

COURT FILE NUMBER 1803-09581
 COURT Court of Queen's Bench of Alberta
 JUDICIAL CENTRE Edmonton
 PLAINTIFF **BANK OF MONTREAL**
 DEFENDANTS **LADACOR AMS LTD., NOMADS PIPELINE CONSULTING LTD.,
 2367147 ONTARIO INC. and DONALD KLISOWSKY**

DOCUMENT **AUCTION APPROVAL AND VESTING ORDER AND OTHER
 RELIEF**

ADDRESS FOR
 SERVICE AND
 CONTACT
 INFORMATION
 OF PARTY FILING
 THIS DOCUMENT

Blake, Cassels & Graydon LLP
 Barristers and Solicitors
 3500 Bankers Hall East Tower
 855 - 2 Street SW
 Calgary, Alberta T2P 4J8

I hereby verify this to be a
 true copy of the original.

for Clerk of the Court

Attention: Ryan Zahara / James Reid
 Tel: (403) 260-9628 / (403) 260-9731
 Facsimile: (403) 260-9700
 File No.: 99766/12

DATE ON WHICH ORDER WAS PRONOUNCED: October 10, 2018
NAME OF JUDGE WHO MADE THIS ORDER: The Honourable Justice K.G.
 Nielsen
LOCATION OF HEARING: Edmonton, Alberta

UPON the application of Alvarez & Marsal Canada Inc. in its capacity as the receiver and manager (the "**Receiver**") of the undertaking, property and assets of Ladacor AMS Ltd., Nomads Pipeline Consulting Ltd. and 2367147 Ontario Inc. (collectively, the "**Debtors**" and each a "**Debtor**") for an order: (i) approving the auction agreement dated September 28, 2018 (the "**Auction Agreement**") between the Receiver, in its capacity as Court appointed receiver and manager of the Debtors, and Century Services Corp. (the "**Auctioneer**"), which is appended as Appendix B to the First Report of the Receiver dated October 2, 2018 (the "**First Report**"), and the transactions contemplated thereby; (ii) providing for the vesting of the Debtors' right, title and interest in and to the Assets, as defined in the Auction Agreement and listed in the attached Schedule "A" hereto, in any person or persons who purchase any of the

Assets pursuant to the Auction Agreement (a "**Purchaser**"); and (iii) authorizing the Receiver to disburse and distribute the sale proceeds in respect of the Assets;

AND UPON HAVING READ the First Report and such other material in the pleadings and proceedings as deemed necessary;

AND UPON HEARING the submissions of counsel for the Receiver and any other interested parties appearing at the within application;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE AND DEFINITIONS

1. The time for service of the notice of application for this Order is hereby abridged and service of the Application and supporting materials is deemed good and sufficient.

APPROVAL OF AUCTION AGREEMENT

2. The Auction Agreement (including all schedules attached thereto) is hereby approved.
3. Subject to the provisions of this Order and the Receivership Order granted by the Honourable Justice J.E. Topolniski on May 18, 2018 (the "**Receivership Order**"), the Receiver is hereby authorized and directed to take any and all actions as may be necessary or desirable to implement the Auction Agreement. Without limiting the foregoing, the Receiver is authorized to execute any other agreement, contract, deed or any other document, or take any other action, which could be required or useful to give full and complete effect to the Auction Agreement.

MARKETING AND SALE OF ASSETS

4. The Auctioneer is authorized to market and sell the Assets in accordance with the terms of the Auction Agreement (the "**Asset Sales**"). The Asset Sales shall be 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:

- (a) any encumbrances or charges created by the Receivership Order; and
- (b) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system,

collectively, the "**Encumbrances**".

