



COURT FILE NUMBER 1501-08634
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
APPLICANT ROYAL BANK OF CANADA
RESPONDENTS 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
Suite 4000, 421-7th Avenue S.W.
Calgary AB T2P 4K9
Attention: Sean Collins / Walker W. MacLeod
Phone: 403-260-3531 / 3710
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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	March 21, 2019
Time	11:00 a.m.
Where	Calgary Courts Centre
Before Whom	Justice P.R. Jeffrey

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. (the "Receiver"), in its capacity as the court-appointed receiver and manager of Sprague-Rosser Contracting Co. Ltd. ("SRC"), Sprague-Rosser Developments Inc. ("SRD"), and Pacific Federation Equity Group Inc. ("PFE", PFE, SRD, and SRC are collectively referred to as, the "Debtors") pursuant to the order issued by this Honourable Court on July 31, 2014, as subsequently amended and restated on

August 7, 2014 (collectively, the “**Receivership Order**”), in the within proceedings (the “**Receivership Proceedings**”) applies for two (2) orders, substantially in the forms attached as Schedules “**A**” and “**B**” hereto:

Service

1. If necessary, declaring, that the time for service of this application (the “**Application**”) and the Eleventh Report of the Receiver, dated March 13, 2019 (the “**Eleventh Receiver’s Report**”), is abridged, that the Application is properly returnable on March 21, 2019, that service of the Application and the Eleventh Receiver’s Report on the service list is good and sufficient, and that no persons other than those on the service list are entitled to service of the Eleventh Receiver’s Report, the Application, or any orders arising therefrom.

Approval of Settlement Agreement and Vesting and Vacating of Claims

2. Approving the settlement agreement, dated March 13, 2019, among SRC, by and through the Receiver, K+S Legacy GP Inc. (“**K+S Legacy**”), K+S Windsor Salt Ltd. (“**K+S Salt**”), and K+S Potash Canada General Partnership (“**K+S GP**”, K+S Legacy, K+S Salt, and K+S GP are collectively referred to as, “**K+S**”), substantially in the form attached as Appendix “**A**” to the Eleventh Receiver’s Report (the “**Settlement Agreement**”) and directing and authorizing the Receiver to execute and deliver the Settlement Agreement to K+S and to take any and all such steps as the Receiver determines necessary or advisable to close any and all of the transactions, as contemplated by the Settlement Agreement.

3. Vesting and vacating all builders’ lien claims, including, without restriction, all written notices of a lien and all claims of lien of: (i) SRC ; (ii) Conquest Equipment Inc. (“**Conquest**”); (iii) WSP Surveys (AB) Limited Partnerships (formerly Focus Surveys Limited Partnership) (“**WSPS**”); and, (iv) Edmonton Heavy Equipment Rentals Ltd. (“**EHER**”), as registered against the Lands (as defined in the form of Order (Settlement Approval) attached as Schedule “**A**” hereto) and arising in connection with: (i) the Site Preparation Contract, dated August 17, 2012 (the “**CC1000 Contract**”), between K+S GP, as owner, and SRC, as contractor; and, (ii) the Underground Utilities Phase 1 Contract, dated June 15, 2013 (the “**CC2010 Contract**” the CC2010 Contract and the CC1000 Contract are collectively referred to as, the “**Contracts**”), between K+S GP, as owner, and SRC, as contractor.

4. Declaring that any written notice of a lien given by Conquest, WSPS, or EHER, in connection with the Contracts, is no longer binding or effective.

Approval of Priority Claims Process

5. Approving a claims process (the “**Priority Claims Process**”) in respect of all builders’ lien trust and priority claims affecting, concerning, or as against the proceeds (the “**Settlement Payment**”) paid by K+S to the Receiver pursuant to the Settlement Agreement and authorizing and directing the Receiver to implement the Priority Claims Process and to take any and all such actions as the Receiver determines necessary or advisable to complete the various steps contemplated in the Priority Claims Process.

Miscellaneous Matters

6. Ordering and declaring that service of any orders arising from the Application by email, facsimile, registered mail, courier, regular mail, or personal delivery to the persons present at the Application shall constitute good and sufficient service of such orders and that no persons, other than those present at the Application, are entitled to be served with a copy of such orders.

7. Such further and other relief as counsel for the Receiver may advise and this Honourable Court considers to be just and appropriate in the circumstances.

Grounds for making this application: The grounds for the Application are as follows:

1. The Receiver was appointed as receiver and manager of the Debtors pursuant to the Receivership Order. Pursuant to the Receivership Order, the Receiver is empowered and authorized to settle, extend, or compromise any indebtedness owing to or by the Debtors.

2. SRC and K+S entered into the Contracts in connection with K+S’s development and construction of a greenfield solution-based potash mine developed on the Lands near Buthane, Saskatchewan (the “**Project**”).

3. Pursuant to the Contracts, SRC, as contractor, agreed to provide certain materials and services to K+S, as owner, in accordance with the terms of the Contracts.

4. As a result of SRC’s role as contractor under the Contracts, the subsequent performance of the Contracts and the scope of work performed by SRC in connection with the Project, a dispute arose concerning the amounts due and payable by K+S to SRC.

5. As a result, on or about July 31, 2014, SRC filed a Statement of Claim commencing Court of Queen’s Bench for Saskatchewan, Judicial Centre of Regina, File Number Q.B.G. 1644

of 2014 (the “**Action**”), outlining SRC’s claim as against K+S pursuant to the Contracts and the Project (the “**SRC Claim**”). SRC’s Statement of Claim was subsequently amended on March 6, 2015 and then again on February 22, 2016.

6. Pursuant to the Order granted by the Honourable Justice M.T. Megaw, on February 12, 2016 the following parties were added as Defendants to the Action pursuant to Section 88 of *The Builders’ Lien Act*, SS 1984-85-86, c B-7.1 (the “**SK BLA**”): (i) Conquest; (ii) EHER; (iii) WSPS; (iv) G.L.M. Industries Inc.; (v) PCL Industrial Constructors Inc.; (vi) Alpha Steel Builders Inc.; and, (vii) Enerpro Insulation Ltd. (collectively, the “**Additional Defendants**”).

7. Of the Additional Defendants, only Conquest, EHER, and WSPS are parties who provided work or services in connection with any improvements concerning the Lands as contractors or sub-contractors of SRC under the Contracts.

8. On or around May 10, 2016, EHER was noted in default for not filing a statement of defence to SRC’s Statement of Claim.

9. On or around May 13, 2016, WSPS filed a Statement of Defence and Counterclaim (the “**WSPS Cross-Claim**”) to SRC’s Statement of Claim.

10. On or about June 9, 2016, Conquest filed a Statement of Defence and Counterclaim (the “**Conquest Cross-Claim**”) to SRC’s Statement of Claim.

11. On or around August 10, 2017, K+S filed, among others, a Statement of Defence to SRC’s Statement of Claim and a Statements of Defence concerning the WSPS Cross-Claim and the Conquest Cross-Claim.

