

COURT FILE NUMBERS 1803 - 09581

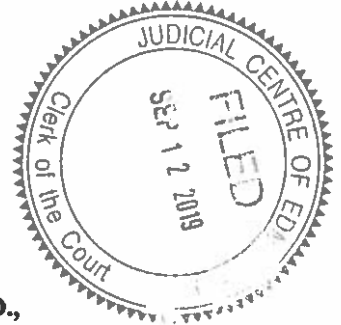
COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

PLAINTIFF (APPLICANT) BANK OF MONTREAL

DEFENDANT (RESPONDENT) LADACOR AMS LTD.,  
NOMADS PIPELINES CONSULTING LTD.,  
2367147 ONTARIO INC., and  
DONALD KLISOWSKY

DOCUMENT SUPPLEMENT TO THE FOURTH REPORT OF THE  
RECEIVER



September 12, 2019

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

**RECEIVER**  
ALVAREZ & MARSAL CANADA INC.  
Bow Valley Square IV  
Suite 1110, 250 - 6<sup>th</sup> Avenue SW  
Calgary, Alberta T2P 3H7  
Attention: Orest Konowalchuk / Chad Artem  
Telephone: (403) 538-4736 / (403) 538-7518  
Email: [okonowalchuk@alvarezandmarsal.com](mailto:okonowalchuk@alvarezandmarsal.com) /  
[cartem@alvarezandmarsal.com](mailto:cartem@alvarezandmarsal.com)

**COUNSEL TO RECEIVER**  
BLAKE, CASSELS & GRAYDON LLP  
3500, 855 2<sup>nd</sup> Street SW  
Calgary, Alberta T2P 4J8  
Attention: Kelly Bourassa / James Reid  
Phone: (403) 260-9697 / (403) 260-9731  
Fax: (403) 260-9700  
Email: [kelly.bourassa@blakcs.com](mailto:kelly.bourassa@blakcs.com) / [james.reid@blakcs.com](mailto:james.reid@blakcs.com)  
File: 99766/12



ALVAREZ & MARSAL

## **TABLE OF CONTENTS OF THE SUPPLEMENT TO THE FOURTH REPORT OF THE RECEIVER**

INTRODUCTION .....	3
TERMS OF REFERENCE .....	4
THE RECEIVER’S RESPONSE TO THE KLISOWSKY APPLICATION.....	4
THE RECEIVER’S RESPONSE TO THE SUPPLEMENTAL KLISOWSKY AFFIDAVIT .....	11
THE RECEIVER’S DEALINGS WITH HYTHE.....	11
ADDITIONAL COSTS OF SUPPLEMENTAL REPORT AND BRIEF.....	14

## **LISTING OF APPENDICES TO THE SUPPLEMENT TO THE FOURTH REPORT OF THE RECEIVER**

APPENDIX A	Alberta Finance Claim
APPENDIX B	CRA GST Claim
APPENDIX C	WEPP Claim
APPENDIX D	Liberty Mutual Indemnity Agreement, Resolutions and Proof of Delivery
APPENDIX E	Receiver’s Counsel Letter and attachments to counsel for Hythe & District Pioneer Homes (dated August 2, 2018)
APPENDIX F	Receiver’s Counsel Letter to counsel for Hythe & District Pioneer Homes (dated November 30, 2018) (without Schedules)

## INTRODUCTION

1. On May 18, 2018 (the “**Receivership Date**”), pursuant to an order (the “**Receivership Order**”) of the Court of Queen’s Bench of Alberta (the “**Court**”) granted in these proceedings (the “**Receivership Proceedings**”), Alvarez & Marsal Canada Inc. (“**A&M**”) was appointed receiver and manager (the “**Receiver**”), without security, of all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “**Property**”), of Ladacor AMS Ltd. (“**Ladacor**”), Nomads Pipelines Consulting Ltd. (“**Nomads**”) and 2367147 Ontario Inc. (“**236 Inc.**”) (collectively, the “**Debtors**” and each individually a “**Debtor**”) pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the “**BIA**”), section 13(2) of the *Judicature Act*, RSA 2000, c J-2 and 65(7) of the *Personal Property Security Act*, RSA 2000, c P-7 (“**PPSA**”).
2. On September 4, 2019, the Receiver filed its Fourth Report to the Court (the “**Fourth Report**”) that provided, among other things:
  - a) the activities of the Receiver since the third report of the Receiver dated December 10, 2018;
  - b) a list of creditor claims made against the Debtors; and
  - c) an update on the Debtors' property.
3. This is the Receiver’s supplement to the Fourth Report (the “**Supplemental 4<sup>th</sup> Report**”). Capitalized terms not defined in this Supplemental 4<sup>th</sup> Report are as defined in the Fourth Report or the Receivership Order.
4. The purpose of this Supplemental 4<sup>th</sup> Report is to respond to:
  - a) the unfiled application (the “**Klisowsky Application**”) of Mr. Donald Klisowsky (“**Mr. Klisowsky**”) and Affidavit of Donald Klisowsky sworn September 7, 2019 (the “**Klisowsky Affidavit**”) that were e-

mailed to the Receiver by Mr. Klisowsky's legal counsel on September 9, 2019;

- b) the unfiled supplemental affidavit (the "**Supplemental Klisowsky Affidavit**") of Mr. Klisowsky that was e-mailed to the Receiver by Mr. Klisowsky's legal counsel at 9:07pm MT on September 11, 2019; and
- c) recent correspondence from counsel to Hythe & District Pioneer Homes (Advisory Committee) ("**Hythe**"), advising that Hythe opposes certain relief sought by the Receiver, namely (i) any relief declaring that the Receiver has duly and properly discharged its duties, responsibilities and obligations as a Receiver; and (ii) any order relieving the Receiver from liability for acts done as Receiver (the "**Hythe Requests**").

- 5. All references to dollars are in Canadian currency.

#### **TERMS OF REFERENCE**

- 4. In preparing this Supplemental 4<sup>th</sup> Report, the Receiver has relied upon information obtained prior to the Receivership Proceedings by Alvarez & Marsal Canada ULC in its role as financial advisor (as discussed in the Prior Reports), representations of certain former management and former employees of the Debtors and financial and other information contained in the Debtors' books and records, which were produced and maintained principally by the Debtors. The Receiver has not performed an audit, review or other verification of such information.

#### **THE RECEIVER'S RESPONSE TO THE KLISOWSKY APPLICATION**

- 5. The Klisowsky Application makes statements criticizing the conduct of the Receiver in dealing with the property of the Debtors throughout the Receivership Proceedings and with respect to the debts owing by Nomads. These allegations are addressed below.



## **Conduct of the Receiver in dealing with the Property**

6. The Klisowsky Application suggests that the Fourth Report and the Prior Reports demonstrate that the Receiver is not dealing with the property of Nomads in a commercially reasonable manner. As set out below, the Receiver disagrees with this statement.

### Court approval of actions and conduct

7. The Receiver has been able to realize on the assets of Nomads, 236 Inc. and Ladacor in the most efficient manner in the circumstances and with Court approval.
8. In particular, the Receiver obtained Court approval of the Receiver's dealings with the property of Nomads pursuant to the Auction Agreement, Westgate Project settlement, and Hythe Project actions.
9. In the First Report (filed October 2, 2018), the Receiver sought Court approval of the Auction Agreement. Appendix B to the First Report is a redacted auction agreement which shows the assumed ownership (Ladacor or Nomads) of each asset included in the auction. The Court approved the Auction Agreement pursuant to an order pronounced October 10, 2018.
10. In the Third Report (filed December 10, 2018), the Receiver reported on a settlement and release agreement with Step Ahead (otherwise legally known as 1507811 Alberta Ltd.) with respect to an outstanding account receivable on the Westgate Project for an amount agreed to be owing to Nomads of \$2.7 million. The Court approved the actions, conduct and activities of the Receiver as set out in the Third Report pursuant to an order pronounced December 18, 2018.
11. In the First Report and the Third Report, the Receiver advised the Court on its dealings with Hythe and the Hythe Project, including the filing of a builder's lien in the amount of approximately \$2.8 million as against the lands of the Hythe Project. The Court approved these actions of the Receiver in the October 10, 2018 and December 18, 2018 orders.

12. Mr. Klisowsky has not alleged any mishandling of Nomads' property by the Receiver at any of the prior Court applications and there have been no appeals by Mr. Klisowsky of the Court orders approving the actions and conduct of the Receiver with respect to its dealings with Nomads' property.

#### Remaining Nomads' Assets

13. In the Fourth Report, the Receiver outlines that it is aware of the following remaining assets of Nomads:
- a) Nomads investment in Testalta Corporation Ltd. ("**Testalta**");
  - b) \$2.8 million Hythe Project claim;
  - c) Nomads' investment in 1878826 Alberta Ltd. ("**187 AB Ltd.**"); and
  - d) Cash in the Nomads account (approximately \$104,000).
14. Nomads' investments in Testalta and 187 AB Ltd. are considered illiquid and the Hythe Project claim is the subject of ongoing litigation. Further, pending direction from this Court, the cash in the Nomads account is subject to a proposed contribution claim of 236 Inc. The Receiver is of the view that assigning Nomads into bankruptcy is appropriate to allow the proposed LIT to seek instructions from Nomads' unsecured creditors and/or its inspectors.

#### **Insolvency of Nomads**

##### Classification of Nomads' Unsecured Creditors

15. The Klisowsky Application suggests that Nomads is not insolvent because the majority of creditors listed in Appendix B of the Fourth Report (the "**Nomads' Unsecured Creditor Listing**") are properly classified as Ladacor creditors. In the Klisowsky Affidavit, it is suggested that all debts of Nomads could be resolved without the need for an assignment of Nomads into bankruptcy.

16. Ladacor and Nomads are two separate estates; however, they were “accounted” for in one general ledger internally prior to the Receivership Date. The Receiver understands that Nomads operated separately and had assets and projects in its own name, as did Ladacor. The Receiver was told by Mr. Klisowsky that the eventual plan was to amalgamate both entities into one, but that did not occur so there remained two separate entities on the Receivership Date.
17. In order to properly understand the creditor claims against each estate, the Receiver needed to separate the creditor listing outlined in the Notice of Statement of Receiver, which was mailed out to all known creditors of Ladacor and Nomads on May 29, 2018. The Notice of Statement of Receiver included a combined Ladacor/Nomads creditor listing as the accounting records for both Ladacor and Nomads were combined for reporting purposes and not accounted for separately.
18. The Receiver prepared the Nomads’ Unsecured Creditor Listing with the assistance of the former controller of Ladacor and Nomads, who managed the books of Ladacor and Nomads (the “**Controller**”). The Receiver engaged the services of the Controller as its independent contractor in the Receivership Proceedings as the Controller’s employment was terminated as a result of the Receivership Order. The Receiver relied on the Controller’s in-depth knowledge to prepare the Nomads’ Unsecured Creditor Listing as Mr. Klisowsky had advised the Receiver that the Controller had the best understanding and knowledge of the assets and liabilities of Ladacor and Nomads.
19. In order to prepare the Nomads’ Unsecured Creditor Listing, the Controller looked at individual invoices for each vendor and allocated them to Ladacor or Nomads based on:
  - a) which project the invoice was related to (invoices related to the Westgate Project and Hythe Project were allocated to Nomads and invoices related to other projects were allocated to Ladacor); and

- b) in the event that the invoice was not for a specific project, which entity the invoice was addressed to.
20. Based on the allocation of creditor invoices prepared by the Controller and reviewed by the Receiver, and subsequent claims against Nomads received during the Receivership Proceedings, the Receiver determined that the total unsecured claims alleged against the estate of Nomads to be approximately \$4.7 million. The claims against Nomads appear to far exceeds the value of the Remaining Nomads' Assets.

Payments from Ladacor bank account

21. In paragraph 5 of the Klisowsky Affidavit, Mr. Klisowsky states that "*all payments from the operations of the Ladacor Business were made by Ladacor for that period (November 2017 and following) and not by Nomads*", and that "*all payments including wages, inventory materials, consulting services and G&A payments were paid by Ladacor, any unpaid sums in respect to those debts should be treated as Ladacor's debts and not Nomads debts.*"
22. The cheque scans in 'Exhibit A' of the Klisowsky Affidavit show that the payments made from the "Ladacor" bank account were actually from Nomads Pipeline Consulting Ltd., operating as Ladacor, and not Ladacor. The statement in the Klisowsky Affidavit that all payments from the operations of the Ladacor Business were made by Ladacor is, therefore, incorrect and does not support the statement that all outstanding debts of the companies should be attributed to Ladacor. For clarity, Nomads was sometimes known to operate as "Ladacor", but was not operating as Ladacor AMS Ltd., which is a separate entity of one of the entities in receivership.

