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COURT FILE NUMBER	2303-06543	
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JUDICIAL CENTRE	EDMONTON	
APPLICANTS	IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, C. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF J.W. CARR HOLDINGS LTD., SPRUCE GROVE INDUSTRIAL PARK INC., 272649 ALBERTA LTD., 279896 ALBERTA LTD., GRANDE PRAIRIE PLACE ENTERPRISES (1996) INC., 1170292 ALBERTA LTD. AND 627612 ALBERTA LTD.	
DOCUMENT	**NINTH REPORT OF ERNST & YOUNG INC. IN ITS CAPACITY AS MONITOR OF THE APPLICANTS** **October 6, 2023**	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**MONITOR** ERNST & YOUNG INC. EPCOR Tower 10423 – 101 Street, Suite 1400 Edmonton, Alberta T5H 0E7 Attention: Matt McCulloch / Peter Chisholm Telephone: 780.638.6642 / 403.206.5061 Fax: 780.428.8977 Email: matt.mcculloch@parthenon.ey.com peter.chisholm@partnenon.ey.com **MONITOR'S COUNSEL** McCarthy Tétrault LLP Suite 4000, 421 7th Ave SW Calgary, Alberta, T2P 4K9 Attn: Sean Collins / Erinn Wilson Telephone: 403.260.3531 Email: scollins@mccarthy.ca erinnwilson@mccarthy.ca	

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INTRODUCTION AND PURPOSE OF THE REPORT

1. On April 19, 2023, J.W. Carr Holdings Ltd. ("**JW Carr**") and certain of its subsidiaries and affiliates; namely, Spruce Grove Industrial Park Inc. ("**SGIP**"), 272649 Alberta Ltd. ("**272**"), 279896 Alberta Ltd. ("**279**"), Grande Prairie Place Enterprises (1996) Inc. ("**GPPE**"), 1170292 Alberta Ltd. ("**117**") and 627612 Alberta Ltd. ("**627**"), (collectively, the "**Subsidiaries**" and together with JW Carr, the "**JW Group**", the "**Companies**" or the "**Applicants**") were granted protection and permission to commence proceedings pursuant to the Companies' Creditors Arrangement Act, R.S.C. 1985, C-36 (the "**CCAA**") pursuant to an Order of this Honourable Court (the "**Initial Order**"). The Initial Order was confirmed by an Amended and Restated Initial Order granted on April 26, 2023 (the "**ARIO**").

2. The Initial Order appointed Ernst & Young Inc. as Monitor ("**EY**" or the "**Monitor**") in the CCAA proceedings and established a stay period ("**Stay**") in favour of the Applicants up to and including April 29, 2023. The Stay has been extended from time to time, most recently by an Order of the Court granted on July 26, 2023, wherein the Stay is presently set to expire on October 31, 2023.

3. Over the course of these CCAA proceedings to date, there have been a number of applications brought before this Honourable Court by the Applicants or other stakeholders. Most recently, there was an application on September 14, 2023 brought by the Applicants in relation to the sale of 272's property known in these proceedings as the Iron Nation Building, which application was approved by this Honourable Court. The details pertaining to the various other applications can be reviewed in the previous reports of the Monitor, or by visiting the Monitor's Website noted below.

4. The purpose of this ninth report of the Monitor (the "**Monitor's 9th Report**") is to provide a quick update on the status of the SISP Process and the sale of the Iron Nation Building as previously approved by this Honourable Court and to provide this Honorable Court and the Applicants' stakeholders with information and the Monitor's comments with respect to the Applicants' application and request for:

    (a) a Sale Approval and Vesting Order in relation to the sale of the 272 property known as the Clariant Building (the "**Clariant SAVO**");

    (b) a second Sale Approval and Vesting Order in relation to the sale of another 272 property which has been referred to in the Applicants' application materials as the First Mulhurst Bay Property ("**Mulhurst 1 SAVO**");

    (c) a third Sale Approval and Vesting Order in relation to the sale of on more 272 property which has been referred to in the Applicants' application materials as the Second Mulhurst Bay Property ("**Mulhurst 2 SAVO**"); and,

(d) an Order sealing:

i.) the Sixth Confidential Carr Affidavit; and

ii.) the confidential supplemental report to the Monitor's 9th Report (the "**Confidential Supplement to the Monitor's 9th Report**").

