

Action Flooring Ltd., Exclusive Hardwood Flooring Ltd. and 811044 Alberta Ltd.

**Invitation for Offers to Purchase Assets or
Proposals to Liquidate Assets**

29 April 2024

Action Flooring Ltd., Exclusive Hardwood Flooring Ltd. and 811044 Alberta Ltd.

On March 19, 2024, Action Flooring Ltd, Exclusive Hardwood Flooring Ltd. and 811044 Alberta Ltd. (collectively, “**Action Flooring**” or the “**Company**”) were placed into receivership and Ernst & Young Inc. (“**EYI**”) was appointed Receiver. A copy of the receivership order and other public materials in relation to the receivership proceedings can be accessed via the Receiver’s web site at www.ey.com/ca/actionflooring.

Action Flooring operated as seller and installer of interior flooring products.

In its capacity as Receiver, EY is inviting offers (the “**Offer**”) for the purchase of the assets of Action Flooring, or in the alternative, proposals to liquidate (the “**Proposal**”) the assets, being: two buildings in Edmonton, Alberta, flooring inventory, rolling stock, office furnishings, and equipment (the “**Assets**”) located at the Company’s premises in Edmonton, Alberta.

A list of the Assets is attached hereto as Schedule “**B**”.

If any Offer or Proposal is accepted by the Receiver, the Receiver’s acceptance is subject to and conditional on the Court approving the acceptance of the Offer or Proposal, this sales process, the ability of the Receiver to sell the Assets, and the activities of the Receiver, all on terms that are acceptable to the Court (“**Court Approval**”).

Prospective purchasers / proponents are invited to contact EY to make arrangements to inspect the Assets.

Should you have any questions with respect to the sales process, please contact us by email at bob.sword@parthenon.ey.com or by phone at (780) 893-7655.

This package has been prepared solely for the information of parties expressing an interest; or, who may have an interest, in the Assets. The information herein is subject to change and has not been audited or verified by the Receiver and the Receiver expressly disclaims liability for any loss or damage that may arise from use of this information. All parties who wish to participate in this Invitation should conduct and rely on their own due diligence in relation to the completeness, existence, fitness for use, and status of any of the Assets and other information noted herein.

Yours very truly,

ERNST & YOUNG INC.

Receiver of Receiver of Action Flooring Ltd.,
Exclusive Hardwood Flooring Ltd. and 811044 Alberta Ltd.
and not in its personal or corporate capacity

Per:



Dan McCulloch, CIRP, LIT
Vice President

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Terms and Conditions

1. EY is inviting Offers / Proposals for the Assets solely in its capacity as Receiver and shall have no personal liability in respect of this sales process or in respect of the sale of the Assets.
2. EY is inviting Offers / Proposals for the Assets on an individual lot or en bloc basis.
3. If any Offer / Proposal is accepted by the Receiver, the Receiver's acceptance is subject to and conditional upon the Receiver obtaining Court Approval.
4. Any documentation or other material provided to any party relating to the Assets which is the subject matter of this Invitation, including without limitation all related Schedules and the Invitation, has been prepared solely for the convenience of interested parties and is not warranted to be complete or accurate.
5. The Assets are being sold on an "**as is, where is**" basis. No representation or warranty, express or implied is given with respect to the title, size, description, fitness for purpose or intended use, quantity, number, condition, quality or location of any of the Assets, or in respect of any other matter or thing. Any party making an Offer / Proposal ("**Offeror**") shall be deemed to have relied entirely upon their own due diligence.
6. The Receiver will make arrangements to have personnel available for the purpose of allowing prospective parties to inspect the assets at the various locations. Appointments can be made for inspections during week days from 9:30 AM until 4:00 PM

Interested parties must make appointments to inspect the assets and obtain directions to access the premises. The Receiver may be able to accommodate alternative arrangements for viewings depending on the demand and feedback from Offerors in relation to this Invitation. Contact the following personnel at the Ernst & Young Inc. office in Edmonton:

Bob Sword – telephone: (780) 893-7655; e-mail: bob.sword@parthenon.ey.com

7. Offers (to purchase) should be in the form attached hereto as **Schedule "A"**. EY reserves the right to reject any Offer (to purchase) not made in the attached form.
8. Proposals (to liquidate) the Assets must be in a form that sets out the estimated gross proceeds, the commission structure, details and estimates of costs associated with the liquidation to be paid from the proceeds and the net estimated recovery for the Estate, including any net minimum guarantee.
9. Proposals to liquidate the real estate parcels, specifically from licensed real estate agents, will be entertained by the Receiver. Any such proposals must be from licensed real estate agents and contain a form of listing agreement with, at a minimum, commission structure, estimated listing prices with estimated sales prices and listing period. Any such listing proposal accepted by the Receiver which results in a sale will be subject to a closing date to be determined after the sale of all other Assets and their removal from the real estate along with any residual assets or records has been completed. Any sale of the real estate parcels will be subject to Court approval in the same manner and subject to the same terms and conditions as set out in this Invitation for Offers to Purchase Assets or Proposals to Liquidate Assets.

10. Offers / Proposals must be delivered to EY no later than 4:00 PM (Mountain Time) on Thursday, May 23, 2024 (“**Offer Deadline**”), to their Edmonton office: Ernst & Young Inc., EPCOR Tower, 10423 – 101 Street, Suite 1400, P.O. Box 44, Edmonton, Alberta T5H 0E7, Attention: Serena Daniels.
11. All Offers / Proposals are irrevocable and cannot be withdrawn or amended prior to the earlier of the Receiver notifying the Offeror that the Offer / Proposal has been accepted (subject to Court Approval) or rejected; or, June 6, 2024.
12. Offers shall be accompanied by a non-refundable deposit equal to at least 15% of the Offer price (the “**Deposit**”). The Deposit shall be paid by certified cheque or bank draft payable to “Ernst & Young Inc. – in Trust”, in its capacity as Receiver of Action Flooring.
13. Proposals shall be accompanied by a non-refundable deposit equal to at least 15% of the net minimum guarantee; or, if there is no net minimum guarantee, 15% of the net estimated recovery for the Estate. The Deposit shall be paid by certified cheque or bank draft payable to “Ernst & Young Inc. – in Trust”, in its capacity as Receiver of Action Flooring.
14. If an Offer / Proposal is accepted by the Receiver and Court Approval is granted, the Deposit will be applied to the purchase price of the purchased Assets on closing; or, in the case of a Proposal, the Deposit will be applied as a reduction of the net proceeds payable to the Estate from the liquidation or the net minimum guarantee, whichever is greater.
15. The Receiver will return any Deposit, within ten (10) business days of the related Offer / Proposal being rejected by the Receiver or by the Court. Deposit refunds will be sent by registered mail or courier.
16. Offerors shall not be entitled to interest on Deposits.
17. If an Offer / Proposal is withdrawn prior to the Receiver notifying the Offeror if the Offer / Proposal has been rejected or accepted or if the Offeror fails to close the purchase on the terms and conditions set out herein after the Receiver accepts the Offer / Proposal and Court Approval is obtained, the Deposit shall be immediately and irrevocably forfeited to the Receiver.
18. The Receiver may, in its sole discretion:
 - a. negotiate the terms of any Offer / Proposal with one or more Offerors;
 - b. waive or vary any of these Terms and Conditions;
 - c. accept an Offer / Proposal, or portion thereof, prior to the Offer / Proposal Deadline;
 - d. reject an Offer / Proposal in full and unfettered discretion; and
 - e. withdraw this Invitation at any time.
19. The highest or any Offer / Proposal may not necessarily be accepted.
20. All conditions in the *Sale of Goods Act* (Alberta), R.S.A. 2000, c. S-2, are expressly waived with respect to the Assets by any party making an Offer.
21. The Receiver will notify any successful Offeror, in writing, by June 6, 2024, whereupon the Receiver will seek Court Approval as soon as practicable. The notice may be sent by registered mail, courier, fax or e-mail to the Offeror using the contact information provided by the Offeror with their Offer / Proposal.

