

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

I hereby certify this to be a true copy of the original order
 filed this 21 day of Mar 2019
 for Clerk of the Court *[Signature]*

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 15, 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.E.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 86MJ04527B	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 Now legally described as: 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 89MJ12876A	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