TERMS OF REFERENCE AND DISCLAIMER

5. In preparing the Monitor's 9th Report, the Monitor has been provided with, and has relied upon certain information, including unaudited financial information of the Companies, books and records, and discussions with the Applicants' Management.

6. Except as described in this report, the Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Canadian auditing standards pursuant to the Chartered Processional Accountants of Canada Handbook.

7. Future oriented information referred to in the Monitor's 9th Report was prepared based on Management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable; the actual results may vary from the projections and the variances may be material.

8. All references to dollars are in Canadian dollars.

9. Capitalized terms not defined herein are as defined in previous reports of the Monitor and other materials filed in connection with these CCAA proceedings to date.

10. Additional background information on the Applicants and these CCAA proceedings is available on the Monitor's website, located at: www.ey.com/ca/jwcarr (the "**Monitor's Website**").

UPDATE IN RELATION TO THE CONCLUSION OF THE SISP PROCESS

11. As previously noted in the Monitor's 8th Report, the SISP Process in these CCAA proceedings concluded on August 25, 2023, with a number of PSAs being received for essentially all of the SISP Properties. There continues to be ongoing negotiations and revisions in relation to a number of the PSAs received, and the Monitor, the Applicants, the Selling Agents, several First Charge Mortgagees, the Interim Lender and respective counsel (as required) are all involved in the process. The Monitor expects that a number of Court applications will be requested and heard in the very near future as these negotiations are concluded and the Applicants look to move forward with obtaining the Court's approval to obtain SAVOS with respect to a number of these PSAs. The Monitor will report to Court in regard to these pending transactions in conjunction with the anticipated applications

or as otherwise required.

STATUS OF THE SALE OF THE IRON NATION BUILDING

12. As noted earlier in this report, an application was made by the Applicants before the Court on September 14, 2023, for, amongst other things, approval of the Iron Nation SAVO. Such relief was granted by the Court at the application.

13. The Monitor advises that the sale is set to close on October 16, 2023, and a preliminary statement of adjustment and estimate of funds has been provided by conveyancing counsel and reviewed by the Monitor and its counsel. Upon closing, the resulting funds received on account of the sale will be used to pay the related sales commissions, legal fees to close, outstanding property taxes, and the First Charge Mortgagee (CWB) and it is anticipated that there will be a balance remaining in trust with conveyancing counsel to be paid to the Monitor or the Monitor's legal counsel. The Monitor and its counsel are working with conveyancing counsel in respect of this sale and will recover any surplus funds in due course after closing.

SALE OF THE CLARIANT BUILDING AND RELATED CLARIANT SAVO

14. Pursuant to the Amended and Restated SISP Order, and as further detailed in the materials filed by the Applicants, 272 has entered into a Purchase and Sale Agreement with a Purchaser for the sale of the Clariant Building (the "**Clariant PSA**"). Further, 272 seeks to sell all of its rights and interests in the Clariant Building, including, *inter alia*, its rights and interests in certain lease agreements as set out in the Clariant PSA. A copy of the Clariant PSA is appended to the Sixth Confidential Carr Affidavit.

15. The Monitor has reviewed the Bench Brief of the Applicants dated October 2, 2023, in respect of the sale of the Clariant Building, in particular, the submissions of the Applicants in relation to section 36(3) of the CCAA and the *Soundair* factors. The Monitor agrees with and concurs in the submissions of the Applicants and notes the following:

    (a) The process leading to the proposed sale was reasonable in the circumstances, the process was efficacious and integrous, there was no unfairness in the working out of the process, and the Monitor approves such process.

    In this regard, a competitive bid process with maximum exposure was undertaken and the Monitor has reviewed and considered the marketing efforts undertaken by the Selling Agent. Approximately 115 potential interested purchasers were contacted directly over the course of the process and the details relating to the sale process for the Clariant building were also distributed widely to the greater Edmonton brokerage community as well as Calgary, Red Deer and Grande Prairie. As a result of these efforts, 5 property site tours were conducted, 4 Letters of Intention were received and 3 Purchase and Sale Agreements were obtained. Further, the Monitor was regularly consulted throughout the process and specifically on the proposed sale. On the basis of its review and the consultation by the Applicants, the Monitor is satisfied that the process leading to the sale was reasonable and approves the process.

