

## SALE PROCESS

### Introduction

Pursuant to a Receivership Order of the Court of King's Bench of Alberta (the "**Court**") granted on February 26, 2024 (the "**Receivership Order**"), Alvarez & Marsal Canada Inc. was appointed as receiver and manager (in such capacity, the "**Receiver**") over all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate of AMC&F Properties Ltd. and Lyncorp Manufacturing Ltd. (collectively, the "**Debtors**"), including all proceeds thereof (collectively, the "**Property**").

The Property includes certain lands and buildings municipally described as 402086 –81 Street E in Aldersyde, Alberta and legally described as:

PLAN 9910968  
BLOCK A  
LOT 3

(collectively, the "**Lands**").

The Receiver is seeking the Court's approval of a sale process (the "**Sale Process**") with respect to the Lands with a view to finding a purchaser (or other transaction counterparty) (the "**Purchaser**") for the Lands.

Subject to the Court's approval, the Receiver anticipates engaging CDN Global Advisors Ltd. (the "**Sales Agent**") to assist in the development and execution of the Sale Process together with a marketing strategy with respect to the Lands. The Receiver plans to engage the Sales Agent to implement brokerage and marketing services in respect of the Lands under the Sale Process, with the oversight of the Receiver.

Capitalized terms not otherwise defined herein have the meaning set forth in the Receivership Order.

### Overview

This Sale Process sets out the procedures in respect of the manner and timelines by which:

- (a) an interested party (each a "**Prospective Bidder**") may gain access, through the Sales Agent, to due diligence materials concerning the Lands and be provided access to inspect and tour the Lands;
- (b) a Prospective Bidder may submit bids and proposals for a range of alternative transactions involving the Lands;

- (c) the Receiver and Sales Agent, in consultation with the Lenders, will consider and negotiate Qualified Bids (defined below);
- (d) the Qualified Bids may be selected as Successful Bids (defined below) in consultation with the Lenders and the timelines relating thereto; and
- (e) the Court's approval of a Successful Bid and closing of same is to occur.

The Sales Agent shall conduct the Sale Process on behalf of and subject to the direction and oversight of the Receiver and in consultation with the Bank of Montreal ("**BMO**"), in its capacity as the senior secured lender of the Debtors, and **Provida Financial Corp. ("Provida"**, the second lien lender, and with BMO, the "**Lenders**").

Any sale of the Lands shall be on an "*as is, where is*" basis and without surviving representations or warranties of any kind, nature, or description by the Sales Agent, the Receiver, the Debtors or any of their respective agents, advisors or estates, except to the extent as may be set forth in a definitive transaction agreement executed by the Receiver in accordance with the Sale Process. The Receiver reserves the right to change or alter any of the provisions, dates and timelines contained herein.

Prospective Bidders, Qualified Bidders (defined below) and Successful Bidders (defined below) are collectively referred to herein as "**Bidders**", and Qualified Bids and Successful Bids are collectively referred to herein as "**Bids**".

### **Sale Process Timeline**

The Sale Process shall be conducted subject to the terms hereof and the following key milestones:

<b>Milestone</b>	<b>Date</b>
Launch Sale Process (Phase I)	June 3, 2024
Due diligence period (NDAs signed, access to VDR granted and site visits organized)	June 3, 2024 – July 4, 2024
Phase I Bid Deadline	July 5, 2024
Phase I Bid assessment	July 8, 2024 – July 12, 2024
Phase II due diligence period	July 8, 2024 – July 19, 2024
Phase II Bid Deadline	July 19, 2024
Phase II Bid assessment	July 19, 2024 – July 26, 2024
Notification of Auction Date (if applicable)	August 1, 2024

Milestone	Date
Auction Date (if applicable)	August 9, 2024
Period of time to finalize definitive documents for Successful Bid (if applicable)	~ August 1, 2024 (if no Auction) ~ August 16, 2024 (if Auction)
Court approval of Successful Bid (if applicable)	~ August 15, 2024 (if no Auction) ~ August 23, 2024 (if Auction)

The Receiver, with the assistance of the Sales Agent, will use reasonable efforts to complete the Sale Process in accordance with the foregoing. The Receiver may make such adjustments to the timeline that it determines are reasonably necessary in order to accommodate unforeseen circumstances and/or best facilitate the Sale Process to maximize the value of the Lands for the benefit of stakeholders, in all cases upon notice to all interested parties actively participating in the Sale Process at the applicable time.

