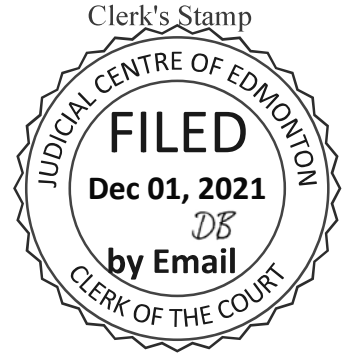


ESTATE FILE NUMBER 2013 – 02132
COURT COURT OF QUEEN’S BENCH OF ALBERTA
JUDICIAL CENTRE EDMONTON
APPLICANT BUSINESS DEVELOPMENT BANK OF CANADA
RESPONDENTS P7 CONSTRUCTION LTD., 1619904 ALBERTA LTD., HYOUNG JOON YOON aka JASON YOON, SUNG SOO CHOI aka RICHARD CHOI and EUNG CHANG KIM
DOCUMENT **FIRST REPORT OF THE RECEIVER
BDO CANADA LIMITED
DECEMBER 1, 2021**



RECEIVER

BDO Canada Limited
110, 5800- 2nd Street SW
Calgary, Alberta T2H 0H2

Attention: Kevin Meyler / Breanne Barker
Phone: 403-536-8526 / 403-213-5432
Fax: 403-640-0591
Email: kmeyler@bdo.ca / bbarker@bdo.ca

RECEIVER'S COUNSEL

Caron & Partners LLP
2120, 237 – 4th Avenue SW
Calgary, Alberta T2P 4K3

Attention: R.J. Daniel Gilborn
Phone: 403-260-1575
Fax: 403-237-0111
Email: dgilborn@caronpartners.com

**FIRST REPORT OF THE RECEIVER
BDO CANADA LIMITED
DECEMBER 1, 2021**

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INTRODUCTION

1. On May 21, 2021, the Business Development Bank of Canada (“**BDC**”) sought and obtained an Order (the “**Receivership Order**”) from the Court of Queen’s Bench of Alberta (the “**Court**”) appointing BDO Canada Limited as the Receiver and Manager (the “**Receiver**”) of all the assets, undertakings and property of P7 Construction Ltd. (“**P7**”) and 1619904 Alberta Ltd. (“**161**” or collectively with P7, the “**Companies**”).
2. The purpose of this report (the “**First Report**”) is to provide information to the Court in respect of:
 - (a) The corporate structure of the Companies;
 - (b) The financial position of the Companies, including details of its material asset, the Hotel (as defined and discussed herein);
 - (c) The activities of the Receiver since the granting of the Receivership Order;
 - (d) The receipts and disbursements of the Receiver since the granting of the Receivership Order;
 - (e) Details of the sales process conducted by Colliers Macaulay Nicolls Inc. (“**Colliers**”) to seek a sale of the material asset of the Companies, the Hotel (as later defined and further described herein), with such sales process culminating in an agreement of purchase and sale (the “**224 Alberta APS**”) between the Receiver as Vendor and 2242227 Alberta Ltd. (“**224 Alberta**” or the “**Purchaser**”) as Purchaser, with such transaction conditional on the approval of this Honourable Court; and
 - (f) The Receiver’s recommendations thereon, as applicable.
3. Concurrent with the filing of this First Report, the Receiver will be filing, under temporary seal, a confidential supplement to the First Report (the “**Confidential Supplement**”) containing additional confidential and commercially sensitive information with respect to the results of the Colliers’ sales process and the 224 Alberta APS.

4. In the event that the transaction contemplated by the 224 Alberta APS does not close, the Hotel may be subject to further marketing and therefore the Receiver's ability to obtain the highest and best price would be severely compromised due to the confidential and commercially sensitive information being in the public domain. As a result, the Receiver is seeking a further interlocutory order sealing the Confidential Supplement for three months following the closing of the 224 Alberta APS related transaction, should the Court grant the requested relief.
5. All references to currency are in Canadian dollars unless otherwise noted.
6. Capitalized terms not defined in this First Report are as defined in the Receivership Order and / or the 224 Alberta APS.
7. This First Report, together with other information regarding these proceedings, will be posted on the Receiver's website at: <https://www.bdo.ca/en-ca/extranets/p7-construction-ltd-and-1619904-alberta-ltd/>.

TERMS OF REFERENCE

8. In preparing this First Report, the Receiver has relied upon unaudited financial information contained in the books and records of the Companies, and discussions with employees and former management of the Companies. The Receiver has reviewed the said financial information and records for reasonableness, internal consistency and use in the context in which it was provided, and in consideration of the nature of evidence provided to this Honourable Court. However, the Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the same in a manner that would wholly or partially comply with Canadian Auditing Standards pursuant to the Chartered Professional Accountants Handbook, and accordingly the Receiver expresses no opinion or other form of assurance in respect of the financial information referred to in the First Report.
9. The information contained in this First Report is not intended to be relied upon by any party, prospective purchaser and / or investor in any transaction in respect of the Companies.

CORPORATE STRUCTURE

10. Based on relevant corporate searches of the Alberta Registries, dated May 13, 2021:
 - (a) P7 was incorporated in the Province of British Columbia and extra-provincially registered in the Province of Alberta on May 4, 2011; and
 - (b) 161 was incorporated in the Province of Alberta on July 22, 2011. P7 holds 100% of the voting shares of 161.

FINANCIAL POSITION

Assets

11. The substantial asset of the Companies is a 108-room limited service hotel located at the address of 4404 52 Ave, Bonnyville, AB T9N 0C3, operating as the Holiday Inn Express & Suites (the “**Hotel**”). The Hotel is currently operating under a licensing agreement with Holiday Hospitality Franchising, Inc. (the “**Franchisor**”) dated May 19, 2011.
12. P7 is the owner of the real property associated with the Hotel and 161 is the related operating company.
13. The other marketable features pertaining to the Hotel include, *inter alia*:
 - (a) Indoor pool;
 - (b) Fitness centre;
 - (c) Guest laundry; and
 - (d) Complimentary Wi-Fi and parking.

Liabilities

Creditors with a security interest

14. Based on a personal property registry (“**PPR**”) search of the Companies, and land title search over the lands upon which the Hotel is situated, all dated November 25, 2021, the following registered security interests were noted:

- (a) BDC registered security at the PPR on January 6, 2012 over all present and after-acquired personal property of the Companies and on December 20, 2011 over the real property of P7. Based on the receivership application materials filed in these proceedings, BDC was owed a total of approximately \$6,993,687 as at May 13, 2021. The Receiver's independent legal counsel, Caron & Partners LLP, has provided an opinion, which confirms BDC's security over the assets of the Companies to be valid and enforceable, subject to the customary qualifications. Notwithstanding this, the Receiver is not seeking an interim distribution to BDC at this time and such distribution will remain subject to a further application before the Court; and
- (b) Agriculture Financial Services Corporation registered security at the PPR on January 5, 2012 over all present and after-acquired personal property and registered a second mortgage on title of the Hotel on December 20, 2011 in the amount of \$700,000.

- 15. In addition to the above indebtedness, BDC has funded the Receiver \$275,000 through Receiver's Borrowings, with such amounts secured by the Receiver's Borrowing Charge as provided for in the Receivership Order.

Employees

- 16. The Receiver, solely in such capacity, retained all of the employees employed at the Hotel with such employees required to continue operations.
- 17. As at the date of the Receivership Order, there was approximately \$11,319 in super priority wages pursuant to sections 81.3 or 81.4 of the *Bankruptcy and Insolvency Act* (the "BIA") owed to the employees which were subsequently paid by the Receiver. The payment of the pre-receivership / super priority wages was also deemed necessary for the continued operation of the Hotel.

Town of Bonnyville – property taxes

- 18. There was \$181,331 in property taxes owing by P7 to the Town of Bonnyville, including 2021 assessed amounts and arrears which has been funded by BDC through the aforementioned Receiver borrowings and paid by the Receiver.

Canada Revenue Agency (“CRA”) – employee source deductions

19. The Receiver requested and facilitated CRA’s trust audit of 161’s payroll account. As a result of this audit, CRA has advised the Receiver that 161 owes approximately \$12,820 pertaining to employee related source deductions, of which approximately \$9,840 comprises a statutory deemed trust claim over the assets of 161.
20. The Receiver understands from CRA that P7 does not have a CRA payroll account and therefore the Receiver is not aware of any amounts owed by P7 to CRA in respect of employee source amounts.

