

**METRO PAVING AND ROADBUILDING LTD.,
METRO PAVING LTD., METRO PARS
CORPORATION and GRASSLANDS
OF BEISEKER DEVELOPMENT CORPORATION**

CLERK'S STAMP

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APPLICANT	BANK OF MONTREAL
RESPONDENT	METRO PAVING AND ROADBUILDING LTD., METRO PAVING LTD., METRO PARS CORPORATION, and GRASSLANDS OF BEISEKER DEVELOPMENT CORPORATION
DOCUMENT	FOURTH REPORT OF BDO CANADA LIMITED, IN ITS CAPACITY AS RECEIVER dated April 13, 2022
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Cassels Brock & Blackwell LLP Barristers and Solicitors 3810, Bankers Hall West 888 – 3 rd Street S.W. Calgary, Alberta T2P 5C5 Attention: Jeffrey Oliver / Danielle Marechal Telephone No.: 403-351-2921 Fax No.: 403-648-1151 Client File No.: 28677-31

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I. INTRODUCTION

1. BDO Canada Limited (“**BDO**”), was appointed as receiver and manager (the “**Receiver**”), of all of the assets, undertakings and properties (the “**Property**”) of Metro Paving and Roadbuilding Ltd. (“**Metro Roadbuilding**”), Metro Paving Ltd. (“**Metro Paving**”), Metro Pars Corporation (“**Metro Pars**”) and Grasslands of Beiseker Development Corporation (“**Grasslands**”, collectively the “**Metro Entities**” or the “**Companies**”), pursuant to a Consent Receivership Order (the “**Receivership Order**”) of the Honourable Madam Justice K.M. Eidsvik of the Court of Queen’s Bench of Alberta (the “**Court**”) dated January 20, 2021 (the “**Date of Appointment**”). A copy of the Receivership Order is attached hereto as **Appendix “A”**.
2. Pursuant to the order of the Honourable Justice D.R. Mah of the Court dated March 26, 2021 (the “**Sales Process Order**”), the Receiver was authorized to engage Jones Lang LaSalle Estate Services Inc. (“**JLL**”) and Mr. John Corcoran of Royal Lepage Mission (“**Royal Lepage**”) to offer certain of the Companies’ real estate assets for sale under a marketing and sales process (the “**Sales Process**”) described in the first report of the Receiver dated March 15, 2021 (the “**First Report**”) and apply for an order of the Court approving the sale of the property and vesting in and to a purchaser all the Receiver’s right, title and interest in and those real estate assets. A copy of the Sales Process Order is attached hereto as **Appendix “B”**.
3. Pursuant to the order of the Honourable Justice D.R. Mah of the Court dated March 26, 2021 (the “**Auction Order**”), the Receiver was authorized to enter into an auction service agreement with Corporate Assets Inc. (“**Corporate Assets**”) to conduct an auction for the Companies’ rolling stock, construction equipment, and other smaller equipment/tools/office furniture (collectively, the “**Equipment**”) as outlined in the First Report. A copy of the Auction Order is attached hereto as **Appendix “C”**.
4. Pursuant to the terms of the Receivership Order, the Receiver assigned Metro Roadbuilding into bankruptcy on May 12, 2021. A certificate of appointment evidencing the assignment of Metro Roadbuilding into bankruptcy is attached as **Appendix “D”**.
5. The Receiver filed a report dated May 31, 2021 (the “**Second Report**”) with the Court in support of its application to be heard on June 30, 2021 for advice and direction with respect to the ability of Trevcon Enterprises Ltd. (“**Trevcon**”) and PCL Management Inc. (“**PCL**”) to make certain payments directly to sub-contractors of Metro Roadbuilding, and to set off the amounts of those payments against amounts owing by Trevcon and PCL to Metro Roadbuilding.
6. Pursuant to the orders of the Honourable Justice L.B. Ho of the Court dated June 30, 2021 (the “**Approval and Vesting Order**” and “**Sealing Order**”), the Receiver was authorized to execute the sale agreement between the Receiver and Scorpio Masonry (Northern) Inc. for the sale of the Metro Paving land and building located at 7615 40 St NE, Calgary, Alberta (the “**Calgary Property**”) (the “**Calgary Building Sale**”). This sale process and sale transaction is described

in the third report of the Receiver dated June 21, 2021 (the “**Third Report**”) and the sealed confidential supplement to the Third Report (“**Third Report Confidential Supplement**”). A copy of the Approval and Vesting Order and Sealing Order with regards to the Calgary Building Sale is attached as **Appendix “E”** and **Appendix “F”**, respectively.

7. Pursuant to a further order of the Honourable Justice L.B. Ho of the Court dated June 30, 2021 (the “**Interim Distribution Order**”), the Receiver was authorized to make an interim distribution as set out in Third Report and Third Report Confidential Supplement and approved the Receiver’s activities, including the interim statement of receipts and disbursements, as set out in the Second Report, Third Report and Third Report Confidential Supplement. A copy of the Interim Distribution Order is attached as **Appendix “G”**.
8. The Receiver has also prepared and will file with the Court, subject to a request for a sealing order, a confidential supplementary report dated April 13, 2022 (the “**Confidential Supplement**”), which should be read in conjunction with this fourth report of the Receiver dated April 13, 2022 (the “**Fourth Report**”) and which will assist the Court in considering the relief sought by the Receiver herein.
9. This Fourth Report and all other court materials and orders issued and filed in these receivership proceedings are available on the Receiver’s website <http://www.bdo.ca/en-ca/extranets/metrogroupofcompanies> and will remain available for a period of six (6) months following the Receiver’s discharge.
10. Terms not otherwise defined herein shall have the meaning ascribed to them in the First Report.

II. PURPOSE OF REPORT

11. The purpose of this Fourth Report is to:
 - a) Update the Court with certain information pertaining to the receivership proceedings, including:
 - (i) The activities of the Receiver since the Third Report;
 - (ii) The results of the Receiver’s efforts to realize on the Metro Entities’ Property (the “**Realization Process**”);
 - (iii) The Grasslands Sale Process (defined herein) undertaken by the Receiver in respect of the Grasslands’ real estate, legally described as Plan 0915352; Block 2 – Lots 2-6 and 8-36; Block 3 - Lots 1-26 and Block 4 - Lots 2-10 located in the Village of Beiseker, Alberta (the “**Grasslands Property**”) and the results thereof;
 - (iv) The proposed sale of the Grasslands Property to Peregrine Demolition & Construction Ltd. (“**Peregrine**”);

- (v) The SouthCal Sale Process (defined herein) undertaken by the ownership partners of SouthCal Developments Inc. (“**SouthCal**”) with respect to real estate with a legal description of Plan 1113152, Block 2 – Lot 1 (“**Block 2**”) and Meridian 4 Range 27 Township 12, Section 34, Subdivisions 9 & 16 (“**Meridian 4**”), Claresholm, Alberta (together the “**SouthCal Property**”). Metro Pars has a 20% ownership stake in SouthCal;
 - (vi) The Pine Ridge Sale Process (defined herein) undertaken by the Receiver in respect of Metro Recreation Properties Ltd.’s (the “**Metro Rec**”) 26.5% ownership stake in the Pine Ridge Mountain Resort development property in Invermere, British Columbia (the “**Pine Ridge Property**”, the “**Metro Rec Ownership Stake**”) that Metro Paving holds by virtue of being the sole shareholder of Metro Rec and the results thereof;
 - (vii) The proposed sale of the Metro Rec shares held by Metro Paving to the majority owner of the Pine Ridge Property, Statesman H.C. Ltd. (“**Statesman**”);
 - (viii) The Receiver’s fees and disbursements and those of the Receiver’s legal counsel;
 - (ix) The Receiver’s interim statement of receipts and disbursements from the Date of Appointment to March 31, 2022; and
 - (x) The proposed interim distribution to the Lender (defined herein) from the net proceeds from the Realization Process including the shares of Metro Rec and from other Property realizations to date, and subject to the views of this Honourable Court, the proposed sale of the Grasslands Property.
- b) Recommend that this Court make orders:
- (i) Approving this Fourth Report and the Confidential Supplement including the actions and activities of the Receiver set out herein;
 - (ii) Approving the collapse of Metro Paving’s participating life insurance policy number 2987877 (the “**Additional Policy**”) with The Canada Life Assurance Company (“**Canada Life**”) and the retention of the proceeds of the Additional Policy for the benefit of Metro Paving’s estate;
 - (iii) Approving the agreement of purchase and sale dated March 9, 2022 between the Receiver as vendor and Peregrine (the “**Grasslands PSA**”), authorizing the Receiver to complete the transaction contemplated by the Grasslands PSA (the “**Grasslands Transaction**”), and vesting the right, title and interest of Grasslands in and to the Purchased Assets (as defined in the Grasslands PSA) in Peregrine free and clear of all claims and encumbrances, other than the permitted encumbrances;

- (iv) Approving the agreement of purchase and sale dated April 11, 2022 between the Receiver as vendor and Statesman for the shares of Metro Rec held by Metro Paving and a promissory note owing to Metro Paving (the “**Statesman PSA**”), authorizing the Receiver to complete the transaction contemplated by the Statesman PSA (the “**Statesman Transaction**”), and vesting the right, title and interest of Metro Paving in and to the Purchased Assets (as defined in the Statesman PSA) in Statesman free and clear of all claims and encumbrances, other than certain permitted encumbrances;
- (v) Approving the fees and disbursements of the Receiver and its legal counsel, as set out in this Fourth Report;
- (vi) Approving the Receiver’s interim statement of receipts and disbursements from the Date of Appointment to March 31, 2022; and
- (vii) Authorizing and directing the Receiver to make an interim distribution to Bank of Montreal (“**BMO**” or the “**Lender**”) in respect of its secured claim against the Property in the amount of approximately \$1,500,000, in addition to amounts (if any) this Honourable Court determines should be paid to secured parties from the proceeds of the Grasslands Transaction.

III. QUALIFICATIONS

12. In preparing this Fourth Report, the Receiver has relied upon unaudited financial information, the Companies’ books and records, financial information prepared by the Companies and discussions with management (collectively, the “**Information**”). The Receiver has reviewed the Information for reasonableness, internal consistency, and use in the context in which it was provided, and in consideration of the nature of the evidence provided to this Court, in relation to the relief sought herein. The Receiver has not, however, audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards pursuant to the Chartered Professional Accountants of Canada Handbook and, as such, the Receiver expresses no opinion or other form of assurance in respect of the Information.

13. Unless otherwise noted, all monetary amounts contained in this Fourth Report are expressed in Canadian dollars.

IV. RECEIVER’S ACTIVITIES SINCE THE THIRD REPORT

14. Since the Third Report, the Receiver’s activities have included:

- a) Engaging in continued discussions with Royal LePage regarding the marketing and sales efforts of Royal LePage with respect to each of the Grasslands Property, the lands legally described as Plan 0910625, Block 10 — Lot 4, 9, 11, 15, Hussar, Alberta (the “**Hussar Property**”) and the lands legally described as Plan 9711596,

Block 2 — Lot 11, Sundre, Alberta (the "**Sundre Property**", together with the Grasslands Property and Hussar Property, the "**Ancillary Properties**");

- b) Reviewing Metro Roadbuilding's accounts receivable information and supporting documents for outstanding customer accounts (the "**Contract Receivable(s)**"). Engaging in discussions with customers regarding outstanding balances and realizing on the Contract Receivables;
- c) Engaging in discussions with counsel and sending additional demand letters to certain customers with regards to the Contract Receivables. This included working with counsel to draft various settlement and release documents to finalize and collect on some of these outstanding accounts;
- d) Engaging in discussions with certain customers regarding outstanding deficiency work and obtaining quotes regarding the same;
- e) Engaging in on-going discussions with Trevcon, their counsel and with the labour and material bonding company, Intact Insurance (the "**Morrin Bridge Surety**") regarding Metro Roadbuilding's Morrin Bridge contract;
- f) Engaging in discussions with PCL and their counsel regarding Metro Roadbuilding's Whistlers' Campground contract;
- g) Engaging in discussions with the City of Calgary (the "**City**") regarding outstanding irrevocable standby letters of credit ("**LOC(s)**") with BMO for certain Metro Roadbuilding City contracts;
- h) Preparing and filing outstanding GST returns for all Metro Entities;
- i) Preparing Receiver's Certificates (as defined in the Receivership Order) from the other Metro Entities to provide borrowings required to maintain the Grasslands Property;
- j) Corresponding with former employees regarding T4s and Wage Earner Protection Program claims;
- k) Corresponding with counsel for certain former employees who required access to historical payroll records regarding current litigation with certain of Metro Roadbuilding's officers and directors;
- l) Engaging in discussions with several parties regarding the sale of Metro Roadbuilding's gravel inventory located at two third-party sites (the "**Gravel Inventory**");
- m) Finalizing and executing a purchase and sale agreement dated October 13, 2021 for the Gravel Inventory with N.P.A. Ltd. ("**NPA**");

- n) Reviewing Metro Paving's Additional Policy and engaging in discussions with Mr. Ron Friesen regarding the same;
- o) Reviewing the offer received for the Grasslands Property and discussions with counsel and the real estate agent regarding the same;
- p) Assisting counsel in the drafting of the purchase and sale agreement for the Grasslands Property and engaging in discussions with counsel to Peregrine regarding the same;
- q) Engaging in discussions with counsel regarding the Horseshoe Contracting Ltd. ("**Horseshoe**") claims on the Grasslands Property;
- r) Engaging in discussions with Statesman, their counsel and financial advisor regarding the purchase of Metro Rec Ownership Stake in the Pine Ridge Property;
- s) Reviewing the draft purchase and sale agreement associated with the Pine Ridge Property prepared by Statesman's counsel and engaging in discussions with counsel regarding the same;
- t) Engaging in discussions with the stakeholders of the Metro Pars' SouthCal Property;
- u) Communicating various aspects of the receivership proceedings with BMO and its counsel; and
- v) Preparing this Fourth Report and the Confidential Supplement.

V. REALIZATION PROCESS

15. As outlined in the First Report, the Receiver, in consultation with BMO and Mr. Ron Friesen, the owner of the Company, developed the Realization Process as a means of monetizing, testing the market and gauging interest in the Company's assets to maximize realizations for the estate.

Contracts Receivable

16. The outstanding balances owing from Metro Roadbuilder's customers to Metro Roadbuilder's estate relate to 53 projects, of which 50 projects have been completed (the "**Completed Projects**") and 3 are on-going projects that required contracted work in 2021 (the "**Active Projects**"). The Completed Projects and Active Projects were viewed by the Receiver as separate and distinct given that work was still required to be completed pursuant to the contracts on the Active Projects whereas no contract work and/or only deficiency work was required on the Completed Projects.

17. The majority of the collectable accounts receivable (“**AR**”) on the Completed Projects has now been collected by the Receiver, including settling with the last two (2) material outstanding balances with customers, Aecon Transportation West Ltd. (“**Aecon**”) and Clark Builders for approximately \$99,714 and \$57,500 (inclusive of GST), respectively. We note that Clark Builders deducted certain funds from its outstanding receivable to Metro Roadbuilding related to deficiency work required by Echelon Insurance and indemnified the Receiver for those funds regarding the same.
18. The Active Projects outstanding AR collection efforts by the Receiver are also substantially complete other than amounts the Receiver believes are still outstanding with regards to Metro Roadbuilding’s Morrin Bridge contract and the bond claim filed by the Receiver with the Morrin Bridge Surety.

Inventory

19. As outlined in the First Report, Metro Roadbuilding had gravel inventory located at two third-party sites. Approximately 1,800 tons of crushed gravel was located at West Central Contracting Ltd.’s pit in Hinton, Alberta. A reduced tonnage was located at Lafarge Canada Inc.’s Seebe pit.
20. The Receiver has attempted to monetize the gravel inventory since the spring of 2021, including asking for the assistance of Corporate Assets, who was the auctioneer for Metro Pars’ Equipment. The Receiver talked to several parties who showed initial interest but, in the end, there was only one interested party, NPA.
21. The Receiver and NPA entered into a purchase and sale agreement dated October 13, 2021 (“**NPA Transaction**”) to sell the Gravel Inventory on an “as is, where is” basis for \$41,378 (inclusive of GST). A copy of the NPA Transaction is attached as **Appendix “H”**. Court approval for the NPA Transaction was not sought, as the NPA Transaction fell below the monetary thresholds for which Court approval is required, as outlined in paragraph 3(l) of the Receivership Order.

Life Insurance

22. As outlined in the First Report, Metro Paving’s life insurance policy number B459051-0 (the “**Policy**”), which insured the life of Mr. Friesen, had a net cash surrender value of approximately \$168,000. The Court approved the return of these funds to the Receiver and accordingly, the Receiver received the cash surrender value from Canada Life.
23. The Receiver has since been made aware of an additional Metro Paving life insurance policy with Canada Life which insured the life of Mr. Friesen and his spouse, Mrs. Laura Friesen. The Additional Policy, as at January 12, 2022, had a net cash surrender value of approximately \$135,000. Mr. Friesen also provided the Receiver with a copy of Metro Paving’s T5 which outlined approximately \$57,000 in income related to the Additional Policy for Metro Paving’s 2021

income tax return. A copy of the January 12, 2022 Additional Policy statement and Metro Paving's T5 is attached **Appendix "I"** and **Appendix "J"**.

24. The Receiver offered Mr. Friesen the opportunity to purchase the Additional Policy, as he and his spouse were the only parties able to benefit from the Additional Policy, as the insured persons. Mr. Friesen rejected this offer and notified the Receiver of his intention to assert an ownership claim to the Additional Policy, on the basis that it was Mr. Friesen and his spouse that had historically contributed the funds to Metro Paving to make the corresponding premium payments to Canada Life.
25. The Receiver understands that the Additional Policy insures both Mr. and Mrs. Friesen, "Joint Last-to-Die, Costs to Last Death" with the beneficiary being their estate(s). The policy date of the Additional Policy was January 12, 2014 and Mr. Friesen noted to the Receiver that ownership of this policy was changed to Metro Paving some years ago for tax planning purposes.
26. Metro Paving has been paying taxes on the Additional Policy income and is the registered owner of the Additional Policy, per Canada Life. As such, the Receiver would like to proceed with the collapse of the Additional Policy to realize on the cash surrender value for the benefit of Metro Paving's estate.
27. Previously, Canada Life noted to the Receiver with regards to the initial Policy that the collapse of the Policy was actually a sale transaction to Canada Life and due to the quantum of the funds, required Court approval per paragraph 3(l) of the Receivership Order. As a result, the Receiver has asked the Court to approve this transaction should Canada Life not process the cash surrender transaction as requested with regards to the Additional Policy

Real Estate

28. As outlined in the First Report, the Metro Entities have multiple real estate assets which vary in nature. The Receiver classified these real estate assets into three (3) categories: 1) a commercial real estate asset (the Calgary Building Sale), which was sold as outlined in the Third Report, 2) Ancillary Properties, and 3) real estate held in the development corporations or partnerships, which is comprised of the SouthCal Property and Pine Ridge Property.

VI. ANCILLARY PROPERTIES SALE PROCESS

29. As outlined in the First Report, the Receiver believed the best course of action to maximize realizations of the Calgary Property and Ancillary Properties was to engage licensed real estate brokers to market and sell the properties.
30. Upon the Court's approval of the Sale Process, the Receiver engaged JLL to list and market the Calgary Property for sale and Royal LePage to list and market the Ancillary Properties for sale.

31. As of the date of this Fourth Report, there has been limited interest in the Hussar Property and Sundre Property. As such, this section of the Fourth Report will focus on the Sale Process associated with the Grasslands Property.
32. The Hussar Property has had limited market appeal given it is rural Alberta location and the fact that it is only four (4) lots with limited value (with the last Hussar Property lot sold in May 2018 for \$14,000). The Sundre Property is essentially a parcel of land with a gravel pit located on it that is surrounded by another landowner. The Sundre Property has a right of passage easement to allow access to it. Royal LePage is in continued discussion with this landowner regarding the potential Sundre opportunity, but no formal offer has been received to date. Given there is a gravel pit located on the Sundre Property, there are potential environment concerns that may impact its valuation.

Marketing of the Grasslands Property

33. Grasslands of Beiseker Development Corporation is a corporation incorporated pursuant to the laws of Alberta and is a land development company which holds the Grasslands Property, a sub-division located in the Village of Beiseker, Alberta. The Grasslands Property consists of 68 remaining single-family residential lots that are subdivided, and each has a separate legal title. Fourteen (14) of the lots are fully serviced and have paved road access. The remaining 54 lots are partially serviced with water, storm sewer, sanitary sewer and concrete curbs. These lots still require shallow utilities and street paving.
34. Royal LePage began its full marketing campaign for the Grasslands Property on April 7, 2021 (the “**Grasslands Sale Process**”), which included:
- a) Designing a marketing brochure for the Grasslands Property;
 - b) Advertising on Royal LePage’s commercial real estate website;
 - c) Advertising on Co State/Loopnet, Global Listings and Juwai real estate websites;
 - d) Sending email blasts to potential purchasers;
 - e) Conducting property tours; and
 - f) Engaging in discussions with potential purchasers.
35. Initially, Royal LePage listed the Grasslands Property without a list price to let the market decide on the appropriate valuation given that this is a development property in Beiseker with not a lot of sufficient comparable properties.

36. Royal Lepage had limited market interest based on the Grasslands Property characteristics and the current rural Alberta real estate market. As such, on November 25, 2021, the Grasslands Property was put on the Multiple Listing Service (“**MLS**”) at price of \$1.3 million to increase the market exposure.
37. The Grasslands Property MLS listing had over 250 client and agent views. Royal Lepage conducted property tours with four (4) potential purchasers and had serious discussions with four (4) additional parties. Of the eight (8) potential purchasers who potentially wanted to purchase the Grasslands Property, two (2) potential purchasers presented offers.
38. The first offer presented was by Peregrine (the “**Peregrine Offer**”). At the time of the Peregrine Offer, no other offers had been presented to the Receiver, notwithstanding that the Grasslands Property had been on the market for approximately eleven (11) months. The Receiver and Peregrine negotiated and ultimately entered into the Grasslands PSA on March 9, 2022, as more fully described below.
39. On January 25, 2022, another potential purchaser (the “**Other Interested Purchaser**”) reached out to the Receiver to express interest in the Grasslands Property. The Receiver promptly directed the Other Interested Party to Royal Lepage to be included in the Grasslands Sale Process. Royal Lepage followed up with the Other Interested Purchaser regarding submitting an offer but no response was ever received regarding the same. On March 24, 2022 the Other Interested Purchaser advised the Receiver that they were interested in submitting an offer on the Grasslands Property. The Receiver on or around that date notified the Other Interested Purchaser that the Grasslands Property was already subject to a sale agreement that was pending Court approval. On April 4, 2022, the Other Interested Purchaser’s broker submitted an offer to the Receiver to purchase the Grasslands Property. Since the Receiver had already entered into the Grasslands PSA and had booked Court time to have the Grasslands PSA approved, on April 5, 2022, the Receiver formally advised the broker of the Other Interested Purchaser of the following, among other things:
- a) that the Receiver had already entered into an agreement with another purchaser for the Grasslands Property, which the Receiver would be putting before the Court on April 22, 2022;
 - b) the Receiver would present the offer of the Other Interested Purchaser during the April 22, 2022 application, so that the Court could determine which offer (if any) should be selected; and
 - c) the Receiver requested that the Other Interested Purchaser put their offer into the same form as used for the Grasslands PSA by no later than April 8, 2022 so that the Court could more easily compare the two (2) offers.
40. On April 6, 2022, the broker for the Other Interested Purchaser advised the Receiver that they would review revising the form of offer with her client and get back to the Receiver as soon as possible.

41. On April 8, 2022, the Receiver followed up with the broker for the Other Interested Purchaser to request an update on the status of their client's offer. The broker for the Other Interested Purchaser replied to the Receiver to advise that "[d]ue to circumstances beyond their control [her] clients have no choice but to withdraw their offer" and that her clients would not be moving forward with their offer.

42. As a result of the foregoing, there was only one (1) offer for the Grasslands Property.

Review of the Peregrine Offer

43. To assist in the Receiver's analysis of any offers received on the Grasslands Property, the Receiver commissioned a real estate appraisal report from Avison Young dated November 8, 2021 (the "**Grasslands Property Appraisal**"). A copy of the Grasslands Property Appraisal is contained in the Confidential Supplement as **Confidential Appendix "B"**.

44. The Receiver considered the Peregrine Offer, taking into consideration a number of factors including: (a) the purchase price; (b) conditions to closing and certainty of closing; (c) deposit amounts; and (d) the Grasslands Property Appraisal.

45. After consideration of the Peregrine Offer and in consultation with Royal LePage and the Lender, on March 9, 2022, the Receiver signed the Grasslands PSA, subject to approval of this Honourable Court, with Peregrine.

Grasslands PSA

46. The key terms of the Grasslands PSA are as follows:

- a) The purchase is on an "as is, where is" basis and is subject to approval of this Honourable Court;
- b) The purchaser will pay a \$100,000 deposit within three business days of execution of the Grasslands PSA, which has been placed into trust with the Receiver's counsel;
- c) The Purchased Assets include Grasslands' interests in and to the Grasslands Property and all buildings, erections, structures, systems, fixtures and other improvements to and located on those lands; and
- d) Closing is scheduled to occur shortly after this Honourable Court's approval of the Grasslands Transaction and the issuance of an approval and vesting order regarding the same.

47. A copy of the redacted Grasslands PSA is attached hereto as **Appendix "K"**. An unredacted copy of the Grasslands PSA is contained in the Confidential Supplement as **Confidential Appendix "A"**.

Basis for Receiver's Recommendation

48. The Receiver is satisfied that the Grasslands Sale Process was conducted with integrity, was commercially reasonable, fair and open for the purpose of identifying the best offer available (including price and other factors) for the following reasons:

- a) The direct-contact marketing and the MLS marketing methods of the Grasslands Sale Process was sufficient to attract the interest of reasonable buyers and investors;
- b) The timeframe over which the Grasslands Property was exposed to the market was sufficient to allow interested buyers and investors to participate in the process;
- c) The purchase price is consistent with the value range outlined in the Grasslands Property Appraisal; and
- d) The Lender and Mr. Friesen were supportive of the process and were consulted regarding the offer submitted as part of the Grasslands Sale Process.

49. The Receiver respectfully requests that this Court issue an order approving the Grasslands PSA for the following reasons:

- a) Royal Lepage has shown the Grasslands Property to four (4) interested parties and had serious discussions with four (4) additional parties. Although two (2) offers were submitted, the Other Interested Purchaser withdrew their offer meaning that there was ultimately only one (1) offer submitted for the Grasslands Property;
- b) The only substantive condition under the Grasslands PSA is Court approval; and
- c) Continuing to market the Grasslands Property will not guarantee a higher sale price and will result in the receivership estate continuing to incur holding costs for items such as insurance, security and monitoring, utilities, maintenance and property taxes. Given the on-going operating losses associated with the Grasslands Property, time is of the essence in order maximize the value of this transaction. Additionally, continuing the Grasslands Sales Process would risk losing the current offer in hand.

VII. REAL ESTATE INVESTMENTS SALE PROCESS

SouthCal Sale Process

50. The SouthCal development project began in September 2008 and involved six (6) partners of which Metro Pars' ownership share is 20%. Metro Roadbuilding provided paving and excavating services to this development and as a

result registered a mortgage, along with two other investors, in the amount of approximately \$1.2 million (the “**SouthCal Mortgage**”), of which Metro Roadbuilding’s portion of this mortgage is approximately \$294,000 (plus penalties and interest). Skyscape Management Inc. (“**Skyscape**”), the property manager, noted that the development’s books and records were not up to date and that the SouthCal Mortgage had not been serviced in a number of years. As a result, the SouthCal Mortgage amount including penalties and interest was now approximately \$1.8 million in SouthCal’s updated financials. Metro Pars also provided an initial shareholder loan of \$400,000 and further capital call cash injections of approximately \$206,000, consistent with its ownership share.

51. As outlined in the First Report, the decision was made by the SouthCal partners to put the SouthCal Property up for sale with a real estate broker, Century 21 Bamber Realty Ltd. (“**Century 21**”). Century 21 has listed the SouthCal Property for \$1.9 million (\$1.6 million for Meridian 4 and \$300,000 for Block 2, which is excess land).

52. Concurrently with putting the SouthCal Property up for sale, Skyscape finalized a cost reimbursement agreement (the “**Cost Agreement**”) with the Town of Claresholm for the service line installed for this development and other nearby development lands. The Receiver understands that the cost of this service line was approximately \$2.8 million, which was paid for by SouthCal. Should any party develop the SouthCal Property or other nearby lands that are able to use this service line, then additional funds may be reimbursed to SouthCal regarding the same. The Receiver will continue its attempt to sell Metro Pars’ rights in this Cost Agreement once the SouthCal Property is sold and net proceeds are distributed.

53. On November 16, 2021, an offer was accepted by the SouthCal partners for the sale of Block 2 for gross proceeds of approximately \$275,000 (“**Block 2 Sale Transaction**”). A copy of the Block 2 sale agreement is attached hereto as **Appendix “L”**.