12. The Settlement Agreement provides for the resolution of the SRC Claim as against K+S.

13. The Receiver has negotiated the Settlement Agreement. The Settlement Agreement is conditional, *inter alia*, on the approval of this Honourable Court. Furthermore, the contemplated form of Order (Settlement Approval) forms an integral part of the Settlement Agreement. The Settlement Agreement will avoid the time and expense that would be incurred in litigating the dispute between SRC and K+S, is reasonable, and provides a fair and equitable recovery to SRC and its respective creditors and stakeholders. The approval of the Settlement Agreement by this Honourable Court is in the best interests of SRC and its respective creditors and stakeholders.

14. Pursuant to the Settlement Agreement, K+S will pay the Settlement Payment to the Receiver at which point the claim of Conquest, EHER, and WSPS will vest off of the Lands and attach to the Settlement Payment, to be dealt with in accordance with the Order (Priority Claims Process sought as part of this Application).

15. The Receiver intends to hold the Settlement Payment until the conclusion of the Priority Claims Process.

16. Certain contractors and sub-contractors of SRC (collectively and including Conquest, EHER, and WSPS, referred to as, the “**Claimants**”) may claim or otherwise be entitled to a trust or builders’ lien claim (pursuant to the SK BLA) against the Settlement Payment (collectively, the “**Priority Claims**”).

17. The Receiver intends to implement the Priority Claims Process so that:

- (a) the Claimants will have notice of the Priority Claims Process;
- (b) the Claimants will have an opportunity to prove their priority, beneficial right, and entitlement to the Settlement Payment, over SRC; and,
- (c) upon the determination of all Priority Claims, the Receiver will be in a position to then proceed with the distribution of the Settlement Payment to the persons properly entitled thereto.

18. The Priority Claims Process is fair, reasonable and in the best interests of the various stakeholders of SRC.

19. Such further and other grounds as counsel for the Receiver may advise and this Honourable Court may permit.

Material or Evidence to be relied On: The Receiver will rely on the following material:

20. The Eleventh Receiver’s Report.

21. Such further and other material as counsel for the Receiver may advise.

Applicable rules:

22. Rules 6.3, 6.9, 6.28, and 11.27 of the *Alberta Rules of Court*.

23. Such further and other rules as counsel for the Receiver may advise.

Applicable Acts and regulations:

24. The *Bankruptcy and Insolvency Act* (Canada).

25. *The Builders' Lien Act*, SS 1984-85-86, c B-7.1.

26. Such further and other acts and regulations as counsel for the Receiver may advise.

Any irregularity complained of or objection relied on:

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

How the application is proposed to be heard or considered:

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

AFFIDAVIT EVIDENCE IS REQUIRED IF YOU WISH TO OBJECT.

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" TO THE APPLICATION

Clerk's Stamp

COURT FILE NUMBER 1501-08634
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
APPLICANT ROYAL BANK OF CANADA
RESPONDENTS SPRAGUE-ROSSER CONTRACTING CO. LTD., SPRAGUE-ROSSER DEVELOPMENTS INC., PACIFIC FEDERATION EQUITY GROUP INC., JEFFERY JESSAMINE, DANIEL EDWARDS and MATTHEW MACKAY

DOCUMENT ORDER (Settlement Approval)

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
McCARTHY TÉTRAULT LLP
Suite 4000, 421-7th Avenue S.W.
Calgary AB T2P 4K9
Attention: Sean Collins / Walker W. MacLeod
Phone: 403-260-3531 / 3710
Fax: 403-260-3501
Email: scollins@mccarthy.ca / wmacleod@mccarthy.ca

DATE ON WHICH ORDER PRONOUNCED: March 21, 2019

JUDICIAL DISTRICT WHERE ORDER PRONOUNCED: Calgary, Alberta

JUDGE PRONOUNCING THIS ORDER: Justice P.R. Jeffrey

UPON the application (the "**Application**") of Alvarez & Marsal Canada Inc. (the "**Receiver**"), in its capacity as the court appointed receiver and manager of Sprague-Rosser Contracting Co. Ltd. (the "**Debtor**"), Sprague-Rosser Developments Inc., and Pacific Federation Equity Group Inc., for an order approving the Settlement Agreement, dated March 13, 2019, among the Debtor, by and through the Receiver, K+S Legacy GP Inc. ("**K+S Legacy**"), K+S Windsor Salt Ltd. ("**K+S Salt**"), and K+S Potash Canada General Partnership ("**K+S GP**", K+S Legacy, K+S Salt, and K+S GP are collectively referred to as, "**K+S**"), substantially in the form attached as Appendix "A" to the Eleventh Receiver's Report (the "**Settlement Agreement**") concerning the work done or materials provided pursuant to or in furtherance of: (i) the Site Preparation Contract, dated August 17, 2012 (the "**CC1000 Contract**"), between K+S GP, as owner, and the Debtor, as contractor; and, (ii) the Underground Utilities Phase 1 Contract, dated June 15, 2013 (the "**CC2010 Contract**" the

CC2010 Contract and the CC1000 Contract are collectively referred to as, the “**Contracts**”), between K+S GP, as owner, and the Debtor, as contractor, with respect to the lands set out in Schedule “**A**” hereto (collectively, the “**Lands**”);

AND UPON HAVING READ the receivership order issued by this Honourable Court on July 31, 2014, as subsequently amended and restated on August 7, 2014 (the “**Receivership Order**”) in the within proceedings (the “**Receivership Proceedings**”); **AND UPON** having read the Eleventh Report of the Receiver, dated March 13, 2019 (the “**Eleventh Receiver’s Report**”), filed; **AND UPON** having read the Affidavit of Service of Katie Doran, sworn March ●, 2019 (the “**Service Affidavit**”), filed; **AND UPON** hearing counsel for the Receiver and any other persons present;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. The time for service of the Application and the Eleventh Receiver’s Report is abridged, the Application is properly returnable today, service of the Application and the Eleventh Receiver’s Report on the service list, in the manner described in the Service Affidavit, is good and sufficient, and no other persons, other than those listed on the service list attached as an exhibit to the Service Affidavit, are entitled to service of the Application or the Eleventh Receiver’s Report.

CAPITALIZED TERMS

2. All capitalized terms used herein and not otherwise defined shall have the meaning ascribed to such terms in the Settlement Agreement.

APPROVAL OF SETTLEMENT AGREEMENT

3. The Settlement Agreement is hereby approved, and the execution of the Settlement Agreement by the Receiver is hereby authorized, ratified, confirmed, and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to complete the transactions contemplated by the Settlement Agreement and this Order (collectively, the “**Transactions**”), and to take any and all such steps and execute any and all such deeds, documents, and instruments as may reasonably be necessary to consummate the Transactions contemplated in the Settlement Agreement and herein, substantially in accordance with the terms of the Settlement Agreement and this Order.

VESTING AND VACATING OF THE BUILDERS' LIENS CLAIMS

4. Upon the delivery of a Receiver's Certificate to K+S, substantially in the form set out in Schedule "B" hereto (the "**Receiver's Certificate**"):

- (a) all of the claims listed in Schedule "C" hereto (collectively, the "**Claims**") shall be vacated, expunged, and discharged as against the Lands;
- (b) all written notices of lien which in any way relate to the Claims, shall be vacated, expunged, and discharged and shall no longer be binding or effective; and,
- (c) the Debtor's claim against K+S and any corresponding claim of K+S against the Debtor in the action commenced by the Debtor in the Court of Queen's Bench for Saskatchewan and bearing Action No. Q.B. 1644 of 2014, Judicial Centre of Regina, shall be dismissed, without costs to any party.

