

SALE AND INVESTMENT SOLICITATION PROCESS

INTRODUCTION

On April 28, 2017, Walton International Group Inc. (“**WIGI**”) along with, among others, those entities listed in Schedule “A” hereto, (individually a “**Walton CCAA Entity**” or collectively “**Walton CCAA Entities**”) were granted creditor protection pursuant to an Initial Order granted by Madam Justice K. M. Horner (the “**Initial Order**”) under the *Companies’ Creditors Arrangement Act*, RSC 1985, c. C-36 (the “**CCAA**”).

Pursuant to the Initial Order, Ernst & Young Inc. (“**EY**”) was appointed as Monitor of the Walton CCAA Entities (the “**Monitor**”).

The Walton CCAA Entities intend to, with the assistance of the Monitor, conduct the sale and investment solicitation process (“**SISP**”) described herein with the approval of the Court pursuant to a Court Order dated May 9, 2017 (the “**SISP Order**”). Under the SISP, all qualified interested parties will be provided with an opportunity to participate in the SISP. The SISP is intended to solicit interest in an acquisition, investment in, restructuring or refinancing of the business or a sale of the assets and/or the businesses of the Walton CCAA Entities.

This document (the “**SISP Procedure**”) outlines the SISP, comprised principally of 3 stages: pre-marketing, marketing and offering and evaluation.

OPPORTUNITY AND SISP SUMMARY

1. The SISP is intended to solicit interest in, and opportunities for, a sale of, or investment in, all or part of the Walton CCAA Entities’ assets, which are primarily comprised of real property that is in various stages of development (the “**Opportunity**”).
2. In order to maximize the number of participants that may have an interest in The Opportunity, the SISP will provide for the solicitation of interest for:
 - (a) the sale of assets, principally comprised of real property (“**Property**”) under development within each of the Walton CCAA Entities. Interested parties may submit proposals to acquire all, substantially all or a portion of the Property of one or more of the Walton CCAA Entities (a “**Sale Proposal**”); and
 - (b) the investment in the business operations, as a going concern (“**Business**”) of one or more of the Walton CCAA Entities. Such proposals for one or more of the Businesses may take the form of an investment in or proposals to restructure, reorganize or refinance the one or more of the Businesses (an “**Investment Proposal**”).
3. Except to the extent otherwise set forth in a definitive sale or investment agreement with a successful bidder, any Sale Proposal or any Investment Proposal will be on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or

description by the Monitor, the Walton CCAA Entities or any of their respective affiliates, agents, advisors or estates, and, in the event of a sale, all of the right, title and interest of the Walton CCAA Entities 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 therein and thereon pursuant to Court orders, except as otherwise provided in such Court orders.

4. Solicitation of interest for Sale Proposals and Investment Proposals will be on an unpriced basis whereby no set asking price will be stipulated.
5. As described more fully in this SISP, the major stages in the SISP process will be comprised of the following:
 - (a) Pre-Marketing: preparation of all marketing material, assembly of all relevant due diligence material, establishment of an electronic data room and preparation of potential buyer/investor lists;
 - (b) Marketing: advertising, contacting potential buyers/investors, responding to requests for information and disseminating marketing material to potential buyers and investors; and
 - (c) Offer Submission and Evaluation: solicitation, receipt of, evaluation and negotiation of offers from potential buyers and investors, as described below.
6. The offer submission and evaluation stage of the SISP will be comprised of a two phase offering process: "**Phase 1**" being the submission of non-binding letters of intent ("**LOIs**") from qualified bidders, and "**Phase 2**" being the submission of formal binding offers from those parties that submitted LOI's and have been invited by the Walton CCAA Entities and the Monitor to participate in Phase 2 (defined below as Phase 1 Qualified Bidders).