Alberta Finance, CRA, Wage Earner Protection Program and Liberty Mutual claims

23. In the Klisowsky Application and in paragraph 19 of the Klisowsky Affidavit, Mr. Klisowsky disputes the validity of the claims alleged by Alberta Treasury Board and Finance ("**Alberta Finance**"), the Canada Revenue Agency (the "**CRA**"),

Employment and Social Development Canada (Wage Earner Protection Program) ("**WEPP**") and Liberty Mutual Insurance Company ("**Liberty**").

24. The Alberta Finance claim is an amount alleged to be owing by Nomads for pre-receivership taxes that was determined prior to the Receivership Date and has accrued interest during the Receivership Proceedings. The September 3, 2019 Statement of Account from the Alberta Tax and Revenue Administration claims that there is an account balance of approximately \$770,000 outstanding by Nomads. This Statement of Account is attached as Appendix "**A**".
25. The CRA claim is an amount alleged to be owing by Nomads for pre-receivership GST that was determined during a trust exam audit conducted by the CRA during the Receivership Proceedings. The October 10, 2018 amended claim of the CRA states that there is a total of approximately \$153,000 payable. The CRA amended claim is attached as Appendix "**B**".
26. All employees were terminated as at the Receivership date and the Receiver prepared and delivered the required information package with respect to WEPP. In order to prepare the required information package, the Receiver had to determine if employees were employed by Ladacor or Nomads. The Receiver determined, with the assistance of the Controller, by reviewing various employment contracts and HR records, which entity each employee was working for.
27. The Receiver understands that there are 66 former employees of Nomads. There were 43 WEPP claims filed against the estate of Nomads. The Receiver has paid \$18,056 in priority WEPP amounts out of the Nomads estate in the Receivership Proceedings. There is approximately \$84,300 in unsecured WEPP amounts alleged to be outstanding as at July 20, 2019. A copy of the Nomads WEPP statement is attached as Appendix "**C**".
28. As discussed in the Fourth Report, the Receiver, together with the Receiver's Counsel, reviewed materials provided by Liberty with respect to a specific performance bond and an indemnity agreement in respect of a Ladacor project that

was commenced in and around the Receivership Date. The indemnity agreement in favour of Liberty was executed by Mr. Klisowsky on behalf of Ladacor, Nomads, 236 Inc. and himself. A copy of the signed indemnity agreement and certain related documents are attached as Appendix “D”.

#### 236 Inc. Contribution Claim

29. The Klisowsky Affidavit does not address the fact that Nomads may be subject to a proposed contribution claim by 236 Inc. for approximately \$2.2 million as a result of the over contribution of 236 Inc., as guarantor, of the BMO Loan. The proposed contribution claim is discussed in detail in the Receiver’s Fourth Report.
30. Any claim of 236 Inc. for contribution from Nomads is not included in the Nomads Unsecured Creditor Listing.

#### **Bankruptcy is Required**

31. The Receiver believes that Nomads should be assigned into bankruptcy for the following reasons:
  - a) Nomads is insolvent based on the current alleged unsecured claims (\$4.7 million) and 236 Inc. proposed contribution claim (\$2.2 million);
  - b) The bankruptcy process will allow the proposed LIT to review claims filed in the bankruptcy; and
  - c) The proposed LIT needs direction from the proven creditors of Nomads as to how they would like to proceed with respect to the Remaining Nomads’ Assets.

## **THE RECEIVER'S RESPONSE TO THE SUPPLEMENTAL KLISOWSKY AFFIDAVIT**

32. On September 11, 2019 (9:07pm MT), the Receiver's Counsel received the Supplemental Klisowsky Affidavit providing various information and opinions as to how the performance bond should have been handled by the Receiver once the Receiver advised Kor-Alta that it would not proceed with completing the contract.
33. Mr. Klisowsky is of the opinion that the Receiver ought to have cancelled the performance bonds on behalf of the indemnitors as there is 30-day clause in the agreement that would allow for it. The Receiver disagrees with Mr. Klisowsky's assertions. In particular, the Receiver, in consultation with its legal counsel, is of the view that the performance bond could not be cancelled.
34. The Receiver previously reported in its First Report that the Receiver and the Receiver's Counsel had spoken with representatives of Kor-Alta and the bonding company that it would not proceed with the Chateh Courthouse Project. Mr. Klisowsky and his counsel were served with the Receiver's First Report and did not oppose the Order by the court approving the actions and conduct of the Receiver.
35. The Receiver does not support Mr. Klisowsky's request to adjourn this application to discharge the Receiver and his comments made with respect to the Receiver's requirement/ability to cancel the performance bond.

## **THE RECEIVER'S DEALINGS WITH HYTHE**

36. In the evening of September 10, 2019, the Receiver's Counsel received correspondence from counsel to Hythe advising that he would be appearing at the Receiver's Application for Discharge (the "**Application**") on September 13, 2019 to seek the Hythe Requests.
37. Upon its appointment, the Receiver took steps necessary to secure the Hythe Project Site as well as to protect the modules that were on site to the best of its abilities,

while it determined if it should proceed with the project only if an appropriate arrangement with Hythe could be ascertained. These interim steps included, but were not limited to, providing plastic covering and tarps for the modules.

38. On August 2, 2018, the Receiver's Counsel sent a 130 document to Hythe's counsel containing a letter and multiple attachments (the "**August 2, 2018 Hythe Letter**") that summarized correspondence between the Receiver and Hythe since the Receivership Date to August 2, 2018. A copy of the August 2, 2018 Hythe Letter, with attachment are included as Appendix "E".
39. The Receiver sent a follow up letter to Hythe's counsel at the time on November 30, 2018, which letter is attached as Appendix "F".
40. The Receiver is confident that the facts outlined in the August 2, 2018 Hythe Letter will show this Honourable Court that the Receiver took all commercially reasonable steps with respect to the Hythe Project in the circumstances and that the Receiver at no time, ever agreed or affirmed the contract between Nomads and Hythe. In fact, Hythe confirmed with the Receiver that it did not wish for the Receiver to complete the Hythe project, but may be open for the Receiver to assist in a minor capacity (which was never agreed to between the parties).

Summary of the Receiver's correspondence with Hythe (as included in the August 2, 2018 Hythe Letter)

41. Between May 18, 2018 and June 5, 2018, the Receiver had various communications with Hythe. These communications included: (i) the Receiver advising Hythe of the Receivership Proceedings, (ii) Hythe advising the Receiver that they preferred to complete the Hythe Project with Clark Builders, and (iii) discussions around potentially having certain limited Hythe Project work performed by the Receiver.
42. On June 8, 2018, the Receiver sent an e-mail to Hythe that shared its concerns regarding the need for Hythe to address roofing and other matters. On June 15, 2018, the Receiver followed up again advising Hythe of the need for it to address the roof, and also advised Hythe that it would not be taking steps in this regard until



- an agreement was reached as to how Hythe wished to proceed with the Hythe Project.
43. On June 20, 2018, the Receiver received an e-mail from Hythe that confirmed Hythe did not wish for the Receiver to take any further steps with respect to the Hythe Project and that Hythe was looking to engage another contractor to complete the project.
  44. After further discussions with Hythe, in early July 2018, Hythe advised that it wished to obtain access to the site and engage (personally and not through the Receiver) a contractor to put the roof on the Hythe Project. The Receiver spent the time and resources in preparing an Access and Accommodation Agreement (“AAA”) to allow Hythe access to the property while the Receiver was still attempting to negotiate a potential further agreement with respect to the delivery and sale of the completed modules and other assets Hythe was interested in. The Receiver did not receive an executed version of the AAA from the owner for several weeks after first sending the draft. The AAA counter-signed by the Receiver; however, Hythe never provided the accommodation payment contemplated in the AAA to the Receiver and as a result the Receiver reiterated to Hythe the AAA was not operative.
  45. At no point did the Receiver affirm the construction contract between Nomads and Hythe. The Receiver, in good faith, did all it could to accommodate and provide options to Hythe to enter into some sort of agreement, but this was never agreed to by the parties and Hythe did not (as previously mentioned) want the Receiver to complete the Hythe project.
  46. At all times the Receiver took measures to ensure that the Hythe Project site was properly monitored, supervised and the site modular units were protected as best as possible, under the circumstances.
  47. Due to the Receiver not being able to reach any agreement with Hythe with respect to the Receiver’s go-forward involvement in the Hythe Project, the Receiver

vacated the Hythe Project site premise and turned over custody and control of this site to Hythe.

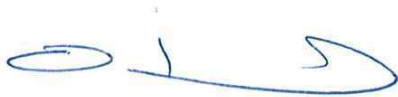
48. The Receiver incurred substantial costs associated with holding and securing the Hythe Project site even when Hythe made it clear that it no longer required the services of Nomads.

#### **ADDITIONAL COSTS OF SUPPLEMENTAL REPORT AND BRIEF**

49. The forecast fees and cost as reported in the Fourth Report were based on the normal winding down of the estate and assumed no challenges to the application. However, as a result of the recent opposition, more professional time has been required, and the expected fees and costs of the Receiver and its legal counsel will increase by approximately \$35,000. These additional fees and costs will need to be included in the Forecast Receipts and Payments as discussed in the Fourth Report of the Receiver.

All of which is respectfully submitted this 12<sup>th</sup> day of September, 2019.

**ALVAREZ & MARSAL CANADA INC.,  
in its capacity as Receiver of the Debtors and not in  
its personal or corporate capacity**



Orest Konowalchuk, CPA, CA, CIRP, LIT  
Senior Vice President



Chad Artem, CPA, CA, CBV  
Senior Manager

## Appendix A

# STATEMENT OF ACCOUNT

Alberta Corporate Tax Act

NOMADS PIPELINE CONSULTING LTD.

Corporate Account Number:

206948770

Statement Date:

September 3, 2019

Account Balance

**769,245.68**

**For the Period: 2019/08/01 to 2019/08/31**

Period Ending:	2014/12/31	2013/12/31	2012/12/31
Opening Balance:	276,582.50	234,726.08	254,352.42
Payments:			
Adjustments:			
(Re)Assessments:			
Refunds:			
Refunds Applied:			
Arrears Interest:	1,294.91	1,098.94	1,190.83
Royalty Tax Credit Claim:			
<b>Closing Balance:</b>	<b>277,877.41</b>	<b>235,825.02</b>	<b>255,543.25</b>

Internet payment of tax can be made via payment services provided by most major financial institutions in Canada. Please call TRA or contact your Bank for further details.

## Processed

## Effective

## Amount

Details for the period ended

December 31, 2014

2019/09/03 Arrears Interest

2019/08/31

1,294.91

Please retain this statement for your records. If you have any enquiries concerning this statement, please write to Tax & Revenue Administration, 9811 109 Street, Edmonton AB, T5K 2L5, or call (780) 427-3044. If calling long distance within Alberta, dial 310-0000, then enter (780) 427-3044. Fax (780) 422-3770.

AT10(Sep-98)

Page 1 of 2

## REMITTANCE ADVICE

ALBERTA CORPORATE TAX ACT

**1** Submit With Payment Account No. **2 0 6 9 4 8 7 7 0** Sequence No. (if applicable)

NOMADS PIPELINE CONSULTING LTD.

Remittance Code	Payment for Period Ending			Amount Paid
	Year	Month	Day	
<b>0 1</b>				\$

See Instructions on Reverse

All payments should be in CANADIAN FUNDS and all cheques made PAYABLE TO THE GOVERNMENT OF ALBERTA. Payable on-line or in person at most financial institutions in Canada.

DO NOT WRITE BELOW THIS LINE

## REMITTANCE RECEIPT

Remittance Code	Payment for Period Ending			Amount Paid
	Year	Month	Day	
0 1				\$

See  
Instructions  
Below

If payment is made at a financial institution, Parts 1 and 2 must be presented to the teller. Part 2 will be date stamped and returned by the teller for your records.

NOMADS PIPELINE CONSULTING LTD.  
C/O ALVAREZ & MARSAL ULC  
250 6 AVE SW SUITE 1110  
CALGARY AB T2P 3H7

00780

## STATEMENT OF ACCOUNT

Corporate Account Number: 206948770

Processed

Details for the period ended December 31, 2013

2019/09/03 Arrears Interest

Details for the period ended December 31, 2012

2019/09/03 Arrears Interest

EffectiveAmount

2019/08/31 1,098.94

2019/08/31 1,190.83

AT10(Sep-98)

Page 2 of 2

INSTRUCTIONS

Enter the following information on the Remittance Advice before making your payment:

**Payment for Period Ending** in the format: Year Month Day (YYYYMMDD). If making payment for more than one period, you can leave the Period Ending blank and submit only one remittance advice. Tax and Revenue Administration will apply payment to outstanding balances using the "oldest to newest" rule. **Amount Paid** is the total amount of payment.

