

Clerk's Stamp

COURT FILE NO. 2001 07332

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE RECEIVERSHIP OF 1609715 ALBERTA LTD., OPERATING AS HAMPTON INN & SUITES AIRDRIE.

DOCUMENT **SECOND REPORT OF MNP LTD., RECEIVER-MANAGER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

RECEIVER-MANAGER

MNP LTD.

1500, 640 – 5 AVENUE SW
CALGARY, AB T2P 3G4

ATTN: VICTOR P. KROEGER / RICK ANDERSON
TEL: 403.298.8479 / 403-537-8424
EMAIL: victor.kroeger@mnp.ca / rick.anderson@mnp.ca

NORTON ROSE FULBRIGHT LLP

400 3rd Avenue SW, Suite 3700
Calgary, AB T2P 4H2
Canada

ATTN: HOWARD A. GORMAN Q.C. / GUNNAR BENEDIKTSSON
TEL: 403-267-8144 / 403-267-8256
EMAIL: howard.gorman@nortonrosefulbright.com / gunnar.benediktsson@nortonrosefulbright.com

APPENDICES

- Appendix A Redacted Offer to Purchase between the Receiver and RVF dated
November 6, 2020
- Appendix B Receiver's Statement of Receipts and Disbursements for the period June
16, 2020 to April 5, 2021

INTRODUCTION AND BACKGROUND

1. 1609715 Alberta Ltd. d/b/a Hampton Inn & Suites Airdrie (the “Company” or the “Hampton Inn”) was placed into receivership pursuant to an order granted on June 16, 2020 (the “Receivership Order”) by the Court of Queen’s Bench of Alberta naming MNP Ltd. as Receiver and Manager (the “Receiver”) over the assets of the Company.
2. The Hampton Inn is located at 52 East Lake Avenue NE in Airdrie, Alberta (the “Property”). The Company’s operations had been temporarily discontinued due to the COVID-19 outbreak prior to the Receivership and have not been restarted.
3. The Receivership Order was granted pursuant to an application by Servus Credit Union, (“Servus”), which holds a first-ranking mortgage against the Property, general security agreements against Hampton Inn and a general assignment of rents and leases (the “Servus Security”).
4. All amounts included herein are in Canadian dollars unless otherwise stated.
5. A copy of the Receivership Order and other information regarding these proceedings can be found on the Receiver’s website at <https://mnpdebt.ca/en/corporate/corporate-engagements/1609715-alberta-ltd>

REPORT LIMITATIONS

6. In preparing this second report (the “Second Report”) and in making comments herein, the Receiver has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information of the Company, books and records of the Company, and information from other third-party sources (collectively, the “Information”). The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with generally accepted assurance standards or other standards established by the Chartered Professional Accountants of Canada (the “Standards”). Additionally, none of the Receiver’s procedures were intended to disclose defalcations or other irregularities. If the Receiver were to perform additional procedures or to undertake an audit examination of the information in accordance with the Standards, additional matters may have come to the Receiver’s attention. Accordingly, the Receiver does not express an opinion, nor does it provide any other form of assurance on the financial or other information presented herein. The Receiver may refine or alter its observations as further information is obtained or brought to its attention after the date of this report.
7. The Receiver assumes no responsibility or liability for any loss of damage occasioned by any party as a result of the use of the Second Report. Any use, which any party makes of this report, or any

reliance or decision to be made based on this report, is the sole responsibility of such party.

PURPOSE OF THE REPORT

8. The purpose of the Second Report is to provide this Honourable Court with the Receiver's comments and information in respect of the activities of the Receiver since the First Report dated November 23, 2020 (the "First Report") and information in respect of an application by the Receiver seeking the following relief:
- a. Approving the reported actions of the Receiver in administering these receivership proceedings provided that only the Receiver, in its personal capacity and with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approvals;
 - b. Approving the sale of the Property to Rocky View Foundation ("RVF");
 - c. Approving of a sealing order (the "Sealing Order") in relation to the confidential supplement to the Second Report (the "Confidential Supplement");
 - d. Approving the Receiver's Statement of Receipts and Disbursements for the period of June 16th, 2020 to April 5th, 2021;
 - e. Approving the fees and disbursements of the Receiver for the period, June 16, 2020 to January 31, 2021;
 - f. Approving the fees and disbursements of the Receiver's legal counsel, Norton Rose Fulbright Canada LLP ("Norton Rose") for the period June 16 2020 to February 28, 2021;
 - g. Approving the Receiver's position regarding WEPP claim priority;
 - h. Approving the distribution of funds to Servus; and
 - i. Approving the discharge of the Receiver subject to the filing of a Receiver's Certificate.

ACTIVITIES OF THE RECEIVER

9. The Receiver took possession of the Properties on June 16, 2020 and since that time has undertaken a number of activities to safeguard, maintain and market the Property for sale, as further described herein.
10. Since the First Report, the Receiver has:
- a. Continued to arrange for regular security checks on the Property by an independent contractor;
 - b. Carried out repairs and maintenance on the Property as required;
 - c. Received and responded to various creditor and stakeholder inquiries;
 - d. Prepared and issued all statutory reporting as required pursuant to subsection 245(1), 246(1) and 246(2) of the Bankruptcy and Insolvency Act ("BIA");
 - e. Continued to prepare and file monthly GST returns; and
 - f. Maintained the Receiver's website for the proceedings;
 - g. Entered into an Offer to Purchase agreement for the Property; and

- h. Corresponded with RVF, cooperated with RVF's due diligence and assisted RVF in their efforts to rezone the Property.

OFFER TO PURCHASE AGREEMENT

11. The Receiver obtained a short narrative appraisal report (the "Appraisal Report") on the Property from HVS Consulting & Valuations. A copy of the Appraisal Report is included in the Confidential Supplement.
12. The Property has been listed since August 12, 2020, when the Receiver entered into an exclusive authority to solicit offers to purchase agreement (the "Listing Agreement") with Avison Young Real Estate Alberta Inc. ("Avison"). As more fully described in the First Report, Avison targeted the hospitality industry, beginning their marketing campaign in August 2020. In particular, Avison created a virtual data room (the "VDR") and followed up with prospective purchasers directly via phone calls. The bid deadline was 2:00 PM Calgary time, October 1, 2020.
13. The Receiver received offers from four parties (the "Offers"). The detailed summary of Offers is provided in the Confidential Supplement. Initially, the Receiver engaged with the highest bidder for the Property, however, that party advised the Receiver shortly after communications started, that its offer price was being reduced and it ultimately withdrew its offer. All other bids were rejected.
14. Avison was then provided with a conditional offer to purchase from Rockyview Foundation ("RVF") on October 26, 2020 and, in consultation with Servus, the Receiver entered into an offer to purchase agreement (the "Purchase Agreement") for the Property with RVF. A copy of the Purchase Agreement which has been redacted to remove the selling price and financial details is attached as **Appendix "A"** to this Second Report. A full, unredacted copy of the Purchase Agreement is attached to the Confidential Supplement.
15. The purchaser waived all its Purchase Agreement conditions on March 11, 2021.
16. The only remaining Purchase Agreement condition is the Receiver's condition that Court approval of this sale is required.
17. The Receiver has exposed the Property to the market and does not believe that a superior offer would be received. Servus supported the Receiver entering into the Purchase Agreement.