### **Solicitation of Interest**

Subject to the Receiver determining it appropriate to do so and upon receiving Court approval, the Receiver may commence the Sale Process on June 3, 2024 or as soon as practicable thereafter as determined by the Receiver (the “**Commencement Date**”), at which time, the Sales Agent and the Receiver will make the following available to Prospective Bidders:

- (a) brochures, teasers and other preliminary marketing materials in respect of the Lands and the Sales Agent’s relevant contact information;
- (b) a form of non-disclosure agreement (“**NDA**”) to be executed by Prospective Bidders;
- (c) for those Prospective Bidders who have executed and returned a NDA to the Receiver, access to an electronic data room of due diligence information; and
- (d) a form of Definitive Purchase Agreement (defined below) to be used by Prospective Bidders in their submission of irrevocable Qualified Bids (each, a “**Qualified Bid**”).

The Sales Agent’s marketing process may include but not be limited to the following activities:

- (a) Engaging professional videographer/photographer to commence ground level and drone professional photography;
- (b) advertising the Lands on the Sales Agent’s website and through such other means as the Sales Agent and the Receiver consider appropriate;
- (c) direct contact with targeted developers and/or investors;

- (d) cold calling, site walk throughs, in-person meetings, and various other engagement activities; and
- (e) presentation of marketing materials and project information upon Prospective Bidders execution of a NDA.

### **Bidding Process**

A Prospective Bidder shall be deemed a “**Qualified Bidder**” if such Prospective Bidder submits a Qualified Bid to the Receiver, with a copy to the Sales Agent, for the Lands on or before 5:00 pm Mountain time on July 5, 2024 (the “**Phase I Bid Deadline**”), provided that such Qualified Bid:

- (a) identifies and provides:
  - a. the Prospective Bidder’s contact information; and
  - b. the identities of each person or entity that will be sponsoring or participating in the contemplated transaction including direct and indirect owners;
- (b) includes a fully qualified and definitive agreement (in a form and substance provided by the Receiver, together with a blackline against the Receiver’s form) and such ancillary agreements as may be required with all exhibits and schedules thereto (a “**Definitive Purchase Agreement**”);
- (c) be irrevocable until there is a selected Successful Bid (defined below), provided that if such Qualified Bid is selected as the Successful Bid, such Qualified Bid shall remain an irrevocable offer until the earlier of: (i) the completion of the sale to the Successful Bidder; and (ii) the outside date stipulated in the Successful Bid;
- (d) not be conditional on (i) the outcome of unperformed due diligence and/or, (ii) obtaining any credit, capital or other form of financing;
- (e) be accompanied by a deposit (the “**Deposit**”) payable in trust by way of wire transfer to an interest-bearing trust account specified by the Receiver (the “**Receiver’s Trust Account**”), in an amount equal to 10 percent (10%) of the total consideration to be paid, including the cash consideration, the amount to be financed and/or the amount of debt to be assumed and to be paid pursuant to the Qualified Bid, to be held in accordance with this Sale Process;
- (f) include written evidence of a firm and irrevocable commitment for all required funding and/or financing from a creditworthy party to consummate the proposed transaction;
- (g) fully disclose the identity of each person that is bidding or that will otherwise be sponsoring or participating in the Qualified Bid, including the identification of the Qualified Bidder’s

direct and indirect owners and their principals and the full and complete terms of any such participation;

- (h) include evidence, in a form and substance satisfactory to the Receiver, of compliance or anticipated compliance with any and all applicable regulatory approvals, the anticipated time frame for such compliance and any anticipated impediments for obtaining such approvals; and
- (i) include such other information reasonably requested by the Receiver, in consultation with the Lender and Sales Agent.

The Receiver, in consultation with the Sales Agent, and acting reasonably, may waive compliance with any one or more of the above requirements and deem a non-compliant Definitive Purchase Agreement, as the case may be, a Qualified Bid.

Following the Phase I Bid Deadline, the Receiver, in consultation with the Sales Agent and the Lenders, shall determine whether to:

- (a) continue negotiations with a selected number of Qualified Bidders that have submitted Qualified Bids, with a view to selecting a single Qualified Bid to be the Purchaser (the “**Successful Bid**” and the party being selected as such the “**Successful Bidder**”); and
- (b) take such steps as are necessary to finalize and consummate the Successful Bid. Such assessment will be made as promptly as practicable but no later than fifteen (15) days after the Phase I Bid Deadline (or such other deadline as the Receiver, acting reasonably, may establish).

