

COURT FILE NUMBER

1703-21274

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

EDMONTON

PLAINTIFF

ROYAL BANK OF CANADA

DEFENDANTS

1679775 ALBERTA LTD., REID-BUILT HOMES LTD., REID WORLDWIDE CORPORATION, BUILDER'S DIRECT SUPPLY LTD., REID BUILT HOMES CALGARY LTD., REID INVESTMENTS LTD., REID CAPITAL CORP., and EMILIE REID



I hereby certify this to be a true copy of the original Sale Approval and Vesting Order

Dated this 1st day of October 2021

RPLane

for Clerk of the Court

IN THE MATTER OF THE RECEIVERSHIP OF 1679775 ALBERTA LTD., REID-BUILT HOMES LTD., REID WORLDWIDE CORPORATION, BUILDER'S DIRECT SUPPLY LTD., REID BUILT HOMES CALGARY LTD., REID INVESTMENTS LTD., 1852512 ALBERTA LTD., ANCHORVIEW CAPITAL CORP., and REID CAPITAL CORP.

APPLICANT

ALVAREZ & MARSAL CANADA INC., in its capacity as Court-appointed Receiver of the current and future assets, undertakings and properties of 1679775 ALBERTA LTD., REID-BUILT HOMES LTD., REID WORLDWIDE CORPORATION, BUILDER'S DIRECT SUPPLY LTD., REID BUILT HOMES CALGARY LTD., REID INVESTMENTS LTD., 1852512 ALBERTA LTD., ANCHORVIEW CAPITAL CORP., and REID CAPITAL CORP.

DOCUMENT

SALE APPROVAL AND VESTING ORDER

Re: Head Office Sale

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

Norton Rose Fulbright Canada LLP
400 3rd Avenue SW, Suite 3700
Calgary, Alberta T2P 4H2

Phone: +1 403.267.8222

Fax: +1 403.264.5973

Email: howard.gorman@nortonrosefulbright.com
meghan.parker@nortonrosefulbright.com

Attention: Howard A. Gorman, Q.C. / Meghan L. Parker

DATE ON WHICH ORDER WAS PRONOUNCED:	October 1, 2021
LOCATION WHERE ORDER WAS PRONOUNCED:	Edmonton, Alberta
NAME OF JUSTICE WHO MADE THIS ORDER:	The Honourable Mr. Justice R. A. Graesser

UPON THE APPLICATION by Alvarez & Marsal Canada Inc., in its capacity as Court-appointed receiver and manager (the **Receiver**) of the current and future assets, undertakings, and properties of 1679775 Alberta Ltd., Reid-Built Homes Ltd., Reid Worldwide Corporation, Builder's Direct Supply Ltd., Reid Built Homes Calgary Ltd., Reid Investments Ltd., 1852512 Alberta Ltd., Anchorview Capital Corp. and Reid Capital Corp. (collectively, the **Debtors**) for an order approving the sale transaction (the **Transaction**) contemplated by an agreement of purchase and sale between the Receiver, as vendor, and Serv-All Mechanical Services Ltd., as purchaser (**Serv-All**), accepted on July 23, 2021 (as assigned, the **Sale Agreement**), and assigned with the Receiver's consent by Serv-All to 2320033 Alberta Ltd. (as assigned, the **Purchaser**), pursuant to a consent and assignment agreement dated September 16, 2021, and described in the Nineteenth Report of the Receiver, filed (the **Report**), and upon noting the registered security interests set out in **Schedule "B"** to this Order, and vesting in the Purchaser, the Debtors' respective 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 November 2, 2017, as extended by orders dated March 21, 2018 and December 12, 2018 (the **Receivership Order**), and the Report; **AND UPON HEARING** the submissions of counsel for the Receiver and any other interested parties that may be present; **AND UPON IT APPEARING** that service has been effected;

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, 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 TRANSACTION

2. The Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby approved. 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 Transaction or for the conveyance of the Purchased Assets to the Purchaser.

VESTING OF PROPERTY

3. Upon the delivery of a Receiver's certificate to the Purchaser substantially in the form set out in **Schedule "A"** hereto (the **Receiver's Certificate**), all of the Debtors' respective right, title, and interest in and to the Purchased Assets shall vest absolutely in the name of the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, caveats, 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 (collectively, the **Claims**) including, without limiting the generality of the foregoing:

- i. any encumbrances or charges created by the Receivership Order or any other Orders granted in the Receivership Proceedings;
- 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
- iii. for greater certainty, this Court orders that all of the Claims affecting or relating to the Assets are hereby expunged and discharged as against the Assets.