CRA – goods and services tax (“GST”)

21. Based on correspondence received from the CRA, approximately \$4,458 is owed by 161 to CRA in respect of GST, representing a deemed trust claim absent a concurrent bankruptcy.
22. The Receiver is not aware of any amounts owed by P7 to CRA in respect of GST.
23. The results of the outstanding Applications for Bankruptcy Orders against the Companies (as discussed further below) could affect the priority of any amounts owed for GST.

Unsecured creditors

24. As the Receiver does not anticipate sufficient realizable proceeds to result in a distribution to the Companies’ unsecured creditors, it is not recommending a claims process be conducted.

ACTIVITIES OF THE RECEIVER

25. Subsequent to the granting of the Receivership Order, the Receiver, *inter alia*:
 - (a) Attended at the Hotel to meet with employees, tour the property and to complete other tasks with respect to obtaining custody and control of the Hotel;
 - (b) Confirmed the Companies’ insurance was valid and in good standing, and had the Receiver added as loss payee and additional insured to the policy;
 - (c) Completed statutory notifications to known and identified potential creditors pursuant to Section 245(1) and 246(1) of the BIA;

- (d) Liaised with employees to respond to maintenance requirements and other operational activities on an as required basis, including those involving the COVID-19 pandemic;
- (e) Administered the accounts payable, accounts receivable, human resources, payroll and banking functions on behalf of the Companies;
- (f) Corresponded with representatives of the Franchisor to advise of the Receiver's appointment and its intentions to market the Hotel for sale in accordance with the terms of the Receivership Order;
- (g) Worked with Colliers to facilitate the marketing and sales process for the Hotel, resulting in the 224 Alberta APS, as more fully described in the Confidential Supplement;
- (h) Engaged Caron & Partners LLP as legal counsel to the Receiver and obtained a legal opinion respecting BDC's security held against the Companies;
- (i) Instructed its counsel to register the Receivership Order against title to the Companies' real property;
- (j) Contacted CRA to set up new GST and payroll accounts, and to request and facilitate a trust exam in relation to pre-receivership source deductions owed;
- (k) Corresponded with CRA with respect to the Companies' eligibility for governmental assistance through various subsidy programs implemented in response to the COVID-19 pandemic and prepared the necessary applications thereto;
- (l) Provided updates to stakeholders as required; and
- (m) Attended to various other administrative matters as it pertains to the receivership.

MARKETING AND SALES PROCESS

26. On June 8, 2021, the Receiver issued a request for proposal ("RFP") to four licensed commercial realtors, seeking proposals to assist the Receiver in the marketing and sale of the Hotel. As a result of this RFP and after consultation with BDC, the Receiver entered into an exclusive listing agreement with Colliers, dated July 15, 2021.
27. The Colliers' marketing process formally commenced on August 5, 2021 and included, *inter alia*:

- (a) Prepared an investment profile (the “**Profile**”), a copy of which is attached hereto as **Appendix “A”**;
- (b) Established an electronic data room in consultation with the Receiver;
- (c) Prepared a Confidential Information Memorandum;
- (d) Launched the Profile to a broad segment of individuals, including, *inter alia*:
 - i. a qualified list of approximately 1,500 individuals in Colliers data base, including, *inter alia*, private Canadian and U.S. hotel investors, investment companies, targeted owners of similar assets across Canada, as well as local investment community and well-capitalized families;
 - ii. certain individuals identified by the Receiver through previous hotel sale mandates; and
 - iii. others who contacted the Receiver directly;
- (e) Uploaded the listing to the Colliers’ website;
- (f) Coordinated a second electronic blast of the Profile to Colliers’ extensive investor data base;
- (g) Followed up via telephone and personalized emails to logical investors, including logical local, regional and national groups to introduce the Hotel for sale;
- (h) Coordinated tours of the Hotel by interested purchasers; and
- (i) Established a call for offers with a deadline to submit offers of November 4, 2021, including sending reminders to interested parties in an effort to maintain momentum and the competitive nature of the sale process.

28. Further details of the results of the sales process for the Hotel are contained in the Confidential Supplement, with such additional details including, *inter alia*, the:

- (a) number of confidentiality agreements executed to provide access to the electronic data room; and
- (b) number of offers received and details of such offers.

224 ALBERTA APS

29. As a result of the sales process conducted by Colliers, the Receiver entered into the 224 Alberta APS for the sale of the Receiver's right, title and interest in the Hotel, with such transaction conditional on the approval of this Honourable Court, and with, *inter alia*, the following material terms:
- (a) Purchased assets to include, *inter alia*, the Receiver's right, title and interest in the following:
 - i. Lands (the "**Lands**") legally described as:
 - PLAN 0625318
 - BLOCK 3
 - LOT 5
 - EXCEPTING THEREOUT ALL MINES AND MINERALS
 - ii. The business being operated from the improvements on the Lands;
 - iii. Machinery, tools, chattels, moveables, furniture, furnishings, artwork and equipment and accessories located at the Hotel; and
 - iv. The files, records, documents, customer lists, guest reservation cards, advance reservations, correspondence, telephone numbers and computer software, and all of the Receiver's rights in respect of the business trade-names and logos and goodwill relating to the business in the possession or control of the Receiver;
 - (b) Purchasers conditions – none;
 - (c) Purchase price – [Redacted but will be provided to the Court through the Confidential Supplement];
 - (d) Non-refundable deposit – [Redacted but will be provided to the Court through the Confidential Supplement]; and
 - (e) Closing date of February 15, 2022, or such other date as the Receiver and Purchaser may agree in writing.
30. A redacted form of the 224 Alberta APS, which redacts the confidential and sensitive commercial information the Receiver seeks to protect pursuant to the sealing order sought, is appended hereto as **Appendix "B"** to this First Report.

Discussions with BDC and the Receiver's Recommendation

31. The Receiver has been in frequent contact with BDC as the first ranking secured creditor and financier of the Receiver's borrowings during the course of these proceedings and the Receiver understands that BDC is supportive of the sale as contemplated in the 224 Alberta APS.
32. Following discussions with each of BDC and Colliers, and for the reasons more fully set out in the Confidential Supplement, the Receiver is of the opinion that the 224 Alberta APS is commercially reasonable in the circumstances and therefore recommends approval of same.

BANKRUPTCY APPLICATIONS

33. As a result of the Receiver's preliminary review of the financial and banking information of the Companies available to the Receiver, it determined that there may be some potentially reviewable transactions pursuant to the BIA.
34. As a result of the foregoing, on August 17, 2021, BDC initiated Bankruptcy Applications with respect to both 161 and P7 for the purposes of crystalizing the look-back period for reviewable transactions as provided in the BIA. The bankruptcy applications were adjourned *sine die*, pending the Receiver's further investigations.
35. The Receiver continues its investigations into these potentially reviewable transactions as at the date of this First Report, in consultation with BDC, the primary economic stakeholder herein.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

36. The Receiver has attached an interim statement of receipts and disbursements to October 31, 2021 (the "**Interim SRD**"), as **Appendix "C"** to this First Report, indicating the Receiver is holding \$145,791 of cash in trust as at that date.
37. The Receiver has not prepared a more recent Interim SRD as the accounting for the Hotel is not finalized until after months' end. Accordingly, October 31, 2021 is the most recent date currently available with fulsome accounting of the transactions for the Hotel.

SEALING ORDER APPLICATION

38. The Confidential Supplement contains sensitive commercial information in the Receiver's view may seriously prejudice any subsequent sales process in the event same is necessary. Accordingly, in order to protect the integrity of any future sales process in the event that the transaction contemplated by the 224 Alberta APS does not close, the Receiver is requesting that this Honourable Court grant an order sealing the Confidential Supplement for a period of three months from the closing of the transaction contemplated by the 224 Alberta APS
39. Counsel to the Receiver has advised that it will, concurrently with the filing of this First Report, provide the requisite notice to the media through the Court's online portal.

RECOMMENDATIONS

40. The Receiver respectfully recommends that this Honourable Court:
- (a) Approve the sale of the Hotel substantially in the form of that contemplated by the 224 Alberta APS and grant an Approval and Vesting Order in the form substantially in the form as attached to the Application concurrently filed with this First Report;
 - (b) Approve the activities of the Receiver as described in the First Report and the Confidential Supplement; and
 - (c) Direct that the Confidential Supplement be sealed for a period of three months from the date of the closing of the sale contemplated by the 224 Alberta APS.