22. Upon acceptance of an Offer by the Receiver, there shall be a binding agreement for purchase and sale, which shall incorporate these Terms and Conditions; or, in respect of a Proposal, there shall be a binding agreement, which shall incorporate these Terms and Conditions to the extent they are applicable.
23. Closing (“**Closing**”) of any accepted Offer / Proposal shall be within ten (10) days after Court Approval is granted in respect of the Offer / Proposal, or such other late date as the Receiver and Offeror may agree to in writing (the “**Closing Date**”).
24. Should the Receiver be unable to complete a sale of any of the assets comprising the Assets, due to a defect in title, the Receiver and the Offeror may negotiate an adjustment to the purchase price, failing which the Receiver may terminate any agreement for purchase and sale or proposal agreement and return the Deposit to the Offeror. The Offeror shall be entitled to no remedy against the Receiver in such an instance other than return of its Deposit, if applicable.
25. On Closing:
 - a. the successful Offeror (the “**Purchaser**”) shall pay the balance of the purchase price, plus any eligible taxes, subject to any adjustments as agreed to by the Receiver in its sole discretion, to the Receiver, by certified cheque or bank draft; and
 - b. on payment of the balance of the purchase price plus any eligible taxes, the Receiver's interest in the purchased Assets shall transfer to the Purchaser.
26. Within five days of the Closing Date, the Purchaser shall either:
 - a. take physical possession of all purchased Assets and remove such Assets from the premises (the “**Premises**”) on which the Assets are located, or;
 - b. make arrangements with the owner of the Premises for the Assets to remain at the Premises, at the Purchaser's sole cost and expense with an express acknowledgement that the Receiver is released from all liability and occupation costs related to the Premises from and after five days after the Closing Date and that the Purchaser shall indemnify the Receiver in respect of same.
27. The Purchaser shall be responsible for all costs to remove the purchased Assets from the Premises including:
 - a. any costs, liability or damage to the Premises as a result of removal of the purchased Assets,
 - b. in the case of an *en bloc* purchase of the assets of a location, the costs of leaving the premises in a broom-swept condition, and;
 - c. any costs (if any), including legal costs, incurred by the Receiver as a result of issues that arise in relation to the Premises as a result of the above.
28. In the case of an accepted Proposal, the successful Offeror (the “**Proponent**”) shall be responsible to ensure that all Assets are removed from the Premises within five days following the conclusion of the liquidation and, in addition, the Proponent shall leave the Premises in a broom-swept condition and shall be liable for all costs, damages to the Premises, or costs arising due to any delay in removal of the Assets.
29. Any obligation of the Receiver to sell the Assets shall be terminated in the event that, prior to the Closing Date, the Assets are substantially damaged or destroyed. From and after the Closing Date,

all risk of loss and damage to the purchased Assets shall be borne by the Purchaser(s) or Proponents (as applicable).

30. In the event that the Purchaser fails to comply with the terms and conditions of Closing, the Purchaser shall forfeit the Deposit to the Receiver and the Receiver may resell the Assets. The Purchaser shall be liable for any deficiency resulting from such a resale, including all costs and expenses in connection with the resale, including the ongoing costs of occupancy of the Premises and all legal costs.
31. All legal costs of the Receiver that the Purchaser/Proponent/Offeror is responsible to pay hereunder shall be on a full indemnity, solicitor-and-its-own-client-basis.
32. The Receiver shall have no obligation to complete the sale of the Assets if it is enjoined from doing so by an Order of a Court of competent jurisdiction or if the receivership is terminated.
33. Any liability of the Receiver to any Offeror, Purchaser or Proponent shall be limited to return of the Offeror's/Proponent's/Purchaser's Deposit, without interest and without costs.
34. The Receiver represents and warrants to the Purchaser / Proponent that it is now and will be, at the Closing date, a resident of Canada within the meaning of the *Income Tax Act* (Canada) and that this representation shall survive the Closing of any sale or transaction.
35. Any resulting agreement of purchase and sale or proposal agreement, if entered into, shall ensure to the benefit of, and be binding upon, the parties thereto and their respective successors, heirs and assigns. It may not be assigned by either party without the express written consent of the other party.
36. Time is and shall be of the essence.
37. This document, and any Offer/Proposal, and acceptance of the Offer/Proposal shall constitute the entire agreement between the parties and may only be amended in writing.
38. This sales process, the Offer/Proposal and any purchase and sale of the Assets shall be irrevocably governed by the laws of the Province of the Alberta and the laws of Canada applicable therein; and the Receiver, and any Offeror or Purchaser irrevocably and exclusively attorn to the jurisdiction of the Courts of Alberta.

