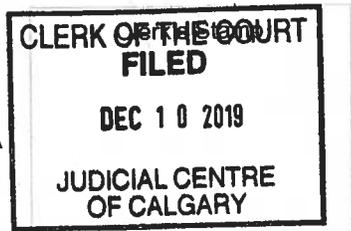


COURT FILE NUMBER 1901- 17453
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY



APPLICANTS IN THE MATTER OF *THE COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF *THE BUSINESS CORPORATIONS ACT*, R.S.A., 2000, c. B-9, AS AMENDED
AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF IEC LTD., AUDEAMUS CAPITAL CORP., AND THOSE OTHER APPLICANTS SET OUT ON THE ATTACHED SCHEDULE "A"

DOCUMENT **ORIGINATING APPLICATION**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
McCarthy Tétrault LLP
4000, 421 - 7 Avenue SW
Calgary, AB T2P 4K9
Attention: Sean Collins / Walker W. MacLeod / Pantelis Kyriakakis
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NOTICE TO RESPONDENT(S)

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the judge.

To do so, you must be in Court when the application is heard as shown below:

Date: December 10, 2019
Time: 2:30 p.m.
Where: Calgary
Before Whom: Honourable Justice K.M. Horner

Go to the end of this document to see what else you can do and when you must do it.

Basis for this Claim:

The Parties

1. Each of IEC Ltd. ("**IEC**"), Audeamus Capital Corp. ("**Audeamus**") and the other corporations listed in Schedule "**A**" hereto (collectively, the "**Applicants**") are corporations

incorporated pursuant to provincial or federal legislation. Each of the Applicants are “debtor companies” within the meaning of the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”).

2. The limited partnerships listed in Schedule “**B**” hereto (collectively, the “**LP Stay Parties**” and, collectively with the Applicants the “**CCAA Parties**”) are limited partnerships created pursuant to the *Partnership Act* (Alberta). The LP Stay Parties are the beneficial owners of real estate assets that are legally owned by certain of the Applicants. In addition, IEC is the limited partner of various of the LP Stay Parties (collectively, the “**IEC LP’s**”) and Audeamus is the limited partner of the remaining LP Stay Parties (collectively, the “**Audeamus LP’s**”). The LP Stay Parties are not “debtor companies” for the purposes of the CCAA.

3. The persons listed in Schedule “**C**” hereto (collectively, the “**Non-Applicant Stay Parties**”) are partnerships or corporations created pursuant to Canadian legislation in various provincial or federal jurisdictions. The Non-Applicant Stay Parties operate in British Columbia and in Atlantic Canada and, as a result, have not been as directly impacted by the downturn in the Calgary commercial real estate market as the Applicants. The Non-Applicant Stay Parties are cash-flow positive and are projected to be able to continue to operate on this basis. As a result of a combination of mortgages maturing and the liquidity challenges being experienced by the Applicants certain creditors of the Non-Applicant Stay Parties are currently in a position to, or may shortly be in a position to, assert rights and remedies against the Non-Applicant Stay Parties.

The Business

4. The Applicants, the LP Stay Parties and the Non-Applicant Stay Parties are all members of a privately held, fully integrated enterprise that owns, manages, leases, develops, and redevelops large portfolios of commercial office, residential, retail, and industrial properties as the “**Strategic Group**”. The primary place of business of the Strategic Group is Alberta and the Strategic Group’s head office is located in Calgary, Alberta. Approximately 354 employees of Strategic Group work in Alberta. The Strategic Group’s principal real estate assets are in Alberta and are comprised of (including both wholly-owned and co-owned): 61 office and retail locations with a total aggregate square footage of approximately 3,601,852 square feet and 22 residential apartment properties (both completed and under construction) comprised of 2,448 residential apartments.

5. The CCAA Parties in these proceedings do not encompass the entire Strategic Group. Specifically, the purpose of these proceedings is the restructuring of Strategic Group's rental portfolio (the "**Rental Portfolio**") comprised of certain of the limited partnerships and the limited partners that hold equity in those partnerships (collectively, the "**Rental Portfolio Entities**"). Both the LP Stay Parties and the Non-Applicant Stay Parties are deeply integrated with the business of the Applicants and therefore seek the extension of the stay of proceedings in favour of the Applicants.