For your convenience payments may be made on-line or in person at most chartered banks and financial institutions WITHIN CANADA or payment may be mailed or delivered to:

TAX AND REVENUE ADMINISTRATION  
9811 109 ST  
EDMONTON AB T5K 2L5  
Telephone: (780) 427-3044 or  
if calling long distance within Alberta,  
call 310-0000 then enter (780) 427-3044

## Teller's Date Stamp

AT10(Sep-98)

## **Appendix B**



Canada Revenue  
Agency

Agence du revenu  
du Canada

Tax Services Office  
Edmonton AB T5J 4C8

October 10, 2018

ATTENTION: DAVE WILLIAMS  
ALVAREZ & MARSAL CANADA INC  
1110, 250 6TH AVE SW  
CALGARY AB T2P 3H7

Account Number  
89366 1397 RT0002

Dear Sir:

Re: NOMADS PIPELINE CONSULTING LTD (sometime  
carrying on business as LADACOR)

(AMENDED CLAIM)

We understand that you have been appointed (Receiver or Receiver and Manager) for the above GST/HST registrant. Currently, the registrant owes us goods and services tax / harmonized sales tax (GST/HST) of \$152,742.22.

Period outstanding	GST/HST payable	Penalty & Interest	Total payable
Oct31/2017	\$60,949.77	1,732.51	62,682.28
Mar31/2018	88,254.00	1,805.94	90,059.94

Under subsection 222(3) of the "Excise Tax Act," \$60,949.77 which is included in the above totals, is held in trust and forms no part of the property, business, or estate of NOMADS PIPELINE CONSULTING LTD (sometime carrying on business as LADACOR) in receivership. This is the case whether or not those funds have in fact, been kept separate and apart from the person's own money or from the assets of the estate.

The Receiver General should be paid the total amount of this trust, namely \$60,949.77, out of the realization of any property subject to these statutory trusts. This should take priority over all other creditors. Please forward your payment by return mail as soon as possible. If this is not possible, please indicate when payment will be forthcoming.

.../2

Canada

National Insolvency Office  
10 - 9700 Jasper Ave NW  
Edmonton AB T5J 4C8

Local : 587-489-2686  
Toll Free : 1-877-469-2611  
Fax : 866-219-0311  
Web site : canada.ca/taxes

Please advise when payment of the remaining balance of \$91,792.45, will be forthcoming. We draw your attention to sections 266 and 270 of the "Excise Tax Act."

This letter will also serve to notify you that as a (Receiver or Receiver and Manager) you are required to collect and remit GST/HST according to paragraph 266(2)(d) and to file any applicable returns as provided in paragraphs 266(2)(f) and (g) of the "Excise Tax Act."

If you have any questions, please contact Ms. D Awid (1225) of the Revenue Collection Division at one of the telephone numbers provided in this letter.

Yours truly,



Ms. D Awid (1225)  
Collections Officer



## **Appendix C**

010376

ALVAREZ & MARSAL CANADA INC.  
SUITE 1110, 250 6TH AVE SW  
CALGARY,AB T2P 3H7

NOMADS

Please retain this portion  
Veuillez s.v.p. conserver cette partie

Financial Services / Services financiers  
Recovery Officer / Agent de recouvrement: 06474  
( ) -  
(888)441-6982

PAYMENT OFFICE / BUREAU DE PAIEMENT  
Trustee Cheque Processing ESDC  
PO Box 3344, Stn Bureau-Chef  
Matane QC G4W 0K6

STATEMENT OF ACCOUNT(S) / RELEVÉ DE COMPTE(S)

Name Nom ALVAREZ & MARSAL CANADA INC.	Client ID Id. du client 25-094915YY	Statement Date Date du relevé JUL 20 2019	Due Date Date d'échéance AUG 10 2019	Minimum Payment Paiement minimum 2,531.00
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Summary of Accounts / Sommaire des comptes:

Previous Balance Solde précédent	Establishments Établissements	Payments Paiements	Adjustments Ajustements	Interest Intérêt	New Balance Nouveau solde
WAGE EARNER PROTECTION PROGRAM UNSC					
84,343.32	0.00	0.00	0.00	0.00	84,343.32

Previous Balance Solde précédent	Establishments Établissements	Payments Paiements	Adjustments Ajustements	Interest Intérêt	Total Balance Solde Total
84,343.32	0.00	0.00	0.00	0.00	84,343.32

PLEASE SEE REVERSE FOR FURTHER DETAILS / S.V.P. VOIR AU VERSO POUR DE PLUS AMPLES RENSEIGNEMENTS

Client ID Id. du client 25-094915YY	Total Balance Solde total 84,343.32	Statement Date Date du relevé JUL 20 2019	Due Date Date d'échéance AUG 10 2019	Minimum Payment Paiement minimum 2,531.00
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ALVAREZ & MARSAL CANADA INC.  
SUITE 1110, 250 6TH AVE SW  
CALGARY,AB T2P 3H7

Select only one program to direct your payment  
Choisissez seulement un programme afin d'orienter votre paiement  
☐ UNSC

## **Appendix D**



400 - 444 7 AVE SW  
Calgary AB T2P 0X8

fieldlaw.com

CALGARY EDMONTON YELLOWKNIFE

**Andrew Wilkinson**

Partner

T 403-260-8513

F 403-264-7084

awilkinson@fieldlaw.com

Assistant: Cori Lee Miller

T 403-260-8525

cmiller@fieldlaw.com

Our File: 66240-1

June 21, 2018

**VIA REGISTERED MAIL**

**Nomads Pipeline Consulting Ltd.**

1900, 520 - 3rd Avenue SW

Calgary, AB T2P 0R3

**2367147 Ontario Inc.**

729 24 Avenue SW

Calgary, AB T2G 1P5

**Donald Klisowsky**

8503 Bowglen Road NW

Calgary, AB T3B 2T2

**Ladacor AMS Ltd.**

1900, 520 - 3rd Avenue SW

Calgary, AB T2P 0R3

**Ladacor AMS Ltd. ("Ladacor" or "Principal")**

**Donald Klisowsky**

**Nomads Pipeline Consulting Ltd.**

**2367147 Ontario Inc.**

**(the above parties collectively, the ("Indemnitors"))**

**Liberty International Underwriters (a division of Liberty Mutual Insurance Company) ("Liberty")**

**Indemnity Agreement, dated January 2, 2018 (the "Indemnity Agreement")**

**Kor Alta Construction Ltd. ("Kor Alta")**

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We act for Liberty.


As you are aware, Liberty has issued construction bonds on behalf of Ladacor, as Principal, including Performance and Labour and Material Payment Bonds Nos. BDTO-820004-018 (collectively, the "Bonds") with respect to the subcontract between Ladacor and Kor Alta, dated March 29, 2018 for the construction of the Chateh Provincial Courthouse in Chateh, Alberta (the "Bonded Contract" and the "Project", respectively).

Liberty has received a claim from Kor Alta under the Performance Bond issued by Liberty with respect to the Project. Liberty has received a claim under the Labour and Material Bond by MPE Engineering Ltd., an unpaid subcontractor and supplier of Ladacor for work or material supplied to the Project (the "L&M Claimant"). This claim totals \$90,450. Further, Liberty understands that Ladacor has been put into receivership by its bank and the receiver has indicated it will not be completing the Bonded Contract.

Liberty has taken steps, and continues to take steps, to investigate these matters and to determine the status of work under the Bonded Contract; amounts outstanding to the L&M Claimant and other subcontractors and suppliers of Ladacor; the balance of contract funds available to meet such obligations; and arrangements and the extent of payments required by Liberty to meet any obligations it may have under the Bonds.

Sincerely,

FIELD LLP

  
Andrew Wilkinson  
Partner

/clm  
Enclosures  
cc:

✓Ladacor AMS Ltd., Donald Klisowsky, Nomads Pipeline Consulting Ltd. and 2367147 Ontario Inc. (via regular mail)

Liberty International Underwriters (a division of Liberty Mutual Insurance Company) Attn: Alexandra Dubé Lorrain (via e-mail)

Arthur J. Gallagher Canada Limited – Western Region, Attn: Ariel Pevzner (via email)

Alvarez & Marsal Canada ULC, Attn: Orest Konowalchuk (via email)



LIBERTY MUTUAL INSURANCE COMPANY  
181 Bay Street, Suite 1000, Brookfield Place, Toronto, Ontario M5J 2T3

## INDEMNITY AGREEMENT

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The following parties are hereinafter collectively called the "Principal":

**LADACOR AMS LTD.**

The beneficiary of the present agreement is: **Liberty Mutual Insurance Company, c/o Liberty International Underwriters, 181 Bay Street, Suite 1000, Brookfield Place, Toronto, ON Canada M5J 2T3** (hereinafter called the "Surety") and any other person described in paragraph 9 herein.

**IN CONSIDERATION OF THE ISSUE BY THE SURETY OF BONDS AS DEFINED HEREUNDER, THE UNDERSIGNED COVENANT AND AGREE AS FOLLOWS:**

1. *Date and place of execution of the present agreement* - The present agreement, for all legal intents and purposes, is deemed to have been executed the 2 day of January, 2018 in the Province of Alberta.
2. *The "Principal"* - All references herein to the "Principal" mean one or the other or each of the parties designated hereinabove as the "Principal" and any other person described in paragraph 10 herein.
3. *The "Indemnitors"* - For purposes of the present agreement, "Indemnitors" means:
  - a) all the parties designated as the "Principal" or "Indemnitors", and
  - b) the other signatories of the present agreement.
4. *Purpose of the present agreement and definition of "Bonds"* - The purpose of the present agreement is:
  - a) to set forth the rights of the Surety and other beneficiaries, and
  - b) to set forth the rights and obligations of the Indemnitors

Flowing from the execution of one or several bonds to guarantee the obligations of any Principal or other forms of guarantee or obligation (herein called the "Bonds"); the word "Bonds" includes any alteration, renewal, continuance, replacement or extension thereof.

5. *"Bonded Obligations"* - For purposes of the present agreement, any reference to the term "Bonded Obligations" means obligations or undertaking in respect of which one or more Bonds have been issued.
6. *Indemnitors' interest in the Principal* - The Indemnitors acknowledge that the present agreement will remain in full force and effect and continue to bind them even if they never had or no longer have any interest in the Principal or each of them.
7. *Consideration for the present agreement* - The Indemnitors acknowledge that the Surety requires their signatures to the present agreement in consideration:

- a) of the issue of Bonds, whether past, present or future, by the Surety or by others referred to in paragraph 9 herein, directly or indirectly, or
  - b) of the Surety refraining from cancelling such Bonds, and
  - c) (outside the Province of Quebec), of the sum of Two Dollars and other good and valuable consideration paid and furnished by the Surety to each of the Indemnitors (the receipt and sufficiency of which are hereby acknowledged).
8. ***Bonds covered by and duration of the present agreement*** - The present agreement applies to all Bonds issued by the Surety since (the absence of any date means that the present agreement applies only to Bonds issued from the date hereof), for an indeterminate term, until such time as the present agreement is terminated in accordance with its terms.
9. ***Additional beneficiaries of the present agreement*** - All of the terms and conditions of the present agreement are for the benefit of:
- a) any successors or assigns of the Surety, including as a result of mergers, acquisitions of portfolios, or otherwise, and
  - b) any surety, joint or several, any re-insurance company and any other surety procured by the Surety upon the request of the Principal to issue a Bond or Bonds, whether or not such Bond or Bonds are issued by the Surety or whether or not the Surety retains any interest in any such Bond or Bonds.
10. ***Bonds issued for an affiliate, subsidiary or related company of the Principal or for a joint venture*** - The present agreement applies equally to Bonds issued:
- a) on behalf of any present or future subsidiary or related company of the Principal, and
  - b) on behalf of any joint venture or other form of common enterprise or partnership to which the Principal is a party or is about to become a party at the time of issue of such Bond or Bonds.
- The Principal shall require that any such affiliate, subsidiary, related company, joint venture or other form of common enterprise or partnership, execute an endorsement agreeing to be bound by this agreement. Such endorsement shall be in the form required by the Surety.
11. ***Parties bound by the present agreement*** - Each of the Indemnitors acknowledges that it is bound by all of the terms and conditions of the present agreement, as are its representatives, successors and assigns.
12. ***Joint and several obligation of the Indemnitors*** - The Indemnitors agree that they bind themselves jointly and severally (solidarily) with respect to all of the obligations assumed hereunder; this means that each of the Indemnitors may be compelled separately to perform all of the Indemnitors' obligations hereunder.
13. ***Waiver of the benefit of division*** - The Indemnitors specifically waive the benefit of division, which would, in the absence of the present waiver, permit any one Indemnitor to require the Surety to divide its claim proportionately amongst all the Indemnitors.
14. ***Waiver of the benefit of discussion*** - The Indemnitors specifically waive the benefit of discussion, which would, in the absence of the present waiver, permit the Indemnitors to require the Surety to exhaust its recourses against the Principal, before calling upon the Indemnitors under the present agreement.
15. ***Obligations in respect of Bonds, Bonded Obligations and the present agreement*** - The Principal agrees to fulfil and the Indemnitors, other than the Principal, agree to cause the Principal to fulfil all of the Principal's obligations under:
- a) Bonds,
  - b) Bonded Obligations

The Indemnitors undertake to do nothing which could give rise to a claim or a default under the terms of the present agreement, of any Bond or of any Bonded Obligation.