Dated at the City of Edmonton in the Province of Alberta, this 29th day of April, 2024

ERNST & YOUNG INC.

Receiver of Receiver of Action Flooring Ltd.,
Exclusive Hardwood Flooring Ltd. and 811044 Alberta Ltd.
and not in its personal or corporate capacity

Per:



Dan McCulloch, CIRP, LIT
Vice President

Schedule A

Form of Offer

To: Ernst & Young Inc.
Receiver of Action Flooring
Attention: Ms. Serena Daniels
10423-101 Street, Suite 1400
Edmonton, Alberta T5H 0E7

Offers must be submitted no later than 4:00 PM (Mountain Time) **Thursday, May 23rd, 2024**
Offers must be accompanied by a deposit in certified funds equal to at least 15% of the purchase price

1. _____
(Name of Offeror)

2. _____
(Address of Offeror)

3. _____
(Telephone Number)

4. _____
(Email Address)

5. I/We hereby submit this offer for the purchase of the following:

Lots	Specific Lots listed in Schedule B
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Lots:

_____	\$ _____	(Cdn.)
_____	\$ _____	(Cdn.)
_____	\$ _____	(Cdn.)
_____	\$ _____	(Cdn.)
_____	\$ _____	(Cdn.)
_____	\$ _____	(Cdn.)
_____	\$ _____	(Cdn.)
_____	\$ _____	(Cdn.)

_____	\$ _____	(Cdn.)
_____	\$ _____	(Cdn.)
_____	\$ _____	(Cdn.)
_____	\$ _____	(Cdn.)
_____	\$ _____	(Cdn.)
Total (for all Lots):	\$ _____	(Cdn.)

En Bloc Offer for all lots listed in Schedule B

En Bloc Offer
 \$ _____ (Cdn.)

- 8. I/We agree, in the event that this tender is accepted, to be bound by the Conditions of Sale as set out in the Invitation in connection with the above Company which shall form part of this offer. I/We agree that the Vendor is not obligated to accept the highest or any tender and may reject any or all tenders.
- 9. This tender and offer is irrevocable.
- 10. Enclosed is my/our bank draft payable to "Ernst & Young Inc., Receiver of Action Flooring" as a deposit in the amount of:
 \$ _____ (Cdn.), representing 15% of the total amount of our/my tender submitted herein, **inclusive of applicable taxes.**

DATED at _____ this _____ day of _____ 2024.

 Authorized Signing Officer

 Name (please print)

Schedule B

Detailed Lot Listing

Lots

The Receiver has not audited or otherwise verified the accuracy of the contents of the document or the descriptions or quantities therein. The Receiver makes no representations or warranty as to the fitness for use of the inventory. Interested parties must rely on their own due diligence.

Pictures and further details can be found at www.ey.com/ca/actionflooring

Lot 1 – Real Estate described as:

Plan: 1523362

Block: G

Lot: 1 reserving thereout all mines and minerals
Containing 1.71 Hectares (4.23 acres) more or less
Municipal address: 6810 – 50 Street, Edmonton AB

Lot 2 – Real Estate described as:

CDE Plan: 092 3695;

Unit 6 and 1062 undivided one ten thousandth shares in the common property

Unit 7 and 1080 undivided one ten thousandth shares in the common property

Unit 8 and 1062 undivided one ten thousandth shares in the common property;

reserving thereout all mines and minerals

Municipal address: 9239; 9235; 9231 – 50 Street, Edmonton AB

Lot 3 - 2008 Genie Z40/23 40 foot boom lift s/n: Z40N08455 with 1,240.1 hours

Lot 4 – 2022 Hyster / H50XT fork lift s/n: A380V13272W with 503.5 hours

Lot 5 – 1996 Hyster / E50XM-33 fork lift s/n: F108V06276T

Lot 6 – Crown powered pallet stacker s/n: 5A528942 with 521.7 hours

Lot 7 – Pallet Jack (Blue) s/n: J21053078-1142T

Lot 8 – Fork lift accessories: pair of fork extenders, carpet poles (2), bucket,

Lot 9 – lot of 4 hand pallet jacks

Lot 10 – 2013 Accu-Cut Q-9 Carpet Cutter s/n: Q902-13-11

Lot 11 – John Deere skid-steer s/n: H00315AA0G220544 with two buckets and forks and with 1,236.3 hours

Lot 12 – 2008 Gulf Stream cargo trailer 5UETGZ4268G000515

Lot 13 – 1974 Canada Trailmobile cargo van trailer 53 feet s/n: 6741231243200300

Lot 14 – 2012 Hino 5 ton van s/n: 2AYNE8JT3C3S18616 WITH 353,910 km.

Lot 15 – 2023 Dodge Ram 5500 s/n: 3C7WRNCL8PG579363 WITH 17,863 km.

Lot 16 – 2011 GMC 3500 s/n: 1GT426C80BF232890 with 294,218 km.

Lot 17 – 2018 Dodge Ram 3500 Promaster s/n: 3C6URVJG4JE115572 with 146,046 km.

Lot 18 – 2010 Hino Cube Van 338 s/n: 2AYNF8JTGA3513002 – NOT RUNNING

OFFICE FURNISHINGS Not including any office equipment or computers, etc.:

Upstairs Area

Lot 19 – Board room with two tables, 17 chairs, 1 Hisense TV, 1 LG TV

Lot 20 – Office #1 with: 1 desk, 4 wall units, 1 sectional, 3 chairs, 1 credenza, 1 Hisense TV
Lot 21 – Office #2 with: 1 table/desk, 1 couch, 2 chairs, 1 shelf unit
Lot 22 – Office #3 with: 1 table/desk, 1 credenza, 3 shelving units, 2 chairs, 1 small trestle table
Lot 23 – Lunch Room with: 9 square single pedestal tables, 4 rectangular single pedestal tables, 6 single sided bench seats, 2 double sided bench seats, 11 chairs, 3 bar stools, 2 6ft. wire shelf units, 3 carts, 1 Sony TV, 1 Hisense TV, 1 stainless steel fridge, 2 microwaves, 1 Keurig, 1 toaster oven, 1 Frigidaire dish washer, various glassware, tableware and utensils
Lot 24 – Library West & East with: wire shelving, large counter/table, 4 bar type stools, 4 hi-top chairs
Lot 25 – Office #4 with: 1 table/desk, 2 credenza shelf units, 3 chairs, 1 ottoman
Lot 26 – Office #5 with: 1 shelf unit, 1 credenza, 1 table/desk, 1 ottoman, 4 chairs, 1 Hisense TV
Lot 27 – Office #6 with: 3 shelving units, 1 table desk, 2 chairs
Lot 28 – Office #7 with: 1 table/desk, 1 chair
Lot 29 – Office #8 with: 1 table/desk, 1 credenza, 1 wall unit, 3 chairs
Lot 30 – Office #9 with: 1 table/desk, 1 wall unit, 1 table, 2 chairs, 1 small file cabinet
Lot 31 – Office #10 with: 1 large desk
Lot 32 – Office #11 with: 1 table, 1 small desk, 3 chairs
Lot 33 – Office #12 with: 3 chairs, 1 cabinet, 1 table/desk
Lot 34 – Office #13 with: 1 table/desk, 1 table, 1 credenza, 2 chairs
Lot 35 – Display area with: 2 table/desks, 2 file cabinets, 1 shelf unit, 2 chairs
Lot 36 – Accounting office with: 3 L shape desks, 1 double pedestal desk, 1 4-drawer file cabinet, 1 2-drawer file cabinet, 1 3-drawer file cabinet, 5 chairs
Lot 37 – Controllers office with: 2 4-drawer file cabinets, 1 wall unit, 1 desk with side table, 1 2-drawer file cabinet, 3 chairs
Lot 38 – Accounting storage room with: large lot of wire racking, 1 wall unit, 4 4-drawer file cabinets, large safe (Lang)
Lot 39 – Mezzanine area with: 1 large couch, 1 small couch, 1 love seat, 1 circular table, cart with 13 folding chairs