54. Metro Roadbuilding received net proceeds of approximately \$63,000 from the Block 2 Sale Transaction and additionally received approximately \$14,000 from Skyscape from other cash balances on hand in partial satisfaction of the SouthCal Mortgage.

Pine Ridge Sale Process

55. The Pine Ridge Mountain Resort development is a residential community in Invermere, British Columbia. Pursuant to a partnership agreement dated March 1, 2005 (the “**Partnership Agreement**”), the resort was to be developed by three (3) partners. Currently only two (2) partners remain, Statesman Developments (B.C.) Ltd. (“**Statesman Partner**”) and Metro Rec, which hold 73.5% and 26.5% ownership shares, respectively. Metro Rec’s adjusted cost base with respect to this development is approximately \$2.8 million.

56. As outlined in the First Report, the Receiver has been exploring its options with respect to selling its Pine Ridge Ownership Stake (the “**Pine Ridge Sale Process**”).
57. The Receiver and its counsel have had multiple discussions and correspondence with the Statesman Partner over the last year which included multiple informal offers from Statesman.
58. To assist both parties in determining the valuation of the Pine Ridge Property, the Receiver commissioned the Pine Ridge Property real estate appraisal report from Avison Young dated June 28, 2021 (the “**Pine Ridge Property Appraisal**”). A copy of the Pine Ridge Property Appraisal is contained in **Confidential Appendix “E”** of the Confidential Supplement.
59. In late 2021, the Statesman Partner engaged external counsel to proceed with formal negotiations, at the request of the Receiver, to conclude a potential transaction with regards to the Pine Ridge Property. In March of 2022, the Statesmen Partner engaged financial advisors to assist with a potential share purchase option to preserve the potential tax losses of Metro Rec.
60. On April 8, 2022, Statesman’s counsel submitted an agreement of purchase and sale between the Receiver (as vendor) and Statesman (as purchaser) for the purchase of the shares of Metro Rec held by Metro Paving.

Marketing of the Pine Ridge Ownership Stake

61. For the reasons set out in the Confidential Supplement, no formal sales process was run with regards to this asset.

Statesman PSA

62. As part of the Statesman PSA, Statesman with the assistance of its financial advisor, outlined the following steps necessary to preserve Metro Rec’s tax losses to allow the Statesman Transaction to be finalized including:
- a) Step 1 – Metro Rec will incorporate a new subsidiary (“**NewCo**”) under the laws of Alberta and will be a taxable Canadian corporation;
 - b) Steps 2 – Metro Paving disposes on its note receivable (intercompany balance) of ~\$3 million (consistent with Metro Rec’s costs associated with the Pine Ridge Property) from Metro Rec to NewCo for the fair market value consideration consisting of a note payable from NewCo;
 - c) Step 3 – Pursuant to section 88 (1) of the *Income Tax Act* (the “**ITA**”), NewCo will wind up into Metro Rec where Metro Rec’s indebtedness will be settled without payment for its principal amount. Metro Rec will

elect in prescribed form and within the filing deadline (six (6) months after year-end of Metro Rec) to have the provisions of the ITA to apply; and

- d) Step 4 – Statesman will purchase the shares of Metro Rec and a note payable to Metro Paving from Metro Paving for fair market value consideration.

63. The key terms of the Statesman PSA are as follows:

- a) The purchase is on an “as is, where is” basis;
- b) The purchase is subject to a due diligence condition, the creation of the Promissory Note (as defined in the Statesman PSA) and approval of this Honourable Court;
- c) The purchaser will pay a \$45,000 deposit within two (2) business days of execution of the Statesman PSA Agreement;
- d) The Purchased Assets include Paving’s interest in and to all of the issued and outstanding shares in the share capital of Metro Rec and a Promissory Note owing to Paving, as creditor; and
- e) Closing is scheduled to occur on June 30, 2022 or such other date as agreed to by the Receiver and Statesman H.C. Ltd. agree to in writing.

64. A copy of the redacted Statesman PSA is attached hereto as **Appendix “M”**. A copy of the Deloitte Organization Restructuring Memo and the unredacted Statesman PSA is contained in **Confidential Appendix “C”** and **Confidential Appendix “D”** of the Confidential Supplement.

Basis for Receiver’s Recommendation

65. The Receiver is satisfied that the Pine Ridge Sale Process was conducted with integrity, was commercially reasonable, fair and open for the purpose of identifying the best offer available for the reasons set out in the Confidential Supplement. The reasons for the Receiver’s recommendation to approve the Statesman PSA are not contained in the public Fourth Report due to certain outstanding closing conditions that remain unsatisfied under the Statesman PSA. The receiver is concerned that the disclosure of certain information contained in the Receiver’s recommendation to approve the Statesman PSA could prejudice the future sale of the Shares should the Statesman PSA not ultimately close.

66. The Receiver respectfully requests that this Court issue an order approving the Statesman SPA for the following reasons (in addition to those reasons set out in the Confidential Supplement):

- a) The only substantive conditions under the Statesman PSA are the satisfaction of certain due diligence investigations, the creation of the Promissory Note and Court approval; and
- b) Any additional marketing of the Pine Ridge Ownership Stake to parties other than Statesman will not guarantee a higher sale price and will result in the receivership estate continuing to incur related costs.

VIII. SEALING OF CONFIDENTIAL APPENDICES

67. The Receiver is seeking a sealing order in respect of the Grasslands Property Appraisal, the Grasslands PSA, the Pine Ridge Property Appraisal and the Statesman PSA as they contain commercially sensitive information, which include the appraised values of and purchase prices of the Grasslands and Pine Ridge Properties, the disclosure of which information may adversely impact any future realization attempts for the Grasslands Property and Pine Ridge Ownership Stake should the Grasslands PSA or Statesman PSA, respectively, not close.

68. The Receiver is not aware of any party that will be prejudiced by the sealing of the information contained in the Confidential Appendices.

69. The Receiver is seeking to seal the Confidential Appendices until the earlier of:

- a) The filing of a Receiver's Closing Certificate indicating that the Grasslands PSA and the Statesman PSA have closed;
- b) The discharge of the Receiver; or
- c) Further Order of this Honourable Court.

IX. CREDITORS

Secured Claims

70. As noted in paragraph 67 of the First Report and paragraph 9 of the Second Report, according to the Companies' books and records, as at the Date of Appointment:

- a) Metro Roadbuilding was indebted to BMO in the amount of approximately \$4.1 million;
- b) Metro Paving was indebted to BMO in the amount of approximately \$2.7 million; and
- c) Grasslands was indebted to BMO in the amount of approximately \$301,000.

71. The Receiver has obtained an independent written legal opinion (the "**Opinion**") from Cassels Brock & Blackwell LLP ("**Cassels**") with respect to the validity and enforceability of the Roadbuilding GSA, the Paving GSA, the Paving Mortgage, the Pars GSA and the Grasslands GSA held by BMO. Subject to the standard assumptions and qualifications, as well as certain additional qualifications contained in the Opinion, Cassels has advised:

- f) BMO holds a valid and enforceable security interest in and to all of the personal property of the Metro Entities defined as "Collateral" in the Roadbuilding GSA, Paving GSA, Pars GSA and Grasslands GSA to which the *Personal Property Security Act (Alberta)* applies, which security interest has been properly perfected in Alberta, subject to the potential priority claims listed described in the Opinion and summarized below under the headings "Equipment Lessors" and "Lienholders"; and
- g) The Paving Mortgage held by BMO in the principal amount of \$3.2 million and registered against the Calgary Property creates a first in time financial charge in favour of BMO.

72. As noted at paragraph 69 of the First Report, Cassels did not provide an independent, legal opinion in relation to the Grasslands Mortgage. This is because Grasslands is the mortgagor of a mortgage dated November 1, 2012 with Horseshoe Contracting Ltd., Metro Roadbuilding, and Eclipse Geomatics & Engineering Ltd. as co-mortgagees (the "**Horseshoe Mortgage**"). The Horseshoe Mortgage is registered against title to the Grasslands Property. As Metro Roadbuilding is a co-mortgagee under the Horseshoe Mortgage, it is the view of Cassels and the Receiver that Cassels cannot provide an independent legal opinion in relation to the Horseshoe Mortgage or the Grasslands Mortgage.

73. As such, the Receiver engaged Burnett, Duckworth & Palmer LLP ("**BD&P**") as external counsel to provide an independent legal opinion on the Horseshoe Mortgage and the Grasslands Mortgage. Subject to the standard assumptions and qualifications, BD&P has advised that the Grasslands Mortgage held by BMO in the principal amount of \$3 million and registered against the Grasslands Property is valid and enforceable. Additional developments in relation to the Horseshoe Mortgage are discussed below under the heading "Horseshoe Mortgage".

Horseshoe Mortgage

74. On May 18, 2021, Cassels received a letter from Warnock, Kraft Anderson Lawyers ("**WKA**"), who is counsel to Horseshoe and 875242 Alberta Ltd. ("**875 Ltd.**"), in relation to the Horseshoe Mortgage (the "**May 18 Correspondence**"). In the May 18 Correspondence WKA indicated, among other things, that it was their position that the Horseshoe Mortgage is the first registered mortgage on title to the Grassland Property and that the Horseshoe Mortgage has priority over the Grasslands Mortgage (which is the mortgage registered by BMO against the Grasslands Property for approximately \$300,000) (the "**Priority Issues**"). WKA also requested that the Receiver immediately file an application for a bankruptcy order against Grasslands, which could then be adjourned. The

purpose of filing the Grasslands bankruptcy application would be to preserve the date of the “initial bankruptcy event” to ensure that creditors are not prejudiced from bringing a potential future proceeding under sections 95 and/or 96 of the BIA in relation to the Grasslands Mortgage.

75. Following discussions between WKA, Cassels and counsel to BMO, the Receiver determined that it was inappropriate for the Receiver to bring the application for a bankruptcy order against Grasslands as there was no clear corresponding benefit to the receivership estate of the Companies. However, the Receiver (through its counsel) advised WKA that the Receiver would consent to lift the stay of proceedings against the receivership estate of the Companies to allow Horseshoe and 875 Ltd. to file a statement of claim and bankruptcy application provided that: (i) any of the Companies listed as defendants in the statement of claim are not required to defend until or unless the Court otherwise Orders them to do so; and (ii) the bankruptcy application is immediately adjourned *sine die*. Additionally, BDO Canada Limited, in its capacity as trustee in bankruptcy of Metro Roadbuilding, also agreed to consent to an Order seeking to lift the stay of proceedings against the bankrupt estate of Metro Roadbuilding to allow Horseshoe and 875 Ltd. to file a statement of claim naming Metro Roadbuilding as a defendant on the same conditions as outlined above.

76. On May 26, 2021, WKA filed a statement of claim naming Grasslands of Beiseker Development Corporation, Metro Paving and Roadbuilding Ltd., Ron Friesen, Aaron Badger and Bank of Montreal as defendants (the “**Horseshoe Claim**”). A copy of the Horseshoe Claim is attached as **Appendix “N”**.

77. On May 31, 2021, an Order lifting the stay of proceedings against Metro Roadbuilding was granted and filed.

78. Other than the exchange of pleadings, the Receiver understands that no further steps have been taken in relation to the Horseshoe Claim at this time.

79. On March 4, 2022, the Receiver advised BMO that:

- a) the Receiver had entered into the Grasslands PSA;
- b) the Receiver would like to seek a distribution of the proceeds of sale from the Grassland Property at the application to approve the sale of the Grasslands Property; and
- c) in light of the foregoing, either a resolution of the Priority Issues between BMO and WKA’s clients or a hearing of those Priority Issues during the application to approve the sale of the Grasslands Property would be preferable.

80. On March 7, 2022, counsel to the Receiver advised WKA of the items set out in subparagraph 80(a) to (c).

81. The Receiver is not aware of a resolution between BMO and WKA's clients on the on the Priority Issues and is unaware of whether either party is seeking to have such issues determined by this Honourable Court at the hearing of the within application. As such, the Receiver is requesting the advice and direction of this Honourable Court as to whether the proceeds of sale from the Grasslands Property can be distributed to BMO or WKA's clients in the circumstances.

Other Secured Claims, Equipment Lessors and Priority Claims

82. As of the date of the Fourth Report, the Receiver can confirm that the following items outlined in the First Report have been paid and/or adequately addressed: Echelon Indemnity and Subordination, Equipment Lessors, Lienholders. Potential Trust Claims, Deemed Trust Claims and BIA Claims.

City of Calgary

83. The Receiver understands that Metro Roadbuilding had two LOCs with the City of Calgary to support City awarded contracts. The first irrevocable standby LOC No. BMT0594025OS for \$105,000 dated August 13, 2020 ("**BMO LOC 1**") and the second irrevocable standby LOC No. BMT0626857OS for approximately \$95,000 dated June 23, 2020 ("**BMO LOC 2**").

84. The Receiver started discussions with City representatives in early 2021 regarding outstanding City Contract Receivables and potential outstanding deficiencies that may or may not be covered by the associated LOCs.

85. To protect its rights under BMO LOC 1, in May 2021 the City issued a demand to BMO calling on the satisfaction of BMO LOC 1 in the amount of approximately \$105,000.

86. The Receiver and City representatives continued potential deficiency discussions, including site visits by Mr. Friesen to assess the cause and potential remediation costs associated with these deficiencies. As a result of these discussions, the Receiver, with the support of the City, was able to cancel the BMO LOC 2 in August 2021 and have the City refund to the Receiver approximately \$95,000 of BMO LOC 1, holding back \$10,000 as a reserve for any future deficiencies.

Receiver's Borrowing Charge

87. Pursuant to paragraph 21 of the Receivership Order, the Receiver was authorized to borrow up to \$300,000, as it considered necessary or desirable. As of the date of this Fourth Report, the Receiver has borrowed \$257,654, as evidenced by Receiver's Certificates.

88. The Receiver's Certificate No.1 for \$50,000 of borrowings was provided by BMO to fund the Metro Entities initial operating costs issued shortly after the Date of Appointment. The Receiver's Certificates No. 2 & No. 3 for \$67,753.48 and \$139,900.96, respectively, were provided by Metro Roadbuilding's net realization proceeds on-hand to fund the current and future maintenance, capital expenditures, and Receivership costs associated with the Grasslands Property.

Unsecured Claims

89. Based on the Property realizations to date (inclusive of potential sale transactions outlined in this Fourth Report pending Court Approval) and the remaining assets for the Receiver to monetize, namely the Trevcon Contract Receivable, Hussar Property and Sundre Property, it is unlikely there will be any amounts available for distribution to the unsecured creditors of the Metro Entities.

X. PROFESSIONAL FEES

90. The Receiver's professional fees incurred for services rendered in relation to the receivership proceedings between March 1, 2021 and March 31, 2022 amount to \$227,371.75, plus disbursements of \$3,161.78, for a total of \$230,533.53 (excluding GST). These amounts represent professional fees and disbursements not yet approved by the Court. The time spent by the Receiver's professionals is detailed in **Appendix "O"**.

91. The fees of the Receiver's counsel, Cassels, for services rendered in relation to the receivership proceedings between March 1, 2021 and March 31, 2022 amount to \$400,691.82, plus disbursements of \$5,305.86, for a total of \$405,997.68 (excluding GST). These amounts represent professional fees and disbursements not yet approved by the Court. The time spent by Cassels' professionals is detailed in **Appendix "O"**.

92. The Receiver has reviewed Cassels' accounts and has determined that the services have been duly authorized and duly rendered and that the charges are fair and reasonable in the circumstances.

XI. RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

93. The Receiver has prepared an interim statement of receipts and disbursements from the Date of Appointment to March 31, 2022 on a combined basis for all Metro Entities (the "Interim R&D"). The Receiver continues to track and record receipts and disbursements separately for each estate. The Interim R&D is summarized as follows:

METRO ENTITIES		
Statement of Receipts and Disbursements		
For the period January 20, 2021 to March 31, 2022		
Receipts		
Real property proceeds	\$	3,737,287
Net Auction Sale proceeds		2,535,337
Accounts receivable collections		815,122
Receiver's borrowing certificates		257,654
Life insurance proceeds		168,662
Government refunds		118,569
Refund of excess letter of credit funds		95,000
Rent collected		89,497
Vehicle sale proceeds		64,548
Insurance claim proceeds		46,800
Inventory sale proceeds		41,378
Total receipts		7,969,855
Disbursements		
Interim distribution to BMO		4,100,000
Distribution to Equipment Lessors and Lienholders		1,621,560
Receiver's legal fees		508,627
Receiver's fees		361,917
Receiver's Certificates to Grasslands		207,654
Commission		116,845
Property taxes		95,322
Property repairs		83,693
Insurance		46,134
Appraisals and real property reports		45,652
Security		37,325
Deemed trust payments		30,406
Equipment transportation		23,689
Subcontractors		21,659
Bankruptcy estate funding		15,000
WEPP payments		14,000
Utilities		8,525
IT/software		4,988
Property maintenance		4,892
Bank charges and filing fees		521
Office		275
Filing fee		143
Total disbursements		7,348,829
Excess Receipts over Disbursements	\$	621,026

- a) As detailed in the table above, the Receiver had total receipts (net of the Receiver's Borrowings) of approximately \$7.7 million between the Date of Appointment and March 31, 2022. The receipts consist primarily of real estate sale transactions proceeds from the Calgary Property, net auction sale proceeds from the Equipment, collection of the Contract Receivables, proceeds from the cash surrender value of the Canada Life Policy, and various other receipts as outlined in the chart above.
- b) Total disbursements over the same period were approximately \$7.1 million (net of Metro Roadbuilding's funding through Receiver's Certificate borrowings required by Grasslands), the majority of which relate to an interim distribution to BMO, distributions to the Equipment Lessors and Lienholders, insurance, property repairs, professional fees paid to the Receiver and the Receiver's counsel and various other disbursements as outlined in the chart above.
- c) Total excess receipts over disbursements as of March 31, 2022 was approximately \$621,000.
- d) A subset of the Interim R&D for just Grasslands is attached as **Appendix "P"** and also as **Confidential Appendix "F"** of the Confidential Supplement.

94. The Receiver has approximately \$99,714 in an accrued receipt related to the Aeon Contract Receivable not yet received and \$77,315 in accrued obligations relating to the professional fees and disbursements incurred up to the date of this Fourth Report but not yet paid.

95. The Receiver does not anticipate that it will require additional financing at this time and seeks to pay a portion of the accrued obligations with cash on hand. The Receiver also seeks to make distributions to certain secured creditors as outlined in the Proposed Interim Distribution section below.

XII. PROPOSED INTERIM DISTRIBUTION

96. The Receiver recommends that an interim distribution be made to BMO, subject to this Court's approval. The Receiver recommends that a total of approximately \$1,500,000 is paid from the net proceeds of the Statesman Transaction and other realizations to date ("**Interim Distribution**"). As outlined in the Confidential Supplement, following the Interim Distribution, the Receiver will hold sufficient funds as a reserve to satisfy the payment of estimated priority payables and anticipated outstanding disbursements. The Receiver anticipates that the reserve is sufficient to cover the remaining costs to administer the Metro Entities' estates. As noted previously, the Receiver also seeks the advice and direction of this Honourable Court with respect to whether an interim distribution is also possible with respect to the net proceeds of sale from the Grasslands PSA (also net of the repayment of Receiver's Certificate No. 2 and partial repayment of Receiver's Certificate No. 3 to Metro Roadbuilding).

97. The detailed interim distribution charts have only been included in the Confidential Supplement due to the purchase price amounts associated with the Grasslands PSA and Statesmen PSA, respectively.

XIII. RECOMMENDATIONS

98. Based on the foregoing, the Receiver respectfully recommends that the Court issue an order(s):

- h) Approving the Fourth Report and the actions, activities and conduct of Receiver set out therein;
- i) Approving the collapse of the Additional Policy and the retention of the proceeds of the Additional Policy for the benefit of Metro Paving's estate;
- j) Approving the Grasslands PSA and the Grasslands Transaction;
- k) Approving the Statesman PSA and the Statesman Transaction;
- l) Approving the Receiver's Interim R&D from the Date of Appointment to March 31, 2022;
- m) Approving the accounts of the Receiver and its counsel, Cassels, as set out in this Fourth Report;
- n) Approving the Proposed Interim Distribution to BMO in respect of its secured claim against the Property in the amount of \$1,500,000;
- o) Advice and direction with respect to a distribution, if any, from the proceeds of the Grasslands Transaction; and
- p) Approving the sealing of the Confidential Appendices.

All of which is respectfully submitted on the 13th day of April, 2022.

BDO Canada Limited in its capacity as Court-Appointed Receiver of the current and future assets, undertakings and properties of METRO PAVING AND ROADBUILDING LTD., METRO PAVING LTD., METRO PARS CORPORATION, and GRASSLANDS OF BEISEKER DEVELOPMENT CORPORATION and not in its personal or corporate capacity



Clark Lonergan, CPA, CA, CIRP, LIT
Senior Vice-President

APPENDIX "A" – RECEIVERSHIP ORDER DATED JANUARY 20, 2021

Clerk's Stamp:



COURT FILE NUMBER

2101 00809

COURT

COURT OF QUEEN'S BENCH OF ALBERTA COM Jan 20 2021
201060

JUDICIAL CENTRE OF

CALGARY

APPLICANT:

BANK OF MONTREAL

RESPONDENTS:

METRO PAVING AND ROADBUILDING LTD.,
METRO PAVING LTD., METRO PARS
CORPORATION and GRASSLANDS OF BEISEKER
DEVELOPMENT CORPORATION

DOCUMENT

CONSENT RECEIVERSHIP ORDER

CONTACT INFORMATION OF PARTY
FILING THIS DOCUMENT:

Torys LLP
4600 Eighth Avenue Place East
525 - Eighth Ave SW
Calgary, AB T2P 1G1

Attention: Kyle Kashuba
Telephone: + 1 403.776.3744
Fax: +1 403.776.3800
Email: kkashuba@torys.com
File No. 01405-7287

**DATE ON WHICH ORDER WAS
PRONOUNCED:**

January 20, 2021

**NAME OF JUDGE WHO MADE THIS
ORDER:**

Madam Justice K.M. Eidsvik

LOCATION OF HEARING:

Calgary, Alberta

UPON the application (the “**Application**”) of the Bank of Montreal (the “**Bank**”) in respect of Metro Paving and Roadbuilding Ltd., Metro Paving Ltd., Metro Pars Corporation and Grasslands of Beiseker Development Corporation (collectively, the “**Debtors**”, and individually, a “**Debtor**”); **AND UPON** having read the Application, the Affidavit of Michelle Madrigga dated January 18, filed; and the Affidavit of Service to be filed, filed; **AND UPON** reading the consent of BDO Canada Limited (“**BDO**”) to act as receiver and manager (the “**Receiver**”) of the Debtors, filed; **AND UPON** hearing counsel for the Bank, the Debtors, and any other interested parties that may be present; **IT IS HEREBY ORDERED AND DECLARED THAT:**

SERVICE

1. The time for service of the Application for this order (the “**Order**”) is hereby abridged and service thereof is deemed good and sufficient.

APPOINTMENT

2. Pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the “**BIA**”), and sections 13(2) of the *Judicature Act*, RSA 2000, c J-2, and 65(7) of the *Personal Property Security Act*, R.S.A. 2000, c. P-7, BDO is hereby appointed receiver and manager (“**Receiver**”), without security, of all of the Debtors' respective current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “**Property**”).

RECEIVER'S POWERS

3. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
 - (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
 - (b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
 - (c) to manage, operate and carry on the business of the Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of business,

cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors;

- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to or by the Debtors;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of any of the Debtors, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtors;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding, and provided further that nothing in this Order shall authorize the Receiver to defend or settle the action in which this Order is made unless otherwise directed by this Court;
- (k) to market any or all the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:
 - (i) without the approval of this Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and

- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,

and in each such case notice under subsection 60(8) of the *Personal Property Security Act*, RSA 2000, c P-7 or any other similar legislation in any other province or territory shall not be required.

- (m) to apply for any vesting order or other orders (including, without limitation, confidentiality or sealing orders) necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to direct the Registrar of Land Titles of Alberta, or any other similar governmental authority, to register a copy of this Order and any other orders in respect of the Property against title to any of the Property, and when submitted by the Receiver for registration this Order shall be immediately registered by the Registrar of Land Titles of Alberta, or any other similar government authority, notwithstanding Section 191 of the *Land Titles Act*, RSA 2000, c L-4, or the provisions of any other similar legislation in any other province or territory, and notwithstanding that the appeal period in respect of this Order has not elapsed and the Registrar of Land Titles shall accept all Affidavits of Corporate Signing Authority submitted by the Receiver in its capacity as Receiver of the Debtors and not in its personal capacity;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have;

- (s) to assign any or all of the Debtors into bankruptcy or obtain a bankruptcy order in respect of any or all of the Debtors, if the Receiver determines that is appropriate and in the best interests of the estate; and
- (t) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. (i) The Debtors, (ii) all of their respective current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being “**Persons**” and each being a “**Person**”) shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver's request.
5. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, and any computer programs, computer tapes, computer disks or other data storage media containing any such information (the foregoing, collectively, the “**Records**”) in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph or in paragraph 5 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.
6. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for

the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names, and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. No proceeding or enforcement process in any court, tribunal or regulatory body (each, a **"Proceeding"**), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

8. No Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of each of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court, provided, however, that nothing in this Order shall: (i) prevent any Person from commencing a proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such proceeding is not commenced before the expiration of the stay provided by this paragraph 8; and (ii) affect a Regulatory Body's investigation in respect of any of the Debtors or an action, suit or proceeding that is taken in respect of any of the Debtors by or before the Regulatory Body, other than the enforcement of a payment order by the Regulatory Body or the Court. **"Regulatory Body"** means a person or body that has powers, duties or functions relating to the enforcement or administration of an Act of Parliament or of the legislature of a province.

NO EXERCISE OF RIGHTS OF REMEDIES

9. All rights and remedies of any Person, whether judicial or extra-judicial, statutory or non-statutory (including, without limitation, set-off rights) against or in respect of each of the Debtors or the Receiver or affecting the Property are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, including, without limitation, any rights or remedies or provisions in any agreement, construction, ownership and

operating agreement, joint venture agreement or any such similar agreement or agreements to which the Debtors is a party that purport to effect or cause a cessation of operatorship as a result of the occurrence of any default or non-performance by or the insolvency of the Debtors, the making or filing of these proceedings or any allegation, admission or evidence in these proceedings and under no circumstances shall the Debtors be replaced as operator pursuant to any such agreements without further order of this Court provided, however, that this stay and suspension does not apply in respect of any "eligible financial contract" (as defined in the BIA), and further provided that nothing in this Order shall:

- (a) empower any of the Debtors to carry on any business that the subject Debtor is not lawfully entitled to carry on;
 - (b) prevent the filing of any registration to preserve or perfect a security interest;
 - (c) prevent the registration of a claim for lien; or
 - (d) exempt the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment.
10. Nothing in this Order shall prevent any party from taking an action against the Applicant 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 Receiver at the first available opportunity.

NO INTERFERENCE WITH THE RECEIVER

11. No Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, lease, licence or permit in favour of or held by the Debtors, without the written consent of the Receiver, or leave of this Court.

CONTINUATION OF SERVICES

12. 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 Debtors, 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 Debtors

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 Debtors or exercising any other remedy provided under such agreements or arrangements. The Debtors shall be entitled to the continued use of its 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 Receiver in accordance with the normal payment practices of the Debtors, or such other practices as may be agreed upon by the supplier or service provider and each of the Debtors and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

EMPLOYEES

14. Subject to employees' rights to terminate their employment, all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the subject Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, SC 2005, c.47 ("**WEPPA**").
15. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, SC 2000, c 5, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such

information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. (a) Notwithstanding anything in any federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:
- (i) before the Receiver's appointment; or
 - (ii) after the Receiver's appointment unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.
- (b) Nothing in sub-paragraph (a) exempts a Receiver from any duty to report or make disclosure imposed by a law referred to in that sub-paragraph.
- (c) Notwithstanding anything in any federal or provincial law, but subject to sub-paragraph (a) hereof, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, the Receiver is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order,
- (i) if, within such time as is specified in the order, within 10 days after the order is made if no time is so specified, within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, or during the period of the stay referred to in clause (ii) below, the Receiver:
 - A. complies with the order, or
 - B. on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;
 - (ii) during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) above, within 10 days after the order is made or within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, by,

- A. the court or body having jurisdiction under the law pursuant to which the order was made to enable the Receiver to contest the order; or
 - B. the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or
- (iii) if the Receiver had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

LIMITATION ON THE RECEIVER'S LIABILITY

17. Except for gross negligence or wilful misconduct, as a result of its appointment or carrying out the provisions of this Order the Receiver shall incur no liability or obligation that exceeds an amount for which it may obtain full indemnity from the Property. Nothing in this Order shall derogate from any limitation on liability or other protection afforded to the Receiver under any applicable law, including, without limitation, Section 14.06, 81.4(5) or 81.6(3) of the BIA.