6. The Canadian energy market (and, in particular, the exploration and production of oil and natural gas) has been in an extended financial slump and this has had a profound and negative effect on energy companies operating in Alberta, particularly in Calgary. The low commodity price environment and challenging market conditions have slowly extended to other areas of the economy. Vacancy rates in commercial office space in downtown Calgary and in the surrounding beltline area have soared since 2015 due to companies ceasing operations, engaging in headcount reductions and undertaking cost cutting measures. These issues have been compounded by a large amount of new office space being added to the Calgary market in the last two years, including buildings such Brookfield Place and Telus Sky, and increases in property taxes charged by the City of Calgary (particularly on buildings outside of the downtown core). As a result, additional pressures have been placed on rental rates that were already trending downward.

7. The changing market conditions have led to both high vacancy and default rates that have reduced revenues in the Rental Portfolio assets and to a material reduction in market value of many Rental Portfolio assets. In response, the Applicants have taken various steps to stabilize the Rental Portfolio including the disposition of assets, the reduction of staffing levels and an increased focus on residential development, which has not been as negatively impacted as commercial properties. Unfortunately, and despite this response, the Rental Portfolio Entities are no longer able to function and carry on their current operations as they presently exist.

8. Based on: (i) the aforementioned market conditions; (ii) the liquidity crises faced by the CCAA Parties; and, (iii) the fact there appears to be no meaningful market improvement on the horizon, it was determined that a formal restructuring of the Rental Portfolio Entities should occur. This led to a number of December 1, 2019 mortgage payments not being made. This provides the Applicants with an opportunity to preserve their going-concern operations and to restructure their affairs by way of a plan of compromise and arrangement. It is the expectation of the

Applicants that their creditors and other stakeholders will derive a greater benefit from such a restructuring than would result from the bankruptcy or other liquidation of the Applicants.

The Restructuring Plan

9. The CCAA Parties intend to implement a restructuring plan that will achieve the following:
- (a) stabilize operations and cash-flow;
 - (b) maximize returns to mortgage lenders and other affected creditors;
 - (c) continue to operate and employ the remaining employees;
 - (d) complete the construction of certain residential rental projects (both new builds and conversions);
 - (e) establish a framework to resolve issues that have arisen with a major co-owner of a significant portion of the Strategic Group's properties; and,
 - (f) continue to operate as a going-concern which will benefit tenants, service providers, vendors, and other counterparties.
10. The Applicants' senior management firmly believes that a collective process that explores opportunities to restructure, including through a measured and considered disposition strategy, will ultimately result in a better outcome for all stakeholders. The alternative would be a multitude of concurrent enforcement processes, a flooding of an already teetering market with a significant number of distressed properties and the risk of material losses to creditors.

Remedy sought:

11. The CCAA Parties seek initial and limited *ex parte* relief under the CCAA, substantially in the form attached hereto as Schedule "D" (the "**Initial Order**"):
- (a) declaring that the Applicants' are companies to which the CCAA applies;
 - (b) authorizing the Applicants to remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**") and continue

to carry on business in a manner consistent with the preservation of its business (the “**Business**”) and Property;

- (c) entitling the Applicants to make payment of all obligations owing in respect of employee wages and benefits;
- (d) entitling the Applicants to pay reasonable expenses incurred by them in operating the Business in the ordinary course, including making payment of obligations owing in respect of goods and services supplied to the Applicants prior to the date of the Initial Order, subject to the consent of the Monitor (as defined herein);
- (e) staying, for an initial period of not more than ten (10) days (the “**Stay Period**”), all proceedings and remedies taken or that might be taken in respect of:
 - (i) the Applicants, the Business and the Property;
 - (ii) the LP Stay Parties and their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof, of the LP Stay Parties (the “**LP Property**”); and
 - (iii) the Non-Applicant Stay Parties and their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Non-Applicant Property**”),

except as otherwise set forth in the Initial Order or otherwise permitted by law;

- (f) preventing any Person from accelerating performance of any rights in respect of the Applicants, except with the written consent of the relevant Applicant and the Monitor, or leave of this Honourable Court;
- (g) restraining any Person from interfering with the supply of goods or services to any of the Applicants;
- (h) staying all proceedings and remedies taken or that might be taken in respect of claims against the directors or officers of the Applicants that relate to liability of

such Persons in their capacity as directors or officers of the Applicants, except as otherwise set forth in the Initial Order or otherwise permitted by law;

