

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

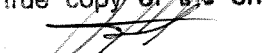


IN THE MATTER OF THE RECEIVERSHIP OF 1679775 ALBERTA LTD., REID-BUILT HOMES LTD., REID WORLDWIDE CORPORATION, BUILDER'S DIRECT SUPPLY LTD., REID BUILT HOMES CALGARY LTD., REID INVESTMENTS LTD., and REID CAPITAL CORP.

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 (Stepanov/Gillis 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

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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 Alex Stepanov-Vandenberg, Alyssa Stepanov, and Eugene Gillis (together, 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 Jesperdale Communities Inc.'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, Jesperdale Communities Inc., 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 Jesperdale Communities Inc.'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;
- 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 No. 152353840+25 for those lands and premises municipally described as 40 Autumnwood Crescent, Spruce Grove, Alberta, and legally described as:

Plan 1525099, Block 25, Lot 2

(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 or Jesperdale Communities Inc.

7. The Debtors and Jesperdale Communities Inc. and all persons who claim by, through or under the Debtors or Jesperdale Communities Inc. 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 Jesperdale Communities Inc., or any person claiming by or through or against the Debtors or Jesperdale Communities Inc.

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 Jesperdale Communities Inc.

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 Jesperdale Communities Inc.

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 Jesperdale Communities Inc. and shall not be void or voidable by creditors of the Debtors or Jesperdale Communities Inc., 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 Jesperdale Communities Inc. from the net proceeds from the sale of the Purchased Assets the land payable amount owing to Jesperdale Communities Inc. in respect of those Lands or Purchased Assets subject to the applicable purchase and sale agreement between Jesperdale Communities Inc. 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~~^{sewed} claimant(s) and the Receiver. For certainty, the hold-back amount identified in this paragraph will stand as security for all claims of the lien claimants listed on **Schedule "B"** to this Order, including any claim they may have alleging the non-Debtor entity vendor of the Purchased Assets may be liable as an "owner" within the meaning of that term as defined in the *Builders' Lien Act* (Alberta).

15. Following the payment and hold-back set out in paragraphs 13-14 of this Order, the net proceeds from the sale of the Purchased Assets may be distributed by the Receiver in accordance with the administration of the receivership estate. 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.

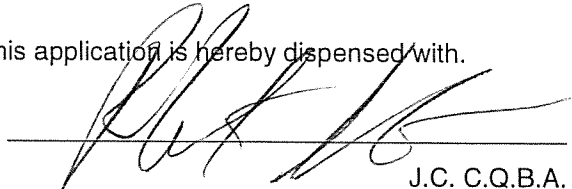
MISCELLANEOUS MATTERS

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.

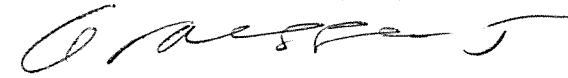
17. This Order must be served only upon those interested parties attending or represented at the within application and service may be effected by facsimile, electronic mail, personal delivery or courier.

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.



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 (Stepanov/Gillis)	
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 28, 2018 (the **Sale Agreement**) between the Receiver and Alex Stepanov-Vandenburg, Alyssa Stepanov, and Eugene Gillis (together, the **Purchaser**) and provided for the vesting in the Purchaser of the Debtors' and Jesperdale Communities Inc.'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
2/25/1525099	152 353 840 +25	<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. 172 268 352 Date: 13/10/2017 Lienor: JOVAN CORP. Amount: \$436</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>