RECEIVER'S ACCOUNTS

18. The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case, incurred at their standard rates and charges. The Receiver and counsel to the Receiver shall be entitled to the benefits of and are hereby granted a charge (the "**Receiver's Charge**") on the Property, which charge shall not exceed an aggregate amount of \$200,000.00, as security for their professional fees and disbursements incurred at the normal rates and charges of the Receiver and such counsel, both before and after the making of this Order in respect of these proceedings, and the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person but subject to section 14.06(7), 81.4(4) and 81.6(2) and 88 of the BIA.
19. The Receiver and its legal counsel shall pass their accounts from time to time.
20. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including the legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

21. The Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$300,000.00 (or such greater amount as this Court may by further order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges set out in sections 14.06(7), 81.4(4) and 81.6(2) and 88 of the BIA.
22. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
23. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.
24. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.
25. The Receiver shall be allowed to repay any amounts borrowed by way of Receiver's Certificates out of the Property or any proceeds, including any proceeds from the sale of any assets without further approval of this Court.

ALLOCATION

26. Any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the various assets comprising the Property.

GENERAL

27. The Receiver 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 Receiver 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. Any reports of the Receiver shall be filed by the Court Clerk notwithstanding that they do not include an original signature.
29. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.
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 Receiver and its 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 Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.
31. The Receiver be at liberty and is 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 Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
32. The Bank shall have its costs of this Application, up to and including entry and service of this Order, provided for by the terms of the Bank's security or, if not so provided by the Bank's security, then on a substantial indemnity basis, including legal costs on a solicitor-client full indemnity basis, to be paid by the Receiver from the Debtors' estate with such priority and at such time as this Court may determine.
33. Any interested party may apply to this Court to vary or amend this Order on not less than 7 days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

FILING


34. The Receiver shall establish and maintain a website in respect of these proceedings at <https://www.bdo.ca/en-ca/extranets/MetroGroupOfCompanies> (the “**Receiver’s Website**”) and shall post there as soon as practicable:
- (a) all materials prescribed by statute or regulation to be made publically available; and
 - (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, or served upon it, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.
35. Service of this Order shall be deemed good and sufficient by:
- (a) serving the same on:
 - (i) the persons listed on the service list created in these proceedings or otherwise served with notice of these proceedings;
 - (ii) any other person served with notice of the application for this Order;
 - (iii) any other parties attending or represented at the application for this Order; and
 - (b) posting a copy of this Order on the Receiver’s Website
- and service on any other person is hereby dispensed with.
36. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.



Justice of the Court of Queen’s Bench of Alberta

CONSENTED TO BY:

FIELD LAW

Per: 
Trevor Batty
Counsel to Metro Paving and
Roadbuilding Ltd., Metro Paving Ltd.,
Metro Pars Corporation and
Grasslands of Beiseker Development
Corporation

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that BDO Canada Limited ("**BDO**"), in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of all of the assets, undertakings and properties of Metro Paving and Roadbuilding Ltd., Metro Paving Ltd., Metro Pars Corporation and Grasslands of Beiseker Development Corporation, appointed by Order of the Court of Queen's Bench of Alberta (the "**Court**") dated the 20th day of January, 2021 (the "**Order**") made in action number _____, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [**daily**] [**monthly not in advance on the ● day of each month**] after the date hereof at a notional rate per annum equal to the rate of [**●**] per cent above the prime commercial lending rate of Bank of Montreal from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property (as defined in the Order), in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at 350 – 7 Avenue SW, 2nd Floor Calgary, AB T2P 3N9.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.
7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

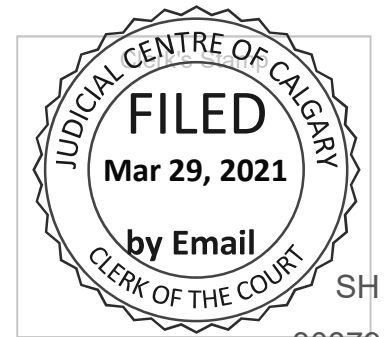
DATED the _____ day of _____, 2021.

BDO CANADA LIMITED, solely in its capacity as Receiver of the Property (as defined in the Order), and not in its personal capacity

Per: _____
Name:
Title:

APPENDIX "B" – SALES PROCESS ORDER DATED MARCH 26, 2021

COURT FILE NO.: 2101-00809
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINITIFF BANK OF MONTREAL
DEFENDANTS METRO PAVING AND ROADBUILDING LTD., METRO PAVING LTD.,
METRO PARS CORPORATION and GRASSLANDS OF BEISEKER
DEVELOPMENT CORPORATION



30879

DOCUMENT **ORDER APPROVING SALES PROCESS, ACTIONS OF RECEIVER,
ETC.**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Cassels Brock & Blackwell LLP
Suite 3810, Bankers Hall West
888 3rd Street SW
Calgary, Alberta, T2P 5C5
Telephone: (403) 351-2921
Facsimile: (403) 648-1151
Email: joliver@cassels.com / dmarechal@cassels.com
File No.: 28677-31

Attention: Jeffrey Oliver / Danielle Marechal

DATE ON WHICH ORDER WAS PRONOUNCED: March 26, 2021
NAME OF JUSTICE WHO MADE THIS ORDER: Justice D.R. Mah
LOCATION OF HEARING: Edmonton, Alberta

UPON THE APPLICATION OF BDO Canada Limited, in its capacity as receiver and manager (in such capacity, the “**Receiver**”) of the assets, undertakings and properties of Metro Paving and Roadbuilding Ltd. (“**Roadbuilding**”), Metro Paving Ltd. (“**Paving**”), Metro Pars Corporation (“**Pars**”) and Grasslands of Beiseker Development Corporation (“**Grasslands**” and together with Roadbuilding and Pars, the “**Companies**”) for an Order, among other things, (i) approving of the conduct and activities of the Receiver; (ii) approving the Receiver’s interim statements of receipts and disbursements; (iii) approving the professional fees and disbursements; and (v) approving the proposed marketing and sale of certain of the Companies’ real estate assets on terms substantially similar to the listing proposals submitted by Jones Lang LaSalle Real Estate Services Inc. (“**JLL**”) and Mr. John Corcoran of Royal LePage Mission (“**Royal Lepage**”); **AND UPON HAVING** read the Receivership Order pronounced on January 20, 2021, the First Report of the Receiver dated March 15, 2021 (the “**Report**”), the Confidential

Supplement to the Report dated March 15, 2021 (the “**Confidential Supplement**”) and the Affidavit of Service of Richard Kay, sworn March 24, 2021; **AND UPON HEARING** counsel for the Receiver, counsel to the Bank of Montreal and all other interested parties present;

IT IS HEREBY ORDERED THAT:

1. Service of this Application and supporting materials is hereby declared to be good and sufficient, and no other person is required to have been served with notice of this application, and time for service of this application is abridged to that actually given.
2. Terms not otherwise defined herein shall have the meaning ascribed to them in the Report.

Approval of Sales Process

3. The Sales Process is hereby approved, and the Receiver is authorized but not obliged to enter into listing agreements with each of JLL and Royal LePage on terms that are substantially similar to those contained in the Appendices “G” and “H” to the Confidential Supplement.
4. The Receiver is hereby authorized to take such additional steps and execute such additional documents as may be necessary or desirable to implement the Sales Process and do all things as are reasonably necessary to conduct and give full effect to the Sales Process and carry out its obligations thereunder.

Actions of the Receiver

5. The Receiver’s activities as set out in the Receiver’s Report and Confidential Supplement, including without limitation the Statement of Receipts and Disbursements as attached to the Receiver’s Report, are hereby ratified and approved.

Approval of Professional Fees

6. The Receiver’s accounts for fees and disbursements for the period of January 12, 2021 to February 28, 2021, as set out in the Receiver’s Report are hereby approved without the necessity of a formal assessment of its accounts.
7. The accounts of the Receiver’s legal counsel, Cassels Brock & Blackwell LLP, for its fees and disbursements for the period of January 13, 2021 to February 28, 2021, as set out in the Receiver’s Report are hereby approved without the necessity of a formal assessment of its accounts.

Service

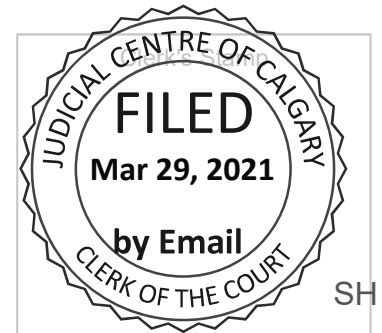
8. Service of this order shall be deemed good and sufficient by serving same on the persons listed on the service list in these proceedings and by posting a copy of it on the Receiver's website at: <http://www.bdo.ca/en-ca/extranets/metrogroupofcompanies>.
9. Service of this order on any party not listed on the service list for this application is hereby dispensed with.



J.C.Q.B.A

APPENDIX "C" – AUCTION ORDER DATED MARCH 26, 2021

COURT FILE NO.: 2101-00809
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF BANK OF MONTREAL
DEFENDANTS METRO PAVING AND ROADBUILDING LTD., METRO PAVING LTD.,
METRO PARS CORPORATION and GRASSLANDS OF BEISEKER
DEVELOPMENT CORPORATION



DOCUMENT **ORDER APPROVING AUCTION AGREEMENT**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Cassels Brock & Blackwell LLP
Suite 3810, Bankers Hall West
888 3rd Street SW
Calgary, Alberta, T2P 5C5
Telephone: (403) 351-2921
Facsimile: (403) 648-1151
Email: joliver@cassels.com / dmarechal@cassels.com
File No.: 28677-31

Attention: Jeffrey Oliver / Danielle Marechal

DATE ON WHICH ORDER WAS PRONOUNCED: March 26, 2021
NAME OF JUSTICE WHO MADE THIS ORDER: Justice D.R. Mah
LOCATION OF HEARING: Edmonton, Alberta

UPON THE APPLICATION OF BDO Canada Limited, in its capacity as receiver and manager (in such capacity, the “**Receiver**”) of the assets, undertakings and properties of Metro Paving and Roadbuilding Ltd. (“**Roadbuilding**”), Metro Paving Ltd. (“**Paving**”), Metro Pars Corporation (“**Pars**”) and Grasslands of Beiseker Development Corporation (“**Grasslands**” and together with Roadbuilding and Pars, the “**Companies**”) for an Order, among other things, (i) authorizing the Receiver to enter into an auction services agreement (the “**Auction Agreement**”) with Corporate Assets Inc. (the “**Auctioneer**”) on terms that are substantially similar to the auction proposal submitted by the Auctioneer on February 19, 2021 (the “**Auction Proposal**”); and (ii) authorizing the Auctioneer to conduct an auction in accordance with terms substantially similar to the Auction Proposal (the “**Auction**”); **AND UPON HAVING** read the Receivership Order pronounced on January 20, 2021, the First Report of the Receiver dated March 15, 2021 (the “**Report**”), the Confidential Supplement to the Report dated March 15, 2021 (the “**Confidential**”

Supplement") and the Affidavit of Service of Richard Kay, sworn March 24, 2021; **AND UPON HEARING** counsel for the Receiver, counsel to the Bank of Montreal and all other interested parties present;

IT IS HEREBY ORDERED THAT:

1. Service of this Application and supporting materials is hereby declared to be good and sufficient, and no other person is required to have been served with notice of this application, and time for service of this application is abridged to that actually given.

Approval of Auction Agreement

2. The Receiver is hereby authorized but not obliged to enter into the Auction Agreement on terms that are substantially similar to those contained in the Auction Proposal.
3. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Auction.
4. Upon:
 - (a) the Auctioneer completing a sale to a purchaser (each a "**Purchaser**") at the Auction of the Companies' property (each a "**Purchased Asset**");
 - (b) receipt by the Auctioneer from such Purchaser of the purchase price determined at the Auction; and
 - (c) delivery by the Auctioneer to such Purchaser of a bill of sale or similar evidence of purchase and sale (each, a "**Purchaser's Bill of Sale**"),

(each an "**Auction Transaction**" and collectively, the "**Auction Transactions**")

all of the Companies' right, title and interest in and to the Purchased Assets purchased by such Purchaser at the Auction and described in such Purchaser's Bill of Sale shall vest absolutely in the name of such Purchaser (or its nominee), free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgments, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing:

- (i) any encumbrances or charges created by the Receivership Order; and

- (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act*, RSA 2000, c P-7 or any other personal property registry system;

and, for greater certainty, this Court orders that all of the encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

5. From and after the closing of each of the Auction Transactions (including the payment of the purchase price by the Purchaser to the Auctioneer), the Receiver or the Auctioneer are authorized to discharge from the Personal Property Registry any claim registered against any of the personal property being purchased by the Purchaser, to the extent the security interest is registered against the interest of the Companies.
6. Upon the completion of all of the Auction Transactions to the satisfaction of the Receiver, the Receiver shall file a certificate substantially in the form attached hereto as Schedule "A" certifying that the Auction Transactions have closed.
7. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets at the Auction (to be held in a trust account by the Receiver) shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Purchaser's Bill of Sale all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to their sale at Auction, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), the Receiver shall not make any distributions to creditors of net proceeds from sale of the Purchased Assets without further order of this Court, provided however the Receiver may apply any part of such net proceeds to repay any amounts the Receiver has borrowed for which it has issued a Receiver's Certificate pursuant to the Receivership Order.
8. The Purchaser (and its nominee, if any) shall, by virtue of the completion of the Auction Transaction, have no liability of any kind whatsoever in respect of any Claims against the Companies.
9. The Companies and all persons who claim by, through or under the Companies in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right,

title, estate, interest, royalty, rental, equity or other Claim whatsoever in respect of or to the Purchased Assets and, to the extent that any such persons or entities remain in possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchases Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).

10. The Purchaser (or its nominee) shall be entitled to enter into and upon and/or hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Companies, or any person claiming by or through or against the Companies.

Miscellaneous Matters

11. Notwithstanding:
 - (a) the pendency of these proceedings and any declaration of insolvency made herein;
 - (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985 c B-3 (the "**BIA**") in respect of the Companies and any bankruptcy order issued pursuant to such applications;
 - (c) any assignment in bankruptcy made in respect of the Companies; and
 - (d) the provisions of any federal statute:

the vesting of each of the Purchased Assets in its respective Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Companies and shall not be void or voidable by creditors of the Companies, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

12. The Receiver, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Auction Transactions.
13. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms

of this Order, to give effect to this Order and to assist the Receiver and its 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 Receiver, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

14. Service of this order shall be deemed good and sufficient by serving same on the persons listed on the service list in these proceedings and by posting a copy of it on the Receiver's website at: <http://www.bdo.ca/en-ca/extranets/metrogroupofcompanies>.
15. Service of this order on any party not listed on the service list for this application is hereby dispensed with.



J.C.Q.B.A

APPENDIX "D" – CERTIFICATE OF APPOINTMENT AS TRUSTEE OF METRO
ROADBUILDING



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of: Alberta
Division No.: 02 - Calgary
Court No.: 25-2736990
Estate No.: 25-2736990

In the Matter of the Bankruptcy of:

Metro Paving & Roadbuilding Ltd.

Debtor

BDO CANADA LIMITED / BDO CANADA LIMITÉE

Licensed Insolvency Trustee

Ordinary Administration

Date and time of bankruptcy:	May 12, 2021, 16:11	Security:	\$0.00
Date of trustee appointment:	May 12, 2021		
Meeting of creditors:	May 31, 2021, 13:00 Meeting to be conducted via Conference Telephone ., Alberta Canada,		
Chair:	Trustee		

CERTIFICATE OF APPOINTMENT - Section 49 of the Act; Rule 85

I, the undersigned, official receiver in and for this bankruptcy district, do hereby certify that:

- the aforementioned debtor filed an assignment under section 49 of the *Bankruptcy and Insolvency Act*;
- the aforementioned trustee was duly appointed trustee of the estate of the debtor.

The said trustee is required:

- to provide to me, without delay, security in the aforementioned amount;
- to send to all creditors, within five days after the date of the trustee's appointment, a notice of the bankruptcy; and
- when applicable, to call in the prescribed manner a first meeting of creditors, to be held at the aforementioned time and place or at any other time and place that may be later requested by the official receiver.

Date: May 12, 2021, 18:23

E-File/Dépôt Electronique

Official Receiver

Harry Hays Building, 220 - 4th Ave SE, Suite 478, Calgary, Alberta, Canada, T2G4X3, (877)376-9902

Canada

APPENDIX "E" – APPROVAL AND VESTING ORDER DATED JUNE 30, 2021

COURT FILE NUMBER 2101-00809
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF BANK OF MONTREAL
DEFENDANT METRO PAVING AND ROADBUILDING LTD., METRO PAVING LTD.,
METRO PARS CORPORATION and GRASSLANDS OF BEISEKER
DEVELOPMENT CORPORATION
DOCUMENT **APPROVAL AND VESTING ORDER**



ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Cassels Brock & Blackwell LLP
Suite 3810, Bankers Hall West
888 3rd Street SW
Calgary, Alberta, T2P 5C5
Telephone: (403) 351-2921
Facsimile: (403) 648-1151
Email: joliver@cassels.com / dmarechal@cassels.com
File No.: 28677-31
Attention: Jeffrey Oliver / Danielle Marechal

DATE ON WHICH ORDER WAS PRONOUNCED: June 30, 2021

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice L.B. Ho

UPON THE APPLICATION BDO Canada Limited, in its capacity as receiver and manager (in such capacity, the "**Receiver**") of the assets, undertakings and properties of Metro Paving and Roadbuilding Ltd. ("**Roadbuilding**"), Metro Paving Ltd. ("**Paving**"), Metro Pars Corporation ("**Pars**") and Grasslands of Beiseker Development Corporation ("**Grasslands**" and together with Roadbuilding and Pars, the "**Debtors**") for an Order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and Scorpio Masonry (Northern) Inc. (the "**Purchaser**") dated June 21, 2021, and appended to the Third Report of the Receiver dated June 21, 2021 (the "**Report**") in redacted form as Appendix "E" and unredacted form as Appendix "D" to the Confidential Supplement to the Report (the "**Confidential Supplement**"), and vesting in the Purchaser (or

its nominee) the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**");

AND UPON HAVING READ the Receivership Order dated January 20, 2021 (the "**Receivership Order**"), the Report, the Confidential Supplement, and the Affidavit of Service of Richard Kay sworn June 28, 2021; **AND UPON HEARING** the submissions of counsel for the Receiver and any other interested parties in attendance;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application and time for service of this application is abridged to that actually given.

APPROVAL OF TRANSACTION

2. The Transaction is hereby approved and execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for completion of the Transaction and conveyance of the Purchased Assets to the Purchaser (or its nominee).

VESTING OF PROPERTY

3. Upon delivery of a Receiver's certificate to the Purchaser (or its nominee) substantially in the form set out in **Schedule "A"** hereto (the "**Receiver's Closing Certificate**"), all of the Debtors' right, title and interest in and to the Purchased Assets listed in **Schedule "B"** hereto shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, "**Claims**") including, without limiting the generality of the foregoing:
 - (a) any encumbrances or charges created by the Receivership Order;

- (b) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;
- (c) any liens or claims of lien under the *Builders' Lien Act* (Alberta); and
- (d) those Claims listed in **Schedule "C"** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, caveats, interests, easements, and restrictive covenants listed in **Schedule "D"** (collectively, "**Permitted Encumbrances**"))

and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets.

4. Upon delivery of the Receiver's Closing Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Receiver's Closing Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser or its nominee clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing:

- (a) the Registrar of Land Titles ("**Land Titles Registrar**") for the lands defined below shall and is hereby authorized, requested and directed to forthwith:
 - (i) cancel existing Certificates of Title No. 871 169 162 for those lands and premises municipally described as 7615-40 St NE, Calgary, Alberta, and legally described as:

PLAN CALGARY 2474JK

BLOCK FIVE (5)

LOT NINE (9)

EXCEPTING THEREOUT:

PLAN	NUMBER	AREA
------	--------	------

ROAD	8611132	PORTION
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EXCEPTING THEREOUT ALL MINES AND MINERALS

(the "**Lands**")

- (ii) issue a new Certificate of Title for the Lands in the name of the Purchaser (or its nominee), namely, SCORPIO MASONRY (NORTHERN) INC.;
 - (iii) transfer to the New Certificate of Title the existing instruments listed in **Schedule “D”**, to this Order, and to issue and register against the New Certificate of Title such new caveats, utility rights of ways, easements or other instruments as are listed in **Schedule “D”**; and
 - (iv) discharge and expunge the Encumbrances listed in **Schedule “C”** to this Order and discharge and expunge any Claims including Encumbrances (but excluding Permitted Encumbrances) which may be registered after the date of the Sale Agreement against the existing Certificate of Title to the Lands; and
- (b) the Registrar of the Alberta Personal Property Registry (the “**PPR Registrar**”) shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Debtors in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.
5. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Receiver’s Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.
 6. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Receiver of the Sale Agreement.
 7. Upon delivery of the Receiver’s Closing Certificate together with a certified copy of this Order, this Order shall be immediately registered by the Land Titles Registrar notwithstanding the requirements of section 191(1) of the *Land Titles Act*, RSA 2000, c.L-7 and notwithstanding that the appeal period in respect of this Order has not elapsed. The Land Titles Registrar is hereby directed to accept all Affidavits of Corporate Signing Authority submitted by the Receiver in its capacity as Receiver of the Debtors and not in its personal capacity.
 8. For the purposes of determining the nature and priority of Claims, net proceeds from sale of the Purchased Assets (to be held in an interest bearing trust account by the Receiver) shall stand in

the place and stead of the Purchased Assets from and after delivery of the Receiver's Closing Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), the Receiver shall not make any distributions to creditors of net proceeds from sale of the Purchased Assets without further order of this Court, provided however the Receiver may apply any part of such net proceeds to repay any amounts the Receiver has borrowed for which it has issued a Receiver's Certificate pursuant to the Receivership Order.

9. Except as expressly provided for in the Sale Agreement or by section 5 of the Alberta *Employment Standards Code*, the Purchaser (or its nominee) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Debtors.
10. Upon completion of the Transaction, the Debtors and all persons who claim by, through or under the Debtors in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).
11. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Debtors, or any person claiming by, through or against the Debtors.
12. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Receiver.
13. The Receiver is directed to file with the Court a copy of the Receiver's Closing Certificate forthwith after delivery thereof to the Purchaser (or its nominee).

14. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada) and section 20(e) of the *Alberta Personal Information Protection Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser (or its nominee) all human resources and payroll information in the Debtors' records pertaining to the Debtors' past and current employees. The Purchaser (or its nominee) shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use (of such information) to which the Debtors were entitled.

MISCELLANEOUS MATTERS

15. Notwithstanding:
- (a) the pendency of these proceedings and any declaration of insolvency made herein;
 - (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (the "BIA"), in respect of the Debtors, and any bankruptcy order issued pursuant to any such applications;
 - (c) any assignment in bankruptcy made in respect of the Debtors; and
 - (d) the provisions of any federal or provincial statute

the vesting of the Purchased Assets in the Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtors and shall not be void or voidable by creditors of the Debtors, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

16. The Receiver, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
17. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby

respectfully requested to make such order and to provide such assistance to the Receiver, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

18. Service of this Order shall be deemed good and sufficient by:
- (a) Serving the same on:
 - (i) the persons listed on the service list created in these proceedings;
 - (ii) any other person served with notice of the application for this Order;
 - (iii) any other parties attending or represented at the application for this Order;
 - (iv) the Purchaser or the Purchaser's solicitors; and
 - (b) Posting a copy of this Order on the Receiver's website at: <https://www.bdo.ca/en-ca/extranets/metrogroupofcompanies/>

and service on any other person is hereby dispensed with.

19. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.



Justice of the Court of Queen's Bench of Alberta

SCHEDULE "A"
FORM OF RECEIVER'S CERTIFICATE

COURT FILE NUMBER	2101-00809	Clerk's Stamp
COURT	COURT OF QUEEN'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
PLAINTIFF	BANK OF MONTREAL	
DEFENDANT	METRO PAVING AND ROADBUILDING LTD., METRO PAVING LTD., METRO PARS CORPORATION and GRASSLANDS OF BEISEKER DEVELOPMENT CORPORATION	
DOCUMENT	RECEIVER'S CERTIFICATE	

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Cassels Brock & Blackwell LLP Suite 3810, Bankers Hall West 888 3 rd Street SW Calgary, Alberta, T2P 5C5 Telephone: (403) 351-2921 Facsimile: (403) 648-1151 Email: joliver@cassels.com / dmarechal@cassels.com File No.: 28677-31 Attention: Jeffrey Oliver / Danielle Marechal
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RECITALS

- A. Pursuant to an Order of the Honourable Justice K.M. Eidsvik of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**") dated January 20, 2021, BDO Canada Limited was appointed as the receiver (in such capacity, the "**Receiver**") of the undertakings, property and assets of Metro Paving and Roadbuilding Ltd., Metro Paving Ltd., Metro Pars Corporation and Grasslands of Beiseker Development Corporation (the "**Debtors**").

- B. Pursuant to an Order of the Court dated June 30, 2021, the Court approved the agreement of purchase and sale made as of June 21, 2021 (the "**Sale Agreement**") between the Receiver and Scorpio Masonry (Northern) Inc. (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in article 7 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.
- C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser (or its nominee) has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in article 7 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser (or its nominee); and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at **[Time]** on **[Date]**.

BDO CANADA LIMITED, in its capacity as Receiver of the undertakings, property and assets of METRO PAVING AND ROADBUILDING LTD., METRO PAVING LTD., METRO PARS CORPORATION and GRASSLANDS OF BEISEKER DEVELOPMENT CORPORATION, and not in its personal capacity.

Per; _____

Name:

Title:

SCHEDULE "B"
PURCHASED ASSETS

All of Metro Paving Ltd.'s right title and interest in and to the following:

LEASE

Lease Agreement dated May 9, 2018 (the "**Lease**"), between the Metro Paving Ltd., as landlord, and Ledcor Construction Limited, as tenant, as it relates to those certain premises relating to that portion of the Lands (as defined below), as further set out in the Lease, to the extent that the Lease has not been terminated on or before the Closing Date (as defined in the Sale Agreement).

CHATTELS

1. ACCENT SWITCHVIEW 1000 8-PORT KVM SWITCH, S/N: N/A
2. TYCO VIDEO RECEIVER WITH (8) CAMERAS, S/N: N/A
3. LOT/ WESTERN DIGITAL AND IOMEGA DRIVES
4. HP PROLIANT DL380 GEN9 SERVER AND ATEN MASTERVIEW MAX, S/N: N/A
5. LOT/ (1) APC UPS SMART-UPS 3000RT AND (1) APC UPS SMART-UPS 3000XL POWER BACKUPS
6. APC SERVER TOWER ENCLOSURE, S/N: N/A
7. SOPHOS XG 210 FIREWALL WITH (3) PROCURVE SWITCHES, S/N: N/A
8. PANASONIC KX-TDA100 PHONE SYSTEM WITH HANDSETS, S/N: N/A

LANDS

See attached certificate of title (the "**Lands**").

ENCUMBRANCES, LIENS & INTERESTS

PAGE 2

REGISTRATION

871 169 162

NUMBER DATE (D/M/Y) PARTICULARS

REGULATIONS

851 080 981 21/05/1985 CAVEAT
RE : SEE CAVEAT
CAVEATOR - THE CITY OF CALGARY.
P. O. BOX 2100, POSTAL STATION M, CALGARY
ALBERTA
AGENT - R W VERDEC

191 073 849 16/04/2019 MORTGAGE
MORTGAGEE - BANK OF MONTREAL.
350-7AVE SW 2ND FLR
CALGARY
ALBERTA T2P3N9
ORIGINAL PRINCIPAL AMOUNT: \$3,200,000

191 073 850 16/04/2019 CAVEAT
RE : ASSIGNMENT OF RENTS AND LEASES
CAVEATOR - BANK OF MONTREAL.
350-7AVE SW 2ND FLR
CALGARY
ALBERTA T2P3N9
AGENT - COLIN L YEO

191 091 148 14/05/2019 CAVEAT
RE : LEASE INTEREST
CAVEATOR - LEDCOR CONSTRUCTION LTD.
ATTN:ROD NEYS (EXECUTIVE VICE PRESIDENT, LEGAL)
1067 W CORDOVA ST #1200
VANCOUVER
BRITISH COLUMBIA V6C1C7
AGENT - ADRIAN J SHERMAN

211 058 614 19/03/2021 ORDER
IN FAVOUR OF - BDO CANADA LIMITED.
3810, 888-3 STREET SW
CALGARY
ALBERTA T2P5C5
RECEIVERSHIP ORDER

TOTAL INSTRUMENTS: 007

(CONTINUED)

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN
ACCURATE REPRODUCTION OF THE CERTIFICATE OF
TITLE REPRESENTED HEREIN THIS 30 DAY OF JUNE,
2021 AT 07:22 A.M.

