



August 26, 2020

Dear Mr. Greg Boehlke

RE: Municipal Property Taxes

I would like to take this opportunity to commend you and your council as you make significant progress to accommodate the current situation. These are trying times and I appreciate all the efforts your team has been making to keep our industry afloat and preserve as many jobs as possible.

However, as you can imagine we are all working to find ways to maintain our business through these challenging circumstances. Here at Lynx we are looking at every cost item we have control over, and carefully managing our operations

Lynx Energy is Canada's second largest CBM/Shallow Gas producer. We own and operate six gas plants and 28 compressor stations in central Alberta. We produce approximately 110 mmscfe/d of gas from over 6,000 wells through 5,000 km of pipelines. The company has over 80 full time employees and numerous contract and support personnel and we have been a significant supporter and contributor to the communities in which we operate. Lynx is one of the main industries and one of the main anchor company's in these communities, and our contribution is not just for the people we hire in the company or even our contractors, but hundreds of other businesses from manufacturing to professional services, tech and healthcare in which we engage. The indirect benefits of our continued operations are very significant to rural Alberta and we are here for the long haul.

I appreciate you and your staff have been actively involved with the Government of Alberta to determine a new methodology that will more fairly allocate and assess property taxes going forward. This is very good news, as the old assessment model was extremely outdated and was resulting in a reallocation of investment capital outside of the province and your community (with the corresponding loss of jobs). I appreciate these changes can take some time to implement, however I am writing you today to inform you that we need action now. I am concerned about our ability to survive until a new, modern and fair assessment model is in place and so I would ask you and your council to consider a form of short-term bridge relief.

As a bridge, Lynx is prepared to meet the due date for 2020 property taxes and has provided a check with this letter with an initial installment payment of 7.5% (\$20,469.30). The remaining balance would be paid monthly to the County starting on January 31, 2021 in 24 equal monthly instalments of \$10,518.95, for a total payment of \$272,923.98. This bridge is critical to our survival and will allow Lynx to manage through the current economic downturn that we are experiencing, preserving our company and the jobs we provide. This request is consistent with the "Non-residential property tax deferral



program" announced by the provincial government on April 8, 2020. We expect to pay the 2021 taxes in full on the due date.

I would like to take this opportunity to thank you again for considering the issues we face as operators of mature assets and CBM/Shallow Gas wells here in Alberta. Lynx has been a solid supporter of the Rocky View County having provided over \$1,020,745 in property taxes in the last three years alone. We appreciate the efforts you are making but we need your help now. This is a time where we need to work together, to preserve jobs, and the long-term revenues for the County. Once you have had a chance to review our proposal, please do not hesitate to give me a call so that we can meet and discuss this further.

Yours truly

A handwritten signature in blue ink, appearing to read "Allen J. Bey", with a large, sweeping loop at the end.

Allen J. Bey | President, CEO, Director | Lynx Energy ULC
BP Centre | 2800, 240 - 4th Ave. SW | Calgary, AB T2P 4H4
Direct: 403-930-1388 | Cell: 403-921-0674



ATTACHMENT 'A': Request Letter

DATE

27 Aug 2020


F-8
CHEQUE NUMBER
Page 3 of 4
10024383Suite 2800, 240 - 4th Avenue S.W.
Calgary, Alberta T2P 4H4To: ROCKY VIEW COUNTY
911 - 32 AVENUE NE
CALGARY, AB
T2E 6X6Suite 2800, 240 - 4th Avenue S.W.
Calgary, Alberta T2P 4H4

DATE

27 Aug 2020

CHEQUE NUMBER

10024383



ENERGY

Calgary, Alberta T2P 4H4

VENDOR

ROCKY VIEW COUNTY

VENDOR NUMBER

101329

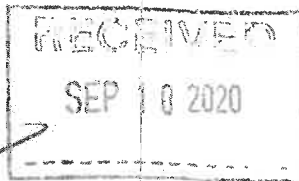
INVOICE NUMBER	INVOICE DATE	VOUCHER	DESCRIPTION	NET AMOUNT
00010565-2020	25 Aug 2020	30678API		\$18,564.74
38115040-2020	25 Aug 2020	30678API		\$1,904.56
TOTAL				*****\$20,469.30

DETACH BEFORE DEPOSITING

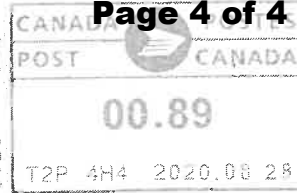
REMITTANCE STATEMENT

DETACH BEFORE DEPOSITING

Lynx Energy ULC
2800, 240 - 4th Ave. SW
Calgary, Alberta
T2P 4H4



P8031 5213955
000127 Y9A Y
0628 154853



CHQ Returned.



MOVED / UNKNOWN // DEMENAGE OU INCONNU
RETURN TO SENDER
RENVOI A L'EXPEDITEUR
T2P 4H4

253