5. K+S is hereby authorized and directed to pay the Settlement Payment to the Receiver and such Settlement Payment shall be held by the Receiver, in a segregated trust account, pursuant to and in accordance with the terms of this Order and the Order (Priority Claims Process) also granted in connection with the Application.

6. For the purposes of determining the nature, validity, and priority of the Claims, the Settlement Payment shall stand in the place and stead of the Lands, and from and after the delivery of the Receiver's Certificate, all Claims shall attach to the Settlement Payment with the same priority as such Claims had immediately prior to such Claims being vested and vacated off title to the Lands.

7. Following delivery of the Receiver's Certificate, the Debtor and all persons who claim any builders' liens against the Lands arising in connection with the Contracts shall stand absolutely and forever barred, estopped, and foreclosed from all assertions, estate, right, title, interests, or Claims as against the Lands.

DISCHARGES AND TRANSFERS

8. The Receiver, to the extent able and necessary, is hereby authorized and directed to take all necessary steps and execute any and all documents to effect any and all discharges relating to the Claims and the registrars and all other persons in control of or otherwise

supervising such offices of registration or recording shall remove and discharge all such registrations.

9. Upon (i) receipt of the Receiver's Certificate and any applicable fees; and, (ii) the filing of a certified copy of this Order, the Registrar of the Saskatchewan Land Titles Registry (the "**Registrar**") is hereby authorized, requested, and directed, where required, to register such discharges, discharge statements, instruments, or as otherwise may be required to complete the discharge of all of the Claims, as set out in Schedule "**C**" hereto, from the corresponding Certificates of Title concerning the Lands.

GENERAL

10. The Receiver, K+S, or any interested person is at liberty to reapply for further advice, assistance, and direction as may be necessary to give full force and effect to the terms of this Order.

11. 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 respective 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, or to assist the Receiver and its respective agents in carrying out the terms of this Order.

12. This Order must be served only upon those interest parties attending or represented at the within Application and service of this Order on such persons shall be by any of email, facsimile, registered mail, courier, regular mail, or personal delivery. Service is deemed to be effected the next business day following the transmission or delivery of such documents.

13. Service of this Order on any party not attending this Application is hereby dispensed with.

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

SCHEDULE "A" TO THE ORDER (SETTLEMENT APPROVAL)

THE LANDS

Parcel #166249840
SE Sec 01 Twp 20 Rge 25 W2 Ext. 1

Surface Parcel #202949433
NE Sec 34 Twp 19 Rge 25 W2
Plan No 102150908 Ext 0

Surface Parcel #202949466
NW Sec 35 Twp 19 Rge 25 W2
Plan No 102150908 Ext 0

Surface Parcel #166249615
NE Sec 35 Twp 19 Rge 25 W2 Ext 1

Surface Parcel #10335307
NE Sec 26 Twp 19 Rge 25 W2 Ext 0
Certificate of Title 91MJ00804

Surface Parcel #103235295
SE Sec 26 Twp 19 Rge 25 W2 Ext. 0
Certificate of Title 79MJ00249
Now legally described as:
Surface Parcel #202978020
SE Sec 26 Twp 19 Rge 25 W2 Ext. 1

Surface Parcel #103221571
NE Sec 27 Twp 19 Rge 25 W2 Ext. 0
Certificate of Title 868MJ04527B

Surface Parcel # 103221548
NW Sec 26 Twp 19 Rge 25 W2 Ext. 0
Certificate of Title 86MJ04527C

Surface Parcel # 103221537
SW Sec 26 Twp 19 Rge 25 W2 Ext. 0
Certificate of Title 86MJ04527A
Now legally described as:
Surface Parcel #202977973
SW Sec 26 Twp 19 Rge 25 W2 Ext. 1

Surface Parcel # 103221784
SE Sec 35 Twp 19 Rge 25 W2 Ext. 0
Certificate of Title 86MJ04527

Surface Parcel #103235408
SW Se 35 Twp 19 Rge 25 W2 Ext. 0
Certificate of Title 86MJ04527

Surface Parcel #103221751
SE Sec 34 Twp 19 Rge 25 W2 Ext. 0
Certificate of Title 89MJ12876A

Surface Parcel #202949411
SW Sec 34 Twp 19 Rge 25 W2
Plan No 102150908 Ext. 0

Surface Parcel #202949343
NW Sec 34 Twp 19 Rge 25 W2
Plan No 102150908 Ext. 0

SCHEDULE "B" TO THE ORDER (SETTLEMENT APPROVAL)

RECEIVER'S CERTIFICATE

Clerk's Stamp

COURT FILE NUMBER 1501-08634
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
APPLICANT ROYAL BANK OF CANADA
RESPONDENTS SPRAGUE-ROSSER CONTRACTING CO. LTD., SPRAGUE-ROSSER DEVELOPMENTS INC., PACIFIC FEDERATION EQUITY GROUP INC., JEFFERY JESSAMINE, DANIEL EDWARDS and MATTHEW MACKAY

DOCUMENT

RECEIVER'S CERTIFICATE

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
McCARTHY TÉTRAULT LLP
Suite 4000, 421-7th Avenue S.W.
Calgary AB T2P 4K9
Attention: Sean Collins / Walker W. MacLeod
Phone: 403-260-3531 / 3710
Fax: 403-260-3501
Email: scollins@mccarthy.ca / wmacleod@mccarthy.ca

RECITALS

- A. Pursuant to an Order of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**"), granted on July 31, 2014, as subsequently amended and restated on August 7, 2014, Alvarez & Marsal Canada Inc. was appointed as the receiver and manager (the "**Receiver**"), of all of the property, assets, and undertakings of Sprague-Rosser Contracting Co. Ltd. (the "**Debtor**");

- B. Pursuant to an Order of the Court, dated March 21, 2019 (the "**Settlement Approval Order**"), the Court approved the settlement agreement, dated March 13, 2019, among the Debtor, by and through the Receiver, K+S Legacy GP Inc., K+S Windsor Salt Ltd., and K+S Potash Canada General Partnership (collectively referred to as, "**K+S**"), substantially in the form attached as Appendix "A" to the Eleventh Receiver's Report (the "**Settlement Agreement**") which contemplated the vesting and vacating of the Claims upon the delivery, by the Receiver to K+S, of a certificate confirming: (i) the payment by

K+S of the Settlement Payment; and, (ii) that the Transactions had been completed to the satisfaction of the Receiver.

- C. Unless otherwise indicated herein, terms with initial capitals have the same meanings as set out in the Settlement Approval Order.

THE RECEIVER CERTIFIES the following:

1. K+S has paid and the Receiver has received the Settlement Payment, in accordance with the terms of the Settlement Agreement; and,
2. The Transactions have been completed to the satisfaction of the Receiver.

This Certificate was delivered by the Receiver at **[Time]** on **[Date]**.

ALVAREZ & MARSAL CANADA INC., in its capacity as court-appointed receiver and manager of **SPRAGUE-ROSSER CONTRACTING CO. LTD.**, and not in its personal or corporate capacity.

Per: _____
Name:
Title:

SCHEDULE "C" TO THE ORDER (SETTLEMENT APPROVAL)

CLAIMS

Title / Lands	Interest #	Type of Interest	Holder	Date Registered (mm/dd/yyyy)	Value
Title # 144803404 Parcel #166249840 SE Sec 01 Twp 20 Rge 25 W2 Ext. 1	167578712	Builders' Lien	Sprague-Rosser Contracting Co. Ltd.	06/16/2014	\$21,549,248.14
	168256514	Builders' Lien	Edmonton Heavy Equipment Rentals Ltd.	08/06/2014	\$2,859,200.00
Title # 144860889 Surface Parcel #202949433 NE Sec 34 Twp 19 Rge 25 W2 Plan No 102150908 Ext 0	167578745	Builders' Lien	Sprague-Rosser Contracting Co. Ltd.	06/16/2014	\$21,549,248.14
	168150876	Builders' Lien	Conquest Equipment Inc.	07/28/2014	\$331,983.03
	168256525	Builders' Lien	Edmonton Heavy Equipment Rentals Ltd.	08/06/2014	\$2,859,200.00
	168482032	Builders' Lien	Focus Surveys Limited Partnership	08/26/2014	\$716,938.18
Title # 144860913 Surface Parcel #202949466 NW Sec 35 Twp 19 Rge 25 W2 Plan No 102150908 Ext 0	167578756	Builders' Lien	Sprague-Rosser Contracting Co. Ltd.	06/16/2014	\$21,549,248.14
	168150922	Builders' Lien	Conquest Equipment Inc.	07/28/2014	\$331,983.03
	168256536	Builders' Lien	Edmonton Heavy Equipment Rentals Ltd.	08/06/2014	\$2,859,200.00
	168482087	Builders' Lien	Focus Surveys Limited Partnership	08/26/2014	\$716,938.18
Title #144803202 Surface Parcel #166249615 NE Sec 35 Twp 19 Rge 25 W2 Ext 1	167578701	Builders' Lien	Sprague-Rosser Contracting Co. Ltd.	06/16/2014	\$21,549,248.14
	168150911	Builders' Lien	Conquest Equipment Inc.	07/28/2014	\$331,983.03
	168256547	Builders' Lien	Edmonton Heavy Equipment Rentals Ltd.	08/06/2014	\$2,859,200.00
	168482076	Builders' Lien	Focus Surveys Limited Partnership	08/26/2014	\$716,938.18
Title # 144802481 Surface Parcel #10335307 NE Sec 26 Twp 19 Rge 25 W2 Ext 0 Certificate of Title 91MJ00804	167578666	Builders' Lien	Sprague-Rosser Contracting Co. Ltd.	06/16/2014	\$21,549,248.14
	168256558	Builders' Lien	Edmonton Heavy Equipment Rentals Ltd.	08/06/2014	\$2,859,200.00
	168482111	Builders' Lien	Focus Surveys Limited Partnership	08/26/2014	\$716,938.18
Title # 145513302 Surface Parcel #103235295 SE Sec 26 Twp 19 Rge 25 W2 Ext. 0 Certificate of Title 79MJ00249 <u>Now legally described as:</u> Surface Parcel #202978020 SE Sec 26 Twp 19 Rge 25 W2 Ext. 1	168090509	Builders' Lien	Sprague-Rosser Contracting Co. Ltd.	06/16/2014	\$21,549,248.14
	168256637	Builders' Lien	Edmonton Heavy Equipment Rentals Ltd.	08/06/2014	\$2,859,200.00
	168482100	Builders' Lien	Focus Surveys Limited Partnership	08/26/2014	\$716,938.18

Title # 144802515 Surface Parcel #103221571 NE Sec 27 Twp 19 Rge 25 W2 Ext. 0 Certificate of Title 868MJ04527B	167578699	Builders' Lien	Sprague-Rosser Contracting Co. Ltd.	06/16/2014	\$21,549,248.14
	168256569	Builders' Lien	Edmonton Heavy Equipment Rentals Ltd.	08/06/2014	\$2,859,200.00
	168482144	Builders' Lien	Focus Surveys Limited Partnership	08/26/2014	\$716,938.18
Title # 144802492 Surface Parcel # 103221548 NW Sec 26 Twp 19 Rge 25 W2 Ext. 0 Certificate of Title 86MJ04527C	167578677	Builders' Lien	Sprague-Rosser Contracting Co. Ltd.	06/16/2014	\$21,549,248.14
	168256570	Builders' Lien	Edmonton Heavy Equipment Rentals Ltd.	08/06/2014	\$2,859,200.00
	168482122	Builders' Lien	Focus Surveys Limited Partnership	08/26/2014	\$716,938.18
Title # 145513223 Surface Parcel # 103221537 SW Sec 26 Twp 19 Rge 25 W2 Ext. 0 Certificate of Title 86MJ04527A <u>Now legally described as:</u> Surface Parcel #202977973 SW Sec 26 Twp 19 Rge 25 W2 Ext. 1	168090408	Builders' Lien	Sprague-Rosser Contracting Co. Ltd.	06/16/2014	\$21,549,248.14
	168256648	Builders' Lien	Edmonton Heavy Equipment Rentals Ltd.	08/06/2014	\$2,859,200.00
	168482133	Builders' Lien	Focus Surveys Limited Partnership	08/26/2014	\$716,938.18
Title # 144802234 Surface Parcel # 103221784 SE Sec 35 Twp 19 Rge 25 W2 Ext. 0 Certificate of Title 86MJ04527	167578622	Builders' Lien	Sprague-Rosser Contracting Co. Ltd.	06/16/2014	\$21,549,248.14
	168256581	Builders' Lien	Edmonton Heavy Equipment Rentals Ltd.	08/06/2014	\$2,859,200.00
	168482065	Builders' Lien	Focus Surveys Limited Partnership	08/26/2014	\$716,938.18
Title #144802245 Surface Parcel #103235408 SW Se 35 Twp 19 Rge 25 W2 Ext. 0 Certificate of Title 86MJ04527	167578633	Builders' Lien	Sprague-Rosser Contracting Co. Ltd.	06/16/2014	\$21,549,248.14
	168256592	Builders' Lien	Edmonton Heavy Equipment Rentals Ltd.	08/06/2014	\$2,859,200.00
	168482098	Builders' Lien	Focus Surveys Limited Partnership	08/26/2014	\$716,938.18
Title # 144802267 Surface Parcel #103221751 SE Sec 34 Twp 19 Rge 25 W2 Ext. 0 Certificate of Title 89MJI2876A	167578644	Builders' Lien	Sprague-Rosser Contracting Co. Ltd.	06/16/2014	\$21,549,248.14
	168150898	Builders' Lien	Conquest Equipment Inc.	07/28/2014	\$331,983.03
	168256604	Builders' Lien	Edmonton Heavy Equipment Rentals Ltd.	08/06/2014	\$2,859,200.00
	168482021	Builders' Lien	Focus Surveys Limited Partnership	08/26/2014	\$716,938.18
Title # 144860856 Surface Parcel #202949411 SW Sec 34 Twp 19 Rge 25 W2 Plan No 102150908 Ext. 0	167578734	Builders' Lien	Sprague-Rosser Contracting Co. Ltd.	06/16/2014	\$21,549,248.14
	168150900	Builders' Lien	Conquest Equipment Inc.	07/28/2014	\$331,983.03