ORDER NUMBER: 42047100

CUSTOMER FILE NUMBER: 28677-31 kn



END OF CERTIFICATE

THIS ELECTRONICALLY TRANSMITTED LAND TITLES PRODUCT IS INTENDED
FOR THE SOLE USE OF THE ORIGINAL PURCHASER, AND NONE OTHER,
SUBJECT TO WHAT IS SET OUT IN THE PARAGRAPH BELOW.

THE ABOVE PROVISIONS DO NOT PROHIBIT THE ORIGINAL PURCHASER FROM
INCLUDING THIS UNMODIFIED PRODUCT IN ANY REPORT, OPINION,
APPRAISAL OR OTHER ADVICE PREPARED BY THE ORIGINAL PURCHASER AS
PART OF THE ORIGINAL PURCHASER APPLYING PROFESSIONAL, CONSULTING
OR TECHNICAL EXPERTISE FOR THE BENEFIT OF CLIENT(S).

SCHEDULE "C"
ENCUMBRANCES

Registration Number	Date	Particulars
191 073 849	April 16, 2019	Mortgage Mortgagee – Bank of Montreal
191 073 850	April 16, 2019	Caveat Re: Assignment of Rents and Leases Caveator – Bank of Montreal
211 058 614	March 19, 2021	Order In Favour Of – BDO Canada Limited.

SCHEDULE "D"
PERMITTED ENCUMBRANCES

Registration Number	Date	Particulars
1200KK	February 4, 1969	Utility Right of Way Grantee – Canadian Western Natural Gas Company
771 147 064	October 20, 1977	Zoning Regulations Subject to Calgary International Airport Zoning Regulations
851 080 981	May 21, 1985	Caveat Re: See Caveat Caveator – The City of Calgary
191 091 148	May 14, 2019	Caveat Re: Lease Interest Caveator – Ledcor Construction Ltd.

APPENDIX "F" – SEALING ORDER DATED JUNE 30, 2021

COURT FILE NO.: 2101-00809
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF BANK OF MONTREAL
DEFENDANTS METRO PAVING AND ROADBUILDING LTD., METRO PAVING LTD.,
METRO PARS CORPORATION and GRASSLANDS OF BEISEKER
DEVELOPMENT CORPORATION



DOCUMENT **SEALING ORDER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Cassels Brock & Blackwell LLP
Suite 3810, Bankers Hall West
888 3rd Street SW
Calgary, Alberta, T2P 5C5
Telephone: (403) 351-2921
Facsimile: (403) 648-1151
Email: joliver@cassels.com / dmarechal@cassels.com
File No.: 28677-31

Attention: Jeffrey Oliver / Danielle Marechal

DATE ON WHICH ORDER WAS PRONOUNCED: June 30, 2021
LOCATION OF HEARING: Calgary, Alberta
NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice L.B. Ho

UPON THE APPLICATION OF BDO Canada Limited, in its capacity as receiver and manager (in such capacity, the “**Receiver**”) of the assets, undertakings and properties of Metro Paving and Roadbuilding Ltd. (“**Roadbuilding**”), Metro Paving Ltd. (“**Paving**”), Metro Pars Corporation (“**Pars**”) and Grasslands of Beiseker Development Corporation (“**Grasslands**” and together with Roadbuilding and Pars, the “**Companies**”) for an Order, among other things, approving a purchase and sale agreement (the “**PSA**”) between the Receiver and Scorpio Masonry (Northern) Inc. dated June 21, 2021; **AND UPON HAVING** read the Receivership Order pronounced on January 20, 2021, the Second Report of the Receiver dated May 31, 2021 and the Third Report of the Receiver dated June 21, 2021, the Confidential Supplement to the Report dated June 21, 2021 (the “**Confidential Supplement**”) and the Affidavit of Service of Richard Kay, sworn June 28, 2021; **AND UPON HEARING** counsel for the Receiver, counsel to the Bank of Montreal and any other interested parties in attendance;

IT IS HEREBY ORDERED THAT:

1. Service of this Application and supporting materials is hereby declared to be good and sufficient, and no other person is required to have been served with notice of this application, and time for service of this application is abridged to that actually given.

Sealing Order

2. The Confidential Supplement shall be sealed on the Court file, notwithstanding Division 4 of Part 6 of the *Alberta Rules of Court*, Alta Reg 124/2010, until the earlier of:
 - (a) the filing of Receiver's certificate(s) confirming that the sale of the Purchased Assets (as defined in the PSA) has closed;
 - (b) the discharge of the Receiver; or
 - (c) further Order of this Honourable Court;

(the "**Unsealing Date**").

3. The Confidential Supplement shall, until the Unsealing Date be sealed and kept confidential, to be shown only to a Justice of the Court of Queen's Bench of Alberta, and accordingly, shall be filed with the Clerk of the Court who shall keep the Confidential Supplement in a sealed envelope attached to a notice that sets out the style of cause of these proceedings and states:

THIS ENVELOPE CONTAINS CONFIDENTIAL MATERIALS FILED IN COURT FILE NO. 2101-00809. THE CONFIDENTIAL MATERIALS ARE SEALED PURSUANT TO THE SEALING ORDER ISSUED BY THE HONOURABLE MADAM JUSTICE L.B. HO ON JUNE 30, 2021.

4. The Receiver is empowered and authorized, but not directed, to provide the Confidential Supplement (or any portion thereof, or information contained therein) to any interested party, entity or person that the Receiver considers reasonable in the circumstances, subject to confidentiality arrangements satisfactory to the Receiver.
5. Any party may apply to set aside paragraph 2 of this order upon providing the Receiver and all other interested parties with 5 days notice of such application.
6. Service of this order shall be deemed good and sufficient by serving same on the persons listed on the service list in these proceedings and by posting a copy of it on the Receiver's website at: <http://www.bdo.ca/en-ca/extranets/metrogroupofcompanies>.

7. Service of this order on any party not listed on the service list for this application is hereby dispensed with.

A handwritten signature in black ink, appearing to read "J.C.Q.B.A.", written in a cursive style.

J.C.Q.B.A.

APPENDIX "G" – INTERIM DISTRIBUTION ORDER DATED JUNE 30, 2021

COURT FILE NO.: 2101-00809
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF BANK OF MONTREAL

Clerk's Stamp

DEFENDANTS METRO PAVING AND ROADBUILDING LTD., METRO PAVING LTD.,
METRO PARS CORPORATION and GRASSLANDS OF BEISEKER
DEVELOPMENT CORPORATION

DOCUMENT **ORDER APPROVING INTERIM DISTRIBUTION, ACTIONS OF
RECEIVER, ETC.**

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION
OF PARTY
FILING THIS
DOCUMENT

Cassels Brock & Blackwell LLP
Suite 3810, Bankers Hall West
888 3rd Street SW
Calgary, Alberta, T2P 5C5
Telephone: (403) 351-2921
Facsimile: (403) 648-1151
Email: joliver@cassels.com / dmarechal@cassels.com
File No.: 28677-31

Attention: Jeffrey Oliver / Danielle Marechal

DATE ON WHICH ORDER WAS PRONOUNCED: June 30, 2021
NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice L.B. Ho
LOCATION OF HEARING: Calgary, Alberta

UPON THE APPLICATION OF BDO Canada Limited, in its capacity as receiver and manager (in such capacity, the “**Receiver**”) of the assets, undertakings and properties of Metro Paving and Roadbuilding Ltd. (“**Roadbuilding**”), Metro Paving Ltd. (“**Paving**”), Metro Pars Corporation (“**Pars**”) and Grasslands of Beiseker Development Corporation (“**Grasslands**” and together with Roadbuilding and Pars, the “**Companies**”) for an Order, *inter alia*, (i) approving of the conduct and activities of the Receiver; and (ii) approving the Receiver’s interim statements of receipts and disbursements; **AND UPON HAVING READ** the Receivership Order pronounced on January 20, 2021, the Second Report of the Receiver dated May 31, 2021 (the “**Second Report**”), the Third Report of the Receiver dated June 21, 2021 (the “**Third Report**”), the Confidential Supplement to the Report dated June 21, 2021 (the “**Confidential Supplement**”), Affidavit of Service of Richard Kay, sworn June 28, 2021, the Fee Affidavit of Jeffrey Oliver,

sworn June 21, 2021 and the Fee Affidavit of Clark Lonergan, sworn June 21, 2021; **AND UPON HEARING** the submissions of counsel to the Receiver and any other interested party;

IT IS HEREBY ORDERED THAT:

1. Service of this Application and supporting materials is hereby declared to be good and sufficient, and no other person is required to have been served with notice of this application, and time for service of this application is abridged to that actually given.
2. Terms not otherwise defined herein shall have the meaning ascribed to them in the Second Report and the Third Report.

Interim Distribution

3. Following the payment of professional fees and other administrative costs associated with the sale of the Calgary Property and Auction Sale, the Receiver is hereby authorized and empowered to make the distributions set out in paragraphs 70 and 71 of the Third Report provided that such distributions shall be subject to reasonable holdbacks as the Receiver deems necessary for the payment of estimated priority payables and the administration of these proceedings.

Actions of the Receiver

4. The Receiver's activities as set out in the Second Report, Third Report and Confidential Supplement, including without limitation, the Statement of Receipts and Disbursements, are hereby ratified and approved.

Service

5. Service of this order shall be deemed good and sufficient by serving same on the persons listed on the service list in these proceedings and by posting a copy of it on the Receiver's website at: <http://www.bdo.ca/en-ca/extranets/metrogroupofcompanies>.
6. Service of this order on any party not listed on the service list for this application is hereby dispensed with.



J.C.Q.B.A

APPENDIX "H" – SALE AGREEMENT BETWEEN RECEIVER AND N.P.A. LTD

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT is made this 13th day of October, 2021 BETWEEN:

BDO CANADA LIMITED, solely in its capacity as the Court-appointed receiver and manager of the assets, properties and undertakings of Metro Paving and Roadbuilding Ltd., and not in its personal capacity

(hereinafter referred to as the “**Receiver**” or “**Vendor**”)

OF THE FIRST PART

- and -

N.P.A. Ltd., a corporation incorporated under the laws of the Province of Alberta

(hereinafter referred to as the “**Purchaser**”)

OF THE SECOND PART

WHEREAS:

- A. Pursuant to an order of the Court of Queen’s Bench of Alberta (the “**Court**”) pronounced on January 20, 2021 (the “**Receivership Order**”), BDO Canada Limited was appointed as receiver and manager (in such capacities, the “**Receiver**”) of all current and future assets, undertakings and properties (the “**Property**”) of Metro Paving and Roadbuilding Ltd. (“**Metro Roadbuilding**” or the “**Company**”).
- B. Pursuant to the Receivership Order, the Receiver is authorized to, among other things, sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:
 - i. Without the approval of the Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and
 - ii. With the approval of the Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in paragraph i, above.

- C. The Vendor has agreed to sell, and Purchaser has agreed to purchase on an “as is, where is” basis the assets outlined in the listing attached hereto as **Schedule “A”** (collectively, the “**Purchased Assets**”) pursuant to the terms and conditions of this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that for good and valuable consideration, the receipt and sufficiency of which each Party acknowledges, the Parties agree as follows:

1. Upon the terms and subject to the conditions set forth in this Agreement, on the Closing Date (as hereinafter defined), the Receiver shall sell, assign and transfer to the Purchaser all of the Debtors’ right, title and interest, if any, in and to the Purchased Assets.
2. The purchase price payable by the Purchaser to the Vendor in consideration of the transfer of the Purchased Assets shall be \$39,407.68 (the “**Purchase Price**”).
3. The Purchase Price shall be payable on or before the Closing Date in immediately available funds by way of bank draft, certified cheque, or electronic fund transfer, or as the Receiver may otherwise direct in writing.
4. In addition to the Purchase Price, the Purchaser shall pay to the Receiver on or before the Closing Date, by one of the methods listed in Section 3 above, any and all applicable, federal, provincial and municipal Taxes (as hereinafter defined) exigible in connection with the sale of the Purchased Assets by the Receiver to the Purchaser pursuant to this Agreement, including, without limitation, sales taxes. With respect to GST only, the Purchaser shall have the option of furnishing the Receiver at closing with an election under section 167 of the *Excise Tax Act* (Canada), which is in form and content satisfactory to the Receiver, acting reasonably, and the Purchaser shall file such election with its GST return for the reporting period in which the sale of the Purchased Assets takes place. The Purchaser shall indemnify and hold the Receiver harmless from any costs, expenses or damages suffered by the Receiver: (i) in the event an election or exemption was not, in fact, available under the *Excise Tax Act* (Canada) in relation to the sale of the Purchased Assets; and (ii) as a result of the failure by the Purchaser to pay any Taxes exigible in accordance with this section, whether arising from reassessment required of it, or pursuant to the taxation or statutes governing the granting of such election or exemptions. “**Taxes**” means all federal, provincial and municipal taxes levied by (i) any multinational, federal, provincial, state, municipal, local or other government or public department, central bank, court, commission, board, bureau, agency or instrumentality, domestic or foreign (ii) any subdivision or authority of any of the foregoing, or (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above, including, without limitation, federal sales tax.

“AS IS, WHERE IS”

5. The Purchaser acknowledges and confirms that the Purchased Assets are being sold on an “as is, where is” basis. The Purchaser is fully familiar with the condition of the Purchased Assets. The Purchaser has conducted such investigations concerning the Purchased Assets as the Purchaser decided, were appropriate, and has satisfied itself concerning all matters affecting the Purchased Assets. No representation, warranty or condition, either express or implied, oral or written has been or will be given by the Receiver as to the title, encumbrances, description, fitness for purpose, merchantability, marketability, location, quantity, condition or quality of the Purchased Assets, or in respect

of any other matter or thing whatsoever in connection with the Purchased Assets. All representations, conditions and warranties expressed or implied pursuant to the provisions of the *Sale of Goods Act (Alberta)* do not apply hereto and have been waived by the Purchaser. The Receiver has not made or given and does not make or give any representations or warranties, as to the Receiver's status or capacity, as to the title to the Purchased Assets or its freedom from encumbrances, or as to any other matter whatsoever concerning the Purchased Assets.

6. The Purchaser acknowledges to and in favour of the Receiver that it has relied entirely upon its own inspection and investigation in entering into this Agreement and purchasing the Purchased Assets from the Receiver.
7. The Receiver shall not be required to produce any abstract of title, title deed, or documents or copies thereof or any evidence as to title, other than those in its possession.
8. The Purchaser agrees that the Receiver is under no obligation to deliver the Purchased Assets to the Purchaser and the Purchaser shall make its own arrangements to transfer the Purchased Assets into the Purchaser's name.

REMOVAL OF PURCHASED ASSETS

9. The Purchaser agrees to remove the Purchased Assets from gravel pit located in Hinton which is owned by West Central Contracting Ltd. (the "**Hinton Gravel Pit**") and from gravel pit located in Seebe which is owned by Lafarge Canada Inc. (the "**Seebe Gravel Pit**", and together with Hinton Gravel Pit, the "**Premises**") by no later than December 31, 2021, or as otherwise agreed upon by the Purchaser and the owners of the Hinton Gravel Pit and Seebe Gravel Pit (the "**Removal Date**", where the period between the Closing Date and the Removal Date is hereby referred to as the "**Removal Period**"). The Purchaser will be provided with instructions to access the Premises during the Removal Period for the purpose of removing the Purchased Assets.
10. The Purchaser shall indemnify and save the Receiver and its directors, officers, servants, agents and employees harmless from any and all losses which may be brought against or suffered by the Receiver, its directors, officers, servants, agents or employees or which they may sustain, pay or incur as a result or in respect of any matter or thing arising out of, resulting from, attributable to or connected with the Premises or the Purchased Assets and the Purchaser being provided access to the Premises during the Removal Period.
11. At its own cost, the Purchaser (or its agents) shall remove the Purchased Assets from the Premises, ensuring that either its agents or the respective purchaser of the Purchased Assets (the "**Removing Parties**") secure, dismantle, remove and take possession of the Purchased Assets from the Premises in a diligent, workmanlike, professional and competent manner, and in doing so will ensure that the Removing Parties exercise the care of a prudent owner, in order to ensure no damage is made to the Premises; and where damage has occurred, shall ensure that either it or the Removing Parties remedy and repair any damages and condition resulting from their removal of the Purchased Assets, at their own cost.
12. The Purchaser shall ensure that all of the Purchased Assets are removed from the Premises within the Removal Period and the Premises are left in an acceptable condition to the owners of the Premises.

13. The Purchaser shall not be responsible or liable for any environmental conditions or damage (except for any damage caused by the removal of the Purchased Assets from the Premises). The Purchaser shall have no obligation to deal with, store or remove any hazardous, environmentally-regulated or waste substances of any kind in, on, under or affecting the Premises, except for those accidentally spilled from the Purchased Assets.

REPRESENTATIONS AND WARRANTIES OF THE RECEIVER

14. The Receiver represents and warrants to and in favour of the Purchaser, understanding that such is being relied upon, as follows:
- (a) the Receiver was appointed by the Court as receiver and manager of the Property pursuant to the Receivership Order; and
 - (b) the Receiver has full power, right and authority to execute this Agreement and to convey to the Purchaser the right, title and interest of the Debtors in and to the Purchased Assets.

REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

15. The Purchaser hereby represents and warrants to and in favour of the Receiver, understanding that such is being relied upon, as follows:
- (a) the Purchaser has been duly and validly incorporated under the laws of the Province of Alberta and is a valid and subsisting corporation;
 - (b) the Purchaser has the corporate right, power and authority to enter into this Agreement and to complete the transactions contemplated hereby;
 - (c) all necessary actions and approvals have been taken or obtained by the Purchaser to authorize the creation, execution, delivery and performance of this Agreement;
 - (d) this Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms;
 - (e) the Purchaser is a "registrant" under Part IX of the *Excise Tax Act* (Canada) and its registration number is R _____; and
 - (f) there is no requirement to make any filing with, give any notice to, or obtain any authorization of any governmental entity as a condition to the lawful completion of the transaction contemplated by this Agreement.

CONDITIONS IN FAVOUR OF RECEIVER

16. The following conditions in favour of the Receiver must be fulfilled on or before the Closing Date, provided that any such date may be extended by the mutual agreement of each of the Purchaser and the Receiver, and which conditions are inserted for the sole benefit of the Receiver and may be waived only by the Receiver by notice in writing to the Purchaser on or before the Closing Date:

- (a) the representations and warranties of the Purchaser shall be true and correct as of the Closing Date;
- (b) no person entitled by law to do so shall have redeemed the Purchased Assets and no part of the Purchased Assets shall have been removed from the control of the Receiver by any means or process;
- (c) as of the Closing Date, no order shall have been made and no motion, action or proceeding shall be pending, threatened or commenced by any person, government, government authority, regulatory body or agency in any jurisdiction which seeks to restrain or prevent the sale of the Purchased Assets under this Agreement or seeks to restrict, prohibit or direct the Receiver not to complete the transaction contemplated by this Agreement; and
- (d) as at the Closing Date, all of the terms, covenants and conditions of this Agreement to be performed or complied with by the Purchaser on or before the Closing Date shall have been performed or complied with except as otherwise agreed upon by the parties.

In the event that any of the foregoing conditions are not fulfilled or waived by the Receiver on or before the Closing Date, this Agreement may be terminated by the Receiver in accordance with Section 20.

CONDITIONS IN FAVOUR OF PURCHASER

17. The following conditions in favour of the Purchaser must be fulfilled on or before the Closing Date, provided that any such date may be extended by the mutual agreement of each of the Purchaser and the Receiver, and which conditions are inserted for the sole benefit of the Purchaser and may be waived only by the Purchaser by notice in writing to the Receiver on or before the Closing Date:
- (a) the representations and warranties of the Receiver shall be true and correct as at the Closing Date; and
 - (b) as at the Closing Date, all of the terms, covenants and conditions of this Agreement to be performed or complied with by the Receiver at or prior to the Closing Date shall have been performed or complied with.

In the event that any of the foregoing conditions are not fulfilled or waived by the Purchaser on or before the Closing Date, this Agreement may be terminated at the Purchaser's option in accordance with Section 20.

CLOSING

18. Closing shall take place on November 30, 2021 (the "**Closing Date**") at the offices of the Vendor's lawyers, Cassels Brock & Blackwell LLP Suite 3810, Bankers Hall West, 888 3rd Street SW Calgary, Alberta T2P 5C5 or such other place and in such other manner as the Parties may agree.
19. At or before the Closing Date, the Purchaser will deliver, or cause to be delivered, to the Vendor:

- (a) the Purchase Price; and
- (b) such further and other documentation as the Vendor may reasonably require, in a form and content satisfactory to the Vendor acting reasonably.

TERMINATION

- 20. This Agreement may be terminated at any time prior to the Closing Date:
 - (a) by mutual written agreement of the Vendor and the Purchaser; or
 - (b) by either the Vendor or the Purchaser pursuant to Sections 15 or 16, as applicable.
- 21. If this Agreement is terminated by the Vendor or the Purchaser as permitted under Section 20, then Sections 10 and 26 shall remain in full force and effect following any such permitted termination.

GENERAL PROVISIONS

- 22. This Agreement constitutes the entire agreement between the Parties and there are no representations or warranties, express or implied, statutory or otherwise and no agreements collateral to this Agreement other than as expressly set out or referred to in this Agreement.
- 23. This Agreement will be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.
- 24. Each of the parties hereto will from time to time and at the reasonable request and expense of the party making such request, do or take or cause to be done or taken such acts or actions, and will execute and deliver to the other or cause to be executed and delivered to the other such further instruments, documents, and assurances, as may be reasonably necessary to give effect to this Agreement.
- 25. This Agreement and all of its provisions will enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
- 26. The Purchaser acknowledges and agrees that the Receiver is entering into this Agreement solely in its capacity as the Receiver and the Receiver shall not incur personal or corporate liability, in contract, in tort, or at equity as a result of its entering into this Agreement. Any claim against the Receiver shall be limited to and only enforceable against the property and assets then held by or available to it in its capacity as receiver of the undertakings, properties and assets of the Debtors and shall not apply to its personal property and other assets held by it in any other capacity. The term "Receiver" as used in this Agreement shall have no inference or reference to the present registered owner of the Purchased Assets.
- 27. This Agreement may be executed in counterparts, each of which when executed and delivered is an original and all of which when taken together constitute one and the same instrument.
- 28. This Agreement may be executed and delivered by e-mail transmission and the parties

may rely on PDF signatures as though they were originals.

[The remainder of this page is intentionally left blank]

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first above written.

BDO CANADA LIMITED, solely in its capacity as the Court-appointed receiver and manager of the assets, properties and undertakings of Metro Paving and Roadbuilding Ltd, and not in its personal capacity

By: _____

Name: Clark Lonergan

Title: Senior Vice President

(I have authority to bind the Receiver)

N.P.A. Ltd.

By: _____

Name: Michael Cardinal

Title: Central Division & Indigenous Relations Manager

(I have authority to bind the corporation)

SCHEDULE A

Hinton	m3	Conversion Rate	Tonnes
Pile 1	288.472	1.55	447.13
Pile 2	1,086.300	1.55	1,683.77
Pile 3	2,336.728	1.50	3,505.09
Pile 4	1,269.659	1.50	1,904.49
	<u>4,981.159</u>		<u>7,540.48</u>

Seebe	m3	Conversion Rate	Tonnes
Asphalt RAP	52.290	1.70	88.89
Blend sand	168.110	1.50	252.17
	<u>220.400</u>		<u>341.06</u>

Total tonnage			7,881.54
Price per tonne			<u>\$ 5.00</u>
Purchase price			<u>\$ 39,407.68</u>

APPENDIX "I" – CANADA LIFE INSURANCE POLICY STATEMENT AS AT JANUARY 12,
2022

Your Performax Gold policy statement

on your 8th policy anniversary

Statement period: January 13, 2021 to January 12, 2022

This statement shows the values for policy 2987877 at the end of the day on January 12, 2022. If you find any errors in your statement, let us know before February 11, 2022. You can find how to contact us on the last page of this statement.

Your policy date: January 12, 2014

Owner:
METRO PAVING LTD

People insured by this life insurance policy:
RON E FRIESEN
LAURA FRIESEN

Your policy's value

Total amount of insurance

\$1,148,525.73

Total cash value

\$134,755.65

The total cash value changes every day. This amount includes any balance in the accumulation account.

Payments and costs

Your annual policy costs

\$44,741.52

Your policy costs are paid using your policy values.

Payments we received from you

from January 13, 2021 to January 12, 2022

\$0.00

Insurance coverage for RON E FRIESEN and LAURA FRIESEN

Insurance coverage 1004 provides life insurance on a joint last-to-die basis, with costs payable until the last death.

Your coverage date: January 12, 2014

Your beneficiary: METRO PAVING LTD

Your performance credit option: Paid-up insurance

What happened on your policy anniversary

Performance credits earned by:

Insurance coverage	\$5,287.61
Paid-up insurance	\$908.51
Deposit option insurance	\$383.12

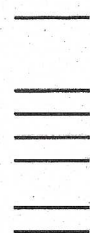
Total performance credits earned \$6,579.24

Insurance coverage		Paid-up insurance		Deposit option insurance	
amount of insurance	guaranteed cash value	amount of insurance	cash value	amount of insurance	cash value
Values immediately before anniversary processing					
1,000,000.00	47,731.59	105,052.09	61,552.02	96,114.21	56,315.14
Performance credits applied					
--	--	+10,575.04	+6,196.12	+653.88	+383.12
Policy values used to pay your policy costs while on payment offset					
--	--	0.00	0.00	-63,869.49	-37,422.35
Values immediately after anniversary processing					
1,000,000.00	47,731.59	115,627.13	67,748.14	32,898.60	19,275.92

-- indicates does not apply

Amount payable at death \$1,148,525.73

00058YCN1168000



Other Details

Your accumulation account

Opening balance on January 13, 2021		\$7,201.50
<i>plus</i>	Transfers from within your policy	\$37,422.35
	Interest earned	\$117.67
<i>minus</i>	Transfers to pay your policy costs or purchase deposit option insurance	\$44,741.52
	Balance on January 12, 2022	\$0.00
	Amount payable at death	\$0.00

Did you know?

Canadian law requires you to tell us about any changes that occur to the information you gave us about:

- the individuals or entities that own or pay for this policy
- the directors and other individuals who directly or indirectly control those entities

Contact your advisor or call our customer service centre with the most up-to-date information.

For more information...

To discuss the details of your policy statement, contact your advisor:

SHERI MACMILLAN
621 22 AVE SW
CALGARY, AB T2S 0H7
Telephone: (403) 266-6464
FAX: (403) 264-6483

You can also call our customer service centre at 1-888-626-8543.

If you have received this statement in error, please contact us immediately.

APPENDIX "J" – METRO PAVING LTD 2021 T5 TAX SLIP

T5 Statement of Investment Income
État des revenus de placement

Year

2021

Année

Dividends from Canadian corporations - Dividendes de sociétés canadiennes		Federal credit - Crédit fédéral		Interest from Canadian sources		Capital gains dividends	
24 Actual amount of eligible dividends	25 Taxable amount of eligible dividends	26 Dividend tax credit for eligible dividends	13 Interest from Canadian sources	18 Capital gains dividends			
Montant réel des dividendes déterminés	Montant imposable des dividendes déterminés	Crédit d'impôt pour dividendes déterminés	Intérêts de source canadienne	Dividendes sur gains en capital			
10 Actual amount of dividends other than eligible dividends	11 Taxable amount of dividends other than eligible dividends	12 Dividend tax credit for dividends other than eligible dividends	21 Report code	22 Recipient identification number	23 Recipient type		
Montant réel des dividendes autres que des dividendes déterminés	Montant imposable des dividendes autres que des dividendes déterminés	Crédit d'impôt pour dividendes autres que des dividendes déterminés	0	124459926	3		
			Code du feuillet	Numéro d'identification du bénéficiaire	Type de bénéficiaire		
Other Information (See the back) / Autres renseignements (lisez le dos)							
14	57,283.72						
Box / Case	Amount / Montant	Box / Case	Amount / Montant	Box / Case	Amount / Montant	Box / Case	Amount / Montant

Recipient's name and address - Nom et adresse du bénéficiaire

GAIN FROM SURRENDER
\$57,283.72

T-130

000013

METRO PAVING LTD
34 WOODHAVEN VIEW SW
CALGARY AB T2W 5P6

Payer's name and address - Nom et adresse du payeur
The Canada Life Assurance Company
La Compagnie d'Assurance du Canada sur la Vie
255 Dufferin Ave / 255, av Dufferin
London ON N6A 4K1

For information, see the back.
Pour obtenir des renseignements, lisez le dos.

Currency and identification codes / Codes de devise et d'identification

27 CAD
Foreign currency / Devises étrangères

29 B459051-0
Recipient account number / Numéro de compte du bénéficiaire

See the privacy notice on your return. / Consultez l'avis de confidentialité dans votre déclaration.