TIMELINE

7. The following table sets out the key milestones under the SISP:

Milestone	Deadlines
Phase 1 Non-Binding Bid Deadline	July 25, 2017
Phase 2 Binding Bid Deadline	August 9, 2017
Closing Dates	November 23, 2017

PRE-MARKETING STAGE

8. As soon as reasonably practicable, but in any event by no later than June 6, 2017:
 - (a) the Walton CCAA Entities, in consultation with the Monitor, will prepare: (i) a process summary (the "**Teaser Letter**") describing the Opportunity, outlining the process under

the SISP and inviting recipients of the Teaser Letter to express their interest pursuant to the SISP; (ii) a non-disclosure agreement in form and substance satisfactory to the Walton CCAA Entities and the Monitor, and their respective counsel (an "**NDA**"); and (iii) a confidential Information Memorandum ("**CIM**"). The CIM will specifically stipulate that the Walton CCAA Entities and the Monitor and their respective advisors make no representation or warranty as to the accuracy or completeness of the information contained in the CIM, the Data Room (as defined below), or otherwise made available pursuant to the SISP or otherwise, except to the extent expressly contemplated in any definitive sale or investment agreement with a Successful Bidder (as defined below) ultimately executed and delivered by the Walton CCAA Entities.;

- (b) the Walton CCAA Entities and the Monitor will gather and review all required due diligence material to be provided to interested parties and together with the Monitor shall establish a secure, electronic data room (the "**Data Room**"), which will be maintained and administered by the Monitor during the SISP;
- (c) the Walton CCAA Entities and the Monitor will develop a draft form of LOI ("**LOI Form**") and a purchase and sale agreement or investment agreement for use during the SISP (the "**Draft Purchase/Investment Agreement**"); and
- (d) the Walton CCAA Entities, in consultation with the Monitor, will prepare a list of potential bidders, including: (i) parties that have approached one or more of the Walton CCAA Entities or the Monitor indicating an interest in the Opportunity; and (ii) local, national and international strategic and financial parties who the Walton CCAA Entities and the Monitor believe may be interested in purchasing all or part of the Business and Property or investing in one or more of the Walton CCAA Entities pursuant to the SISP (collectively, "**Known Potential Bidders**").

MARKETING STAGE

9. the Monitor will arrange for a notice of the SISP (and such other relevant information as the Monitor, in consultation with the Walton CCAA Entities, considers appropriate) (the "**Notice**") to be published in The Globe and Mail (National Edition), and any other newspaper or journals as the Walton CCAA Entities and the Monitor consider appropriate, if any.
10. The Monitor will issue a press release with Canada Newswire (the "**Press Release**") setting out the information contained in the Notice and such other relevant information as the Walton CCAA Entities and the Monitor, consider appropriate designating dissemination in Canada and major financial centres in the United States.
11. The Walton CCAA Entities and the Monitor will send the Teaser Letter and NDA to all Known Potential Bidders and to any other party who responds to the Notice or press release as soon as reasonably practicable after such request or identification, as applicable.
12. The Walton CCAA Entities and the Monitor will send the CIM and grant access to the Data Room to those parties who have executed and delivered the NDA to the Walton

CCAA Entities or the Monitor, as soon as reasonably practicable after such request or identification, as applicable.

13. Requests for information and access will be directed to Karmen Chanasyk at the Walton CCAA Entities or to Dylan Howell of EY or such other EY representatives as designated by the Monitor, at the contact information listed in Schedule "B" hereto. All printed information shall remain the property of the Walton CCAA Entities and, if requested by any Walton CCAA Entity, shall be returned without further copies being made and/or destroyed with an acknowledgement that all such material has either been returned and/or destroyed and no electronic information has been retained.
14. Any party who expresses a wish to participate in the SISP (a "**Potential Bidder**") must, prior to being given any additional information such as the CIM and access to the Data Room, provide to the Walton CCAA Entities and the Monitor:
 - (a) an NDA executed by it, and which shall inure to the benefit of any ultimate Successful Bidder, and a letter setting forth the identity of the Potential Bidder, the contact information for such Potential Bidder and full disclosure of the direct and indirect principals of the Potential Bidder. If a Potential Bidder has previously delivered an NDA and letter of this nature to a Walton CCAA Entity and the NDA remains in effect, the Potential Bidder is not required to deliver a new NDA or letter to the Walton CCAA Entities or Monitor, unless otherwise requested by the Walton CCAA Entities or the Monitor.
15. If it is determined by the Walton CCAA Entities and the Monitor in their reasonable business judgement that a Potential Bidder: (i) has delivered the documents contemplated in paragraph 14 above then such Potential Bidder will be deemed to be a "**Phase 1 Qualified Bidder**" provided that no Potential Bidder shall be deemed not to be a Phase 1 Qualified Bidder without the approval of the Monitor.