SEALING ORDER APPLICATION

18. At the April 12, 2021 hearing, the Receiver is seeking to seal the Confidential Report until the Purchase Agreement closes or until further Order of this Honourable Court. The

Receiver is of the view that the disclosure of the purchase price under the Purchase Agreement may be detrimental in the event that the Purchase Agreement does not close and additional marketing of the Property is required. The only information in relation to which the Sealing Order is being sought is the purchase price under the Purchase Agreement and there are no reasonable alternative measures to sealing this information. The Receiver is of the view that, if the requested Sealing Order is not granted, creditor recoveries may be reduced should a subsequent marketing process be required.

LEGAL

19. The Receiver has obtained an independent legal opinion prepared by Norton Rose stating that, subject to standard qualifications, the Servus Security is a valid and enforceable first ranking charge against the Property.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

20. The Receiver's Statement of Receipts and Disbursements for the period from June 16, 2020 to April 5, 2021 is attached as **Appendix "B"**.
21. As the Property's operations have not been restarted, no revenues have been realized and all receipts are from the issuance of Receiver's Certificates which have totaled \$510,000 to date.
22. The Receiver has incurred costs to maintain the Property since taking possession including insurance premiums of \$131,541 for the period of July 2, 2020 to July 1, 2021, repairs and maintenance, utilities, appraisal and security cost totaled approximately \$157,107 for the period of June 16, 2020 to April 5, 2021.
23. Receiver's fees and disbursements to April 5, 2021 of \$154,565 have been paid as outlined in the professional fee schedule attached to Appendix B. The Receiver's invoice for February 1, 2021 to March 31, 2021 is currently unpaid, and final invoices will be rendered by the Receiver that will include any unbilled work in progress, the fees and disbursements pertaining to this application and the wind up of the administration of the receivership.
24. Norton Rose incurred, \$24,294 in legal fees and disbursements from June 16, 2020 to February 28, 2021. Norton Rose' invoice for March 1, 2021 to March 31, 2021 is currently unpaid, and final invoices will be rendered by Norton Rose that will include any unbilled work in progress, the fees and disbursements pertaining to this application and the wind up of the administration of the receivership

25. The Receiver will make copies of both of its accounts and the accounts of Norton Rose (subject to redaction for privilege) available to the Court or any interested person upon request.

DISCHARGE OF THE RECEIVER

26. There are certain administrative matters in these receivership proceedings that remain outstanding, which are summarized as follows:

- a. Closing the sale of the Property;
- b. Repaying the Receiver's Certificates;
- c. Distributing funds on deposit to the secured creditor, Servus;
- d. Preparing the final GST returns, providing CRA with the information necessary to complete their pre-receivership and post receivership trust examination, receiving all GST refunds and closing the Receiver's GST account;
- e. Preparing and issuing the Receiver's final report pursuant to subsection 246(3) of the BIA; and
- f. Completing any other matters incidental to the wind up of the administration of the receivership proceedings of 1609715 Alberta Ltd.

27. Upon resolution of the above noted administrative matters, which are not material, and, in the Receiver's, view should not prevent this Honourable Court from granting the Receiver its discharge, the Receiver's administration of the receivership of 1609715 Alberta Ltd. will be completed.

28. Once closing occurs, the Receiver will be able to repay the Receiver's Certificate borrowings of \$510,000 plus interest.

29. The Receiver is currently providing CRA with supporting information for February 2020 through June 16, 2020 pre-receivership GST returns, along with support for input tax credits claimed by the Receiver for the post receivership period to February 28, 2021.

30. In order to address any potential claim CRA may have and the additional professional time to finalize these audit requests and the other administrative matters required to complete the receivership, the Receiver recommends that a holdback of \$50,000 be retained to address any remaining professional fees, deal with sundry expenses and in the event the results from the GST audit result in an outstanding amount and that all other funds on deposit be paid to Servus pursuant to the Servus Security. The expected distribution to Servus will be less than its secured claim. An accounting of the holdback will be provided to Servus in due course and any remaining funds will be paid to them. No distributions are expected to be made to unsecured creditors or any creditors ranking behind Servus.

31. The Receiver has received a statement of account from Employment and Social Development Canada ("ESD") for \$22,752.03, \$14,239.89 of that amount being a super priority claim pursuant to

Section 81.4(1) of the *Bankruptcy and Insolvency Act* (Canada) (the “BIA”). Section 81.4(1) states:

*The claim of a clerk, servant, traveling salesperson, labourer or worker who is owed wages, salaries, commissions, or compensation by a person who is subject to a receivership for services rendered during the six months before the first day on which there was a receiver in relation to the person is secured, as of that day, to the extent of \$2,000 – less any amount paid for those services by a receiver or trustee – by security on the person’s **current assets** (emphasis added) that are in the possession or under the control of the receiver.*

32. The Receiver’s position is that the Property does not constitute current assets as that term is defined by the Chartered Professional Accountants of Canada or under the BIA. As such, the Receiver seeks this Court’s approval of the Receiver’s determination that this super-priority claim does not rank in priority to Servus, and that the entirety of the ESD claim is unsecured as a result.

CONCLUSION AND RECOMMENDATION

33. Based upon the foregoing, the Receiver respectfully recommends this Honourable Court issue an Order for approval for the following:

- a. Approving of the reported actions of the Receiver in administering these receivership proceedings provided that only the Receiver, in its personal capacity and with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approvals;
- b. Approving of the activities of the Receiver as set out in this Second Report;
- c. Approving the sale of the Property to RVF;
- d. Sealing the Confidential Report to the Second Report;
- e. Approving the fees and disbursements of the Receiver of \$154,565 plus GST;
- f. Approving the fees and disbursements of Norton Rose of \$24,294 plus GST;
- g. Confirming the Receiver’s position regarding the treatment of the WEPP claim;
- h. Approving the distribution of funds to Servus in accordance with paragraph 24; and
- i. Approving the discharge of the Receiver subject to the filing a Receiver Certificate

All of which is respectfully submitted this 5th day of April 2021.

MNP Ltd.

In its capacity as Receiver-Manager of **1609715
Alberta Ltd o/a Hampton Inn and Suites Airdrie**
and not in its personal or corporate capacity



Per: Victor P. Kroeger, CIRP, LIT, CPA, CA, CFE
Senior Vice President

APPENDIX A



Rocky View
Foundation

Seniors' Housing with Heart

October 26, 2020

Confidential

Kevin Morgans, CCIM

Principal, Investment Sales

Avison Young

585 – 8th Avenue SW, Suite 1200, Calgary, AB T2P 1G1

Sent via email: kevin.morgans@avisonyoung.com (Original to follow by post)

Re: Offer to Purchase Hampton Inn and Suites property, Airdrie, Alberta

Dear Kevin,

Please see attached offer to purchase the above noted property. Our organization provides affordable seniors' housing to the Rocky View County region, including the City of Airdrie. We are very pleased to present an offer to you which will enhance the lives of Airdrie seniors.

Rocky View Foundation was established in 1964, and currently operates 6 facilities. Our organization is very proud of the housing services we provide in our communities, as well as meals-on-wheels and adult day support programs.

We have prepared this offer with the support of M3 Development Management Ltd. and MillarForan commercial real estate specialists.