T5 (21) POLICY POLICE B459051-0 POLICY POLICE B459051-0

cut here / découper ici

T5 Statement of Investment Income
État des revenus de placement

Year

2021

Année

Dividends from Canadian corporations - Dividendes de sociétés canadiennes		Federal credit - Crédit fédéral		Interest from Canadian sources		Capital gains dividends	
24 Actual amount of eligible dividends	25 Taxable amount of eligible dividends	26 Dividend tax credit for eligible dividends	13 Interest from Canadian sources	18 Capital gains dividends			
Montant réel des dividendes déterminés	Montant imposable des dividendes déterminés	Crédit d'impôt pour dividendes déterminés	Intérêts de source canadienne	Dividendes sur gains en capital			
10 Actual amount of dividends other than eligible dividends	11 Taxable amount of dividends other than eligible dividends	12 Dividend tax credit for dividends other than eligible dividends	21 Report code	22 Recipient identification number	23 Recipient type		
Montant réel des dividendes autres que des dividendes déterminés	Montant imposable des dividendes autres que des dividendes déterminés	Crédit d'impôt pour dividendes autres que des dividendes déterminés	0	124459926	3		
			Code du feuillet	Numéro d'identification du bénéficiaire	Type de bénéficiaire		
Other Information (See the back) / Autres renseignements (lisez le dos)							
14	57,283.72						
Box / Case	Amount / Montant	Box / Case	Amount / Montant	Box / Case	Amount / Montant	Box / Case	Amount / Montant

Recipient's name and address - Nom et adresse du bénéficiaire

GAIN FROM SURRENDER
\$57,283.72

METRO PAVING LTD
34 WOODHAVEN VIEW SW
CALGARY AB T2W 5P6

Payer's name and address - Nom et adresse du payeur
The Canada Life Assurance Company
La Compagnie d'Assurance du Canada sur la Vie
255 Dufferin Ave / 255, av Dufferin
London ON N6A 4K1

For information, see the back.
Pour obtenir des renseignements, lisez le dos.

Currency and identification codes / Codes de devise et d'identification

27 CAD
Foreign currency / Devises étrangères

29 B459051-0
Recipient account number / Numéro de compte du bénéficiaire

See the privacy notice on your return. / Consultez l'avis de confidentialité dans votre déclaration.

T5 (21) POLICY POLICE B459051-0 POLICY POLICE B459051-0

APPENDIX "K" – SALE AGREEMENT BETWEEN RECEIVER AND PEREGRINE
DEMOLITION & CONSTRUCTION LTD. (REDACTED)

**OFFER TO PURCHASE
AND AGREEMENT OF PURCHASE AND SALE**

Between

BDO Canada Limited, in its capacity as the Court-Appointed Receiver of **Grasslands of Beiseker Development Corporation** and not in its personal or corporate capacity
(the “**Vendor**”)

-and-

Peregrine Demolition & Construction Ltd., a corporation incorporated under the laws of
Alberta
(the “**Purchaser**”)

**ARTICLE 1
OFFER AND ACCEPTANCE**

1.1 Offer

PURCHASER hereby OFFERS TO PURCHASE from VENDOR the Property (as hereinafter defined) subject only to the Permitted Encumbrances (as hereinafter defined) for the Purchase Price (as hereinafter defined).

1.2 Acceptance

This offer is open for acceptance by the Vendor by its signing the acceptance provided in this offer and delivering a copy of this offer with executed acceptance to the Purchaser no later than 4:00 pm (Calgary time) on the 11th day of March, 2022. ACCEPTANCE OF THIS OFFER BY THE VENDOR SHALL CONSTITUTE AN AGREEMENT OF PURCHASE AND SALE BETWEEN THE PARTIES SUBJECT TO THE TERMS AND CONDITIONS HEREIN CONTAINED.

**ARTICLE 2
DEFINITIONS**

2.1 For the purpose of this Agreement the following terms shall have the respective meanings hereinafter specified:

“**Agreement**” means this offer to purchase and agreement of purchase and sale and any schedules attached hereto which are referred to in this agreement, together with any amendment or supplement thereto;

“**Approval and Vesting Order**” means an order to be granted by the Court which authorizes, approves and confirms this Agreement and the sale of the Property by the Vendor to the Purchaser in accordance with the terms and conditions contained herein, and upon registration thereof at the Alberta Land Titles Office, will vest title to the Property in the Purchaser free and clear of all encumbrances, liens, security interests or claims, other than Permitted Encumbrances;

“**Broker**” means Royal LePage Canada;

“**Business Day**” means any day other than a Saturday, Sunday or a statutory holiday in the Province of Alberta;

“**Closing Date**” means the date that is the later of (i) the first Business Day following the date that is ten days following the date on which the sales is approved by the Court; and (ii) the first Business Day following the date on which any appeals or motions to set aside or vary the sale transaction have been finally determined, or, if the parties agree, such other date as agreed in writing by the parties;

“**Court**” means the Alberta Court of Queen’s Bench;

“**Deposit**” means the Initial Deposit;

“**Dollars**” and “**\$**” means dollars of the lawful money of Canada;

“**GST**” means the goods and services tax payable pursuant to the *Excise Tax Act* (Canada) or such other similar amended or replacement legislation;

“**Initial Deposit**” means one hundred thousand dollars (\$100,000.00) within three (3) Business Days after the day on which this Agreement is accepted by the Vendor;

“**Permitted Encumbrances**” means the encumbrances set forth in Schedule “B” attached hereto;

“**Property**” means those lands legally described in Schedule “A” attached hereto and all buildings, erections, structures, systems, fixtures and other improvements to and located on those lands;

“**Purchase Price**” means the sum of [REDACTED] subject to adjustment as provided for herein;

“**Purchaser’s Lawyer**” means _Good Law LLP, 5 Giroux Rd #220, St Albert, AB T8N 6J8 780 459 0133 Attn: Nicole Korek Email: nicole@goodlawfirm.ca

_____;

“**Receiver’s Certificate**” means a certificate to be delivered to the Purchaser by the Vendor on the Closing Date, under trust condition releasable upon receipt of the entire Purchase Price;

“**Transaction**” means the transactions(s) contemplated by this Agreement.

“**Vendor’s Condition**” has the meaning set forth in Section 7.1;

“**Vendor’s Condition Date**” has the meaning set forth in Section 7.1; and

“**Vendor’s Lawyer**” means Cassels Brock & Blackwell LLP Suite 3810, Bankers Hall West, 888 3rd Street SW, Attn: Thomas Neville.

ARTICLE 3 AGREEMENT

- 3.1 The Vendor shall sell to the Purchaser, and the Purchaser shall purchase from the Vendor, the Property, effective on the Closing Date free and clear of all encumbrances other than Permitted Encumbrances, at and for the Purchase Price, plus applicable GST and upon and subject to the terms and conditions hereinafter set out.

ARTICLE 4 GST

- 4.1 The Purchase Price does not include GST or any other sales taxes payable in respect of the sale of the Property. The Purchase Price will be subject, on the Closing Date, to the addition of GST which shall be paid by the Purchaser to the Vendor on the entire Purchase Price in accordance with applicable law. Alternatively, in the event the Purchaser is, and represents and warrants to the Vendor that the Purchaser is, a registrant under the *Excise Tax Act* (Canada), and provides the Vendor with: (a) its GST registration number as issued under Part IX of the *Excise Tax Act* (Canada); and (b) written assurances of the fact that the Purchaser is a registrant as at the Closing Date, that the Purchaser shall self-assess and remit the GST directly, and that the Vendor is relieved of all GST liability in this transaction, all to the satisfaction of the Vendor acting reasonably, then the Purchaser will account directly to Canada Revenue Agency for the GST payable on this transaction as required and permitted by applicable law.
- 4.2 If, following the Closing Date, it is determined that additional or other sales taxes are payable, then Purchaser shall be responsible for and shall indemnify, defend and save harmless Vendor and its representatives in respect of all such additional or other sales taxes payable in respect of the transaction under this Agreement and any interest and penalties levied or imposed in connection therewith.

ARTICLE 5 PURCHASE PRICE

- 5.1 The Purchaser agrees to pay the Purchase Price, plus GST, subject to the adjustments (as applicable) as provided for herein as follows:
- (a) the Initial Deposit shall be paid by the Purchaser to the Vendor's Lawyer within three (3) Business Days of execution of this Agreement by the Vendor, which amount shall be held in trust without interest and applied to the Purchase Price or otherwise dealt with as provided for herein; and
 - (b) the balance of the Purchase Price shall be paid by the Purchaser to the Vendor by wire or guaranteed electronic funds on or before the Closing Date.
- 5.2 If the Initial Deposit is not paid by the Purchaser in accordance with Subsection 5.1(a), the Vendor shall be entitled to terminate this Agreement by notice to the Purchaser and upon delivery of such notice this Agreement shall terminate.
- 5.3 If by reason of the default of the Purchaser the purchase and sale transaction contemplated herein is not completed, all or any portion of the Deposit held by the Vendor will become forfeited to the Vendor as liquidated damages and not as a penalty and without prejudice to any other rights or remedies the Vendor may have at law or in equity against the Purchaser for such default.
- 5.4 If by reason of the default of the Vendor the purchase and sale transaction contemplated herein is not completed, all or any portion of the Deposit held by the Vendor shall be paid to the Purchaser without prejudice to any other rights or remedies the Purchaser may have at law or in equity against the Vendor for such default.

**ARTICLE 6
PROPERTY DOCUMENTS**

- 6.1 The Purchaser acknowledges that in entering into this Agreement, the Purchaser has not requested or relied on delivery from the Vendor any documents of title, files, reports or other documentation directly pertaining to the Property which were in Vendor's possession or control as of the date of this Agreement, if any.

**ARTICLE 7
CONDITIONS TO CLOSING**

- 7.1 This Agreement is being made subject to ongoing Receivership proceedings in the Court and is conditional, as a true condition precedent, upon the Approval and Vesting Order being granted by the Court (the "**Vendor's Condition**") on or before the date that is ninety (90) days following the Effective Date (the "**Vendor's Condition Date**"). The Purchaser acknowledges that in the event that the Vendor is unable to satisfy the Vendor's Condition on or before the Vendor's Condition Date then this Agreement shall be at an end and the Deposit will be returned to the Purchaser without interest or deduction and the parties will have no further obligations hereunder.
- 7.2 This Agreement is being made with no Purchaser conditions and shall be unconditional subject only to the satisfaction of the Vendor's Condition.
- 7.3 As soon as commercially reasonable after the acceptance of this Agreement by the Vendor, the Vendor shall commence the process of applying to the Court for the Approval and Vesting Order.

**ARTICLE 8
REPRESENTATIONS AND WARRANTIES**

- 8.1 The The Purchaser acknowledges and agrees that, it is acquiring the Property on an "as is, where is" basis and that there are no representations and/or warranties with respect to title, fitness, condition, zoning or lawful use of the Property and agrees to accept the Property on an "as is, where is" basis and condition and subject to any outstanding work orders or notices of infractions as of the Closing Date and subject to the existing municipal or other governmental bylaws, restrictions or orders affecting its use, including subdivision agreements and easements and any encroachment by the subject or nearby buildings or by fences located on the subject or adjacent Property onto adjoining properties or streets and subject to the Permitted Encumbrance. In addition, the Purchaser acknowledges and agrees that the Vendor makes no representations or warranties whatsoever, as to the existence or non-existence of urea formaldehyde insulation, asbestos, underground storage tanks, PCB's, radium, radon, or any other substances, liquids or materials which may be hazardous or toxic or pollutants.
- 8.2 The Purchaser acknowledges that the improvements presently on the Property, if any, are to be taken by it at its own risk completely, without representation or warranty of any kind from the Vendor as to the ownership or state of repair of any such improvements. The Vendor shall not be required to provide or deliver a bill of sale, warranty, contract or any title documentation to the Purchaser, and there will not be any adjustment or abatement of any kind to the Purchaser Price with respect to improvements and delivery and possession of such improvements shall be subject to the limitations hereinbefore set out.

- 8.3 The Purchaser hereby represents and warrants to the Vendor (which representations and warranties, unless otherwise indicated, are true now and will be true from this date to and including the Closing Date) that:
- (a) the Purchaser is a corporation duly incorporated and existing under the laws of the Province of Alberta, or is otherwise a validly registered extra-provincial corporation in the Province of Alberta, and has the power, authority, right and capacity to enter into this Agreement and to carry out the transactions contemplated hereby, all of which has been duly and validly authorized by all requisite corporate actions and proceedings; and
 - (b) neither the execution of this Agreement nor its performance by the Purchaser will result in a breach of any term or provision or constitute a default under any indenture, mortgage, deed of trust or any other agreement to which the Purchaser is a party or by which it is bound which breach could materially affect the ability of the Purchaser to perform its obligations hereunder.
- 8.4 The Vendor shall be solely responsible for the payment of any fees payable to the Broker retained by the Vendor in connection with the Transaction. The Purchaser represents and warrants that it has not retained a broker with respect to the Transaction other than the Broker.
- 8.5 The foregoing representation and warranties set forth in Article 8 shall be, and shall be deemed to be, continuing representations and warranties by the Purchaser or Vendor, as applicable, and shall survive the completion of the matters contemplated herein for a period of two (2) years from the Closing Date.

ARTICLE 9 AS IS, WHERE IS

- 9.1 **THE PURCHASER HEREBY ACKNOWLEDGES AND AGREES THAT IT IS PURCHASING THE PROPERTY ON AN “AS IS, WHERE IS” BASIS.** The Purchaser acknowledges and confirms that it is relying on its own investigations concerning the Property and it has not relied on advice from the Vendor or any of its agents or representatives with respect to the condition of or title to the Property. The Purchaser acknowledges and agrees that it is familiar with the condition of the Property, including the past and present use of the Property and that the Vendor has provided the Purchaser with a reasonable opportunity to inspect the Property at the sole cost, risk and expense of the Purchaser (insofar as the Vendor could reasonably provide access) and that the Purchaser is not relying upon any representation or warranty of the Vendor as to the condition, environmental or otherwise, of the Property. The Vendor is not liable or bound in any manner by any verbal or written statements, representations or information pertaining to the Property, or the operations thereof, furnished by any broker, agent, employee, servant or other person.
- 9.2 Except for its express rights under this Agreement, the Purchaser hereby waives all rights and remedies (whether now existing or hereinafter arising and including all equitable, common law, tort, contractual and statutory rights and remedies) against the Vendor, its agents and representatives in respect of the Property or this Agreement or any representations or statements made, direct or indirect, express or implied, or information

or data furnished to the Purchaser or its representatives, in connection herewith (whether made or furnished orally or by electronic, faxed, written or other means).

ARTICLE 10 POSSESSION

- 10.1 Subject to the rights of others at law, the Purchaser will have vacant possession of the Property on the Closing Date; however the Purchaser acknowledges that it is obligated to file for a new certificate of title and discharge all encumbrances other than the Permitted Encumbrances in accordance with Section 11.8. The Vendor shall deliver to the Purchaser on the Closing Date all keys, combinations, codes and other similar such items and information relating to the Property.

ARTICLE 11 CLOSING

- 11.1 A reasonable time prior to the Closing Date, the Vendor shall provide to the Purchaser or to the Purchaser's Lawyer, as agreed, a statement of adjustments having annexed thereto reasonable details of the calculations used by the Vendor or the Vendor's Lawyer to calculate the credits and debits with respect to the Property, which shall be those credits and debits as would customarily be adjusted for in a similar transaction in Alberta.
- 11.2 On or before the Closing Date, the Vendor shall provide the Purchaser's Lawyer all closing documents necessary to obtain, subject to Section 11.8, a new certificate of title to the Property subject only to the Permitted Encumbrances and all collateral documents necessary to complete the transaction in accordance with this Agreement, in registrable format whenever appropriate, including the following, properly executed and acknowledged, where applicable
- (a) a certified copy of the Approval and Vesting Order;
 - (b) the Receiver's Certificate;
 - (c) an agreement to readjust any estimates, errors or omissions in the statement of adjustments provided that any such readjustments shall be made within sixty (60) days following the Closing Date, after which time neither party shall have any right to request any readjustments; and
 - (d) any other documents, resolutions and certificates necessary or reasonably required and requested in advance of the Closing Date by the Purchaser to establish the validity of all proceedings to effectively transfer the Property by the Vendor to the Purchaser.
- 11.3 On the Closing Date the Purchaser shall deliver to the Vendor's Lawyer the following, properly executed and acknowledged, where applicable:
- (a) a wire or guaranteed electronic funds made payable to the Vendor's Lawyer in trust in the amount due to the Vendor on the Closing Date in accordance with the statement of adjustments;
 - (b) payment of the GST or a certificate of GST registration and indemnity in lieu thereof;

- (c) a bring-down certificate confirming that the representations and warranties of the Purchaser contained in Section 8.2 are true and accurate in all material respects as of the Closing Date;
 - (d) all documents listed in Section 11.2 which contemplate execution by the Purchaser;
 - (e) evidence of a valid "gap" policy of title insurance effective as of the Closing Date; and
 - (f) any other documents, resolutions and certificates necessary or reasonably required and requested in advance of the Closing Date by the Vendor to establish the validity of all proceedings to effectively transfer the Property by the Vendor to the Purchaser.
- 11.4 In the circumstances where the Purchaser is not able to close in accordance with this Agreement, then the Vendor may, but is not obligated to, accept late payment of the Purchase Price and give the Purchaser possession upon reasonable terms. If the Vendor agrees in writing to accept late payment of the Purchase Price under this clause then, whether or not possession is granted, the Purchaser shall pay late interest at the prime lending rate of the Province of Alberta Treasury Branches at the Closing Date plus 3% calculated daily from and including the Closing Date to (but excluding) the day the Vendor is paid in full.
- 11.5 The documents and other instruments to be delivered to the Purchaser's Lawyer and the Vendor in accordance with this Article may be delivered in trust on such reasonable trust conditions as would customarily be imposed in a similar transaction in Alberta which shall include, without limitation, that the Purchaser shall not make any use of the closing documents unless and until the Purchase Price has been unconditionally released to the Vendor. The parties acknowledge and agree that the Purchaser shall obtain a title insurance policy to close the purchase and sale transaction referred to herein prior to the registration of the Approval and Vesting Order at the Land Titles Office.
- 11.6 Unless this Agreement expressly provides to the contrary, the Vendor and the Purchaser shall be responsible for each of their respective costs in respect of this transaction. The closing documents with respect to the Property shall be prepared by the Vendor's Lawyer at the Vendor's sole cost and expense.
- 11.7 The Property will be at the risk and responsibility of the Vendor until the Closing Date, and thereafter at the risk and responsibility of the Purchaser.
- 11.8 The Purchaser acknowledges that in order to obtain a new certificate of title for the Property and to register such discharges as may be required to convey clear title to the Property, the Purchaser is required to file the Receiver's Certificate and a certified copy of the Approval and Vesting Order together with any applicable registration fees to the Registrar of Land Titles of Alberta. The Vendor shall not be responsible for the discharge of any encumbrances that are not the Permitted Encumbrances. The Purchaser is responsible for all such discharges by the process set out in the Approval and Vesting Order.

**ARTICLE 12
NOTICE**

12.1 Any notice, direction or other instrument required or permitted to be given pursuant this Agreement shall be in writing and shall be sufficiently given if personally delivered, sent by pre-paid ordinary and registered mail, or sent by email to the parties as follows:

(a) to the Purchaser:

Peregrine Demolition & Construction Ltd

Attention: Jeevan Garmilla
Email: peregrinedcltd@gmail.com

(b) to the Vendor:

BDO Canada Limited

Attention: Adam Boettger & Clark Lonergan
Email: aboettger@bdo.ca & clonergan@bdo.ca

With a copy to:

Cassels Brock & Blackwell LLP
Suite 3810, Bankers Hall West, 888 3rd Street SW
Calgary, Alberta

T2P 5C5 Canada

Attention: Thomas Neville
Email: tneville@cassels.com

or to such other address as any party may from time to time designate, by notice to the other(s).

Any notice personally delivered or sent by email in accordance with this Section shall be deemed to have been given and received on the day it is so delivered or transmitted, provided that if such day is not a Business Day then the notice shall be deemed to have been given and received on the Business Day next following such day. Any notice mailed in accordance with this Section shall be deemed to have been given and received on the fifth Business Day next following the date of its mailing in Alberta.

**ARTICLE 13
GENERAL**

13.1 Both before and after the Closing Date, the parties will execute and do all such further deeds, acts, things and assurances as may be reasonably requisite to carry out the intent of this Agreement.

13.2 Time shall be of the essence of this Agreement.

13.3 Any tender of documents or money hereunder may be made upon the Purchaser's Lawyer or the Vendor's Lawyer, as the case may be, acting for the party on whom tender is desired.

- 13.4 If the date for making payment or doing any act hereunder shall be a Saturday, Sunday or a statutory holiday in the Province of Alberta, such date shall be extended to the first Business Day following such date.
- 13.5 The Purchaser may assign its interest in whole or part under this Agreement solely to a corporation, partnership or entity controlled by the Purchaser, provided however that the Purchaser shall remain liable for the Purchaser's covenants and obligations herein until the Closing Date and provided that notice of such assignment is provided to the Vendor forthwith. Such assignee shall then inherit all of the Purchaser's rights and obligations under this agreement.
- 13.6 This Agreement shall enure to the benefit of and shall be binding upon the parties and their respective successors and assigns.
- 13.7 This Agreement shall be read with all changes of gender or number required by the context.
- 13.8 The headings of this Agreement are for convenience of reference only and are not intended to form part of this Agreement or to affect the meaning of any clause contained herein.
- 13.9 This Agreement contains the entire terms, conditions, and provisions relating to the matters contemplated herein and there are no other additional or collateral terms, conditions, agreements, representations or warranties, express or implied, relating to the matters contemplated herein except as expressly stated in this Agreement. This Agreement supersedes all prior oral and written agreements and understandings of the parties, or any one of them in relation to the matters contemplated herein.
- 13.10 This Agreement shall not be modified, amended, or waived except by an instrument in writing duly executed and delivered by the parties or by their respective successors and permitted assigns.
- 13.11 If any provision of this Agreement is determined to be invalid or unenforceable, it shall be severable from the remainder of this Agreement which shall continue to remain in full force and effect.
- 13.12 This offer and Agreement shall in all respects be subject to and be interpreted and construed in accordance with the laws of the Province of Alberta and the laws of Canada, as applicable.

[Signature page follows]

13.13 This Agreement may be executed in any number of counterparts with the same effect as if all signatories to the counterparts had signed one document and all such counterparts shall together constitute, and be construed as, one instrument. A signed counterpart provided electronically shall be for all purposes as effective and binding upon the parties as an originally signed counterpart.

DATED at the St. Albert, in the Province of Alberta, this 08 day of March, 2022.

Peregrine Demolition & Construction Ltd.


Per: 
Authorized Signatory

ACCEPTANCE

The undersigned Vendor, hereby accepts the offer as set out above.

DATED at the City of Calgary, in the Province of Alberta, this 09 day of March, 2022. (the "Effective Date")

**BDO Canada Limited, in its capacity as the
Court-Appointed Receiver of Grasslands
of Beiseker Development Corporation and
not in its personal or corporate capacity**


Per: Clark Lonergan
Authorized Signatory

[Counterpart signature page to offer to purchase and agreement of purchase and sale]

SCHEDULE "A"

THE LANDS

1. LEGAL DESCRIPTION
PLAN 0915352
BLOCK 2
LOT 3
EXCEPTING THEREOUT ALL MINES AND MINERALS
2. LEGAL DESCRIPTION
PLAN 0915352
BLOCK 2
LOT 4
EXCEPTING THEREOUT ALL MINES AND MINERALS
3. LEGAL DESCRIPTION
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BLOCK 2
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4. LEGAL DESCRIPTION
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5. LEGAL DESCRIPTION
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6. LEGAL DESCRIPTION
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7. LEGAL DESCRIPTION
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8. LEGAL DESCRIPTION
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9. LEGAL DESCRIPTION
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- BLOCK 2
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11. LEGAL DESCRIPTION
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16. LEGAL DESCRIPTION
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17. LEGAL DESCRIPTION
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18. LEGAL DESCRIPTION
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BLOCK 2

- LOT 21
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19. LEGAL DESCRIPTION
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26. LEGAL DESCRIPTION
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27. LEGAL DESCRIPTION
PLAN 0915352
BLOCK 2
LOT 30

- EXCEPTING THEREOUT ALL MINES AND MINERALS
28. LEGAL DESCRIPTION
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LOT 31
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29. LEGAL DESCRIPTION
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30. LEGAL DESCRIPTION
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31. LEGAL DESCRIPTION
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32. LEGAL DESCRIPTION
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34. LEGAL DESCRIPTION
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35. LEGAL DESCRIPTION
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41. LEGAL DESCRIPTION
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43. LEGAL DESCRIPTION
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45. LEGAL DESCRIPTION
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46. LEGAL DESCRIPTION

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47. LEGAL DESCRIPTION
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51. LEGAL DESCRIPTION
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52. LEGAL DESCRIPTION
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LOT 19
EXCEPTING THEREOUT ALL MINES AND MINERALS
53. LEGAL DESCRIPTION
PLAN 0915352
BLOCK 3
LOT 20
EXCEPTING THEREOUT ALL MINES AND MINERALS
54. LEGAL DESCRIPTION
PLAN 0915352
BLOCK 3
LOT 21
EXCEPTING THEREOUT ALL MINES AND MINERALS
55. LEGAL DESCRIPTION
PLAN 0915352

- BLOCK 3
LOT 22
EXCEPTING THEREOUT ALL MINES AND MINERALS
56. LEGAL DESCRIPTION
PLAN 0915352
BLOCK 3
LOT 23
EXCEPTING THEREOUT ALL MINES AND MINERALS
57. LEGAL DESCRIPTION
PLAN 0915352
BLOCK 3
LOT 24
EXCEPTING THEREOUT ALL MINES AND MINERALS
58. LEGAL DESCRIPTION
PLAN 0915352
BLOCK 3
LOT 25
EXCEPTING THEREOUT ALL MINES AND MINERALS
59. LEGAL DESCRIPTION
PLAN 0915352
BLOCK 3
LOT 26
EXCEPTING THEREOUT ALL MINES AND MINERALS
60. LEGAL DESCRIPTION
PLAN 0915352
BLOCK 4
LOT 2
EXCEPTING THEREOUT ALL MINES AND MINERALS
61. LEGAL DESCRIPTION
PLAN 0915352
BLOCK 4
LOT 3
EXCEPTING THEREOUT ALL MINES AND MINERALS
62. LEGAL DESCRIPTION
PLAN 0915352
BLOCK 4
LOT 4
EXCEPTING THEREOUT ALL MINES AND MINERALS
63. LEGAL DESCRIPTION
PLAN 0915352
BLOCK 4
LOT 5
EXCEPTING THEREOUT ALL MINES AND MINERALS
64. LEGAL DESCRIPTION
PLAN 0915352
BLOCK 4

- LOT 6
EXCEPTING THEREOUT ALL MINES AND MINERALS
65. LEGAL DESCRIPTION
PLAN 0915352
BLOCK 4
LOT 7
EXCEPTING THEREOUT ALL MINES AND MINERALS
66. LEGAL DESCRIPTION
PLAN 0915352
BLOCK 4
LOT 8
EXCEPTING THEREOUT ALL MINES AND MINERALS
67. LEGAL DESCRIPTION
PLAN 0915352
BLOCK 4
LOT 9
EXCEPTING THEREOUT ALL MINES AND MINERALS
68. LEGAL DESCRIPTION
PLAN 0915352
BLOCK 4
LOT 10
EXCEPTING THEREOUT ALL MINES AND MINERALS

SCHEDULE "B"

PERMITTED ENCUMBRANCES

<u>Instrument No.</u>	<u>Date</u>	<u>Description</u>
091 371 323	09/12/2009	Utility Right of Way
091 371 324	09/12/2009	Utility Right of Way
091 371 325	09/12/2009	Caveat
091 371 326	09/12/2009	Caveat
141 219 303	21/08/2014	Restrictive Covenant
141 067 478	18/03/2014	Utility Right of Way

AND

1. ANY REGISTRATIONS BY OR ON BEHALF OF THE PURCHASER;
2. THOSE IMPLIED BY LAW.

SCHEDULE "C"

EXCLUDED ITEMS OF PERSONAL PROPERTY

Nil.

APPENDIX "L" – SALE AGREEMENT FOR SOUTH CAL BLOCK 2 DATED NOVEMBER 14,
2021

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OCT BH EC 21

Contract Number

COMMERCIAL PURCHASE CONTRACT

THE SELLER

Between
and

THE BUYER

Name Southcal Developments Inc.

Name Rajinder Singh Bhatti, Harpreet Singh Bhatti

Name Bill Maher

Name Jorawar Singh Bhatti

1. THE PROPERTY

1.1 The Property is:

(a) the land located

at: Municipal Address: 8th Street
Claresholm, AB T0L 0T0

Legal description: Plan 1113152 Block/Unit 2 Lot 1

Excepting thereout all mines and minerals unless otherwise stated _____

(the "Lands")

(b) all buildings and other improvements on the Lands (the "Buildings");

(c) these unattached goods:

(d) the attached goods except for:

(e) the following tenancies where the seller is the landlord and the buyer is assuming these leases ("Accepted Tenancies"), or as described in the schedules selected as attached in clause 9.1

If the Property is a condominium, the legal description and details are as described in the Commercial Condominium Property Schedule, selected as attached in clause 9.1 below.