OFFER SUBMISSION AND EVALUATION STAGE

Phase 1: LOI Submission Phase

16. At any time prior to the Phase 1 Bid Deadline, the Walton CCAA Entities and the Monitor may, in their reasonable business judgment, eliminate a Phase 1 Qualified Bidder from the SISP, in which case such bidder will no longer be a Phase 1 Qualified Bidder for the purposes of the SISP.
17. Potential Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property and Business in connection with their participation in the SISP and any transaction they enter into with the Walton CCAA Entities.
18. Phase 1 Qualified Bidders who advise the Walton CCAA Entities or the Monitor that they wish to submit an offer will be provided with a copy of the LOI Form.

19. A Phase 1 Qualified Bidder who wishes to pursue the Opportunity further must deliver an LOI, identifying each specific Property or Business the Phase 1 Qualified Bidder is interested in, to the Monitor at the addresses specified in Schedule "B" hereto (including by email or fax transmission), so as to be received by them not later than 5:00 PM (Calgary time) on or before July 25, 2017 (the "**Phase 1 Bid Deadline**").
20. An LOI so submitted will be considered a qualified LOI (a "**Qualified LOI**") only if:
 - (a) it is submitted on or before the relevant Phase 1 Bid Deadline by a Phase 1 Qualified Bidder;
 - (b) it contains an indication of whether the Phase 1 Qualified Bidder is making a:
 - (i) Sale Proposal; or
 - (ii) an Investment Proposal;
 - (c) in the case of a Sale Proposal, it identifies or contains the following:
 - (i) the purchase price, in Canadian dollars, including details of any liabilities to be assumed by the Phase 1 Qualified Bidder and key assumptions supporting the valuation. If a Phase 1 Qualified Bidder wishes to acquire more than one Property, a price for each Property must be stipulated;
 - (ii) a description of each Property that is expected to be subject to the transaction and any of the Property or obligations for each Property of the Walton CCAA Entities expected to be excluded;
 - (iii) a specific indication of the financial capability, together with evidence of such capability, of the Phase 1 Qualified Bidder and the expected structure and financing of the transaction;
 - (iv) a description of the conditions and approvals required for a final and binding offer;
 - (v) an outline of any additional due diligence required to be conducted in order to submit a final and binding offer; and
 - (vi) any other terms or conditions of the Sale Proposal that the Phase 1 Qualified Bidder believes are material to the transaction;
 - (d) in the case of an Investment Proposal, it identifies the following:
 - (i) a description of how the Phase 1 Qualified Bidder proposes to structure the proposed investment in the Business or Businesses;
 - (ii) the aggregate amount of the equity and/or debt investment to be made in the Business or Businesses or in one more of the Walton CCAA Entities in Canadian dollars;

- (iii) the underlying assumptions regarding the *pro forma* capital structure;
 - (iv) a specific indication of the sources of capital for the Phase 1 Qualified Bidder and the structure and financing of the transaction;
 - (v) a description of the conditions and approvals required for a final and binding offer;
 - (vi) an outline of any additional due diligence required to be conducted in order to submit a final and binding offer;
 - (vii) all conditions to closing that the Phase 1 Qualified Bidder may wish to impose; and
 - (viii) any other terms or conditions of the Investment Proposal that the Phase 1 Qualified Bidder believes are material to the transaction;
- (e) in the case of either a Sale Proposal or an Investment Proposal, it contains such other information as reasonably requested by the Walton CCAA Entities and/or the Monitor from time to time.

21. The Walton CCAA Entities and the Monitor may waive compliance with any one or more of the requirements specified above and deem such non-compliant bids to be a Qualified LOI. For the avoidance of doubt, the completion of any Sale Proposal or Investment Proposal shall be subject to the approval of the Court and the requirement of approval of the Court may not be waived.