16. **Indemnification of the Surety** - The Indemnitors undertake to indemnify the Surety in full for any loss or damages that it may suffer arising from the issue of one or several Bonds, or arising from a decision of the Surety not to issue any Bond, or arising from any default by the Indemnitors under the present agreement. The present undertaking includes, without limitation, the obligation of the Indemnitors to reimburse to the Surety all sums which it might be called upon to pay:

- a) as a result of a judgment, arbitration award or settlement;
- b) as damages of any nature, including punitive and exemplary damages, as the case may be;
- c) in respect of any claim, liability or loss;
- d) as expenditure, costs or fees that it may incur, including the cost of internal or external adjusters and consultants;
- e) in satisfaction of judicial and extra-judicial fees and disbursements of the Surety's counsel on a solicitor and client basis and legal fees of claimants' counsel;
- f) as administration costs related to claims under Bonds and under this agreement.

17. **Obligation to pay the premium** - The Indemnitors undertake to pay to the Surety:

- a) the initial premium for the issue of any Bond, in conformity with the Surety's tariff in force, or such other tariff as may be agreed upon with the Principal; and
- b) thereafter, any additional or other premium, in conformity with the Surety's tariff in force or such other tariff as may be agreed upon with the Principal until such time as the Surety receives proof to its satisfaction, confirming its complete release from all Bonds issued by it, and from the renewal or extension of such Bonds.

18. **Assignment of the Principal's rights - Outside Quebec** - As a continuing and collateral security for the obligations of the Indemnitors towards the Surety under the present agreement, each Principal hereby grants, bargains, sells and conveys to the Surety, a continuing, specific and fixed assignment, transfer, mortgage, charge, hypothec and security interest in the following:

- a) all of the claims and debts which it holds against all persons, and without limitation, against
  - i) all persons with whom it has or will enter into Bonded Obligations, and
  - ii) all persons with whom it has or will enter into a sub-contract or a supply contract; and
  - iii) all persons with whom it has or will enter into unbonded contracts;the said claims including, without limiting the generality hereof, all sums due in virtue of the said Bonded Obligations sub-contracts, supply contracts, unbonded contracts, deferred and final payments, holdbacks, balances of contract funds whether earned or unearned, claims for extras and claims in damages; and
- b) any insurance contract, particularly insurance contracts relating directly or indirectly to Bonded Obligations, and
- c) all of the sub-contracts and supply contracts which it has granted or will grant, comprising all guarantees and warranties attached thereto, together with all materials included thereunder relating to the execution of the Bonded Obligations, and
- d) any bond issued to guarantee the obligations of sub-contractors or suppliers of the Principal; and
- e) all the equipment, tools, materials, work in process, patents, royalties, trade marks, computer programs, computers, disks, diskettes, files and records of the Principal, required, in the opinion of the Surety, for the performance of the Bonded Obligations, being



- f) all proceeds and personal property in any form derived directly or indirectly from any dealing with the Collateral as defined hereunder, or any part thereof and all proceeds of proceeds and any part thereof; and
- g) all of the Principal's property, assets, rights and undertakings of every nature, item and kind, now or at any time and from time to time, wherever situate;

all items listed above from a) to g) being collectively defined as the "Collateral".

19. ***Obligations secured - Outside Quebec*** - The Collateral constitutes and will constitute continuing security for the following obligations (collectively, the "Obligations") of the Indemnitors to the Surety:

- a) the prompt payment, as and when due and payable, of all amounts now or hereafter owing by the Indemnitors to the Surety, including by way of guarantee and indemnity, whether now existing or hereafter incurred, matured or unmatured, direct, indirect, joint or several, or contingent including any extensions and renewals thereof, and all further advances or readvances; and
- b) the strict performance and observation by the Indemnitors of all agreements, warranties, representations, covenants, conditions and undertakings of the Indemnitors made pursuant to this agreement or any other agreement between any one or more of the Indemnitors and the Surety all as now in effect or as hereafter entered into or amended.

20. ***Signature of other documents by the Indemnitors*** - The Indemnitors undertake to sign all other documents required by the Surety in order to give effect to the hypothecs, assignments and security interests granted by the present agreement.

21. ***Reduction of obligations*** - The Indemnitors' obligations hereunder, may be reduced to zero from time to time without affecting the validity, perfection or enforceability of this agreement for subsequent obligations until this agreement is terminated in accordance with the terms hereof.

22. ***Subordination of Indemnitors*** - None of the Indemnitors shall enforce any rights of contribution or indemnity against any Principal or its property and undertakings until such Principal's obligations to the Surety under this agreement have been satisfied in full.

23. ***Indemnitors' obligation to advance funds required by the Surety to meet its obligations*** - In order to permit the Surety to meet its obligations under the Bonds, the Indemnitors undertake to advance to the Surety upon demand, funds or satisfactory guarantees sufficient to allow the Surety to perform any or all of its obligations under the Bonds, which could be subject to indemnification under the terms of the present agreement, even before any payment has been made by the Surety to a third party. Without limiting the generality of the foregoing, the Indemnitors undertake to advance funds or furnish guarantees, as soon as the Surety establishes or increases a reserve with respect to a claim or a situation relating to any Bonds, up to the amount of such reserve which will be established by the Surety in its sole discretion.

24. ***Advance and payment to the Surety when the Principal requires the Surety to take part in an action or a defence*** - The Indemnitors undertake to advance and pay to the Surety funds sufficient to satisfy any judgment or arbitration award which could be rendered against the Surety, as well as disbursements or costs incurred by the Surety or awarded against it, including judicial or extra-judicial fees and disbursements of the Surety's counsel on a solicitor and client basis, when the Principal requires the Surety to take part in any legal action or in the defence of any legal proceedings. The Indemnitors undertake to make further advances and payments when required by the Surety.

25. ***Investment and use of advances to the Surety and of funds collected from obligees*** - The Surety may hold any advance made by any Indemnitor and any sums collected from obligees under Bonds, in such form as the Surety may in its sole discretion decide, and shall have no obligation to invest, or provide any income or return on any such advance. The Surety may use all or any part of such advance and any income earned thereon, in payment or compromise of any of the Indemnitors' obligations hereunder.

26. ***Surety's right to intervene in Bonded Obligations*** In the event of:

- a) any default of the Principal under any Bond; or
- b) any default of the Principal under any Bonded Obligation, or
- c) any default of an Indemnitor under the present agreement; or
- d) any action by an Indemnitor which could affect the rights of the Surety under any Bond or under the present agreement; or
- e) any act of bankruptcy of the Principal or the insolvency of the Principal or the making by the Principal of any arrangement with its creditors; or
- f) any default by the Principal with respect to any of its secured creditors; or
- g) any default by the Principal on a contract not bonded by the Surety; or
- h) any other act, event, circumstance or occurrence which, in the Surety's reasonable discretion, gives rise to any concern as to the enforcement of its rights hereunder,

the Surety may, without notice of default, intervene in any Bonded Obligations for the purpose of assuming its obligations and exercising any of its rights under Bonds. The Surety will then have the right, without prejudice to its other rights and recourses in virtue of the present agreement, to take possession of and to use the equipment, tools, materials, work in process, patents, royalties, trademarks, computer programs, computers, disks, diskettes, files and records, for purposes of completing the Bonded Obligations.

- 27. *Decision as to the payment of claims* - The Indemnitors acknowledge that the Surety will have the right, in its sole and entire discretion, to decide whether to pay, settle or contest any claim under a Bond, without any obligation to consult or advise the Indemnitors in advance of so doing.
- 28. *Proof of payments made by the Surety* - The Indemnitors acknowledge their obligation to indemnify the Surety in virtue of the present agreement, upon presentation by the latter of a release or a copy of a cheque or any other proof of payment, which will be deemed to be complete proof of the amount paid and of the Surety's right to make such payment as a result of the issue of the Bonds and, consequently, its right to demand reimbursement from the Indemnitors under the terms of the present agreement.
- 29. *Surety's right of access to the books and records of the Indemnitors* - The Indemnitors hereby grant to the Surety full right of access to, examination of and making of copies of, during normal business hours, their books, records, files, computer records and accounts, for such period as any rights and obligations under Bonds remain in effect or so long as the Indemnitors are potentially or actually indebted to the Surety for any sum or sums whatsoever.
- 30. *Undertaking to furnish certain information* - So long as the Surety has any potential liability under any Bond, the Indemnitors undertake to furnish to the Surety, on demand, all information or pertinent documentation required by the Surety relevant to:
  - a) the Indemnitors' financial position; and
  - b) any modification to the corporate or partnership structure of any of the Indemnitors, particularly any change of name, merger, amalgamation, etc
- 31. *Undertaking to deliver certain documents to the Surety* - So long as the Surety has any potential liability under any Bond, the Indemnitors undertake, without delay, to deliver to the Surety copies of the following documents:
  - a) the annual or interim financial statements of each Indemnitor; and
  - b) any petition for a receiving order, petition in bankruptcy or proceeding for arrangement with its creditors made against or by an Indemnitor; and
  - c) any proposal by an Indemnitor to its creditors; and

- d) any notice of default or action involving an Indemnitor, which could result in a claim under a Bond.
32. ***Cooperation and discharge*** - The Indemnitors undertake to cooperate with the Surety in any way which may assist the Surety in limiting, reducing or discharging its obligations under any Bond in accordance with its terms and particularly in respect of any proceeding taken against the Surety, without any obligation on the Surety's part to indemnify them. The present undertaking includes that of being present at any examination or trial relating to any Bond or to any right granted to the Surety under the present agreement. The Surety may, at any time, take such action as it deems necessary or proper to obtain its release from any and all liability under any Bond.
33. ***Information concerning the Indemnitors*** - The Indemnitors specifically authorize the Surety to obtain any credit or other personal information concerning any or all Indemnitors which it desires and which is pertinent to the conclusion or the execution of the present agreement and to the issue of any Bond, and any person, credit bureau, bank, financial institution, obligee, architect, engineer, accountant, sub-trade or supplier, possessing any such information is, by this agreement, authorized to communicate such information to the Surety, on demand, during the life of the present agreement and, if necessary, thereafter.
34. ***Authorization to the Surety to make changes*** - The Surety is hereby authorized to make the following changes, without notice to the Indemnitors:
- a) in the terms of any Bond or Bonded Obligation, and
  - b) in the designation of any obligee of a Bond; and
  - c) respecting any renewal, continuation, replacement, reinstatement or extension of any Bond; and
  - d) correcting errors in and executing any substitute to any Bond with the same or different conditions, provisions, amounts and obligees; and
  - e) for the purpose of completing the present agreement or any Bond or of correcting errors of declaration or description of Bonds or of the present agreement.
35. ***Validity of the present agreement notwithstanding the absence of the signatures of one or more Indemnitors or witnesses*** - The present agreement will be and will remain in full force, even if one or more of the Indemnitors designated herein, or one or more of the witnesses have not signed the present agreement or their signature has been adjudged invalid.
36. ***Failure of the Principal to sign or deliver any Bond*** - The Indemnitors are fully responsible under the present agreement even in the event that the Principal has not signed any Bond signed by the Surety or that a Bond has not been delivered to an obligee, without prejudice to the Surety's right to assert that it is not liable under such Bond.
37. ***Settlement with one or several Indemnitors*** - In the event of a claim by the Surety against the Indemnitors in virtue of the present agreement or in virtue of any other rights of the Surety, the Indemnitors specifically authorize the Surety to settle such claim with one or several of the Indemnitors, without reference to the others and such settlement shall not affect or reduce the obligations of such others. The Indemnitors expressly renounce and waive any rights that they may have to be discharged from their obligations or to have such obligations reduced by reason of the discharge of one or several Indemnitors.
38. ***Surety's rights following settlement with one Indemnitor*** - The Indemnitors agree that any settlement made by the Surety with one of them will not effect novation of the obligations of the Indemnitor in question (i.e. substituting or extinguishing its obligations) and the present agreement will retain all of its force in the event of a default by such Indemnitor to honour the terms of the settlement and without prejudice to all of the Surety's rights against the other Indemnitors.
39. ***Interest rate*** - All sums due by the Indemnitors in virtue of the present agreement will bear interest in favour of the Surety, at an annual rate of 2% over the "prime rate" from the date upon which an Indemnitor has been advised of the amount of the Surety's claim. The term "prime rate" means the annual interest rate declared from time to time by the Royal Bank of Canada, as being the base rate in force from which interest rates on loans made in Canada, in Canadian dollars, are determined.

