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COURT FILE NUMBER	2303-06543
COURT	COURT OF KING'S BENCH OF ALBERTA
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	**CONFIDENTIAL SUPPLEMENT TO THE MONITOR'S 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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PURPOSE OF THE REPORT

1. The purpose of this brief confidential supplement to the Monitor's 9th Report (the "**Confidential Supplement to the Monitor's 9th Report**") is to provide this Honourable Court and the Applicants' stakeholders (subject to a confidentiality undertaking as deemed acceptable to the Monitor) with additional information in relation to the Applicants' application and request for, *inter alia*, Sale Approval and Vesting Orders in relation to the sale of the 272 properties known as the Clariant Building (the "**Clariant SAVO**"), the First Mulhurst Bay Property (the "**Mulhurst 1 SAVO**") and the Second Mulhurst Bay Property (the "**Mulhurst 2 SAVO**").

TERMS OF REFERENCE AND DISCLAIMER

2. In preparing the Confidential Supplement to 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.

3. 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.

4. Future oriented information referred to in the Confidential Supplement to 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.

5. All references to dollars are in Canadian dollars.

6. 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.

7. 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**").

ADDITIONAL INFORMATION PERTAINING TO THE PENDING SALE OF THE CLARIANT BUILDING AND RELATED CLARIANT SAVO

8. Further to the Monitor's 9th Report, the Monitor provides the following additional information for the Court's consideration pertaining to the pending sale of the Clariant Building.

9. The market range with respect to the most comparable properties on a price per square foot (psf) basis which have sold over the last 12 months in Grande Prairie is in the range of $120 – $236 psf. This serves as a reference point for evaluating the Clariant PSA which achieves a value of $183 psf.

10. As described in the Monitor's 9th Report, the Monitor received three (3) offers with respect to the Clariant Building, including, for greater clarity, the Clariant PSA, in respect of which the SAVO is being sought.

11. A summary of the offers received is as follows:

Offeror		Proposed Purchase Price	Offer Type	Price per square foot (psf)
MLS Property Group Ltd.		$2,450,000	Conditional on Environmental site assessment within 21 days of acceptance	$183.11
Garmun Realty Corp.		$2,000,000	Unconditional	$149.48
Krislan Investments Inc.		$1,800,000	Unconditional	$134.53

12. The Monitor is of the opinion that the Clariant PSA is the highest and best offer available with respect to the Clariant Building, for a variety of reasons, including:

a.) the purchase price under the Clariant PSA is the highest dollar value offer received with respect to the Clariant Building;

b.) despite the environmental site assessment condition the Monitor is satisfied that the proposed purchaser is capable of completing the transaction contemplated thereunder;

c.) the Clariant PSA is based upon a commercially reasonable price per square foot which is in accordance with the upper-mid value range for similar industrial properties which have sold in Grande Prairie over the preceding 12 months; and,

d.) the bid leading to the Clariant PSA was received within a fair and open marketing process which was approved by this Honourable Court and, in the Monitor's view, sufficiently exposed the Clariant Building to the market, as described in further detail in the Monitor's 9th Report.

13. Following the determination that the Clariant PSA was the highest and best offer, the Applicants, in consultation with the Monitor, sought and obtained the consent to the proposed sale of the Interim Lender and the First Charge Mortgagee on the Clariant Building, being Roynat.

14. A copy of the Clariant PSA between 272, as vendor, and MLS Property Group Ltd., as purchaser is attached to the Sixth Confidential Carr Affidavit.

ADDITIONAL INFORMATION PERTAINING TO THE PENDING SALE OF THE FIRST MULHURST BAY PROPERTY AND RELATED MULHURST 1 SAVO

15. Again, further to the Monitor's 9th Report, the Monitor provides the following additional information for the Court's consideration pertaining to the pending sale of the First Mulhurst Bay Property.

16. The market range with respect to the most comparable properties which have sold over the last 12 months is in the range of $4,987/acre and $6,375/acre. This serves as a reference point for evaluating the Mulhurst 1 PSA which achieves a value of a little over $6,800/acre, which is clearly superior to the comparable recent sales.

17. As noted in the Monitor's 9th Report, only one formal offer was received on the First Mulhurst Bay Property, and the offer is unconditional in the amount of $350,000.00. This offer comprises the Mulhurst 1 PSA and is the offer in respect of which the Mulhurst 1 SAVO is being sought.