2. PURCHASE PRICE AND COMPLETION DAY

2.1 The purchase price is: \$ 275,000.00 plus GST (the "Purchase Price").

2.2 With respect to GST payable if the buyer is:

(a) not a GST registrant under the *Excise Tax Act* (Canada), then the buyer shall remit the applicable GST to the seller's lawyer on or before the Completion Day. The seller shall remit the GST to the Receiver General as required by law, and will indemnify and save the buyer harmless from and against all costs and expenses (including legal fees on a solicitor/client full indemnity basis) that the buyer may incur or become subject to as a result of the seller's failure to remit GST pursuant to this clause; or

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DS DS DS DS DS DS DS
MA BM BN Seller's Initials JS PRSB LRSB Buyer's Initials MH

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(b) a GST registrant under the Excise Tax Act (Canada), then the buyer will provide the seller with proof and details of the buyer's GST registration before the Completion Day. The buyer will assume the liability for all GST payable pursuant to the Excise Tax Act (Canada) accruing in respect of this transaction and will indemnify and save the seller harmless from and against all costs and expenses (including legal fees on a solicitor/client full indemnity basis) that the seller may incur or become subject to as a result of the buyer failing to comply with its obligations pursuant to this clause.

BA
DA
BN

2.3 This contract will be completed, the Purchase Price fully paid, and vacant possession given to the buyer at 12 noon on 20 ~~15th~~ December, 2021 (the "Completion Day"), subject to the rights of the tenants in the Accepted Tenancies, if any.

2.4 After the date that acceptance of this contract is communicated, the seller shall not make any changes to any of the leases pertaining to the Accepted Tenancies without the buyer's consent in writing.

2.5 The seller represents and warrants that on the Completion Day, the Property will be in substantially the same condition as when this contract was accepted, and the attached and unattached goods will be in normal working order.

3. GENERAL TERMS

3.1 In fulfilling this contract, the seller and buyer agree to act reasonably and in good faith and agree that:

- (a) unless the seller, buyer or both have agreed to alternate representation, the seller and buyer are each represented by their own sole agent and those agents have no agency responsibility to the other party;
- (b) the laws of Alberta apply to this contract;
- (c) Alberta time applies to this contract. Time is of the essence, which means times and dates will be strictly followed and enforced;
- (d) Business Day means every day but Saturday, Sunday and statutory holidays and includes all the hours of the day;
- (e) a reference to the seller or buyer includes singular, plural, masculine, feminine or an entity like a corporation;
- (f) the seller will disclose known Material Latent Defects. Material Latent Defects means a defect in the Property that is not discoverable through a reasonable inspection and that will affect the use or value of the Property;
- (g) the seller and buyer are each responsible for completing their own due diligence and will assume all risks if they do not;
- (h) the seller will ensure the seller's representations and warranties are true by:
 - (i) reviewing documents such as a Real Property Report (RPR), land title, registrations on title, leases and contracts;
 - (ii) determining non-resident status for income tax purposes;
 - (iii) conducting due diligence searches, such as litigation and personal property security registry searches; and
 - (iv) doing other needed research;
- (i) the buyer may get independent inspections or advice on items such as condominium documents, land title, registrations on title, RPR, current and future use, building and mechanical systems, property insurance, title insurance, size of the Lands and Buildings, interior and exterior measurements, leases, estoppel certificates pertaining to Accepted Tenancies, registrations affecting the unattached goods and attached goods, and other items important to the buyer;
- (j) sections 12 and 13 of the Condominium Property Act (Alberta) relating to sale of units by developers and rescission of purchase agreements do not apply;
- (k) contract changes that are agreed to in writing will supersede the pre-printed clauses;
- (l) the seller and buyer will read this contract and seek relevant advice before signing it;

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Initials: Seller's Initials (JSP, RSB) Buyer's Initials (MSB, MH)

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- (m) the brokerages, real estate board and listing services may keep and disclose relevant information about this transaction for reporting, statistical, property evaluation and closing purposes; and
- (n) the seller's (seller's or buyer's) brokerage will provide this contract and related documents to the appointed lawyers for the purpose of closing this contract.

4. DEPOSITS

- 4.1 The seller and buyer agree that clauses 4.2 through 4.9 are the terms of trust for the Deposits. "Deposits" means the amounts payable under clauses 4.3 and 4.4, and "Deposit" means either of them.
- 4.2 The seller and buyer appoint Century 21 Bamber Realty as trustee (the "Trustee") for the Deposits.
- 4.3 The buyer will pay a deposit of \$ 10,000.00, which will form part of the Purchase Price, to the Trustee by bank draft (method of payment) on or before 11/04/2021.
- 4.4 The buyer will pay an additional deposit of \$ _____, which will form part of the Purchase Price, to the Trustee by _____ (method of payment), on or before _____.
- 4.5 If the buyer fails to pay a Deposit as required by this contract, the seller may void this contract at the seller's option by giving the buyer written notice. The seller's option expires whenever the seller accepts a deposit, even if late.
- 4.6 The Trustee will deposit the Deposits into a trust account within three Business Days of receipt.
- 4.7 Interest on the Deposits will not be paid to the seller or buyer.
- 4.8 The Deposits will be held in trust for both the seller and buyer. Provided funds are confirmed, the Deposits will be disbursed, without prior notice, as follows:
 - (a) to the buyer, if after this contract is accepted:
 - (i) a condition is not satisfied or waived in accordance with clause 8.4;
 - (ii) the seller voids this contract for the buyer's failure to pay an additional deposit in the case where an initial deposit has been paid by the buyer; or
 - (iii) the seller fails to perform this contract;
 - (b) to the seller, if this contract is accepted and all conditions are satisfied or waived, and the buyer fails to perform this contract; or
 - (c) applied against the Fee owed by the seller by payment directly out of trust to the brokerage(s), with any excess amount paid in trust to the seller's lawyer no later than three Business Days prior to the Completion Day. "Fee" means the amount, plus GST, owed to a real estate brokerage under a written service agreement.
 - (d) If the seller or buyer fails or refuses to complete this contract, the other party may seek all remedies, such as claims for deposits and damages, and reasonable costs including legal fees and disbursements on a solicitor/client full indemnity basis.
- 4.9 The disbursement of Deposits, as agreed to in this clause, will not prevent the seller or buyer from pursuing remedies in clause 12.

5. LAND TITLE

- 5.1 Title to the Property will be free of all encumbrances, liens and interests except for:
 - (a) those implied by law;
 - (b) non-financial obligations now on title, such as easements, utility rights-of-way, covenants and conditions that are normally found registered against property of this nature; and
 - (c) the following encumbrances that the buyer agrees to accept:

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 Buyer's Initials: JS RSB LSB

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6. REPRESENTATIONS AND WARRANTIES

6.1 The seller represents and warrants to the buyer that:

- (a) the seller has the legal right to sell the Property;
- (b) the seller is not now nor, will it be on the Completion Day a non-resident for the purposes of the *Income Tax Act* (Canada), nor an agent or a trustee for any person with an interest in the Property who is a non-resident of Canada;
- (c) no one else has a legal right to the included attached and unattached goods.
- (d) the current use of the Lands and Buildings complies with the existing municipal land use bylaw and any restrictive covenant on title;
- (e) the location of the Buildings and land improvements:
 - (i) are on the Lands and not on any easement, right-of-way or neighbouring lands unless there is a registered agreement on title or, in the case of an encroachment into municipal lands or a municipal easement or right-of-way, the municipality has approved the encroachment in writing.
 - (ii) complies with any restrictive covenant on title and municipal bylaws, regulations and relaxations, or the Buildings and improvements are "non-conforming buildings" as defined in the *Municipal Government Act* (Alberta);
- (f) known Material Latent Defects, if any, have been disclosed in writing in this contract;
- (g) any government and local authority notices regarding the Property lack of permits for any development on the Property, or notices regarding any environmental conditions or problems known to the seller have been disclosed in writing in this contract;
- (h) there is no legal action outstanding with respect to the Property;
- (i) the Property is in compliance with all applicable environmental laws;
- (j) the seller is not in breach of any contract with respect to the Property which gives rise to an interest in land, including but not limited to, any leases related to Accepted Tenancies
- (k) any leases pertaining to the Accepted Tenancies are valid and in good standing; and
- (l) the seller is not in breach of any obligation to any third party with respect to the Property which gives rise to an interest in land.

6.2 The representations and warranties in this contract including any attached Schedules:

- (a) are made as of, and will be true at, the Completion Day; and
- (b) will survive completion and may be enforced after the Completion Day as long as any legal action is commenced within the time limits set by the *Limitations Act* (Alberta).

7. DISCLOSURE

7.1 Within 14 Business Days after the date that acceptance of this contract is communicated, the seller will provide to the buyer true copies of all agreements, documents, reports and other materials respecting the Property that are in the possession or control of the seller (the "Disclosure Documents"), including but not limited to: copies of Permitted Encumbrances; copies of leases with respect to Accepted Tenancies; financial records and statements respecting the Property; any operating agreements that the buyer is to assume; all engineering, mechanical, electrical, plumbing, roof, heating, ventilation, construction or similar reports, assessments, plans, drawing, specifications, relevant correspondence or work orders; environmental reports; and: _____ . If the Property is a condominium, the Disclosure Documents shall include condominium documents as detailed in the Condominium Documents Schedule, selected as attached in clause 9.1.

7.2 The buyer will keep all information obtained from the seller in strict confidence and will only make such information available to those of buyer's employees, agents and professional advisors on a need to know basis. Should this transaction not be completed, the buyer will return the Disclosure Documents including all copies to the seller immediately.

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7.3 The buyer may enter upon the Property for the purpose of conducting its investigations about the state of the Property, subject to the following:

- (a) the rights of any tenants;
- (b) the buyer shall not carry out any destructive or physically invasive testing, except with the prior written consent of the seller and shall repair all damage resulting from its investigations;
- (c) the buyer shall obtain the seller's prior consent as to the timing and length of any inspections;
- (d) in conducting its investigations, the buyer shall use commercially reasonable efforts to minimize disruption of the current use of the Property; and
- (e) the buyer shall indemnify and save the seller harmless from all claims, damages, losses or liabilities of any kind (including legal fees on a solicitor/client full indemnity basis) resulting from the buyer's investigations upon the Property.

7.4 The seller will provide the buyer with such written authorizations and other assistance when reasonably required by the buyer to facilitate the buyer's inspections, reviews and tests, to satisfy its conditions.

8. CONDITIONS

8.1 The seller and buyer will:

- (a) act reasonably and in good faith in trying to satisfy their own conditions, including making reasonable efforts to fulfill them.
- (b) pay for any costs related to their own conditions, except for the providing of documents in the Condominium Documents Condition (if applicable); and
- (c) will obtain professional advice with respect to GST applicable to the transaction.

8.2 Buyer's Conditions

The buyer's conditions are for the benefit of the buyer and are:

(a) Financing

This contract is subject to the buyer securing new financing from a lender of the buyer's choice and with terms satisfactory to the buyer, before 9 : 00 p.m. on ~~November~~ December 14, 20 21. The seller will cooperate by providing access to the Property on reasonable terms.

MA BM BN

(b) Due Diligence

This contract is subject to the buyer's satisfaction with the results of its review of the Disclosure Documents and its inspections of the Property, before : .m. on , 20 . The seller will cooperate by providing access to the Property on reasonable terms.

(c) Additional Buyer's Conditions:

before : .m. on , 20

8.3 Seller's Conditions

The seller's conditions are for the benefit of the seller and are:

before : .m. on , 20

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8.4 Each party will give the other written notice that:

- (a) a condition is unilaterally waived or satisfied on or before the date upon which it expires. If not, this contract will end after the time indicated for that condition; or
- (b) a condition will not be waived or satisfied prior to the date upon which it expires. This contract will end upon that notice being given.

9. ATTACHMENTS AND ADDITIONAL TERMS

9.1 The selected documents are attached to and form part of this contract:

- Certificate of Title for the Lands;
- Commercial Condominium Property Schedule
- Condominium Documents Schedule
- Financing Schedule (Seller Financing, Mortgage Assumption, Other Value);
- Addendum;
- Accepted Tenancies
- Other _____

9.2 If the Property is a condominium, to the best of the seller's knowledge and to be verified by the buyer, the total current monthly condominium contribution for the Property is \$ _____.

9.3 The parties agree that the following additional terms shall form a binding part of this contract:
Seller and Buyer agree that a caveat will be placed on Title by seller's lawyer stating that Cost Recoveries of \$12,000 per acre runs with the land. This caveat will be removed once the purchaser has paid the \$12,000 per acre cost recovery which must be paid in full on all 15 acres when development applications are submitted to the Town of Claresholm and before construction begins.

10. CLOSING PROCESS

Closing Documents

10.1 As applicable, the closing documents will be:

- (a) transfer of land (the "Transfer") in registerable form;
- (b) statement of adjustments;
- (c) bill of sale for any unattached goods;
- (d) estoppel certificates for each of the Accepted Tenancies along with assignment of leases;
- (e) GST indemnity certificate;
- (f) RPR (if not yet provided); and
- (g) such other closing documents reasonably requested by the seller's lawyer or the buyer's lawyer

(the "Closing Documents"). The Closing Documents will include an RPR(s) showing the current improvements on the Property according to the Alberta Land Surveyors' Association Manual of Standard Practice, with evidence of municipal compliance or non-conformance and confirming the sellers' warranties about the Lands and Buildings. This obligation will not apply if there are no structures on the Lands. The buyer or buyer's lawyer must have a reasonable amount of time to review the RPR(s) prior to submitting the transfer documents to the Land Titles Office.

Closing Procedure

10.2 The seller or the seller's lawyer will deliver the Closing Documents to the buyer or buyer's lawyer upon reasonable trust conditions for a commercial property transaction, including delivery within a reasonable time before the Completion Day to allow for confirmation of registration of documents at the Land Titles Office, obtain the advance of mortgage proceeds, and verify of the transfer of other value items.

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DA DS DS
 MLT BAL BAN Seller's Initial JS PRSB Buyer's Initial

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10.3 If a new mortgage is a condition of this contract, the seller agrees to trust conditions that allow the buyer's lawyer to register the Transfer so as to obtain the advance of mortgage funds on the new mortgage, provided however that the buyer's lawyer undertakes, accepts, and complies with reasonable trust conditions imposed by the seller's lawyer until the seller has been paid the total Purchase Price.

Payments and Costs

10.4 The Purchase Price (other than Deposits) shall be paid by certified cheque, bank draft or solicitor's trust cheque.

10.5 All normal adjustments for the Property including but not limited to taxes, local improvement levies and assessments, municipal charges, rents, utilities, monthly condominium contributions, tenant deposits including interest, prepaid rent, and mortgage principal and interest that are applicable with respect to the Property will be the seller's responsibility for the entire Completion Day and thereafter assumed by the buyer.

10.6 The seller's lawyer may use the Purchase Price to pay and discharge all of the seller's financial obligations related to the Property. The seller's lawyer will provide the buyer's lawyer with evidence of all discharges including, where required, a certified copy of the certificate of title and, if the Property is a condominium, an estoppel certificate evidencing the payment of all condominium contributions that are the seller's obligation to pay, within a reasonable time after the Completion Day.

10.7 If the seller has entered into a written service agreement with a real estate brokerage, the seller instructs the seller's lawyer to honour the terms of that agreement, including the Fee and other costs payable to the seller's brokerage.

10.8 The seller will have the right to register a seller's caveat against the title to the Property and the buyer shall have the right to register a buyer's caveat against the title to the Property, upon the date that acceptance of this contract is communicated.

10.9 The seller will pay the costs to prepare the Closing Documents, costs to end any existing tenancies that are not Accepted Tenancies and provide vacant possession to the buyer and costs to prepare, register and discharge any seller's caveat based on this contract.

10.10 The buyer will pay the costs to prepare, register and discharge any buyer's caveat based on this contract and to register the Transfer and mortgage, if applicable.

Completion Day Delays

10.11 If the seller fails to deliver the Closing Documents in accordance with clause 10.2, then:

- (a) the buyer's payment of the Purchase Price and late interest will be delayed until the buyer or buyer's lawyer has received the Closing Documents and has a reasonable time to review and register them, obtain the advance of mortgage financing, and verify the transfer of other value items, as applicable; and
- (b) if the buyer is willing and able to close in accordance with this contract and wants to take possession of the Property, then the seller will give the buyer possession upon reasonable terms which will include the payment of late interest only on the amount of mortgage being obtained by the buyer at the interest rate of that mortgage.

10.12 If the seller has complied with clauses 10.1 and 10.2, but the buyer is not able to close in accordance with this contract, then:

- (a) the seller may, but is not obligated to, accept late payment of the Purchase Price and give the buyer possession upon reasonable terms; and
- (b) if the seller agrees to accept late payment of the Purchase Price and, whether or not possession is granted, the buyer will pay late interest at the prime lending rate of the ATB Financial at the Completion Day plus 3% calculated daily from and including the Completion Day to (but excluding) the day the seller is paid in full. Payment received after 12 noon on any day will be payment as of the next Business Day

11. INSURANCE

11.1 The seller bears the risk of loss or damage to the Property until the Purchase Price is paid. If such loss or damage occurs before the Purchase Price is paid, any insurance proceeds will be held in trust for the seller and buyer based on their interests.

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MA BA SA Seller's Initials JS RSB Buyer's Initials

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12. REMEDIES

- 12.1 If the seller or buyer fails or refuses to complete this contract, the other party may seek all remedies, such as claims for Deposits and damages, and reasonable costs including legal fees and disbursements on a solicitor/client full indemnity basis.
- 12.2 On buyer default, if the seller must restore the Property title, enforce a lien against the Property or regain possession of the Property, the seller may seek all remedies, such as claims for damages, and all reasonable costs including legal fees and disbursements on a solicitor/client full indemnity basis
- 12.3 The seller and the buyer agree that the Property is unique. On seller default, the buyer may make a claim for specific performance and other remedies.

13. NOTICE AND DOCUMENTS

- 13.1 A notice under this contract means a written document, including notices required by this contract, and this contract when accepted.
- 13.2 A notice is effective at the time the document is delivered in person or sent by fax or email.
- 13.3 Giving notice means the document is transmitted by one of these methods, and regardless of the method, the notice document is recognized as an original document.
- 13.4 For documents that require a signature, an electronic signature, as defined in the *Electronic Transactions Act (Alberta)*, or a digitized signature will have the same function as an ink signature.

14. AUTHORIZATION

- 14.1 The seller and buyer may each authorize a representative to send and receive notices as described above. Once authorized, notices will be effective upon being delivered in person or sent by fax or email to the authorized representative.

The seller authorizes: Nettie Hendricks

The buyer authorizes: Nettie Hendricks

Seller's Brokerage:

Buyer's Brokerage:

Name: Century 21 Bamber Realty
 Address: 1612 17th Ave SW
Calgary AB T2T 0E2

Name: Century 21 Bamber Realty
 Address: 1612 17th Ave SW
Calgary, AB T2T 0E2

Brokerage Representative:

Brokerage Representative:

Name: Nettie Hendricks
 Phone: 403 875.7981 Fax: _____
 Email: nettiehendricks1@gmail.com

Name: Nettie Hendricks
 Phone: 403 875 7981 Fax: _____
 Email: nettiehendricks1@gmail.com

- 14.2 If the seller or the buyer does not authorize a brokerage, then:

The seller authorizes:

The buyer authorizes:

Name: _____
 Phone: _____ Fax: _____
 Address: _____
 Email: _____

Name: _____
 Phone: _____ Fax: _____
 Address: _____
 Email: _____

- 14.3 If the authorization information changes, the seller and buyer agree to give written notice to the other party as soon as the change is known so that future notices may be sent to the proper person and place.

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15. CONFIRMATION OF CONTRACT TERMS

15.1 The seller and buyer confirm that this contract sets out all the rights and obligations they intend for the purchase and sale of the Property and that:

- (a) this contract is the entire agreement between them; and
- (b) unless expressly made part of this contract, in writing:
 - (i) verbal or written collateral or side agreements or representations or warranties made by either the seller or buyer, or the seller's or buyer's brokerage or agent, have not and will not be relied on and are not part of this contract; and
 - (ii) any pre-contractual representations or warranties, howsoever made, that induced either the seller or buyer into making this contract are of no legal force or effect.

Seller's Initials MS EM EN

Buyer's Initials JS RSB LSB

16. LEGAL OBLIGATIONS BEGIN

16.1 The legal obligations in this contract begin when the accepted contract is delivered in person or sent by fax or email. The obligations bind the seller and the buyer as well as their heirs, administrators, executors, successors and assigns.

17. OFFER

17.1 The buyer offers to buy the Property according to the terms of this contract.

17.2 This offer/counter offer shall be open for acceptance in writing until 10 :00 p.m. on November 14, 2021.
 11/14/2021 9:35:44 AM PST 12

SIGNED AND DATED at Vancouver, BC, Alberta at : .m. on November 14, 2021 .

DocuSigned by: Rajinder Singh Bhatti
Signature of Buyer or Authorized Signatory of Buyer

Print Name of Buyer or Authorized Signatory of Buyer

DocuSigned by: JSB
Signature of Buyer or Authorized Signatory of Buyer

Jorawar Singh Bhatti
Print Name of Buyer or Authorized Signatory of Buyer

Buyer's GST # _____

DocuSigned by: Nettie Hendricks
Signature of Witness

Nettie Hendricks
Print Name of Witness

DocuSigned by: Nettie Hendricks
Signature of Witness

Nettie Hendricks
Print Name of Witness

DocuSign Envelope ID: 41EB8316-A177-4E88-84CA-0555110922DA



18. ACCEPTANCE

18.1 The seller agrees to sell the Property according to the terms of this contract.

11/16/2021 | 5:12:51 AM PST | 11/16/2021 5:10:13

SIGNED AND DATED at Calgary, Alberta at : .m. on , 20 .

DocuSigned by: Matt Haasen Signature of Seller, Authorized Signatory of Seller

DocuSigned by: Nettie Hendricks Signature of Witness 91432801651D4AD...

Matt Haasen Print Name of Seller or Authorized Signatory of Seller

Nettie Hendricks Print Name of Witness

DocuSigned by: Bill Maher Signature of Seller, Authorized Signatory of Seller A392F06891B54D3...

DocuSigned by: Barry Nephin

DocuSigned by: Nettie Hendricks Signature of Witness 91432801651D4AD...

Bill Maher Barry Nephin Print Name of Seller or Authorized Signatory of Seller

Nettie Hendricks Print Name of Witness

Seller's GST #

INFORMATION

The following is for information purposes and has no effect on the contract's terms:

REJECTION

I/we do not accept this offer/counter offer. No counter offer is being made.

SIGNED AND DATED at , Alberta at : .m. on , 20 .

Signature of Seller or Authorized Signatory of Seller Matt Haasen

Signature of Buyer or Authorized Signatory of Buyer Jorawar Singh Bhatti

Signature of Seller or Authorized Signatory of Seller Bill Maher

Signature of Buyer or Authorized Signatory of Buyer Jorawar Singh Bhatti

This form was developed by the Alberta Real Estate Association for the use of its members and may not be altered electronically by any person. Others who use this document do so at their own risk.

DocuSign Envelope ID: 41EB8316-A177-4E88-84CA-0555110922DA



CONVEYANCING INFORMATION

Seller's Information:

Address: _____

Phone: _____ Fax: _____

Lawyer's Name _____

Firm: _____

Address: _____

Phone: _____ Fax: _____

Email: _____

Buyer's Information:

Address: _____

Phone: _____ Fax: _____

Lawyer's Name _____

Firm: _____

Address: _____

Phone: _____ Fax: _____

Email: _____

This form was developed by the Alberta Real Estate Association for the use of its members and may not be altered electronically by any person. Others who use this document do so at their own risk.

Initials: [Seller's Initials] [Buyer's Initials]

Posted	Value Date	Description	Debit	Credit
2021-11-15	2021-11-15	Credit Memo, INCOMING WIRE PAYMENT CA, MR HARPREET S BHATTI		10,000.00

DocuSign Envelope ID: FAC90EC8-8FFE-4195-BA74-6D4800EE8846



COMMERCIAL PURCHASE CONTRACT AMENDMENT

This Amendment is attached to and forms part of the Commercial Purchase Contract # OCT BH SC 21

Between

THE SELLER

and

THE BUYER

Name Southcal Developments Inc.

Name Rajinder Singh Bhatti, Harpreet Singh Bhatti

Name Bill Maher

Name Jorawar Singh Bhatti

With respect to the Property described as:

Municipal Address 8th Street

Claresholm, AB T0L 0T0

W. of (Meridian)	Range	Township	Section	Part	Acres

Legal Address: Plan 1113152 Block 2 Lot 1

Condo. Plan _____ Legal Unit No. _____ Legal Parking Unit _____

Other _____

The following changes shall be made to the above Purchase Contract and, except for such changes noted below, all other terms and conditions in the Purchase Contract shall remain as stated therein.

DELETE:

THE BUYER

Name: Rajinder Singh Bhatti, Harpreet Singh Bhatti, Jorawar Singh Bhatti

INSERT:

THE BUYER

Name: D&G Bhatti Developments and Real Estate Ltd.
DGB Holdings Ltd.

12/13/2021 | 5:20:03 AM PST | 7127106201PST7:40:02 AM PST

DATED at _____ m. on _____, 2021

DocuSigned by:
Matt Haasen

Seller 6615E1EFD98A4A7...
DocuSigned by:
Bill Maher

Seller A392F06691884031
DocuSigned by:
Barry Nephin

DocuSigned by:
Nettie Hendricks

Witness 91432801651D4AD...
DocuSigned by:
Nettie Hendricks

Witness 91432801651D4AD...
DocuSigned by:
Nettie Hendricks

12/12/2021 | 12:02:44 PM PST | 912/12/2021 5:01:52 PM PST

DATED at _____ m. on _____, 2021

DocuSigned by:
JSSB

Buyer 107B1A2258E9475...
DocuSigned by:
JSSB

DocuSigned by:
Rajinder Singh Bhatti

Buyer 107B1A2258E9475...
DocuSigned by:
JSSB

Buyer 107B1A2258E9475...
DocuSigned by:
JSSB

DocuSigned by:
Nettie Hendricks

Witness 91432801651D4AD...
DocuSigned by:
Nettie Hendricks

Witness 91432801651D4AD...
DocuSigned by:
Nettie Hendricks

DocuSign Envelope ID: 69406CAB-DD60-47BB-8986-85AB6ECF1DE9



COMMERCIAL PURCHASE CONTRACT AMENDMENT

This Amendment is attached to and forms part of the Commercial Purchase Contract # OCT BR SC 21

Between

THE SELLER

and

THE BUYER

Name Southcal Developments Inc.

Name Rajinder Singh Bhatti, Harpreet Singh Bhatti

Name Bill Maher

Name Jorawar Singh Bhatti

With respect to the Property described as:

Municipal Address 8th Street

Clareholm, AB T0L 0T0

W. of (Meridian)	Range	Township	Section	Part	Acres

Legal Address; Plan 1113152 Block 2 Lot 1

Condo. Plan _____ Legal Unit No. _____ Legal Parking Unit _____

Other Line 0034988030

The following changes shall be made to the above Purchase Contract and, except for such changes noted below, all other terms and conditions in the Purchase Contract shall remain as stated therein.


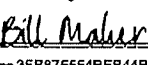

DELETE:


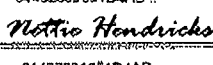
Seller and Buyer agree that a caveat will be placed on Title by seller's lawyer stating that Cost Recoveries of \$12,000 per acre runs with the land. This caveat will be removed once the purchaser has paid the \$12,000 per acre cost recovery which must be paid in full on all 15 acres when development applications are submitted to the Town of Clareholm and before construction begins.

INSERT:

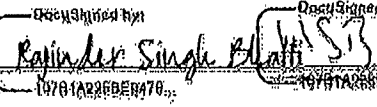

The Buyer agrees to pay to the Seller total cost recoveries of \$12,000.00 per acre with respect to all 15 acres of the Lands when development applications are submitted to the Town of Clareholm relating to the Lands or any part of the Lands and before construction begins. The Lands will be charged with payment of this amount and the Buyer will execute necessary documents to permit registration of the obligation. Seller and Buyer agree that a caveat will be placed on Title to the Lands by seller's lawyer stating that Cost Recoveries of \$12,000 per acre runs with the land. This caveat will be removed once the purchaser has paid the \$12,000 per acre cost recovery.