All of which is respectfully submitted this 1st day of December, 2021.

BDO Canada Limited

In its capacity as Receiver of P7 Construction Ltd. and 1619904 Alberta Ltd.
and not in its personal or corporate capacity.



Per:

Kevin Meyler, CA, CIRP, LIT
Senior Vice President



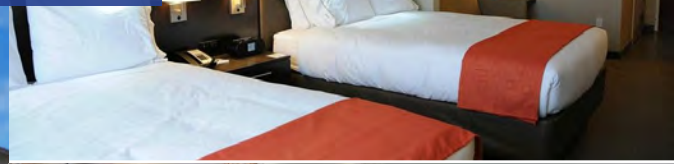
Breanne Barker, CPA, CIRP, LIT
Vice President

APPENDIX “A”

Holiday Inn Express & Suites



BONNYVILLE, ALBERTA



HOTEL INVESTMENT OPPORTUNITY

Colliers Hotels has been retained by BDO Canada Limited in its sole capacity as Court-appointed receiver (the “Receiver”), and not in its personal or corporate capacity, to act as advisor and exclusive agent in connection with the sale of the 108-key **Holiday Inn Express & Suites Bonnyville** (the “Hotel” or “Property”).



Property Overview

Address	4404 52 Avenue, Bonnyville, Alberta
Interest	Fee Simple
Site Size	±2.52 Acres
Opened	November 2012
Amenities	Free Breakfast • Two Meeting Rooms • Indoor Swimming Pool • Sauna • Hot Tub • Fitness Facility • Business Centre • Guest Laundry • Free Wi-Fi & Parking
Brand	Subject to a 10-Year Franchise Agreement, Expiring in 2022, with No Renewals
Management	Unencumbered
Labour	Non-Union
Keys	108, including 38 Suites

- The Hotel benefits from being located just off Highway 28, which connects Bonnyville directly to other major highways and large urban centres such as the Province’s capital, Edmonton – approximately 2.5 hours away by car.
- The Property is nearby several points of interest including Bonnyville Healthcare Centre, CFB Cold Lake, District Centennial Recreation Centre, and Moose Lake Provincial Park, to name a few, as well as major employers such as Cenovus, Canadian Natural Resources Limited, Imperial Oil, and Devon Energy.
- The Hotel performs well against its competitive set with RevPAR penetrations of 100% between 2015 to 2019. The Property also enjoys best-in-class branding with IHG, providing access to over 100 million Rewards Club members worldwide.
- Bonnyville is the regional business centre for agriculture, petroleum, forestry, tourism, commerce, and health care, with a consumer market of some 56,500 people within a 90-minute drive.

For all inquiries regarding the proposed sale, including tours, please contact the exclusive advisor:

Hamir Bansal

Calgary/Vancouver
+1 604 661 0850
hamir.bansal@colliers.com

Tom Andrews

Vancouver
+1 604 661 0846
tom.andrews@colliers.com

Alam Pirani

Toronto
+1 416 562 6665
alam.pirani@colliers.com

Robin Mcluskie

Toronto
+1 416 643 3456
robin.mcluskie@colliers.com

Jessi Carrier

Montreal
+1 514 688 3190
jessi.carrier@colliers.com

collierscanada.com/hotels

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APPENDIX “B”

AGREEMENT OF PURCHASE AND SALE

This Agreement made this 1st day of December 2021:

BETWEEN:

BDO Canada Limited solely in its capacity as court appointed receiver-manager of **P7 Construction Ltd. and 1619904 Alberta Ltd.** and not in its personal or corporate capacity

and

2242227 Alberta Ltd., a corporation incorporated under the laws of the Province of Alberta

RECITALS:

- A. 1619904 Alberta Ltd. operates the Business (as defined below) and P7 Construction Ltd. is the registered owner of the Lands (as defined below).
- B. The Vendor (as defined below) was appointed receiver and manager of the assets, undertakings and properties of P7 Construction Ltd. and 1619904 Alberta Ltd. (collectively the "**Companies**") pursuant to an order (the "**Appointment Order**") of the Court of Queen's Bench of Alberta (the "**Court**") dated May 21, 2021.
- C. The Appointment Order authorizes the Vendor to market and sell, subject to obtaining the Approval and Vesting Order (as defined herein) from the Court, all or any part of the assets, undertakings and properties of the Companies.
- D. The Vendor (as defined below) has agreed to sell the Business (as defined below) and the Lands (as defined below) to the Purchaser (as defined below) and the Purchaser (as defined below) has agreed to purchase all of Companies' right, title and interest in and to the Business (as defined below) and the Lands (as defined below) from the Vendor (as defined below), at the Closing Date, for the Purchase Price, and subject to all of the terms and conditions set forth herein.

Now, therefore, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby conclusively acknowledged, the parties hereto covenant and agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement:

- (a) "**Agreement**" means this agreement of purchase and sale and all schedules attached hereto, as the same may be amended, supplemented, revised or restated from time to time;



- (b) **"Applicable Law"** means any statute, law, ordinance, rule, regulation, regulatory policy, by-law (zoning or otherwise), order, judgment, decree, treaty, guidelines or administrative requirements having the force of law or other requirement having the force of law or restriction of any kind whatever, including, but without limiting the generality of the foregoing, Environmental Laws, as applicable to the Lands;
- (c) **"Approval and Vesting Order"** means an order of the Court approving this Agreement and having the effect of vesting the Lands in the name of the Purchaser on Closing, free and clear of all Encumbrances other than the Permitted Encumbrances, in registerable form and in substance satisfactory to the Purchaser, acting reasonably, and on notice to a service list acceptable to the Purchaser, acting reasonably, which shall be substantially in the form of Schedule "D" hereto, subject to such reasonable modifications as required by the Purchaser, the Vendor and the Court, to give effect to the transaction as contemplated by this Agreement;
- (d) **"Approval and Vesting Order Condition"** has the meaning set forth in Section 5.3 hereof;
- (e) **"Balance Due on Closing"** shall have the meaning set forth in Section 2.2 hereof;
- (f) **"Books and Documents"** shall have the meaning set forth in Section 6.1 hereof;
- (g) **"Business"** shall be as described in Schedule "A" including the Purchased Assets;
- (h) **"Business Day"** means any day in the Province of Alberta that is not a Saturday, Sunday or a statutory holiday;
- (i) **"Closing"** means the completion of the transaction of purchase and sale for the Business and the Lands contemplated by this Agreement;
- (j) **"Closing Date"** means February 15, 2022, or such other date as the Vendor and Purchaser may agree in writing;
- (k) **"Closing Time"** means 11:59 A.M. (Alberta time) on the Closing Date or such other time as may be determined by the Vendor in its sole discretion;
- (l) **"Court"** shall have the meaning set forth in the Recitals hereto;
- (m) **"Deposit"** shall have the meaning set forth in Section 2.2 hereof;
- (n) **"Encumbrance"** means any security interest, lien, charge, pledge, encumbrance, mortgage, title retention agreement, easement, encroachment, right-of-way, restrictive covenant, licence, lease, agreement or any other claim of any nature or kind, whether financial or otherwise;
- (o) **"Environment"** means the environment or natural environment as defined in any Environmental Law, and includes, without limitation, air, surface water, ground water, land surface, soil, subsurface strata, a sewer system and the environment in the workplace;