18. The Monitor is of the opinion that the Mulhurst 1 PSA is the highest and best offer that will be achieved with respect to the First Mulhurst Bay Property, for a variety of reasons, including:

a.) the First Mulhurst Bay Property has been on the market for more than 1250 days and has been extensively exposed to the market over that timeframe;

b.) the purchase price under the Mulhurst 1 PSA is the only offer received with respect to the First Mulhurst Bay Property;

c.) the Monitor understands that the proposed purchaser is capable of completing the transaction contemplated thereunder;

d.) the Mulhurst 1 PSA is based upon a commercially reasonable price per acre which is higher than the value range for similar properties which have sold over the preceding 12 months; and,

e.) the sale process leading to the Mulhurst 1 PSA was received within a fair and open marketing process which was approved by this Honourable Court and, in the Monitor's view, sufficiently exposed the First Mulhurst Bay Property to the market, as described in further detail in the Monitor's 9th Report.

19. Following the determination that the Mulhurst 1 PSA was likely to be the highest and best offer, the Applicants, in consultation with the Monitor, sought and obtained the consent to the proposed sale of the Interim Lender and the First Charge Mortgagee on the First Mulhurst Bay Property, being George Patton.

20. A copy of the Mulhurst 1 PSA between 272, as vendor, and 2537141 Alberta Ltd., as purchaser is attached to the Sixth Confidential Carr Affidavit.

ADDITIONAL INFORMATION PERTAINING TO THE PENDING SALE OF THE SECOND MULHURST BAY PROPERTY AND RELATED MULHURST 2 SAVO

21. Lastly, and again further to the Monitor's 9th Report, the Monitor provides the following additional information for the Court's consideration pertaining to the pending sale of the Second Mulhurst Bay Property.

22. The market range with respect to the most comparable properties which have sold over the last 12 months (which are the same comparables as the First Mulhurst Bay Property) is in the range of \$4,987/acre and \$6,375/acre. This serves as a reference point for evaluating the Mulhurst 2 PSA which achieves a value of a little over \$5,900/acre, which is within the range of the comparable recent

sales.

23. Similar to the First Mulhurst Bay Property and as noted in the Monitor's 9th Report, only one formal offer was received on the Second Mulhurst Bay Property, and the offer is unconditional in the amount of $475,000.00. This offer comprises the Mulhurst 2 PSA and is the offer in respect of which the Mulhurst 2 SAVO is being sought.

24. The Monitor is of the opinion that the Mulhurst 2 PSA is the highest and best offer that will be achieved with respect to the Second Mulhurst Bay Property, for a variety of reasons, including:

    a.) the Second Mulhurst Bay Property has been on the market for more than 1250 days and has been extensively exposed to the market over that timeframe;

    b.) the purchase price under the Mulhurst 2 PSA is the only offer received with respect to the Second Mulhurst Bay Property;

    c.) the Monitor understands that the proposed purchaser is capable of completing the transaction contemplated thereunder;

    d.) the Mulhurst 2 PSA is based upon a commercially reasonable price per acre which is within the value range for similar properties which have sold over the preceding 12 months; and,

    e.) the sale process leading to the Mulhurst 2 PSA was received within a fair and open marketing process which was approved by this Honourable Court and, in the Monitor's view, sufficiently exposed the Second Mulhurst Bay Property to the market, as described in further detail in the Monitor's 9th Report.

25. Following the determination that the Mulhurst 2 PSA was likely to be the highest and best offer, the Applicants, in consultation with the Monitor, sought and obtained the consent to the proposed sale of the Interim Lender and the First Charge Mortgagee on the First Mulhurst Bay Property, being Dirk Vanderhorst.

26. A copy of the Mulhurst 2 PSA between 272, as vendor, and Dutell Equipment Ltd., as purchaser is attached to the Sixth Confidential Carr Affidavit.

SUMMARY OF RECOMMENDATIONS

27. In summary, the Monitor, is of the opinion that the PSAs discussed in this Confidential

Supplement to the Monitor's 9th Report represent the best and highest offers that can be expected in the circumstances. Specifically, the purchase prices within the three PSAs discussed herein are comparable or higher to the expected sale values of these properties after extensive marketing efforts have been expended. Further, the Interim Lender and the First Charge Mortgagees support the proposed transactions.

28. For the foregoing reasons and for the reasons as set out in the Monitor's 9th Report, the Monitor recommends that this Honourable Court approve the Clariant PSA, the Mulhurst 1 PSA and the Mulhurst 2 PSA.

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.