Please contact me if you have any questions. Cell phone: 403-620-1213.

With kind regards,

A handwritten signature in blue ink, appearing to read "CB", is written over a light blue horizontal line.

Carol Borschneck
Chief Administrative Officer
Rocky View Foundation

OFFER TO PURCHASE AND AGREEMENT

THIS AGREEMENT made this 23rd day of October, 2020,

BETWEEN:

1609715 ALBERTA LTD.
(the "Vendor")

- and -

ROCKY VIEW FOUNDATION
(the "Purchaser")

WITNESSES THAT WHEREAS:

- A. The Vendor is the registered and beneficial owner of the Property; and
- B. The Purchaser offers to purchase the Property from the Vendor effective as at the Closing Date, at and for the Purchase Price and on and subject to 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 by each of the parties hereto, the parties hereto hereby covenant and agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement and in all documents delivered pursuant to this Agreement:

- (a) "**Agreement**" means the agreement of purchase and sale, including the recitals hereto and all of the schedules appended hereto, as the same may be amended, restated, modified or supplemented from time to time;
- (b) "**Applicable Laws**" means all statutes, laws, by-laws, regulations, ordinances and orders of governmental or other public authorities having jurisdiction;
- (c) "**Approval and Vesting Order**" means an order to be granted by the Court which authorizes, approves and confirms this Agreement and the sale of the Property by the Vendor to the Purchaser in accordance with the terms and conditions contained herein, and vests beneficial title to the Property in the Purchaser free and clear of all encumbrances, liens, security interests or claims, other than Permitted Encumbrances;
- (d) "**Approving Authorities**" means those municipal and regulatory authorities having jurisdiction over the Land Use Application and the Development Permit Application;
- (e) "**Assignment of Service Contracts**" has the meaning set forth in section 8.1(h) hereof;
- (f) "**Building**" means, collectively, the building, structures and fixed improvements located on, in or under the Lands, and all fixed equipment, improvements and fixtures

contained in or on such Building, structures and fixed improvements, including all heating, ventilation, air conditioning, electrical and mechanical systems in or on such Building, structures and fixed improvements used in the operation of the Building;

- (g) "**Business Day**" means all days, except Saturdays, Sundays and statutory holidays in the Province of Alberta;
- (h) "**Chattels**" means all of the chattels, equipment, furnishings, art, supplies, and other items of personal property located on the Lands that are owned by the Vendor and used in the operation, management, maintenance or repair of the Improvements including all those items viewed by the Purchaser on August 6, 2020;
- (i) "**City**" means The City of Airdrie, a municipal corporation established pursuant to the laws of the Province of Alberta;
- (j) "**Closing Date**" means the tenth (10th) Business Day after the day on which the Approval and Vesting Order is granted by the Court, or such other date as may be agreed to between the parties in writing or ordered by the Court;
- (k) "**Contaminants**" means all substances, the storage, handling, transport, disposal or release of which is controlled or regulated by any Environmental Laws, and the presence of which, in concentrations above prescribed standards, may necessitate, invite or permit a Governmental Authority to require remedial or investigatory action under any Environmental Laws;
- (l) "**Court**" means the Alberta Court of Queen's Bench;
- (m) "**Development Permit Application**" means an application made by the Purchaser, at its sole expense, to the Approving Authorities for the Purchaser's Proposed Development, which development must comply with the zoning and land use bylaws of the Approving Authorities as are applicable to the Lands;
- (n) "**Development Permit Approval**" means approval by the Approving Authorities of the Development Permit Application, subject only to such terms, conditions and requirements as are satisfactory to the Purchaser, in its sole and absolute discretion, with all appeal periods therefore having expired;
- (o) "**Environmental Laws**" means all applicable federal, provincial, municipal and local laws, statutes, ordinances, by-laws and regulations and all orders, directives and decisions rendered by, and policies, guidelines and similar guidance of, any Governmental Authority, ministry, department or administrative or regulatory agency or court (in each case having the force of law), including any obligations or requirements arising under common law, relating to the protection of the environment, human health and safety or the manufacture, processing, distribution, use, treatment, storage, presence, disposal, packaging, labelling, recycling, transport, handling, containment, clean-up or other remediation or corrective action of or in respect of any Hazardous Substance;
- (p) "**Execution Date**" means that date first noted above;
- (q) "**Finance Condition Date**" means November 30, 2020;

- (r) "**Governmental Authority**" means any government, regulatory authority, government department, agency, commission, board, tribunal or court having jurisdiction on behalf of any nation, province or state or other subdivision thereof or any municipality, district or other subdivision thereof;
- (s) "**GST**" means goods and services tax payable pursuant to the *Excise Tax Act* (Canada);
- (t) "**Hazardous Substance**" means, as defined by Environmental Laws, any pollutant, contaminant, chemical, waste (including, subject waste, liquid industrial waste, other industrial waste, toxic waste and hazardous waste) and deleterious substance ("deleterious substance" having the meaning ascribed thereto in the *Fisheries Act* (Canada)) and any substance, condition or chemical, biological or physical agent of any nature or kind which is prohibited, controlled, monitored or regulated pursuant to Environmental Laws;
- (u) "**Improvements**" means the Buildings and all other fixed improvements (if any) constructed on, over or under the Lands;
- (v) "**Land Use Application**" means an application made by the Vendor, at its sole expense, to the Approving Authorities for the amendment of the land use and zoning to permit the development of the Purchaser's Proposed Development on the Lands;
- (w) "**Land Use Amendment Approval**" means approval by the Approving Authorities of the Land Use Application, subject only to such terms, conditions and requirements as are satisfactory to the Purchaser, in its sole and absolute discretion, with all appeal periods therefore having expired;
- (x) "**Lands**" means those lands in the City of Airdrie, Alberta, the legal description of which is set forth in Schedule A attached hereto;
- (y) "**Permitted Encumbrances**" means those reservations, exceptions, conditions, encumbrances, charges, interests and registrations set forth and described in Schedule B attached hereto;
- (z) "**Property**" means the Lands and all of the Improvements, the Chattels, Service Contracts (to the extent assumed), Warranties and Guarantees and the Vendor Deliveries;
- (aa) "**Purchase Price**" means the purchase price for the Property as determined pursuant to section 3.1 hereof and as adjusted pursuant to the terms of this Agreement;
- (bb) "**Purchaser**" means Rocky View Foundation;
- (cc) "**Purchaser's Condition Date**" means January 31, 2021;
- (dd) "**Purchaser's Conditions**" has the meaning set forth in section 5.1 hereof;
- (ee) "**Purchaser's Proposed Development**" means a seniors' residential complex;
- (ff) "**Purchaser's Solicitors**" means Field LLP;

- (gg) "**Service Contracts**" means all subsisting agreements pertaining to the Lands and Improvements entered into by or binding upon the Vendor, together with all modifications, extensions and renewals thereof, relating to the management, servicing, maintenance, repair, cleaning or the provision of any other goods or services in respect of the Lands and Improvements or the furnishing of supplies or services thereto, including contracts for leasing equipment or chattels, which are assumable by the Purchaser, and which the Purchaser agrees to assume by notice to the Vendor on or before the Purchaser's Condition Date;
- (hh) "**Purchaser's Conditions**" means the Purchaser's conditions or any one of them as set forth in section 5.1, as the case may be;
- (ii) "**Vendor**" means 1609715 Alberta Ltd.;
- (jj) "**Vendor Deliveries**" means all of the plans and documents referenced in section 5.3(a) hereof that the Vendor is obligated to provide copies of to the Purchaser for review by the Purchaser;
- (kk) "**Vendor's Solicitors**" means •; and
- (ll) "**Warranties and Guarantees**" means any and all warranties, guarantees or contractual obligations which entitle the Vendor to any rights against a contractor or supplier engaged in the construction or maintenance of the Lands and Improvements, or part thereof.

