

KPMG INC., in its capacity as Court-appointed receiver and manager (the “Receiver”) of the assets, properties and undertakings of

**MRMA Commercial Real Estate Holdings Ltd.
Woodland Hospitality Inc.
Sunset Grill (Red Deer) Inc.
Sunset Grill (St. Albert) Inc.
(collectively, the “Companies”)**

Sale and investment Solicitation Process

1. On June 16, 2017, the Alberta Court of Queen’s Bench (the “**Court**”) granted an order (the “**Receivership Order**”) appointing KPMG Inc. (“**KPMG**”) as Receiver (the “**Receiver**”) of the Companies, under section 243(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 and section 13(2) of the *Judicature Act*, RSA 2000, c J-2.
2. On **November 3, 2017**, the Court approved the Receiver entering into a sale and investment solicitation process (the “**SISP**”).
3. Set forth below are the procedures (the “**SISP Procedures**”) to be followed with respect to the SISP to be undertaken to seek a Successful Bid or Successful Bids (as defined below), and if there is/are any Successful Bid(s), to complete the transactions contemplated by the Successful Bid(s).

Defined Terms

4. All capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Receivership Order. In addition, in these SISP Procedures:

“**Business**” means the business being carried on by the Companies;

“**Business Day**” means a day, other than a Saturday, Sunday or a statutory holiday, on which banks are open for business in the City of Calgary;

“**Offer**” means a credible, reasonably certain and financially viable offer for acquisition of all or any part of the Property;

“**Property**” means the undertakings, property and assets of the Companies or any portion thereof; and

“**Sale**” means the acquisition of all or any part of the Property;

SISP Procedures

5. The SISP Procedures set forth herein describe, among other things, the Property available for sale, the manner in which prospective bidders may gain access to or continue to have access to due diligence materials concerning the Property and the Business, the manner in which bidders and bids become Qualified Bidders and Qualified Bids (each as defined below), respectively, the receipt and negotiation of bids received, the ultimate selection of

any Successful Bidder(s) (as defined below) and the Court's approval thereof. The Receiver shall administer the SISP Procedures. In the event that there is disagreement as to the interpretation or application of these SISP Procedures, the Court will have jurisdiction to hear and resolve such dispute.

Purchase Opportunity

6. A confidential information memorandum (the "**Confidential Information Memorandum**") describing the opportunity to acquire all or any part of the Property will be made available by the Receiver to prospective bidders that have executed a non-disclosure agreement with the Receiver, in a form satisfactory to the Receiver.

"As Is, Where Is"

7. Any Sale will be on an "as is, where is", "without recourse" basis and without surviving representations, warranties, covenants or indemnities of any kind, nature, or description by the Receiver or any of its agents, except to the extent set forth in a relevant agreement with a Successful Bidder.

Free of Any and All Claims and Interests

8. Except to the extent otherwise set forth in the relevant sale agreement with a Successful Bidder, in the event of a Sale, pursuant to an approval and vesting order made by the Court upon the application of the Receiver, all of the rights, title and interests of the Companies in and to the Property to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options and interests thereon and there against (collectively, the "**Claims and Interests**"), such Claims and Interests to attach to the net proceeds of the sale of such portion of the Property (without prejudice to any claims or causes of action regarding the priority, validity or enforceability thereof).

Publication of Notice and Teaser

9. As soon as reasonably practicable after Court approval of this SISP, and in any event within 3 Business Days following Court approval, the Receiver shall cause a notice of the SISP, as contemplated by these SISP Procedures and such other relevant information which the Receiver considers appropriate, to be published in the National Post, The Globe and Mail, and the Western Investor, and shall invite, pursuant to a teaser letter including a summary description of the purchase opportunity, bids from interested parties.

Participation Requirements

10. Unless otherwise provided for herein, ordered by the Court, or agreed by the Receiver, in order to participate in the SISP and be considered for qualification as a Qualified Bidder (as defined below), an interested party (a "**Potential Bidder**") must deliver to the Receiver at the address specified in Schedule "**A**" hereto (including by email or fax transmission), and prior to the distribution of any confidential information by the Receiver to a Potential Bidder (including the Confidential Information Memorandum):
 - (a) an executed non-disclosure agreement in form and substance satisfactory to the Receiver, which shall inure to the benefit of any purchaser of any part of the Property;