4. Upon the delivery of the Receiver's Certificate, and upon the filing of a certified copy of this Order, together with any applicable registration fees, the Registrar of Land Titles of Alberta (the **Registrar**) is hereby authorized, requested, and directed to cancel the existing Certificate of Title No. 952 291 275, and legally described as:

PLAN 7820005
BLOCK 2
LOT 5
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 0.482 HECTARES (1.19 ACRES) MORE OR LESS

(the **Lands**), and to issue a new Certificate of Title for the Lands in the name of the Purchaser, and to register such transfers, discharges, discharge statements of conveyances, as may be required to convey clear title to the Lands to the Purchaser, which Certificates of Title shall be subject only to those encumbrances (the **Permitted Encumbrances**) listed on **Schedule "A"** to the Receiver's Certificate (and listed in duplicate on **Schedule "B"** to this Order). The Registrar is expressly authorized and directed to include in the discharge of the encumbrances registered against the Lands, all encumbrances registered after the date the Receivership Order was granted.

5. This Order shall be registered by the 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, which appeal period is expressly waived.

6. The Purchaser shall, by virtue of the completion of the Transaction, have no liability of any kind whatsoever in respect of any Claims against the Debtors.

7. The Debtors and all persons who claim by, through or under the Debtors in respect of the Purchased Assets, save and except for the persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely barred and foreclosed from all estate, right, title, interest, royalty, rental and equity of redemption of the Purchased Assets and, to the extent that any such persons remains in possession or control of any of the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser.

8. The Purchaser 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 or through or against the Debtors.

9. Immediately after the closing of the Transaction, the holders of the Permitted Encumbrances shall have no claim whatsoever against the Receiver or any of the Debtors.

10. The Receiver is to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof to the Purchaser.

11. Notwithstanding:

- i. the pendency of these proceedings;
- ii. any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, C B-3 (the ***Bankruptcy and Insolvency Act***) in respect of any of the Debtors and any bankruptcy order issued pursuant to any such applications; and
- iii. any assignment in bankruptcy made in respect of any of the Debtors,

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of any 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 settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* 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, and any other interested party, shall be at liberty to apply for further advice, assistance and directions 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.

PRIORITIES AND DISTRIBUTION OF NET PROCEEDS

13. The Purchase Price paid by the Purchaser for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement shall be held by the Receiver's solicitor (Norton Rose Fulbright Canada LLP) in trust pending a resolution in due course between Canadian Western Bank, as first priority mortgagee, and the Receiver as to an allocation determination and agreement on certain charges, including, but not limited to, the Receiver's charge, property taxes, and other holding costs.

14. Subject to the terms of paragraph 13 of this Order, and upon delivery of the Receiver's Certificate, the Receiver is authorized to distribute the net proceeds from the sale of the Purchased Assets to any prior-registered lien claimant(s) or security claimant(s) having a claim against the Lands, as listed in **Schedule "B"** to this Order, and in accordance with the priority of such claim(s) 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, provided that such distribution shall only be made upon the Receiver's confirming the validity of the prior-registered security claimant's security and outstanding indebtedness.

15. Where by the terms of paragraph 14 of this Order any registered security claimant is not entitled to receive a distribution or payment from the net proceeds from the sale of the Purchased Assets, such net proceeds may be distributed by the Receiver in accordance with the administration of the receivership estate.

16. Subject to paragraphs 14 and 15 of this Order, for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets after any distribution is made to any valid, registered security claimant(s) identified in paragraph 14 of this Order, shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Receiver's Certificate 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 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.

17. For certainty, if the net proceeds from the sale of the Purchased Assets are insufficient to fully satisfy the Claims of the security claimants identified in paragraph 14 of this Order, then subsequently

registered Claims can expect no distributions or payments from the net proceeds from the sale of the Purchased Assets.

MISCELLANEOUS MATTERS

18. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada 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 as 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 or to assist the Receiver and its agents in carrying out the terms of this Order.

19. This Order must be served only upon those interested parties attending or represented at the within application and service may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following the transmission or delivery of such documents.

20. Service of this Order on any party not attending this application is hereby dispensed with.


J.C.C.Q.B.A.


SCHEDULE A

Form of Receiver's Certificate

Receiver's Certificate

COURT FILE NUMBER 1703-21274
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE EDMONTON

Clerk's Stamp

PLAINTIFF ROYAL BANK OF CANADA
DEFENDANTS 1679775 ALBERTA LTD., REID-BUILT HOMES LTD., REID WORLDWIDE CORPORATION, BUILDER'S DIRECT SUPPLY LTD., REID BUILT HOMES CALGARY LTD., REID INVESTMENTS LTD., REID CAPITAL CORP., and EMILIE REID

IN THE MATTER OF THE RECEIVERSHIP OF
1679775 ALBERTA LTD., REID-BUILT HOMES LTD., REID WORLDWIDE CORPORATION, BUILDER'S DIRECT SUPPLY LTD., REID BUILT HOMES CALGARY LTD., REID INVESTMENTS LTD., 1852512 ALBERTA LTD., ANCHORVIEW CAPITAL CORP., and REID CAPITAL CORP.

