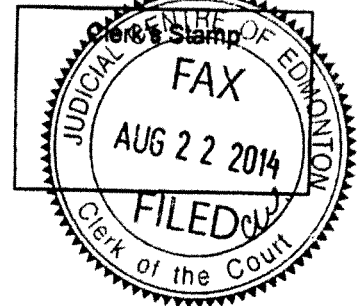


COURT FILE NUMBER 1403-10990 ✓  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE EDMONTON  
APPLICANT ROYAL BANK OF CANADA  
RESPONDENT SPRAGUE-ROSSER CONTRACTING CO.  
LTD., SPRAGUE-ROSSER DEVELOPMENTS  
INC., PACIFIC FEDERATION EQUITY GROUP  
INC., JEFFERY JESSAMINE, DANIEL  
EDWARDS and MATTHEW MACKAY  
DOCUMENT APPLICATION  
ADDRESS FOR SERVICE AND CONTACT  
INFORMATION OF PARTY FILING THIS  
DOCUMENT McCarthy Tétrault LLP  
Barristers & Solicitors  
Sean F. Collins  
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Calgary, Alberta T2P 4K9  
Tel: (403) 260- 3500  
Fax: (403) 260-3501  
Email: scollins@mccarthy.ca

Form 10  
[Rule 3.25]



#### NOTICE TO RESPONDENT(S)

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

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

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

Date August 28, 2014  
Time 10:30 a.m.  
Where Edmonton Law Courts Building (Commercial List)  
Before Whom The Honourable Justice K.G. Nielsen

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

Remedy claimed or sought:

Clerk's Stamp

COURT FILE NUMBER	1403-10990
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	EDMONTON
APPLICANT	ROYAL BANK OF CANADA
RESPONDENT	SPRAGUE-ROSSER CONTRACTING CO. LTD., SPRAGUE-ROSSER DEVELOPMENTS INC., PACIFIC FEDERATION EQUITY GROUP INC., JEFFERY JESSAMINE, DANIEL EDWARDS and MATTHEW MACKAY
DOCUMENT	<b>APPLICATION</b>
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	McCarthy Tétrault LLP Barristers & Solicitors Sean F. Collins 4000, 421 – 7 <sup>th</sup> Avenue S.W. Calgary, Alberta T2P 4K9 Tel: (403) 260- 3500 Fax: (403) 260-3501 Email: scollins@mccarthy.ca

**NOTICE TO RESPONDENT(S)**

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

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

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

Date	August 28, 2014
Time	10:30 a.m.
Where	Edmonton Law Courts Building (Commercial List)
Before Whom	The Honourable Justice K.G. Nielsen

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

Remedy claimed or sought:

Alvarez & Marsal Canada Inc., in its capacity as court-appointed receiver (the "**Receiver**") of Sprague-Rosser Contracting Co. Ltd. ("**Contracting**"), Sprague-Rosser Developments Inc. ("**Developments**") and Pacific Federation Equity Group Inc. ("**Pacific Federation**", collectively, Pacific Federation, Developments and Contracting are referred to as the "**Debtors**") pursuant to the receivership order issued by this Honourable Court on July 31, 2014, as subsequently amended and restated on August 7, 2014 (collectively, the "**Receivership Order**") applies for an order substantially in the form attached as Schedule "**A**" hereto:

1. Declaring that this application (the "**Application**") and the first report of the Receiver, dated August 21, 2014 (the "**First Receiver's Report**") is good, sufficient and validated on those persons listed in Schedule "**B**" to the Application (the "**Service List**") as of the date that service was effected and that the Application is properly returnable on August 28, 2014.
2. Authorizing the Receiver to cause the Debtors, or any of them, to make a voluntary assignment for the benefit of its creditors pursuant to section 49 of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**").
3. Authorizing the Receiver to cause Pacific Federation, in its capacity as the legal beneficial owner of all the issued shares of Sprague-Rosser Leasing Inc. ("**Leasing**"), to execute a unanimous shareholder agreement in accordance with section 146(1) of the *Business Corporations Act* (Alberta) (the "**ABCA**") which shall specifically permit Pacific Federation, by its Receiver to cause Leasing to make a voluntary assignment for the benefit of its creditors pursuant to the BIA.
4. Such further and other relief as counsel for the Receiver may advise.

**Grounds for making this application:**

5. The Receiver was appointed as receiver and manager over the Debtors' assets, properties and undertakings pursuant to the Receivership Order. The assets of Pacific Federation include a one hundred percent beneficial ownership interest in Leasing.
6. Contracting and Leasing have leased various pieces of heavy construction equipment pursuant to lease agreements between themselves or with other third parties (collectively, the "**Lease Agreements**"). The Receiver's legal counsel has determined

that some of the Lease Agreements are security agreements for the purposes of the *Personal Property Security Act* (Alberta) (the “PPSA”).

7. The Receiver’s preliminary review of the books and records of the Debtors indicates that the Debtors have engaged in transactions with a related entity that may be reviewable under the BIA.
8. Bankruptcies in respect of the Debtors and Leasing will allow for the ordinary administration and adjudication of claims against Contracting and Leasing, facilitate the administration and resolution of priority disputes and will provide a summary process to determine preference and transfer at undervalue claims that the Contracting may be able to assert against third parties.
9. Such further and other grounds as counsel for the Receiver may advise.

