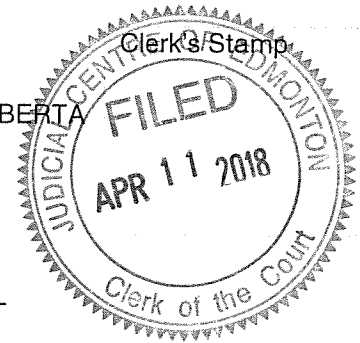


COURT FILE NUMBER 1703-21274  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE EDMONTON  
PLAINTIFF ROYAL BANK OF CANADA  
DEFENDANTS 1679775 ALBERTA LTD., REID-BUILT HOMES LTD., REID WORLDWIDE CORPORATION, BUILDER'S DIRECT SUPPLY LTD., REID BUILT HOMES CALGARY LTD., REID INVESTMENTS LTD., REID CAPITAL CORP., and EMILIE REID

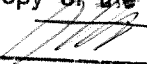


IN THE MATTER OF THE RECEIVERSHIP OF 1679775 ALBERTA LTD., REID-BUILT HOMES LTD., REID WORLDWIDE CORPORATION, BUILDER'S DIRECT SUPPLY LTD., REID BUILT HOMES CALGARY LTD., REID INVESTMENTS LTD., and REID CAPITAL CORP.

APPLICANT

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

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

  
\_\_\_\_\_  
for Clerk of the Court

DOCUMENT

**SALE APPROVAL AND VESTING ORDER  
(2072604 Alberta Ltd. Transaction)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

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

Phone: +1 403.267.8222  
Fax: +1 403.264.5973  
Email: howard.gorman@nortonrosefulbright.com /  
aditya.badami@nortonrosefulbright.com  
Attention: Howard A. Gorman, Q.C. / Aditya M. Badami

**DATE ON WHICH ORDER WAS PRONOUNCED: April 11, 2018**

**LOCATION WHERE ORDER WAS PRONOUNCED: Edmonton, Alberta**

**NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Mr. Justice R. A. Graesser**

**UPON THE APPLICATION** by Alvarez & Marsal Canada Inc., in its capacity as Court-appointed receiver and manager (the **Receiver**) of the current and future assets, undertakings, and properties of 1679775 Alberta Ltd., Reid-Built Homes Ltd., Reid Worldwide Corporation, Builder's Direct Supply Ltd., Reid Built Homes Calgary Ltd., Reid Investments Ltd., and Reid Capital Corp. (each, a **Debtor**, and collectively, the **Debtors**) for an order approving the sale transaction (the **Transaction**) contemplated by an agreement of purchase and sale (the **Sale Agreement**) between the Receiver and 2072604 Alberta Ltd. (the **Purchaser**) dated March 29, 2018, and described in the Fourth Report of the Receiver dated April 6, 2018 (the **Report**), and vesting in the Purchaser the Debtors' and Rapperswill Developments Ltd.'s respective right, title, and interest in and to the assets described in the Sale Agreement (the **Purchased Assets**);

**AND UPON HAVING READ** the Receivership Order dated November 2, 2017, (the **Receivership Order**), the Report and the Affidavit of Service; **AND UPON HEARING** the submissions of counsel for the Receiver, the Purchaser, Rapperswill Developments Ltd., and any other interested parties that may be present;

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

**SERVICE**

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, and no other person is required to have been served with notice of this application, and time for service of this application is abridged to that actually given.

**APPROVAL OF TRANSACTIONS**

2. The Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby approved. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction or for the conveyance of the Purchased Assets to the Purchaser.

**VESTING OF PROPERTY**

3. Upon the delivery of a Receiver's certificate to the Purchaser substantially in the form set out in **Schedule "A"** hereto (the **Receiver's Certificate**), all of the Debtors' and Rapperswill Developments Ltd.'s respective right, title, and interest in and to the Purchased Assets shall vest absolutely in the names of the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, caveats, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they

have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the **Claims**) including, without limiting the generality of the foregoing:

- i. any encumbrances or charges created by the Receivership Order or any other Orders granted in the Receivership Proceedings; and
- ii. all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system; and
- iii. for greater certainty, this Court orders that all of the Claims affecting or relating to the Assets are hereby expunged and discharged as against the Assets,

4. Upon the delivery of the Receiver's Certificate, and upon the filing of a certified copy of this Order, together with any applicable registration fees, the Registrar of Land Titles of Alberta (the **Registrar**) is hereby authorized, requested, and directed to cancel the existing Certificate of Title Nos. 142391923+36, 142391923+61, 152277959, and 162034026+49, for those lands and premises municipally described as 16504 140 Street; 173 Rapperswill Drive; 17423 121 Street; and 113 Rapperswill Drive, and legally described as:

Plan 1424049, Block 71, Lot 21  
Plan 1324798, Block 102, Lot 27  
Plan 1425124, Block 107, Lot 11  
Plan 1425124, Block 102, Lot 66

(the **Lands**)

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

5. This Order shall be registered by the Registrar notwithstanding the requirements of section 191(1) of the Land Titles Act, RSA 2000, c.L-7 and notwithstanding that the appeal period in respect of this Order has not elapsed, which appeal period is expressly waived.

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

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

8. The Purchaser shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Debtors or Rapperswill Developments Ltd., or any person claiming by or through or against the Debtors or Rapperswill Developments Ltd.

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

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

11. Notwithstanding:

- i. the pendency of these proceedings;
- ii. any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of any of the Debtors and any bankruptcy order issued pursuant to any such applications; and
- iii. any assignment in bankruptcy made in respect of any of the Debtors or Rapperswill Developments Ltd

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of any of the Debtors or Rapperswill Developments Ltd. and shall not be void or voidable by creditors of the Debtors or Rapperswill Developments Ltd., 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.

12. The Receiver, the Purchaser, and any other interested party, shall be at liberty to apply for further advice, assistance and directions as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.

**PAYMENT OF DEVELOPER LAND PAYABLE, HOLDBACK FOR LIENS, AND DETERMINING PRIORITIES**

13. Upon the delivery of the Receiver's Certificate, the Receiver is directed and authorized to pay to Rapperswill Developments Ltd. from the net proceeds from the sale of the Purchased Assets the land payable amount owing to Rapperswill Developments Ltd. in respect of those Lands or Purchased Assets subject to the applicable purchase and sale agreement between Rapperswill Developments Ltd. and the subject Debtor to such agreement, plus interest (if any) at the rate prescribed in such purchase and sale agreement.

14. Following payment of the amount set out in paragraph 13 of this Order, and from the resulting net proceeds from the sale of the Purchased Assets, the Receiver is directed and authorized to hold-back the total amount of any registered lien claims listed on **Schedule "B"** to this Order, plus ten-percent (10%) as security for costs, asserted as against the Lands or Purchased Assets and as registered on the Certificates of Title identified in paragraph 4 of this Order, with such hold-back amount being held by the Receiver's counsel in an interest bearing trust account, pending further order or direction from this Court, or agreement among the ~~the~~ claimant(s) and the Receiver.

*Secured - [Signature]*

15. Upon delivery of the Receiver's Certificate, and following the payment and after deducting the hold-back set out in paragraphs 13-14 of this Order, the Receiver is authorized to distribute the net proceeds from the sale of the Purchased Assets sold by a Debtor entity to the first-registered mortgagee having a claim against the Lands in accordance with the priority of such claim with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale, provided that:

- i. such distribution shall only be made upon the Receiver's confirming the validity of the first-registered mortgagee's security and outstanding indebtedness; and
- ii. such outstanding indebtedness must be equal to or greater than the net proceeds from the sale of the Purchased Assets, being the amount available for distribution to such first-registered mortgagee.

*any security claimant [Signature]*

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

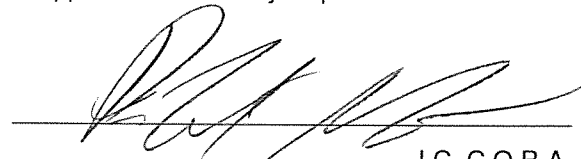
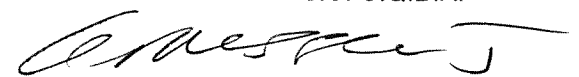
17. For certainty, no distribution or payment is required to be made in respect of any mortgages registered against the Certificates of Title identified in paragraph 4 of this Order where the registered owner on such Certificate of Title is a non-Debtor entity.

**MISCELLANEOUS MATTERS**

18. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals regulatory and administrative bodies are hereby respectfully requested to make such orders as to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

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

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

  
\_\_\_\_\_  
J.C. C.Q.B.A.  