40. ***Persons authorized to request the execution of Bonds*** - Requests to the Surety to execute any Bond may be made by any of the Principal or (where a Principal is not an individual) any officer, employee or partner of any of the Principal, or by an agent or broker which the Surety reasonably believes represents any Principal, or by any Indemnitor. Such requests, whether made in writing (mailed, delivered or telecopied), by telegraph, by personal interview or by telephone, shall be regarded as sufficient and ample authority for the Surety to execute any such Bond.
41. ***Surety's right to refuse to issue a Bond*** - The Indemnitors acknowledge that the Surety, in its sole and entire discretion, has the right to refuse to issue, furnish or procure any Bond and the Indemnitors renounce and waive any recourse against the Surety resulting from such refusal.
42. ***Surety's right, having issued a bid Bond or a letter of intent, to refuse to issue final bonds*** - Even if the Surety issues, furnishes or procures letters of intent or undertaking to issue Bonds, the Indemnitors acknowledge that the Surety will not, because of that, be obliged to issue, upon request from the Principal, any Bonds of any nature. The Indemnitors renounce and waive any recourse against the Surety resulting from such refusal.
43. ***Notice of issue of Bonds*** - The Indemnitors expressly agree that the Surety is not obliged to advise them of the issue of any Bond nor to deliver a copy to the Indemnitors.
44. ***Notice of changes in any Bonds or any Bonded Obligations*** - The Indemnitors expressly agree that the Surety is not obliged to advise them of any change, addition, substitution or extension made to any Bond or Bonded Obligation; moreover, the Indemnitors renounce any right to raise such changes, additions, substitutions or extensions for the purpose of reducing or eliminating their obligations in virtue of the present agreement.
45. ***Termination of the present agreement and its effect upon outstanding Bonds*** - The present agreement shall only be terminated by any Indemnitor, upon prior written notice to the Surety by registered mail and at its head office, at least thirty days prior to its effective date; however, the said prior notice of termination will not modify, nor exclude, nor discharge the Indemnitors' obligations relating to Bonds issued prior to the effective date of termination or Bonds issued after the effective date of termination by reason of undertakings by the Surety prior to such date; the present agreement will remain in full force and effect as regards the other Indemnitors without any obligation on the part of the Surety to advise such other Indemnitors of such termination.
46. ***Effect of the execution of a new indemnity agreement*** - The execution of a new indemnity agreement with respect to any Principal, shall not have the effect of terminating the present agreement which shall remain in full force and effect, unless expressly terminated in writing according to the terms hereunder.
47. ***Events not affecting the obligations of the Indemnitors*** - The Indemnitors acknowledge that the following events are in addition to any other rights of the Surety under the present agreement and shall not in any way release, waive or abridge any right or remedy of the Surety under the present agreement:
- a) the fact that another guarantee has been or will be given to the Surety (particularly any other security or indemnity agreement); or
  - b) the fact that the Surety has consented to any action taken by the Principal; or
  - c) any action, judgment, arbitration award or settlement arising from the present agreement; or
  - d) the fact that the Surety has renounced or waived any recourse against whomsoever or has given to whomsoever a release in virtue of the present agreement or other agreements or in respect of any security.
48. ***Surety's additional rights*** - The rights of the Surety by virtue of the present agreement are in addition to any rights which the Surety may have by law or otherwise.
49. ***Modifications of the terms of the present agreement*** - No derogation from the terms of the present agreement, nor any modification of such terms, may be set up against the Surety without the prior written consent of one of its officers.

50. ***Change in control*** - The Indemnitors agree to provide the Surety with, at least, forty five (45) days prior written notice of a Change in Control (defined below) and to designate the name and address of the Indemnitor with whom the Surety should correspond with respect to this paragraph, which Indemnitor, all Indemnitors agree is designated to act on behalf of them pursuant to this paragraph. Upon receipt of such notice, the Surety shall advise the Indemnitor designated above, in writing, of its election to (i) approve such Change in Control or (ii) demand that the Indemnitors' procure the discharge of the Surety from any Bonds and all liability by reason thereof. If the Indemnitors fail to give the Surety timely notice of a Change in Control or if the Surety does not approve the Change in Control and if such discharge is not procured to the sole satisfaction of the Surety then, immediately, upon the Surety's written demand, the Indemnitors shall deposit a sum of money or collateral, of a type and value satisfactory to the Surety, equal to the aggregate penal sum of the then outstanding Bonds, as determined by the Surety in its sole discretion. The Surety shall send its written demand to the Indemnitor designated above by overnight courier or by registered or certified mail.

The Indemnitors hereby acknowledge that if they or any one of them breaches the obligations set forth in this paragraph, the Surety will not have an adequate remedy at law and shall be entitled to injunctive relief, including without limitation specific performance of the terms of this agreement.

"Change in Control" shall mean: (a) the transfer, merger or consolidation (in one transaction or a series of transactions) of all or substantially all of the assets of any non-individual Principal or Indemnitor; (b) the acquisition (in one transaction or a series of transactions) by any person or group, directly or indirectly, of fifty (50%) percent or more of the beneficial ownership or control of

any Principal or Indemnitor; or (c) the acquisition by any Principal or Indemnitor, directly or indirectly, of fifty (50%) percent or more of the beneficial ownership or control in any joint venture, subsidiary, division, affiliate, limited partnership, limited liability partnership, limited liability company or other entity through the issuance of ten (10%) percent or more of the voting power of the total outstanding voting stock of any Principal or Indemnitor.

51. ***Applicable law*** - The present agreement will be interpreted in accordance with the laws in force in the Province named in Paragraph 1 hereof.
52. ***Seal and corporate resolution*** - The Indemnitors agree that the absence of any corporate seal or corporate resolution will not invalidate the obligations of any Indemnitor under the present agreement.
53. ***Gender and number*** - In the present agreement the singular form includes the plural and the plural includes the singular; also the feminine includes the masculine and the masculine includes the feminine.
54. ***Headings*** - The insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this agreement.
55. ***Language*** - The parties hereto have requested that the present agreement be drafted in the English language. Les parties aux présentes ont requis que la présente convention soit rédigée dans la langue anglaise.

THE UNDERSIGNED ACKNOWLEDGE HAVING RECEIVED A COPY OF THE AGREEMENT, CAREFULLY READ IT AND THAT THEY UNDERSTAND ALL OF THE TERMS AND CONDITIONS OF THE PRESENT AGREEMENT AND THAT THERE EXIST NO OTHER AGREEMENTS OR UNDERSTANDINGS WHICH IN ANY WAY COULD LESSEN OR MODIFY THE OBLIGATIONS SET FORTH HEREIN.

CORPORATE INDEMNITORS AND/OR PARTNERSHIPS SIGN HEREUNDER, AFFIX THEIR SEAL AND ATTACH THE RELEVANT RESOLUTION FROM THEIR BOARD OF DIRECTORS.

WITNESSES

INDEMNITORS

Ernest Ryden  
Name of Witness  
[Signature]  
Signature  
Address: 6814 Locke Court SW  
Address: Calgary, AB T2E 6H7

LADACOR AMS LTD.  
Name of corporation or partnership  
Signed at: CALGARY, AB.  
DON KLISOWSKY CEO  
Name of authorized officer and title  
[Signature]  
Signature of authorized officer  
Address: 729 24 AVE SE CALGARY AB.  
Address: T2C 1P5  
Seal

Ernest Ryden  
Name of Witness  
[Signature]  
Signature  
Address: 6814 Locke Court SW  
Address: Calgary, AB T2E 6H7

NOMADS PIPELINE CONSULTING LTD.  
Name of corporation or partnership  
Signed at: CALGARY AB.  
DON KLISOWSKY PRESIDENT  
Name of authorized officer and title  
[Signature]  
Signature of authorized officer  
Address: 8503 BOWGLAN RD. NW  
Address: CALGARY AB.  
T3B 2T2  
Seal

WITNESSES

Graeme Ryder  
Name of Witness

[Signature]  
Signature

Address: 6814 Locke Court SW  
Address: Calgary, AB T3E 6H7

INDEMNITORS

2367147 ONTARIO INC.  
Name of corporation or partnership

Signed at: CALGARY AB

DON KLISOWSKY PRESIDENT  
Name of authorized officer and title

[Signature]  
Signature of authorized officer

Address: 8503 BOWGLEN RD. NW CALGARY  
Address: AB. T3B2T2  
Seal

PERSONAL INDEMNITORS SIGN HEREUNDER:

WITNESSES

Graeme Ryder  
Written Name of Witness

[Signature]  
Signature

Address: 6814 Locke Court SW  
Address: Calgary, AB T3E 6H7

PERSONAL INDEMNITORS

Signed at: CALGARY AB

DON KLISOWSKY  
Written Name

[Signature]  
Signature of personal indemnitor

Address: 8503 BOWGLEN RD. NW  
Address: CALGARY AB.  
T3B2T2

TO BE USED IN ALBERTA  
GUARANTEES ACKNOWLEDGEMENT ACT  
CERTIFICATE OF NOTARY PUBLIC

I HEREBY CERTIFY THAT:

1. I, **Don Klisowsky** of Calgary  
in the Province of Alberta, the guarantor in the guarantee *indemnity agreement*  
dated January 2, 2018 made between **Ladacor AMS Ltd.** and  
**Liberty International Underwriters**, a division of **Liberty Mutual Insurance** which this  
certificate is attached to or noted upon, appeared in person before me and acknowledged the  
he/she had executed the guarantee;  
*indemnity agreement*
2. I satisfied myself by examination that he/she is aware of the contents of the guarantee and  
understands it.

GIVEN at Calgary, Alberta this 4<sup>th</sup> day of January, 2018 under my hand  
and seal of office.

(Seal)

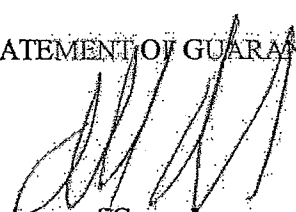


A Notary Public in and for

**LOUISE K. LEE**  
A Commissioner for Oaths  
in and for Alberta  
Lawyer, Notary Public

STATEMENT OF GUARANTOR

I am the person named in this certificate.

  
Signature of Guarantor





## RESOLUTION AND CERTIFICATION

LIBERTY MUTUAL INSURANCE COMPANY  
181 Bay Street, Suite 1000, Brookfield Place, Toronto, Ontario M5J 2T3

WHEREAS **LABACOR AMS LTD** (the "Corporation") intends to enter into an Indemnity and Security Agreement (the "Indemnity and Security Agreement") to be made by the Corporation and each other "Principal" party thereto in favor of LIBERTY MUTUAL INSURANCE COMPANY, on behalf of itself and on behalf of any other beneficiaries entitled to benefit thereunder (individually and collectively hereinafter referred to as the "Surety").