- (i) appointing Hardie & Kelly Inc. (“**HK**” or the “**Monitor**”) as the Monitor of the Applicants in these proceedings;
- (j) authorizing the CCAA Parties to pay all reasonable fees and disbursements of their counsel, the Monitor, the Monitor’s counsel and Neil Narfason Professional Corporation (the “**Consultant**”);
- (k) sealing various confidential exhibits to the supporting affidavit of Mr. Riaz Mamdani;
- (l) adjourning the Application for the Additional Relief (as defined herein) over until an application scheduled for December 19 or 20, 2010; and
- (m) such further and other relief as counsel to the Applicants may request and this Honourable Court may deem just.

12. In the event that the Initial Order is granted, in whole or in part, the Applicants will seek the following additional relief in a hearing that will be scheduled to be heard by this Honourable Court prior to December 20, 2019 (the “**Additional Relief**”):

- (a) a declaration that the time for and manner of service of this Originating Application (in respect of the portion of the application that pertains to the Additional Relief) is good and sufficient;
- (b) an extension of the Stay Period in favour of the Applicants and the Property, the LP Stay Parties and the LP Property and the Non-Applicant Stay Parties and the Non-Applicant Property, until March 31, 2020;
- (c) a declaration that the Applicants may file with this Court a plan of compromise or arrangement (the “**Plan**”);
- (d) a declaration that the Applicants may pursue an orderly restructuring of the Business and the Property (the “**Restructuring**”), including the authority to disclaim contracts (subject to restrictions imposed by the CCAA), permanently or

temporarily downsize the Business or terminate the employment of various employees;

- (e) approval of a cost allocation protocol in respect of the Applicants, in consultation with affected stakeholders and as approved by the Monitor, to fairly and equitably allocate various priority charges that are being sought as part of the Additional Relief (collectively, the "**Charges**") as between the Property and the LP Property and to provide stakeholder groups with a reasonable estimate of the cost that will be allocated to their secured assets over the course of the within CCAA proceedings;
- (f) a direction that all persons who lease real property interests from the Applicants or the LP Stay Parties (each, a "**Lease**") continue to pay all due to the relevant Applicant or LP Stay Party in accordance with the terms and conditions of the Lease;
- (g) authorizing and directing the Applicants to enter into agreements, subject to approval of the Monitor, with depository banks that would result in such depository banks voluntarily agreeing not to assert set-off, netting and consolidation rights against the Property (each such agreement, a "**Set Off Waiver Agreement**");
- (h) in the absence of Set Off Waiver Agreements being reached, an authorization and direction that the Applicants may, with the consent of the Monitor, direct any payments due on a Lease be paid to the Monitor and that the Monitor, upon receipt of such amounts, may remit such amounts to the relevant Applicant;
- (i) declaring that the Monitor, counsel to the Monitor, the Applicants' counsel and the Consultant are entitled to the benefits of a charge on the Property and the LP Property in the amount of \$1,000,000, as security for the professional fees and disbursements incurred both before and after the granting of the Initial Order (the "**Administration Charge**");
- (j) authorizing Audeamus to make borrowings under the interim credit agreement with an arm's length third-party (the "**Interim Lender**") and granting the Interim Lender a charge (the "**Interim Lender Charge**") on:
 - (i) the portion of the Property that Audeamus has an interest in;