- (b) a specific indication of the anticipated sources of capital for such Potential Bidder and preliminary evidence of the availability of such capital, or such other form of financial disclosure and credit support or enhancement that will allow the Receiver and its legal and financial advisors, to make, in their reasonable business or professional judgment, a reasonable determination as to the Potential Bidder's financial and other capabilities to consummate a sale or an investment;
 - (c) a letter setting forth the identity of the Potential Bidder, the contact information for such Potential Bidder, full disclosure of the direct and indirect owners of the Potential Bidder and their principals; and
 - (d) a written acknowledgement of receipt of a copy of the Court order approving the SISP (including these SISP Procedures) and agreeing to accept and be bound by the provisions contained therein.
11. A Potential Bidder that has satisfied all of the requirements described in Section 10 above and who the Receiver determines has a reasonable prospect of completing a transaction contemplated herein, will be deemed a "**Qualified Bidder**" and will be promptly notified of such classification by the Receiver. Notwithstanding these requirements, the Receiver may designate any Potential Bidder as a Qualified Bidder.

Due Diligence

12. The Receiver shall provide any person deemed to be a Qualified Bidder with a copy of the Confidential Information Memorandum and access to an electronic data room and the Receiver shall provide to Qualified Bidders further access to such due diligence materials and information relating to the Property available for sale, including, as appropriate, access to further information in the electronic data room.
13. The Receiver makes no representation or warranty as to the information contained in the Confidential Information Memorandum or the information to be provided through the due diligence process or otherwise, except to the extent otherwise contemplated under any definitive sale or investment agreement with a Successful Bidder executed and delivered by the Receiver.

Bidding

Qualified Purchase Bids

14. A Sale Proposal submitted by a Qualified Bidder will be considered a "**Qualified Purchase Bid**" only if the Sale Proposal complies with all of the following:
- (a) it includes a letter stating that the Sale Proposal is irrevocable until the earlier of (i) the closing of a transaction with a Successful Bidder (as defined below), and (ii) 20 Business Days following the Bid Deadline; provided, however, that if such Sale Proposal is selected as a Successful Bid (as defined below), it shall remain irrevocable until the closing of the Successful Bid or Successful Bids, as the case may be;
 - (b) it includes a duly authorized and executed purchase and sale agreement specifying the purchase price, expressed in Canadian dollars (the "**Purchase**

Price”), and such ancillary agreements as may be required by the Qualified Bidder with all exhibits and schedules thereto (or term sheets that describe the material terms and provisions of such ancillary agreements) and such ancillary agreements and the proposed orders to approve the sale by the Court;

- (c) it does not include any request or entitlement to any break-fee, expense reimbursement or similar type of payment;
- (d) it includes evidence sufficient to allow the Receiver to make a reasonable determination as to the bidder’s (and those of the bidder’s direct and indirect owners and their principals) financial and other capabilities to consummate the transaction contemplated by the Sale Proposal, which evidence could include but is not limited to evidence of a firm, irrevocable commitment for all required funding and/or financing from a creditworthy bank or financial institution;
- (e) it is not conditioned on (i) the outcome of unperformed due diligence by the Qualified Bidder and/or (ii) obtaining any financing capital and includes an acknowledgement and representation that the Qualified Bidder has had an opportunity to conduct any and all required due diligence prior to making its Sale Proposal;
- (f) it fully discloses the identity of each entity that is bidding or otherwise that will be sponsoring or participating in the Sale Proposal, including the identification of the Qualified Bidder’s direct and indirect owners and their principals, and the complete terms of any such participation;
- (g) it includes an acknowledgement and representation that the Qualified Bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the assets to be acquired and liabilities to be assumed in making its Sale Proposal; (ii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the assets to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, including by the Receiver, or any of its advisors, except as expressly stated in the purchase and sale agreement submitted by it; (iii) is a sophisticated party capable of making its own assessments in respect of making its Sale Proposal; and (iv) has had the benefit of independent legal advice in connection with its Sale Proposal;
- (h) it includes evidence, in form and substance reasonably satisfactory to the Receiver, of authorization and approval from the Qualified Bidder’s board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the Sale Proposal;
- (i) it is accompanied by a refundable deposit (the “**Deposit**”) in the form of a wire transfer (to a trust account specified by the Receiver), or such other form acceptable to the Receiver, payable to the order of KPMG Inc., in trust, in an amount equal to 10% of the proposed gross purchase price, to be held and dealt with in accordance with these SISP Procedures;

- (j) it provides for closing of a Qualified Purchase Bid by no later than the Target Closing Date (as defined below);
- (k) if the Qualified Bidder is an entity newly formed for the purpose of the transaction, the bid shall contain an equity or debt commitment letter from the parent entity or sponsor, which is satisfactory to the Receiver, that names the Receiver as a third party beneficiary of any such commitment letter with recourse against such parent entity or sponsor;
- (l) it includes evidence, in form and substance reasonably satisfactory to the Receiver, of compliance or anticipated compliance with any and all applicable Canadian and any foreign regulatory approvals (including, if applicable, anti-trust regulatory approval and any approvals with respect to the grant or transfer of any permits or licenses), the anticipated time frame for such compliance and any anticipated impediments for obtaining such approvals;
- (m) it contains other information reasonably requested by the Receiver; and
- (n) it is received by no later than the Bid Deadline.