Preliminary Assessment of Phase 1 Bids and Subsequent Process

22. Following the Phase 1 Bid Deadline, the Walton CCAA Entities and the Monitor will assess the Qualified LOIs. If it is determined by the Walton CCAA Entities and the Monitor that a Phase 1 Qualified Bidder that has submitted a Qualified LOI (i) has a *bona fide* interest in completing a Sale Proposal or Investment Proposal (as the case may be); and (ii) has the financial capability (based on availability of financing, experience and other considerations) to consummate such a transaction based on the financial information provided, then such Phase 1 Qualified Bidder will be deemed a "**Phase 2 Qualified Bidder**", provided that the Walton CCAA Entities and the Monitor may, in their reasonable business judgment, limit the number of Phase 2 Qualified Bidders (and thereby eliminate some Phase 1 Qualified Bidders from the process). Only Phase 2 Qualified Bidders shall be permitted to proceed to Phase 2 of the SISP. No Phase 1 Qualified Bidder that has submitted a Qualified LOI shall be deemed to be a Phase 2 Qualified Bidder without the approval of the Monitor.
23. As part of the assessment of Qualified LOIs and the determination of the process subsequent thereto, the Walton CCAA Entities and the Monitor shall determine the process and timing to be followed in pursuing Qualified LOIs based on such factors and circumstances as they consider appropriate in the circumstances including, but not limited to: (i) the number of Qualified LOIs received; (ii) the extent to which the Qualified LOIs relate to the same Property or Business or involve Investment Proposals predicated on certain Property or Business; (iii) the scope of the Property or Business to which any

Qualified LOIs may relate; and (iv) whether to proceed by way of sealed bid or auction (with or without a stalking horse bidder) with respect to some or all of the Property.

24. Upon the determination by the Walton CCAA Entities and the Monitor of the manner in which to proceed to Phase 2 of the SISP, the Walton CCAA Entities and the Monitor will prepare a bid process letter for Phase 2 (the "**Bid Process Letter**"), which will include the Draft Purchase/Investment Agreement, and the Bid Process Letter will be sent to all Phase 2 Qualified Bidders who are invited to participate in Phase 2.
25. Notwithstanding the process and deadlines outlined above with respect to Phase 1 of the SISP and the process to supplement Phase 2 by way of the Bid Process Letter, the Walton CCAA Entities may, with the consent of the Monitor, at any time bring an application to seek approval of a stalking horse asset purchase agreement or investment proposal in respect of some or all of the Property or Business and related bid procedures in respect of such Property or to establish further or other procedures for the SISP, including extending any of the deadlines set out herein.

Due Diligence

26. The Walton CCAA Entities and the Monitor shall in their reasonable business judgment and subject to competitive and other business considerations, afford each Phase 2 Qualified Bidder such access to due diligence materials through the Data Room and information relating to the Property and Business as they deem appropriate. Due diligence access may further include management presentations, on-site inspections, and other matters which a Phase 2 Qualified Bidder may reasonably request and to which the Walton CCAA Entities and the Monitor, in their reasonable business judgment, may agree. The Walton CCAA Entities and the Monitor will designate a representative to coordinate all reasonable requests for additional information and due diligence access from Phase 2 Qualified Bidders and the manner in which such requests must be communicated. None of the Walton CCAA Entities or the Monitor will be obligated to furnish any information relating to the Property or Business to any person other than to Phase 2 Qualified Bidders. Further and for the avoidance of doubt, selected due diligence materials may be withheld from certain Phase 2 Qualified Bidders if the Walton CCAA Entities and the Monitor determine such information to represent proprietary or sensitive competitive information.

Phase 2: Formal Offers and Selection of Successful Bidder

27. Paragraphs 28 to 40 below and the conduct of Phase 2 bidding are subject to paragraphs 22 to 25, above, and any adjustments made to Phase 2 in accordance with the Bid Process Letter and any further Court order regarding the SISP.

