

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

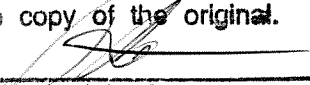
Clerk's Stamp



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

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



for Clerk of the Court

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.

DOCUMENT

**SALE APPROVAL AND VESTING ORDER
(Prairie Pipe Sales Ltd. Transaction)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

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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. (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 Prairie Pipe Sales Ltd. (the **Purchaser**) dated March 26, 2018, and described in the Fourth Report of the Receiver dated April 6, 2018 (the **Report**), and upon noting the registered mortgages (if any) and builders' liens (if any) set out in **Schedule "B"** to this Order, and vesting in the Purchaser 1679775 Alberta Ltd.'s 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, 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 1679775 Alberta Ltd.'s 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;
- 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. 151020090 and 151229942 for those lands and premises municipally described as 602 Marina Drive and 598 Marina Drive, and legally described as:

Plan 1210735, Block 39, Lot 2

Plan 1210735, Block 39, Lot 1

(the **Lands**)

and to issue a new Certificate of Title for the Lands in the name of the Purchaser, and to register such transfers, discharges, discharge statements of conveyances, as may be required to convey clear title to the Lands to the Purchaser, which 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.

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

remains in possession or control of any of the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser.

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

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

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

11. Notwithstanding:

- i. the pendency of these proceedings;
- ii. any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (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

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of any of the Debtors and shall not be void or voidable by creditors of the Debtors, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (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.

HOLDBACK FOR LIENS AND DISTRIBUTION OF NET PROCEEDS

13. From the net proceeds from the sale of the Purchased Assets the Receiver is directed and authorized to hold-back the total amount of any 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

14. Upon delivery of the Receiver's Certificate, and after deducting the holdback set out in paragraph 13 of this Order, the Receiver is authorized to distribute the net proceeds from the sale of the Purchased Assets 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

15. Where by the terms of paragraph 14 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.

MISCELLANEOUS MATTERS

16. 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.

17. 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.

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

[Handwritten signature]

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
(Prairie Pipe)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **Norton Rose Fulbright Canada LLP**
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Calgary, Alberta T2P 4H2

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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.

- 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 26, 2018 (the **Sale Agreement**) between the Receiver and Prairie Pipe Sales Ltd. (the **Purchaser**) and provided for the vesting in the Purchaser of 1679775 Alberta Ltd.'s 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

| Legal Description | Title Number | Builder's Lien | Mortgage |
|-------------------|--------------|----------------|--|
| 2/39/1210735 | 151 020 090 | | Registration No. 151 020 149 Date: 21/01/2015 Mortgagee: ROYAL BANK OF CANADA Amount: \$35,000,000 Registration No. 171 172 706 Date: 03/08/2017 Mortgagee: ROYAL BANK OF CANADA Amount: \$50,000,000 |
| 1/39/1210735 | 151 229 942 | | Registration No. 151 229 943 Date: 04/09/2015 Mortgagee: ROYAL BANK OF CANADA Amount: \$35,000,000 Registration No. 171 172 706 Date: 03/08/2017 Mortgagee: ROYAL BANK OF CANADA Amount: \$50,000,000 |