- (ii) all of the Property of any of the Applicants that are the general partner in any of the Audeamus LP's; and
 - (iii) any property that any of the Audeamus LP's have a beneficial interest in (collectively, the "**Audeamus Property**");
- (k) directing the Applicants to indemnify their current and future directors and officers (including the Consultant) against obligations and liabilities that they may incur as directors and or officers of the Applicants after the issuance of the Initial Order and granting a charge on the Property and the LP Property as security for such indemnity in the amount of \$2,000,000 (the "**Director's Charge**");
- (l) approving the Applicants' proposed Key Employee Incentive Plan (the "**KEIP**"), authorizing and directing the Applicants to make the payments contemplated in the KEIP and granting the beneficiaries of the KEIP a charge on the Property and the LP Property to secure the obligations of the Applicants pursuant to the KEIP in the amount of \$500,000 (the "**KEIP Charge**");
- (m) approval of the IEC cash management system, including the receipt of funds by IEC from IEC LP's, the disbursement of funds by IEC to IEC LP's and the granting of corresponding charges on:
 - (i) the portion of the Property that IEC has an interest in;
 - (ii) all of the Property of any of the Applicants that are the general partner in any of the IEC LP's; and
 - (iii) any property that any of the IEC LP's have a legal and beneficial interest in (the "**IEC Property**"),to secure the obligations in respect of such borrowings(the "**IEC Intercompany Charge**");
- (n) approval of the Audeamus cash management system, including the receipt of funds by Audeamus from Audeamus LP's, the disbursement of funds by Audeamus to Audeamus LP's and the granting of corresponding charges on the

portion of the Audeamus Property to secure the obligations in respect of such borrowings (the “**Audeamus Intercompany Charge**”);

- (o) declaring that:
 - (i) each of the Administration Charge, the Directors Charge and the KEIP Charge rank in priority to any existing security or charges against the Property and the LP Property;
 - (ii) each of the Audeamus Interim Lender Charge and the Audeamus Intercompany Charge rank in priority to any existing security or charges against the Audeamus Property;
 - (iii) the IEC Intercompany Charge ranks in priority to any existing security or charges against the IEC Property;
- (p) declaring that the priority of the Charges as against the Audeamus Property shall be as follows:
 - (i) First – the Administration Charge;
 - (ii) Second – the Audeamus Interim Lender Charge;
 - (iii) Third – the Director’s Charge;
 - (iv) Fourth – the KEIP Charge; and
 - (v) Fifth – the Audeamus Intercompany Charge.
- (q) declaring that the priority of the Charges as against the IEC Property shall be as follows:
 - (i) First – the Administration Charge;
 - (ii) Second – the Director’s Charge;
 - (iii) Third – the KEIP Charge; and
 - (iv) Fourth - the IEC Intercompany Charge.

- (r) a direction that the within proceedings be subject to case management and further applications be made in accordance with a litigation protocol as proposed by the Applicants; and
- (s) such further and additional relief as may be sought by the Applicants.

Material or evidence to be relied upon:

13. The Applicants intend to rely upon the following materials:

- (a) Affidavit No 1. of Riaz Mamdani, to be sworn;
- (b) Affidavit No. 2 of Riaz Mamdani, to be sworn;
- (c) the consent of Hardie & Kelly Inc. to act as Monitor; and,
- (d) such further and other material or evidence as counsel to the Applicants may advise and this Honourable Court may permit.

Applicable Acts and Regulations:

14. The Applicants will rely upon and refer to the following during the making of the Application:

- (a) the CCAA;
- (b) *Alberta Rules Of Court*, Alta. Reg. 124/2010; and,
- (c) Such further and other Acts and regulations as counsel to the Applicants may advise.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.

SCHEDULE "A" APPLICANTS

Part 1 – GP Applicants

1112-1124 Capital Corp.
20/20 Capital Corp.
411 Ltd.
534 Capital Corp.
550 Capital Corp.
744 (2011) Capital Corp.
808 Capital Corp.
926 Capital Corp.
Airdrie Gateway Block 2 Capital Corp.
Airways Business Plaza Capital Corp.
Aura Capital Corp.
Avenida Village Ltd.
Blackfoot Centre Ltd.
Bonavista Square Ltd.
Center Street GP Ltd.
Centre 1000 Capital Corp.
Centre Eleven Capital Corp.
Centro 2102 Capital Corp.
Deerfoot 17 Corp.
Deerfoot Court (2011) Capital Corp.
First Street Plaza GP Ltd.
Glenmore Commerce Court Capital Corp.
Inglewood 9th Avenue GP Ltd.
Kensington Building Capital Corp.
Louise Block Capital Corp.
Macleod Place Ltd.
Mayfield Capital Corp.
Mission Centre Inc.
Airdrie Creekside Capital Corp.
Torode Strategic 1129 GP Ltd.
One Six Capital Corp.
Parallel Centre Ltd.
Paramount Building Ltd.
Parkwood/Eastgate Capital Corp.
Pegasus Business Park Ltd.
Stony Plain Capital Corp.
Petro Fina Capital Corp.
Petro West Ltd.
Place 9-6 Ltd.
Shelbourne Place Ltd.
Stella Place Capital Corp.
Strategic Centre Ltd.
Sundance Place Ltd.
Sundance Place II Ltd.
Sunpark Place Ltd.
Airdrie Gateway Block 3 Capital Corp.

Wesley Church Building Inc.
Willow Park Capital Corp.

Part 2 – GP HoldCos

411 Capital Corp.
1445122 Alberta Ltd.
1220 Kensington Road Corp.
Macleod Place Holding Corp.

SCHEDULE "B"
LP STAY PARTIES

1112-1124 Limited Partnership
20/20 Limited Partnership
411 Limited Partnership
534 Limited Partnership
550 Limited Partnership
744 (2011) Limited Partnership
808 Limited Partnership
926 Limited Partnership
Airdrie Gateway Block 2 Limited Partnership
Airways Business Plaza Limited Partnership
Aura Limited Partnership
Avenida Village Limited Partnership
Blackfoot Centre Limited Partnership
Bonavista Square Limited Partnership
Center Street Limited Partnership
Centre 1000 Limited Partnership
Centre Eleven Limited Partnership
Centro 2102 Limited Partnership
Deerfoot 17 Limited Partnership
Deerfoot Court (2011) Limited Partnership
First Street Plaza (2006) Limited Partnership
Glenmore Commerce Court Limited Partnership
Inglewood 9th Avenue Limited Partnership
Kensington Building Limited Partnership
Louise Block Limited Partnership
Macleod Place Limited Partnership
Mayfield Limited Partnership
Mission Centre Limited Partnership
Airdrie Creekside Limited Partnership
Torode Strategic 1129 Limited Partnership
One Six Limited Partnership
Parallel Centre Limited Partnership
Paramount Building Limited Partnership
Parkwood/Eastgate Limited Partnership
Pegasus Business Park Limited Partnership
Stony Plain Limited Partnership
Petro Fina Building Limited Partnership
Petro West Limited Partnership
Place 9-6 Limited Partnership
Shelbourne Place Limited Partnership
Stella Place Limited Partnership
Strategic Centre Limited Partnership
Sundance Place II 1000 Limited Partnership
Sundance Place II 3000 Limited Partnership
Sundance Place II 4000 Limited Partnership
Sundance Place II 6000 Limited Partnership
Sundance Place Limited Partnership
Sunpark Place Limited Partnership

Airdrie Gateway Block 3 Limited Partnership
Wesley Church Building Limited Partnership
Willow Park Limited Partnership

SCHEDULE "C"
NON-APPLICANT STAY PARTIES

Duncan Retail Capital Corp.
Duncan Retail Limited Partnership
Strategic Atlantic Ltd.
Strategic Atlantic Limited Partnership

**SCHEDULE "D"
FORM OF INITIAL ORDER**

Clerk's Stamp

COURT FILE NUMBER 1901-
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
APPLICANT(S) IN THE MATTER OF *THE COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF THE COMPROMISE OR
ARRANGEMENT OF IEC LTD., AUDEAMUS CAPITAL
CORP., AND THOSE OTHER APPLICANTS SET OUT ON
THE ATTACHED SCHEDULE "A"

DOCUMENT **CCAA INITIAL ORDER**

CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT: McCarthy Tétrault LLP
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Kyriakakis
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pkyriakakis@mccarthy.ca

Counsel for the Applicants, LP Stay Parties, and Non-Applicant
Stay Parties other than those listed in Schedule "E" hereto

Code Hunter LLP
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Calgary, AB T2P 5E9
Attention: Christian J. Popowich
Tel: 403-716-2378
Fax: 403-261-2054
Email: christian.popowich@codehunterllp.com

Counsel for the Applicants, LP Stay Parties, and Non-Applicant
Stay Parties listed in Schedule "E" hereto

DATE ON WHICH ORDER WAS PRONOUNCED: December 10, 2019
NAME OF JUDGE WHO MADE THIS ORDER: Madam Justice K.M. Horner
LOCATION OF HEARING: Calgary, Alberta