	168256615	Builders' Lien	Edmonton Heavy Equipment Rentals Ltd.	08/06/2014	\$2,859,200.00
	168482054	Builders' Lien	Focus Surveys Limited Partnership	08/26/2014	\$716,938.18
Title # 144860722 Surface Parcel #202949343 NW Sec 34 Twp 19 Rge 25 W2 Plan No 102150908 Ext. 0	167578723	Builders' Lien	Sprague-Rosser Contracting Co. Ltd.	06/16/2014	\$21,549,248.14
	168150887	Builders' Lien	Conquest Equipment Inc.	07/28/2014	\$331,983.03
	168256626	Builders' Lien	Edmonton Heavy Equipment Rentals Ltd.	08/06/2014	\$2,859,200.00
	168482043	Builders' Lien	Focus Surveys Limited Partnership	08/26/2014	\$716,938.18

SCHEDULE "B" TO THE APPLICATION

Clerk's Stamp

COURT FILE NUMBER 1501-08634
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
APPLICANT ROYAL BANK OF CANADA
RESPONDENTS SPRAGUE-ROSSER CONTRACTING CO. LTD., SPRAGUE-ROSSER DEVELOPMENTS INC., PACIFIC FEDERATION EQUITY GROUP INC., JEFFERY JESSAMINE, DANIEL EDWARDS and MATTHEW MACKAY

DOCUMENT ORDER (Priority Claims Process)

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
McCARTHY TÉTRAULT LLP
Suite 4000, 421-7th Avenue S.W.
Calgary AB T2P 4K9
Attention: Sean Collins / Walker W. MacLeod
Phone: 403-260-3531 / 3710
Fax: 403-260-3501
Email: scollins@mccarthy.ca / wmacleod@mccarthy.ca

DATE ON WHICH ORDER PRONOUNCED: March 21, 2019

JUDICIAL DISTRICT WHERE ORDER PRONOUNCED: Calgary, Alberta

JUDGE PRONOUNCING THIS ORDER: Justice P.R. Jeffrey

UPON the application (the "**Application**") of Alvarez & Marsal Canada Inc. (the "**Receiver**"), in its capacity as the court appointed receiver and manager of Sprague-Rosser Contracting Co. Ltd. (the "**Debtor**"), Sprague-Rosser Developments Inc., and Pacific Federation Equity Group Inc., pursuant to the receivership order issued by this Honourable Court on July 31, 2014, as subsequently amended and restated on August 7, 2014 (the "**Receivership Order**") in the within proceedings (the "**Receivership Proceedings**"); **AND UPON** having read the Eleventh Report of the Receiver, dated March 13, 2019 (the "**Eleventh Receiver's Report**"), filed; **AND UPON** having read the Affidavit of Service of Katie Doran, sworn March 1, 2019 (the "**Service Affidavit**"), filed; **AND UPON** hearing counsel for the Receiver and any other persons present;

SERVICE

1. The time for service of the Application and the Eleventh Receiver's Report is abridged, the Application is properly returnable today, service of the Application and the Eleventh Receiver's Report on the service list, in the manner described in the Service Affidavit, is good and sufficient, and no other persons, other than those listed on the service list attached as an exhibit to the Service Affidavit, are entitled to service of the Application or the Eleventh Receiver's Report.

DEFINED TERMS

2. Capitalized terms used herein or not otherwise defined shall have the meaning ascribed hereto in the Priority Claims Process attached as Appendix "A" hereto (the "**Priority Claims Process**").

APPROVAL OF CLAIMS PROCESS

3. The Priority Claims Process for determining any and all Priority Claims in respect of the Claimants be and is hereby approved and the Receiver is authorized and directed to implement the Priority Claims Process.

4. The form of Proof of Claim, Newspaper Notice, and Notice of Revision or Disallowance, all as set forth in the attached Appendix "B", Appendix "C", and Appendix "D", respectively, are hereby approved.

CLAIMS BAR DATE

5. Any Claimant who has a Priority Claim with respect to the Settlement Payment and who has not, as of the Claims Bar Date, submitted a Proof of Claim to the Receiver in respect of its Priority Claim, in accordance with this Priority Claims Process, shall be forever barred, estopped and enjoined from asserting such Priority Claim against the Debtor and the Settlement Payment and such Priority Claim shall be forever extinguished, unless otherwise ordered by the Court.

NOTICE OF TRANSFEREES

6. If a Claimant or any subsequent holder of a Priority Claim who has been acknowledged by the Debtor as the holder of the Priority Claim transfers or assigns that Priority Claim to another Person, the Receiver shall not be required to give notice to or to otherwise deal with the transferee or assignee of the Priority Claim as the holder of such Priority Claim, unless and until

actual notice of transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been delivered to the Receiver. Thereafter, such transferee or assignee shall, for all purposes hereof, constitute the holder of such Priority Claim and shall be bound by notices given and steps taken in respect of such Priority Claim in accordance with the provisions of the Priority Claims Process.

7. If a Claimant or any subsequent holder of a Priority Claim who has been acknowledged by the Receiver as the holder of the Priority Claim transfers or assigns the whole of such Priority Claim to more than one Person or part of such Priority Claim to another Person or Persons, such transfers or assignments shall not create separate Priority Claims and such Priority Claim shall continue to constitute and be dealt with as a single Priority Claim notwithstanding such transfers or assignments. The Receiver shall not, in each such case, be required to recognize or acknowledge any such transfers or assignments and shall be entitled to give notices to and to otherwise deal with such Priority Claim only as a whole and then only to and with the Person last holding such Priority Claim provided such Person may, by notice in writing delivered to the Receiver, direct that subsequent dealings in respect of such Priority Claim, but only as a whole, shall be dealt with by a specified Person and, in such event, such Person shall be bound by any notices given or steps taken in respect of such Priority Claim, in accordance with the provisions of the Priority Claims Process.

NOTICE AND COMMUNICATION

8. Except as otherwise provided herein, the Receiver may deliver any notice or other communication to be given under this Order to Claimants or other interested Persons by forwarding true copies thereof by ordinary mail, courier, personal delivery, facsimile or email to such Claimants or Persons at the address last shown on the books and records of the Debtor, and that any such notice by courier, personal delivery, facsimile or email shall be deemed to be received on the next Business Day following the date of forwarding thereof, or, if sent by ordinary mail on the third Business Day after mailing within Alberta, the fifth Business Day after mailing within Canada, and the tenth Business Day after mailing internationally.