1.2 Schedules

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

- Schedule A - Legal description of the Property
- Schedule B - Permitted Encumbrances

ARTICLE 2 AGREEMENT TO PURCHASE

2.1 Agreement to Purchase Property

The Purchaser hereby agrees to purchase the Property from the Vendor and the Vendor hereby agrees to sell the Property to the Purchaser, as at the Closing Date, at and for the Purchase Price and in accordance with and subject to the terms and conditions of this Agreement.

2.2 Binding Agreement

This Agreement shall constitute a binding agreement of purchase and sale with respect to the Property, on and subject to the terms and conditions of this Agreement, notwithstanding that there are conditions to this Agreement.

ARTICLE 3
PURCHASE PRICE

3.1 **Purchase Price and Payment of Purchase**

The purchase price for the Property (excluding GST) shall be the sum of [REDACTED] (the "**Purchase Price**") excluding GST, which shall be paid by the Purchaser to the Vendor in lawful money of Canada (subject to adjustments as hereinafter provided) payable by the Purchaser to the Vendor's Solicitors on or before the Closing Date

3.2 **Adjustments**

The Purchase Price shall be subject to adjustment as at 11:59 p.m. on the day prior to the Closing Date with respect to all property taxes, rates, levies, local improvement levies and assessments.

3.3 **GST**

In addition to the Purchase Price, the Purchaser agrees that if GST is applicable to the sale of the Property the Purchaser shall as at the Closing Date be responsible for all applicable GST calculated in accordance with the relevant provisions of the *Excise Tax Act* (Canada) (the "**Act**") on the Purchase Price. The Purchaser represents and warrants that it is now and shall on the Closing Date be registered for the purposes of Part IX of the Act. By virtue of this registration and the provisions of the Act, the Purchaser covenants to assume all liability for all applicable GST payable with respect to this transaction. The Purchaser further covenants that it shall either pay the GST payable in respect of this transaction directly to Canada Revenue Agency ("**CRA**") or complete and execute and submit to CRA all such forms, returns, filings and reports and do all other things that are necessary or required pursuant to the Act *in lieu* of the payment of such GST, all in the manner and within the time limits prescribed in the Act. The Purchaser hereby agrees to indemnify and save the Vendor harmless from and against all liabilities, costs and expenses, including legal fees and disbursements on a solicitor and own client basis, that the Vendor may incur or become subject to as a result of a default by the Purchaser of its obligations pursuant to this section 3.3. The provisions of this section 3.3 shall survive the Closing Date and the purchase and sale of the Property.

ARTICLE 4
TITLE TO THE PROPERTY

4.1 **Permitted Encumbrances**

The Vendor covenants and agrees that as at the Closing Date, the title to the Property shall be free and clear of all registered mortgages, liens, charges, encumbrances, caveats, and instruments except only for Permitted Encumbrances.

ARTICLE 5
CONDITIONS

5.1 **Purchaser's Conditions**

The obligations of the Purchaser to complete the purchase of the Property pursuant to this Agreement shall be subject to the following conditions (collectively, the "**Purchaser's Conditions**"):

- (a) that on or before the Purchaser's Condition Date, the Purchaser shall be satisfied, in its sole and unfettered discretion, with the results of all of its due diligence searches, reviews, inspections, Building condition, testing and investigations of and with respect to the Property, including, without limitation, the Purchaser's review of the Vendor Deliveries; and
- (b) that on or before the Purchaser's Condition Date, the Purchaser will have obtained the Land Use Amendment Approval;
- (c) that on or before the Purchaser's Condition Date, the Purchaser will have obtained Development Permit Approval;
- (d) that on or before the Finance Condition Date, the Purchaser will have obtained satisfactory financing;
- (e) that on or before the Purchaser's Condition Date, the Purchaser is satisfied with all matters relating to the subsurface soils condition and environmental issues relating to the Property; and
- (f) that on or before the Purchaser's Condition Date, to the extent that there are any financial obligation related to the Property or any Permitted Encumbrances that these shall be wholly the responsibility of the Vendor.

The Purchaser's Conditions have been inserted for the sole and exclusive benefit and advantage of the Purchaser and the Purchaser may waive the Purchaser's Conditions by notice in writing given to the Vendor on or before the Purchaser's Condition Date in the Purchaser's sole and absolute discretion. The Purchaser's Conditions shall only be deemed satisfied or waived by the Purchaser if on or before the Purchaser's Condition Date, the Purchaser gives written notice to the Vendor that the Purchaser's Conditions have been satisfied or waived by the Purchaser. If the Purchaser does not deliver written notice of satisfaction, removal or waiver of the Purchaser's Conditions by the Purchaser's Condition Date, then this Agreement shall, subject to the terms and conditions hereof, terminate and neither party shall have any further obligations under this Agreement.

5.2 Vendor's Condition

The obligations of the Vendor to complete the sale of the Property pursuant to this Agreement shall be subject to the following conditions (the "**Vendor's Condition**"):

- (a) this Agreement is being made subject to ongoing receivership proceedings in the Court and is conditional upon the approval thereof of the Court in the form of an Approval and Vesting Order. The Purchaser acknowledges that in the event that the Vendor is unable to satisfy the Vendor's Condition by obtaining an Approval and Vesting Order then this Agreement shall be at an end and the parties will have no further obligations hereunder. The vesting order shall be in the form of the revised Approval and Vesting Order as same is published and generally employed in these proceedings in Calgary, Alberta..

As soon as commercially reasonable, the Vendor shall commence the process of applying to the Court for the Approval and Vesting Order.

5.3 Purchaser's Due Diligence

- (a) Upon the Execution Date, the Vendor shall deliver to the Purchaser or make available for inspection by the Purchaser or the Purchaser's consultants, originals or true copies of the following plans and documents (collectively, the "**Vendor Deliveries**"):
 - (i) copies of any plans and specifications, development agreements, development permits, building permits, (together with zoning materials relating thereto) and other similar agreements with any Governmental Authority in respect of the Property, including the occupancy permit for the Building;
 - (ii) a current Alberta Land Surveyor's Real Property Report affixed with a certificate of compliance thereon;
 - (iii) realty tax assessment notices and tax bills relating to the Property for the 2019 and 2020 calendar years and any information relating to any outstanding assessment appeals in respect thereof;
 - (iv) copies of all Building engineering reports, including environmental reports and any reports pertaining to the Building, including the roof, the parkade and post-tension nature of the Building, in each case, only to the extent the same currently exist and are in the possession or control of the Vendor;
 - (v) a list of capital expenditures and improvements for the Property over the past 2 years;
 - (vi) utility costs for the Property for the most recent twelve (12) month period;
 - (vii) copies of all management and evaluation reports relating to the physical condition of the Property;
 - (viii) copies of all Service Contracts relating to the Property, including, but not limited to, those in respect of security, elevator, parking, fire protection and HVAC maintenance, and all service contracts which shall, at the option of the Purchaser, if assignable, be assigned to the Purchaser;
 - (ix) copies of all inspection reports completed by outside consultants for repairs and maintenance work, in each case, only to the extent the same currently exist and are in the possession or control of the Vendor;
 - (x) copies of all material or relevant information which is actually in the possession or control of the Vendor or its agents pertaining to the ownership, operation and development of the Property as the Purchaser may reasonably require in order to conduct its due diligence and evaluate the Property;
 - (xi) copies of all Warranties and Guarantees; and
 - (xii) written consent of the Vendor authorizing the Purchaser and its solicitors and consultants to obtain information relating to the Property from the files of those Governmental Authorities that the Vendor, acting reasonably, in its sole discretion, deems relevant. Such written consent shall, however, neither

request nor authorize any physical inspection of any part of the Property by any such Governmental (or other regulatory) Authority.