Formal Binding Offers

28. Phase 2 Qualified Bidders that wish to make a formal offer to purchase or make an investment in the Walton CCAA Entities or its Property and Business shall submit to the Monitor a sealed binding offer that complies with all of the following requirements at the addresses specified in Schedule "B" hereto (including by email or fax transmission), so as

to be received by them not later than 5:00 PM (Calgary time) on August 9, 2017 or such other date and time as may be modified in the Bid Process Letter (the "**Phase 2 Bid Deadline**"):

- (a) the bid shall comply with all of the requirements set forth in respect of Phase 1 Qualified LOIs;
- (b) cash is the preferred form of consideration, but if the bid utilizes other consideration, a description of the material terms of the consideration shall be provided;
- (c) the bid (either individually or in combination with other bids that make up one bid) is an offer to purchase or make an investment in some or all of the Property or Business on terms and conditions reasonably acceptable to the Walton CCAA Entity and the Monitor;
- (d) unless otherwise agreed, the bid shall take the form of the Draft Purchase/Investment Agreement and shall include a letter stating that the Phase 2 Qualified Bidder's offer is irrevocable until the selection of the Successful Bidder (as defined below), provided that if such Phase 2 Qualified Bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the closing of the transaction with the Successful Bidder;
- (e) the bid includes duly authorized and executed transaction agreements as listed in the Draft Purchase/Investment Agreement; including, but not limited to, the purchase price, investment amount and any other key economic terms expressed in Canadian dollars (the "**Purchase Price**"), together with all exhibits and schedules thereto, the name or names of the ultimately beneficial owner(s) of the Phase 2 Qualified Bidder including their respective percentage interests;
- (f) to the extent that a bid is conditional upon new or amended agreements being entered into with other parties, the interested parties shall provide the proposed terms of such amended or new agreements and identify how such agreements may differ from existing agreements to which the relevant Walton CCAA Entities may be a party. A Phase 2 Qualified Bidder's willingness to proceed without such conditions and, where such conditions are included in the bid, the likelihood of satisfying such conditions shall be an important factor in evaluating the bid;
- (g) the bid includes written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction that will allow the Walton CCAA Entities, with the assistance of the Monitor, to make a determination as to the Phase 2 Qualified Bidder's financial and other capabilities to consummate the proposed transaction;
- (h) the bid should not be conditioned on the outcome of unperformed due diligence by the Phase 2 Qualified Bidder, apart from, to the extent applicable, to the disclosure of due diligence materials that represent proprietary or sensitive competitive information which was withheld in Phase 2 from the Phase 2 Qualified Bidder;

- (i) each Phase 2 Qualified Bidder must provide with its bid details regarding its ability to obtain and method of financing the transaction, the timetable for obtaining financing and, if appropriate, the amount of senior debt, subordinated debt, equity and any other source of financing contemplated in the pro forma capital structure;
- (j) the bid fully discloses the identity of each entity that will be entering into the transaction or the financing, or that is participating or benefiting from such bid;
- (k) for a Sales Proposal, the bid includes a commitment by the Phase 2 Qualified Bidder to provide a refundable deposit in the amount of not less than 10% of the purchase price offered upon the Phase 2 Qualified Bidder being selected as the Successful Bidder, which shall be paid to Ernst & Young Inc. in trust (the "**Deposit**"). One half of the Deposit shall be paid to Ernst & Young Inc. in trust upon the submission of the Phase 2 Qualified Bidder's Phase 2 Bid. The second half of the Deposit shall be submitted upon the Phase 2 Qualified Bidder being selected as the Successful Bidder. The Successful Bidder's Deposit shall be applied as against the Purchase Price and all other Deposits submitted by Phase 2 Qualified Bidders who are not selected as the Successful Bidder shall be returned within one week of obtaining Court Approval for the Successful Bid;
- (l) for an Investment Proposal, the bid includes a commitment by the Phase 2 Qualified Bidder to provide a refundable deposit in the amount of not less than 10% of the total new investment contemplated in the bid upon the Phase 2 Qualified Bidder being selected as the Successful Bidder, which shall be paid to Ernst & Young Inc. in trust. One half of the Deposit shall be paid to Ernst & Young Inc. in trust upon the submission of the Phase 2 Qualified Bidder's Phase 2 Bid. The second half of the Deposit shall be submitted upon the Phase 2 Qualified Bidder being selected as the Successful Bidder. The Successful Bidder's Deposit shall be applied as against the Purchase Price and all other Deposits submitted by Phase 2 Qualified Bidders who are not selected as the Successful Bidder shall be returned within one week of obtaining Court Approval for the Successful Bid;
- (m) the bid includes acknowledgments and representations of the Phase 2 Qualified Bidder that: (i) it has had an opportunity to conduct any and all due diligence regarding the Property, Business and the Walton CCAA Entity or Entities prior to making its offer (apart from, to the extent applicable, the disclosure of due diligence materials that represent proprietary or sensitive competitive information which were withheld in Phase 2 from the Phase 2 Qualified Bidder); (ii) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its bid; and (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever made by the Walton CCAA Entities or by the Monitor, whether express, implied, statutory or otherwise, regarding the Business, Property, or the Walton CCAA Entities or the accuracy or completeness of any information provided in connection therewith, except as expressly stated in the definitive transaction agreement(s) signed by the relevant Walton CCAA Entities;