9. Any notice or other communication to be given under this Order by a Claimant to the Receiver shall be in writing in substantially the form, if any, provided for in this Order and will be sufficiently given only if delivered by registered mail, courier, email (in PDF format), personal delivery or facsimile transmission and addressed to:

Alvarez & Marsal Canada Inc., in its capacity
as Receiver of Sprague-Rosser Contracting Co. Ltd.
Attention: Marianna Lee, Senior Associate
Commerce Place
Suite 1680, 400 Burrard Street
Vancouver, BC V6C 3A6
Email: sprague@alvarezandmarsal.com
Fax: 1-604-638-7441

10. In the event that the day on which any notice or communication required to be delivered pursuant to the Priority Claims Process is not a Business Day then such notice or communication shall be required to be delivered on the next Business Day.

GENERAL

11. The Receiver is authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which Proofs of Claim are submitted, completed and executed and may, if satisfied that a Priority Claim has been adequately proven, waive strict compliance with the requirements of the Priority Claims Process and this Order as to the submission, completion and execution of Proofs of Claim.

12. References in this Order to the singular shall include the plural, references to the plural shall include the singular and to any gender shall include the other gender.

13. Notwithstanding the terms of this Order, the Receiver or any interested Person may apply to this Court from time to time for such further order or orders as it considers necessary or desirable to amend, supplement or modify the Priority Claims Process or this Order.

14. Service of this Order on the service list by email, facsimile, registered mail, courier, or personal delivery shall constitute good and sufficient service of this Order, and no Persons, other than those on the service list, are entitled to be served with a copy of this Order. Service is deemed to be effected the next business day following the transmission or delivery of such documents.

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

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

APPENDIX "A" TO ORDER (PRIORITY CLAIMS PROCESS)

DEFINITIONS

1. For purpose of this Priority Claims Process the following terms shall have the following meanings:

- (a) **"Business Day"** means a day, other than a Saturday or a Sunday, on which banks are generally open for business in Calgary, Alberta;
- (b) **"Claims Bar Date"** means 5:00 p.m. (Calgary Time) on April 30, 2019 or such other date as may be ordered by the Court;
- (c) **"Claims Package"** means the document package which shall include the Instruction Letter, a Proof of Claim, and such other materials as the Receiver considers necessary or appropriate;
- (d) **"Contracts"** means, collectively, (i) the Site Preparation Contract, dated August 17, 2012, between K+S, as owner, and the Debtor, as contractor, as subsequently amended, restated, altered, or supplement from time to time; and, (ii) the Underground Utilities Phase 1 Contract, dated June 15, 2013, between K+S, as owner, and the Debtor, as contractor, as subsequently amended, restated, altered, or supplement from time to time;
- (e) **"Court"** means the Court of Queen's Bench of Alberta;
- (f) **"Claimant"** means any Person asserting a Priority Claim;
- (g) **"Debtor"** means Sprague-Rosser Contracting Co. Ltd.;
- (h) **"Instruction Letter"** means the letter providing instructions on the completion of a Proof of Claim, which letter shall be substantially in the form attached to the Order (Priority Claims Process) as Appendix **"B"**;
- (i) **"Known Claimants"** Claimants which the books and records of the Debtor disclose as having provided services or materials to the Debtor in respect of the Contracts;

- (j) **“K+S”** means, collectively, K+S Legacy GP Inc., K+S Windsor Salt Ltd., and K+S Potash Canada General Partnership;
- (k) **“Receiver”** means Alvarez & Marsal Canada Inc., in its capacity as the Court appointed receiver and manager of the Debtor, Sprague-Rosser Developments Inc., and Pacific Federation Equity Group Inc., and not in its personal capacity or corporate capacity;
- (l) **“Newspaper Notice”** means the notice of the Priority Claims Process to be published in the newspapers in accordance with the Priority Claims Process, in substantially the form attached to the Order (Priority Claims Process) as Appendix **“D”**;
- (m) **“Notice of Revision or Disallowance”** means the form sent by the Receiver revising or disallowing a Proof of Claim submitted by any Person, which notice shall be substantially in the form attached to the Order (Priority Claims Process) as Appendix **“E”**;
- (n) **“Person”** shall be broadly interpreted and includes an individual, firm, partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, corporation, unincorporated association or organization, syndicate, committee, the government or a country or any political subdivision thereof, or any agency, board, tribunal, commission, bureau, instrumentality or department of such government or political subdivision, or any other entity, however designated or constituted, and the trustees, executors, administrators, or other legal representatives of any individual;
- (o) **“Priority Claim”** means any trust claim, lien claim, right, or interest (beneficial or legal) arising under the SK BLA in connection with any improvements made on any lands further or pursuant to the Contracts or any subcontracts thereto, where a Person claims priority to the Settlement Payment or any portion thereof, over and above the Debtor’s interests against same;
- (p) **“Priority Claims Process”** means the procedures outlined herein in connection with the assertion of any Priority Claims;

- (q) **“Order (Priority Claims Process)”** means the Order pronounced by the Honourable Justice P.R. Jeffrey of the Court of Queen’s Bench of Alberta on March 21, 2019 approving this Priority Claims Process;
- (r) **“Proof of Claim”** means the form setting forth a Claimant’s Priority Claim, which proof of claim shall be substantially in the form attached to the Order (Priority Claims Process) as Appendix **“C”**;
- (s) **“Proven Priority Claim”** means the quantum and classification of the Priority Claim of a Claimant as finally determined in accordance with the Priority Claims Process, provided that a Proven Priority Claim will be “finally determined” in accordance with the Priority Claims Process when: (i) it has been accepted by the Receiver; (ii) the applicable time period for challenging a Notice of Revision or Disallowance issued by the Receiver has expired and the Claimant has not taken the steps required by this Priority Claims Process to challenge such Notice of Revision or Disallowance; or (iii) any court of competent jurisdiction has made a determination with respect to the classification and quantum of the Priority Claim and no appeal or motion for leave to appeal therefrom shall have been taken or served on either party, or if any appeal(s) or motion(s) for leave to appeal or further appeal shall have been taken therefrom or served on either party, any and all such appeal(s) or motion(s) shall have been dismissed, determined or withdrawn;
- (t) **“Settlement Payment”** means the \$2,750,000 paid by K+S to the Receiver pursuant to the Settlement Agreement, dated March 13, 2019, as between the Debtor, by and through the Receiver, and K+S;
- (u) **“SK BLA”** means *The Builders’ Lien Act*, SS 1984-85-86, c B-7.1; and,
- (v) **“Website”** means the website established by the Receiver and located at <https://www.alvarezandmarsal.com/sprague>.

NOTICE OF CLAIMS PROCESS

2. The Receiver shall cause a Claims Package to be sent to each Known Claimant by regular prepaid mail, courier, facsimile or email on or prior to March 26, 2019.

3. The Receiver shall cause the Newspaper Notice to be published in the Calgary Herald, the Edmonton Journal, the StarPhoenix, the Regina Leader-Post, and any other newspaper the Receiver considers advisable, on or prior to March 26, 2019.

4. The Receiver shall cause the Claims Package to be posted on the Website on or prior to March 26, 2019.

5. The Receiver shall cause a copy of a Claims Package to be sent to any Person requesting such material as soon as practicable.

PERSONS ASSERTING PRIORITY CLAIMS

6. Any Known Claimants or Persons who have a Priority Claim and who wish to assert such Priority Claim shall, on or before the Claims Bar Date, send a completed Proof of Claim to the Receiver setting out the classification and quantum of such Priority Claim.

7. Any Known Claimant or Person who fails to comply with Paragraph 6 of this Priority Claims Process shall be forever barred, enjoined and estopped from asserting any Priority Claim against the Debtor or the Settlement Payment and all such Priority Claims shall be forever extinguished, except as otherwise may be ordered by the Court.

RESOLUTION OF CLAIMS

8. The Receiver shall review any Proof of Claim that is submitted to it on or before the Claims Bar Date and, subject to the terms of the Order (Priority Claims Process), may accept, revise or disallow such Proofs of Claim.

9. The Receiver may attempt to consensually resolve the classification or quantum of any Proofs of Claim submitted by any Person prior to the Receiver accepting, revising or disallowing such Proofs of Claim.

10. In the event that the Receiver elects to accept the quantum and classification of a Priority Claim, as set forth in the corresponding Proof of Claim, such Claimant shall have a Proven Priority Claim in the quantum and with the classification specified in the Proof of Claim submitted by such Claimant.

11. In the event that the Receiver elects to revise or disallow any Proof of Claim, the Receiver shall send a Notice of Revision or Disallowance setting out the revision or disallowance of the Proof of Claim.

12. Any Person who wishes to dispute the Notice of Revision or Disallowance received from the Receiver shall, within fifteen days of receipt of the Notice of Revision or Disallowance from the Receiver, file an Application before the Court for the determination of its Claim.

13. Any Person who receives a Notice of Revision or Disallowance from the Receiver and who fails to comply with Paragraph 12 of this Priority Claims Process shall be deemed to have accepted the classification and quantum of its Priority Claim as set forth in the Notice of Revision or Disallowance, shall have a Proven Priority Claim in the quantum and with the classification specified in the Notice of Revision or Disallowance and shall be forever barred, enjoined and estopped from challenging the classification and quantum of its Priority Claim as set forth in the Notice of Revision or Disallowance delivered to it by the Receiver, except as otherwise may be ordered by the Court.

CURRENCY OF CLAIMS

14. Any Priority Claim set out in a Proof of Claim shall be denominated in Canadian dollars; failing which, such Priority Claim shall be converted to and shall constitute obligations in Canadian dollars and such calculation will be effected using the noon spot rate of the Bank of Canada as of the date of the Order (Priority Claims Process).

**APPENDIX "B" TO ORDER (PRIORITY CLAIMS PROCESS)
INSTRUCTION LETTER FOR PRIORITY CLAIM PROCESS OF SPRAGUE-ROSSER
CONTRACTING CO. LTD. (THE "DEBTOR")**

NOTICE OF PRIORITY CLAIMS PROCESS OF THE DEBTOR

TO: [NAME AND ADDRESS OF KNOWN CLAIMANT]

Alvarez & Marsal Canada Inc. (the "**Receiver**") was appointed as receiver and manager of the Debtor's, Sprague-Rosser Developments Inc.'s, and Pacific Federation Equity Group Inc.'s property, assets, and undertakings, by the Order of the Court of Queen's Bench of Alberta (the "**Court**") granted on July 31, 2014, as subsequently amended and restated on August 7, 2014.

On March 21, 2019, the Court granted a further order prescribing a process by which the **identity and status of all Claimants of the Debtor and the amounts of any Priority Claims in respect of the Contracts pursuant to the SK BLA** will be established (the "**Order (Priority Claims Process)**"). A copy of the Order (Priority Claims Process) may be viewed at <https://www.alvarezandmarsal.com/sprague> (the "**Website**"). All capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the Order (Priority Claims Process).

Pursuant to the Order (Priority Claims Process), the Receiver is to send a Claims Package to each Known Claimant and to make a copy of same available at the Website.

IF YOU WISH TO FILE A PRIORITY CLAIM WITH RESPECT TO THE SETTLEMENT PAYMENT, YOU MUST TAKE THE STEPS OUTLINED BELOW.

The Order (Priority Claims Process) provides that any Known Claimant or Person who wishes to advance a Priority Claim must complete and forward to the Receiver, a completed Proof of Claim on or before 5:00 pm (Calgary Time) on April 30, 2019. Any Person who fails to comply with these requirements shall be forever barred, enjoined and estopped from asserting any Priority Claim against the Debtor or the Settlement Payment and all such Priority Claims shall be forever extinguished, except as may otherwise may be ordered by the Court.

Priority Claims not proven in accordance with the procedures set out above shall, except as may otherwise be ordered by the Court, be deemed to be forever barred and may not thereafter be advanced.

If you have any questions regarding the Priority Claims Process or the corresponding materials, please contact Marianna Lee of Alvarez & Marsal Canada Inc. at 1-604-639-0845 or sprague@alvarezandmarsal.com.

Dated the ____ day of _____, 2019.

**ALVAREZ & MARSAL CANADA INC., in its capacity
as court-appointed receiver and manager of
SPRAGUE-ROSSER CONTRACTING CO. LTD., and
not in its personal or corporate capacity**

Per: _____
Name:
Title:

**APPENDIX "C" TO THE ORDER (PRIORITY CLAIMS PROCESS)
PROOF OF CLAIM AGAINST SPRAGUE-ROSSER CONTRACTING CO. LTD.
(THE "DEBTOR")**

For Priority Claims Only
(See Reverse for Instructions)

Regarding the claim of _____ (referred to in this form as "the claimant")
(name of claimant)

All notices or correspondence regarding this claim to be forwarded to the claimant at the following address:

Telephone: _____ Fax: _____

I, _____ residing in the _____
(name of person signing claim) (city, town, etc.)

of _____ in the Province of _____
(name of city, town, etc.)

Do hereby certify that:

1. I am the claimant

OR I am _____ of the
claimant.
(if an officer or employee of the company, state position or title)

2. I have knowledge of all the circumstances connected with the claim referred to in this form.

3.A **Builders' Lien Claim.** \$ _____. In respect to the said debt, the Claimant has a valid builders' lien arising pursuant to work done under or in connection with the Contracts or any subcontracts thereto.

B **Trust Claim.** \$ _____. In respect of the said debt, the Claimant claims a trust claim pursuant to section 7 of *The Builders' Lien Act* (Saskatchewan).

Provide, in an affidavit attached as Schedule "A" hereto, full particulars of your builders' lien claim or trust claim, including all applicable contracts, sub-contracts, the nature of the work completed or materials furnished, the last day on which any work was completed or materials were furnished, any payments received by the Claimant, all invoices issued by the Claimant, and all written notices of a lien served by

the Claimant. All relevant agreements, documents, instruments, invoices, and etc. must also be attached hereto or to the affidavit to be attached as Schedule "A" hereto.

Dated at _____, this ____ day of _____, 2019.

Witness

Must be signed and witnessed

Instructions for Completing Proof of Claim Forms

In completing the attached form, your attention is directed to the notes on the form and to the following requirements:

Capitalized Terms:

All capitalized terms in the Proof of Claim form not specifically defined in the Proof of Claim form shall have the same meaning as ascribed to such terms in the Order (Priority Claims Process) as granted by the Honourable Justice Jeffrey of the Court of Queen's Bench of Alberta on March 21, 2019.