(b) Creditors with the most direct interest in the Clariant Building were consulted and the effects of the proposed sale on creditors favours the sale approval.

The First Place Mortgagee on the Clariant Building (Roynat) and the Interim Lender have both been consulted in relation to the pending sale and have expressed their approval of same.

(c) The consideration to be received for the Clariant Building is reasonable and fair, taking into account its market value.

The proposed price in relation to the pending sale of the Clariant Building pursuant to the Clariant PSA is set out in the Sixth Confidential Carr Affidavit.

The Monitor understands from its communications with the Selling Agent that the proposed purchase price for the Clariant Building is in line with Selling Agent's expected transaction value. The proposed sale price is also within the market range with respect to the expected comparable sale price per square foot for similar industrial properties currently listed in Grande Prairie. Further, the proposed purchase price is the highest offer received after an extensive sales process. In addition to the above, the Monitor (and its internal Transaction Real Estate Group, which is a licenced real estate brokerage in Alberta) has reviewed the information and materials relating to the proposed sale of the Clariant Building and based on its review, the Monitor is satisfied that the proposed purchase price stipulated in the Clariant PSA is fair in the circumstances taking into consideration its market value.

The Monitor has included additional details and comments in relation to the pending sale of the Clariant Building in its Confidential Supplement to the Monitor's 9th Report. Specifically, a summary of the offers received, and further details regarding the Selling Agent's expected transaction value and range of price per square foot is included in the Confidential Supplement to the Monitor's 9th Report. The Monitor will provide the Confidential Supplement to the Monitor's 9th Report to parties whom which the Monitor believes should have access to the information contained therein subject to a satisfactory confidentiality undertaking.

(d) The Monitor is of the opinion that the sale would be more beneficial to the creditors than a sale under a bankruptcy.

Given the nature of these CCAA proceedings, a bankruptcy of 272 does not present a likely or viable option or outcome at this time. Moreover, the marketing of, and negotiations with the proposed purchaser have, in the Monitor's opinion, yielded a result that would be superior to a liquidation of the Clariant Building in a bankruptcy.

16. Based on the above, the Monitor respectfully submits that the proposed Clariant SAVO and related relief should be approved by the Court.

SALE OF THE FIRST MULHURST BAY PROPERTY AND RELATED MULHURST 1 SAVO

17. Pursuant to the Amended and Restated SISP Order, and as further detailed in the materials filed by the Applicants, 272 has entered into a Purchase and Sale Agreement with a Purchaser for the sale of the First Mulhurst Bay Property (the "**Mulhurst 1 PSA**"). A copy of the Mulhurst 1 PSA is appended to the Sixth Confidential Carr Affidavit. For clarity, the First Mulhurst Bay Property is the smaller of the two Mulhurst properties owned by 272 and is comprised of approximately 51.47 acres of bare land.

18. The Monitor has reviewed the Bench Brief of the Applicants dated October 2, 2023, in respect of the sale of the First Mulhurst Bay Property, in particular, the submissions of the Applicants in relation to section 36(3) of the CCAA and the *Soundair* factors. The Monitor agrees with and concurs in the submissions of the Applicants and notes the following:

(a) The process leading to the proposed sale was reasonable in the circumstances, the process was efficacious and integrous, there was no unfairness in the working out of the process, and the Monitor approves such process.

In this regard, the First Mulhurst Bay Property was initially listed on the market in March of 2020 by 272 at a price that was in line with an appraisal report prepared at the time. In July 2021, the listing price was reduced due to inactivity, and then again the price was reduced in June of 2022. The First Mulhurst Bay Property has been listed on the market for over 1250 days as of the date of this report and it was marketed through several different websites including Costar/Loopnet which is a commercial real estate site in Canada, USA and the UK, and as such has had extensive exposure to the market. The Monitor has reviewed and considered the marketing efforts undertaken by the Selling Agent and considers such efforts to be reasonable in the circumstances. As a result of these efforts and the time on the market, there were 31 inquiries on the First Mulhurst Bay Property but only 1 Purchase and Sale Agreement was ever formally obtained. Further, the Monitor, since its appointment, was regularly consulted throughout the process and specifically on the proposed sale. On the basis of its review and the consultation by the Applicants, the Monitor is satisfied that the process leading to the sale was reasonable and approves the process.

(b) Creditors with the most direct interest in the First Mulhurst Bay Property were consulted and the effects of the proposed sale on creditors favours the sale approval.

The First Place Mortgagee on the First Mulhurst Bay Property (George Patton) and the Interim Lender have both been consulted in relation to the pending sale and have expressed their approval of same.

(c) The consideration to be received for the First Mulhurst Bay Property is reasonable and fair, taking into account its market value.

The proposed price in relation to the pending sale of the First Mulhurst Bay Property pursuant to the Mulhurst 1 PSA is set out in the Sixth Confidential Carr Affidavit.

The Monitor understands from its communications with the Selling Agent that the proposed purchase price for the First Mulhurst Bay Property is higher than comparable sales for similar properties in the area. Further, the proposed purchase price is the highest offer received after an extensive sales process. In addition to the above, the Monitor (and its internal Transaction Real Estate Group) has reviewed the information and materials relating to the proposed sale of the First Mulhurst Bay Property and based on its review, the Monitor is satisfied that the proposed purchase price stipulated in the Mulhurst 1 PSA is fair in the circumstances taking into consideration its market value.

The Monitor has included additional details and comments in relation to the pending sale of the First Mulhurst Bay Property in its Confidential Supplement to the Monitor's 9th Report. Specifically, a summary of the offer received, and further details regarding the Selling Agent's expected transaction value and range is included in the Confidential Supplement to the Monitor's 9th Report. The Monitor will provide the Confidential Supplement to the Monitor's 9th Report to parties whom which the Monitor believes should have access to the information contained therein subject to a satisfactory confidentiality undertaking.

(d) The Monitor is of the opinion that the sale would be more beneficial to the creditors than a sale under a bankruptcy.

Given the nature of these CCAA proceedings, a bankruptcy of 272 does not present a likely or viable option or outcome at this time. Moreover, the marketing of, and negotiations with the proposed purchaser have, in the Monitor's opinion, yielded a result that would be superior to a liquidation of the First Mulhurst Bay Property in a bankruptcy.

19. Based on the above, the Monitor respectfully submits that the proposed Mulhurst 1 SAVO and related relief should be approved by the Court.

SALE OF THE SECOND MULHURST BAY PROPERTY AND RELATED MULHURST 2 SAVO

20. Pursuant to the Amended and Restated SISP Order, and as further detailed in the materials filed by the Applicants, 272 has entered into a Purchase and Sale Agreement with a Purchaser for the sale of the Second Mulhurst Bay Property (the "**Mulhurst 2 PSA**"). A copy of the Mulhurst 2 PSA is appended to the Sixth Confidential Carr Affidavit. For clarity, the Second Mulhurst Bay Property is the larger of the two Mulhurst properties owned by 272 and is comprised of approximately 80.5 acres of bare land.

21. The Monitor has reviewed the Bench Brief of the Applicants dated October 2, 2023, in respect of the sale of the Second Mulhurst Bay Property, in particular, the submissions of the Applicants in relation to section 36(3) of the CCAA and the *Soundair* factors. The Monitor agrees with and concurs in the submissions of the Applicants and notes the following:

    (a) The process leading to the proposed sale was reasonable in the circumstances, the process was efficacious and integrous, there was no unfairness in the working out of the process, and the Monitor approves such process.

    In this regard, the Second Mulhurst Bay Property was initially listed on the market in March of 2020 by 272 at a price that was in line with an appraisal report prepared at the time. In June 2022, the listing price was reduced due to inactivity. To date, the Second Mulhurst Bay Property has been listed on the market for over 1250 days and it was marketed through several different websites including Costar/Loopnet which is a commercial real estate site in Canada, USA and the UK, and as such has had extensive exposure to the market. The Monitor has reviewed and considered the marketing efforts undertaken by the Selling Agent and considers such efforts to be reasonable in the circumstances. As a result of these efforts and the time on the market, there were 34 inquiries on the Second Mulhurst Bay Property but only 1 Purchase and Sale Agreement was ever formally obtained. Further, the Monitor, since its appointment, was regularly consulted throughout the process and specifically on the proposed sale. On the basis of its review and the consultation by the Applicants, the Monitor is satisfied that the process leading to the sale was reasonable and approves the process.

    (b) Creditors with the most direct interest in the Second Mulhurst Bay Property were consulted and the effects of the proposed sale on creditors favours the sale approval.

    The First Place Mortgagee on the Second Mulhurst Bay Property (Dirk Vanderhorst) and the Interim Lender have both been consulted in relation to the pending sale and have expressed their approval of same.

(c) The consideration to be received for the Second Mulhurst Bay Property is reasonable and fair, taking into account its market value.

The proposed price in relation to the pending sale of the Second Mulhurst Bay Property pursuant to the Mulhurst 2 PSA is set out in the Sixth Confidential Carr Affidavit.

The Monitor understands from its communications with the Selling Agent that the proposed purchase price for the Second Mulhurst Bay Property is at the higher end of the range of comparable sales for similar properties in the area. Further, the proposed purchase price is the highest offer received after an extensive sales process. In addition to the above, the Monitor (and its internal Transaction Real Estate Group) has reviewed the information and materials relating to the proposed sale of the Second Mulhurst Bay Property and based on its review, the Monitor is satisfied that the proposed purchase price stipulated in the Mulhurst 2 PSA is fair in the circumstances taking into consideration its market value.

The Monitor has included additional details and comments in relation to the pending sale of the Second Mulhurst Bay Property in its Confidential Supplement to the Monitor's 9th Report. Specifically, a summary of the offer received, and further details regarding the Selling Agent's expected transaction value and range is included in the Confidential Supplement to the Monitor's 9th Report. The Monitor will provide the Confidential Supplement to the Monitor's 9th Report to parties whom which the Monitor believes should have access to the information contained therein subject to a satisfactory confidentiality undertaking.

(d) The Monitor is of the opinion that the sale would be more beneficial to the creditors than a sale under a bankruptcy.

Given the nature of these CCAA proceedings, a bankruptcy of 272 does not present a likely or viable option or outcome at this time. Moreover, the marketing of, and negotiations with the proposed purchaser have, in the Monitor's opinion, yielded a result that would be superior to a liquidation of the Second Mulhurst Bay Property in a bankruptcy.

22. Based on the above, the Monitor respectfully submits that the proposed Mulhurst 2 SAVO and related relief should be approved by the Court.

SEALING ORDER RELIEF

23. At the upcoming application currently scheduled for October 11th, 2023, the Applicants are seeking an Order sealing the Sixth Confidential Carr Affidavit and the Confidential Supplement to the

Monitor's 9th Report. The Monitor has reviewed the Sixth Confidential Carr Affidavit and prepared the Confidential Supplement to the Monitor's 9th Report and is of the view that the information contained therein is commercially sensitive in nature and should not be made public at this time. The Monitor's view is based on at least the following two factors:

(a) In the event that the Clariant SAVO or either of the Mulhurst SAVOs are not approved or the sales contemplated therein do not close, for any reason, the disclosure of the information contained in the Sixth Confidential Carr Affidavit and the Confidential Supplement to the Monitor's 9th Report could affect 272's ability to obtain the highest and best price for these properties in a future sale process; and,

(b) The Monitor would prefer that the information detailed in the Sixth Confidential Carr Affidavit and the Confidential Supplement to the Monitor's 9th Report remain confidential until at least after the sales process for all of the Applicants' remaining properties is concluded to ensure there is no real or perceived prejudice or impact in relation to the other potential purchasers, the Applicants or the sale processes going forward.

Dated at Edmonton, this 6th day of October, 2023.

ERNST & YOUNG INC.
Licensed Insolvency Trustee
acting solely in its capacity as the Proposed Monitor of the JW Group
and not in its personal or corporate capacity
per:

Matt McCulloch, CPA, CA, CIRP, LIT
Senior Vice President, Ernst & Young Inc.