- (n) all required corporate approvals of the Phase 2 Qualified Bidder will have been obtained prior to the submission of the bid;
 - (o) the bid shall identify any material conditions in favour of the purchaser to be resolved prior to closing the transaction;
 - (p) the bid is received by the relevant Phase 2 Bid Deadline; and
 - (q) the bid contemplates a schedule for closing the transaction set out therein which is on or before November 23, 2017 (the "**Closing Date**").
29. Following the Phase 2 Bid Deadline, the Walton CCAA Entities and the Monitor will assess the Phase 2 bids received. The Walton CCAA Entities and the Monitor will designate the most competitive bids that comply with the foregoing requirements to be "Qualified Bids". No Phase 2 bids received shall be deemed to be Qualified Bids without the approval of the Monitor. Only Phase 2 Qualified Bidders whose bids have been designated as Qualified Bids are eligible to become the Successful Bidder(s).
 30. The Walton CCAA Entities and the Monitor may waive strict compliance with any one or more of the requirements specified above and deem such non-compliant bids to be a Phase 2 Qualified Bid.
 31. The Monitor shall notify each Phase 2 Qualified Bidder in writing as to whether its bid constituted a Phase 2 Qualified Bid within ten (10) business days of the Phase 2 Bid Deadline, or at such later time as the Walton CCAA Entities and the Monitor deem appropriate.
 32. The Walton CCAA Entities shall have the right to remove any of the Property from the market at their discretion.
 33. If the Walton CCAA Entities and the Monitor are not satisfied with the number or terms of the Phase 2 Qualified Bids, the Walton CCAA Entities and the Monitor may extend the Phase 2 Bid Deadline, or the Walton CCAA Entities may seek Court approval of an amendment to the SISP.
 34. The Walton CCAA Entities may with the approval of the Monitor, terminate, at any time, further participation in the Phase 2 Bid Process by any interested party, or to modify dates or procedures as deemed appropriate or necessary, or to terminate the process.
 35. The Walton CCAA Entities and the Monitor may aggregate separate bids from unaffiliated Phase 2 Qualified Bidders to create one or more "Qualified Bid".

Evaluation of Competing Bids

36. A Phase 2 Qualified Bid will be evaluated based upon several factors, including, without limitation, items such as the Purchase Price and the net value and form of consideration to be paid provided by such bid, the identity, circumstances and ability of the Phase 2 Qualified Bidder to successfully complete such transactions, including any conditions attached to the bid and the expected feasibility of such conditions, the proposed transaction

documents, factors affecting the speed, certainty and value of the transaction, the assets included or excluded from the bid, any related restructuring costs, and the likelihood and timing of consummating such transactions, and the ability of the bidder to finance and ultimately consummate the proposed transaction within the timeline established by the Monitor, each as determined by the Walton CCAA Entities, with the assistance of the Monitor.

Selection of Successful Bid

37. The Walton CCAA Entities and the Monitor: (a) will review and evaluate each Phase 2 Qualified Bid, in consultation with the Monitor, and the applicable Phase 2 Qualified Bidder, and such Phase 2 Qualified Bid may be amended, modified or varied as a result of such negotiations, and (b) identify the highest or otherwise best bid (the "**Successful Bid**"), and the Phase 2 Qualified Bidder making such Successful Bid (the "**Successful Bidder**") for any particular Property or the Business in whole or part. The determination of any Successful Bid by the Walton CCAA Entities, with the assistance of the Monitor shall be subject to approval by the Court.
38. The Walton CCAA Entities shall have no obligation to enter into a Successful Bid, and they reserve the right, after consultation with the Monitor, to reject any or all Phase 2 Qualified Bids.

Sale Approval Motion Hearing

39. At the hearing of the motion to approve any transaction with a Successful Bidder (the "**Sale Approval Application**") the Walton CCAA Entities shall seek, among other things, approval from the Court to consummate any Successful Bid. All the Phase 2 Qualified Bids other than the Successful Bid, if any, shall be deemed rejected by the Walton CCAA Entities on and as of the date of approval of the Successful Bid by the Court.

Confidentiality and Access to Information

40. Participants and prospective participants in the SISP shall not be permitted to receive any information that is not made generally available to all participants relating to the number or identity of Potential Bidders, Phase 1 Qualified Bidders, LOIs, Phase 2 Qualified Bidders, Phase 2 Qualified Bids, the details of any bids submitted or the details of any confidential discussions or correspondence between the Walton CCAA Entities, the Monitor and such other bidders or Potential Bidders in connection with the SISP, the Walton CCAA Entities and the Monitor may however, with the consent of the applicable participants, disclose such information to other bidders for the purpose of seeking to combine separate bids from Phase 1 Qualified Bidders or Phase 2 Qualified Bidders.

Supervision of the SISP

41. The Monitor will participate in the SISP in the manner set out in this SISP Procedure and the SISP Order and is entitled to receive all information in relation to the SISP.
42. This SISP does not, and will not be interpreted to create any contractual or other legal relationship between the Walton CCAA Entities or the Monitor and any Phase 1 Qualified

Bidder, any Phase 2 Qualified Bidder or any other party, other than as specifically set forth in a definitive agreement that may be signed with Walton CCAA Entities and approved by the Court.

43. Without limiting the preceding paragraph, the Monitor shall not have any liability whatsoever to any person or party, including without limitation any Potential Bidder, Phase 1 Qualified Bidder, Phase 2 Qualified Bidder, the Successful Bidder, or any other creditor or other stakeholder of the Walton CCAA Entities, for any act or omission related to the process contemplated by this SISP Procedure, except to the extent such act or omission is the result from gross negligence or willful misconduct of the Monitor. By submitting a bid, each Phase 1 Qualified Bidder, Phase 2 Qualified Bidder, or Successful Bidder shall be deemed to have agreed that it has no claim against the Monitor for any reason whatsoever, except to the extent such claim is the result from gross negligence or willful misconduct of the Monitor.
44. Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any LOI, Phase 2 bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a transaction.
45. The Walton CCAA Entities and the Monitor shall have the right to modify the SISP and the deadlines set out herein (including, without limitation, pursuant to the Bid Process Letter) if, in their reasonable business judgment, such modification will enhance the process or better achieve the objectives of the SISP.

Schedule "A"

Walton CCAA Entity	Related Property
Walton PS Industrial Ltd.	Pilot Sound LDP
Walton South Simcoe Residential Development Corporation	West Country Residential LDP
Walton Vita Crystallina Development Corporation	Vita Crystallina Nera Residential LDP
Walton Canadian Land 1 Development Corporation	Stoney Industrial LDP
Walton Canadian Land 1 Development Corporation	Henley Heights Residential LDP
McConachie Asset Management Corporation	McConachie LDP
Walton Development (Shepard) Inc.	Shepard LDP
Walton Edgemont Development Corporation	Woodhaven LDP

Schedule “B”

Walton International Group Inc.
2500, 215-2nd Street, SW
Calgary, Alberta
T2P 1M4

Attention: Karmen Chanasyk, Vice President Operations, KChanasyk@walton.com

Ernst & Young Inc.
2200, 215-2nd Street, SW
Calgary, Alberta
T2P 1M4

**Attention: Neil Narfason, Senior Vice President, neil.narfason@ca.ey.com
Dylan Howell, Manager, dylan.holwell@ca.ey.com**