Proof of Claim:

1. The form must be completed by an individual and not by a corporation. If you are acting for a corporation or other person, you must state the capacity in which you are acting, such as, "Credit Manager", "Treasurer", "Authorized Agent", etc., and the full legal name of the party you represent.
2. The person signing the form must have knowledge of the circumstances connected with the claim.
3. The nature of the claim must be indicated by ticking the type of claim which applies. e.g. –

Ticking (A) indicates the claim is builders' lien claim under *The Builders' Lien Act*, SS 1984-85-86, c B-7.1. Details establishing the validity and quantum of a Claimant's builders' lien under *The Builders' Lien Act*, SS 1984-85-86, c B-7.1 must be submitted in the affidavit to be attached as Schedule "A" to the Proof of Claim form, which should include all relevant agreements, documents, instruments, invoices, etc.;

Ticking (B) indicates the claim is a trust claim pursuant to section 7 of *The Builders' Lien Act*, SS 1984-85-86, c B-7.1. Details establishing the validity and quantum of the Claimant's trust claim under *The Builders' Lien Act*, SS 1984-85-86, c B-7.1 must be submitted in the affidavit to be attached as Schedule "A" to the Proof of Claim form, which should include all relevant agreements, documents, instruments, invoices, etc.;

A claimant may have separate claims in different categories, in which case a separate Proof of Claim form must be submitted for each claim.

The person signing the form must insert the place and date in the space provided, and the signature must be witnessed.

Send a copy of the completed Proof of Claim, by 5:00 pm (Calgary Time) on April 30, 2019, to the Receiver at the below addresses:

Alvarez & Marsal Canada Inc., in its capacity
as Receiver of Sprague-Rosser Contracting Co. Ltd.

Commerce Place
Suite 1680, 400 Burrard Street

Vancouver, BC V6C 3A6
Attn: Marianna Lee

Additional information regarding the Debtor's proceedings, as well as copies of the Claims Package may be obtained at <https://www.alvarezandmarsal.com/sprague>. If there are any questions in completing the Proof of Claim, please contact Marianna Lee of Alvarez & Marsal Canada Inc. at 1-604-639-0845 or sprague@alvarezandmarsal.com.

**APPENDIX "D" TO ORDER (PRIORITY CLAIMS PROCESS)
NEWSPAPER NOTICE**

**NOTICE TO BUILDERS' LIEN AND TRUST CLAIMANTS OF SPRAGUE-ROSSER
CONTRACTING CO. LTD.**

PLEASE TAKE NOTICE that this Newspaper Notice to Claimants is being published pursuant to an Order of the Honourable Justice P.R. Jeffrey of the Court of Queen's Bench of Alberta, Judicial Centre of Calgary, dated March 21, 2019 (the "**Order (Priority Claims Process)**"). All capitalized terms not otherwise defined in this Newspaper Notice will have the meaning given to such terms in the Order (Priority Claims Process), which is posted on the website of the Receiver at <https://www.alvarezandmarsal.com/sprague> (the "**Website**").

The Order (Priority Claims Process) is **ONLY** intended for Claimants with a Priority Claim; being one under *The Builders' Lien Act* (Saskatchewan).

Any Claimant who believes he, she, or it has a Priority Claim must follow the procedures set out in the Order (Priority Claims Process) for proving such Priority Claim.

If you wish to assert a Priority Claim, Proof of Claim forms can be obtained on the Website or by contacting the Receiver at the addresses below and providing your name, address, facsimile number, and e-mail address. Once the Receiver has this information, you will receive, as soon as practicable, a Proof of Claim form.

Claimants are required to assert their Priority Claim by submitting a Proof of Claim to the Receiver **by no later than 5:00 p.m. (Calgary Time) on April 30, 2019** (the "**Claims Bar Date**") by prepaid registered mail, courier, personal delivery or electronic or digital transmission, and **all Proofs of Claim must be actually received** by the Receiver before the Claims Bar Date, at the following address:

Alvarez & Marsal Canada Inc., in its capacity
as Receiver of Sprague-Rosser Contracting Co. Ltd.

Attn: Marianna Lee
Commerce Place
Suite 1680, 400 Burrard Street
Vancouver, BC V6C 3A6

Phone: 1-604-639-0845
Fax: 1-604-638-7441

**PROOFS OF CLAIM WHICH ARE NOT RECEIVED BY THE RECEIVER BY THE CLAIMS
BAR DATE WILL BE BARRED AND EXTINGUISHED FOREVER.**

**APPENDIX "E" TO THE ORDER (PRIORITY CLAIMS PROCESS)
NOTICE OF REVISION OR DISALLOWANCE FOR CLAIMS AGAINST SPRAGUE-ROSSER
CONTRACTING CO. LTD. (THE "DEBTOR")**

NOTICE OF REVISION OR DISALLOWANCE

TO: [NAME AND ADDRESS OF CLAIMANT]

DATE:

PROOF OF CLAIM NO:

Take notice that Alvarez & Marsal Canada Inc., appointed as the receiver and manager (the "**Receiver**") of all of the Debtor's, Sprague-Rosser Developments Inc.'s, and Pacific Federation Equity Group Inc.'s property, assets, and undertakings pursuant to the order granted on July 31, 2014, as subsequently amended and restated on August 7, 2014 (the "**Receivership Order**"), has reviewed the Proof of Claim you submitted, as part of the Debtor's Priority Claims Process pursuant to the order issued by the Court of Queen's Bench of Alberta on March 21, 2019 (the "**Order (Priority Claims Process)**"). All capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the Order (Priority Claims Process).

The Receiver has revised your Proof of Claim as follows:

Classification:

Quantum:

IF YOU WISH TO DISPUTE THE REVISION OR DISALLOWANCE OF YOUR CLAIM, AS SET FORTH HEREIN, YOU MUST TAKE THE STEPS OUTLINED BELOW.

The Order (Priority Claims Process) provides that if you disagree with the revision or disallowance of your claim, as set out in this Notice of Revision or Disallowance, you must, within fifteen days of receipt of this Notice of Revision or Disallowance from the Receiver, file an application before the Court of Queen's Bench of Alberta for the determination of your claim. If you fail to file an application before the Court of Queen's Bench of Alberta for the determination of your claim in the timeframe specified herein you shall be deemed to have accepted the classification and quantum of your claim as set forth in this Notice of Revision or Disallowance, shall have a Proven Priority Claim in the quantum and with the classification specified in this Notice of Revision or Disallowance, if applicable, and shall be forever barred, enjoined and estopped from challenging the classification and quantum of your claim as set forth in this Notice of Revision or Disallowance, except as otherwise may be ordered by the Court.

If you have any questions regarding the claims process or the attached materials, please contact Marianna Lee of Alvarez & Marsal Canada Inc. at 1-604-639-0845 or sprague@alvarezandmarsal.com.

Dated the _____ day of _____, 2019 in Calgary, Alberta.

**ALVAREZ & MARSAL CANADA INC., in its
capacity as Receiver of SPRAGUE-ROSSER
CONTRACTING CO. LTD.**

Per: _____