**Material or evidence to be relied on:**

10. The First Report of the Receiver; and
11. Such further and other material as counsel for the Receiver may advise and this Honourable Court may permit.

**Applicable rules:**

12. Rule 6.3(1) and 11.27 of the *Alberta Rules Of Court*.
13. Such further and other rules as counsel for the Receiver may advise and this Honourable Court may permit.

**Applicable acts and regulations:**

14. Section 243 of the BIA.
15. Sections 1(jj) and 146(1) of the ABCA.
16. Such further and other acts and regulations as counsel for the Receiver may advise or this Honourable Court may permit.

**Any irregularity complained of or objection relied on:**

17. There are no irregularities complained of or objections relied on.

**How the application is proposed to be heard or considered:**

18. The Receiver proposes that the Application be heard in person or by telephone with one, some or all of the parties present.

**WARNING**

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

## SCHEDULE "A"

Clerk's Stamp

COURT FILE NUMBER 1403-10990  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE EDMONTON

APPLICANT ROYAL BANK OF CANADA.

RESPONDENT SPRAGUE-ROSSER CONTRACTING CO. LTD., SPRAGUE-ROSSER DEVELOPMENTS INC., PACIFIC FEDERATION EQUITY GROUP INC., JEFFERY JESSAMINE, DANIEL EDWARDS and MATTHEW MACKAY

DOCUMENT **ORDER (Authorization to bankrupt Sprague-Rosser Contracting Co. Ltd. and Sprague-Rosser Leasing Inc.)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT  
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Facsimile: (403) 260-3501  
Email: [scollins@mccarthy.ca](mailto:scollins@mccarthy.ca)

DATE ON WHICH ORDER WAS PRONOUNCED: August 28, 2014

NAME OF JUDGE WHO MADE THIS ORDER: Justice K.G. Nielsen

LOCATION OF HEARING: Edmonton, Alberta

**UPON** the application of Alvarez & Marsal Canada Inc. (the "**Receiver**"), in its capacity as court appointed receiver of Sprague-Rosser Contracting Co. Ltd. ("**Contracting**"), Sprague-Rosser Developments Inc. ("**Developments**") and Pacific Federation Equity Group Inc. ("**Pacific Federation**"), collectively, Pacific Federation, Developments and Contracting are referred to as the "**Debtors**") pursuant to the receivership order issued by this Honourable Court on July 31, 2014, as subsequently amended and restated on August 7, 2014 (collectively, the "**Receivership Order**") under the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"); **AND UPON** having read the Application, the first report of the Receiver, dated August 21, 2014 (the

**"First Receiver's Report")**, and the Affidavit of Service of •; **AND UPON** hearing counsel for the Receiver and any other persons present;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

1. Service of the application filed by the Receiver in the within proceedings on August 21, 2014 (the **"Application"**) and the First Receiver's Report is declared to be good, sufficient and validated on those persons listed in the Service List (as such term is defined in the Application) as of August 21, 2014 and the Application is properly returnable today.
2. The Receiver is authorized and empowered, but not obligated to cause the Debtors, or any of them, to make a voluntary assignment for the benefit of its creditors pursuant to section 49 of the BIA.
3. The Receiver is authorized to cause Pacific Federation, in its capacity as the legal beneficial owner of all the issued shares of Sprague-Rosser Leasing Inc. (**"Leasing"**), to execute a unanimous shareholder agreement in accordance with section 146(1) of the *Business Corporations Act* (Alberta) (the **"ABCA"**) which shall specifically permit Pacific Federation, by and through the Receiver to cause Leasing to make a voluntary assignment for the benefit of its creditors pursuant to section 49 of the BIA.
4. Alvarez & Marsal Canada Inc. is authorized and empowered to act as trustee of Contracting and of Leasing in accordance with the provisions of the BIA.
5. Service of this Order by email, facsimile, registered mail, courier, regular mail or personal delivery to the persons listed on the Service List shall constitute good and sufficient service of this Order and no persons other than those listed on the Service List are entitled to be served with a copy of this Order.

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J.C.Q.B.A.

## SCHEDULE "B"

COURT FILE NUMBER 1403-10990

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

APPLICANT ROYAL BANK OF CANADA

RESPONDENT SPRAGUE-ROSSER CONTRACTING CO.  
LTD., SPRAGUE-ROSSER DEVELOPMENTS  
INC., PACIFIC FEDERATION EQUITY GROUP  
INC., JEFFERY JESSAMINE, DANIEL  
EDWARDS and MATTHEW MACKAY

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McCarthy Tétrault LLP Suite 4000 421 - 7 <sup>th</sup> Avenue S.W. Calgary AB T2P 4K9  Sean Collins <a href="mailto:scollins@mccarthy.ca">scollins@mccarthy.ca</a>  Walker MacLeod <a href="mailto:wmacleod@mccarthy.ca">wmacleod@mccarthy.ca</a>	403 260-3531  403 260-3710	Counsel for the Court Appointed Receiver

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