UPON the *ex parte* application of IEC Ltd., Audeamus Capital Corp. and the other Persons listed in Schedule “A” hereto (collectively, the “**Applicants**”); **AND UPON** having read the Originating Application, the Affidavit #1 of Riaz Mamdani (the “**Initial Affidavit**”); **AND UPON** reading the consent of Hardie & Kelly Inc. to act as the monitor of the Applicants (the “**Monitor**”); **AND UPON** hearing from counsel for the Applicants; **AND UPON** hearing from counsel for the Monitor; **AND UPON** the Court being satisfied that is appropriate in the circumstance for the application to proceed on an *ex parte* basis;

IT IS HEREBY ORDERED AND DECLARED THAT:

APPLICATION

1. The Applicants are companies to which the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the “**CCAA**”) applies. For greater certainty, the LP Stay Parties and the Non Applicant Stay Parties (each as defined below) shall enjoy the benefits and the protections provided herein and as subject to the restrictions as hereinafter set out.

POSSESSION OF PROPERTY AND OPERATIONS

2. The Applicants shall:

- (a) remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”);
- (b) subject to further order of this Court, continue to carry on business in a manner consistent with the preservation of their business (the “**Business**”) and Property; and
- (c) be authorized and empowered to continue to retain each of Strategic Realty Management Corporation, Strategic Team Partnership and Strategic Maintenance Ltd. (the “**Related Party Assistants**”) and to employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively with the Related Party Assistants, the “**Assistants**”) currently retained or employed by them, with liberty to retain such further Assistants they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

3. To the extent permitted by law, the Applicants shall be entitled but not required to make the following advances or payments of the following expenses, incurred prior to or after this Order:
 - (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
 - (b) the reasonable fees and disbursements of any Assistants retained or employed by the Applicant in respect of these proceedings, at their standard rates and charges, including for periods prior to the date of this Order provided that in respect of the Related Party Assistants, such fees and disbursements are approved by the Monitor; and
 - (c) with the consent of the Monitor, obligations owing for goods and services supplied to the Applicants prior to the date of this Order (other than obligations owing to any of the Related Party Assistants) if, in the opinion of the relevant Applicant and after consultation with the Monitor, the supplier or vendor of such goods or services is necessary for the operation or preservation of the Business or the Property; provided that in respect of a Co-Owned Property (as hereinafter defined), no payments in excess of \$10,000 shall be made without the consent of the applicable Co-Owner HoldCo (as hereinafter defined).

4. Except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:
 - (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance, maintenance and security services; provided that any such expenses and capital expenditures exceeding \$10,000 shall be approved by the Monitor; and
 - (b) payment for goods or services actually supplied to the Applicants following the date of this Order.

5. The Applicants shall remit, in accordance with legal requirements, or pay:
- (a) any statutory deemed trust amounts in favour of the Crown in Right of Canada or of any Province thereof or any other taxation authority that are required to be deducted from employees' wages, including, without limitation, amounts in respect of:
 - (i) employment insurance,
 - (ii) Canada Pension Plan,
 - (iii) Quebec Pension Plan, and
 - (iv) income taxes,but only where such statutory deemed trust amounts arise after the date of this Order, or are not required to be remitted until after the date of this Order, unless otherwise ordered by the Court;
 - (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and
 - (c) any amount payable to the Crown in Right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and that are attributable to or in respect of the carrying on of the Business by the Applicants.
6. Except as specifically permitted in this Order, the Applicants are hereby directed, until further order of this Court:
- (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of the date of this Order;

- (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property;
- (c) not to grant credit or incur liabilities except in the ordinary course of the Business; and
- (d) not to transfer monies to any of the other Applicants unless (i) such transfer is for the purposes of addressing an urgent risk to the Business or any of the Property and is consented to by the Monitor; and (ii) in respect of a Co-Owned Property, such transfer is by an Applicant property manager ("**Applicant Property Manager**") to another Applicant Property Manager, where such Properties are under common co-ownership with the same Co-Owner HoldCo (as hereinafter defined); provided that for greater certainty the Applicants shall not transfer any monies or assets of the Co-Owner Holdco's without the prior written consent of the relevant Co-Owner Holdco, and the Monitor shall keep a detailed record of all such permitted transfers.