ASSET SALE AND VESTING

5. Upon the Auctioneer completing the sale of any of the Assets to a Purchaser, and upon receipt of the purchase price by the Auctioneer and delivery by the Auctioneer of a bill of sale or similar evidence of purchase to such Purchaser (the "**Purchaser Bill of Sale**"):
 - (a) all of a Debtors' right, title and interest in and to the Assets, as applicable, shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all Claims, and all of the Encumbrances affecting or relating to such Assets shall be expunged and discharged as against such Assets;
 - (b) any Debtor and all persons who claim by, through or under such Debtor in respect of the Assets, as applicable, shall stand absolutely barred and foreclosed from all estate, right, title, interest, royalty, rental and equity of redemption of the Assets and, to the extent that any such persons remain in possession or control of any of the Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee); and
 - (c) the Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Assets for its own use and benefit without any interference of or by any Debtor, or any person claiming by or through or against the Debtors.
6. Nothing herein shall discharge the obligations of the Auctioneer pursuant to the Auction Agreement or otherwise, or the rights or claims of the Receiver in respect thereof including, without limitation, the obligations of the Auctioneer to account for and remit the proceeds of the Asset Sales (the "**Sale Proceeds**") to the Receiver in accordance with the terms of the Auction Agreement.
7. For the purposes of determining the nature and priority of Claims, the monies payable to the Receiver under the Auction Agreement from the Asset Sales shall stand in the place

and instead of the Assets, and from and after the delivery of the Purchaser Bill of Sale, all Claims shall attach to the net Sale Proceeds from the Asset Sales with the same priority as they had with respect to the Assets immediately prior to the sale, as if the 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.

8. From and after the closing of sale of any of the Assets to a Purchaser, the Receiver is authorized to take all such steps as may be necessary to effect the discharge of any security registration or registrations relating to the Claims registered against the Assets, including Encumbrances, as may be necessary, provided that the Receiver shall not be authorized to effect any discharge that would have the effect of releasing any collateral other than the Assets, and the Receiver shall be authorized to take any further steps by way of further application to this Court.
9. Notwithstanding (i) the pendency of these receivership proceedings; (ii) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtors and any bankruptcy order issued pursuant to such applications; (iii) any assignment in bankruptcy made in respect of the Debtors; or (iv) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of encumbrances contained in any existing agreement, lease, sub-lease, offer to lease or other arrangement which binds the Debtors, and notwithstanding any provision to the contrary in any such agreement (a **"Third Party Agreement"**):
 - (a) the vesting of the 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 a Debtor and shall not be void or voidable by creditors of any Debtor, 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* (Canada) 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; and
 - (b) the vesting of the Assets in the Purchaser (or its nominee) pursuant to this Order shall not create nor be deemed to constitute a breach by any Debtor of any Third

Party Agreement, and the Purchaser shall not have liability to any person whatsoever as a result of any breach of any Third Party Agreement caused by or resulting from the creation, execution, delivery or performance of the transactions contemplated herein.

LIMITATION OF LIABILITY

10. Subject to the Receivership Order, nothing in this Order shall require the Receiver to occupy or to take control, or to otherwise manage all or any part of the Assets. The Receiver shall not, as a result of this Order, be deemed to be in possession of any of the Assets within the meaning of environmental legislation or pursuant to the terms of the *Bankruptcy and Insolvency Act* (Canada).
11. Except for gross negligence or willful misconduct, no action lies against the Receiver by reason of this Order or to the performance of any act authorized by this Order.

AMENDMENT TO THE RECEIVERSHIP ORDER

12. Paragraph 5 of the Receivership Order is hereby amended to change the references to paragraphs 6 and 7 to paragraphs 5 and 6.
13. Paragraph 15(b) and 15(c) of the Receivership Order is hereby amended to include the reference to "sub-paragraph (a)".
14. Paragraph 15(c)(i) of the Receivership Order is hereby amended to include the reference to "clause (ii) below".
15. Paragraph 16 of the Receivership Order is hereby amended by adding the words: "in the Receiver's possession or control at the time a claim is made" at the end of the first sentence.

APPROVAL OF ACCOUNTS, ACTIVITIES AND RECEIPTS AND DISBURSEMENTS

16. The Receiver's accounts for fees and disbursements, as set out in the First Report, are hereby approved without the necessity of a formal passing of its accounts.
17. The accounts of the Receiver's legal counsel, Blake, Cassels & Graydon LLP, for its fees and disbursements, as set out in the First Report, are hereby approved without the necessity of a formal assessment of its accounts.

