on June 27, 2019, a press release was issued in Canada Newswire describing the opportunity. The 634 Units were also advertised in the July 2019 issue of Western Investor;

    e) On July 1, 2019, C&W sent a print advertisement to approximately 1,600 recipients. On July 3, 2019, C&W sent the E-Blast to its commercial brokerage list, which includes other third party, local brokerages. On July 4, 2019, the E-Blast was sent by C&W to a refined list of approximately 1,600 recipients;

    f) Despite these marketing efforts, since the HSBC Receivership Date, the Receiver has received minimal interest in a sale of any or all of the 634 Units. On November 30, 2019, the term of the C&W ELA expired;

    g) In late-November 2019, the Receiver issued a revised request for proposal (the "Revised RFP") to certain brokers that received and responded to the original request for proposals sent by the Receiver, including C&W. The Revised RFP requested proposals from commercial real estate brokers to act as the second selling agent (the "Second Selling Agent") for the 634 Units. The deadline for brokers to submit a proposal to act as the Second Selling Agent was 12:00 P.M. (Calgary time) on December 6, 2019; and

h) The Receiver received two proposals from brokers in response to the Revised RFP. After reviewing and discussing the proposals in consultation with HSBC, the Receiver elected to not retain a Second Selling Agent to market the 634 Units.

17. Since the HSBC Receivership Date, the Receiver has also consulted with the second-ranking secured creditor of the 634 Units, Bancorp Financial Services Inc. ("Bancorp"), with respect to the Sales Process, alternative transaction structures and identifying potential purchasers.

18. On June 29, 2020, the Receiver received an unsolicited letter of intent (the "Unsolicited LOI") to purchase the 634 Units from the former principal of Genco Holdings (the "Former Principal"). The Unsolicited LOI provided for a nominal purchase price and was therefore not pursued by the Receiver.

19. Since December 2019, the Receiver has actively worked to identify an alternative transaction to monetize the 634 Units. These efforts included approaching high net worth individuals, developers and asset managers to request proposals to purchase the 634 Units or explore alternative ownership structures whereby a developer commits capital and management services to the 634 Units.

20. One party that the Receiver approached submitted a non-binding term sheet on June 23, 2020 (the "Non-Binding Term Sheet"), wherein it proposed to loan the Receiver borrowings, for purposes of allowing additional time for the Calgary's commercial real estate market to recover and potentially develop one or more of the 634 Units for lease to third parties.

21. The Receiver, in consultation with HSBC, concluded that none of the alternative transactions considered, including the Non-Binding Term Sheet, provided certainty of a transaction for the sale of the 634 Units.

Ritchie Bros. Auction Agreement

22. Due to the failure to identify an acceptable sales transaction and costs associated with continuing to hold the 634 Units, the Receiver, in consultation with HSBC, determined that an unreserved auction involving the 634 Units will provide the highest level of certainty to consummate a transaction.

23. As described more fully in the Sixth Report of the Receiver dated September 16, 2020, the Receiver and Ritchie Bros entered into an auction agreement dated September 16, 2020 (the "Auction Agreement"). The Auction Agreement was approved by this Honourable Court pursuant to an Order dated September 21, 2020.

24. Pursuant to the Auction Agreement, the 634 Units will be auctioned online without a reserve price on December 8, 2020 (the "Auction Sale Process"). An unreserved public auction is required to attract the greatest pool of potential buyers and increases certainty of a transaction.

25. Ritchie Bros is entitled to a commission equal to 7% of the gross sale proceeds received from the Auction Sale Process, in addition to a reimbursement of $50,000 towards costs incurred in marketing the 634 Units (total costs of approximately $100,000).

634 TRANSACTION

26. Following entering into the Auction Agreement, the Receiver was approached by the Purchaser through a broker, CMN Calgary Inc. ("Colliers"), who expressed an interest in acquiring three of the twelve 634 Units (the "Sale Units") in advance of the Auction Sale Process.

27. The Purchaser performed due diligence and submitted an offer to the Receiver in the form of a PSA, subject only to approval of this Honourable Court, to purchase the Sale Units. The PSA was accompanied by a deposit of 10% of the purchase price.

28. The Receiver is of the opinion that the purchase price proposed by the Purchaser is at market, as further described in the Confidential Report (as defined below), and provides certainty of transaction (which is not guaranteed under the Auction Sale Process, given it is an unreserved auction).

29. The Sale Units were subject to the Auction Agreement. Therefore, the Receiver and Ritchie Bros. mutually agreed to remove the Sale Units from the Auction Sale Process, provided that Ritchie Bros. would be paid a commission with respect to the Sale Units (the "Amendment to the Auction Agreement"), and the Receiver entered into the PSA on November 5, 2020.

30. Key terms of the PSA are as follows:

a) Provides for the purchase of three of the twelve 634 Units. The nine remaining 634 Units will still be sold via the Auction Sale Process;

b) The Purchaser provided a deposit equal to 10% of the purchase price;

c) The purchase price is to be satisfied in cash (i.e. the 634 Transaction is not subject to financing);

d) The 634 Transaction is subject to the approval of this Honourable Court;

e) The 634 Transaction is scheduled to close (the "Closing Date") on the later of:

   i. December 4, 2020; or

   ii. Two business days following the date upon which all conditions under the PSA have been satisfied, provided the Closing Date shall not be later than December 31, 2020.

31. Ritchie Bros. will be paid its commission in accordance with the Auction Agreement and $12,500 of its marketing costs from the purchase price upon closing of the 634 Units. Pursuant to the Auction Agreement, Ritchie Bros. is to be reimbursed $50,000 of the $100,000 of advertising costs it is required to incur marketing the 634 Units, and $12,500 represents the pro-rata reimbursable advertising costs associated with the Sale Units.

32. Colliers will also be paid a commission respecting the sale of the Sale Units under the PSA as disclosed in the Confidential Report (as defined below).

33. In the Receiver's view, the details of the 634 Transaction and the purchase price set out in the PSA constitutes commercially sensitive information, which could negatively impact the Auction Sale Process if made public. The Receiver believes this information should remain confidential until closing of Auction Sale Process, in order to preserve the integrity of the Auction Sale Process (and any further sales process that may be required), in the event the 634 Transaction doesn't close.

34. A copy of the PSA, with the purchase price and deposit amount redacted, is attached to this Seventh Report as Appendix 'A'.

35. The Receiver will issue a confidential report to this Seventh Report (the "Confidential Report"), which will contain an unredacted version of the PSA for this Honourable Court, and the Receiver will seek to have the Confidential Report sealed.

RECEIVER'S COMMENTS ON THE 634 TRANSACTION

36. The Receiver believes the approval of the 634 Transaction is in the best interest of all stakeholders for the following reasons:

a) The purchase price provided in the PSA is considered by the Receiver to be at market, as described in further detail in the Confidential Report;

b) There was a broad marketing of the 634 Units, both during and subsequent to the Sale Process, including alternative marketing efforts directed at high net worth individuals and strategic buyers; in addition, the 634 Units were marketed by Avison Young, a leading Canadian commercial real estate brokerage, prior to the HSBC Receivership Date;

c) The PSA was negotiated between the parties at arm's length, in good faith, and is commercially reasonable;

d) The 634 Transaction will provide sufficient proceeds to fully settle condo fee arrears and outstanding property taxes owing on the Sale Units. Sale proceeds from the 634 Transaction will also be sufficient to settle condo fee arrears and property taxes owing on the remaining nine 634 Units subject to the Auction Sale Process;

e) The 634 Transaction will provide sufficient proceeds to settle fees and costs owing to the Receiver and the Receiver's legal counsel. The Receiver and the Receiver's legal counsel have not been paid to date in these receivership proceedings and have unpaid bills totaling $183,800, as at the date of this Seventh Report;

f) The Receiver believes the consideration in the PSA is commercially reasonable, in the best interest of Genco Holdings' creditors and other stakeholders and will maximize the available recovery to creditors, in the circumstances;

g) The 634 Transaction is supported by HSBC, the first-ranking secured creditor of the 634 Units. HSBC is owed $7.8 million from Genco Holdings, including $1.725 million that it has advanced to the Receiver under the Receiver's Borrowings Charge, during these receivership proceedings. The Receiver obtained an independent review from its legal counsel indicating that, subject to the customary assumptions and qualifications, the security granted by Genco Holdings to HSBC constitutes valid and enforceable security over the 634 Units; furthermore, the Receiver has been advised by its legal counsel that, based upon searches conducted at the Alberta Personal Property Registry and at the Land Titles Office, it appears that HSBC holds a first charge security interest against the 634 Units; and

h) The Receiver considers the closing risk associated with the 634 Transaction to be minimal, as the 634 Transaction is subject only to Court approval and the Purchaser provided a non-refundable deposit equal to 10% of the purchase price.

37. The Receiver is recommending this Honourable Court approve the 634 Transaction, on the basis that the Receiver has undertaken significant traditional and alternative marketing efforts without identifying a transaction involving the 634 Units, and that the terms of the PSA are commercially reasonable and provide for a purchase price that is at market.

38. In the Receiver's view, the 634 Transaction provides certainty of a transaction and sufficient sale proceeds to fully repay condo fee arrears and property taxes, not only on the Sale Units, but on the 634 Units in aggregate, and all outstanding professional fees, in the event the Auction Sale Process doesn't yield sufficient cash proceeds to settle such costs.

39. Condo fee arrears and property taxes form priority charges against the 634 Units, including the Sale Units, and must be settled in full to consummate a transaction and transfer title respecting the 634 Units (and the Sale Units) to any buyer(s).

DISTRIBUTION OF NET SALE PROCEEDS

40. Should this Honourable Court approve the 634 Transaction, the Receiver requests approval from this Court to distribute the sale proceeds as follows:

a) First, approximately $30,600 to settle condo fee arrears owing on the Sale Units, representing condo fee arrears of $26,400 as at the date of this Seventh Report and forecasted condo fees that will accrue up to the Closing Date;

b) Second, approximately $57,800 to the City of Calgary, in settlement of 2020 property taxes and penalties thereon, in respect of the Sale Units;

c) Third, to Ritchie Bros in respect of its commission pursuant to the Auction Agreement and partial reimbursement of marketing costs incurred;

d) Fourth, to Colliers, in respect of its commission as described in the Confidential Report;

e) Fifth, approximately $183,800 to settle the outstanding fees and costs of the Receiver and the Receiver's legal counsel; and

f) Sixth, the remaining balance to the Receiver, to be held in trust pending completion of the Auction Sale Process,

(collectively, the "634 Distribution").

RECEIVER'S RECOMMENDATIONS

41. The Receiver respectfully requests that this Honourable Court:

a) Approve the Receiver's actions and activities as set out in this Seventh Report and the Confidential Report, including, but not limited to:

   i. approving the sale and vesting of Genco Holdings' interest in the Sale Units to the Purchaser, pursuant to the PSA;

ii. approving the Amendment to the Auction Agreement; and

iii. approving the 634 Distribution; and

b) Grant an Order sealing the Confidential Report on the Court file.

Dated at Calgary, Alberta, this 10th day of November, 2020.

ERNST & YOUNG INC.
in its capacity as
Receiver of the 634 Units

Peter Chisholm, CPA, CA, CIRP, LIT	Dylan Holwell, CPA
Senior Vice President	Manager

APPENDIX 'A'

GENCO HOLDINGS LTD. by and through its Court appointed receiver Ernst & Young Inc. not acting in its personal capacity

and

JAE H. SHIM PROFESSIONAL CORPORATION

(OPERATING AS SHIM LAW)

AGREEMENT OF PURCHASE AND SALE

November 5th, 2020

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AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT OF PURCHASE AND SALE dated as of November ____, 2020,

BETWEEN:

> **GENCO HOLDINGS LTD.** by and through its Court appointed receiver Ernst & Young Inc. not acting in its personal capacity (the "**Vendor**"),
>
> \- and -
>
> **JAE H. SHIM PROFESSIONAL CORPORATION (OPERATING AS SHIM LAW)** (the "**Purchaser**")

WHEREAS:

A. Pursuant to an order of the Honourable Justice B.E.C. Romaine of the Court of Queen's Bench of Alberta granted on April 5, 2019 and an order of the Honourable Justice P.R. Jeffrey of the Court of Queen's Bench of Alberta granted on March 22, 2019 (collectively, the "**Receivership Order**"), Ernst & Young Inc. was appointed receiver, without security, of all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situated including all proceeds thereof, but excluding certain real property of Genco Holdings Ltd. (the "**Receivership Assets**");

B. Pursuant to the Receivership Order, the Vendor has the authority to sell any or all of the Receivership Assets with the approval of the Court in respect of any transaction in which the purchase price exceeds $1,000,000; and

C. The Vendor has conducted a sales process (the "**Sales Process**") with the approval of the Court pursuant to a court order dated June 10, 2019 (the "**Sales Process Order**"), intended to solicit interest in a sale of certain Receivership Assets; and

D. The Vendor wishes to sell to the Purchaser, and the Purchaser wishes to purchase from the Vendor, the Property, subject to the terms and conditions set forth herein and subject to Court Approval (as defined below).

NOW THEREFORE, this Agreement witnesses that in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and adequacy of which are acknowledged by each Party to the other, the Parties covenant and agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement:

(a) "**Affiliate**" means, with respect to any specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with that specified Person. For the purposes of this definition, "control" (including with correlative meanings, controlling, controlled by and under common control with) means the power to direct or cause the direction of the management and policies of that Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise and, it being understood and agreed that with respect to a corporation or partnership, control shall mean direct or indirect ownership of more than 50% of the voting shares in any such corporation or of the general partnership interest or voting interest in any such partnership;

(b) "**Agreement**" means this agreement of purchase and sale and any schedules attached hereto which are referred to in this agreement, together with any amendment or supplement thereto;

(c) "**Applicable Law**" means, in respect of any Person, asset, transaction, event or circumstance: (i) statutes (including regulations enacted thereunder); (ii) judgments, decrees and orders of courts of competent jurisdiction (including the common law); (iii) regulations, orders, ordinances and directives issued by Governmental Authorities; and (iv) the terms and conditions of all permits, licenses, approvals and authorizations, in each case which are applicable to such Person, asset, transaction, event or circumstance;

(d) "**Approval and Vesting Order**" means an order of the Court approving the Transaction in accordance with the provisions of this Agreement, and vesting all of the Vendor's Interest in and to the Property in the Purchaser, such order to be substantially in the form attached hereto as Schedule 1.1(d) together with such modifications and amendments to such form as may be approved by the Vendor and the Purchaser, acting reasonably;

(e) "**Assignment and Assumption Agreement**" means an assignment and assumption agreement, in form and substance satisfactory to the Vendor and the Purchaser, acting reasonably, evidencing the assignment to the Purchaser of the Vendor's Interest in, to and under the Assumed Contracts and the assumption by the Purchaser of all of the Assumed Liabilities under or in respect of the Assumed Contracts, substantially in the form attached hereto as Schedule 1.1(e);

(f) "**Assumed Contracts**" means those contracts, agreements, easements, restrictions, leases and permits related to the Property which are described in Schedule 1.1(f);

(g) "**Assumed Environmental Liabilities**" has the meaning ascribed to that term in Section 10.1(a);

(h) "**Assumed Liabilities**" means, collectively, all liabilities and obligations arising from the possession, ownership and/or use of the Property following Closing including all Assumed Environmental Liabilities and Assumed Obligations;

(i) "**Assumed Obligations**" has the meaning ascribed to that term in Section 2.4;

(j) "**Business Day**" means any day other than a Saturday, Sunday or a statutory holiday in the City of Calgary in the Province of Alberta;

(k) "**Claim**" means any right, claim, cause of action or complaint of any Person that may be asserted or made in whole or in part against the Vendor, its Affiliates and their respective Representatives, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including without limitation, by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including, without limitation, any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not any right, claim, cause of action or complaint is executory or anticipatory in nature;

(l) **"Closing"** means the completion of the purchase by the Purchaser, and sale by the Vendor, of the Vendor's Interest in and to the Property and the completion of all other transactions contemplated by this Agreement that are to occur contemporaneously with such purchase and sale, all subject to and in accordance with the terms and conditions of this Agreement;

(m) **"Closing Cash Payment"** has the meaning ascribed to that term in Section 3.3(b);

(n) **"Closing Date"** means the date on which Closing occurs, being the later of **December 4th, 2020** or the date that is 2 Business Days following the date upon which all conditions in Sections 12.1, 12.2 and 12.3 have been satisfied or waived, *provided, however*, that the Closing Date shall not be later than the Outside Date, *and provided further,* that if the land registry office in which title to the Lands is registered is not open for business on such date, the Closing Date shall be the next day on which such land registry office is open;

(o) **"Consequential Damages"** has the meaning ascribed to that term in Section 15.5;

(p) **"Court"** means the Court of Queen's Bench of Alberta, Judicial Centre of Calgary;

(q) **"Court Approval"** means both the issuance of the Approval and Vesting Order by the Court approving the sale of the Property;

(r) **"Court Orders"** means, collectively, the Receivership Order, the Sales Process Order and the Approval and Vesting Order;

(s) **"CRA"** means the Canada Revenue Agency;

(t) **"Cure Costs"** means, in respect of any Assumed Contract, all amounts, costs and expenses required to be paid to remedy all of the Vendor's monetary defaults in relation to the Assumed Contracts or otherwise required to secure a counterparty's or any other necessary Person's consent to the assignment of an Assumed Contract or as may be required pursuant to the Approval and Vesting Order, and includes any other fees and expenses required to be paid to a counterparty or any other Person in connection with the assignment of an Assumed Contract;

(u) **"Data Room Information"** means all information made available (by the Vendor or otherwise) for the Purchaser's review in electronic form in relation to the Vendor, its Affiliates and/or the Property;

(v) **"Deposit"** has the meaning ascribed to that term in Section 3.2(a);

(w) "**Encumbrances**" means any pledges, liens, encumbrances, claims, charges, options or other security interests of any kind or other agreement or arrangement having the effect of conferring security;

(x) "**Environmental Laws**" has the meaning ascribed to that term in Section 10.1(b);

(y) "**Environmental Liabilities**" has the meaning ascribed to that term in Section 10.1(c);

(z) "**Excluded Contract**" means all contracts which are not Assumed Contracts and all Unassignable Contracts for which the required consent to assignment has not been obtained pursuant to Section 2.3(a);

(aa) "**Governmental Authority**" means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, tribunal, commission, bureau, board, court (including the Court) or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government, having jurisdiction over a Party, the Property or this Transaction;

(bb) "**GST**" means taxes, interest, penalties and other additions thereto imposed under Part IX of the *Excise Tax Act* (Canada) and the regulations made thereunder; and "**GST Legislation**" means such act and regulations collectively;

(cc) "**Lands**" means those lands described in Schedule 1.1(cc) attached hereto;

(dd) "**Lease(s)**" has the meaning ascribed to that term in Section 11.4;

(ee) "**Legal Proceeding**" means any litigation, action, suit, investigation, hearing, claim, complaint, grievance, arbitration proceeding or other proceeding and includes any appeal or review or retrial of any of the foregoing and any application for same;

(ff) "**Losses and Liabilities**" means any and all assessments, charges, costs, damages, debts, expenses, fines, liabilities, losses, obligations and penalties, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or determinable, including those arising under any Applicable Law, Claim by any Governmental Authority or any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority, and those arising under any contract, agreement, arrangement, commitment or undertaking and costs and expenses of any Legal Proceeding, assessment, judgment, settlement or compromise relating thereto, and all interest, fines and penalties and reasonable legal fees and expenses incurred in connection therewith (on a full indemnity basis);

(gg) "**Notice Period**" has the meaning ascribed to that term in Section 9.2(b);

(hh) "**Outside Date**" means December 31st, 2020 or such other date as the Parties may agree, with the consent of the Vendor;

(ii) "**Parties**" means, collectively, the Purchaser and the Vendor, and "**Party**" means any one of them;

(jj) **"Permitted Encumbrances"** means the Encumbrances set forth in Schedule 1.1(jj) attached hereto;

(kk) **"Person"** means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executory, Governmental Authority, or other entity however designated or instituted;

(ll) **"Property"** means the Vendor's Interest in: (i) the Lands and all improvements located thereon; and (ii) the Assumed Contracts;

(mm) **"Purchase Price"** has the meaning ascribed to that term in Section 3.1;

(nn) **"Purchaser"** has the meaning ascribed to that term in the preamble hereto;

(oo) **"Purchaser's Solicitors"** means **JAE H. SHIM PROFESSIONAL CORPORATION (OPERATING AS SHIM LAW)**;

(pp) **"Receivership Proceedings"** means the proceedings commenced pursuant to the Receivership Order;

(qq) **"Remediation and Reclamation Obligations"** has the meaning ascribed to that term in Section 10.1(d);

(rr) **"Representative"** means, in respect of a Person, each director, officer, employee, agent, legal counsel, accountant, consultant, contractor, professional advisor and other representative of such Person and its Affiliates;

(ss) **"Sales Process"** has the meaning ascribed to that term in the recitals hereto;

(tt) **"Sales Process Order"** has the meaning ascribed to that term in the recitals hereto;

(uu) **"Statement of Adjustments"** has the meaning ascribed to that term in Section 4.1;

(vv) **"Tax"** means all taxes, assessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind lawfully levied, assessed or imposed by any Governmental Authority under any applicable federal, provincial, territorial, municipal and local, foreign, or other statutes, ordinances or regulations imposing a tax, including income, capital, capital gains, goods and services, sales, use, consumption, excise, value added (including GST and any Harmonized Sales Tax), business, real property, personal property, transfer, franchise, withholding, payroll, or employer health taxes, Canada Pension Plan contributions, employment insurance premiums, and provincial workers' compensation payments, levy, assessment, whether computed on a separate, combined, unitary, or consolidated basis or any other manner, including any interest, penalties and fines associated therewith;

(ww) **"Tax Return"** shall mean any report, return, information statement, schedule, attachment, payee statement or other information required to be provided to any Governmental Authority with respect to Taxes or any amendment thereof;

(xx) **"Third Party"** means any Person who is not a Party;

(yy) **"Third Party Claim"** means any Claim by a Third Party asserted against the Vendor for which the Purchaser has indemnified the Vendor or is otherwise responsible pursuant to this Agreement;

(zz) **"Transaction"** means the transaction for the purchase and sale of the Property as contemplated in this Agreement;

(aaa) **"Transfer Taxes"** means all present and future transfer taxes, sales taxes, use taxes, production taxes, value-added taxes, goods and services taxes, land transfer taxes, registration and recording fees, and any other similar or like taxes and charges imposed by a Governmental Authority in connection with the sale, transfer or registration of the transfer of the Property, including GST and Harmonized Sales Tax;

(bbb) **"Unassignable Contracts"** has the meaning ascribed to that term in Section 2.3(a);

(ccc) **"Vendor"** has the meaning ascribed to that term in the preamble hereto;

(ddd) **"Vendor's Interest"** means, when used in relation to any asset, undertaking or property, all the right, title and interest, if any, of the Vendor in such asset, undertaking or property; and

(eee) **"Vendor's Solicitors"** means Fasken Martineau DuMoulin LLP or such other firm or firms of solicitors as are retained or engaged by the Vendor from time to time and notice of which is provided to the Purchaser.

1.2 Interpretation

The following rules of construction shall apply to this Agreement unless the context otherwise requires:

(a) All references to monetary amounts, unless indicated to the contrary, are to the lawful currency of Canada.

(b) Words importing the singular include the plural and vice versa, and words importing gender include the masculine, feminine and neuter genders.

(c) The word "include" and "including" and derivatives thereof shall be read as if followed by the phrase "without limitation".

(d) The words "hereto", "herein", "hereof", "hereby", "hereunder" and similar expressions refer to this Agreement and not to any particular provision of this Agreement.

(e) The headings contained in this Agreement are for convenience of reference only, and shall not affect the meaning or interpretation hereof.

(f) Reference to any Article, Section or Schedule means an Article, Section or Schedule of this Agreement unless otherwise specified.

(g) If any provision of a Schedule hereto conflicts with or is at variance with any provision in the body of this Agreement, the provisions in the body of this Agreement shall prevail to the extent of the conflict.

(h) All documents executed and delivered pursuant to the provisions of this Agreement are subordinate to the provisions hereof and the provisions hereof shall govern and prevail in the event of a conflict.

(i) This Agreement has been negotiated by each Party with the benefit of legal representation, and any rule of construction to the effect that any ambiguities are to be resolved against the drafting Party does not apply to the construction or interpretation of this Agreement.

(j) Reference to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof.

(k) References to an Applicable Law means such Applicable Law as amended from time to time and includes any successor Applicable Law thereto any regulations promulgated thereunder.

1.3 Schedules

The following are the Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

Schedule 1.1(d)	Form of Approval and Vesting Order
Schedule 1.1(e)	Form of Assignment and Assumption Agreement
Schedule 1.1(f)	Assumed Contracts
Schedule 1.1(cc)	Lands
Schedule 1.1(jj)	Permitted Encumbrances
Schedule 3.4	Allocation of Purchase Price

1.4 Interpretation if Closing Does Not Occur

If Closing does not occur, each provision of this Agreement which presumes that the Purchaser has acquired the Property shall be construed as having been contingent upon Closing having occurred.

ARTICLE 2
PURCHASE AND SALE

2.1 Agreement of Purchase and Sale

Subject to the terms and conditions of this Agreement, and in consideration of the Purchase Price and the assumption of the Assumed Liabilities, the Vendor hereby agrees to sell, assign and transfer to the Purchaser, and the Purchaser agrees to purchase, accept and receive from the Vendor, all of the Vendor's Interest in and to the Property, in each case free and clear of all Encumbrances (other than Permitted Encumbrances).

2.2 Transfer of Property and Assumption of Liabilities

Provided that Closing occurs and subject to the terms and conditions of this Agreement, possession, risk, and legal and beneficial ownership of the Property shall transfer from the Vendor to the Purchaser on the Closing Date, and the Purchaser agrees to assume, discharge, perform and fulfil all obligations and liabilities, known or unknown, of the Vendor with respect to the Property (including the Assumed Liabilities), from and after the Closing Date.

2.3 Assignment of Assumed Contracts and Third Party Consents

(a) In the event that there are any Assumed Contacts which are not assignable by the Vendor to the Purchaser in whole or in part without the consent, approval or waiver of any party or parties to them, if any such consents, approvals or waivers therefor have not yet been obtained as of the Closing Date (any such Assumed Contracts, collectively, the "**Unassignable Contracts**"), then:

(i) each of the Parties shall use reasonable commercial efforts to obtain, as may be required by the terms of such Assumed Contracts, consents or approvals to the assignment of such Assumed Contracts; provided that to the extent that any Cure Costs are payable with respect to any Assumed Contract, the Purchaser shall be responsible for and shall pay all such Cure Costs, which shall be paid either directly to the applicable counterparty or to the Vendor (or to the Vendor's Solicitors) at or prior to Closing, which Cure Costs shall be in addition to the Purchase Price for the Property;

(ii) pending the effective transfer or assignment of the relevant Unassignable Contracts, the Vendor shall hold the rights, entitlements, benefits, remedies, duties and obligations under such Unassignable Contracts in trust for the exclusive benefit of the Purchaser as bare trustee and agent;

(iii) the Vendor will, at the request and expense and under the direction of the Purchaser, in the name of the Vendor or otherwise as the Purchaser shall reasonably specify, take all such reasonable actions and do all such reasonable things as shall, in the reasonable opinion of the Purchaser, be necessary or desirable in order that the rights, entitlements, benefits, remedies, duties and obligations of the Vendor under any such Unassignable Contract may be enjoyed, received or performed, as the case may be, in accordance with the terms of such Unassignable Contract, including that all monies receivable under such Unassignable Contract may be received by the Purchaser and that all rights and licenses under such Unassignable Contracts may be exercised by the Purchaser;

(iv) the Vendor shall, no later than 60 days after receipt of funds and determination of all application costs or expenses, pay over to the Purchaser all such monies collected by the Vendor in respect of such Unassignable Contracts following the Closing Date, net of any unpaid related costs or expenses (including any Taxes that are payable in respect of the receipt of such amounts);

(v) to the extent permitted by the applicable Unassignable Contract:

(A) the Purchaser will pay, perform and discharge the duties and obligations under such Unassignable Contract, on behalf of the Vendor, until such time as the effective transfer or assignment of the relevant Unassignable Contracts to the Purchaser; and

(B) the Vendor will use reasonable commercial efforts to exercise the rights, entitlements, benefits and remedies under such Unassignable Contracts, on behalf of the Purchaser until such time as the effective transfer or assignment of the relevant Unassignable Contracts to the Purchaser, or such Unassignable Contracts expire or otherwise terminate;

(vi) the Vendor shall have no liability as a consequence of the Vendor taking any action or causing anything to be done under this Section 2.3, and the Purchaser shall be responsible and liable for, and, as a separate covenant, shall hereby indemnify and save harmless the Vendor, its Affiliates and their respective Representatives against, all costs and expenses reasonably incurred by the Vendor, its Affiliates or their respective Representatives as a consequence of or in connection with this Section 2.3; and

(vii) the Vendor shall maintain its existence, and shall continue to be licensed, registered or otherwise qualified and authorized to conduct its affairs and carry on business as is necessary to fulfill its obligations as set out in this Section 2.3 until the earlier of the expiry or assignment of the last Unassignable Contract; *provided, however*, that the Vendor's obligations under this Section 2.3 shall expire and terminate and cease to be in effect on the date that is 60 days following Closing, at which time all Unassignable Contracts for which required consent is required for the assignment of such Unassignable Contract which has not been obtained by such date shall be deemed to be an Excluded Contract under this Agreement, without any adjustment of any kind whatsoever to the Purchase Price.

(b) Nothing in this Agreement shall constitute an agreement to assign, and shall not be construed as an assignment of, or an attempt to assign to the Purchaser, any Unassignable Contract until such time as the necessary consents or approvals with respect to the assignment are obtained.

(c) Both before and after Closing, each of the Parties shall use all commercially reasonable efforts to obtain any and all approvals required under Applicable Law and any and all material consents of Third Parties required to permit this Transaction to be completed. The Parties acknowledge that the acquisition of such consents shall not be a condition precedent to Closing. It shall be the sole obligation of the Purchaser, at the Purchaser's sole cost and expense, to provide any and all Cure Costs, financial assurances, deposits or security that may be required by Governmental Authorities or any Third Parties to permit the transfer of the Property, including the Assumed Contracts, to the Purchaser.

(d) Notwithstanding the generality of Section 2.3(c), the Purchaser shall, prior to Closing, post or satisfy all necessary security, deposits, letters of credit, guarantees or other financial assurances necessary to take possession of the Property and to satisfy the security required by the Assumed Contracts.

2.4 Assumed Liabilities and Assumed Obligations

Following Closing, the Purchaser shall assume, perform, discharge and pay when due all of the Assumed Liabilities, including the obligations and liabilities of the Vendor related to the development of the Property arising pursuant to the Assumed Contracts (collectively, the "**Assumed Obligations**"). For greater certainty, the Purchaser acknowledges and agrees that the Assumed Obligations and the Assumed Environmental Liabilities are inextricably linked to the Property.

ARTICLE 3
PURCHASE PRICE

3.1 Purchase Price

The consideration payable by the Purchaser for the Property shall be the sum of [redacted] The Purchase Price shall be satisfied in accordance with Section 3.3, and subject to adjustment only as set forth in Article 4. The Purchaser and Vendor acknowledge and agree that the Purchase Price reflects the fair market value of the Property as of the Closing Date, having due regard to the Assumed Liabilities connected to and embedded in the Property that depress the value of the Property.

3.2 Deposit

(a) The sum of [redacted] shall be paid in cash by the Purchaser upon execution of this Agreement (such amount is referred to herein as the "**Deposit**"). Such Deposit shall be delivered to and held by CMN Calgary Inc., in trust, pursuant to Section 3.2(b) and 3.2(c) below.

(b) If Closing occurs in accordance with the terms and conditions of this Agreement, the Deposit shall be credited against the Purchase Price, in partial satisfaction of the Purchaser's obligation to pay the Purchase Price at Closing.

(c) If this Agreement is terminated:

(i) (A) pursuant to Section 14.1(a) by mutual agreement of the Parties, or (B) pursuant to Sections 14.1(b), 14.1(c) or 14.1(d) by the Purchaser, then the Deposit shall be returned to the Purchaser; or

(ii) for any other reason, the full amount of the Deposit shall be forfeited to the Vendor,

and, subject to Section 14.2, each Party shall be released from all obligations and liabilities under or in connection with this Agreement. In the event of termination of this Agreement under Section 3.2(c)(ii) pursuant to which the Vendor shall be entitled to retain the Deposit, the Parties agree that the amount of the Deposit constitutes a genuine pre-estimate of liquidated damages representing the Vendor's Losses and Liabilities as a result of Closing not occurring and agree that the Vendor shall not be entitled to recover from the Purchaser any amounts that are in excess of the Deposit as a result of Closing not occurring. The Purchaser hereby waives any claim or defence that the amount of the Deposit is a penalty or is otherwise not a genuine pre-estimate of the Vendor's damages.

3.3 Satisfaction of the Purchase Price

At Closing, the Purchase Price shall be paid and satisfied as follows:

(a) as to the amount of the Deposit, by crediting and set-off of the Deposit against the amount of the Purchase Price by an amount equal to the Deposit; and

(b) as to the balance of the Purchase Price (as adjusted pursuant to Article 4, the "**Closing Cash Payment**"), the Purchaser shall pay to the Vendor or the Vendor's Solicitors (in trust for and on behalf of the Vendor) such amount by certified cheque, bank draft, solicitor's trust cheque or electronic wire transfer.

3.4 Allocation of Purchase Price

The Purchase Price shall be allocated in the manner provided in Schedule 3.4. The Vendor and the Purchaser shall file their respective Tax Returns based upon and in accordance with such allocation and will not make any inconsistent statements or take any inconsistent positions on any Tax Returns, in any refund claims or during the course of any audits by any taxing authorities.

ARTICLE 4
ADJUSTMENTS

4.1 Statement of Adjustments

The Vendor shall prepare and deliver to the Purchaser at least five (5) Business Days prior to Closing a statement setting forth the Vendor's good faith calculation of the adjustments to the Purchase Price contemplated by this Article 4 (the "**Statement of Adjustments**"). The Statement of Adjustments shall be used to calculate the Purchase Price payable at Closing in accordance with Section 3.3, and shall be deemed final and binding for all purposes in connection with the adjustments contemplated by this Article 4.

4.2 Pro Rata Adjustments

Items of revenue and expense, including, but not limited to, Taxes (other than Transfer Taxes), utilities, interest and rents with respect to the Lands, as would customarily be adjusted for in a similar transaction in Alberta, shall be adjusted between the Purchaser and the Vendor as of 12:01 a.m. on the Closing Date.

ARTICLE 5
TRANSFER TAXES

5.1 Transfer Taxes

The Parties agree that:

(a) the Purchase Price does not include Transfer Taxes and the Purchaser shall be liable for and shall pay, and be solely responsible for, any and all Transfer Taxes pertaining to the Purchaser's acquisition of the Property; and

(b) the Purchaser shall indemnify the Vendor for, from and against any Transfer Taxes (including any interest or penalties imposed by a Governmental Authority) that the Vendor is required to pay or for which the Vendor may become liable as a result of any failure by the Purchaser to self-assess, pay or remit such Transfer Taxes (including GST in accordance with Section 5.2).

5.2 GST

Notwithstanding the generality of Section 5.1, the Purchaser shall pay to the Vendor or the Vendor's Solicitors by certified cheque, bank draft, solicitor's certified trust cheque or electronic wire transfer on Closing all GST payable in respect of the Transaction in accordance with the GST Legislation.

Notwithstanding the foregoing, if the Purchaser is registered under the GST Legislation, then provided that the Purchaser delivers on closing: (i) an officer's certificate of the Purchaser confirming that the Purchaser is buying the Property for its own account and not on behalf of any other Person; and (ii) an undertaking and indemnity under which the Purchaser covenants to remit all exigible GST and to indemnify the Vendor against any damages (including any interest or penalties imposed by a Governmental Authority) by reason of the failure of the Purchaser so to do, the Vendor will not collect GST from the Purchaser and the Purchaser will file returns and remit any GST exigible when and to the extent required by the GST Legislation.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES

6.1 Vendor's Representations

The Vendor hereby represents and warrants to the Purchaser that:

(a) subject to Court Approval being obtained, the Vendor has taken all necessary corporate or other acts to authorize the execution and delivery by it of this Agreement;

(b) subject to Court Approval being obtained, this Agreement has been duly executed and delivered by the Vendor and constitutes a legal, valid and binding obligation of the Vendor and is enforceable against the Vendor in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar Applicable Laws relating to creditors' rights generally and subject to general principles of equity;

(c) with respect to the GST imposed under the GST Legislation, the Vendor is registered under the GST Legislation and will continue to be registered at the Closing Date in accordance with the provisions of the GST Legislation and that its GST registration number is **86106 5423 RT0002**; and

(d) the Purchaser will not be liable for any brokerage commission, finder's fee or other similar payment in connection with the Transaction because of any action taken by, or agreement or understanding reached by the Vendor.

(e) It is understood by both the Vendor and Purchaser that CMN Calgary Inc. represents the Vendor as the Vendor's agent in this transaction and that the Vendor has agreed to pay CMN Calgary Inc. a sales commission upon Closing.

6.2 Purchaser's Representations

The Purchaser hereby represents and warrants to the Vendor that:

(a) it is, as applicable, a corporation duly incorporated or a limited partnership duly formed and validly subsisting under the laws of the jurisdiction of its incorporation or formation and has the requisite power and authority to enter into this Agreement and to complete the Transaction;

(b) it has taken all necessary corporate or other acts to authorize the execution, delivery and performance by it of this Agreement;

(c) if the Lands are located in areas defined as controlled lands under the *Foreign Ownership of Lands Regulations* (Alberta), that it is not a foreign controlled corporation within the meaning of such term as defined in such regulations;

(d) neither the execution of this Agreement nor its performance by the Purchaser will result in a breach of any term or provision or constitute a default under any indenture, mortgage, deed of trust or any other agreement to which the Purchaser is a party or by which it is bound which breach could materially affect the ability of the Purchaser to perform its obligations hereunder;

(e) the execution, delivery and performance of this Agreement by it does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Authority, except where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would not prevent or materially delay the consummation by the Purchaser of this Transaction;

(f) this Agreement has been duly executed and delivered by it and constitutes a legal, valid and binding obligation of the Purchaser and is enforceable against the Purchaser in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar Applicable Laws relating to creditors' rights generally and subject to general principles of equity;

(g) the Purchaser is not a non-Canadian Person within the meaning of the *Investment Canada Act* (Canada) nor a non-resident of Canada for the purposes of the *Income Tax Act* (Canada);

(h) the Vendor will not be liable for any brokerage commission, finder's fee or other similar payment in connection with the Transaction because of any action taken by, or agreement or understanding reached by, the Purchaser;

(i) on the Closing Date, the Purchaser will meet all requirements of Governmental Authorities to purchase and accept a transfer of the Property;

(j) the Purchaser will have the financial resources necessary to pay, as and when due from the Purchaser, the Purchase Price (including the Deposit), the Transfer Taxes, the Cure Costs, its legal fees and expenses, registration costs and any other amounts payable by the Purchaser pursuant hereto; and

(k) the Purchaser has the financial resources necessary to post or satisfy all necessary security, deposits, letters of credit, guarantees or other financial assurances necessary to take possession of the Property and to satisfy the security required by the Assumed Contracts.

6.3 Enforcement of Representations and Warranties

(a) The representations and warranties of each Party contained in this Agreement shall merge on Closing and shall thereafter be of no further force and effect. Effective upon the occurrence of Closing, each Party hereby releases and forever discharges each other Party from any breach of any representations and warranties set forth in this Agreement. For greater certainty, none of representations and warranties contained in this Article 6 shall survive Closing and, the Purchaser's sole recourse for any material breach of representation or warranty by the Vendor shall be for the Purchaser to not complete the Transaction in accordance with this Agreement.

(b) The representations and warranties of the Vendor made herein or pursuant hereto are made for the exclusive benefit of the Purchaser, and the representations and warranties of the Purchaser made herein or pursuant hereto are made for the exclusive benefit of the Vendor, as the case may be, and are not transferable and may not be made the subject of any right of subrogation in favour of any other Person.

(c) The Parties expressly acknowledge and agree that the provisions of this Section 6.3 and the limit on each Party's liability set out in this Section 6.3 are intended by the Parties as a limitation of liability that represents a fair and equitable allocation of the risks and liabilities that each Party has agreed to assume in connection with the subject matter hereof and is not an agreement within the provision of subsection 7(2) of the *Limitations Act* (Alberta).

ARTICLE 7
"AS IS, WHERE IS" AND NO ADDITIONAL REPRESENTATIONS AND WARRANTIES

7.1 Due Diligence Acknowledgement

The Purchaser acknowledges and agrees that:

(a) it was solely responsible to perform any inspections it deemed pertinent to the purchase of the Property and to be satisfied as to the condition of the Property prior to entering into this Agreement with the Vendor;

(b) notwithstanding the fact that it was permitted to review any diligence materials and disclosures provided by the Vendor, including the Data Room Information, the Vendor assumes no liability for errors or omissions in such diligence materials and disclosure or any other property listings or advertising, promotional or publicity statements and materials, and makes no representations or warranties in respect thereof;

(c) by entering into this Agreement with the Vendor, the Purchaser shall be deemed to represent, warrant and agree with respect to the Property that:

(i) the Purchaser has inspected the Property and is familiar and satisfied with the physical condition thereof and has conducted such investigation of the Property as the Purchaser has determined appropriate;

(ii) none of the Vendor, its Affiliates or their respective Representatives have made any oral or written representation, warranty, promise or guarantee whatsoever to the Purchaser, expressed or implied, and in particular, that no such representations, warranties, guarantees, or promises have been made with respect to the physical condition, operation, or any other matter or thing affecting or related to the Property and/or the offering or sale of the Property;

(iii) the Purchaser has not relied upon any representation, warranty, guarantee or promise or upon any statement made or any information provided concerning the

Property, including the Data Room Information made available to the Purchaser by the Vendor, its Affiliates or their respective Representatives;

(iv) the Purchaser has entered into this Agreement after having relied solely on its own independent investigation, inspection, analysis, appraisal and evaluation of the Property and the facts and circumstances related thereto;

(v) any information provided or to be provided by or on behalf of the Vendor with respect to the Property, including all Data Room Information, was obtained from information provided to the Vendor and the Vendor has not made any independent investigation or verification of such information, and makes no representations as to the accuracy or completeness of such information;

(vi) without limiting the generality of the foregoing, the Vendor was not under any obligation to disclose to the Purchaser, and shall have no liability for its failure to disclose to the Purchaser, any information known to it relating to the Property except as may be required by any Applicable Law; and

(vii) none of the Vendor, its Affiliates or their respective Representatives are liable or bound in any manner by any oral or written statements, representations or information pertaining to the Property, or the operation thereof, made or furnished by any real estate broker, agent, employee, or other Person.

7.2 "As Is, Where Is", No Additional Representations

(a) Without limiting any other provision of this Agreement, the Purchaser acknowledges and agrees that it is acquiring the Property on an "as is, where is" and "without recourse" basis with all defects, both patent and latent, and with all faults, whether known or unknown, presently existing or that may hereafter arise. The Purchaser acknowledges and agrees that the Vendor, its Affiliates and their respective Representatives have not made, do not make and specifically negate and disclaim any representation, warranty, promise, covenant, agreement or guaranty of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to the Property. For greater certainty, but without limitation, except as expressly set forth in this Agreement, none of the Vendor, its Affiliates or their respective Representatives make any condition, representation or warranty whatsoever, express or implied, with respect to:

(i) the value, nature, quality or condition of the Property, including, without limitation, the water, soil and geology;

(ii) the income to be derived from the Property, if any;

(iii) the suitability of the Property for any and all purposes, activities and uses which the Purchaser may desire to conduct thereon;

(iv) the compliance of or by the Property or its operation with any Applicable Law (including Environmental Laws);

(v) the habitability, merchantability, marketability, profitability or fitness for a particular purpose of the Property;

(vi) the validity or enforceability of the Assumed Contracts or the ability to assign any Unassignable Contracts;

(vii) any regulatory approvals, permits and licenses, consents or authorizations that may be needed to complete the purchase of the Property contemplated by this Agreement;

(viii) the manner or quality of the construction or materials, if any, incorporated into the Property;

(ix) the manner, quality, state of repair or lack of repair of the Property;

(x) the existence of any view from the Property or that any existing view will not be obstructed in the future;

(xi) the conformity of any plans or specifications for the Property that may be provided to the Purchaser;

(xii) the conformity of the Property to applicable zoning by-law or building code requirements and whether the Property complies with any existing land use or zoning by-laws or regulations, or municipal development agreements or plans;

(xiii) the existence of soil instability, past soil repairs, susceptibility to landslides, sufficiency of under-shoring, sufficiency of drainage, or any other matter affecting the stability or integrity of the Property or any buildings or improvements situated thereon;

(xiv) whether the Property is located in a seismic hazards zone or a flood hazard zone;

(xv) the presence of termites or other pests and any damage to the Property and/or its improvements that may have occurred as a result;

(xvi) the condition of any improvements included in this Agreement;

(xvii) the size and dimensions of the Property, including the aggregate net developable acres;

(xviii) the nature and quantum of the Assumed Liabilities; and

(xix) any other matter with respect to the Property.

(b) The Purchaser acknowledges that the release and disclaimer described in this Article 7 is intended to be very broad and the Purchaser expressly waives and relinquishes any rights or benefits it may have under any Applicable Law designed to invalidate releases of unknown or unsuspected claims.

(c) Except for its express rights under this Agreement, the Purchaser hereby waives all rights and remedies (whether now existing or hereinafter arising and including all common law, tort, contractual and statutory rights and remedies) against the Vendor, its Affiliates and their respective Representatives in respect of the Property and any representations or statements made or information or data furnished to the Purchaser or its Representatives in connection herewith (whether made or furnished orally or by electronic, faxed, written or other means). Such waiver is absolute, unlimited, and includes, but is not limited to, waiver of express warranties, implied warranties, any warranties contained in the *Sale of Goods Act* (Alberta) (or similar applicable statutes, all as may be amended, repealed or replaced), warranties of fitness for a particular use, warranties of merchantability, warranties of occupancy, strict liability and claims of every kind and type, including claims regarding defects, whether or not discoverable or latent, product liability claims, or similar claims, and all other claims that may be later created or conceived in strict liability or as strict liability type claims and rights.

ARTICLE 8
RISK, INSURANCE AND EXPROPRIATION

8.1 Risk

The Property will be at the sole risk and responsibility of the Vendor until the Closing Date, and thereafter at the sole risk and responsibility of the Purchaser.

8.2 Insurance

Any property, liability and other insurance maintained by the Vendor shall not be transferred at Closing, but shall remain the responsibility of the Vendor until the Closing Date. The Purchaser shall be responsible for placing its own property, liability and other insurance coverage with respect to the Property in respect of the period from and after 12:01 a.m. on the Closing Date.

8.3 Expropriation

If before the Closing Date:

(a) all or substantially all of the Property is expropriated or seized by any Governmental Authority or any other Person in accordance with Applicable Law or if notice of any such expropriation or seizure shall have been given in accordance with Applicable Law, the Purchaser, in its discretion, acting reasonably, shall have the option, exercisable by notice to the Vendor given prior to the Closing Date to either: (i) complete the Transaction; or (ii) terminate this Agreement as provided in Section 14.1(b); or

(b) if less than all or substantially all of the Property is expropriated or seized by any Governmental Authority or any other Person in accordance with Applicable Law or if notice of any such expropriation or seizure shall have been given in accordance with Applicable Law, the Purchaser shall be required to complete the Transaction, without any reduction or adjustment to the Purchase Price; *provided, however*, that any monetary compensation received by the Vendor in connection with an expropriation or seizure described in this Section 8.3 shall be received by the Vendor in trust for, and paid to the Purchaser.

ARTICLE 9
INDEMNIFICATION

9.1 Indemnification Given by Purchaser

If Closing occurs, the Purchaser shall:

(a) be liable to the Vendor, its Affiliates and their respective Representatives for; and

(b) as a separate covenant, indemnify and save harmless the Vendor, its Affiliates and their respective Representatives from and against,

all Losses and Liabilities suffered, sustained, paid or incurred by the Vendor, its Affiliates or their respective Representatives related to or in connection with the Property and the Assumed Liabilities, whether arising or accruing ~~before,~~ on or after the Closing Date; including: (i) all Losses and Liabilities attributable to the ownership, operation, use, construction or maintenance of the Property following the Closing Date; (ii) all Losses and Liabilities related to any Unassignable Contracts as contemplated in Section 2.3, including any and all Cure Costs; and (iii) any other Losses and Liabilities for which the Purchaser has agreed to indemnify the Vendor pursuant to this Agreement. The Purchaser's indemnity obligations set forth in this Section 9.1 shall survive the Closing Date indefinitely pursuant to Section 15.3.

9.2 Third Party Claims

(a) If the Vendor receives written notice of the commencement or assertion of any Third Party Claim for which the Purchaser is liable (or has otherwise agreed to indemnify the Vendor, its Affiliates or their respective Representatives against) pursuant to this Agreement, the Vendor shall give the Purchaser reasonably prompt notice thereof, but in any event no later than ten (10) days after receipt of such notice of such Third Party Claim. Such notice to the Purchaser shall describe the Third Party Claim in reasonable detail and shall indicate, if reasonably practicable, the estimated amount (or the method of computation of the amount) of the Losses and Liabilities that has been or may be sustained by the Vendor, and a reference to the provisions of this Agreement upon which such claim is based.

(b) The Purchaser may participate in the defence of any Third Party Claim by giving notice to that effect to the Vendor not later than ten (10) days after receiving notice of that Third Party Claim (the "**Notice Period**") so long as: (i) the Purchaser first acknowledges to the Vendor, in writing, liability to the Vendor under this Agreement with respect to such Third Party Claim and that the outcome of such Third Party Claim does not alter or diminish the Purchaser's obligation to indemnify the Vendor pursuant to this Agreement, subject to the Purchaser's right to contest in good faith the Third Party Claim; (ii) the Purchaser has the financial resources to defend against the Third Party Claim and fulfill any indemnification obligations and has provided the Vendor with evidence thereof; (iii) the Third Party Claim involves monetary damages; and (iv) the Purchaser participates in the defence of the Third Party Claim actively and diligently. The Purchaser's right to do so shall be subject to the rights of any insurer or other third party who has potential liability in respect of that Third Party Claim. The Purchaser shall pay all of its own expenses of participating in or assuming such defence. In the event that the Purchaser elects to participate in the defence of a Third Party Claim pursuant to this Section 9.2(b), then the Vendor shall cooperate in good faith in the defence of each Third Party Claim and may participate in such defence assisted by counsel of its own choice at its own expense.

(c) If the Vendor has not received notice within the Notice Period that the Purchaser has elected to participate in the defence of such Third Party Claim in accordance with Section 9.2(b), or if the Purchaser has given such notice but thereafter fails or is unable to participate in the defence of such Third Party Claim actively and diligently, the Vendor may, at its option, elect to settle or compromise the Third Party Claim on terms of its choosing, or assume such defence assisted by counsel of its own choosing, and the Purchaser shall be liable for all reasonable costs and expenses paid or incurred in connection therewith and any Losses and Liabilities suffered or incurred by the Vendor with respect to such Third Party Claim.

9.3 Failure to Give Timely Notice

Notwithstanding that time is of the essence, a failure to give timely notice as provided in this Article 9 shall not affect the rights or obligations of any Party except and only to the extent that, as a result of such failure, any Party which was entitled to receive such notice was deprived of its right to recover any payment under any applicable insurance coverage or was otherwise prejudiced as a result of such failure.

9.4 No Merger

There shall not be any merger of any liability or indemnity hereunder in any assignment, conveyance, transfer or document delivered pursuant hereto notwithstanding any rule of law, equity or statute to the contrary and all such rules are hereby waived.

ARTICLE 10
ENVIRONMENTAL MATTERS

10.1 Defined Terms

For the purpose of this Agreement:

(a) "**Assumed Environmental Liabilities**" means all Environmental Liabilities arising or accruing before, on or after the Closing Date and related to or in connection with the Property;

(b) "**Environmental Laws**" means all statutes, regulations, ordinances, by-laws, and codes, now or hereafter in existence in Canada (whether federal, provincial or municipal) relating to the protection and preservation of the environment, occupational health and safety, transportation of dangerous goods or hazardous substances, including, without limitation, the *Environmental Protection and Enhancement Act* (Alberta), as amended, replaced, or restated from time to time;

(c) "**Environmental Liabilities**" means all claims, Losses and Liabilities, damages or expenses (whether accrued, actual, contingent, latent or otherwise), whenever arising, which relate to the Property, or arise from or in connection with past, present or future operations in respect thereof or which relate to or are associated with the environment, including, without limitation, Losses and Liabilities related to or arising from:

   (i) the non-compliance with, the breach of or any liability under the applicable Environmental Laws;

   (ii) presence, transportation, storage, use or disposal of toxic or hazardous substances;

   (iii) release, spill, escape, emission, leak, discharge, migration or dispersal of toxic or hazardous substances;

   (iv) removal, assessment, monitoring, sampling, response, abatement, clean-up, investigation, reporting of pollution or contamination of, or damage or other adverse effects to the environment; and

(v) Remediation and Reclamation Obligations;

including, without limitation, liabilities to compensate Third Parties for damages and Losses and Liabilities resulting from the items described in items (i) through (v) above and, for purposes of this Agreement, "the environment" includes, without limitation, the air, the surface and subsurface of the earth, bodies of water (including, without limitation, rivers, streams, lakes, aquifers, groundwater) and plant and animal life (including humans); and

(d) **"Remediation and Reclamation Obligations"** means all obligations to dismantle, decommission, abandon, remediate, restore and reclaim the surface or subsurface of lands associated with the Property, all as may be required in accordance with all applicable Environmental Laws.

10.2 Assumption of Environmental Liabilities

The Purchaser acknowledges that insofar as the environmental condition of the Property is concerned, and without limiting the generality of Section 7.2, it will acquire the Property on an "as is, where is" and "without recourse" basis. The Purchaser acknowledges that it has had the opportunity to inspect and assess the environmental condition of the Property and that it is not relying upon any representation or warranty of the Vendor, its Affiliates or their respective Representatives as to the environmental condition of the Property, Environmental Liabilities or Remediation and Reclamation Obligations. The Purchaser further agrees that, it shall be solely liable and responsible for any and all Losses and Liabilities which the Vendor, its Affiliates or their respective Representatives may suffer, sustain, pay or incur, as a result of any matter or thing arising out of, resulting from, attributable to or connected with any Assumed Environmental Liabilities. Once Closing has occurred and without limiting the foregoing, the Purchaser shall be solely responsible for all Assumed Environmental Liabilities, hereby releases the Vendor from any claims the Purchaser may have against the Vendor with respect to all such Assumed Environmental Liabilities, and acknowledges its indemnification obligations described in Article 9. The Purchaser and the Vendor acknowledge and agree that the Environmental Liabilities are future costs and obligations associated with ownership of the Property that are tied and connected to the ownership of the Property such that they are embedded with the Property. The Purchaser acknowledges and agrees that these covenants shall survive Closing.

ARTICLE 11
COVENANTS

11.1 Court Approval

(a) The Vendor shall prepare all materials, and shall as soon as reasonably practicable after execution of this Agreement: (i) bring an application for the issuance of the Approval and Vesting Order in the Court; and (ii) serve such parties as the Court and the Purchaser, acting reasonably, may require for applications and motions seeking the entry of the Approval and Vesting Order. The Purchaser, at its own expense, shall promptly provide to the Vendor all such information and assistance within the Purchaser's power as the Vendor may reasonably request to obtain the Approval and Vesting Order, including such information as may be required to reasonably evaluate the Purchaser's financial ability to perform its obligations hereunder. The application for the Approval and Vesting Order may be adjourned or rescheduled by the Vendor or their Representatives upon notice to the Purchaser.

(b) In the event an appeal is taken, or a stay pending appeal is requested, from the Court Orders, the Vendor shall promptly notify the Purchaser of such appeal or stay request and shall provide to the Purchaser a copy of the related notice of appeal or order of stay. The Vendor shall also provide the Purchaser with written notice of any motion or application filed in connection with any appeal from either of such orders.

(c) From and after the date of execution of this Agreement and prior to the Closing or the termination of this Agreement in accordance with Section 14.1, the Vendor shall not take any action that is intended to (or is reasonably likely to), or fail to take any action the intent (or the reasonably likely result) of which failure to act is to, result in the reversal, voiding, modification or staying of the Approval and Vesting Order, or this Agreement.

11.2 Court Filings

(a) From and after the date of execution of this Agreement and until the Closing Date, the Vendor shall use commercially reasonable efforts to deliver to the Purchaser copies of all pleadings, motions, notices, statements, schedules, applications, reports and other papers that relate, in whole or in part, to this Agreement, or to the Purchaser or its Representatives, that are to be filed by the Vendor in connection with the Court Approval in advance of their filing, before the filing of such papers, and shall provide the Purchaser with a reasonable opportunity to review and comment thereon.

(b) The Vendor shall act reasonably and in good faith in considering any comments provided by the Purchaser to such papers; *provided, however* that, subject in each case to the foregoing good faith obligations of the Vendor, the Vendor shall have no obligation to accept and incorporate the Purchaser's comments to such papers and neither the Vendor's inadvertent failure to comply with this Section 11.2, nor the Vendor's failure to comply with this Section 11.2 due to emergency circumstances, shall constitute a breach under this Agreement.

11.3 Conduct of Business Until Closing

(a) Except: (A) as expressly provided in this Agreement; (B) with the prior written consent of the Purchaser (not to be unreasonably withheld, conditioned or delayed); (C) as necessary or advisable in connection with the Receivership Proceedings; or (D) as otherwise provided in the Court Orders or any other order of the Court in connection with the Receivership Proceedings; following the date hereof and prior to Closing, to the extent reasonably practicable having regard to the Receivership Proceedings, the Vendor shall use commercially reasonable efforts to:

   (i) operate and maintain the Property, or cause the Property to be operated and maintained, in accordance with good operating practice;

   (ii) other than Permitted Encumbrances, not convey, encumber or otherwise dispose of any part of the Property, except in the ordinary course of normal day-to-day operations of the Property, consistent with good operating practice;

   (iii) not enter into any new agreements or amend any existing agreements relating to the Property, consent to any application for zoning, rezoning, subdivision, development or re-development of the Property, or consent to any other activity or agreement which would result in any interest being registered on the title to the Lands; or

(iv) not authorize or agree, in writing or otherwise, to take any of the actions in respect of the foregoing.

(b) Until the Closing Date, the Vendor shall provide the Purchaser with all access to the Property as reasonably required by the Purchaser in order to allow for and assist the Purchaser with an orderly passing of the Property to the Purchaser following Closing in accordance herewith.

(c) The access to the Property to be afforded to the Purchaser and its Representatives pursuant to this Section 11.3 will be subject to the Assumed Contracts and all of the Vendor's health, safety and environmental rules, policies and procedures. Further, the Purchaser acknowledges and agrees that it shall:

(i) be solely liable and responsible for any and all Losses and Liabilities which the Vendor or its Representatives may suffer, sustain, pay or incur; and

(ii) as a separate covenant, indemnify and save harmless the Vendor and its Representatives harmless from any and all Claims or Losses and Liabilities whatsoever which may be brought against, suffered by or incurred by the Vendor or its Representatives;

arising out of, resulting from, attributable to or in any way connected with any access provided to the Purchaser or its Representatives pursuant to this Section 11.3.

11.4 Leases

The Purchaser acknowledges that it is purchasing the Property subject to any lease arrangement(s) entered into by the Vendor with respect to the Property (herein referred to as the "**Lease(s)**"), each of which shall be described as a Permitted Encumbrance in Schedule 1.1(jj), and which shall constitute an Assumed Contract, and in accordance with such acknowledgement, the Purchaser agrees that it is purchasing the Lands subject to the rights of any tenant as set out in any such Lease.

11.5 Possession

The Purchaser will have vacant possession of the Property on the Closing Date, free from all Encumbrances, except for the Permitted Encumbrances. The Vendor shall deliver to the Purchaser on the Closing Date any keys, combinations, codes and other similar such items and information relating to the Property, if any.

11.6 Title Insurance

The Purchaser shall obtain title insurance coverage with a reputable title insurance provider in order to allow for the unconditional release of the Purchase Price on the Closing Date, notwithstanding that the Approval and Vesting Order may not be registered against title to the Lands as at such date. The Vendor shall use commercially reasonable efforts to assist the Purchaser in obtaining such title insurance coverage. The cost of obtaining any title insurance in connection with the purchase of the Property shall be at the sole cost of the Purchaser.

ARTICLE 12
CONDITIONS

12.1 Mutual Conditions

The respective obligations of the Parties to complete the purchase and sale of the Property are subject to the following conditions being fulfilled or performed as at or prior to the Closing Date:

(a) the Court shall have granted the Approval and Vesting Order;

(b) no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable order or Applicable Law which has the effect of: (i) making any of the transactions contemplated by this Agreement illegal; or (ii) otherwise prohibiting, preventing or restraining the Vendor from the sale of the Property; and

(c) the Closing is not otherwise prohibited by Applicable Law.

The foregoing conditions are for the mutual benefit of the Vendor and the Purchaser and may be asserted by the Vendor or the Purchaser regardless of the circumstances and may be waived only with the agreement of both the Vendor and the Purchaser.

12.2 Conditions for the Benefit of the Purchaser

The obligation of the Purchaser to complete the purchase of the Property is subject to the following conditions being fulfilled or performed as at or prior to the Closing Date:

(a) all representations and warranties of the Vendor contained in Section 6.1 of this Agreement shall be true and correct in all material respects as at the Closing Date with the same force and effect as if made at and as of such time;

(b) the Vendor shall have complied with and performed, in all material respects, all of its covenants and obligations contained in this Agreement; and

(c) the Vendor shall have executed and delivered or caused to have been executed and delivered to the Purchaser at or before the Closing all the documents contemplated in Section 13.2.

The foregoing conditions are for the exclusive benefit of the Purchaser and may be waived by it in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Purchaser may have.

12.3 Conditions for the Benefit of the Vendor

The obligation of the Vendor to complete the sale of the Property is subject to the following conditions being fulfilled or performed as at or prior to the Closing Date:

(a) all representations and warranties of the Purchaser contained in Section 6.2 of this Agreement shall be true and correct in all material respects as at the Closing Date with the same force and effect as if made at and as of such time;

(b) the Purchaser shall have complied with and performed in all material respects all of its covenants and obligations contained in this Agreement;

(c) the Purchaser shall have executed and delivered or caused to have been executed and delivered to the Vendor at or before the Closing all the documents contemplated in Section 13.3; and

(d) the Vendor has not lost its ability to convey the Property due to the appointment of a receiver or a receiver-manager, an order of the Court or otherwise pursuant to the Receivership Proceedings, provided such order or other action pursuant to the Receivership Proceedings or is not at the voluntary initiative of the Vendor.

The foregoing conditions are for the exclusive benefit of the Vendor and may be waived by it in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Vendor may have.

12.4 Satisfaction of Conditions

Each of the Parties shall proceed diligently and in good faith and use all commercially reasonable efforts to fulfill and assist in the fulfillment of the conditions set forth in Sections 12.1, 12.2 and 12.3. In addition, each of the Parties agrees not to take any action that could reasonably be expected to preclude, delay or have an adverse effect on this Transaction or would render, or may reasonably be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect.

ARTICLE 13
CLOSING

13.1 Closing Date and Place of Closing

Subject to the conditions set out in this Agreement, the Transaction shall close and be completed on the Closing Date, or at such other time as the Parties may agree in writing.

13.2 Deliveries on Closing by the Vendor

The Vendor shall deliver (or cause to be delivered) to the Purchaser's Solicitor on or before the Closing Date:

(a) a Court certified copy of the Approval and Vesting Order;

(b) all documents listed in Section 13.3 which contemplate execution by the Vendor;

(c) any other documents, resolutions and certificates as is referred to in this Agreement or as the Purchaser may reasonably require to give effect to this Agreement.

13.3 Deliveries on Closing by the Purchaser

The Purchaser shall deliver (or cause to be delivered) to the Vendor's Solicitor on or before the Closing Date:

(a) the Closing Cash Payment in accordance with Section 3.3(b);

(b) payment of all Transfer Taxes payable on Closing to the Vendor (or evidence of self-assessment and payment by the Purchaser thereof to the relevant Governmental Authorities);

(c) payment of all Cure Costs payable on Closing to the Vendor (or evidence of payment by the Purchaser thereof to the relevant counterparty);

(d) the certificate of the Purchaser and the GST undertaking and indemnity referred to in Section 5.2;

(e) all documents listed in Section 13.2 which contemplate execution by the Purchaser;

(f) a copy of the Commitment to Title Insurance obtained by the Purchaser; and

(g) any other documents, resolutions and certificates as is referred to in this Agreement or as the Vendor may reasonably require to give effect to this Agreement.

ARTICLE 14
TERMINATION

14.1 Grounds for Termination

This Agreement may be terminated at any time prior to Closing:

(a) by the mutual written agreement of the Vendor and the Purchaser, provided however that if this Agreement has been approved by the Court, any such termination shall require either the consent of the Vendor, or approval of the Court;

(b) by written notice from the Purchaser to the Vendor in accordance with Section 8.3(a);

(c) by the Purchaser, upon written notice to the Vendor, if there has been a material breach by the Vendor of any material representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Purchaser, and: (i) such breach is not curable and has rendered the satisfaction of any condition in Section 12.2 impossible by the Outside Date; or (ii) if such breach is curable, the Purchaser has provided prior written notice of such breach to the Vendor, and such breach has not been cured within ten (10) days (or, if not curable within ten (10) days, such longer period as is reasonable under the circumstances, not to exceed thirty (30) days) following the date upon which the Vendor received such notice;

(d) by the Purchaser, upon written notice to the Vendor, any time after the Outside Date, if the Closing has not occurred by the Outside Date and such failure to close was not caused by or as a result of the Purchaser's breach of this Agreement;

(e) by the Vendor, upon written notice to the Purchaser, if there has been a material breach by the Purchaser of any material representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Vendor, and: (i) such breach is not curable and has rendered the satisfaction of any condition in Section 12.3 impossible by the Outside Date; or (ii) if such breach is curable, the Vendor has provided prior written notice of such breach to the Purchaser, and such breach has not been cured within ten (10) days (or, if not curable within ten (10) days, such longer period as is reasonable under the circumstances, not to exceed thirty (30) days) following the date upon which the Purchaser received such notice; or

(f) by the Vendor, upon written notice to the Purchaser, any time after the Outside Date, if the Closing has not occurred by the Outside Date and such failure to close was not caused by or as a result of the Vendor's breach of this Agreement.

14.2 Effect of Termination

Notwithstanding any termination of this Agreement by the Vendor or the Purchaser as permitted under Section 14.1, the provisions of Sections 3.2 (Deposit), 15.1 (Public Announcements), 15.4 (Governing Law), 15.5 (Consequential Damages), 15.12 (Costs and Expenses) and 15.16 (Third Party Beneficiaries) shall remain in full force and effect following any such permitted termination, and the Deposit shall be governed by Section 3.2.

ARTICLE 15
GENERAL

15.1 Public Announcements

(a) Subject to Section 15.1(b), if a Party intends to issue a press release or other public disclosure of this Agreement, the terms hereof or the Transaction, the disclosing Party shall provide the other Parties with an advance copy of any such press release or public disclosure with sufficient time to enable the other Parties to review such press release or other public disclosure and provide any comments. The disclosing Party shall not issue such press release or other public disclosure without the prior written consent of the other Parties, such consent not to be unreasonably withheld.

(b) Notwithstanding Section 15.1(a): (i) this Agreement may be filed by the Vendor with the Court; and (ii) the Transaction may be disclosed by the Vendor to the Court, subject to redacting confidential or sensitive information as permitted by Applicable Law. The Parties further agree that:

(i) the Vendor may prepare and file reports and other documents with the Court containing references to the Transaction and the terms of such Transaction; and

(ii) the Vendor and its professional advisors may prepare and file such reports and other documents with the Court containing references to the Transaction contemplated by this Agreement and the terms of such Transaction as may reasonably be necessary to obtain the Court Approvals and to complete the Transaction contemplated by this Agreement or to comply with their obligations to the Court.