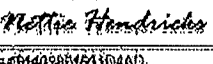
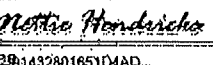
DATED at 10 a.m. on November 16th, 2021

Seller  DocuSigned by: Matt Haasen
 Seller  DocuSigned by: Bill Maher
 Seller  DocuSigned by: Barry Melvin
 11/15/2021 | 3:14:54 PM PST

Witness  DocuSigned by: Nettie Hendricks
 Witness  DocuSigned by: Nettie Hendricks

DATED at _____, on _____, November 15th, 2021

Buyer  DocuSigned by: Rajinder Singh Bhatti
 Buyer  DocuSigned by: Jorawar Singh Bhatti

Witness  DocuSigned by: Nettie Hendricks
 Witness  DocuSigned by: Nettie Hendricks

DocuSign Envelope ID: C829E1F5-3D3D-4CB9-B697-51974613453E



COMMERCIAL PURCHASE CONTRACT

NOTICE

(Re: Waiver/Satisfaction of Conditions)

This Notice is attached to and forms part of the Commercial Purchase Contract # OCT BH SC 21

Notice to: _____ Seller/Buyer of the Property

Municipal Address 8th Street

Clareholm, AB T0L 0T0

Legal Address: Plan 1113152 Block/Unit 2 Lot 1

1. I am the Seller/Buyer of the Property in the Commercial Purchase Contract # OCT BH SC 21 (the "Contract").

The condition(s) in that Contract that I now unilaterally waive or have satisfied is (are):

8.2 Buyer's Conditions

(a) Financing

This contract is subject to the buyer securing new financing from a lender of the buyer's choice and with terms satisfactory to the buyer, before 9 p.m. on December 14, 2021.

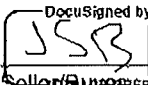
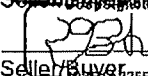
2. All other provisions in the Contract remain in full force and effect.

3. In this notice, the singular shall be constituted as the plural where the context so requires.

4. This notice shall enure to the benefit and be binding upon my heirs, executors, administrators, successors and assigns.

5. **As per the Contract, if a notice has not been given to the other party before 5 p.m. on or before the stated Condition Day, then the transaction is ended.**

SIGNED in the presence of a witness, and DATED at Surrey, BC, Alberta
12/12/2021 | 12/12/2021 5:01:12 PM PST | 12/12/2021 5:02:38 PM PST
at _____ m. on _____, 20

DocuSigned by: _____ DocuSigned by: _____
 Rajinder Singh Bhatti
 Seller/Buyer 107B1A225BE9475... DocuSigned by: _____ DocuSigned by: _____
 Rajinder Singh Bhatti Rajinder Singh Bhatti
 Seller/Buyer 107B1A225BE9475... 107B1A225BE9475... 107B1A225BE9475...

DocuSigned by: _____
Nettie Hendricks
 Witness 81432801651D4AD...
 DocuSigned by: _____
Nettie Hendricks
 Witness 81432801651D4AD...

If needed for commercial transactions:

Per: _____
Authorized Signing Officer(s)

Witness _____

Per: _____
Authorized Signing Officer(s)

Witness _____

APPENDIX "M" – SALE AGREEMENT BETWEEN RECEIVER AND STATESMAN H.C. LTD.
(REDACTED)

AGREEMENT OF PURCHASE AND SALE

This Agreement is dated the 13th day of April, 2022.

B E T W E E N:

BDO CANADA LIMITED in its capacity as receiver and manager of the assets, undertakings and properties of **METRO PAVING LTD.**, and not in its personal or corporate capacity (the "**Vendor**")

- and -

STATESMAN H.C. LTD., a corporation existing under the laws of the Province of Alberta (the "**Purchaser**")

RECITALS:

WHEREAS pursuant to an order of the Court of Queen's Bench of Alberta in court file number 2101 00809 (the "**Receivership Proceedings**") issued on January 20, 2021 (the "**Receivership Order**"), BDO Canada Limited (the "**Receiver**") was appointed as the court appointed receiver and manager of all of the assets, undertakings and properties of Metro Paving Ltd. (the "**Debtor**");

AND WHEREAS the Receivership Order authorizes the Receiver to market any or all of the property of the Debtor and negotiate such terms and conditions of sale as the Receiver deems appropriate, subject to approval of the Alberta Court (as hereinafter defined) in the event an individual transaction exceeds the amount of \$100,000;

AND WHEREAS the Purchaser wishes to purchase, and the Vendor wishes to sell, all of the Vendor's right, title and interest in and to the Purchased Assets (as hereinafter defined) upon the terms and subject to the conditions set out herein;

AND WHEREAS the Transaction (as hereinafter defined) contemplated by this Agreement is subject to the approval of the Alberta Court (as hereinafter defined) and will be completed in accordance with the Approval and Vesting Order to be granted by the Alberta Court in the Receivership Proceedings;

NOW THEREFORE this Agreement witnesses that in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each Party (as defined herein) to the other, the Parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions.

Certain words and phrases which are used in this Agreement have the meanings which are ascribed to them, respectively, in this Section.

"**Agreement**", "**hereto**", "**hereof**", "**herein**", "**hereby**", "**hereunder**" and similar expressions refer to this Agreement and the attached Schedules, as may be amended from time to time, and "**Article**", "**Section**", "**Subsection**", "**Paragraph**", "**Subparagraph**" and "**Schedule**" followed by a number or letter refer to the specified article, section, subsection, paragraph, subparagraph or schedule, as the case may be, of this Agreement.

"**Alberta Court**" means the Court of Queen's Bench of Alberta.

"**Applicable Law**" means, in respect of any Person, property, transaction or event, any domestic or foreign statute, law (including the common law).

"**Approval and Vesting Order**" means an order, substantially in the form attached to this Agreement as Schedule "B", to be granted by the Alberta Court which authorizes, approves and confirms this Agreement and the sale of the Purchased Assets by the Vendor to the Purchaser, free and clear of all claims arising by, through, or under the Vendor, in accordance with the terms and conditions of this Agreement, subject only to Permitted Encumbrances.

"**Business Day**" means any day other than a Saturday, Sunday or statutory holiday in the Province of Alberta.

"**Claim**" means any claim, action, demand, cause of action, suit, complaint, proceeding, arbitration, judgment, settlement, award, assessment, re-assessment, order, investigation, enquiry or hearing made or threatened.

"**Closing**" means the completion of the purchase by the Purchaser and sale by the Vendor of the Purchased Assets in accordance with the terms and subject to the conditions of this Agreement on the Closing Date at the Closing Time.

"**Closing Date**" means June 30, 2022 or such other date as the Purchaser and Vendor agree to in writing.

"**Closing Time**" has the meaning ascribed thereto in Section 7.1.

"**Deposit**" means the sum of forty five thousand dollars (\$45,000.00).

"**Encumbrances**" means any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by Receivership Order; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system.

"**Governmental Authority**" means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, court (including the court), tribunal, commission, stock exchange, bureau, board or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government or securities market regulation.

"Legal Proceedings" means any litigation, action, suit, citation, investigation, hearing, claim, complaint, grievance, arbitration proceeding or other proceeding and includes any appeal or review and any application for same.

"Liabilities" means any and all debts, liabilities and obligations of the Vendor, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or determinable, including those arising under any Applicable Law, Claim or governmental order, and those arising under any contract, agreement, arrangement, commitment or undertaking.

"Notice" has the meaning set out in Section 8.1.

"Parties" means, collectively, the Purchaser and the Vendor, and **"Party"** means any one of them.

"Permitted Encumbrances" those instruments registered against title to the Purchased Assets as further set out in Schedule "A" to this Agreement.

"Person" means an individual, a partnership, a corporation, a trust, an unincorporated organization, a government or any department or agency thereof and the heirs, executors, administrators or other legal representatives of an individual.

"Promissory Note" means the promissory note in the principal amount of [REDACTED] dollars originally made by NewCo (as defined in the Deloitte Letter), as debtor, and subsequently assumed by the Subsidiary, to and in favour of the Debtor, as creditor.

"Purchase Price" has the meaning ascribed thereto in Section 3.1.

"Purchased Assets" means:

- (a) all of the issued and outstanding shares in the share capital of the Subsidiary held by the Debtor; and
- (b) the Promissory Note.

"Receivership Order" has the meaning ascribed to it in the Recitals.

"Representative" means, in respect of a Party, each director, officer, employee, agent, manager, lender, solicitor, accountant, professional advisor, consultant, contractor and other representative of such Party.

"Specific Conveyances" means all conveyances, bills of sale, assignments, transfers, and other documents or instruments that are reasonably required or desirable to convey, assign and transfer all of the Vendor's right, title and interest, if any, in and to the Purchased Assets to the Purchaser none of which shall contain any representations or warranties of the Vendor except as provided herein, including, but not limited to all necessary documents and assurances that may be required to transfer legal and beneficial title in and to the Purchased Assets to the Purchaser.

"Subsidiary" means **METRO RECREATION PROPERTIES LTD.**, a corporation incorporated pursuant to the laws of the Province of Alberta.

"Transaction" means the purchase and sale of all of the Vendor's right, title and interest, if any, in and to the Purchased Assets contemplated by this Agreement.

"Transfer Taxes" means all present and future transfer taxes, sales taxes, harmonized sales taxes, use taxes, production taxes, value added taxes, goods and services taxes, registration and recording fees, and any other similar or like taxes and charges imposed by a governmental authority in connection with the sale, transfer or registration of the Transaction, including under the *Excise Tax Act* (Canada) and any other similar provincial tax legislation.

1.2 Extended Meanings.

Words importing the singular include the plural and vice versa. Words importing the masculine, feminine or neuter gender include the other genders.

1.3 Headings.

The insertion into this Agreement of headings and the inclusion of a table of contents are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.4 Entire Agreement.

This Agreement constitutes the entire agreement between the Parties hereto relating to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether verbal or written, of the Parties and there are no general or specific warranties, representations or other agreements by or between the Parties in connection with the entering into of this Agreement or the subject matter hereof except as specifically set forth herein.

1.5 Currency, Cheques and Bank Drafts.

Unless otherwise expressly stated in this Agreement, all references to money shall refer to Canadian funds. Cheques and bank drafts shall be drawn in immediately payable Canadian funds at a branch in Canada of a Schedule I Canadian chartered bank or other financial institution acceptable to the Vendor.

1.6 Severability.

If any provision contained in this Agreement or its application to any Person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such provision to Persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected.

1.7 Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the applicable laws of Canada. References to statutes shall be

deemed, unless otherwise stated, to be references to such statutes as they exist on the date of this Agreement. The courts having jurisdiction in the Province of Alberta shall have exclusive jurisdiction in relation to any Legal Proceedings arising in connection with this Agreement.

1.8 Time.

Time shall be of the essence of this Agreement.

1.9 Schedules.

The following are the Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

Schedule A— Permitted Encumbrances

Schedule B— Approval and Vesting Order

Schedule C— Deloitte LLP Letter date April 6, 2022

**ARTICLE 2
PURCHASE AND SALE**

2.1 Purchase and Sale.

On the Closing Date and subject to the terms and conditions of this Agreement the Vendor hereby agrees to sell, assign and transfer to the Purchaser, and the Purchaser agrees to purchase from the Vendor, all of the Vendor's right, title and interest, if any, in and to the Purchased Assets, and such forgoing purchase shall be free and clear of all Claims and Encumbrances other than Permitted Encumbrances as provided for in the Approval and Vesting Order.

**ARTICLE 3
PURCHASE PRICE**

3.1 Determination of Purchase Price

The purchase price for the Purchased Assets is an aggregate purchase price equal to the sum of [REDACTED] (the "**Purchase Price**"), payable as follows:

- (a) the Deposit shall be paid by the Purchaser to Vendor's counsel within two (2) business days following execution of this Agreement by the Vendor, and shall be immediately releasable to the Vendor and shall be non-refundable to the Purchaser except only if the Purchaser's conditions as set out in Section 6.2 and 6.4 are not all satisfied or waived by the Purchaser, the Vendor materially breaches the terms of this Agreement, or by agreement of the Parties. The Deposit shall, however, be credited towards the Purchase Price at the Closing Time; and

- (b) the balance of the Purchase Price shall be paid by the Purchaser to the Vendor on or before the Closing Time in accordance with Section 7.3(a).

3.2 Allocation of Purchase Price

The Vendor and Purchaser covenant and agree that the Purchase Price for the Purchased Assets shall be allocated as follows:

- (a) as to the shares of the Subsidiary, the sum of [REDACTED]; and
- (b) as to the Promissory Note, the sum of [REDACTED].

The Vendor and the Purchaser agree to co-operate in the filing of such elections under the *Income Tax Act* (Canada) and other taxation statutes as may be necessary or desirable to give effect to the allocation for tax purposes.

3.3 Transfer Taxes

The Parties agree that the Purchase Price payable by the Purchaser to the Vendor does not include any Transfer Taxes and all Transfer Taxes are the responsibility of and for the account of the Purchaser. If the Vendor is required by law to collect any applicable Transfer Taxes from the Purchaser, the Purchaser shall pay such Transfer Taxes to the Vendor at the Closing Time, unless the Purchaser qualifies for an exemption from any such applicable Transfer Taxes, in which case the Vendor shall not collect any such applicable Transfer Taxes from the Purchaser, provided that the Purchaser, in lieu of payment of such applicable Transfer Taxes to the Vendor delivers to the Vendor such certificates, elections or other documents required by law to substantiate and affect the exemption claimed by the Purchaser. The Purchaser hereby indemnifies the Vendor and the Debtor against any claims that may arise in connection with such Transfer Taxes.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

4.1 Vendor's Representations and Warranties.

The Vendor represents and warrants to and in favour of the Purchaser that, as of the date of this Agreement and as of the Closing Date:

- (a) Standing. Receiver has been duly appointed by the Alberta Court as receiver and manager of the Debtor, and that appointment is valid and subsisting.
- (b) Execution of Documents. Subject to obtaining the Approval and Vesting Order the Receiver has all necessary power and authority to enter into this Agreement and to carry out its obligations under this Agreement. This Agreement constitutes a legal, valid and binding obligation of the Vendor enforceable against it in accordance with its terms, subject to any limitations imposed by Applicable Law.
- (c) Residency. The Vendor is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada).

- (b) No Other Agreements to Sell the Purchased Assets. The Vendor has not entered into any other agreements to sell the Purchased Assets.

4.2 Purchaser's Representations and Warranties.

The Purchaser represents and warrants to and in favour of the Vendor that, as of the date of this Agreement and as of the Closing Date:

- (a) Status. The Purchaser has the power, authority, right and capacity to enter into this Agreement and to carry out the Transaction and enter into the agreements contemplated by this Agreement in the manner contemplated by this Agreement;
- (b) Corporate Authorization. The Transaction and other agreements contemplated by this Agreement by the Closing Date have been duly and validly authorized by all requisite corporate proceedings and will constitute legal, valid and binding obligations of the Purchaser;
- (c) No Default Under Other Agreements. Neither the execution of this Agreement nor its performance by the Purchaser will result in a breach of any term of provision or constitute a default under the constating documents or bylaws of the Purchaser, in the event the Purchaser is a corporation, or any indenture, mortgage, deed or trust or any other agreement to which the Purchaser is a party or by which it is bound;
- (d) Execution of Documents. This Agreement has been duly executed and delivered by Purchaser and all other documents executed and delivered by Purchaser pursuant hereto will be duly executed and delivered by Purchaser, and this Agreement and such documents will, constitute legal, valid and binding obligations of Purchaser enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, preference, reorganization, moratorium and other similar laws affecting creditors' rights generally and the discretion of the courts with respect to equitable or discretionary remedies and defenses; and
- (e) Residence. The purchaser is not a non-Canadian for the purposes of the *Investment Canada Act*.

4.3 Survival of Warranties.

The representations and warranties contained in Section 4.1 and 4.2 shall survive the completion of the Transaction and shall continue in full force and effect for the benefit of the Purchaser and the Vendor for the lesser of six months after the Closing Date or the date upon which the Receiver is discharged as Receiver and Manager of the Vendor so that written notification of any breach of any representation or warranty must be provided to the other Party on or before the expiry of such period.

ARTICLE 5 COVENANTS

5.1 Acquisition of Assets on "As Is, Where Is" Basis

The Purchaser hereby acknowledges and agrees as follows:

- (a) The Purchased Assets are being purchased on an "as is, where is" basis as they exist at the Closing Time;
- (b) It has conducted or will conduct its own searches and investigations relating to the Purchased Assets and the overall structure of the Transaction;
- (c) It has conducted such inspections of the Purchased Assets as deemed appropriate, satisfied itself with respect to the Purchased Assets and all matters connected with or related to the Purchased Assets, and has relied entirely upon its own investigations and inspections in entering into this Agreement to acquire all of the Vendor's right, title and interest, if any, in and to the Purchased Assets, without regard to any information made available or provided by the Vendor or its Representatives;
- (d) Subject to Closing, the Purchaser will accept the Purchased Assets in their state, condition and location as at the Closing Time. Except as expressly set forth in Section 4.1 of this Agreement, the Receiver makes no representations, warranties, statements or promises on its own behalf or on behalf of the Debtor in favour of the Purchaser concerning the:
 - (i) viability of the overall transaction structure proposed in the letter from Deloitte LLP dated April 6, 2022 (the "**Deloitte Letter**") and attached hereto as Schedule "C" (the "**Overall Transaction**"), and in particular, concerning the tax consequences to the Debtor, Subsidiary, Purchaser, NewCo (as defined in the Deloitte Letter) or AcquirerCo (as defined in the Deloitte Letter) as a result of the Overall Transaction;
 - (ii) Purchased Assets;
 - (iii) the Vendor's or the Debtor's right, title or interest in or to the Purchased Assets, which the Purchaser acknowledges are being acquired on an "as is, where is" basis (including, without limitation, as to title, ownership, entitlement, encumbrances, description, assignability, quantity or quality thereto and/or the state of any Encumbrances); or
 - (iv) the uses or applications of the Purchased Assets,

whether express or implied, statutory or collateral, arising by operation of Applicable Law or otherwise; and
- (e) The description of the Purchased Assets as set out herein is for the purpose of identification only and no representation, warranty, condition or term has or will be given by the Vendor concerning the completeness or accuracy of such descriptions.

ARTICLE 6 CONDITIONS

6.1 Conditions of the Vendor.

The Vendor's obligation to complete the Transaction is subject to the fulfillment of each of the following conditions on or before the Closing Date or such other date as may be agreed to in writing between the Parties, which conditions are for the sole benefit of the Vendor and which may be waived by the Vendor, but only in writing, in its sole discretion:

- (a) Representations and Warranties. The representations and warranties of Purchaser herein contained shall be materially true in all material respects when made and as of the Closing Date;
- (b) Court Order. The Receiver shall have obtained the Approval and Vesting Order and no stay or appeal of such Order or application to vary or set aside the Approval and Vesting Order shall be in effect, filed or outstanding as of the Closing Date;
- (c) No Action or Proceeding. No legal or regulatory action or proceeding shall be pending by any person to enjoin, restrict or prohibit the purchase and sale of the Purchased Assets contemplated hereby, the right of the Vendor to sell the Purchased Assets or the right of the Purchaser to purchase the Purchased Assets;
- (d) No Redemption or Removal. No person entitled by law to do so shall have redeemed the Purchased Assets and none of the Purchased Assets shall have been removed from the control of the Vendor by any means or process;
- (e) Obligations. All obligations of Purchaser contained in this Agreement to be performed on or before the Closing Date shall have been timely performed in all material respects;
- (f) Payment. All amounts to be paid by Purchaser to Vendor are paid on or before the Closing Date in the manner stipulated in this Agreement; and
- (g) Satisfaction of Waiver of Conditions. All of the conditions set forth in this Agreement shall have been satisfied or waived by Purchaser on or before the Closing Date and a certificate of Purchaser to that effect shall have been delivered by Purchaser to Vendor on or before the Closing Date.

6.2 Conditions of the Purchaser.

The Purchaser's obligation to complete the Transaction is subject to fulfillment of each of the following conditions on or before the Closing Date or such other date as may be specified, which conditions are for the sole benefit of the Purchaser and which may be waived by the Purchaser, but only in writing, in its sole discretion:

- (a) Representations and Warranties. The representations and warranties of Vendor herein contained shall be true in all material respects when made and as of the Closing Date;

- (b) Court Order. The Receiver shall have obtained the Approval and Vesting Order and no stay or appeal of such Order or application to vary or set aside the Approval and Vesting Order shall be in effect, filed or outstanding as of the Closing Date;
- (c) Obligations. All obligations of Vendor contained in this Agreement to be performed on or before the Closing Date shall have been timely performed in all material respects.

6.3 Condition Precedent of the Vendor.

The Vendor's obligation to close this transaction will be subject to the following Condition Precedent in favour of the Vendor:

- (a) Creation of Promissory Note. The steps outlined in the Deloitte Letter necessary to create the Promissory Note shall have been completed on or before the Closing Date.

6.4 Condition Precedent of the Purchaser.

The Purchaser's obligation to close this transaction will be subject to the following Condition Precedent in favour of the Purchaser:

- (a) Due Diligence. On or before April 21, 2022, the Purchaser shall have completed its due diligence investigation of the Purchased Assets and shall, in its sole discretion, be satisfied with the results of such due diligence.

6.5 Satisfaction of Conditions.

Each Party agrees to proceed in good faith and with promptness and diligence to attempt to satisfy those conditions in Sections 6.1, 6.2, 6.3 and 6.4 that are within its reasonable control. Each Party further agrees to notify the other Party on or before Closing Date or such prior date as may be specified for the fulfilment of a condition of those conditions that have been satisfied.

6.6 Waiver of Conditions.

- (a) Notice of Waiver. If a condition set out in Section 6.1, 6.2, 6.3 or 6.4 has not been satisfied on or before the date specified for its fulfilment, the Party for whose benefit the condition has been included may waive compliance with the condition in whole or in part, in its sole discretion, by notice to the other Party to be given on the Closing Date or within one (1) Business Day after the date specified for the fulfilment of such condition if such date is more than one (1) Business Day before the Closing Date, and without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part; or

In the event that the Purchaser fails to provide notice in writing of the waiver of the condition as set forth in this Section, then the Purchaser shall have been deemed to have elected to waive the condition in which case the Parties shall be under an obligation to complete the Transaction, subject to the Vendor

confirming that the Vendor's conditions as set out in Section 6.1 and 6.3 have been satisfied or waived.

- (b) Deemed Satisfaction of Conditions. Notwithstanding Section 6.6(a), the closing of the Transaction shall be deemed to be a waiver by any Parties of compliance with any condition included for its benefit and not satisfied on the Closing Date but shall not release any Party from liability with respect to the covenants, representations and warranties on its part contained in this Agreement.
- (c) Not Conditions Precedent. The conditions set out in Sections 6.1 and 6.2 are conditions to the obligations of the Parties hereto and are not conditions precedent to the existence or enforceability of this Agreement.

6.7 Court Approval.

The Receiver shall, forthwith upon the execution and delivery of this Agreement by each of the Parties, proceed with an application to the Alberta Court to obtain the Approval and Vesting Order and the Purchaser shall support such application. In the event that the Approval and Vesting Order is not obtained within thirty (30) days from the date the Receiver is required under this section to seek the Approval and Vesting Order, then at the option of the Receiver this thirty (30) day period may be extended by another fifteen (15) days. If at the end of this thirty (30) day period or forty-five (45) day period, as the case may, the Approval and Vesting Order is not obtained, then this Agreement shall terminate and the Receiver and the Purchaser shall have no further liabilities or obligations to each other with respect to this Agreement or the Transaction.

The Purchaser acknowledges that the Vendor is subject to the jurisdiction and discretion of the Alberta Court to entertain other offers and any further orders the Alberta Court may make regarding the Purchased Assets. Given the Vendor's position as receiver and manager of the Debtor, the Vendor is required to advise the Alberta Court of any other offers that may be presented to the Vendor for consideration prior to court acceptance of this Agreement, and to put such offers before the Alberta Court. The Vendor gives no assurance or undertaking that it will advocate for the approval of this Agreement by the Alberta Court. The Purchaser acknowledges and agrees that it is responsible to advocate for approval of this Agreement at any court application made to the Alberta Court for approval of this Agreement.

ARTICLE 7 CLOSING ARRANGEMENTS

7.1 Closing Arrangements.

This Agreement shall be completed at 12:00 o'clock p.m. (the "**Closing Time**") on the Closing Date through a virtual closing place whereby all documents shall be exchanged by fax, email or courier delivery or such other place as the Parties agree. If the Purchaser is relying upon new financing to finance any portion of the Purchase Price, the closing may be effected on appropriate and customary trust conditions and undertakings for the sale of shares, by agreement of the Vendor and the Purchaser acting reasonably.

7.2 Deliveries on Closing by the Vendor.

At the Closing Time, the Vendor shall deliver, or cause to be delivered, to the Purchaser:

- (a) pursuant to the Approval and Vesting Order, free and clear title and possession of the Purchased Assets, being free and clear of all Claims and Encumbrances other than Permitted Encumbrances, and otherwise on an "as is, where is" basis in accordance with Section 5.1;
- (b) the share certificates representing the shares of the Subsidiary duly endorsed thereon for transfer or a duly executed share transfer form;
- (c) the Subsidiary's minute book;
- (d) all records of the Subsidiary in possession of the Receiver;
- (e) a notice to the Subsidiary of the assignment of the Promissory Note to the Purchaser;
- (f) a bring-down certificate executed by the Vendor, in a form satisfactory to the Purchaser, acting reasonably, certifying that all of the representations and warranties of the Vendor hereunder remain true and correct in all material respects as of the Closing Time;
- (g) Specific Conveyances to which it is Party, executed by the Vendor, in a form satisfactory to the Purchaser, acting reasonably;
- (h) a certified copy of the Approval and Vesting Order approving the sale of the Purchased Assets to the Purchaser;
- (i) such other documentation relating to the completion of this Agreement as the Purchaser may reasonably require.

7.3 Deliveries on Closing by the Purchaser.

At the Closing Time, the Purchaser shall deliver, or cause to be delivered to the Vendor:

- (a) the payment in Canadian funds, by way of solicitor's trust cheque, bank draft or other form of payment acceptable to the Receiver, required by Section 3.1;
- (b) a bring-down certificate executed by the Purchaser, in a form satisfactory to the Vendor, acting reasonably, certifying that all of the representations and warranties of the Purchaser hereunder remain true and correct in all material respects as of the Closing Time;
- (c) the Specific Conveyances to which the Purchaser is a Party to, executed by the Purchaser, in a form satisfactory to the Vendor, acting reasonably; and
- (d) such further documentation relating to the completion of this Agreement as the Vendor may reasonably require.

**ARTICLE 8
MISCELLANEOUS**

8.1 Notices.

(a) Any notice, request, consent, acceptance, waiver or other communication required or permitted to be given under this Agreement (a "**Notice**") shall be in writing and shall be given by personal delivery or written electronic communication which results in a written or printed notice being given to the applicable address set forth below:

(i) in the case of the Receiver or the Vendor addressed to it at:

BDO Canada Limited
20 Wellington Street East, Suite 500
Toronto, ON M5E 1C5
Attention: Clark Lonergan
Email: clonergan@bdo.ca

- with a copy to -

Cassels Brock & Blackwell LLP
3810, Bankers Hall West
888 – 3rd Street SW
Calgary, AB T2P 5C5
Attention: Jeffrey Oliver/ Danielle Marechal
Email: joliver@cassels.com/dmarechal@cassels.com

(ii) and in the case of the Purchaser addressed to it at:

Statesman H.C. Ltd.
7370 Sierra Morena Blvd SW
Calgary, AB T3H 4H9
Attention: Garth Mann
Email: Garth.Mann@statesmangroup.com

- with a copy to -

Miller Thomson LLP
Suite 3000, 700 – 9 Avenue SW
Calgary, AB T2P 3V4
Attention: Joshua I. Selby
Email: jiselby@millertomson.com

(b) Any Notice, if delivered, shall be deemed to have been validly and effectively given and received on the date of delivery. Any notice, if sent by electronic communication, shall be deemed to have been validly and effectively given and received on the date and time of transmission.

- (c) By giving to the other Party at least 10 days, Notice, any Party may, at any time and from time to time, change its address for delivery or communication for the purposes of this Section 8.1.

8.2 Further Assurances.

Each of the Parties shall execute and deliver all such further documents and do such other things as the other Party may reasonably request to give full effect to this Agreement.

8.3 Lawyers as Agents.

Notices, approvals, waivers and other documents permitted, required or contemplated by this Agreement may be given or delivered by or to the Parties or by or to their respective solicitors on their behalf.

8.4 Publicity.

The Receiver shall be entitled to make public or other disclosure of this Agreement or the Transaction as it deems appropriate, including without limitation in connection with obtaining the Approval and Vesting Order.

8.5 Assignment.

The Purchaser shall not be entitled to assign its rights under this Agreement without the prior written consent of the Vendor, which consent may not be unreasonably withheld, provided that any such assignment shall not relieve the Purchaser from its obligations under this Agreement. Any such assignment must occur prior to the granting of the Approval and Vesting Order.

8.6 Obligations to Survive.

The obligations and covenants of the Parties set out in the following sections and articles of this Agreement shall survive Closing, shall remain in full force and effect, shall not merge as a result of Closing and shall be binding on the Parties thereafter: Section 4.5 [Effect of Warranties], Section 5.1 [Acquisition of Assets on "As Is, Where Is" Basis], Section 7.2(g) [Specific Conveyances], Section 8.2 [Further Assurances] and Section 8.8 [Costs and Expenses].