18. The Receiver's activities as set out in the First Report, except in relation to the Banff Project (as defined in the First Report) and described more specifically in paragraphs 30 to 33 of the First Report, and the schedule of receipts and disbursements attached thereto are hereby ratified and approved.

INTERIM DISTRIBUTION

19. The Receiver is hereby authorized and directed, at such time as it determines appropriate, to make an interim distribution or interim distributions to Bank of Montreal ("BMO") from amounts received in accordance with the terms of the Auction Agreement and any amounts received from the Westgate Building Contract (as defined in the First Report) to pay down the Receiver's Certificates issued in these proceedings and to make partial repayment of the amount of Ladacor AMS Ltd.'s and Nomads Pipeline Consulting Ltd.'s respective indebtedness to BMO, as set out in the First Report, subject to the retention of amounts for any priority claims.

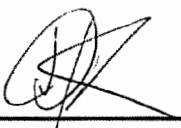
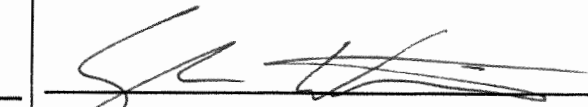
MISCELLANEOUS MATTERS

20. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States 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.
21. 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.
22. The Receiver, the Auctioneer (or its nominee) 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 Asset Sales.

23. Upon the closing of the transactions contemplated in the Auction Agreement, the Receiver shall file with the Clerk of the Court a Receiver's Certificate substantially in the form attached hereto as Schedule "B".

"K.G. Nielsen"

J.C.Q.B.A

APPROVED AS TO FORM AND CONTENT THIS <u>11th</u> DAY OF OCTOBER 2018	APPROVED AS TO FORM AND CONTENT THIS <u>11th</u> DAY OF OCTOBER 2018
DENTONS CANADA LLP	MCCUAIG DESROCHERS LLP
	
Counsel for Bank of Montreal	Counsel for 1459428 Ontario Inc.

SCHEDULE "A"
(List of Assets)

SCHEDULE "B"
(Form of Receiver's Certificate)

Clerk's Stamp

COURT FILE NUMBER	1803-09581
COURT	Court of Queen's Bench of Alberta
JUDICIAL CENTRE	Edmonton
PLAINTIFF	BANK OF MONTREAL
DEFENDANTS	LADACOR AMS LTD., NOMADS PIPELINE CONSULTING Ltd., 2367147 ONTARIO INC. and DONALD KLISOWSKY
DOCUMENT	RECEIVER'S CERTIFICATE
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Blake, Cassels & Graydon LLP Barristers and Solicitors 3500 Bankers Hall East Tower 855 – 2 Street SW Calgary, Alberta T2P 4J8 Attention: Ryan Zahara / James Reid Tel: (403) 260-9628 / (403) 260-9731 Facsimile: (403) 260-9700 File No.: 99766/12

RECITALS

- A. Pursuant to an Order of the Honourable Madam Justice J.E. Topolniski of the Court of Queen's Bench of Alberta, Judicial District of Edmonton (the "**Court**") dated May 18, 2018, Alvarez & Marsal Canada Inc. was appointed receiver and manager (the "**Receiver**") of the undertaking, property and assets of, among others, Ladacor AMS Ltd. and Nomads Pipeline Consulting Ltd. (collectively, the "**Debtors**").
- B. Pursuant to an Order of the Court dated October 10, 2018, the Court approved the auction agreement dated September 28, 2018 (the "**Auction Agreement**") between the Receiver, in its capacity as receiver and manager of the Debtors, and Century Services Corp.
- C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Auction Agreement.

THE RECEIVER CERTIFIES the following:

1. The Auction occurred and the Auctioneer has paid and the Receiver has received the NMG and all other amounts payable to the Receiver pursuant to the Auction Agreement; and
2. This Certificate was delivered by the Receiver at _____ on October ____, 2018.

Alvarez & Marsal Canada Inc., in its capacity as Receiver of the undertaking, property and assets of Ladacor AMD Ltd. and Nomads Pipeline Consulting Ltd., and not in its personal capacity.

Per: _____

Name:

Title: