

**THIS IS EXHIBIT "H" REFERRED TO  
IN THE AFFIDAVIT OF GARY IVANY  
SWORN BEFORE ME THIS \_\_\_\_\_  
DAY OF JULY, 2014**

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**A Notary Public in and for the Province  
of Ontario**

July 18, 2014

**Courier and Email**

Jeffery Jessamine and Kieran Bowes  
Sprague-Rosser Contracting Co. Ltd.  
201, 1259 - 91 Street SW  
Edmonton, Alberta  
T6X 1E9

**NORTON ROSE FULBRIGHT**

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**Our Reference**  
01100375-0590

Dear Sirs:

**Outstanding Secured Indebtedness owing to the Royal Bank of Canada ("RBC") by Sprague-Rosser Contracting Co. Ltd. ("Sprague-Rosser") as Guaranteed by Sprague-Rosser Developments Inc., Pacific Federation Equity Group Inc., Jeffery Jessamine, Daniel Edwards and Matthew Mackay (the "Guarantors")**

Our offices are the solicitors who act on behalf of RBC in connection with various loans and advances made to Sprague-Rosser by RBC as secured by a General Security Agreement, a Real property Mortgage and as supported by various Limited and Unlimited Guarantees provided by the Guarantors.

The Loan Agreement amongst RBC, Sprague-Rosser and the Guarantors are governed pursuant to a Letter Loan Agreement dated April 25, 2013 as amended and extended from time to time including by Amending Letter Agreements dated May 14, 2014, June 11, 2014, June 27, 2014 and July 7, 2014 (collectively the "Loan Agreement").

RBC, at the request of Sprague-Rosser and the Guarantors, has provided certain indulgences, extensions and access to overage amounts to provide Sprague-Rosser an opportunity to cure outstanding defaults and rectify its outstanding capital issues. To date, Sprague-Rosser has been unsuccessful in this regard and has demonstrated an inability to operate within its facilities provided under the Loan Agreement.

Further, Sprague-Rosser has advised of its anticipated inability to continue operations absent additional overage funding to be provided by the RBC, which additional overage funding is not acceptable to the RBC.

This correspondence is hereby a formal demand for repayment by the RBC in accordance with the terms of the revolving Demand Facility #1.

Although the revolving Demand Facility #1 has a maximum aggregate limit of \$17,500,000.00, as noted below, Sprague-Rosser's current indebtedness is greatly in excess of that amount.

As at July 18, 2014, the amounts outstanding and owing to RBC by Sprague-Rosser is as follows:

Norton Rose Fulbright Canada LLP is a limited liability partnership established in Canada.

Norton Rose Fulbright Canada LLP, Norton Rose Fulbright LLP, Norton Rose Fulbright Australia, Norton Rose Fulbright South Africa (Incorporated as Deneys Reitz Inc) and Fulbright & Jaworski LLP, each of which is a separate legal entity, are members of Norton Rose Fulbright Verein, a Swiss Verein. Details of each entity, with certain regulatory information, are at [nortonrosefulbright.com](http://nortonrosefulbright.com). Norton Rose Fulbright Verein helps coordinate the activities of the members but does not itself provide legal services to clients.

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**Facility A (Operating Line)**

		Interest (to July 17, 2014)	Total
RFA Prime Loan	\$16,634,000.00	\$51,633.76	\$16,685,633.76

**Facility B (Term Facility)**

		Interest	Total
Prime Loan	\$1,636,000.00	\$4,616.65	\$ 1,640,616.65

**DDA Account Overdrawn** \$ 1,146,176.50

**Lease Payments** \$ 382,919.38

**ACH Amounts in Process** \$ 116,434.26

**Visa Credit Balances** \$ 76,940.72

**TOTAL OUTSTANDING \$20,048,721.27**

In addition to accruing interest, the amounts owing will be increased by any additional payments or charges and costs incurred, or to be incurred, by RBC. All such principal, interest and costs are owing by Sprague-Rosser and the Guarantors (subject to any expressed limits in certain of the Guarantees). Demand is hereby made upon Sprague-Rosser, Sprague-Rosser Developments Inc., and Pacific Federation Equity Group Inc., for payment in full for the amounts set out above, together with any accrued and accruing interest, legal fees or other costs or charges that may arise. In the event that payment is not made in full by close of business on July 28, 2014, or RBC determines that its collateral is at risk, RBC will take such steps as it may consider necessary to protect its position. Also enclosed for service upon Sprague-Rosser, Sprague-Rosser Developments Inc. and Pacific Federation Equity Group Inc. is a Notice of Intention to Enforce Security provided in accordance with the provisions of the *Bankruptcy and Insolvency Act*. If you consent to RBC taking earlier enforcement, please return the Consent executed by a duly authorized officer. If Sprague-Rosser and the corporate Guarantors so consent, we will provide a form of Consent Receivership Order to Sprague-Rosser and the corporate Guarantors and their counsel for review and execution to minimize costs and delays.