8.7 Successors and Assigns.

This Agreement shall enure to the benefit of and shall be binding upon the Parties and their respective successors and permitted assigns.

8.8 Costs and Expenses

Each Party hereto shall be responsible for all costs and expenses (including the fees and disbursements of legal counsel, bankers, investment bankers, accountants, brokers and other advisors) incurred by it in connection with this Agreement and the transactions contemplated.

8.9 No Strict Construction

The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event any ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favouring or disfavouring either Party by virtue of authorship of any provision of this Agreement.

8.10 Electronic and Counterpart Signing.

This Agreement may be signed:

- (a) in as many counterparts as there are Parties hereto, and
- (b) by delivery of electronic transmissions or email transmissions of the signing pages of this Agreement, whether in counterpart or not,

and upon execution by all Parties of this Agreement, all counterpart copies (whether electronic, email or original) shall be read as one agreement and as if all Parties had signed the same Agreement.

The closing documents set out in s. 7.2 and 7.3 of this Agreement may be signed:

- (c) in as many counterparts as there are Parties hereto, and
- (d) by delivery of electronic or email transmissions of the signing pages of those closing documents, whether in counterpart or not,

and upon execution by all Parties of a closing document, all counterpart copies (whether facsimile, email or original) shall be read as one document and as if all Parties had signed the same document.

IN WITNESS WHEREOF the Parties have executed this Agreement.

BDO CANADA LIMITED, in its capacity as receiver and manager of the assets, undertakings and properties of Metro Paving Ltd. and not in its personal or corporate capacity.



Per: _____

STATESMAN H.C. LTD.

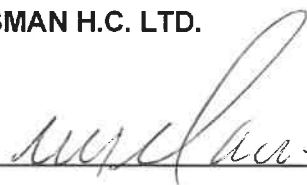
Per: _____

IN WITNESS WHEREOF the Parties have executed this Agreement.

BDO CANADA LIMITED, in its capacity as receiver and manager of the assets, undertakings and properties of Metro Paving Ltd. and not in its personal or corporate capacity.

Per: _____

STATESMAN H.C. LTD.

Per:  _____

**SCHEDULE A
PERMITTED ENCUMBRANCES**

None

**SCHEDULE B
APPROVAL AND VESTING ORDER**

COURT FILE NUMBER 2101-00809
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
APPLICANT BANK OF MONTREAL
RESPONDENTS METRO PAVING AND ROADBUILDING LTD.,
METRO PAVING LTD., METRO PARS
CORPORATION, and GRASSLANDS OF
BEISEKER DEVELOPMENT CORPORATION

Clerk's Stamp

DOCUMENT **APPROVAL AND VESTING ORDER –
SHARE PURCHASE
(Sale by Receiver)**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF PARTY
FILING THIS DOCUMENT

Cassels Brock & Blackwell LLP
Barristers and Solicitors
3810, Bankers Hall West
888 – 3rd Street S.W.
Calgary, Alberta T2P 5C5
Attention: Jeffrey Oliver / Danielle Marechal
Email: joliver@cassels.com / dmarechal@cassels.com
Telephone No.: 403-351-2920
Fax No.: 403-648-1151
Client File No.: 28677-31

DATE ON WHICH ORDER WAS PRONOUNCED: April 22, 2022

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Madam Justice B.E.C. Romaine

UPON THE APPLICATION by BDO Canada Limited in its capacity as the Court-appointed receiver and manager (the “**Receiver**”) of the undertakings, property and assets of, *inter alios*, Metro Paving Ltd. (the “**Debtor**”) for an order approving the sale transaction (the “**Transaction**”) contemplated by: (i) the letter dated April 6, 2022 from Deloitte LLP and appended to the Confidential Supplement to the Fourth Report of the Receiver dated April 12, 2022 (the “**Confidential Supplement**”); and (ii) an agreement of purchase and sale (the “**Sale Agreement**”) between the Receiver and Statesman H.C. Ltd. (the “**Purchaser**”) dated April ●, 2022 and appended to the Fourth Report of the Receiver dated April 12, 2022 (the “**Report**”), and vesting in the Purchaser (or its nominee) the Debtor’s right, title and interest in and to the assets described in the Sale Agreement (the “**Purchased Assets**”);

AND UPON HAVING READ the Receivership Order dated January 20, 2021 (the “**Receivership Order**”), the Report and the Affidavit of Service of Richard Kay, sworn April 1, 2022 (the “**Affidavit of Service**”); **AND UPON HEARING** the submissions of counsel for the Receiver and the Purchaser, no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service, filed;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application and time for service of this application is abridged to that actually given.

APPROVAL OF TRANSACTION

2. The Transaction is hereby approved and execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for completion of the Transaction and conveyance of the Purchased Assets to the Purchaser (or its nominee).

VESTING OF PROPERTY

3. Upon delivery of a Receiver’s certificate to the Purchaser (or its nominee) substantially in the form set out in **Schedule “A”** hereto (the “**Receiver’s Closing Certificate**”), all of the Debtor’s right, title and interest in and to the Purchased Assets listed in **Schedule “B”** hereto shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, “**Claims**”) including, without limiting the generality of the foregoing:
 - (a) any encumbrances or charges created by the Receivership Order; and
 - (b) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system (all of which are collectively referred to as the “**Encumbrances**”, which term shall not

include the permitted encumbrances, caveats, interests, easements, and restrictive covenants listed in **Schedule "C"** (collectively, "**Permitted Encumbrances**")

and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets

4. Upon delivery of the Receiver's Closing Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Receiver's Closing Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser or its nominee clear title to the Purchased Assets subject only to Permitted Encumbrances.
5. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Receiver's Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.
6. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Receiver of the Sale Agreement.
7. For the purposes of determining the nature and priority of Claims, net proceeds from sale of the Purchased Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Purchased Assets from and after delivery of the Receiver's Closing Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), the Receiver shall not make any distributions to creditors of net proceeds from sale of the Purchased Assets without further order of this Court, provided however the Receiver may apply any part of such net proceeds to

repay any amounts the Receiver has borrowed for which it has issued a Receiver's Certificate pursuant to the Receivership Order.

8. Except as expressly provided for in the Sale Agreement the Purchaser (or its nominee) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Debtor.
9. Upon completion of the Transaction, the Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).
10. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Debtor, or any person claiming by, through or against the Debtor.
11. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Receiver.
12. The Receiver is directed to file with the Court a copy of the Receiver's Closing Certificate forthwith after delivery thereof to the Purchaser (or its nominee).

MISCELLANEOUS MATTERS

13. Notwithstanding:
 - (a) the pendency of these proceedings and any declaration of insolvency made herein;
 - (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (the "**BIA**"), in respect of the Debtor, and any bankruptcy order issued pursuant to any such applications;
 - (c) any assignment in bankruptcy made in respect of the Debtor; and

(d) the provisions of any federal or provincial statute;

the vesting of the Purchased Assets in the Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

14. The Receiver, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
15. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Receiver, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
16. Service of this Order shall be deemed good and sufficient by:
 - (a) Serving the same on:
 - (i) the persons listed on the service list created in these proceedings;
 - (ii) any other person served with notice of the application for this Order;
 - (iii) any other parties attending or represented at the application for this Order;
 - (iv) the Purchaser or the Purchaser's solicitors; and
 - (b) Posting a copy of this Order on the Receiver's website at: <https://www.bdo.ca/en-ca/extranets/metrogroupofcompanies/>

and service on any other person is hereby dispensed with.

17. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

Justice of the Court of Queen's Bench of Alberta

Schedule "A"**Form of Receiver's Certificate**

COURT FILE NUMBER	2101-00809
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANT	BANK OF MONTREAL
RESPONDENTS	METRO PAVING AND ROADBUILDING LTD., METRO PAVING LTD., METRO PARS CORPORATION, and GRASSLANDS OF BEISEKER DEVELOPMENT CORPORATION
DOCUMENT	RECEIVER'S CERTIFICATE – SHARE PURCHASE

Clerk's Stamp

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

Cassels Brock & Blackwell LLP
Barristers and Solicitors
3810, Bankers Hall West
888 – 3rd Street S.W.
Calgary, Alberta T2P 5C5
Attention: Jeffrey Oliver / Danielle Marechal
Email: joliver@cassels.com / dmarechal@cassels.com
Telephone No.: 403-351-2920
Fax No.: 403-648-1151
Client File No.: 28677-31

RECITALS

- A. Pursuant to an Order of the Honourable Madam Justice K.M. Eidsvik of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**") dated January 20, 2021, BDO Canada Limited was appointed as the receiver (the "**Receiver**") of the undertakings, property and assets of, *inter alios*, Metro Paving Ltd. (the "**Debtor**").
- B. Pursuant to an Order of the Court dated April 22, 2022, the Court approved the agreement of purchase and sale made as of April 1, 2022 (the "**Sale Agreement**") between the Receiver and Statesman H.C. Ltd. (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a

certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser (or its nominee) has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser (or its nominee); and
3. The Transaction has been completed to the satisfaction of the Receiver.

This Certificate was delivered by the Receiver on ●, 2022

BDO CANADA LIMITED, in its capacity as Receiver of the undertakings, property and assets of METRO PAVING LTD., and not in its personal capacity.

Per: _____

Name:

Title:

Schedule "B"**Purchased Assets**

1. All of the issued and outstanding shares in the share capital of Metro Recreation Properties Ltd. held by the Metro Paving Ltd.; and
2. A Promissory Note in the principal amount of [REDACTED] originally made by ● Alberta Ltd., as debtor, and subsequently assumed by Metro Recreation Properties Ltd., to and in favour of Metro Paving Ltd., as creditor.

Schedule "C"

Permitted Encumbrances

Nil.

SCHEDULE C
LETTER FROM DELOITTE LLP DATED APRIL 6, 2022

APPENDIX "N" – STATEMENT OF CLAIM DATED MAY 26, 2021

2101 06038

[Rule 3.25]

COURT FILE NUMBER

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

PLAINTIFFS

HORSESHOE CONTRACTING LTD. and
875242 ALBERTA LTD.

DEFENDANTS

GRASSLANDS OF BEISEKER
DEVELOPMENT CORPORATION, METRO
PAVING AND ROADBUILDING LTD., RON
FRIESEN, AARON BADGER and BANK OF
MONTREAL



52622

DOCUMENT

STATEMENT OF CLAIM

PARTY FILING THIS DOCUMENT
ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

Warnock Kraft Anderson
225 First Avenue NW
Airdrie, Alberta T4B 2M8
Phone: 403-948-009
Email: robanderson@wkalawyers.ca
Attention: Rob Anderson

NOTICE TO DEFENDANTS

You are being sued. You are a defendant.

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

Statement of facts relied on:**Plaintiffs**

1. The Plaintiff, Horseshoe Contracting Ltd. (“**Horseshoe**”), is a duly incorporated Alberta company, carries on business in the city of Calgary and elsewhere in Alberta and is a mortgagee pursuant to the Horseshoe/Eclipse/Metro Mortgage (defined below).
2. The Plaintiff, 875242 Alberta Ltd. (“**875**”), is a duly incorporated Alberta company, carries on business in the city of Calgary and elsewhere in Alberta and is successor to the interest of Eclipse Geomatics and Engineering Ltd. (“**Eclipse**”) as a mortgagee pursuant to the Horseshoe/Eclipse/Metro Mortgage.

Defendants

3. The Defendant, Grasslands of Beiseker Development Corporation (“**Grasslands**”), is an Alberta real estate development company which at all material times carried on the business of real estate development and sale of residential lots it had developed at the town of Beiseker, Alberta.
4. The Defendant, Metro Paving and Road Building Ltd. (“**Metro Roadbuilding**”), is an Alberta company which is an affiliate of Grasslands and at all material times carried on the business of paving and roadbuilding in the city of Calgary and elsewhere in Alberta.
5. The Defendant, Ron Friesen (“**Friesen**”), is an individual who resides in Alberta.
6. At all material times Friesen was a director and officer of Grasslands and Metro Roadbuilding and a director and/or officer of their other affiliates including Metro Pars Corporation (“**Metro Pars**”), Metro Paving Ltd. (“**Metro Paving**”) and Ron and Linda Friesen Family Trust (“**Friesen Trust**”).
7. At all material times the Friesen Trust directly or indirectly owned and controlled each of Grasslands, Metro Roadbuilding, Metro Pars and Metro Paving.
8. The Defendant, Aaron Badger (“**Badger**”), is an individual who resides in Alberta and at all material times was an officer of Grasslands and Metro Roadbuilding.
9. The Defendant, Bank of Montreal (“**BMO**”), is a Canadian chartered bank, carries on business in the city of Calgary and elsewhere in Alberta and at all material times was the banker and lender to Metro Roadbuilding.

Beiseker Development

10. On or about November 1, 2012 Metro Roadbuilding, Horseshoe and Eclipse entered into an Indebtedness Agreement with Grasslands (the "**Indebtedness Agreement**") pursuant to which, *inter alia*:
 - a. The parties acknowledged that Grasslands was indebted to John Richter ("**Richter**") in the amount of \$301,566.82. As security for that indebtedness, Richter held a first registered mortgage ("**Richter Mortgage**") against title to lands (the "**Lands**") owned by Grasslands,
 - b. Grasslands acknowledged itself indebted in the aggregate amount of \$1,269,568.00 to Horseshoe (19%), Eclipse (12%) and Metro Roadbuilding (69%), for development services they had provided,
 - c. Grasslands agreed to execute and deliver a new mortgage ("**Horseshoe/Eclipse/Metro Mortgage**") to Metro Roadbuilding, Horseshoe and Eclipse against the Lands, to secure its indebtedness to them (replacing an existing mortgage to them which they agreed to discharge),
 - d. Proceeds of sale of individual lots of the Lands (after payment of sale transaction and other designated costs) were to be paid by Grasslands to Horseshoe, Eclipse and Metro Roadbuilding in the proportions indicated in paragraph 10(b) above,
 - e. Horseshoe, Eclipse and Metro Roadbuilding agreed to partially discharge the Horseshoe/Eclipse/Metro Mortgage as against the individual lots as they were sold, and
 - f. Horseshoe and Eclipse agreed to appoint Metro Roadbuilding as their irrevocable attorney to execute the discharges.
11. The Horseshoe/Eclipse/Metro Mortgage was executed by Grasslands on November 1, 2012 and registered against title to the Lands as instrument no. 131 048 869.
12. On November 30, 2013, Metro Roadbuilding, Horseshoe and Eclipse transferred the Horseshoe/Eclipse/Metro Mortgage to Metro Roadbuilding, Horseshoe and 875 (successor to Eclipse's interest).
13. On December 11, 2013, a Power of Attorney ("**Power of Attorney**") was signed by Metro Roadbuilding, Horseshoe and 875 and registered against title to the Lands as instrument no. 151 238 368. The Power of Attorney appointed Metro Roadbuilding to be the attorney for Horseshoe and 875, and for their sole use and benefit, to do the following on their behalf:

1. To enter into one or more mortgages, charges or encumbrances of the Lands;
2. To cause the existing mortgage on the Lands to be discharged; and
3. To execute any and all related directions, authorizations, declarations, statements and any other matters that may be required arising from or ancillary to any of the above.

BMO Financing

14. Metro Roadbuilding had a margin loan facility with BMO (the "**Metro Loan Facility**") and by March 2020 its indebtedness to BMO was over \$5 million. Until March of 2020, the only guarantors of the Metro Loan Facility were its affiliates, Metro Pars and Metro Paving.
15. Until March, 2020, Grasslands was not indebted to BMO, nor a guarantor of the Metro Loan Facility.
16. By March, 2020, Grasslands' secured creditors continued to be Metro Roadbuilding, Horseshoe and 875, who jointly held the Horseshoe/Eclipse/Metro Mortgage on the Lands.
17. On or about March 3, 2020, BMO entered into a letter of agreement ("**LOA1**") with Grasslands as borrower, and Metro Roadbuilding, Metro Paving and Metro Pars as guarantors, pursuant to which:
 - a. BMO agreed to loan Grasslands \$300,000 for the purpose of paying out and discharging the first registered Richter Mortgage;
 - b. Metro Roadbuilding, Metro Paving and Metro Pars each guaranteed the \$300,000 loan; and
 - c. Grasslands agreed to grant to BMO a first mortgage on the Lands for \$3,000,000 and a Security Agreement (GSA) as well as other collateral security.
17. On or about March 3 and 4, 2020, BMO entered into a letter of agreement ("**LOA2**") with Metro Roadbuilding as borrower, and Metro Paving and Metro Pars as guarantors, and with Grasslands added by amendment of LOA2 as an additional guarantor, pursuant to which:
 - a. BMO agreed, inter alia, to renew an approximately \$5 million margined operating loan facility for Metro Roadbuilding. By the amendment, which added Grasslands

as guarantor, the unmargined portion of the operating facility for Metro Roadbuilding was increased to \$1.5 million until May 31, 2020.

- b. The LOA2 loan facility was guaranteed by Metro Paving and Metro Pars and, for the first time, by Grasslands; and
 - c. Grasslands agreed to provide to BMO a \$3,000,000 first mortgage on the Lands as security for its obligations.
18. The \$3,000,000 mortgage to BMO ("**BMO Mortgage**") was purportedly authorized by Friesen, as director of Grasslands, signed by Badger, as an officer of Grasslands, and registered against title to the Lands on March 31, 2020 as instrument no. 201 063 192.
 19. A postponement ("**Postponement**") of the Horseshoe/Eclipse/Metro Mortgage to the BMO Mortgage was purportedly authorized by Friesen as director of Metro Roadbuilding and signed by Badger as an officer of Metro Roadbuilding on its own behalf, and purportedly, on behalf of Horseshoe and 875 pursuant to the Power of Attorney. The Postponement was registered against title to the Lands on April 15, 2020 as instrument no. 201 071 619. (The transactions referenced in paragraphs 17-19 above including execution and delivery of the Grasslands guarantee, BMO Mortgage and Postponement in favour of BMO are collectively referred to as the "**BMO Preference**".)
 20. Metro Roadbuilding, Metro Paving, Metro Pars and Grasslands all defaulted on the loan facilities with BMO, notices of intention to enforce were issued on November 19, 2020, and forbearance agreements were entered into on December 11, 2020. All of them consented to a receivership order being granted on January 20, 2021. BDO Canada Limited was appointed receiver and manager.

Postponement Not Authorized

21. The Power of Attorney did not authorize Metro Roadbuilding to enter into the Postponement on behalf of Horseshoe or 875, the Postponement was never authorized by them and is invalid and/or unenforceable.

BMO Preference

22. The BMO Preference was made by Grasslands:
- a. when it:
 - i. was in insolvent circumstances, or
 - ii. was unable to pay its debts in full, or
 - iii. was rendered insolvent by the BMO Preference, or
 - iv. knew that it was on the eve of insolvency, and
 - b. with intent to defeat, hinder, delay or prejudice Grasslands' creditors or any one or more of them, or
 - c. to or for BMO with intent to give it preference over the other creditors of Grasslands or over any one or more of them, or
 - d. to or for BMO and having the effect of giving it preference over the other creditors of Grasslands or over any one or more of them.

Oppression, Civil Conspiracy and/or Interference with Contractual Relations

23. The BMO Preference was authorized and made by Friesen and Badger in their capacity as directors and/or officers of Grasslands. Accordingly, they owed duties to Grasslands to act prudently and in the best interest of Grasslands and its constituents including its creditors and to do so without comprise.
24. Instead, by effecting the BMO Preference, Friesen and Badger breached their duties to Grasslands and acted in self-interest and/or in the interest of Metro Roadbuilding and contrary to the best interests of Grasslands, and in a manner that was oppressive and/or unfairly prejudicial to the interests of Grasslands and its creditors including, in particular, Horseshoe and 875.
25. Execution, registration and use of the Postponement by Badger of Metro Roadbuilding purportedly on behalf of Horseshoe and 875 was unauthorized and unlawful.
26. Friesen, Badger and BMO participated in the BMO Preference when they knew or ought to have known and were wilfully blind to the following:

- a. Friesen and Badger were in breach of their duties referred to in paragraph 23 above and acted in a manner that was oppressive and unfairly prejudicial to the interests of Grasslands and its creditors including in particular, Horseshoe and 875,
 - b. execution, registration and use of the Postponement was unauthorized and unlawful,
 - c. the BMO Preference was an attempt to provide BMO with an unlawful preference, and
 - d. Horseshoe and 875 would suffer delay and/or damage as a result of the foregoing.
27. In the circumstances referenced in paragraphs 23-26 above, participation by BMO, Friesen and Badger with Metro Roadbuilding and Grasslands in effecting the BMO Preference constitutes:
- a. civil conspiracy of BMO, Friesen, Badger, Grasslands and Metro Roadbuilding by their agreement to effect the BMO Preference:
 - i. with intent to prefer BMO over other creditors of Grasslands including in particular Horseshoe and 875, and/or
 - ii. which they knew or ought to have known would constitute a breach of Friesen's and Badger's duties to Grasslands referred to in paragraph 23 above, oppressive and/or unfairly prejudicial to the interests of Grasslands and its creditors including, in particular, Horseshoe and 875, and/or unauthorized and unlawful execution, registration and use of the Postponement;
 - b. interference by BMO in contractual relations among Grasslands, Metro Roadbuilding, Horseshoe and 875.
28. BMO, Friesen, Badger, Grasslands and Metro Roadbuilding are jointly and severally liable for all losses and damages incurred by Horseshoe and 875 as a result of the foregoing oppression, civil conspiracy and/or interference in contractual relations.

Punitive Damages

29. The conduct of BMO, Friesen, Badger, Grasslands and Metro Roadbuilding referred to paragraphs 23-26 above was unlawful and highhanded, was done with callous disregard for the rights and interests of Horseshoe and 875 and is deserving of sanction.

Sale of Lots

30. Grasslands sold at least 3 lots of the Lands prior to the receivership and discharged the Horseshoe/Eclipse/Metro Mortgage against those lots without paying any proceeds thereof to Horseshoe or 875 or accounting to them.

Trial

31. Horseshoe and 875 propose that any trial of this action take place at Calgary, Alberta and expect that any trial of this action will be less than 25 days.

Relief Claimed by Horseshoe and 875:

32. Accounting by Grasslands and Metro Roadbuilding regarding all pre-receivership proceeds of sale of lots of the Lands, including any portions thereof paid to Metro Roadbuilding.

33. A declaration:

- a. of the balances owing to Horseshoe, 875 and Metro Roadbuilding under the Horseshoe/Eclipse/Metro Mortgage and the amounts to be allocated to each from any proceeds of sale of the Lands;
- b. that the Power of Attorney did not authorize Metro Roadbuilding to enter into the Postponement on behalf of Horseshoe or 875 and that the Postponement was never authorized by them and is invalid and/or unenforceable,
- c. that the Horseshoe/Eclipse/Metro Mortgage has priority to the Lands and any sale proceeds therefrom, over the BMO Mortgage and any other instruments registered against title to the Lands in favour of BMO;

- d. in the alternative, that the BMO Mortgage has priority to the Lands and any sale proceeds therefrom, over the Horseshoe/Eclipse/Metro Mortgage, only to the extent of the \$300,000 advanced by BMO to payout the Richter Mortgage;
34. Further, or in the alternative, a declaration that the BMO Preference is void as against Horseshoe and 875 pursuant to the Fraudulent Preferences Act (Alberta) and Alberta Ministerial Order 27/2020.
35. Further, or in the alternative, judgment against BMO, Friesen, Badger, Grasslands and Metro Roadbuilding, jointly and severally, for all losses and damages incurred by Horseshoe and 875 as a result of their participation in the oppression, civil conspiracy and/or interference in contractual relations referred to above.
36. Punitive damages in the amount of \$100,000.
37. Costs including reasonable disbursements.
38. Such other relief as counsel for Horseshoe and 875 may advise and this Honourable Court will permit.

NOTICE TO THE DEFENDANT(S)

You only have a short time to do something to defend yourself against this claim:

20 days if you are served in Alberta

1 month if you are served outside Alberta but in Canada

2 months if you are served outside Canada.

You can respond by filing a statement of defence or a demand for notice in the office of the clerk of the Court of Queen's Bench at Calgary, Alberta, AND serving your statement of defence or a demand for notice on the plaintiff(s)' address for service.

WARNING

If you do not file and serve a statement of defence or a demand for notice within your time period, you risk losing the law suit automatically. If you do not file, or do not serve, or are late in doing either of these things, a court may give a judgment to the plaintiff(s) against you.

APPENDIX "O" – SUMMARY OF PROFESSIONAL FEES OF THE RECEIVER AND
RECEIVER'S COUNSEL

METRO ENTITIES
Summary of Professional Fees
For the period March 1, 2021 to March 31, 2022

	Invoice	Fees	Costs	Subtotal	GST	Total
Receiver						
March 1, 2021 to March 31, 2021	#CINV1176812	62,057.50	-	62,057.50	3,102.88	65,160.38
April 1, 2021 to May 15, 2021	#CINV1178637	56,200.25	82.75	56,283.00	2,814.15	59,097.15
May 16, 2021 to June 30, 2021	#CINV1273878	44,351.75	2,692.47	47,044.22	2,352.21	49,396.43
July 1, 2021 to August 31, 2021	#CINV1374358	26,092.00	377.13	26,469.13	1,323.46	27,792.59
September 1, 2021 to October 31, 2021	#CINV1453450	15,933.25	9.43	15,942.68	797.13	16,739.81
November 1, 2021 to March 31, 2021	#CINV1660681	22,737.00	-	22,737.00	1,136.85	23,873.85
Total Receiver Fees		227,371.75	3,161.78	230,533.53	11,526.68	242,060.21
Receiver's legal counsel						
March 1, 2021 to March 31, 2021	#2136570	119,559.30	2,952.85	122,512.15	6,077.66	128,589.81
April 1, 2021 to April 30, 2021	#2139320	74,358.60	151.26	74,509.86	3,722.79	78,232.65
May 1, 2021 to May 30, 2021	#2140044	29,376.90	17.00	29,393.90	1,468.85	30,862.75
June 1, 2021 to June 30, 2021	#2148067	98,750.00	814.30	99,564.30	4,967.97	104,532.27
July 1, 2021 to July 31, 2021	#2147312	9,400.00	265.67	9,665.67	478.48	10,144.15
August 1, 2021 to August 31, 2021	#2147314	10,984.05	18.00	11,002.05	549.20	11,551.25
August 1, 2021 to August 31, 2021	#2148066	2,122.00	-	2,122.00	106.10	2,228.10
September 1, 2021 to September 30, 2021	#2149971	11,000.00	331.78	11,331.78	566.49	11,898.27
September 1, 2021 to September 30, 2021	#2149972	2,484.00	-	2,484.00	124.20	2,608.20
October 1, 2021 to October 31, 2021	#2151244	8,642.97	-	8,642.97	432.15	9,075.12
November 1, 2021 to November 30, 2021	#2154247	4,362.30	-	4,362.30	218.12	4,580.42
November 1, 2021 to November 30, 2021	#2154248	2,358.90	-	2,358.90	117.95	2,476.85
December 1, 2021 to December 31, 2021	#2156502	4,840.00	-	4,840.00	242.00	5,082.00
January 1, 2022 to January 31, 2022	#2159731	8,024.00	-	8,024.00	401.20	8,425.20
February 1, 2022 to February 28, 2022	#2162476	1,972.35	-	1,972.35	98.62	2,070.97
January 1, 2022 to February 28, 2022	#2162477	842.40	-	842.40	42.12	884.52
March 1, 2022 to March 31, 2022	#2164324	4,388.40	45.00	4,433.40	221.22	4,654.62
March 1, 2022 to March 31, 2022	#2164325	7,225.65	710.00	7,935.65	361.28	8,296.93
Total Legal Fees		400,691.82	5,305.86	405,997.68	20,196.40	426,194.08
Total Professional Fees		628,063.57	8,467.64	636,531.21	31,723.08	668,254.29

APPENDIX "P" – INTERIM RECEIPTS AND DISBURSEMENTS STATEMENT FOR
GRASSLANDS

Appendix

Grasslands of Beiseker Development Corporation
Receiver's Interim Statement of Receipts and Disbursements
For the period January 20, 2021 to March 31, 2022

<u>Receipts</u>	
Receiver's borrowings	\$ 207,654
GST refund	7,784
Other receipts	72
<hr/> Total Receipts	<hr/> 215,510
 <u>Disbursements</u>	
Property repairs	83,693
Receiver's legal fees	37,938
Receiver's fees	24,697
Appraisal	6,549
Utilities	1,978
Bank charges	7
<hr/> Total Disbursements	<hr/> 154,862
<hr/> Excess Receipts over Disbursements	<hr/> \$ 60,648

Note 1: Following March 31, 2022, additional utilities expenses have been paid in the amount of \$231.

Note 2: The above R&D does not include unpaid Receiver's fees and unpaid Receiver's legal fees for the period March 1, 2021 to March 31, 2022.

Note 3: The above R&D does not include costs for preparing this Fourth Report of the Receiver nor expenses up to the closing of the proposed transaction.