If the Purchaser's Condition is not satisfied or waived by the Purchaser, all copies of all Vendor Deliveries shall be promptly returned to the Vendor. The Purchaser shall cause its directors, officers, consultants and agents to keep in strict confidence all information with respect to the Property and the documentation obtained by the Purchaser with respect to the Property until the sale of the Property by the Vendor to the Purchaser is completed, except to the extent that other persons must be made aware of such information or documentation in connection with the purchase of the Property.

- (b) From and after the Execution Date and continuing until the Purchaser's Condition Date, the Purchaser and its consultants and agents shall, subject to the Purchaser providing the Vendor with prior written notice of at least one (1) Business Day, have reasonable access to examine the Property in order to carry out such inspections, tests and investigations as the Purchaser and its consultants and agents acting in a reasonable commercial manner deem necessary. The Purchaser agrees that all entry onto the Property by the Purchaser and its consultants and agents, and all such investigations, inspections and tests shall occur and be carried out at the sole cost and risk of the Purchaser. The Purchaser agrees to indemnify and save harmless the Vendor from and in respect of all claims, liabilities, actions, liens (including builders' liens) causes of actions, costs and expenses (including, without limitation, solicitors fees and disbursements on a solicitor and own client basis) incurred by the Vendor or to which the Vendor becomes subject as a result of any injury or loss of life or any damage to the Property or any part thereof or any property of any other person which occurs in connection with or as a result of any such entry onto the Property or any such examination, investigation, inspection or test. The Purchaser agrees that the Vendor shall be entitled to have a representative of the Vendor accompany any party that enters onto the Property to carry out any such inspection, test, investigation or examination. The Vendor shall be entitled to require that its security and confidentiality requirements be complied with in connection with any such inspection, test, investigation and examination. The Purchaser further agrees that there shall be no intrusive testing of any part of the Property without the prior written approval of the Vendor, acting reasonably. The Purchaser shall be responsible to repair, in a good and workmanlike manner, all disturbances of or damage to any part of the Property arising from or in any way connected to any such access to the Property or any such inspections, tests, investigations, examinations, all at the Purchaser's sole cost.

ARTICLE 6

REPRESENTATIONS AND WARRANTIES

6.1 Property As Is

The Purchaser agrees that, except as may otherwise be expressly stated in this Agreement, it is entering into this Agreement and (if the Subject Conditions are satisfied, removed, waived or deemed satisfied) will be purchasing the Property entirely and exclusively on an "as is" basis and that, except as may otherwise be expressly stated in this Agreement, the Purchaser shall rely exclusively and entirely on its own inspections of and investigations with respect to, the Property, and the Purchaser shall be irrevocably and unconditionally deemed to accept the condition of the Property, the title to the Property and the terms and conditions of all Permitted Encumbrances.

6.2 Release

The Purchaser hereby, effective on and after the Closing Date, releases the Vendor (including all subsidiaries and affiliates thereof) and its officers, directors, shareholders, employees and agents from and against any and all actions, causes of action, liabilities, demands, claims, remediation cost recovery claims, liability for remediation, losses, damages, costs and expenses (including all legal and consulting costs) whether occurring or caused before, on or after the Closing Date which the Purchaser has, shall have or will have arising from or in any way related to the level of Contaminants at or migrating to or from the Property, except to the extent such actions, causes of action, liabilities, demands, claims, remediation cost recovery claims, liability for remediation, losses, damages, costs and expenses (including all legal and consulting costs) arise from the subject matter which the Vendor has provided the Purchaser a representation and warranty under section 6.5(h) hereof or arise as a result of the actions or omissions of, or breach of Environmental Laws by, the Vendor and those for whom it is responsible at law whether occurring or caused before, on or after the Closing Date. The provisions of this section shall survive the Closing Date and shall continue in full force and effect thereafter for the benefit of the Vendor.

6.3 Limitation of Vendor's Representations and Warranties

Without limiting section 6.1 hereof, the parties hereto agree that the Purchaser will, prior to the Purchaser's Condition Date (but subject to section 5.3 hereof), be able to carry out inspections of, testing of and investigations with respect to the Property. The Purchaser covenants and agrees that neither the Vendor nor any agent or representative of the Vendor has made any representation, warranty, condition or collateral agreement relating to the Property or any part thereof or any lands adjacent to the Property or any other matter affecting or related to the Property, other than as is expressed herein in writing.

6.4 Representations and Warranties Respecting the Vendor

The Vendor hereby represents and warrants to the Purchaser that as of the date hereof:

- (a) there is no litigation, claim or proceeding, including appeals and applications for review, in progress or, to the actual knowledge of the Vendor, pending or threatened against or relating to the Vendor or affecting the Property or any part thereof before any court, governmental department, commission, board, bureau or agency, or arbitration panel, and there is not presently outstanding against the Vendor or the Property any judgment, decree, injunction, rule or order of any court, governmental department, commission, agency or arbitrator, in either case which adversely affects the Property;
- (b) it is not now nor will it be within sixty (60) days after the Closing Date a non-resident of Canada for the purposes of the *Income Tax Act* of Canada and it is not the agent or trustee of any person, firm or corporation with an interest in the Property who is a non-resident of Canada for the purposes of the *Income Tax Act* of Canada;
- (c) neither the execution of this Agreement nor its performance by the Vendor will result in a breach of any provision or constitute a default under any of the Permitted Encumbrances or any mortgage, deed of trust or any other agreement to which a Vendor is a party or by which it is bound or result in the Vendor being in breach of any Applicable Laws and the Vendor will, on the Closing Date, have obtained all required consents and agreements with respect to any Permitted Encumbrances or any

indenture, mortgage, deed of trust or any other agreement to which the Vendor is a party or by which it is bound;

- (d) the Vendor is a corporation duly incorporated and existing under the laws of Canada generally and has the power, authority and capacity to enter into this Agreement and to carry out the transactions contemplated hereby. This Agreement and the obligations of the Vendor hereunder and the documents and transactions contemplated herein have been duly and validly authorized by all requisite proceedings and constitute legal, valid and binding obligations of the Vendor enforceable against the Vendor in accordance with their terms; and
- (e) the Vendor is a registrant within the meaning of the *Excise Tax Act* (Canada) and on the Closing Date the Vendor will be a registrant under the said Act.