NO PROCEEDINGS AGAINST THE APPLICANTS, THE LP STAY PARTIES, THE NON APPLICANT STAY PARTIES OR THE PROPERTY

7. Until and including December 20, 2019, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicants, the limited partnerships listed in Schedule "**B**" hereto (collectively, the "**LP Stay Parties**"), the persons listed in Schedule "**C**" hereto (the "**Non Applicant Stay Parties**") or the Monitor, or affecting the Business or the Property, or the business of or assets, properties or undertakings of either the LP Stay Parties or the Non Applicant Stay Parties, except with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business, the Property, the LP Stay Parties, the Non Applicant Stay Parties and their business or assets, properties or undertakings, are hereby stayed and suspended pending further order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

8. During the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**"), whether judicial or extra-judicial, statutory or non-

statutory against or in respect of the Applicants, the Monitor, the LP Stay Parties, the Non Applicant Stay Parties or affecting the Business or the Property, or the business of or assets, properties or undertakings of either the LP Stay Parties or the Non Applicant Stay Parties, are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, provided that nothing in this Order shall:

- (a) empower the Applicants, the LP Stay Parties or the Non-Applicant Stay Parties to carry on any business that they are not lawfully entitled to carry on;
 - (b) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by section 11.1 of the CCAA;
 - (c) prevent the filing of any registration to preserve or perfect a security interest or encumbrance;
 - (d) prevent the filing of any caution, caveat or similar registration on title in respect of a Co-Owner HoldCo's beneficial interest in respect of a Property;
 - (e) prevent the registration of transfers/warranty deeds of legal title in respect of a Co-Owner HoldCo's interest in respect of a Property; or
 - (f) exempt the Applicants, the LP Stay Parties or the Non-Applicant Stay Parties from compliance with statutory or regulatory provisions relating to health, safety or the environment.
9. During the Stay Period, the LP Stay Parties and the Non-Applicant Stay Parties shall conduct their business only in the ordinary course of business without the approval of the Monitor and the Court. In addition, the LP Stay Parties, the Non-Applicant Stay Parties and the Related Party Assistants shall give the Monitor full access to their property, premises, books, records, data, including data in electronic form and other financial documents to the extent that is necessary to allow the Monitor to adequately assess the Property and Business of the Applicants or the LP Stay Parties and Non-Applicant Stay Parties' property, business and financial affairs to allow the Monitor to report to the Court; provided that the Monitor shall not disclose any information relating to a Co-Owned Property or a Co-Owner HoldCo (collectively, the "**Co-Owner Information**") without the prior written consent of the Co-Owner HoldCo.

10. Nothing in this Order shall prevent any party from taking an action against the Applicants, the LP Stay Parties or the Non Applicant Stay Parties where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Monitor at the first available opportunity.

NO INTERFERENCE WITH RIGHTS

11. During the Stay Period, no person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicants, except with the written consent of the Applicant and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

12. During the Stay Period, all persons having:
 - (a) statutory or regulatory mandates for the supply of goods and/or services; or
 - (b) oral or written agreements or arrangements with the Applicants, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Business or the Applicants

are hereby restrained until further order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Applicants or exercising any other remedy provided under such agreements or arrangements. The Applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the date of this Order are paid by the Applicants in accordance with the payment practices of the Applicants, or such other practices as may be agreed upon by the supplier or service provider and each of the relevant Applicant and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

13. Nothing in this Order has the effect of prohibiting a person from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

14. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA and paragraph 10 of this Order, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date of this Order and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

APPOINTMENT OF MONITOR

15. Hardie & Kelly Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the Property, Business, and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.
16. The Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:
 - (a) monitor the Applicant's receipts and disbursements, Business and dealings with the Property;

- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein and immediately report to the Court if in the opinion of the Monitor there is a material adverse change in the financial circumstances of the Applicants;
 - (c) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form and other financial documents of the Applicants to the extent that is necessary to adequately assess the Property, Business, and financial affairs of the Applicants or to perform its duties arising under this Order;
 - (d) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
 - (e) hold funds in trust or in escrow, to the extent required, to facilitate settlements between the Applicants and any other Person;
 - (f) engage with the Co-Owner HoldCo's with respect to all matters relating to a Co-Owned Property when and as required, including reviewing and disseminating Applicant-prepared information relating to a Co-Owned Property;
 - (g) subject to further order and direction of the Court, review, investigate and provide a full reconciliation and report on all transfers among the Applicants and between the Applicants and the LP Stay Parties, the Non Applicant Stay Parties, the Related Party Assistants, any other member of the Strategic Group (as defined in the Initial Affidavit) together with such other persons as the Monitor may recommend and as may be ordered by the Court; and
 - (h) perform such other duties as are required by this Order or by this Court from time to time.
17. The Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintain

possession or control of the Business or Property, or any part thereof. Nothing in this Order shall require the Monitor to occupy or to take control, care, charge, possession or management of any of the Property that might be environmentally contaminated, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal or waste or other contamination, provided however that this Order does not exempt the Monitor from any duty to report or make disclosure imposed by applicable environmental legislation or regulation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order be deemed to be in possession of any of the Property within the meaning of any federal or provincial environmental legislation.

18. The Monitor shall provide any creditor of the Applicants with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential and in the case of the Co-Owner Information, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicant or such Co-Owner, as applicable, may agree.
19. In addition to the rights and protections afforded the Monitor under the CCAA or as an Officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.
20. The Monitor, counsel to the Monitor, and counsel to the Applicants shall be paid their reasonable fees and disbursements (including any pre-filing fees and disbursements related to these CCAA proceedings), in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Monitor and its legal counsel shall pass their accounts from time to time.

CO-OWNERS

21. Each of the Persons listed in Schedule “D” hereto (collectively, the “**Co-Owner HoldCo’s**”) has an undivided beneficial interest in the assets, properties and undertakings listed in Schedule “D” hereto (collectively, the “**Co-Owned Properties**”) in the percentage amount listed in Schedule “D” hereto (the “**Co-Owner Beneficial Interest**”). The Co-Owner Beneficial Interest and any legal interest of the Co-Owner HoldCo in the Co-Owned Properties (the “**Co-Owner Legal Interest**”) does not and shall not form part of the Property, and the Co-Owner Beneficial interest and the Co-Owner Beneficial Interest shall not form part of any sale process in respect of the Property.
22. The Applicants shall continue to deposit revenues in respect of each Co-Owned Property in the account maintained by the Applicant in accordance with the terms of the applicable Co-Owners Agreement and applicable Property Management Agreement.

NOTICE

23. The Monitor shall (i) without delay, publish in the *Calgary Herald* and the *Globe and Mail* a notice containing the information prescribed under the CCAA; (ii) within five (5) days after the date of this Order (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicant of more than \$1,000 and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with section 23(1)(a) of the CCAA and the regulations made thereunder. In addition, the Monitor shall deliver a notice to any Person who has a registered lien, mortgage or charge against any real property interest of any of the Non Applicant Stay Parties. For greater certainty, the Monitor shall not have any obligation to advise any Person of the within proceedings other than those specifically identified in this Order including, without limitation, any unsecured creditors of either the Non Applicant Stay Parties or the LP Stay Parties.
24. The Monitor shall establish a case website in respect of the within proceedings at ●.
25. Any Person that wishes to be served with any application and other materials in these proceedings must deliver to the Monitor by way of ordinary mail, courier, personal delivery or electronic transmission a request to be added to the service list (the “**Service List**”) to

be maintained by the Monitor. The Monitor shall post and maintain an up-to-date form of the Service List on the Website.

26. Any party to these proceedings may serve any court materials in these proceedings by emailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Monitor shall post a copy of all prescribed materials on the Website.

GENERAL

27. The Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
28. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Monitor will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Monitor's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.
29. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager or a trustee in bankruptcy of the Applicants, the Business or the Property.
30. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction, to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.
31. Each of the Applicants and the Monitor be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this

Order and that the Monitor is authorized and empowered to act as a representative in respect of the within proceeding for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

32. Any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.
33. This Order and all of its provisions are effective as of 12:01 a.m. Mountain Standard Time on the date of this Order.

Justice of the Court of Queen's Bench of Alberta

**SCHEDULE "A"
APPLICANTS**

SCHEDULE "B"
LP STAY PARTIES

SCHEDULE "C"
NON-APPLICANT STAY PARTIES

SCHEDULE "D"
CO-OWNERSHIP

SCHEDULE "E"
PERSONS REPRESENTED BY CODE HUNTER LLP