### NOW THEREFORE BE IT RESOLVED THAT:

1. the Corporation is hereby authorized to enter into and perform its obligations under the Indemnity and Security Agreement, a draft of which has been submitted to the directors of the Corporation and is hereby approved;
2. as security for its present and future debts, liabilities and obligations to the Surety, including without limitation, all present and future debts, liabilities and obligations to the Surety under or in connection with or pursuant to the Indemnity and Security Agreement; the Corporation is hereby authorized to:
  - (a) mortgage, charge, assign and otherwise transfer and encumber, and grant security interests to, the Surety in all of the Corporation's present and future undertaking, property (both real and personal) and assets; and
  - (b) hypothecate, for the amount and interest rate required by the Surety, to and in favour of the Surety, the universality of all the Corporation's property, movable and immovable, present and future, corporeal and incorporeal, of whatever nature and kind and wherever situate,in each case on the terms and conditions set forth in the Indemnity and Security Agreement or as required by the Surety;
3. any one officer or director of the Corporation, acting alone, is hereby authorized and directed to execute (whether under corporate seal or otherwise), with such amendments as such officer or director may approve, and deliver to the Surety on behalf of the Corporation, the following documents and instruments, each of which are hereby approved:
  - (a) the Indemnity and Security Agreement; and
  - (b) such further and other instruments, agreements, certificates, directions, acknowledgments, declarations, documents, indemnities, security, financing statements, undertakings and other writings as required by the Surety, or as, in such person's opinion, may be necessary or desirable to complete and give effect to the transactions contemplated by the Indemnity and Security Agreement and the other documents contemplated by this resolution;(collectively, the "Documents");
4. any one officer or director of the Corporation, acting alone, is hereby authorized to execute from time to time such agreements amending, supplementing, restating or replacing the Documents as such person may approve

and to execute and deliver to the Surety such documents as may be required by the Surety to give effect thereto;

5. any one officer or director of the Corporation, acting alone, or any counsel to the Corporation (where required in relation to documents required to be registered electronically) is hereby authorized and directed to do all such further and other acts and things and to execute or cause to be executed (whether under corporate seal or otherwise) such further and other instruments (in electronic form or otherwise), agreements, certificates, directions, acknowledgments, declarations, documents, financing statements, undertakings and other writings as in such person's opinion may be necessary or desirable to complete and give effect to the transactions contemplated by the Documents authorized hereby and to give effect to the foregoing, and to further amend any instruments or agreements previously executed or delivered;
6. all Documents executed by any such persons pursuant to this resolution shall be in such form as such persons so signing may approve, and the execution thereof shall be conclusive evidence that the form has been approved and that the execution and delivery of the document has been authorized by this resolution; and
7. the execution and delivery to the Surety by any one officer or director of the Corporation of any of the Documents prior to the passing of this resolution are hereby confirmed, ratified, approved and adopted as of the date of execution and delivery.

\* \* \* \*

I hereby certify that I am the CEO of LADACOR AMS LTD. that the above Resolution is a true and accurate copy of a resolution unanimously adopted by the Board of Directors of the Corporation at a meeting duly called and held on the 21 day of DECEMBER 2017 in the office of the said Corporation, at which meeting a quorum of the Board of Directors were present.

IN WITNESS WHEREOF, I have hereunto set my hand and the corporate seal of the Corporation, this 2 day of JANUARY 2018

(AFFIX CORPORATE SEAL)

I HAVE BINDING  
AUTHORITY

DON KUISOWSKY  
Name: CEO  
Title: [Signature]

::ODMA\PCDOCS\TOR01\4002301\1



## RESOLUTION AND CERTIFICATION

LIBERTY MUTUAL INSURANCE COMPANY  
181 Bay Street, Suite 1000, Brookfield Place, Toronto, Ontario M5J 2T3

---

WHEREAS **NOMADS PIPELINE CONSULTING LTD** (the "Corporation") intends to enter into an Indemnity and Security Agreement (the "Indemnity and Security Agreement") to be made by the Corporation and each other "Principal" party thereto in favor of LIBERTY MUTUAL INSURANCE COMPANY, on behalf of itself and on behalf of any other beneficiaries entitled to benefit thereunder (individually and collectively hereinafter referred to as the "Surety").

### NOW THEREFORE BE IT RESOLVED THAT:

1. the Corporation is hereby authorized to enter into and perform its obligations under the Indemnity and Security Agreement, a draft of which has been submitted to the directors of the Corporation and is hereby approved;
2. as security for its present and future debts, liabilities and obligations to the Surety, including without limitation, all present and future debts, liabilities and obligations to the Surety under or in connection with or pursuant to the Indemnity and Security Agreement; the Corporation is hereby authorized to:
  - (a) mortgage, charge, assign and otherwise transfer and encumber, and grant security interests to, the Surety in all of the Corporation's present and future undertaking, property (both real and personal) and assets; and
  - (b) hypothecate, for the amount and interest rate required by the Surety, to and in favour of the Surety, the universality of all the Corporation's property, movable and immovable, present and future, corporeal and incorporeal, of whatever nature and kind and wherever situate,

in each case on the terms and conditions set forth in the Indemnity and Security Agreement or as required by the Surety;

3. any one officer or director of the Corporation, acting alone, is hereby authorized and directed to execute (whether under corporate seal or otherwise), with such amendments as such officer or director may approve, and deliver to the Surety on behalf of the Corporation, the following documents and instruments, each of which are hereby approved:
  - (a) the Indemnity and Security Agreement; and
  - (b) such further and other instruments, agreements, certificates, directions, acknowledgments, declarations, documents, indemnities, security, financing statements, undertakings and other writings as required by the Surety, or as, in such person's opinion, may be necessary or desirable to complete and give effect to the transactions contemplated by the Indemnity and Security Agreement and the other documents contemplated by this resolution;

(collectively, the "Documents");

4. any one officer or director of the Corporation, acting alone, is hereby authorized to execute from time to time such agreements amending, supplementing, restating or replacing the Documents as such person may approve and to execute and deliver to the Surety such documents as may be required by the Surety to give effect thereto;
5. any one officer or director of the Corporation, acting alone, or any counsel to the Corporation (where required in relation to documents required to be registered electronically) is hereby authorized and directed to do all such further and other acts and things and to execute or cause to be executed (whether under corporate seal or otherwise) such further and other instruments (in electronic form or otherwise), agreements, certificates, directions, acknowledgments, declarations, documents, financing statements, undertakings and other writings as in such person's opinion may be necessary or desirable to complete and give effect to the transactions contemplated by the Documents authorized hereby and to give effect to the foregoing, and to further amend any instruments or agreements previously executed or delivered;
6. all Documents executed by any such persons pursuant to this resolution shall be in such form as such persons so signing may approve, and the execution thereof shall be conclusive evidence that the form has been approved and that the execution and delivery of the document has been authorized by this resolution; and
7. the execution and delivery to the Surety by any one officer or director of the Corporation of any of the Documents prior to the passing of this resolution are hereby confirmed, ratified, approved and adopted as of the date of execution and delivery.

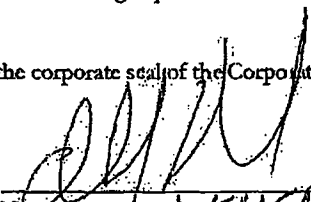
\* \* \* \*

I hereby certify that I am the PRESIDENT of NOMADS PIPELINE CONSULTING LTD., that the above Resolution is a true and accurate copy of a resolution unanimously adopted by the Board of Directors of the Corporation at a meeting duly called and held on the 29 day of DECEMBER 2017 in the office of the said Corporation, at which meeting a quorum of the Board of Directors were present.

IN WITNESS WHEREOF, I have hereunto set my hand and the corporate seal of the Corporation, this 02 day of JANUARY 2018

(AFFIX CORPORATE SEAL)

I HAVE BINDING  
AUTHORITY.

  
Name: DAN KUZEWSKY  
Title: PRESIDENT

::ODMA\PCDOCS\TOR01\4002301\1

## RESOLUTION AND CERTIFICATION

LIBERTY MUTUAL INSURANCE COMPANY  
181 Bay Street, Suite 1000, Brookfield Place, Toronto, Ontario M5J 2T3

WHEREAS **23674-7 ONTARIO INC.** (the "Corporation") intends to enter into an Indemnity and Security Agreement (the "Indemnity and Security Agreement") to be made by the Corporation and each other "Principal" party thereto in favor of LIBERTY MUTUAL INSURANCE COMPANY, on behalf of itself and on behalf of any other beneficiaries entitled to benefit thereunder (individually and collectively hereinafter referred to as the "Surety").

### NOW THEREFORE BE IT RESOLVED THAT:

1. the Corporation is hereby authorized to enter into and perform its obligations under the Indemnity and Security Agreement, a draft of which has been submitted to the directors of the Corporation and is hereby approved;
2. as security for its present and future debts, liabilities and obligations to the Surety, including without limitation, all present and future debts, liabilities and obligations to the Surety under or in connection with or pursuant to the Indemnity and Security Agreement; the Corporation is hereby authorized to:
  - (a) mortgage, charge, assign and otherwise transfer and encumber, and grant security interests to, the Surety in all of the Corporation's present and future undertaking, property (both real and personal) and assets; and
  - (b) hypothecate, for the amount and interest rate required by the Surety, to and in favour of the Surety, the universality of all the Corporation's property, movable and immovable, present and future, corporeal and incorporeal, of whatever nature and kind and wherever situate,in each case on the terms and conditions set forth in the Indemnity and Security Agreement or as required by the Surety;
3. any one officer or director of the Corporation, acting alone, is hereby authorized and directed to execute (whether under corporate seal or otherwise), with such amendments as such officer or director may approve, and deliver to the Surety on behalf of the Corporation, the following documents and instruments, each of which are hereby approved:
  - (a) the Indemnity and Security Agreement; and
  - (b) such further and other instruments, agreements, certificates, directions, acknowledgments, declarations, documents, indemnities, security, financing statements, undertakings and other writings as required by the Surety, or as, in such person's opinion, may be necessary or desirable to complete and give effect to the transactions contemplated by the Indemnity and Security Agreement and the other documents contemplated by this resolution;(collectively, the "Documents");
4. any one officer or director of the Corporation, acting alone, is hereby authorized to execute from time to time such agreements amending, supplementing, restating or replacing the Documents as such person may approve

and to execute and deliver to the Surety such documents as may be required by the Surety to give effect thereto;

5. any one officer or director of the Corporation, acting alone, or any counsel to the Corporation (where required in relation to documents required to be registered electronically) is hereby authorized and directed to do all such further and other acts and things and to execute or cause to be executed (whether under corporate seal or otherwise) such further and other instruments (in electronic form or otherwise), agreements, certificates, directions, acknowledgments, declarations, documents, financing statements, undertakings and other writings as in such person's opinion may be necessary or desirable to complete and give effect to the transactions contemplated by the Documents authorized hereby and to give effect to the foregoing, and to further amend any instruments or agreements previously executed or delivered;
6. all Documents executed by any such persons pursuant to this resolution shall be in such form as such persons so signing may approve, and the execution thereof shall be conclusive evidence that the form has been approved and that the execution and delivery of the document has been authorized by this resolution; and
7. the execution and delivery to the Surety by any one officer or director of the Corporation of any of the Documents prior to the passing of this resolution are hereby confirmed, ratified, approved and adopted as of the date of execution and delivery.

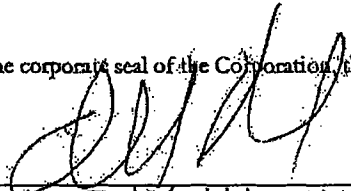
\* \* \* \*

I hereby certify that I am the PRESIDENT of 2367147 ONTARIO INC., that the above Resolution is a true and accurate copy of a resolution unanimously adopted by the Board of Directors of the Corporation at a meeting duly called and held on the 29 day of DECEMBER, 2017 in the office of the said Corporation, at which meeting a quorum of the Board of Directors were present.

IN WITNESS WHEREOF, I have hereunto set my hand and the corporate seal of the Corporation, this 02 day of JANUARY, 2018

(AFFIX CORPORATE SEAL)

I HAVE BINDING  
AUTHORITY

  
Name: DON KUISOWSKY  
Title: PRESIDENT

::ODMA\PCDOCS\TOR01\4002301\1

**Security Agreement**

Control #: F05390001

Registration Date: 2018-Jun-05

Registration #: 18060541706

---

The Registration Term is 5 Years

This Registration Expires at 11:59 PM on 2023-Jun-05

---

**Debtor(s)**

**Block**

- |   |   |
|---|---|
| 1 | NOMADS PIPELINE CONSULTING LTD.<br>1900, 520 3rd Avenue SW<br>Calgary, AB T2P 0R3 |
|---|---|

**Secured Party / Parties**

**Block**

- |   |   |
|---|---|
| 1 | LIBERTY MUTUAL INSURANCE COMPANY<br>c/o Field LLP 400 - 444 7 Ave SW<br>Calgary, AB T2P 0X8 |
|---|---|

**Collateral: General**

<b><u>Block</u></b>	<b><u>Description</u></b>
---------------------	---------------------------

- |   |  |
|---|--|
| 1 | All Goods, chattel paper, documents of title, instruments, money, intangibles, and other rights, title, interest, and property of Ladacor AMS Ltd. as set out in the Indemnity Agreement between Ladacor AMS Ltd. and Liberty Mutual Insurance Company, dated January 2, 2018. |
|---|--|

**End of Verification Statement**

**Security Agreement**

Control #: F05389990

Registration Date: 2018-Jun-05

Registration #: 18060541654

---

The Registration Term is 5 Years

This Registration Expires at 11:59 PM on 2023-Jun-05

---

**Debtor(s)**

**Block**

1 LADACOR AMS LTD.  
1900, 520 3rd Avenue SW  
Calgary, AB T2P 0R3

**Secured Party / Parties**

**Block**

1 LIBERTY MUTUAL INSURANCE COMPANY  
c/o Field LLP 400 - 444 7 Ave SW  
Calgary, AB T2P 0X8

**Collateral: General**

**Block**     **Description**

1 All Goods, chattel paper, documents of title, instruments, money, intangibles, and other rights, title, interest, and property as set out in the Indemnity Agreement between Ladacor AMS Ltd. and Liberty Mutual Insurance Company, dated January 2, 2018.