6.5 **Representations and Warranties Respecting the Property**

The Vendor hereby represents and warrants to the Purchaser that as of the date hereof:

- (a) the Vendor is the registered and beneficial owner of the Property (subject only to the Permitted Encumbrances) and no other party has any claim, including, without limitation, any option to purchase or right of first refusal, against the Property which would affect the ownership of the Property, or the ability of the Vendor to transfer the Property to the Purchaser as contemplated herein;
- (b) except for the Permitted Encumbrances there are no leases, licenses, agreements to lease or any other tenancy agreements or any other agreements granting any right of use or occupancy of any portion of the Property which are currently in effect;
- (c) except for Permitted Encumbrances and the Service Contracts, there are no service or maintenance contracts, employment agreements, or other contracts of any nature or kind whatsoever with respect to the management, leasing, maintenance, repair or operation of the Property that will be binding upon the Purchaser;
- (d) the Vendor will not take any steps to amend the land use classification without the written consent of the Purchaser, such consent not to be unreasonably withheld or unduly delayed;
- (e) the Vendor has no liability to any real estate agent or broker for any fees, commissions or other compensation in respect of the sale of the Property to the Purchaser except fees payable to the to Avison Young Real Estate Alberta Inc. which will be paid by the Vendor on the Closing Date;
- (f) subject only to the Permitted Encumbrances and other encumbrances which will be discharged from title to the Property by the Vendor immediately prior to or in conjunction with closing, the Vendor will have as of the Closing Date title to the Property and have the right and authority to convey all legal and beneficial interest in the Property to the Purchaser;
- (g) on the Closing Date, the Vendor will not be in default in any material provision of the assumed Service Contracts and the Vendor will have the right to assign such Service Contracts and the benefit and burden thereof to the Purchaser without obtaining the

consent of any party thereto, or if consent is required, the Vendor will use their best efforts to obtain such consents;

- (h) except as disclosed in any reports delivered by the Vendor to the Purchaser as part of the Vendor Deliveries, to the actual knowledge of the Vendor the Lands and Improvements are in material compliance with all Environmental Laws;
- (i) no approval or consent of any Governmental Authority is required in connection with the execution and delivery of this Agreement by the Vendor and the consummation by it of the transactions contemplated by this Agreement;
- (j) the Vendor has not received any written work order, deficiency notice, notice of violation or other similar communication from any Government Authority, insurance underwriters or otherwise which is outstanding requiring or recommending that work or repairs in connection with the Property or any part thereof is necessary or required;
- (k) neither the Lands nor any part thereof has been expropriated and there are no existing or, to the knowledge of the Vendor, contemplated expropriation proceedings or other similar public or private proceedings affecting the Property or any part thereof; and

For the purposes of sections 6.4 and 6.5, "to the actual knowledge of the Vendor" or similar words means to the actual knowledge of the senior management of the Vendor without making any enquiry.

6.6 Deemed Repetition of Representations and Warranties

The Vendor covenants and agrees that all of the representations and warranties made by the Vendor herein shall be deemed to have been made again at the Closing Date and are being relied upon by the Purchaser. Notwithstanding any investigation, inspection or testing of the Property conducted by the Purchaser, the Vendor shall remain liable for the breach of any representations and warranties made by the Vendor herein.

6.7 Representations and Warranties of the Purchaser

The Purchaser hereby represents and warrants to the Vendor that:

- (a) the Purchaser is not a non-Canadian as such term is defined in the *Investment Canada Act* (Canada);
- (b) the Purchaser is an existing not-for-profit corporation incorporated pursuant to the laws of the Alberta Housing Act, Province of Alberta and has the necessary authority, power and capacity to purchase and own the Property and to enter into this Agreement and to carry out the agreement of purchase and sale constituted on the execution and delivery of this Agreement and the documents and transactions contemplated herein on the terms and conditions herein contained;
- (c) this Agreement and the obligations of the Purchaser hereunder and the documents and transactions contemplated herein have been duly and validly authorized by all requisite proceedings and constitute legal, valid and binding obligations of the Purchaser enforceable against the Purchaser in accordance with their terms; and

- (d) the Purchaser has not incurred any liability to any real estate broker or agent for fees or commissions in respect to the sale of the Property to the Purchaser. Any fees which may become payable to any real estate broker or agent engaged by the Purchaser, will be paid by the Purchaser on the Closing Date.

The Purchaser covenants and agrees that all of the representations and warranties made by the Purchaser herein shall be deemed to have been made again at the Closing Date and are being relied upon by the Vendor.

6.8 Waiver of Representations and Warranties

All of the representations and warranties set forth in this Article 7 shall survive the Closing Date and the purchase and sale of the Property for a period of twenty four (24) months following the Closing Date.

ARTICLE 7 PRE-CLOSING OPERATIONS

7.1 Risk, Insurance and Repair

- (a) The Property shall be and remain at the risk of the Vendor until the Closing Date and thereafter shall be entirely at the risk of the Purchaser.
- (b) The Vendor shall until the Closing Date maintain or cause to be maintained all existing insurance coverages on the Property and provide particulars thereof to the Purchaser upon the Purchaser's reasonable written request (and shall make all claims thereunder).
- (c) Until the Closing Date, the Vendor will hold all insurance policies and any proceeds thereof in trust for the Vendor and the Purchaser and in the event of loss or damage to the Property which would result in a repair cost of in excess, of Five Hundred Thousand Dollars (\$500,000.00), the Purchaser shall have the election until the Closing Date on written notice to the Vendor to either:
 - (i) take the proceeds of insurance, in which case the Vendor and Purchaser shall complete the sale purchase herein set forth and the Vendor shall be responsible to pay the deductible under such insurance and any difference between the actual cost of repairs to the Property and the insurance proceeds, if such proceeds are insufficient to cover the said repair costs; or
 - (ii) terminate this Agreement.

In the event that the Purchaser makes no election, it shall be deemed to have elected as provided for in subsection 7.1(c)(i) above and shall complete the transaction of purchase and sale contemplated herein.

- (d) In the event of loss or damage the cost of repair of which would be less than [REDACTED], then the Vendor shall either repair or remedy the loss or damage prior to the Closing Date or pay to the Purchaser on the Closing Date sufficient funds, to enable the Purchaser to repair or remedy the loss or damage, in either case this Agreement remaining in full force and effect.

7.2 Pre-Closing Operations

During the period between the Execution Date and the Closing Date, the Vendor shall cause the Property to be maintained consistent with its past practice.