Following selection of the Successful Bid, the Receiver and the Sales Agent, in consultation with the Lender, shall seek to settle any Definitive Purchase Agreement with respect to the Successful Bid in form and substance acceptable to the Receiver and the Lender. Once the Definitive Purchase Agreement and any ancillary agreements thereto with respect to a Successful Bid (the “**Definitive Documents**”) have been finalized, the Receiver will apply to the Court as soon as reasonably practicable for an order (the “**Sale Approval and Vesting Order**”) in form and substance acceptable to the Receiver and the Lenders approving such Successful Bid and authorizing the Receiver to:

- (a) enter into any and all Definitive Documents;
- (b) undertake such other actions as may be necessary to give effect to the Successful Bid; and
- (c) implement the transaction(s) contemplated by such Definitive Documents (collectively, the “**Transaction**”).

All Qualified Bids (other than the Successful Bid) shall be deemed rejected on and as of the date and granting of the Sale Approval and Vesting Order by the Court, but not before, and shall remain open for acceptance until that time.

### **Auction**

After reviewing all Qualified Bids received, the Receiver reserves the right to require that an auction (the “**Auction**”) be held to determine the Successful Bid. If an Auction is to be held, the Receiver will conduct the Auction commencing at 10:00 a.m. (Calgary time) on August 9, 2024 (the “**Auction Date**”) at the offices of the Receiver’s legal counsel, Osler, Hoskin & Harcourt LLP in Calgary, AB, or such other location as shall be timely communicated to all entities entitled to attend at the Auction, subject to such adjournments as the Receiver may consider appropriate.

The Auction shall run in accordance with the following procedures:

- (a) prior to 4:00 p.m. (Calgary time) on August 1, 2024, each Qualified Bidder that has made a Qualified Bid must inform the Receiver whether it intends to participate in the Auction (the parties who so inform the Receiver that they intend to participate are hereinafter referred to as the “**Auction Bidders**”);
- (b) the identity of each Auction Bidder participating in the Auction will be disclosed, on a confidential basis, to each other Auction Bidder participating in the Auction;
- (c) only representatives of the Auction Bidders, the Receiver, the Sales Agent, the Debtors and such other persons as permitted by the Receiver, and the advisors to each of the foregoing entities, are entitled to attend the Auction in person (and the Receiver shall have the discretion to allow such persons to attend by video- or tele-conference);
- (d) the Receiver may employ and announce at the Auction additional procedural rules that are reasonable under the circumstances for conducting the Auction provided that such rules are (i) not inconsistent with this Sale Process or general practice in insolvency proceedings, and (ii) disclosed to each Auction Bidder at the Auction;
- (e) all Auction Bidders must have at least one individual representative with authority to bind such Auction Bidder present in person at the Auction;
- (f) the Receiver shall arrange to have a court reporter attend at the Auction;
- (g) each Auction Bidder participating in the Auction must confirm on the record, at the commencement of the Auction and again at the conclusion of the Auction, that it has not engaged in any collusion with any other person regarding the Sale Process without the express written consent of the Receiver and on disclosure to all other Auction Bidders;

- (h) prior to the Auction, the Receiver will provide unredacted copies of the Qualified Bid(s) which the Receiver believes are the highest or otherwise best Qualified Bid(s) (the “**Starting Bid**”) to all Qualified Bidders that have made a Qualified Bid;
- (i) prior to the Auction, the Receiver and the Sales Agent shall develop a financial comparison model (the “**Comparison Model**”) which will be used to compare the Starting Bid and all Subsequent Bids (as defined herein) submitted during the Auction, if applicable;
- (j) prior to the Auction, the Receiver and the Sales Agent shall make themselves available to meet with each of the Auction Bidders to review the procedures for the Auction, the mechanics of the Comparison Model, and the manner by which Subsequent Bids (as defined below) shall be evaluated during the Auction;
- (k) bidding at the Auction will begin with the Starting Bid and continue, in one or more rounds of bidding, so long as during each round at least one subsequent bid is submitted by an Auction Bidder (a “**Subsequent Bid**”) that the Receiver, utilizing the Comparison Model, determines is (i) for the first round, a higher or otherwise better offer than the Starting Bid, and (ii) for subsequent rounds, a higher or otherwise better offer than the then current highest and best bid (the “**Leading Bid**”), in each case by at least CAD\$100,000, or such amount as may be determined by the Receiver prior to, and announced at, the Auction;
- (l) to the extent not previously provided (which shall be determined by the Receiver), an Auction Bidder submitting a Subsequent Bid must submit, at the Receiver’s discretion, as part of its Subsequent Bid, written evidence (in the form of financial disclosure or credit-quality support information or enhancement reasonably acceptable to the Receiver), demonstrating such Auction Bidder’s ability to close the transaction proposed by the Subsequent Bid;
- (m) only the Auction Bidders will be entitled to make a Subsequent Bid at the Auction; provided, however, that in the event that any Qualified Bidder elects not to attend and/or participate in the Auction, such Qualified Bidder’s Qualified Bid shall nevertheless remain fully enforceable against such Qualified Bidder if it is selected as the Successful Bid;
- (n) all Auction Bidders shall have the right to, at any time, request that the Receiver announce the then-current Leading Bid and, to the extent requested by any Auction Bidder, use reasonable efforts to clarify any and all questions such Auction Bidder may have regarding the Leading Bid;
- (o) the Receiver reserves the right, in its reasonable business judgment, to make one or more adjournments in the Auction to, among other things (i) facilitate discussions between the Receiver and the Auction Bidders; (ii) allow the individual Auction Bidders to consider how they wish to proceed; (iii) consider and determine the current highest and best offer at any given time in the Auction; and (iv) give Auction Bidders the opportunity to provide