15.2 Dissolution of Vendor

Subject to the Vendor's obligations in Section 2.3, the Purchaser acknowledges and agrees that nothing in this Agreement shall operate to prohibit or diminish in any way the right of the Vendor or any of its Affiliates to dissolve, wind-up or otherwise cease operations in any manner or at any time subsequent to the Closing Date as they may determine in their sole discretion, which may be exercised without regard to the impact any such action may have on the Vendor's ability to fulfil its obligations under this Agreement that survive Closing

15.3 Survival

Upon Closing, the obligations, covenants, representations and warranties of the Parties set out in this Agreement shall expire, be terminated and extinguished and of no further force or effect, provided that notwithstanding the Closing contemplated hereunder or the delivery of documents pursuant to this Agreement, the obligations and covenants of the Parties set out in Sections 2.3 (Assignment of Assumed Contracts and Third Party Consents), 6.3 (Enforcement of Representations and Warranties), 11.4 (Leases) and 11.5 (Possession), and Article 5 (Transfer Taxes), Article 7 ("As Is, Where Is" and No Additional Representations and Warranties), Article 9 (Indemnification), Article 10 (Environmental Matters) and Article 15 (General), shall survive Closing, shall remain in full force and effect, shall not merge as a result of Closing and shall be binding on the Parties indefinitely thereafter except as expressly stated to the contrary therein.

15.4 Governing Law

(a) This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta, and the federal laws of Canada applicable therein (excluding any conflict of law rule or principle of such laws that might refer such interpretation or enforcement to the laws of another jurisdiction). The Parties attorn to the jurisdiction of the Court of Queen's Bench of Alberta, Judicial Centre of Calgary for the resolution of any such dispute arising under this Agreement.

(b) Each Party agrees that service of process on such Party as provided in Section 15.14 shall be deemed effective service of process on such Party.

15.5 Consequential Damages

Under no circumstance shall any of the Parties, their Representatives or their respective directors, officers, employees or agents be liable for any punitive, exemplary, consequential or indirect damages (including for greater certainty, any loss of profits) (collectively, "**Consequential Damages**") that may be alleged to result, in connection with, arising out of, or relating to this Agreement or the Transaction, other than Consequential Damages for which the Vendor is liable as a result of a Third Party Claim (which liability of the Vendor shall be subject to and recoverable under Article 9 (Indemnification)).

15.6 Further Assurances

Each of the Parties hereto from and after the date hereof shall, from time to time, and at the request and expense of the Party requesting the same, do all such further acts and things and execute and deliver such further instruments, documents, matters, papers and assurances as may be reasonably requested to complete the Transaction and for more effectually carrying out the true intent and meaning of this Agreement.

15.7 Receiver

Purchaser acknowledges that Ernst & Young Inc. is acting solely in its capacity as the Court-appointed receiver and manager of Genco Holdings Ltd., and not in its personal or corporate capacity. Under no circumstances shall Ernst & Young Inc. or any of its Representatives have any liability pursuant to this Agreement, or in relation to the Transaction, in its or their personal or corporate capacity, whether such liability be in contract, tort or otherwise.

15.8 Assignment

The Purchaser shall not, without the Vendor's prior written consent, assign any right or interest in this Agreement, which consent may be withheld in the Vendor's sole and absolute discretion, except that the Purchaser shall have the right to assign any or all of its rights, interests or obligations hereunder to one or more Affiliates of the Purchaser, provided that: (a) such Affiliate agrees to be bound by the terms of this Agreement; (b) the Purchaser shall remain liable hereunder for any breach of the terms of this Agreement by such Affiliate; (c) such assignment shall not release the Purchaser from any obligation or liability hereunder in favour of the Vendor; and (d) the Purchaser shall acknowledge and confirm its continuing obligations in favour of the Vendor in an assignment and assumption agreement in form and substance satisfactory to the Vendor.

15.9 Waiver

No failure on the part of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any right or remedy in law or in equity or by statute or otherwise conferred. No waiver by any Party of any breach (whether actual or anticipated) of any of the terms, conditions, representations or warranties contained herein shall take effect or be binding upon that Party unless the waiver is expressed in writing under the authority of that Party. Any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other or future breach.

15.10 Amendment

This Agreement shall not be varied in its terms or amended by oral agreement or by representations or otherwise other than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of each Party.

15.11 Time of the Essence

Time is of the essence in this Agreement.

15.12 Costs and Expenses

Unless otherwise provided for in this Agreement, each Party shall be responsible for all costs and expenses (including the fees and disbursements of legal counsel, bankers, investment bankers, accountants, brokers and other advisors) incurred by it in connection with this Agreement and the Transaction. Notwithstanding any other provision of this Agreement, the Purchaser shall pay the cost of all surveys, title insurance policies and title reports ordered by the Purchaser.

15.13 Entire Agreement

This Agreement and the Confidentiality Agreement (the terms and conditions of which are incorporated by reference into this Agreement, and binding upon the Parties, as if such agreement were signed directly by the Parties) constitute the entire agreement between the Parties with respect to the subject matter hereof and cancel and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof. There are no conditions, covenants, agreements, representations, warranties or other provisions, whether oral or written, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof other than those contained in this Agreement or in the Confidentiality Agreement.

15.14 Notices

Any notice, direction or other communication given regarding the matters contemplated by this Agreement must be in writing, sent by personal delivery, courier or electronic mail and addressed:

(a) in the case of the Vendor:

Ernst & Young Inc.
2200, 215 – 2nd Street SW
Calgary, AB T2P 1M4

Attention: Peter Chisholm / Dylan Holwell
Email: peter.chisholm@ca.ey.com / dylan.holwell@ca.ey.com

With a copy to the Vendor's Solicitors:

Fasken Martineau DuMoulin LLP
350 7th Avenue SW, Suite 3400
Calgary, Alberta T2P 3N9

Attention: Travis Lysak / Mihai Tomos
Email: tlysak@fasken.com / mtomos@fasken.com

(b) In the case of the Purchaser:

JAE H. SHIM PROFESSIONAL CORPORATION (OPERATING AS SHIM LAW)

#201, 1100 – 8th Avenue SW

Calgary, Alberta T2P 3T8

Attention: **Jae Shim**
Email: **jshim@shimlaw.ca**

With a copy to the Purchaser's Solicitors:

Shim Law Barristers & Solicitors

#201, 1100 – 8th Avenue SW

Calgary, Alberta T2P 3T8

Attention: **Simone Conrad**
Email: **simoneconrad@shimlaw.ca**

A notice is deemed to be given and received if: (i) sent by personal delivery or courier, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day; or (ii) email, on the date of transmission if it is a Business Day and the transmission was made prior to 4:00 p.m. (local time in place of receipt), and otherwise on the next Business Day. A Party may change its address for service from time to time by providing a notice in accordance with the foregoing. Any subsequent notice must be sent to the Party at its changed address. Any element of a Party's address that is not specifically changed in a notice will be assumed not to be changed. Sending a copy of a notice to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice to that Party. The failure to send a copy of a notice to legal counsel does not invalidate delivery of that notice to a Party.

15.15 Enurement

This Agreement shall be binding upon, and enure to the benefit of, the Parties and their respective successors and permitted assigns.

15.16 Third Party Beneficiaries

Except as otherwise provided for in Article 9 (Indemnification), each Party intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any Person other than the Parties and their successors and permitted assigns, and, except for the Representatives indemnified by the Purchaser pursuant to Article 9 (Indemnification), no Person, other than the Parties and their successors and permitted assigns shall be entitled to rely on the provisions hereof in any action, suit, proceeding, hearing or other forum. Despite the foregoing, the Purchaser acknowledges to each of the Vendor's Representatives its direct rights against them under Article 9 (Indemnification) of this Agreement. To the extent required by Applicable Law to give full effect to these direct rights, the Purchaser agrees and acknowledges that the Vendor is acting as agent and/or as trustee of its Representatives.

15.17 Severability

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provision validity or enforceability in any other jurisdiction.

15.18 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by facsimile or other electronic means of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

[THE BALANCE OF THIS PAGE INTENTIONALLY BLANK]

IN WITNESS WHEREOF this Agreement has been properly executed by the Parties as of the date first above written.

GENCO HOLDINGS LTD. by and through its Court appointed receiver Ernst & Young Inc. not acting in its personal capacity

Per: ______________________
Name: Peter Chisholm
Title: Senior Vice President

Per: ______________________
Name:
Title:

JAE H. SHIM PROFESSIONAL CORPORATION (OPERATING AS SHIM LAW)

Per: ______________________
Name: Sue Hun Shim
Title: president / CEO

SCHEDULE 1.1(d)

Form of Approval and Vesting Order

(to be attached)

COURT FILE NUMBER		Clerk's Stamp
COURT	COURT OF QUEEN'S BENCH OF ALBERTA	
JUDICIAL CENTRE		
PLAINTIFF		
DEFENDANT		
DOCUMENT	**APPROVAL AND VESTING ORDER (Sale by Receiver)**	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT		

DATE ON WHICH ORDER WAS PRONOUNCED: ______________________

LOCATION WHERE ORDER WAS PRONOUNCED: ______________________

NAME OF JUSTICE WHO MADE THIS ORDER: ______________________

UPON THE APPLICATION by **[Receiver's Name]** in its capacity as the Court-appointed **[receiver/receiver and manager]** (the "Receiver") of the undertakings, property and assets of **[Debtor]** (the "Debtor") for an order approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Sale Agreement") between the Receiver and **[Name of Purchaser]** (the "Purchaser") dated **[Date]** and appended to the ___ Report of the Receiver dated **[Date]** (the "Report"), and vesting in the Purchaser (or its nominee)[1] the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "Purchased Assets");

AND UPON HAVING READ the Receivership Order dated **[Date]** (the "Receivership Order"), the Report and the Affidavit of Service; **AND UPON HEARING** the submissions of counsel for the Receiver, the Purchaser **[Names of other parties appearing]**, no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service, filed;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

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[1] Ensure that there are no legal obstacles to the vesting of assets in a nominee (for example competition and anti-trust law). Should land be transferred and vested in a nominee, the Registrar of Land Titles requires the Purchaser to complete a Certificate of Nomination (which needs to be signed under seal if the Purchaser is a corporation. If the Purchaser is an individual, the signature needs to be witnessed with an affidavit of execution completed.)

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application and time for service of this application is abridged to that actually given.[2]

APPROVAL OF TRANSACTION

2. The Transaction is hereby approved[3] and execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for completion of the Transaction and conveyance of the Purchased Assets to the Purchaser (or its nominee).

VESTING OF PROPERTY

3. [Subject only to approval by the Alberta Energy Regulator ("Energy Regulator") of transfer of any applicable licenses, permits and approvals pursuant to section 24 of the *Oil and Gas Conservation Act* (Alberta) and section 18 of the *Pipeline Act* (Alberta)][4] upon delivery of a Receiver's certificate to the Purchaser (or its nominee) substantially in the form set out in **Schedule "A"** hereto (the "Receiver's Closing Certificate"), all of the Debtor's right, title and interest in and to the Purchased Assets [listed in **Schedule "B"**[5] hereto] shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or

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[2] Ensure that the application and supporting materials are served on all affected parties including those whose interests will be vested off.

[3] In some cases, notably where this Order may be relied upon for proceedings in the United States, a finding that the Transaction is commercially reasonable and in the best interests of the Debtor and its stakeholders may be necessary. Evidence should be filed to support such a finding. If supported by evidence, the following sentence could be added at the beginning of paragraph 2: "The Transaction and Sale Agreement are commercially reasonable and in the best interest of the Debtor and its stakeholders."

[4] This bracketed clause, paragraph 4(b) and the bracketed words at the end of paragraph 6 are included when the Purchased Assets include mineral interests in land.

[5] To allow this Order to be free-standing (and not require reference to the Court record and/or the Sale Agreement), it may be preferable that the Purchased Assets be specifically described in a Schedule B.

been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, "Claims")[6] including, without limiting the generality of the foregoing:

(a) any encumbrances or charges created by the Receivership Order;

(b) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;

(c) any liens or claims of lien under the *Builders' Lien Act* (Alberta); and

(d) those Claims listed in Schedule "C" hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, caveats, interests, easements, and restrictive covenants listed in Schedule "D" (collectively, "Permitted Encumbrances"))

and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets

4. Upon delivery of the Receiver's Closing Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, "Governmental Authorities") are hereby authorized, requested and directed to accept delivery of such Receiver's Closing Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser or its nominee clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing:

(a)[7] the Registrar of Land Titles ("Land Titles Registrar") for the lands defined below shall and is hereby authorized, requested and directed to forthwith:

(i) cancel existing Certificates of Title No. * for those lands and premises municipally described as *, and legally described as:

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[6] The "Claims" being vested out may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims may, in some cases, continue as against the net proceeds from sale of the claimed assets. In other cases, the ownership claimant may object to its ownership interest being vested out of the claimed assets. For example, it not clear that vesting orders can vest out overriding royalties or restrictive covenants which are interests in land. (In *Third Eye Capital Corp.* v *Dianor Resources Inc.*, 2018 ONCA 253 at paragraphs 108-130 the Ont. C.A. requested further argument regarding whether an overriding royalty which is an interest in land may nevertheless be vested out.) Similarly, other claimed rights, titles or interests may potentially be vested out if the Court is advised what rights are being affected and the affected persons are served. The Committee agrees with the view of the Ontario Committee that a non-specific vesting out of "rights, titles and interests" is vague and therefore undesirable.

[7] Paragraph 4(a) is included when the Purchased Assets include titled lands.

*
(the "Lands")

(ii) issue a new Certificate of Title for the Lands in the name of the Purchaser (or its nominee), namely, *;

(iii) transfer to the New Certificate of Title the existing instruments listed in Schedule "D", to this Order, and to issue and register against the New Certificate of Title such new caveats, utility rights of ways, easements or other instruments as are listed in Schedule "D"; and

(iv) discharge and expunge the Encumbrances listed in Schedule "C" to this Order and discharge and expunge any Claims including Encumbrances (but excluding Permitted Encumbrances) which may be registered after the date of the Sale Agreement against the existing Certificate of Title to the Lands;

(b)[8] Alberta Energy ("Energy Ministry") shall and is hereby authorized, requested and directed to forthwith:

(v) cancel and discharge those Claims including builders' liens, security notices, assignments under section 426 (formerly section 177) of the *Bank Act* (Canada) and other Encumbrances (but excluding Permitted Encumbrances) registered (whether before or after the date of this Order) against the estate or interest of the Debtor in and to any of the Purchased Assets located in the Province of Alberta; and

(vi) transfer all Crown leases listed in Schedule "E" to this Order standing in the name of the Debtor, to the Purchaser (or its nominee) free and clear of all Claims including Encumbrances but excluding Permitted Encumbrances;

(c) the Registrar of the Alberta Personal Property Registry (the "PPR Registrar") shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Debtor in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.

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[8] Paragraph 4(b) is included when the Purchased Assets include mineral interests in land.

5. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Receiver's Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.

6. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Receiver of the Sale Agreement, [other than any required approval by the Energy Regulator referenced in paragraph 3 above.][9]

7. Upon delivery of the Receiver's Closing Certificate together with a certified copy of this Order, this Order shall be immediately registered by the Land Titles Registrar notwithstanding the requirements of section 191(1) of the *Land Titles Act*, RSA 2000, c.L-7 and notwithstanding that the appeal period in respect of this Order has not elapsed. The Land Titles Registrar is hereby directed to 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.

8. For the purposes of determining the nature and priority of Claims, net proceeds[10] from sale of the Purchased Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Purchased Assets from and after delivery of the Receiver's Closing Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), the Receiver shall not make any distributions to creditors of net proceeds from sale of the Purchased Assets without further order of this Court, provided however the Receiver may apply any part of such net proceeds to repay any amounts the Receiver has borrowed for which it has issued a Receiver's Certificate pursuant to the Receivership Order.

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[9] The bracketed words in this paragraph are included when the Purchased Assets include mineral interests in land.

[10] The Report should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at "net proceeds".

9. Except as expressly provided for in the Sale Agreement or by section 5 of the Alberta *Employment Standards Code*, the Purchaser (or its nominee) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Debtor.[11]

10. Upon completion of the Transaction, the Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).[12]

11. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Debtor, or any person claiming by, through or against the Debtor.

12. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Receiver.[13]

13. The Receiver is directed to file with the Court a copy of the Receiver's Closing Certificate forthwith after delivery thereof to the Purchaser (or its nominee).

14. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada) and section 20(e) of the Alberta *Personal Information Protection Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser (or its nominee) all human

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[11] Successor employer liability is governed by section 5 of the *Employment Standards Code*, RSA 2000 c. E-9 as amended. Inclusion of the words "or by statute" in paragraph 9 ensures that paragraph 9 does not purport to abrogate statutory successor employee liability.

[12] Not all sale agreements require, nor do the terms of the Debtor's possession of human resources and payroll information always permit, disclosure and transfer of such information to the Purchaser. If disclosure and transfer of such information to the Purchaser is not required or permitted, then Section 10 of this Order should be deleted.

[13] The terms of the Permitted Encumbrance and Sale Agreement should be reviewed to determine whether an encumbrance also constitutes a charge against other assets not being sold (in addition to the Purchased Assets.) In that circumstance, absent agreement of the encumbrancer to the contrary, the Debtor may not be fully discharged so the encumbrancer does not lose its charge over the other assets it holds as security. Do not add the words "or the Debtor" to the end of paragraph 12 if an encumbrancer's claim against the Debtor should be reserved.

resources and payroll information in the Debtor's records pertaining to the Debtor's past and current employees. The Purchaser (or its nominee) shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use (of such information) to which the Debtor was entitled.

MISCELLANEOUS MATTERS

15. Notwithstanding:

(a) the pendency of these proceedings and any declaration of insolvency made herein;

(b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (the "BIA"), in respect of the Debtor, and any bankruptcy order issued pursuant to any such applications;

(c) any assignment in bankruptcy made in respect of the Debtor; and

(d) the provisions of any federal or provincial statute:

the vesting of the Purchased Assets in the Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

16. The Receiver, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.

17. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, 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 order and to provide such assistance to the Receiver, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

18. 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;

(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;

(iv) the Purchaser or the Purchaser's solicitors; and

(b) Posting a copy of this Order on the Receiver's website at: *

and service on any other person is hereby dispensed with.

19. 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.

____

Justice of the Court of Queen's Bench of Alberta

Schedule "A"

Form of Receiver's Certificate

COURT FILE NUMBER		Clerk's Stamp
COURT	COURT OF QUEEN'S BENCH OF ALBERTA	
JUDICIAL CENTRE		
PLAINTIFF		
DEFENDANT		
DOCUMENT	**RECEIVER'S CERTIFICATE**	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT		

RECITALS

A. Pursuant to an Order of the Honourable Justice **[Name]** of the Court of Queen's Bench of Alberta, Judicial District of __________ (the "Court") dated **[Date of Order]**, **[Name of Receiver]** was appointed as the receiver (the "Receiver") of the undertakings, property and assets of **[Debtor]** (the "Debtor").

B. Pursuant to an Order of the Court dated **[Date]**, the Court approved the agreement of purchase and sale made as of **[Date of Agreement]** (the "Sale Agreement") between the Receiver and **[Name of Purchaser]** (the "Purchaser") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section * of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser (or its nominee) has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;

2. The conditions to Closing as set out in section * of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser (or its nominee); and

3. The Transaction has been completed to the satisfaction of the Receiver.

4. This Certificate was delivered by the Receiver at **[Time]** on **[Date]**.

[Name of Receiver], in its capacity as Receiver of the undertakings, property and assets of [Debtor], and not in its personal capacity.

Per;____________________________

Name:

Title:

SCHEDULE 1.1(e)

Form of Assignment and Assumption Agreement

None

SCHEDULE 1.1(f)

Assumed Contracts

1. **None**

SCHEDULE 1.1(cc)

Lands

Property	Legal Description
Unit 16, 634 – 6th Avenue SW Calgary, Alberta	CONDOMINIUM PLAN 1610979 UNIT 16 AND 521 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY EXCEPTING THEREOUT ALL MINES AND MINERALS
Unit 17, 634 – 6th Avenue SW Calgary, Alberta	CONDOMINIUM PLAN 1610979 UNIT 17 AND 502 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY EXCEPTING THEREOUT ALL MINES AND MINERALS
Unit 18, 634 – 6th Avenue SW Calgary, Alberta	CONDOMINIUM PLAN 1610979 UNIT 18 AND 486 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY EXCEPTING THEREOUT ALL MINES AND MINERALS

SCHEDULE 1.1(jj)

Permitted Encumbrances

1. The reservations, limitations, exceptions, provisos and conditions, if any, expressed in any original grants from the Crown, including, without limitation, the reservation of any mines and minerals in the Crown or in any other person and any implied conditions set out in s.61(1) of the *Land Titles Act* (Alberta) as amended, replaced or restated from time to time;

2. Encumbrances given as security to a public utility or any Governmental Authority when required in the ordinary course of business but only insofar as they relate to any obligations or amounts not due as at the Closing Date;

3. All rights reserved to or vested in any Governmental Authority pursuant to Applicable Law to control or regulate the Property in any manner, including any unregistered, undetermined or inchoate liens, levies or claims in favour of the Crown, any province or municipality or any Governmental Authority;

4. Rights of expropriation, access or use or any similar right conferred or reserved by or in any statute of Alberta or Canada;

5. Applicable municipal by-laws, development agreements, subdivision agreements, site plan agreements, servicing or industrial agreements, utility agreements, airport zoning regulations, cost sharing reciprocal agreements and building and other zoning restrictions and other similar agreements with Governmental Authorities or private or public utilities affecting the development or use of the Property;

6. Any easements, servitudes, rights-of-way, licenses, agreements, restrictions that run with the land and other Encumbrances (including easements, rights-of-way and agreements for railways, sewers, drains, gas and water mains or electric light and power or telephone, telecommunications or cable conduits, poles, wires and cables) which do not materially impair the use, operation or marketability of the Property (based on the current use of the Property) affected thereby;

7. Encumbrances respecting minor encroachments by the Property over neighbouring lands and/or permitted under agreements with the owners of such other lands and minor encroachments over the Property by improvements of abutting land owners, provided the same do not materially adversely affect the use or marketability of the Property;

8. Any privilege in favour of any lessor, licensor or permitter for rent to become due or for other obligations or acts, the performance of which is required under contracts of the Vendor so long as the payment or the performance of such other obligation or act is not delinquent and provided that such Encumbrances or privileges do not materially affect the use or the operation of the assets affected thereby;

9. Encumbrances which will be vested out or otherwise discharged at Closing pursuant to the Approval and Vesting Order;

10. Encumbrances permitted or created pursuant to the terms of this Agreement; and

11. The following specific instruments registered against the title(s) to the Property:

REGISTRATION NUMBER	CERTIFICATE(S) OF TITLE REGISTERED AGAINST	PROPERTY REGISTERED AGAINST	DATE (D/M/Y)	PARTICULARS
3391JT	161 091 513 +17 161 091 513 +16 161 091 513 +15	1610979;16 1610979;17 1610979;18	05/04/1967	EASEMENT "E. 6 IN. OF LOT 37 SUBJECT TO AND EXTENDED BY OVER W. 6 INS. OF LOT 36"
091 003 755	161 091 513 +17 161 091 513 +16 161 091 513 +15	1610979;16 1610979;17 1610979;18	06/01/2009	CAVEAT RE: EASEMENT
141 057 571	161 091 513 +17 161 091 513 +16 161 091 513 +15	1610979;16 1610979;17 1610979;18	06/03/2014	CAVEAT RE: DEVELOPMENT AGREEMENT PURSUANT TO MUNICIPAL GOVERNMENT ACT

SCHEDULE 3.4

Allocation of Purchase Price

[redacted]