ARTICLE 8 CLOSING

8.1 Vendor's Closing Deliveries

The Vendor shall, at least ten (10) Business Days prior to the Closing Date, deliver to the Purchaser's Solicitors the following documentation, properly executed and in registerable form where applicable:

- (a) a transfer of land and all other usual transfers and conveyances required to transfer the Property to the Purchaser as required herein (the "**Transfer**");
- (b) a certified copy of the Approval and Vesting Order;
- (c) discharges of all liens, claims and encumbrances registered against the Property except the Permitted Encumbrances, or undertakings from the Vendor's Solicitors in favour of and satisfactory to the Purchaser's Solicitors (acting reasonably) to provide such discharges within a reasonable time after the Closing Date;
- (d) a statement of adjustments;
- (e) a bill of sale in respect of the Chattels being transferred to the Purchaser;
- (f) a certificate from the Vendor confirming that the Purchase Price is not subject to withholding tax pursuant to the non-residency provisions of the *Income Tax Act* (Canada);
- (g) a certificate from the Vendor, repeating on the Closing Date the representations and warranties of the Vendor hereunder;
- (h) an assignment to the Purchaser of the Vendor's interest in the Service Contracts, which assignment shall include covenants by the Purchaser to assume all obligations of the Vendor arising under the Service Contracts from and including the Closing Date and to indemnify the Vendor in respect thereof from and including the Closing Date (the "**Assignment of Service Contracts**"), together with consents to such assignment from the parties to the Service Contracts whose consent is required, (provided that if any such consent is not obtained, then such Service Contract shall be excluded from the Assignment of Service Contracts and shall not be grounds for either the Vendor or the Purchaser to refuse to complete the sale and purchase of the Property pursuant to this Agreement nor to claim any damages or compensation);
- (i) such notices of assignment as the Purchaser and its solicitors shall reasonably require to the other parties under the Service Contracts;
- (j) an assignment to the Purchaser of all of the Vendor's rights under any Warranties and Guarantees which entitle the Vendor to any rights against a contractor or supplier

engaged in the construction, repair, maintenance, renovation or modification of the Lands or the Building or any part thereof to the extent that such rights can be assigned;

- (k) an undertaking to re-adjust;
- (l) keys to the Building; and
- (m) such other agreements and instruments as the Vendor or Purchaser may reasonably require to fully implement this Agreement.

The documentation is to be in a form satisfactory to the Purchaser's Solicitors and Vendor's Solicitors, each acting reasonably, and will be delivered under trust conditions that are reasonable and would be customarily utilized in a similar transaction.

8.2 Purchaser's Closing Deliveries

The Purchaser shall, on or before the Closing Date, deliver or cause to be delivered the following documentation, properly executed and in registerable form where applicable, to the Vendor's Solicitors:

- (a) a wire transfer for the adjusted Purchase Price;
- (b) a GST certificate and indemnity;
- (c) a certificate from the Purchaser, repeating on the Closing Date the representations and warranties of the Purchaser hereunder; and
- (d) an undertaking to re-adjust;
- (e) such additional documents and instruments as the Vendor or Purchaser may reasonably require to fully implement this transaction.

The documentation is to be in a form satisfactory to the Purchaser's Solicitors and Vendor's Solicitors, each acting reasonably, and will be delivered under trust conditions that are reasonable and would be customarily utilized in a similar transaction.

8.3 Closing Trust Conditions

The documents and funds referenced in sections 8.1 and 8.2 shall be delivered on and subject to such reasonable and customary trust conditions as are agreed upon by the Vendor's Solicitors and the Purchaser's Solicitors which will include reasonable trust conditions which allow the Purchaser to register any financing in respect of the purchase. In the event that the Vendor's Solicitors and the Purchaser's Solicitors are unable to agree upon the trust conditions to govern the closing of the transactions of purchase and sale contemplated herein, such trust conditions shall be determined by an experienced commercial real estate solicitor in the City of Calgary appointed by the mutual agreement of the Vendor and the Purchaser or by a Court of competent jurisdiction on application by the Vendor or Purchaser.

ARTICLE 9
MISCELLANEOUS

9.1 Legal and Conveyancing Fees

Each party shall be responsible for their own legal fees. The Purchaser shall pay all fees in connection with the registration of the Transfer. The Vendor shall pay all fees in connection with the registration of any discharges of any encumbrances that are not Permitted Encumbrances.

9.2 Notices

For the purposes of this Agreement any notice required or permitted to be given hereunder shall be in writing and shall be signed by or on behalf of the party giving or making the same and shall be notice only if it is delivered on a Business Day by personal delivery to the other party at the address set forth below or if it is sent by facsimile or PDF or electronic transmission on a Business Day to the other party at the facsimile number or e-mail address set out below:

(a) If to the Vendor:

-
-
- , AB
-
- Attention: ●
- Facsimile: (●) ●
- E-mail: ●

With a copy to:

-
- , AB
-
- Attention: ●
- Facsimile: (●) ●
- E-mail: ●

(b) If to the Purchaser:

Rocky View Foundation
#103 58 Gateway Drive NE
Airdrie, AB
T4B 0J6
Attention: Carol Borschneck
Telephone (403) 945-9724
Cell (403) 620-1213
Facsimile: (403) 945-9753
E-mail: carol@rockyviewfoundation.org

With a copy to:

Field LLP
400 – 444 7th Avenue SW
Calgary, Alberta
T2P 0X8
Attention: Kevin Schouten
Facsimile: (403) 264-7084
E-mail: kschouten@fieldlaw.com

Any such notice shall be deemed to have been given on the date of such personal delivery if delivered on a Business Day or, if sent by facsimile or electronic transmission, on the date of such transmission, if sent on a Business Day during business hours of the recipient and if sent after such business hours, shall be deemed received the following Business Day. The address, facsimile number, or e-mail address for notice may be changed by any party upon service of notice as aforesaid.

9.3 **Further Assurances**

Each of the parties hereto covenants and agrees to do such things and execute or cause to be executed such further documents, agreements and assurances as may be deemed necessary or advisable from time to time in order to carry out the terms and conditions of this Agreement in accordance with the true intent and meaning.

9.4 **Non-Merger**

The registration of any transfer and the execution and delivery of documents at closing or thereafter as herein contemplated or any independent investigation by the Purchaser or its agents shall not merge or affect any of the warranties, representations, covenants, conditions or terms of this Agreement or any agreement or document delivered pursuant to this Agreement, all of which shall survive the closing of this transaction in accordance with their respective terms.

9.5 **Entire Agreement**

This Agreement contains all of the representations, warranties, covenants, agreements and conditions between the Vendor and the Purchaser concerning the subject matter of this Agreement and with respect to the transaction herein set forth and supersedes all prior agreements, undertakings, negotiations and discussions whether oral or written between the parties hereto.

9.6 **Assignment**

The Purchaser shall not be entitled, without the consent of the Vendor, to assign its interests under this Agreement. Notwithstanding the foregoing, the Purchaser shall have the right to assign its rights and obligations under this Agreement or to direct a transfer of the Property to an "affiliate" or "associate" (as such terms are defined in the *Canadian Business Corporations Act*) of the Purchaser, without the consent of, but upon notice to, the Vendor; however, if any such assignment occurs, the Purchaser shall remain responsible (jointly and severally with any such assignee) to observe and perform all of the Purchaser's covenants and obligations hereunder. It shall be a requirement of any such assignment that the Purchaser and such assignee execute and deliver an assignment and assumption agreement in form and content acceptable to the Vendor, acting reasonably.

The Vendor may, prior to the Closing Date, transfer the Property and this Agreement to an "affiliate" or "associate" (as such terms are defined in the *Canadian Business Corporations Act*) of the Vendor, either as to the beneficial interest only or as to both the legal and beneficial interests in the Property and this Agreement, without the need to obtain the consent of, but upon notice to, the Purchaser. Notwithstanding any such assignment, the Vendor shall remain responsible (jointly and severally with any such assignee) to observe and perform all of the Vendor's covenants and obligations hereunder. It shall be a requirement of any such assignment that the Vendor and such assignee execute and deliver an assignment and assumption agreement in form and content acceptable to the Purchaser, acting reasonably.