**End of Verification Statement**



**Security Agreement**

Control #: F05390011

Registration Date: 2018-Jun-05

Registration #: 18060541815

---

The Registration Term is 5 Years

This Registration Expires at 11:59 PM on 2023-Jun-05

---

**Debtor(s)**

**Block**

1 2367147 ONTARIO INC.  
729 24 Avenue SE  
Calgary, AB T2G 1P5

**Secured Party / Parties**

**Block**

1 LIBERTY MUTUAL INSURANCE COMPANY  
c/o Field LLP 400 - 444 7 Ave SW  
Calgary, AB T2P 0X8

**Collateral: General**

**Block**    **Description**

1 All Goods, chattel paper, documents of title, instruments, money, intangibles, and other rights, title, interest, and property of Ladacor AMS Ltd. as set out in the Indemnity Agreement between Ladacor AMS Ltd. and Liberty Mutual Insurance Company, dated January 2, 2018.

**End of Verification Statement**

**Security Agreement**

Control #: F05390016

Registration Date: 2018-Jun-05

Registration #: 18060541844

---

The Registration Term is 5 Years

This Registration Expires at 11:59 PM on 2023-Jun-05

---

**Debtor(s)**

**Block**

1      KLISOWSKY, DONALD, JOHN  
8503 Bowglen Rd. NW  
Calgary, AB T3B 2T2

**Secured Party / Parties**

**Block**

1      LIBERTY MUTUAL INSURANCE COMPANY  
c/o Field LLP 400 - 444 7 Ave SW  
Calgary, AB T2P 0X8

**Collateral: General**

**Block**      **Description**

1      All Goods, chattel paper, documents of title, instruments, money, intangibles, and other rights, title, interest, and property of Ladacor AMS Ltd. as set out in the Indemnity Agreement between Ladacor AMS Ltd. and Liberty Mutual Insurance Company, dated January 2, 2018.

**End of Verification Statement**



Ontario PPSA Registration

PPSA Canada  
www.ppsacanada.com

## VERIFICATION



### Document Details

Registration Date: 11 JUN 2018  
Expiry Date: 11 JUN 2023  
Registration Number: 20180611 1250 1793 1703  
File Number: 740362851

Transaction ID: **002-199-398**



### General

Reference Number: **43817.62**  
Registration Period (Years): 5

Caution Filing: **No**  
Perform a Post Search: **No**  
Register Immediately: **Yes**



### Business Debtor

2367147 ONTARIO INC.  
729 24 AVENUE SE  
CALGARY AB T2G1P5



### Individual Debtor

*No Individual Debtor*



### Secured Party

LIBERTY MUTUAL INSURANCE COMPANY  
C/O FIELD LLP 400 - 444 7 AVE SW  
CALGARY AB T2P0X8



### Collateral Classification

Consumer Goods: **No** Inventory: **Yes** Equipment: **Yes** Accounts: **Yes** Other: **Yes**  
Motor Vehicle Included: **Yes**



### Serial Numbered Collateral

*No Serial Numbered Collateral*



### General Collateral

ALL GOODS, CHATTEL PAPER, DOCUMENTS OF TITLE, INSTRUMENTS, MONEY, INTANGIBLES, AND OTHER RIGHTS, TITLE, INTEREST, AND PROPERTY OF LADACOR AMS LTD. AS SET OUT IN THE INDEMNITY AGREEMENT BETWEEN LADACOR AMS LTD. AND LIBERTY MUTUAL INSURANCE COMPANY, DATED JANUARY 2, 2018.



### Registering Agent

ELDOR-WAL REGISTRATIONS LTD.  
1200, 10123 99 ST NW  
EDMONTON AB T5J3H1

Drafted by MEGAN VOYER - ELDOR-WAL REGISTRATIONS LTD.

# Registered Receipt

This receipt is necessary if enquiry is desired. Fragile and perishable articles are not indemnified against damage. Indemnity and fees information is available on request from your Postal Outlet.

Sender

Field LLP

400-444 7 AVE SW

Calgary, AB

T2P 0X8

66240-1

AWW/clm

Sender instructions - Note: Present mailings at any Postal Outlet

A Complete and remove customer receipt.

B Remove Paper backing from receipt.

C Affix receipt to this form.

Delivery confirmation may be obtained by calling 1-888-550-6333 or through the internet at www.canadapost.ca

(1)



**REGISTERED  
DOMESTIC**

CUSTOMER RECEIPT

**RECOMMANDÉ  
RÉGIME INTÉRIEUR**

REÇU DU CLIENT



To Destinataire  
Name Nom **Madads Pipeline Consulting Ltd**  
Address Adresse **1900, 520-3rd Avenue S.W.**  
City / Prov. / Postal Code Ville / Prov. / Code postal **Calgary, AB T2P 0R3**

Declared Value  
Valeur déclarée \$

33-086-584 (14-06)

FOR DELIVERY  
CONFIRMATION  
www.canadapost.ca  
or/ou  
www.postescanada.ca  
1 888 550-6333

CPC Tracking Number Numéro de repérage de la SCP

RN 313 602 719 CA

2018 -06- 22

CALGARY PLACE RPO  
CALGARY ALBERTA  
T2P 0H0

(2)



**REGISTERED  
DOMESTIC**

CUSTOMER RECEIPT

**RECOMMANDÉ  
RÉGIME INTÉRIEUR**

REÇU DU CLIENT



To Destinataire  
Name Nom **Ladacor Arms Ltd.**  
Address Adresse **1900, 520-3rd Ave S.W.**  
City / Prov. / Postal Code Ville / Prov. / Code postal **Calgary, AB T2P 0R3**

Declared Value  
Valeur déclarée \$

33-086-584 (14-06)

FOR DELIVERY  
CONFIRMATION  
www.canadapost.ca  
or/ou  
www.postescanada.ca  
1 888 550-6333

CPC Tracking Number Numéro de repérage de la SCP

RN 313 602 705 CA

2018 -06- 22

CALGARY PLACE RPO  
CALGARY ALBERTA  
T2P 0H0

(3)



**REGISTERED  
DOMESTIC**

CUSTOMER RECEIPT

**RECOMMANDÉ  
RÉGIME INTÉRIEUR**

REÇU DU CLIENT



To Destinataire  
Name Nom **2367147 Ontario Inc.**  
Address Adresse **729 24 Avenue S.W.**  
City / Prov. / Postal Code Ville / Prov. / Code postal **Calgary, AB T2G 1P5**

Declared Value  
Valeur déclarée \$

33-086-584 (14-06)

FOR DELIVERY  
CONFIRMATION  
www.canadapost.ca  
or/ou  
www.postescanada.ca  
1 888 550-6333

CPC Tracking Number Numéro de repérage de la SCP

RN 313 602 722 CA

2018 -06- 22

CALGARY PLACE RPO  
CALGARY ALBERTA  
T2P 0H0

(4)



**REGISTERED  
DOMESTIC**

CUSTOMER RECEIPT

**RECOMMANDÉ  
RÉGIME INTÉRIEUR**

REÇU DU CLIENT



To Destinataire  
Name Nom **Donald Klisowsky**  
Address Adresse **8503 Bowglen Road N.W.**  
City / Prov. / Postal Code Ville / Prov. / Code postal **Calgary, AB T3B 2T2**

Declared Value  
Valeur déclarée \$

33-086-584 (14-06)

FOR DELIVERY  
CONFIRMATION  
www.canadapost.ca  
or/ou  
www.postescanada.ca  
1 888 550-6333

CPC Tracking Number Numéro de repérage de la SCP

RN 313 602 736 CA

2018 -06- 22

CALGARY PLACE RPO  
CALGARY ALBERTA  
T2P 0H0

(5)

(6)



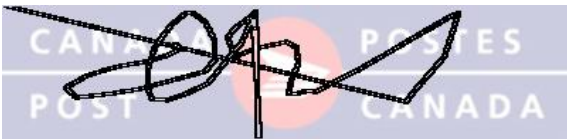
Date: 2019/09/09

Dear Sir or Madam:

Please find below the scanned delivery date and signature of the recipient of the item identified below:

Madame, Monsieur,

Vous trouverez ci-dessous la date de la livraison et la signature de la personne qui a accepté l'envoi sous mentionné:

Tracking Number	Numéro de repérage
RN313602736CA	
Product Name	Nom du produit
FSF ORIGINATING PREPAID FEE - REGISTERED / DR. FSF COUR. ORIG. PREPAYE - COUR. RE	
Reference Number 1	Numéro de référence 1
Not Applicable / Sans objet	
Reference Number 2	Numéro de référence 2
Not Applicable / Sans objet	
Delivery Date (yyyy/mm/dd)	Date de livraison (aaaa/mm/jj)
2018/06/25	
Signatory Name	Nom du signataire
DONALD KLISOWSKY	
Signature	Signature
	

Yours sincerely,

Customer Relationship Network  
1-888-550-6333

(from outside of Canada 1 416-979-8822)

*This copy confirms the delivery date and signature of the individual who accepted and signed for the item in question.*

Salutations distinguées,

Réseau des relations avec la clientèle  
1-888-550-6333

(de l'extérieur du Canada 1 416 979-8822)

*Cette information confirme la date de livraison ainsi que la signature de la personne qui a accepté les envois sous mentionnés.*

## **Appendix E**



Blake, Cassels & Graydon LLP  
Barristers & Solicitors  
Patent & Trade-mark Agents  
855 - 2nd Street S.W.  
Suite 3500, Bankers Hall East Tower  
Calgary AB T2P 4J8 Canada  
Tel: 403-260-9600 Fax: 403-260-9700

Ryan Zahara

Partner

Dir: 403-260-9628

ryan.zahara@blakes.com

Reference: 99766/12

August 2, 2018

**VIA EMAIL**

Michael E. Wheaton  
Dobko & Wheaton  
10022 - 102 Avenue  
Grande Prairie, AB T8V 0Z7

**RE: Hythe Pioneer Homes and Ladacor**

---

Dear Mr. Wheaton:

We are counsel for Alvarez & Marsal Canada Inc. (the "**Receiver**"). We are writing in response to your letter to the Receiver, dated July 25, 2018.

On November 25, 2016, Hythe and District Pioneer Homes Advisory Committee ("**Hythe Homes**" or the "**Owner**") entered into a Design-Build Stipulated Price Contract and a Cost Plus Contract (together, the "**Contract**") with Nomads Pipeline Consulting Ltd., operating as Ladacor ("**Ladacor**") for the construction of the Hythe and District Pioneer Homes Development (the "**Project**").

**Appointment of the Receiver and the Receivership Order**

On May 18, 2018, the Receiver was appointed to act as receiver and manager of Ladacor pursuant to an order of Justice J.E. Topolniski of the Alberta Court of Queen's Bench (the "**Receivership Order**"). The Receiver was appointed over all of the properties, assets, and undertakings of Ladacor, including the Project.

Pursuant to the Receivership Order, the Receiver has no obligation to take steps to address any current issues with the Project and is not obligated to perform any of the contracts of Ladacor. Moreover, it is up to the Receiver, acting on commercially reasonable basis, to determine whether it intends to proceed with any of the contracts of Ladacor.

Upon its appointment the Receiver took steps necessary to secure the Project site as well as to protect the modules that were on site to the best of its abilities. These interim steps included, but were not limited to, providing plastic covering and tarps for the modules.

**Summary of Correspondence with Hythe Homes**

The Receiver has also been engaged in discussions with your client since its appointment.