DOCUMENT **RECEIVER'S CERTIFICATE**

Re: Head Office Sale

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

Norton Rose Fulbright Canada LLP
400 3rd Avenue SW, Suite 3700
Calgary, Alberta T2P 4H2

Phone: +1 403.267.8222
Fax: +1 403.264.5973
Email: howard.gorman@nortonrosefulbright.com /
meghan.parker@nortonrosefulbright.com

Attention: Howard A. Gorman, Q.C. / Meghan Parker

RECITALS

- A. Pursuant to an Order of the Honourable Justice Hillier of the Court of Queen's Bench of Alberta, Judicial District of Edmonton (the **Court**) dated November 2, 2017, as amended, Alvarez & Marsal Canada Inc., was appointed as the receiver (the **Receiver**) of the current and future assets, undertakings, and properties of 1679775 Alberta Ltd., Reid-Built Homes Ltd., Reid Worldwide Corporation, Builder's Direct Supply Ltd., Reid Built Homes Calgary Ltd., Reid Investments Ltd., 1852512 Alberta Ltd., Anchorview Capital Corp. and Reid Capital Corp (collectively, the **Debtors**).

- B. Pursuant to an Order of the Court dated ●, the Court approved the agreement of purchase and sale accepted on July 23, 2021 (the **Sale Agreement**) between the Receiver and Serv-All Mechanical Services Ltd. (**Serv-All**), as subsequently assigned with the Receiver's consent by Serv-All to 2320033 Alberta Ltd. (the **Purchaser**), pursuant to a consent and assignment agreement dated September 16, 2021, of the Debtors' respective 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 12 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, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser 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 12 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser;
3. For the purposes of the Land Titles Office (Alberta), the Permitted Encumbrances are set out in **Schedule "A"** hereto;
4. The Transaction has been completed to the satisfaction of the Receiver; and

[signature page to follow]

5. This Certificate was delivered by the Receiver at _____ (time) on _____,
20____.

ALVAREZ & MARSAL CANADA INC., IN ITS
CAPACITY AS COURT-APPOINTED RECEIVER
AND MANAGER OF THE CURRENT AND
FUTURE ASSETS, UNDERTAKINGS AND
PROPERTIES OF 1679775 ALBERTA LTD., REID-
BUILT HOMES LTD., REID WORLDWIDE
CORPORATION, BUILDER'S DIRECT SUPPLY
LTD., REID BUILT HOMES CALGARY LTD., REID
INVESTMENTS LTD., 1852512 ALBERTA LTD.,
ANCHORVIEW CAPITAL CORP. AND REID
CAPITAL CORP., AND NOT IN ITS PERSONAL
CAPACITY

Per: _____

Name:

Title:



SCHEDULE A TO RECEIVER'S CERTIFICATE

Permitted and Non-Permitted Encumbrances

LEGAL:

PLAN 7820005
BLOCK 2
LOT 5
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 0.482 HECTARES (1.19 ACRES) MORE OR LESS

TITLE NUMBER:

952 291 275

NAME OF PURCHASER:

2320033 ALBERTA LTD.

PERMITTED ENCUMBRANCES:

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
782 186 346	18/08/1978	CAVEAT RE: RESTRICTIVE COVENANT CAVEATOR – FANSHAWE PROPERTIES LTD.

NON-PERMITTED ENCUMBRANCES TO BE DISCHARGED FROM TITLE TO THE PROPERTY:

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
162 104 587	19/04/2016	MORTGAGE MORTGAGEE-CANADIAN WESTERN BANK SUITE 100 12230 JASPER AVE EDMONTON, ALBERTA T5N 3K3 ORIGINAL PRINCIPAL AMOUNT: \$4,000,000
162 104 588	19/04/2016	CAVEAT RE: ASSIGNMENT OF RENTS AND LEASES CAVEATOR – CANADIAN WESTERN BANK 1600, 10025 – 102A AVENUE EDMONTON, ALBERTA T5J 3V5 AGENT – SCOTT D BELLAND
172 160 542	23/06/2017	CAVEAT RE: AGREEMENT CHARGING LAND CAVEATOR – ROYAL BANK OF CANADA C/O DENTONS CANADA LLP 2900 MANULIFE PLACE 10180 – 101 STREET EDMONTON, ALBERTA T5J 3V5 AGENT – ROBERT J DE GUZMAN

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
172 284 751	31/10/2017	CAVEAT RE: AGREEMENT CHARGING LAND CAVEATOR – ROYAL BANK OF CANADA C/O DENTONS CANADA LLP ATTN: ROBERT J DE GUZMAN 2900 MANULIFE PLACE 10180 – 101 STREET EDMONTON, ALBERTA T5J 3V5 AGENT – ROBERT J DE GUZMAN

And any subsequent registration(s) made after 31/10/2017.

SCHEDULE B

Permitted and Non-Permitted Encumbrances

SCHEDULE B

LEGAL:

PLAN 7820005
BLOCK 2
LOT 5
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 0.482 HECTARES (1.19 ACRES) MORE OR LESS

TITLE NUMBER:

952 291 275

NAME OF PURCHASER:

2320033 ALBERTA LTD.

PERMITTED ENCUMBRANCES:

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
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And any subsequent registration(s) made after 31/10/2017.