Main Floor Area

Lot 40 – Back hall and janitorial room with: 12 individual lockers, 3 wire racks, 1 janitorial cart
Lot 41 – Office #1D with: 2 chairs, 1 desk/table, 2 cabinets
Lot 42 – Office #2D with: 1 desk table, 2 chairs, 1 table 1 5-drawer file cabinet, 1 small cabinet
Lot 43 – Office #3D with: 1 desk/table, 2 chairs, 1 wire rack
Lot 44 – Office #4D with: 1 single pedestal desk, 1 2-drawer file cabinet, 1 chair
Lot 45 – Office #5D with: 1 desk/table, 3 chairs, 1 table
Lot 46 – Office #6D with: 2 desk/tables, 2 chairs
Lot 47 – Office #7D with: 1 desk, 3 wall units, 1 file cabinet, 1 shelf, 1 chair
Lot 48 – Office #8D with: 1 table, 1 credenza, 1 small cabinet, 2 chairs
Lot 49 – storage room with: 10 4-wheel inventory carts, 2 12 ft. pallet racks
Lot 50 – showroom with: 3 approx. 40"x40" tables, 2 stainless steel tables on wheels approx.. 5 ft. x 2 ft., 1 small Haier bar fridge, 1 Breville espresso machine, 11 hi-top stools, 3 office type chairs

Warehouse Area – Offices

Lot 51 – warehouse offices with: 1 "L" shape desk, 1 2-drawer file cabinet, 1 ottoman, 1 chair; 1 double pedestal desk, 3 file cabinets, 1 locker, 1 chair; 5 chairs, 2 microwaves, 5 2-drawer cabinets; 3 chairs, 1 desk/table, 1 locker/cabinet combo

Warehouse Area – Miscellaneous

Lot 52 – 1 ASL floor polishing/grinding machine
Lot 53 - 1 A L Cook floor maintenance machine s/n 797C with 171.9 hours

Lot 54 – 1 Honda propane powered floor buffer s/n 000020 with 476.1 hours and 1 Honda propane powered floor buffer with no s/n or hour meter
Lot 55 – 1 steam cleaner
Lot 56 – 1 carpet roll cart and 4-12ft x 3 ft wheeled flat carts
Lot 57 – 1 – 10 ft. step ladder
Lot 58 – 1 Makita portable air compressor model #MAC2400
Lot 59 – 1 “A” frame carrier for sheet tile
Lot 60 – 1 U-Line banding cart
Lot 61 – 1 LK 5 – 250 Amp electric welder
Lot 62 – 1 Lot (all) orange warehouse racking
Lot 63 – 1 Lot warehouse and wire racking not included in Lot 62

Third Floor and Patio Area:

Lot 64 – twenty by forty foot aluminum tent frame with white woven plastic type covering
Lot 65 – Lot of patio furniture with: 5 – round tables (2’ high x 3.5’); 3 – round hi-top tables (3’); 1 – round table (4.5’ x 3.5’); 3 – bar style hi-top tables; 18 – hi-top style bar chairs; 6 – hi-top bar stools; 1 storage cabinet; 26 pieces of sectional seats; 2 storage bins; lot of cushions for sectional seating;
Lot 66 – 5 metal picnic tables
Lot 67 – 2 portable propane fire pits;
Lot 68 – 40 folding chairs with 2 storage carts; 4 folding tables (plastic);
Lot 69 – 1 Breyers bar style freezer (approx. 1.5x1.5x3.0 ft.)
Lot 70 – 1 Danby keg cooler
Lot 71 – 1 large “Sub Zero” 2 door stainless steel fridge with water / ice dispenser
Lot 72– 1 Sony Bravia big screen TV
Lot 73 – 1 wet / dry cannister vacuum
Lot 74 – 1 lot of dis-assembled cabinets (kitchen style)
Lot 75 – 1 lot of miscellaneous items including 2 warehouse carts, 1 lot of drywall sheets and insulation bundles

Inventory in Warehouse

Lot 76 – Inventory in warehouse as described as detailed in the spreadsheet “Lot 76 – Action Flooring Detailed Listing” on the Receiver’s website at www.ey.com/ca/actionflooring

Yard Area

Lot 77 – lot of miscellaneous warehouse racking, wire racking and shelving in the yard
Lot 78 – Sea-Can container #1 with contents of warehouse / wire racking
Lot 79 - Sea-Can container #2 with contents of warehouse / wire racking
Lot 80 - Sea-Can container #3 with contents of warehouse / wire racking
Lot 81 – Wooden shed