- (p) **“Environmental Assessment Reports”** means, collectively, all of the reports, documents and correspondence listed in Schedule “C” attached hereto and forming a part hereof;
- (q) **“Environmental Laws”** means all laws relating in full or in part to the protection or preservation of the Environment, product liability and employee and public health and safety and includes, without limitation, those Applicable Laws relating to the storage, generation, use, handling, manufacture, processing, labelling, advertising, sale, display, transportation, treatment, release, discharge and/or disposal of Hazardous Substances, including without limitation, the *Canadian Environmental Protection Act, 1999*, S.C. 1999, c.33, the *Transportation of Dangerous Goods Act, 1992*, c.34, the *Environmental Protection and Enhancement Act (Alberta)* and any regulation, order, guideline or policy made pursuant to any of such statutes or in respect of any of such statutes;
- (r) **“ETA”** shall have the meaning set forth in Section 2.3 hereof;
- (s) **“Execution Date”** means the date this Agreement has been signed by all of the parties hereto accepting the terms and conditions of this Agreement;
- (t) **“Governmental Authorities”** means all governments and government officials whether federal, provincial or municipal and all other regulatory authorities that have jurisdiction over the Lands, the Environment to the Lands, and Hazardous Substances at or near the Lands;
- (u) **“GST”** means all goods and services taxes levied pursuant to Section 165(1) of the *Excise Tax Act (Canada)*;
- (v) **“Hazardous Substances”** means any substance or constituent thereof, sound, vibration, ray, heat, odour, radiation, energy, which is or is deemed to be, alone or in any combination, a pollutant, contaminant, source of pollution or contamination, waste of any nature, hazardous substance, hazardous material, toxic substance, dangerous substance or dangerous good including as defined, judicially interpreted or identified in any Environmental Law;
- (w) **“Holiday Inn Express & Suites Documentation”** means the License Agreement between Holiday Hospitality Franchising, Inc. and P7 Construction Ltd. effective May 19, 2011 and such other documentation, agreements, contracts, and licenses ancillary to same.
- (x) **“Improvements”** means all buildings, fixtures and appurtenances constructed on the Lands or any part or parts thereof;
- (y) **“Information”** shall have the meaning set forth in Section 3.2 hereof;
- (z) **“Land Titles Office”** means the land titles office for Alberta established pursuant to the *Land Titles Act (Alberta)*;
- (aa) **“Lands”** means those lands in Town of Bonnyville, Alberta, the legal descriptions of which are set forth in Schedule “A” attached hereto including all Improvements;

W

- (bb) **"Municipality"** means The Town of Bonnyville, a municipal corporation established pursuant to the laws of the Province of Alberta;
- (cc) **"Mutual Conditions"** means the Approval and Vesting Order Condition and the No Appeal Condition for the benefit of the Vendor and the Purchaser set forth in Section 5.3 hereof;
- (dd) **"No Appeal Condition"** shall have the meaning set forth in Section 5.3 hereof;
- (ee) **"Permitted Encumbrances"** means those Encumbrances listed on Schedule "B" hereto;
- (ff) **"Place of Closing"** means the offices of the Vendor's Solicitors or at such other place as the Vendor and the Purchaser may agree in writing;
- (gg) **"Purchase Price"** shall have the meaning set forth in Section 2.1 hereof;
- (hh) **"Purchased Assets"** shall mean the assets described in Schedule "A"
- (ii) **"Purchaser"** means 2242227 Alberta Ltd. ;
- (jj) **"Purchaser's Conditions"** Intentionally Deleted;
- (kk) **"Purchaser's Condition Date"** Intentionally Deleted;
- (ll) **"Purchaser's Solicitors"** means Swainson Miki Peskett LLP. Suite 2800 10104 103 Avenue NW Edmonton, AB Canada T5J 0H8, Attention Jill L.A. Sheward fax no. 780.809.7804, email jsheward@smpllp.ca;
- (mm) **"Receiver"** means BDO Canada Limited, in its sole capacity as the Court appointed receiver of the Companies and not in its personal or corporate capacity;
- (nn) **"Undertaking"** shall have the meaning set forth in Section 7.2 hereof;
- (oo) **"Vendor"** means the Receiver solely in its capacity as court appointed receiver-manager of the assets, undertakings and properties of the Companies and not in its personal or corporate capacity;
- (pp) **"Vendor's Conditions"** means all of the conditions for the benefit of the Vendor set forth in Section 5.1 hereof; and
- (qq) **"Vendor's Solicitors"** means the solicitor for the Receiver, Caron & Partners LLP, Fifth Avenue Place - West Tower, 2120, 237 – 4th Avenue SW, Calgary, AB T2P 4K3, Attention: Daniel Gilborn and Joshua N. Switzer, fax no. 403.237.0111, email addresses: dgilborn@caronpartners.com and joshua.switzer@caronpartners.com.

1.2 Grammar

Grammatical variations of any terms defined herein have similar meanings; words importing the singular number shall include the plural and vice versa; and words importing the masculine gender shall include the feminine and neuter genders and vice versa.



1.3 Headings

The headings of any article, section or part thereof are inserted for the purposes of convenience only and do not form a part of this Agreement. All uses of the words "hereto", "herein", "hereof", "hereby" and "hereunder" and similar expressions refer to this Agreement and not to any particular section or portion of it.

1.4 Schedules

The following schedules are attached hereto and form a part of this Agreement:

- Schedule "A" - Legal Description of the Lands and Business
- Schedule "B" - Permitted Encumbrances
- Schedule "C" - Environmental Assessment Reports
- Schedule "D" - Approval and Vesting Order

1.5 Currency

Unless otherwise expressly stated herein, all references to currency shall be Canadian currency.

ARTICLE 2 AGREEMENT OF PURCHASE AND SALE

2.1 Purchase Price

The Vendor hereby agrees to sell the Business and Lands to the Purchaser and the Purchaser hereby agrees to purchase the Business and the Lands from the Vendor, as at the Closing Date, at and for the Purchase Price and on and subject to all of the terms and conditions set forth herein. The purchase price for the Business and Lands, subject to adjustments as provided herein, shall be the sum of [REDACTED] (the "**Purchase Price**").

2.2 Payment of Purchase Price

The Purchaser covenants and agrees to pay the Purchase Price in lawful money of Canada as follows:

- (a) the sum of [REDACTED] (the "**Deposit**"), which amount will be paid by the Purchaser to the Vendor's Solicitors prior to 5:00 pm on the second Business Day following the execution of this Agreement;
- (b) the balance of the Purchase Price shall be paid to the Vendor's Solicitors on the Closing Date, subject to the adjustments provided for herein (the "**Balance Due on Closing**").

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2.3 Goods and Services Taxes/Other Taxes

In addition to the Purchase Price, the Purchaser shall pay to the Vendor on Closing all federal, provincial and other sales, value-added, GST, land transfer and all other taxes whatsoever which are exigible in connection with the transactions contemplated by this Agreement, together with all duties or other charges properly payable by the Purchaser upon or in connection with the conveyance and transfer of the Lands. The Purchaser does hereby indemnify and save the Vendor harmless from and against all claims for payment of the above-mentioned taxes including penalties and interest thereon and any liability or costs incurred as a result of any failure to pay such taxes when due.

The Purchaser hereby represents and warrants that it is now or will be by no later than the Closing Date registered for GST in accordance with the requirements of the provisions of the *Excise Tax Act* (Canada) (the "ETA"). In addition to all other taxes payable by the Purchaser at Closing, the Purchaser agrees to pay to the Vendor all GST payable in respect of the purchase of the Lands unless the Purchaser shall deliver to the Vendor a statutory declaration on Closing attesting to its GST registration and attaching a copy of its up-to-date GST registration number and such other evidence of registration as the Vendor reasonably requests in which case, notwithstanding the foregoing, the Vendor shall not collect such GST and the Purchaser shall be responsible to pay or account for the GST directly to the Receiver General of Canada in the manner and within the time prescribed by the ETA (subject to its available input tax credits).

The Purchaser does hereby indemnify and save harmless the Vendor from any GST, penalty, interest or other amounts which may be payable by or assessed against the Vendor under the ETA as a result of or in connection with the Vendor not collecting and remitting any GST applicable on the sale of the Lands.

2.4 Adjustments

Adjustments to the Purchase Price shall be made as of the Closing Date for all items that would normally be adjusted between a vendor and purchaser in respect of the sale of assets similar to the Business and the Lands in a similar insolvency sale including without limitations prepaid expenses, accrued expenses, pre-paid utilities, taxes, pre-paid bookings, inventories and supplies, and payables. All adjustments shall be based on the cost to the Vendor or any related party (as defined by the *Income Tax Act* of Canada), without mark-up. The parties hereto acknowledge and agree that accounts receivable and cash on hand as of the Closing Date shall remain the entitlement of the Vendor and shall not be adjusted between the parties.

2.5 Deposits

The Deposit shall be held by the Vendor's Solicitors in a non-interest bearing trust account. The Deposit shall be non-refundable to the Purchaser except only if the Mutual Conditions are not satisfied or, to the extent permitted, waived, or the Vendor materially breaches the terms of this Agreement, in which case the Deposit shall be returned to the Purchaser. The Deposit shall be credited on account of the Purchase Price and released to the Vendor on Closing. If the Mutual Conditions have been satisfied or, to the extent permitted, waived, and the within transaction shall not be completed for any reason other than a material breach by the Vendor of a term of this Agreement, then the Deposits shall be retained by the Vendor as a genuine estimate of the Vendor's liquidated damages (and not as a penalty in any case).



ARTICLE 3 STATUS OF LANDS

3.1 "As-Is Where-is"

The Purchaser acknowledges and agrees that the Lands and each and every part thereof are being purchased on an "as-is where-is" basis as they exist as of the Closing Date and that from and after the Closing Date the Vendor shall have no liability or responsibility whatsoever in respect of the Business and the Lands, including but not limited to liability or responsibility arising from or in connection with the "Holiday Inn Express & Suites Hotel" license from Holiday Hospitality Franchising, Inc., the Business and its operations, and any Hazardous Substances at, on, under, about, or migrating to or from the Lands, or the environmental condition of the Lands or of any land or Environment in proximity to the Lands. The Purchaser acknowledges and agrees that Information relating to the Business and the Lands which is included in this Agreement or obtained by the Purchaser from the Vendor (including, without limitation, the Books and Documents and the Environmental Assessment Reports, Holiday Inn Express & Suites Documentation and any information arising therefrom) has been provided solely for the convenience of the Purchaser and is not warranted to be accurate, complete or reliable and does not constitute any representation or warranty and does not form part of the terms of this Agreement.

3.2 Own Analysis

The Purchaser acknowledges and agrees that: (i) it has entered into this Agreement on the basis that the Vendor does not warrant title to the Business and the Lands and that the Purchaser has conducted (and will conduct) its own investigations and inspections of the Lands and the Business and all matters and things connected with or in any way related to the Lands and the Business; (ii) it has satisfied itself (or will satisfy itself) with respect to the Lands and the Business and all matters and things connected with or in any way related to the Lands and the Business; and (iii) it has relied (and will rely) entirely upon its own investigations and inspections in entering into this Agreement and in concluding the transaction contemplated by this Agreement, notwithstanding the provision to the Purchaser (including its directors, officers, employees, Affiliates, agents, advisors and representatives) by the Vendor of any Books and Documents, and listings, reports or other documents or information (collectively, "**Information**") relating to the Lands and the Business which are in the possession of the Vendor including, without limitation, the Environmental Assessment Reports, Holiday Inn Express & Suites Documentation and any information arising therefrom.

3.3 No Representation by Vendor

The Purchaser hereby acknowledges and agrees that it has satisfied itself with respect to and acknowledges that neither the Vendor nor any party acting or purporting to act on behalf of the Vendor has made any representation, warranty, statement or promise, save and except as are expressly stated herein, with respect to or in any way related to any matter or thing whatsoever including, without limitation:

- (a) the title, description, nature, quality, quantity, size, merchantability, fitness for any purpose, state, condition, cost, undue expenses, validity or location of all or any of the Lands and the Business or the right of the Vendor to sell or assign same, or as to the accuracy or completeness of the Information provided or made available to the Purchaser;



- (b) the validity, registration, enforceability or priority of any mortgages, charges, liens, encumbrances, security interests, claims of any nature or kind or demands of whatsoever nature or kind affecting or in any way related to all or any of the Lands;
- (c) the state, condition, location, age, currency, obsolescence, value, usability of or any other matters arising out of or in any way connected with any building and other permanent fixtures forming part of the Lands and any equipment or facilities thereon or therein;
- (d) the compliance of the Lands and their use in accordance with Applicable Laws;
- (e) the environmental condition of the Lands;
- (f) the uses, present or future, made or to be made of the Lands;
- (g) the existence, nature, kind, state or scope, identity, effect or consequences of any Hazardous Substances on, under, about or migrating to or from the Lands;
- (h) the existence, state, nature, kind, identity, extent, effect or consequences of any administrative orders, control orders, abatement orders, compliance orders or any other orders, proceedings, directions, issues or actions taken under or pursuant to Environmental Laws or any other Applicable Law;
- (i) the existence, state, nature, kind, identity, extent, effect or consequences of any liability, responsibilities, or obligations arising from or in relation to the environmental condition of the Lands or any Applicable Law including, without limitation, any obligation with respect to any Hazardous Substances at, on, under, about, or migrating to or from the Lands and any obligations to compensate any person for costs incurred in connection with or damages suffered as a result of the presence or migration of any Hazardous Substances at, on, under, about, to, or from the Lands or elsewhere;
- (j) the zoning of the Lands, the planning status of the Lands, the condition, existence or location of services on or near the Lands, the use to which the Lands can be put or the fulfillment or satisfaction of any subdivision condition;
- (k) the manner in which the Vendor carried on the Business: and
- (l) the existence and validity of any licenses, permits or authorizations from Holiday Hospitality Franchising, Inc, any Governmental Authority, court, regulatory authority or other person whatsoever having or purporting to have jurisdiction over the Vendor, the Lands, the Business carried on by the Vendor, or any sale, transfer, conveyance, lease, consignment, assignment, disposition or other dealings with the Business and the Lands.

3.4 Environmental Release, Indemnity and Covenant Not to Sue

The Purchaser agrees that, and that there are no representations, covenants and agreements otherwise, it is purchasing the Lands in their present state, condition and location



including, without limitation, the environmental condition of the Lands, the existence of any Hazardous Substances at, on, under, about, or migrating to or from the Lands, and any impact of any environmental condition at the Lands or any Hazardous Substances at or migrating to or from or to the Lands, whether presently known or later discovered.

The Purchaser, from and after the Closing Date, shall assume all liabilities and responsibilities, whether presently known or later discovered and regardless of the source or cause of the same, with respect to the environmental condition of the Lands, the existence of any Hazardous Substances at, on, under, about, or migrating to, through or from the Lands, and any impact of any environmental condition at the Lands or any Hazardous Substances, at, on, under, about, or migrating to or from the Lands, and the Purchaser does hereby indemnify and hold the Vendor (the "**Indemnified Party**"), harmless with respect thereto, and the Purchaser hereby agrees: (a) to release the Indemnified Party from any and all claims or any nature or kind, whether by or based upon statute, common law, or in equity, that the Purchaser may now or in the future have in relation thereto; and (b) that it will not alone or in concert with any other person pursue any action, claim of any nature or kind, dispute or proceeding against the Indemnified Party in relation thereto.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

4.1 Purchaser's Representations and Warranties

The Purchaser hereby represents, warrants and covenants to and with the Vendor now and on Closing that:

- (a) the Purchaser is acting as a principal and not as an agent, trustee or other representative;
- (b) the Purchaser is a corporation, duly incorporated and existing under the laws of its jurisdiction of incorporation and has the requisite power and authority to make this Agreement, complete this Agreement, and perform all its obligations hereunder including effecting all corporate registrations in the Province of Alberta necessary to be the registered owner of title to the Lands;
- (c) no registration, notice, consent, approval or filing under any Applicable Laws, including (without limitation) the *Investment Canada Act* and the *Competition Act* (Canada), is required as a condition or result of the Purchaser making the Agreement, or the completion or performance of this Agreement, including the purchase of the Lands by the Purchaser hereunder;
- (d) this Agreement, and each of the other agreements, documents and instruments to be executed by the Purchaser on or before Closing, have been or will be duly executed and delivered by the Purchaser and will constitute valid and binding obligations of the Purchaser, enforceable in accordance with the terms hereof or thereof, as the case may be; and
- (e) the Purchaser is registered pursuant to the ETA under GST number 74339 1070 RT0001.



4.2 Vendor's Representations and Warranties

The Vendor hereby represents and warrants to the Purchaser now and on Closing that:

- (a) the Vendor is not a non-resident of Canada within the meaning of that term as used in the *Income Tax Act* (Canada);
- (b) the Receiver has been appointed by the Court as receiver-manager of the assets, undertakings and properties of the Vendor pursuant to the Appointment Order, a copy of which is available to the Purchaser; and
- (c) subject to Court approval and the issuance of the Approval and Vesting Order, the Vendor has all necessary power and authority to enter into this Agreement and to carry out its obligations under this Agreement. This Agreement constitutes a valid and binding obligation of the Vendor enforceable against it in accordance with its terms subject to any limitations imposed by Law. The Receiver will have after obtaining the Approval and Vesting Order, all necessary authority to execute and deliver this Agreement and all other documents and instruments contemplated herein or therein to which it is or will be party and to perform its obligations hereunder and thereunder.

4.3 No Collateral Agreements

It is agreed that there is no representation, promise, warranty, collateral agreement, term or condition of any kind made by or on behalf of the Vendor affecting this Agreement or the Lands or supported hereby other than expressed herein in writing. The Purchaser acknowledges that this Agreement entirely replaces and supersedes all previous agreements and correspondence and contains all the terms, conditions, and provisions agreed upon between the parties hereto, and is not subject to any collateral or oral agreement, undertaking or representation (negligent or otherwise) of any kind.

ARTICLE 5 CONDITIONS

5.1 Vendor's Conditions

The obligation of the Vendor to complete the transaction of purchase and sale which is contemplated herein is subject to and conditional upon the following matters (each of which is inserted for the sole benefit of the Vendor and may be waived in whole or in part by the Vendor) being satisfied on or by the date specified therefor (which shall be the Closing Date unless otherwise specified) and in the event that any one of the following conditions is neither complied with nor waived by the Vendor then, in such event, this Agreement shall terminate thereafter subject to the performance of all those obligations that survive termination and the Deposit together with any accrued interest thereon shall forthwith be returned to the Purchaser (subject to the Purchaser's obligations set forth in this Agreement) and neither party shall have any further liability to the other (save for the Purchaser's obligations as set forth in this Agreement):

- (a) no part of the Lands shall have been removed from the control of the Vendor by any means or process;



- (b) no action or proceeding, at law or in equity, shall have been commenced or threatened by any person to enjoin, restrict or prohibit the consummation of the transactions contemplated by this Agreement that has not at the Closing Time been dismissed, quashed or permanently stayed without any further rights of appeal or leave to appeal;
- (c) all consents or approvals from or notifications to any lender, landlord, lessor or other third person required under the terms of any agreement, lease or instrument in connection with the consummation of the transactions contemplated hereby, shall have been duly obtained or given, as the case may be;
- (d) all consents or approvals from, orders and authorizations of, notifications to and licences from any persons (or registrations, declarations, filings or recordings with any such authorities) required in connection with the consummation of the transactions contemplated by this Agreement, the making of the Agreement, the Closing, or the performance of any of the terms and conditions thereof, in form and substance satisfactory to the Vendor and the Vendor's Solicitors, shall have been duly obtained or given, as the case may be;
- (e) the representations and warranties of the Purchaser contained in the Agreement shall be true and correct in all material respects as at the Closing Date and with the same force and effect as if made at and of such time;
- (f) the Purchaser shall have paid to the Vendor all amounts required to be paid by it under this Agreement; and
- (g) the Purchaser shall have performed, in all material respects, its obligations and covenants under this Agreement to the extent required to be performed on or before the Closing Date.

The closing of the transaction of purchase and sale contemplated herein by the Vendor shall be deemed to be waiver by the Vendor of compliance with any condition inserted for its benefit and not satisfied on the Closing Date.

5.2 Purchaser's Conditions

There are no Purchaser's Conditions. Accordingly any test and studies conducted as per Section 6.2, review and inspection of Books and Documents as per Section 6.1 or any other review or inspection of the Business or Lands undertaken by the Purchaser whatsoever, the Purchaser acknowledges and agrees that it is for its own knowledge and accord as the future owner, and not for the purposes of investigation, review and inspection as a condition to the purchase.

5.3 Conditions Respecting Approval and Vesting Order

- (a) The obligations of the Vendor and the Purchaser to complete the transaction of purchase and sale contemplated herein shall be subject to and conditional upon the further conditions that: (i) within forty-five days of execution of this Agreement (which date is subject to the Court's availability and the reasonable availability of parties to whom, notice must or should reasonably be given), the Vendor shall make Application for and obtain from the Court the Approval and Vesting Order

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(the "**Approval and Vesting Order Condition**"); and (ii) all appeal periods with respect to the Approval and Vesting Order shall have expired with no appeal having been commenced and no other legal challenge to the Approval and Vesting Order having been commenced, or alternatively that the Approval and Vesting Order be granted with a clause therein stating that it may be registered notwithstanding section 191 of the *Land Titles Act* (Alberta) (the "**No Appeal Condition**").

- (b) The Approval and Vesting Order Condition has been inserted for the benefit of both the Vendor and the Purchaser and may not be waived by either party but may be extended by written agreement of both parties.
- (c) The No Appeal Condition has been inserted for the benefit of both the Vendor and the Purchaser and may be waived by written agreement of both parties.

ARTICLE 6

VENDOR DELIVERIES

6.1 Vendor Deliveries

Within ten (10) Business Days after the Execution Date, the Vendor shall make available to the Purchaser copies of or access to all plans, studies, reports, records, tests, agreements, real property reports and generally all documentation or materials and information in its actual possession, if any, (collectively, the "**Books and Documents**") which relate to the ownership, physical state and development status of the Lands and the Business. Notwithstanding the foregoing any appraisals shall be specifically excluded from Books and Documents and not be provided or made available.

The Vendor shall execute any consents or authorizations prepared by the Purchaser as may be reasonably required to release file information regarding the Lands from the Municipality or other Governmental Authorities provided that such consents and authorizations shall not permit any inspection or investigation of the Lands or any part thereof. For greater certainty, the Vendor is only required to make available copies of existing Environmental Assessment Reports. If the Purchaser wishes to complete further environmental assessments, the Purchaser is required to do so at its own expense.

If for any reason the transaction contemplated herein is not completed, the Purchaser shall return the Books and Documents and all copies of the Environmental Assessment Reports and all other materials and copies thereof which it has obtained from the Vendor (or others as a result of such consents or authorizations having been given by the Vendor) along with any copies, notes, memoranda or reports prepared or made by the Purchaser or its agents, consultants, employees, representatives or advisors.

6.2 Test and Studies

At any time and from time to time after the Execution Date and continuing to the Closing Date, the Purchaser and its duly authorized agents, consultant, employees and representatives shall be entitled to attend upon the Lands for the purpose of making inspections or conducting tests, assessments or surveys, provided the Purchaser shall make good and restore any damage or loss caused by the Purchaser, its agents, consultants, employees or representatives (whether



as a direct result of such inspections or assessments or otherwise howsoever) and shall indemnify and save harmless the Vendor from all loss, damage, injury or death. Such access is granted at the Purchaser's sole risk, and the Vendor shall have no liability to the Purchaser or any of its agents, consultants, employees or representatives for any injury, claims of any nature or kind, causes of action, costs, losses, damages or expenses arising therefrom or relating to the inadequacy, insufficiency, incompleteness, inaccuracy, unavailability or condition of the Lands. In conducting any physical inspections and environmental assessments, the Purchaser shall cause as little disturbance, damage and loss to the Lands as is possible. Intrusive testing of any part of the Lands shall only be carried out with the Vendor's prior written approval and in compliance with Applicable Laws and the Vendor's conditions and requirements, which may be imposed by the Vendor in the Vendor's absolute and sole discretion. If for any reason the transaction contemplated herein is not completed, the Purchaser shall destroy all reports, documents and other information related to any test, studies or other actions undertaken pursuant to this Agreement.

Without limiting any of its other rights at law, in equity or otherwise under this Agreement, the Vendor reserves the right to offset against the Deposit, the costs of repairs and restorations of the Lands and the Business required as a result of damage caused by the Purchaser's inspections or tests which has not been repaired or restored by the Purchaser to the reasonable satisfaction of the Vendor.

6.3 Permitted Encumbrances

The Purchaser agrees to accept title to the Lands subject to all of the Permitted Encumbrances. The Purchaser covenants and agrees to satisfy itself as to compliance with all of the Permitted Encumbrances and the Vendor shall not be required to provide letters or certificates of compliance or any releases or partial releases of same. On Closing, title to the Lands shall be free from all Encumbrances, save and except for Permitted Encumbrances.

6.4 Compliance with Permitted Encumbrances and Applicable Laws

The Purchaser covenants and agrees:

- (a) to assume on Closing and be bound by and to comply with all provisions of the Permitted Encumbrances, at the Purchaser's sole cost and expense, and the Purchaser hereby covenants and agrees with the Vendor to discharge, perform and fulfill all terms, covenants, provisos, conditions, stipulations, obligations and liabilities of the Vendor under the Permitted Encumbrances, whether arising before or after the Closing, in the same manner and to the same extent as if the Purchaser had executed the same in the place and stead of the Vendor. The Purchaser shall indemnify and hold harmless the Vendor with respect thereto, whether or not such compliance or non-compliance occurs before, on or after Closing. If required by the provisions of any Permitted Encumbrances, or by any party to any Permitted Encumbrances, the Purchaser shall enter into an agreement directly with the other parties to such Permitted Encumbrances confirming such assumption; and
- (b) to assume on Closing, at the Purchaser's sole cost and expense, complete responsibility for compliance with all Applicable Laws which apply to the Lands and the use thereof by the Purchaser. The Purchaser shall indemnify and hold



harmless the Vendor with respect thereto, whether or not such compliance or non-compliance occurs before, on or after Closing.

6.5 Assumption of Contracts, Leases, and Employees

The Purchaser covenants and agrees:

- (a) to assume all contracts and leases relating to the Business, and with respect to any contracts and leases that require the consent of a third party to assign and / or assume them, including but not limited to, at the Purchaser's option, the License Agreement between Holiday Hospitality Franchising, Inc. and P7 Construction Ltd. effective May 19, 2011, and in all such cases, the Purchaser shall be solely responsible for obtaining such consents;
- (b) that the Purchaser is solely responsible for the costs of not obtaining any one or more of the consents referred to in sub-paragraph (a) above, including without limiting, the costs of de-branding of the Business and Lands if an assignment of the Franchise Agreement is not made for any reason, including at the option of the Purchaser; and
- (c) that it shall retain (hire) all employees of the Business (unless the Vendor has advised the Purchaser of a specific employee's termination not related to this transaction on or before to the Closing Date) on the same employment terms and conditions presently in effect, including as to benefits and will recognize all of their years of service and hereby indemnifies the Vendor for any severance costs arising from or in connection with this transaction.

6.6 Expropriation

If prior to Closing the whole of the Lands or any material portion is taken by any Governmental Authorities or other authority or is required for any Governmental Authorities' or other authority's use, then the following provision shall apply: (a) in the event that the expropriation is of a material portion of the Lands, or any of the parcels comprising the Lands, the Purchaser may elect by notice given to the Vendor within ten (10) Business Days after receipt of written notice of the proposed expropriation (and the Closing Date shall be extended as necessary so that such period of time may be allowed the Purchaser prior to Closing) to receive the proceeds of expropriation or an equivalent adjustment to the Purchase Price and complete this Agreement or terminate this Agreement provided that if at the expiry of the time period set out above the Purchaser has not made an election as aforesaid the Purchaser shall be conclusively deemed to have elected to receive the proceeds of expropriation, or an equivalent adjustment to the Purchase Price accordingly and complete this Agreement; and (b) in the event that the expropriation is not with respect to a material portion of the Lands the Purchaser shall be required to receive the proceeds of expropriation or an equivalent adjustment to the Purchase Price and complete this Agreement. Any dispute between the parties as to the materiality of the portion of the Lands being expropriated shall be decided by an independent accredited architect, appointed by the parties and if the parties cannot agree, by reference to a Judge of the Court of Queen's Bench of Alberta, Commercial List.

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ARTICLE 7 CLOSING ARRANGEMENTS

7.1 Closing Date and Closing

The Closing shall occur on the Closing Date at the Closing Time at the Place of Closing. In the event the Closing Date is on a date when the Land Titles Office is closed, the Closing Date shall take place on the following Business Day that the Land Titles Office is open.


7.2 Vendor's Closing Documentation

On or before the date which is the fifth (5th) Business Day before the Closing Date, the Vendor shall deliver or cause to be delivered to the Purchaser's Solicitors the following, duly executed by the Vendor (as applicable) and, where applicable, by such other parties as may be specified or required:

- (a) a registerable Approval and Vesting Order in the form attached hereto as Schedule "D";
- (b) a statement of adjustments;
- (c) an undertaking to readjust any errors or omissions in the statement of adjustments for a period of time no longer than three (3) months after the Closing Date (the "**Undertaking**"); and,
- (d) a copy of the Receiver's certificate confirming that all conditions of Closing of the transaction of purchase and sale contemplated by this Agreement have been satisfied or waived.

7.3 Purchaser's Closing Documentation

On or before the Closing Date, the Purchaser shall deliver or cause to be delivered to the Vendor's Solicitors the following, duly executed by the Purchaser (as applicable) and, where applicable, by such other parties as may be specified or required:

- (a) a counterpart of the Undertaking;
 - (b) a certificate of the Purchaser attesting to the Purchaser's GST registration number with a copy of its GST registration number printed from the Canada Revenue Agency website attached to such declaration;
 - (c) a warranty and indemnity from the Purchaser in favour of the Vendor with respect to the Purchaser's payment of GST in a reasonable form that is provided by the Vendor;
 - (d) a certificate, dated the Closing Date, confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true and correct or have been performed (as the case may be) as of the Closing Date, with the same effect as though made as of the Closing Date;
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- (e) if required by the provision of any Permitted Encumbrances or by any party to any Permitted Encumbrances, an individual assumption agreement in a form required by such Permitted Encumbrances;
- (f) the Balance Due on Closing; and
- (g) such further and other documentation reasonable and customary relative to the completion of a transaction of the nature of the transaction contemplated by this Agreement as the Vendor may reasonably require in a form and content satisfactory to the Vendor acting reasonably.

7.4 Closing Trust Conditions

The deliveries referred in Sections 7.2 and 7.3 shall be subject to such reasonable solicitor's trust conditions for the City of Calgary which are not inconsistent with this Agreement and as may be agreed upon between the Vendor's Solicitors and the Purchaser's Solicitors or, failing such agreement as determined by arbitration by a single arbitrator appointed by agreement of the Vendor and the Purchaser or by the Court of Queen's Bench of Alberta on application by either party. Notwithstanding any other provision hereof it is agreed that such trust conditions shall require that the entire cash Balance Due on Closing be paid to the Vendor's Solicitors in trust prior to the Purchaser proceeding to register the Approval and Vesting Order.

7.5 Post-Closing

On the Closing Date, provided the Purchaser is in compliance with this Agreement and has delivered all funds and items to be delivered in connection with Closing and the entire Purchase Price, as adjusted, is releasable to the Vendor, the Vendor will cause the Vendor's Solicitors to deliver to the Purchaser's Solicitors or the Purchaser all keys to the Improvements in the Vendor's actual possession.

7.6 Risk

Until the Closing Date, the Business and Lands shall be and remain at the risk of the Vendor. In the event of damage prior to completion of the transaction, the Vendor shall have the right either to elect to pay the proceeds of any insurance policy to the Purchaser or make a claim under any insurance policy to commence the repair of such damage prior to the Closing Date and then the parties shall complete the herein transaction.

ARTICLE 8 MISCELLANEOUS

8.1 Tender of Monies

Any tender of documents and money hereunder may be made on the Vendor or the Vendor's Solicitors or on the Purchaser or the Purchaser's Solicitors, as the case may be, and money may be tendered by certified negotiable solicitor's trust cheque, wire transfer or a bank draft drawn on or issued by a Canadian chartered bank.

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8.2 Non-Merger

The covenants, representations, warranties and agreements herein contained on the part of the Purchaser and Vendor shall not merge in the Closing, but shall continue in full force and effect notwithstanding the delivery and registration of the Approval and Vesting Order and any such unfulfilled covenants or agreements at the time the Purchaser requests the transfer may be set out in the transfer to the Purchaser or by way of separate agreement, which the Purchaser covenants to sign if required by the Vendor.

8.3 Assignment

Subject to the Purchaser's right hereunder to appoint a corporate non-arm's length buyer to take title to the Lands, this Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns, provided that neither party shall assign the benefit of this Agreement without the prior written consent of the other party.

8.4 Notices

Any notice, request, consent, demand, approval, acceptance, waiver or other document required or permitted to be given hereunder shall be in writing and shall be given by personal delivery thereof or by facsimile or email to:

In the case of the Purchaser:

Address: Suite #1050-4720 Kingsway, Burnaby BC V5H 4J7
Attention: Akbar Manji
Email Address: akmanji@fcmc.ca
Fax no.:604.689.2469

with a copy of the Purchaser's Solicitor at address provided herein

In the case of the Vendor:

Attention: Mr. Kevin Meyler
Email Address: kmeyler@bdo.ca

with a copy of the Vendor's Solicitor at address provided herein

Any notice, if delivered in person, shall be deemed to have been validly and effectively given and received on the date of personal delivery. Any notice, if sent by facsimile or email transmission and received before 5:00 p.m. (Alberta time) on a Business Day shall be deemed to have been validly and effectively given and received on the date of transmission and otherwise shall be deemed to have been validly and effectively given and received on the next Business Day. By giving to the other party at least three (3) Business Days' notice thereof, either party may, at any time and from time to time, change its address for delivery or communication for purposes of this section.

8.5 Unenforceability of Covenants

If any term, covenant or condition of this Agreement or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and each term, covenant or condition of this Agreement shall be valid and enforced to the fullest extent permitted by law.

8.6 Time of Essence

It is expressly understood that time shall be of the essence of this Agreement.

8.7 Notice of Agreement

The Purchaser hereby covenants and agrees that it will not register this Agreement, notice thereof or any caveat, caution, certificate of pending litigation or any other documents which may affect title to the Lands.

8.8 Governing Law

This Agreement shall be governed by and construed and enforced in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein and shall enure to the benefit of and be binding upon the parties hereto and their respective successors or permitted assigns.

8.9 No Commissions

The Vendor shall be responsible for payment of all fees or commissions to Colliers Hotels ("**Colliers**") that the Vendor has agreed in writing to pay to Colliers in connection with the Lands and/or the transactions contemplated by this Agreement. Each of the parties represents and warrants that it has not executed any documentation or taken any other step that would make the other party responsible for real estate commissions or fees. Each party hereto agrees that if any person or entity, other than Colliers, makes a claim for brokerage commissions or finder's fees related to this Agreement or the sale of the Lands and such claim is made by, through or on account of any acts or alleged acts of said party or its representatives, said party will protect, indemnify, defend and hold the other party harmless from and against any and all loss, liability, cost, damage and expense (including reasonable legal fees) in connection therewith.

8.10 Counterparts

This Agreement may be executed in 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 format of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

[Signature page to follow]

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IN WITNESS WHEREOF the parties have duly executed this Agreement as of the date first written above.

2242227 Alberta Ltd.

By: _____

Name: FAYAZ KHAN

Title: DIRECTOR



I am authorized to bind the corporation.

**BDO Canada Limited in its capacity as
Court-appointed receiver-manager of P7
Construction Ltd. and 1619904 Alberta Ltd.
and not in its personal or corporate capacity**

By: _____

Name:

Title:

I am authorized to bind the corporation.

IN WITNESS WHEREOF the parties have duly executed this Agreement as of the date first written above.

2242227 Alberta Ltd.

By: _____
Name:
Title:

I am authorized to bind the corporation.

**BDO Canada Limited in its capacity as
Court-appointed receiver-manager of P7
Construction Ltd. and 1619904 Alberta Ltd.
and not in its personal or corporate capacity**

By: Kevin Meyler
Name: Kevin Meyler
Title: Senior Vice-President

I am authorized to bind the corporation.

SCHEDULE "A"
LEGAL DESCRIPTIONS OF THE LANDS AND BUSINESS

1. LEGAL DESCRIPTION OF THE LANDS

PLAN 0625318
BLOCK 3
LOT 5
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 1.02 HECTARES (2.52 ACRES) MORE OR LESS

2. BUSINESS

The Holiday Inn Express & Suites business being operated from the Improvements on the Lands including the Purchased Assets described as:

- a) machinery, tools, chattels, moveables, furniture, furnishings, artwork and equipment and accessories owned by the Vendor and used or held for use at the Business;
- b) assignable contracts, agreements and commitments of the Vendor relating to the hotel (including any contracts with non-unionized employees, as more particularly provided in paragraph 8 below);
- c) The Vendor's files, records, documents, customer lists, guest reservation cards, advance reservations, correspondence, telephone numbers and computer software, and all of the Vendor's rights in respect of the business trade-names and logos and goodwill relating to the Business;
- d) The Vendor's interest in any inventory or supplies used or held for use at the Business;
- e) The Vendor's interest in any licenses and permits relating to the operation of the Hotel, to the extent they are assignable;
- f) all as may be in existence on the Closing Date save and except that the Purchased Assets shall not include the following excluded assets:

contracts, licences, and permits that are not assignable, or that are assignable only with third-party consent and such consent is not obtained. For example, the Purchaser will be required to obtain its own liquor licence(s) and / or License Agreement (or assignment thereof) from Holiday Hospitality Franchising, Inc.

SCHEDULE "B"
PERMITTED ENCUMBRANCES

(A) General Permitted Encumbrances applicable to the Lands:

- (i) All exceptions, reservations and conditions to which the titles to the Lands are subject pursuant to the *Land Titles Act* (Alberta).
- (ii) All caveats and instruments registered by or on behalf of the Purchaser.

(B) Specific Permitted Encumbrances for each parcel of the Lands as outlined below:

REG. NUMBER	DATE (D/M/Y)	PARTICULARS
052 217 486	03/06/2005	CAVEAT RE : RIGHT OF WAY AGREEMENT CAVEATOR - ATCO ELECTRIC LTD. ATTN LAND & RECORDS MANAGEMENT 10035 105 ST EDMONTON ALBERTA T5J2V6 AGENT - TRACY DAVIDSON
062 398 184	07/09/2006	CAVEAT RE : DEVELOPMENT AGREEMENT PURSUANT TO MUNICIPAL GOVERNMENT ACT CAVEATOR - THE TOWN OF BONNYVILLE, BAG SERVICE 1006 BONNYVILLE ALBERTA T9N2J7 AGENT - MARK POWER

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**SCHEDULE "C"
ENVIRONMENTAL ASSESSMENT REPORTS**

NONE

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**SCHEDULE "D"
APPROVAL AND VESTING ORDER**

Clerk's Stamp

COURT FILE NUMBER

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) the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "Purchased Assets");

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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

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.

APPROVAL OF TRANSACTION

2. The Transaction is hereby approved 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)] 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 “A”** to the Sale Agreement] shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all

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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 been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, "Claims") 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 "B" to the Sale Agreement] (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:

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- (a) 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:

*
(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 “B” to the Sale Agreement]; 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) 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.
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.]
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 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

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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.

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.
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).
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. 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).

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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 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

COURT

COURT OF QUEEN'S BENCH OF
ALBERTA

JUDICIAL CENTRE

PLAINTIFF

DEFENDANT

DOCUMENT

RECEIVER'S CERTIFICATE

Clerk's Stamp

ADDRESS FOR SERVICE
AND
CONTACT INFORMATION
OF
PARTY FILING THIS
DOCUMENT

RECITALS

ARTICLE 1 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").

ARTICLE 2 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.

ARTICLE 3 Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

- A. 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;
- B. 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
- C. The Transaction has been completed to the satisfaction of the Receiver.
- D. 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:



APPENDIX “C”

**In the Matter of the Receivership of P7 Construction Ltd. and 1619904 Alberta Ltd.
Interim Statement of Receipts and Disbursements
For the period May 21, 2021 to October 31, 2021**

	<u>May 21, 2021 to October 31, 2021</u>
Cash receipts:	
Advance from secured creditor	\$ 275,000
Sales revenue	666,627
Miscellaneous	39
Pre-receivership GST refund	207
Net GST	(1,381)
Total cash receipts	<u>940,491</u>
Cash disbursements:	
Property Taxes	181,331
Payroll	220,620
Receiver's fees and disbursements	78,420
Insurance	74,835
Franchise fees	79,776
Food and beverage	58,685
Utilities/Cable/Internet	38,627
Legal fees and disbursements	11,233
Office/cleaning supplies/misc.	17,700
Repairs and maintenance	11,544
Alberta Tourism Levy	15,170
Commissions/Bank Fees	4,381
Workers Compensation	2,304
Filing fees/Ascend fees	73
Total cash disbursements	<u>794,699</u>
Cash held in trust at October 31, 2021	<u>\$ 145,791</u>