Demand is also concurrently made upon Messrs. Jessamine, Edwards and Mackay for the amounts owing pursuant to the terms of their respective limited Guarantees. Unless payment of those amounts is received by close of business, July 28, 2014, RBC will take such further steps as are provided for in those Guarantees.

Kindly govern yourself accordingly.

Yours truly,

Norton Rose Fulbright Canada LLP

  
Howard A. Gorman, Q.C.

Cop(y/ies) to:      Royal Bank of Canada, Attn: Steve Kampers and Gary Ivany, Email  
                         Alvarez & Marsal, Attn: Todd Martin, Email  
                         Burstall Winger LLP, Attn: Alan J. McConnell, Email  
                         Sprague-Rosser Developments Inc., Email and Courier  
                         Jeffery Jessamine, c/o Burstall Winger LLP  
                         Daniel Edwards, c/o Burstall Winger LLP  
                         Matthew Mackay, c/o Burstall Winger LLP  
                         Pacific Federation Equity Group Inc., c/o Burstall Winger LLP

**NOTICE OF INTENTION TO ENFORCE SECURITY  
(Subsection 244(1))**

To: Sprague-Rosser Contracting Co. Ltd., Sprague-Rosser  
Developments Inc. and Pacific Federation Equity Group Inc.  
(each an insolvent person)

Take notice that:

1. Royal Bank of Canada (the "Lender"), a secured creditor, intends to enforce its security on the property of the above insolvent persons which encompasses all of their property and assets;
2. The security that is to be enforced includes security granted by the insolvent persons in favour of the Lender as set out in **Schedule "A"** attached hereto;
3. The principal amount of the indebtedness secured by the security is \$20,048,721.27 plus accrued interest and other costs and expenses; and
4. The secured creditor (the Lender) will not have the right to enforce the security until after July 28, 2014 unless the insolvent persons consent to an earlier enforcement.

Dated at Calgary, Alberta, this 18th day of July, 2014.

**Royal Bank of Canada by its solicitors and agents,  
Norton Rose Fulbright Canada LLP**

Per:   
Howard A. Gorman, Q.C.

Sprague-Rosser Contracting Co. Ltd., Sprague-Rosser Developments Inc. and Pacific Federation Equity Group Inc. do each hereby:

- (a) consent to the immediate enforcement by the Lender as a secured party of the security described in paragraph 2 above pursuant to Section 244(2) of the **Bankruptcy and Insolvency Act** (Canada);
- (b) consent to the secured party's (the Lender's) disposition of any or all collateral subject to the secured party's security immediately or otherwise as the secured party may determine in its sole discretion, without notice as required by the **Personal Property Security Act** (Alberta);
- (c) consent to the Lender's immediate appointment of a Receiver, or a Receiver-Manager in accordance with the provisions of the abovenoted security.

**Sprague-Rosser Contracting Co. Ltd. by its  
duly authorized officer**

c/s

Per: \_\_\_\_\_  
**Authorized Signatory**

**Sprague-Rosser Developments Inc. by its  
duly authorized officer**

c/s

Per: \_\_\_\_\_  
**Authorized Signatory**

**Pacific Federation Equity Group Inc. by its  
duly authorized officer**

c/s

Per: \_\_\_\_\_  
**Authorized Signatory**

## **SCHEDULE "A"**

### **Sprague-Rosser Contracting Co. Ltd.**

1. General Security Agreement
2. Real Property Mortgage
3. Personal Property Leases
4. Unlimited Guarantees and Postponement Claims from Sprague-Rosser Developments Inc. and Pacific Federation Equity Group Inc.
5. Limited Guarantees and Postponement of Claims from Jeffery Jessamine, Daniel Edwards and Matthew Mackay

### **Sprague-Rosser Developments Inc.**

1. General Security Agreement

### **Pacific Federation Equity Group Inc.**

1. General Security Agreement