the Receiver with such additional evidence as the Receiver, in its reasonable business judgment, may require that that Auction Bidder has sufficient internal resources to consummate the proposed transaction at the prevailing overbid amount;

- (p) if, in any round of bidding, no new Subsequent Bid is made, the Auction shall be closed; and
- (q) no bids (from Qualified Bidders or otherwise) shall be considered after the conclusion of the Auction.

At the end of the Auction, the Receiver shall announce the Successful Bid and the Successful Bidder. Upon selection of a Successful Bidder, the Successful Bidder shall deliver as soon as practicable and, in any event, by no later than five (5) calendar days, an executed Definitive Purchase Agreement, which reflects its Successful Bid and any other modifications submitted and agreed to during the Auction, prior to the filing of the application material for the hearing to consider the Approval Application (as defined below).

If an Auction is conducted, the Auction Bidder and/or Qualified Bidder, as applicable, with the next highest or otherwise best Qualified Bid at the Auction or, if such Qualified Bidder did not participate in the Auction, submitted in this Sale Process, as determined by the Debtors and the Receiver, will be designated as the backup bidder (the “**Backup Bidder**”). The Backup Bidder shall be required to keep its Qualified Bid (or if the Backup Bidder submitted one or more overbids at the Auction, the Backup Bidder’s final overbid) (the “**Backup Bid**”) open until the earlier of (a) two (2) business days after the date of closing of the Successful Bid; and (b) August 30, 2024 (the “**Outside Date**”).

The Receiver, in consultation with the Sales Agent, shall have selected the final Successful Bid(s) and the Backup Bid(s) as soon as reasonably practicable after the Auction Date and the Definitive Purchase Agreement finalized and executed by no later than August 16, 2024, which Definitive Purchase Agreement shall be conditional only upon the receipt of the Approval Order (as defined below) and the express conditions set out therein and shall provide that the Successful Bidder shall use all reasonable efforts to close the Successful Bid by no later than August 23, 2024, or such longer period as may be agreed to in writing by the Receiver. In any event, the Successful Bid must be closed by no later than the Outside Date, or such other date as may be agreed to in writing by the Receiver.

### **Approval of Successful Bid**

The Receiver shall apply to the Court (the “**Approval Application**”) for an order approving the Successful Bid and the Backup Bid (as applicable) and/or the mechanics to authorize the Receiver to complete the transactions contemplated thereby, as applicable, and authorizing the Receiver to (i) enter into any and all necessary agreements and related documentation with respect to the Successful Bid, (ii) undertake such other actions as may be necessary to give effect to such



Successful Bid, and (iii) implement the transaction(s) contemplated in such Successful Bid (the “**Approval Order**”).

The Approval Application will be held on a date to be scheduled by the Receiver and confirmed by the Court. The Receiver shall use best efforts to schedule the Approval Application on or before August 23, 2024 subject to Court availability. The Approval Application may be adjourned or rescheduled by the Receiver on notice to the service list prior to the Approval Application. The Receiver shall consult with the Successful Bidder and the Backup Bidder regarding the application material to be filed by the Receiver for the Approval Application, which material shall be acceptable to the Successful Bidder, acting reasonably.