## SCHEDULE A

### Form of Receiver's Certificate

COURT FILE NUMBER 1703-21274 Clerk's Stamp

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

PLAINTIFF ROYAL BANK OF CANADA

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

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

DOCUMENT **RECEIVER'S CERTIFICATE  
(2072604)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **Norton Rose Fulbright Canada LLP**  
400 3rd Avenue SW, Suite 3700  
Calgary, Alberta T2P 4H2

Phone: +1 403.267.8222  
Fax: +1 403.264.5973  
Email: howard.gorman@nortonrosefulbright.com /  
aditya.badami@nortonrosefulbright.com  
Attention: Howard A. Gorman, Q.C. / Aditya M. Badami

### RECITALS

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

- B. Pursuant to an Order of the Court dated April 11, 2018, the Court approved the agreement of purchase and sale made as of March 29, 2018 (the **Sale Agreement**) between the Receiver and 2072604 Alberta Ltd. (the **Purchaser**) and provided for the vesting in the Purchaser of the Debtors' and Rapperswill Developments Ltd.'s respective right, title, and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article 12 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.
- C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

**THE RECEIVER CERTIFIES** the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in Article 12 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. 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 the current  
and future assets, undertakings and  
properties of 1679775 ALBERTA  
LTD., REID-BUILT HOMES LTD., REID  
WORLDWIDE CORPORATION,  
BUILDER'S DIRECT SUPPLY LTD.,  
REID BUILT HOMES CALGARY LTD.,  
REID INVESTMENTS LTD., and REID  
CAPITAL CORP., and not in its  
personal capacity.**

**Per:** \_\_\_\_\_

**Name: Todd Martin / Tom Powell,  
Alvarez & Marsal Canada Inc.**

**Title: Managing Director / Senior  
Director**



## SCHEDULE B

### Builders' Liens

Legal Description	Title Number	Builder's Lien
66/102/1425124	142 391 923 +36	<p>Registration No. 172 264 874 Date: 10/10/2017 Lienor: KNXN INC. Amount: \$1,627</p> <p>Registration No. 172 282 997 Date: 27/10/2017 Lienor: TRANS AMERICA MANAGEMENT 2000 INC. Amount: \$656</p>
11/107/1425124	142 391 923 +61	<p>Registration No. 172 253 540 Date: 27/09/2017 Lienor: GRAMAR CONCRETE SERVICES LTD. Amount: \$4,371</p> <p>Registration No. 172 264 925 Date: 10/10/2017 Lienor: KNXN INC. Amount: \$2,299</p> <p>Registration No. 172 264 926 Date: 10/10/2017 Lienor: KNXN INC. Amount: \$499</p> <p>Registration No. 172 265 038 Date: 10/10/2017 Lienor: KNXN INC. Amount: \$1,627</p> <p>Registration No. 172 266 007 Date: 11/10/2017 Lienor: DEBARA CLEANING LTD. Amount: \$525</p> <p>Registration No. 172 272 938 Date: 18/10/2017 Particulars: CERTIFICATE OF LIS PENDENS</p> <p>Registration No. 172 283 024 Date: 27/10/2017 Lienor: TRANS AMERICA MANAGEMENT 2000 INC. Amount: \$721</p>

Legal Description	Title Number	Builder's Lien
27/102/1324798	152 277 959	<p>Registration No. 172 263 059 Date: 06/10/2017 Lienor: DEBARA CLEANING LTD. Amount: \$1,312</p> <p>Registration No. 172 264 499 Date: 10/10/2017 Lienor: LAWNZ INC. Amount: \$16,359</p> <p>Registration No. 172 264 500 Date: 10/10/2017 Lienor: LAWNZ INC. Amount: \$20,448</p> <p>Registration No. 172 264 501 Date: 10/10/2017 Lienor: LAWNZ INC. Amount: \$14,637</p> <p>Registration No. 172 277 041 Date: 23/10/2017 Lienor: LAWNZ INC. Amount: \$14,637</p> <p>Registration No. 172 278 935 Date: 24/10/2017 Lienor: HIGH STANDARD LANDSCAPE. Amount: \$18,633</p>
21/71/1424049	162 034 026 +49	<p>Registration No. 172 299 302 Date: 15/11/2017 Lienor: RAYWALT CONSTRUCTION CO LTD. Amount: \$222,562</p>