9.7 **Governing Laws**

All issues and questions concerning the application, construction, validity, interpretation and enforcement of this Agreement shall be governed by and construed in accordance with the laws of the province of Alberta, and the federal laws of Canada applicable therein without giving effect to any choice or conflict of law provision or rule (whether of Alberta or any other jurisdiction) Any action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby, whether in contract, tort or otherwise, shall be brought in the courts of the province of Alberta, and each party irrevocably submits to the exclusive jurisdiction of the Court of Queen's Bench of Alberta in the judicial centre of Calgary, Alberta. The parties irrevocably waive any objection to the venue of any action or proceeding in such courts and irrevocably waive and agree not to plead or claim in any such court that any such action or proceeding in any such court has been brought in an inconvenient form.

9.8 **Time of the Essence**

Time shall be of the essence of this Agreement.

9.9 **Interpretation**

Grammatical variations of any terms defined herein have similar meanings; words importing the singular number shall include the plural and vice versa; words importing the masculine gender shall include the feminine and neuter genders. The division of this Agreement into separate articles, sections, subsections, paragraphs and subparagraphs, and the insertion of headings and marginal notes and references are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

9.10 **Severability**

If at any time any provision of this Agreement is or becomes invalid, illegal or unenforceable in any respect under the law of any jurisdiction, to the extent permitted by applicable law, the validity, legality and enforceability of any remaining provisions (and of such provision under the law of any other jurisdiction) shall not in any way be affected or impaired.

9.11 **Enurement**

This Agreement and everything herein contained shall extend to, bind and enure to the benefit of the parties hereto and their respective successors and permitted assigns.

9.12 **Currency**

All references to currency in this Agreement shall be deemed to be references to Canadian dollars.

9.13 **Amendment of Agreement**

No supplement, modification, waiver or amendment of this Agreement shall be binding unless executed in writing by the parties hereto in the same manner as the execution of this Agreement.

9.14 **Site Profile**

The Purchaser hereby waives, to the extent permitted by law, any requirement to obtain or provide a "site profile" or any other environmental report for the Property under the laws for the Province of Alberta and any regulation in respect thereto.

9.15 **Waiver**

No waiver of any of the provisions of this Agreement shall constitute or shall be deemed to constitute a waiver of any other provision (whether or not similar), nor shall any waiver constitute a continuing waiver unless otherwise expressed or provided.

9.16 **Solicitors as Agents and Tender**

Any notice, approval, waiver, agreement, instrument, document or communication permitted, required or contemplated in this Agreement may be given or delivered and accepted or received by the Purchaser's Solicitors on behalf of the Purchaser and by the Vendor's Solicitors on behalf of the Vendor and any tender of closing documents and the Purchase Price may be made upon the Vendor's Solicitors and the Purchaser's Solicitors, as the case may be.

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9.17 Counterpart and Electronic Execution

This Agreement may be executed in counterpart and delivered via facsimile or other electronic transmission, which shall be sufficient to bind the parties hereto.

ARTICLE 10
OFFER AND ACCEPTANCE

10.1 Deadline

This Offer is irrevocably open for acceptance by the Vendor until 5:00 PM MST, on Tuesday October 27, 2020.

10.2 Manner of Acceptance

Vendor may accept this offer by executing and delivering a duplicate copy of this offer to Purchaser at Purchaser's notice address.

Dated that date first noted above.

ROCKY VIEW FOUNDATION

Per:


Name Carol Borschneck
Title Chief Administrative Officer

ACCEPTANCE

1609715 Alberta Ltd. hereby accepts the offer to purchase and agreement proposal set out in this document, and agrees to be bound by its terms and conditions.

DATED on October ____, 2020 .

1609715 ALBERTA LTD.

Per:

Name
Title

SCHEDULE A

LEGAL DESCRIPTION OF LANDS

PLAN 9813302

BLOCK 11

LOT 3

EXCEPTING THEREOUT ALL MINES AND MINERALS

AREA: 0.993 HECTARES (2.45 ACRES) MORE OR LESS

SCHEDULE B

PERMITTED ENCUMBRANCES

The following registrations against the certificate of title to the Property:

(a) any caveats or instruments registered by or on behalf of the Purchaser;

(b) Registered Charges:

Registration #: 971 371 891 – Utility Right of Way

Registration #: 981 373 877 – Utility Right of Way

Registration #: 131 186 101 – Easement

Registration #: 131 186 102 – Caveat re: Development Agreement

Registration #: 131 266 323 – Caveat re: Utility Right of Way

APPENDIX B

**In the matter of the Receivership of
1609715 Alberta Ltd. dba Hampton Inn & Suites Airdrie
Summary of Professional Fees to April 5, 2021**

Receiver's fees and disbursements: MNP Ltd

Invoice date	Invoice number	Description	Professional fees	Disbursements	GST	Total
09-Jul-20	9391665	Services to June 30, 2020	\$ 35,654.50	\$ 1,689.99	\$ 1,867.22	\$ 39,211.71
06-Aug-20	9421461	Services to July 31, 2020	37,222.00	3,082.06	2,015.20	42,319.26
13-Oct-20	9490600	Services to September 30, 2020	39,569.00	1,356.68	2,046.28	42,971.96
18-Nov-20	9530963	Services to October 31, 2020	17,202.00	371.00	878.65	18,451.65
18-Dec-20	9564475	Services to November 30, 2020	18,372.00	45.99	920.90	19,338.89
19-Jan-21	9593376	Services to December 31, 2020	\$ 8,181.50	\$ 175.79	\$ 417.86	\$ 8,775.15
24-Feb-21	9644946	Services to January 31, 2021	4,340.00	-	217.00	4,557.00
Total paid to April 5, 2021			160,541.00	6,721.51	8,363.11	175,625.62

Unpaid Receiver's fees and disbursements

Invoice date	Invoice number	Description	Professional fees	Disbursements	GST	Total
01-Apr-21	9718894	Services to March 31, 2021	\$ 17,550.00	\$ 6.73	\$ 877.84	\$ 18,434.57
Total unpaid to April 5, 2021			17,550.00	6.73	877.84	18,434.57

Receiver's legal counsel fees and disbursements: Norton Rose Fullbright Canada LLP

Invoice date	Invoice number	Description	Professional fees	Disbursements	GST	Total
06-Jul-20	9090251484	Services to June 30, 2020	8,738.50	53.00	439.58	9,231.08
16-Sep-20	9090271604	Services to August 31, 2020	2,403.00	1,896.00	173.85	4,472.85
11-Dec-20	9090298582	Services to November 30, 2020	5,541.00		277.05	5,818.05
31-Dec-20	9090308502	Services to December 31, 2020	536.00	72.64	27.18	635.82
11-Feb-21	9090315633	Services to January 31, 2021	2,708.00		135.40	2,843.40
08-Mar-21	9090323301	Services to February 28, 2021	2,346.00		117.30	2,463.30
			22,272.50	2,021.64	1,170.36	25,464.50
Total professional fees and disbursements			\$ 182,813.50	\$ 8,743.15	\$ 9,533.47	\$ 201,090.12