If, following approval of the Successful Bid by the Court, the Successful Bidder fails to consummate the transaction for any reason, then such Successful Bidder will forfeit its Deposit and the Backup Bid, if there is one, will be deemed to be the Successful Bid hereunder and the Receiver shall effectuate a transaction with the Backup Bidder subject to the terms of the Backup Bid, without further order of the Court.

### **Receiver’s Discretion**

The Receiver shall have no obligation under this Sale Process to:

- (a) begin the Sale Process in the event that an offer to purchase is negotiated and is in the process of being accepted prior to the Commencement Date or such other date that the Receiver determines appropriate;
- (b) continue negotiations with any Qualified Bidders that have submitted Qualified Bids; or
- (c) select any Bids as a Successful Bid and conclude a sale arising out of this Sale Process,

and the Receiver reserves the right and unfettered discretion to reject any bid or proposal, but shall not do so without first consulting the Lenders.

Any amendments to this Sale Process, including the relevant dates and deadlines set forth herein, may only be made:

- (a) with the written consent of the Receiver and the Lenders; or
- (b) by further order of the Court.

Notwithstanding anything else contained herein, the Receiver, in its reasonable business judgment and in consultation with the Sales Agent and the Lenders, may, from time to time, withdraw any Property from this Sale Process in accordance with the Receiver’s rights under the Receivership Order.

### **Deposits**

All Deposits shall be held by the Receiver in the Receiver's Trust Account (non-interest bearing) in accordance with this Sale Process and/or the Definitive Documents (as the case may be).

In the event that a Qualified Bid is selected as a Successful Bid:

- (a) if the Transaction closes, the Deposit shall form a part of the purchase price then due and owing by the Successful Bidder to the Receiver under the Definitive Purchase Agreement;
- (b) if the Successful Bidder refuses or is unable to close the Transaction through no fault of the Receiver, the Deposit shall be absolutely forfeited to the Receiver as liquidated damages without prejudice to any other right or remedy of the Successful Bidder; or
- (c) if the Receiver is unable or unwilling to proceed with a Transaction, the Receiver shall return the Deposit to the Successful Bidder no later than 14 days after the Receiver's determination, without any further right or remedy of the Successful Bidder.

In the event that a Qualified Bid is not a Successful Bid, the Receiver will return the Deposit to the Qualified Bidder within five (5) business days of the date upon which the Sale Approval and Vesting Order is granted by the Court.

In the event that there is no Successful Bid, all Deposits shall be returned to the Qualified Bidders within five (5) business days of the date upon which this Sale Process is terminated by the Receiver, in consultation with the Lender, in accordance with these procedures.

### **Costs of Participation**

Participants in this Sale Process are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a transaction.

### **Communications**

Under no circumstances may a Prospective Bidder, Qualified Bidder or Successful Bidder communicate with current or future management of the Debtors without the express written consent of the Receiver and the Receiver's or Sales Agent's presence.

The addresses used for delivering documents to the Receiver and the Sales Agent as required by the terms and conditions of this Sale Process are set out below.

To the Sales Agent:

CDN Global Advisors Ltd

Attention: Jeff Keet

Phone: (403) 519-9618

Email: [jkeet@cdnglobal.com](mailto:jkeet@cdnglobal.com)

To the Receiver:

Alvarez & Marsal Canada Inc.

Bow Valley Square IV

Suite 1110, 250 – 6<sup>th</sup> Avenue SW

Calgary, AB T2P 3H7

Attention: Orest Konowalchuk / Bryan Krol

Phone: (403) 538-4736 / (403) 538-7523

Email: [okonowalchuk@alvarezandmarsal.com](mailto:okonowalchuk@alvarezandmarsal.com) / [bkrol@alvarezandmarsal.com](mailto:bkrol@alvarezandmarsal.com)

with a copy to:

Osler, Hoskin, & Harcourt LLP

Suite 2700, Brookfield Place

225 – 6th Avenue S.W.

Calgary AB T2P 1N2

Attention: Randal Van de Mosselaer / Julie Treleaven

Phone: (403) 260-7060 / (403) 260-7048

Email: [rvandemosselaer@osler.com](mailto:rvandemosselaer@osler.com) / [jtreleaven@osler.com](mailto:jtreleaven@osler.com)

### **Further Orders**

At any time during the Sale Process, the Receiver may apply to the Court for advice and directions with respect to the discharge of its powers and duties hereunder.