Qualified Bids

- 15. Qualified Bids shall be referred to herein as “**Qualified Bids**” and each a “**Qualified Bid**” and each bidder who has submitted a Qualified Bid shall hereinafter be referred to as a “**Qualified Bidder**”.
- 16. Notwithstanding Sections 25 and 26 hereof, the Receiver may waive compliance with any one or more of the Qualified Bid requirements specified herein, and deem such non-compliant bids to be Qualified Bids.

Assessment of Qualified Bids

- 17. The Receiver will assess any Qualified-Bids received, if any, and will determine whether it is likely that the transactions contemplated by such Qualified Bids are likely to be able to be consummated and whether proceeding with these SISP Procedures is in the best interests of the Companies’ receivership proceedings. Such assessments will be made as promptly as practicable after the Bid Deadline.
- 18. In the event that the Receiver determines that (a) no Qualified Bid was received, or (b) at least one Qualified Bid was received but it is not likely that the transaction(s) contemplated in any such Qualified Bids will be consummated, this SISP shall be deemed to be immediately terminated and the Receiver shall apply to the Court for advice and direction.

Selection of the Successful Bid or Successful Bids

- 19. Beginning **March 1, 2018**, the Receiver shall select the Successful Bid(s) by reviewing each Qualified Bid.
- 20. The Receiver may select Qualified Bids for further negotiation and/or clarification of any terms or conditions of such Qualified Bids, including the amounts offered, before

identifying the highest or otherwise best Qualified Bid(s) (the “**Successful Bid(s)**”) received, as the case may be.

21. Upon completion of any further negotiations or clarifications that may be conducted pursuant to Section 33 above, the Receiver will identify the Successful Bid(s). Any Qualified Bidder who made a Successful Bid is a “**Successful Bidder**”. The Receiver will notify any Successful Bidder it is a Successful Bidder.
22. The Receiver will finalize definitive agreements in respect of any Successful Bidder, conditional upon approval of the Court, by no later than 5:00 p.m. (Mountain Time) on **March 9, 2018** or such later date or time as the Receiver may determine.

Approval Hearing

23. The Receiver shall apply to the Court (the “**Approval Hearing**”) for: (i) an order approving the Successful Bid(s) and authorizing the Receiver to enter into any and all necessary agreements with respect to a Successful Bidder; and (ii) any order that may be required vesting title to Property in the name of a Successful Bidder.
24. The Approval Hearing will be held on a date to be scheduled by the Court upon application by the Receiver. The Approval Hearing may be adjourned or rescheduled by the Receiver without further notice by an announcement of the adjourned date at the Approval Hearing and emailing same to the service list in these proceedings.
25. All Qualified Bids (other than any Successful Bid(s)) shall be deemed rejected on and as of the date of closing of the Successful Bid or Successful Bids, as the case may be.

Deposits

26. All Deposits shall be retained by the Receiver and invested in an interest-bearing trust account. If there is a Successful Bid, the Deposit (plus accrued interest) paid by the Successful Bidder whose bid is approved at the Approval Hearing shall be applied to the purchase price to be paid by the Successful Bidder upon closing of the approved transaction and will be non-refundable. The Deposits (plus applicable interest) of the Qualified Bidders not selected as a Successful Bidder shall be returned to such bidders within five (5) Business Days after the date on which Qualified Bids are deemed rejected in accordance with Section 37. If there is no Successful Bid, all Deposits shall be returned to the bidders within five (5) Business Days of the date upon which the SISP is terminated in accordance with these procedures.

Approvals

27. For greater certainty, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by the applicable law in order to implement a Successful Bid.

Further Orders

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

SCHEDULE "A"

TO THE RECEIVER:

KPMG Inc.

3100–205 5th Avenue SW
Calgary, Alberta T2P 4B9

Attention: Neil Honess / James Gilchrist

Telephone: (403) 691-8504/(250) 979-7163

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Email: nhoness@kpmg.ca / jgilchrist@kpmg.ca

WITH COPY TO:

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Calgary, Alberta T2P 1G1

Attention: Kyle Kashuba

Telephone: 403.776.3744

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