31375315.8



On May 22, 2018, the Receiver emailed Hythe Homes to advise them of the Receivership Order and requesting a meeting between the Receiver and Hythe Homes. Attached hereto and marked as Schedule "A" is a copy of the email from the Receiver. This conference call meeting took place on May 28, 2018.

Following the May 28, 2018, meeting your law firm emailed the Receiver a letter from Hythe Homes on its initial position of the Contract between Ladacor and Hythe Homes. This letter outlined a variety of matters, one of which was that Hythe Homes preferred to end the Contract with Ladacor and have the Project completed by Clark Builders, but potentially have certain limited work to be performed by Ladacor. Attached hereto and marked as Schedule "B" is a copy of the email from the Receiver.

On June 5, 2018, the Receiver emailed Hythe Homes and set out the potential options for the Receiver to take steps to complete the limited work the Owner required under the Contract. Attached hereto and marked as Schedule "C" is a copy of the email from the Receiver.

The parties continued discussions and the Receiver provided additional information to Hythe Homes over the next week in response to its queries, including the Receiver sharing concerns regarding the need to address roofing and other matters as noted in an email on June 8, 2018 (included in the attached Schedule "F"). The Receiver followed up with Hythe Homes on June 15, 2018 to determine if it had made a decision on how it wanted to proceed with the Project. Attached hereto and marked as Schedule "D" is a copy of that email from the Receiver.

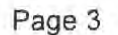
Also on June 15, 2018, the Receiver raised the issue regarding the roof on the Project and advised that the Receiver would not be taking steps to address this issue until an agreement was reached with Hythe Homes on how it wished to proceed with the Project and payment of outstanding amounts related to the Project. Attached hereto as Schedule "E" is a copy of this email from the Receiver.

On June 20, 2018, the Receiver obtained a response from Hythe Homes. Attached hereto and marked as Schedule "F" is a copy of that correspondence. The June 20 email confirmed that Hythe Homes did not wish the Receiver to take any further steps in respect of the Project and that Hythe Homes was looking to obtain a transfer of the completed modules and engage another contractor to complete the Project.

On June 28, 2018, Hythe Homes advised that it wished to engage a roofing sub-contractor directly to complete the roofing work on the Project. Attached hereto and marked as Schedule "G" is a copy of the correspondence from Hythe Homes to the Receiver.

The Receiver then worked diligently to prepare a form of Access and Accommodation Agreement (the "AAA") to allow the roofing work to proceed on the Project. The first draft of this agreement was delivered to Hythe Homes on July 3, 2018. After various comments were received and discussions had between Hythe Homes and the Receiver an execution version of the AAA was provided to the Owner by the Receiver on July 10, 2018. Attached hereto and marked as Schedule "H" is a copy of the emails from the Receiver to Hythe Homes attaching the draft and execution version of the AAA.









issues and in order to allow the Project to move forward without the involvement of the Receiver or Ladacor.

#### **Hythe Homes Delay and Damage to Modules On Site**

Any delay and resulting damage that has occurred to the modules on site is not attributable to the Receiver. The Receiver has consistently raised the issue of inclement weather with Hythe Homes and has attempted to enter into the AAA with the Owner to allow work on the roof to proceed with a subcontractor.

As noted above, as early as June 15, 2018, the Receiver sent an email to the development lead for the Project, which expressed concern regarding the roofing situation and the possibility of heavy rain. In July, the Receiver expressly communicated this concern to its contractors and the on-site team to prepare as best as possible. At all times, the Receiver took preventative measures to protect the modules at the Project site.

The Receiver promptly provided its executed copy of the AAA on July 25, 2018, in order to allow Hythe Homes to commence work on completion of the roof for Phase 1 of the Project. The Receiver still has not received the Accommodation Payment from the Owner. As a result, the Receiver is not responsible for any damages to the Project arising from delay by the Owner in this respect.

#### **Securing the Project Site and Insurance of Ladacor**

If Hythe Homes needs to take steps to secure the Project site the Receiver is prepared to cooperate with it in every respect in accordance with the terms of the Contract. The Receiver must also ensure that proper site safety and procedure is followed until the STA is entered into, the Receiver withdraws from the site or the Contract is terminated. Please advise what steps Hythe Homes would like to take in respect of protecting the Project and the Receiver will accommodate these to the greatest extent possible.

On July 31, 2018, the insurance adjuster (as assigned by the Insurance Provider to the Receiver) met with the Receiver and the Receiver's contractor (and project manager of the Hythe) to commence the insurance adjustment process for damages incurred at the Hythe location.

#### **Withdrawal of the Receiver from the Project Site**

Finally, the Receiver can no longer continue to incur the costs associated with holding and securing the Project site when Hythe Homes has made it clear that it no longer requires the services of Ladacor to complete Contract. The Receiver hereby confirms that it has no intention of completing the Contract and will be withdrawing from the Project site all of its personnel, equipment and assets by no later than August 15, 2018 (the "Withdrawal Date").

After the Withdrawal Date, the Owner will be responsible for taking any necessary steps to secure the Project site and the Receiver will have no responsibility to do so.



If the Owner wishes to reach an arrangement for the transfer of the remaining modules held by Ladacor and any other assets of Ladacor the Owner believes it requires to complete the Project prior to the Withdrawal Date, the Receiver is prepared to negotiate this arrangement as soon as possible.

If no agreement can be reached on payment of the amounts outstanding to the estate of Ladacor and for transfer of the modules, the Receiver may have to assess any other remedies that it may have against the Owner, including taking steps to file liens against the Project or otherwise in order to obtain payment of the amounts outstanding to the estate of Ladacor.

Yours truly,

for  Ryan Zahara

VANW/kaha

c: Client

31375315.8

Schedule "A"

**From:** Konowalchuk, Orest <okonowalchuk@alvarezandmarsal.com>  
**Sent:** Tuesday, May 22, 2018 1:29 PM  
**To:** tracy.palidwor@connectingcare.ca  
**Cc:** Artem, Chad; Reid, Tim; wbohorquez@ladacor.com; mkeane@ladacor.com  
**Subject:** Ladacor

Ms. Palidwor,

We were hoping to set up a call with you today for 3pm MT.

Ladacor and certain other entities were placed into Receivership on May 18<sup>th</sup> and Alvarez & Marsal Canada Inc. was appointed as the court Receiver and Manager over these entities. All publicly available information on the receivership proceedings can be found on our website at: [www.alvarezandmarsal.com/ladacor](http://www.alvarezandmarsal.com/ladacor).

Can you please advise if you are available for a call at 3pm? If not, please let us know what time works best for you.

Regards,  
Orest

Orest Konowalchuk, CPA, CA, CIRP, LIT  
Senior Vice President

Alvarez & Marsal Canada Inc.  
Licensed Insolvency Trustees  
Bow Valley Square IV  
Suite 1110, 250 - 6th Avenue SW  
Calgary, Alberta T2P 3H7  
Main: 403.538.7555  
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Email: [okonowalchuk@alvarezandmarsal.com](mailto:okonowalchuk@alvarezandmarsal.com)  
[www.alvarezandmarsal.com](http://www.alvarezandmarsal.com)

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# Schedule "B"



**From:** Konowalchuk, Orest <okonowalchuk@alvarezandmarsal.com>  
**Sent:** Saturday, June 02, 2018 5:51 PM  
**To:** Artem, Chad  
**Subject:** Fwd: Letter to Reciever Hythe Plan  
**Attachments:** ATT00001.htm; May 24th Receiver plan HDPHAC signed.pdf

Orest Konowalchuk, CPA, CA, CIRP, LIT  
Managing Director  
Alvarez & Marsal Canada ULC  
Calgary, Alberta  
Mobile: 403.470.7478  
Office: 403.538.4736  
Email: [okonowalchuk@alvarezandmarsal.com](mailto:okonowalchuk@alvarezandmarsal.com)  
[www.alvarezandmarsal.com](http://www.alvarezandmarsal.com)

Alvarez & Marsal employs CPAs but is not a licensed CPA firm

Sent from my iPhone

Begin forwarded message:

**From:** Michael Wheaton <[MichaelW@dwlaw.ca](mailto:MichaelW@dwlaw.ca)>  
**Date:** May 28, 2018 at 3:11:48 PM MDT  
**To:** "Konowalchuk, Orest" <[okonowalchuk@alvarezandmarsal.com](mailto:okonowalchuk@alvarezandmarsal.com)>  
**Cc:** Dalvin Napen <[Admin@hythepioneerhomes.ca](mailto:Admin@hythepioneerhomes.ca)>, Tracy Palidwor <[tracy.palidwor@connectingcare.ca](mailto:tracy.palidwor@connectingcare.ca)>, Doug Mills <[doug.mills@connectingcare.ca](mailto:doug.mills@connectingcare.ca)>  
**Subject:** FW: Letter to Reciever Hythe Plan

Hi, Orest – Thank you for your input in the conference call. As discussed, please find attached the plan that our client would like to see put in place to address completion of the Project and remediation of deficiencies. We look forward to future discussions.

Regards,

*Michael F. Wheaton*  
DOBKO & WHEATON LAW OFFICES  
10022 102 Ave., Grande Prairie, T8V 0Z7  
Alberta T8V 0Z7  
Tel: 780-539-6200  
Fax: 780-532-9052

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the 1990s, the number of people in the UK who are aged 65 and over has increased by 1.5 million, and the number of people aged 75 and over has increased by 1 million (Office for National Statistics 1999). The number of people aged 65 and over is projected to increase to 6.5 million by 2011, and the number of people aged 75 and over to 3.5 million (Office for National Statistics 1999).

There is a growing awareness of the need to develop services to meet the needs of older people, and the need to ensure that services are accessible to older people. The Department of Health (1999) has published a strategy for older people, which sets out the government's commitment to older people and the need to develop services to meet their needs. The strategy also sets out the need to ensure that services are accessible to older people, and that older people are able to participate in decisions about their care and services. The strategy also sets out the need to ensure that older people are able to live independently, and that they are able to participate in the community.

The strategy also sets out the need to ensure that older people are able to live independently, and that they are able to participate in the community. The strategy also sets out the need to ensure that older people are able to live independently, and that they are able to participate in the community. The strategy also sets out the need to ensure that older people are able to live independently, and that they are able to participate in the community. The strategy also sets out the need to ensure that older people are able to live independently, and that they are able to participate in the community.

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May 24, 2018

Alvarez & Marsal Canada ULC

Calgary, AB

Re: Pioneer Place project in Hythe

There are two different contracts in place for the Pioneer Place project which is owned by the Hythe & District Pioneer Homes Advisory Committee. The contracts are between the Hythe Pioneer Homes and Nomads Pipeline Consulting Ltd. Both of the contracts (CCDC14 for the modules themselves and the CCDC3 for the site works) had substantial performance dates of November 20<sup>th</sup>, 2017 and no change orders have been signed off by the parties to extend the current contract.

The development lead for the Pioneer Place project is Connecting Care and they will manage the Alberta Health Services contract for care in the Pioneer Place once the building is complete. RPK Architects is the Owner's Representative on the CCDC 14 contract.

From an Owner's perspective:

1. Build with Ladacor using a modular approach was supposed to be 40% to 50% faster for completion- than a traditional build. In reality, project completion will be much longer at a higher cost.
2. Contractor's approach has created the situation that work completed must be redone
  - a. Temporary crawl space walls and weeping tile –that must be corrected.
  - b. A temporary roof instead of a proper roof as per the project proposal.
  - c. Water damage and infiltration into the units because of a temporary roof and the failure to complete a proper roof.
  - d. Window installations –membranes and dense glass issues on the exterior.
  - e. Note –list above does not include all deficiencies and cumulatively –all of these issues have impacted on time lines and monies.
3. Construction design drawings and specifications received at a late stage for weeping tile, crawl space details and roof trusses have impacted on time lines and monies. The question has to be asked why were drawings and specifications for the crawl space and roof design not in place sooner; given their impact on time lines and monies.
4. A Calgary production focus instead of a project specific site focus. The philosophy of producing and finishing modular units in Calgary to keep units rolling off the production line has impacted on the site specific needs and resources available for the Hythe work site.
5. Building fundamentals –foundation, exterior and roofing. Normal construction practices key on weatherproofing and ensuring work completed inside is not damaged. For the Hythe build, we have temporary crawl space walls, weeping tile that is too high, a non-evaluation of alternative foundations (bell concrete piling as per recommendation by the Architect), temporary roofing and no completed roofing –more than 2 years into the job.

6. Contractor defines itself as modular but assured us up front that they could do whatever we wanted; i.e.: traditional construction and stick building the link area. In reality, non-evaluation of stick build options for link, non-evaluation of traditional concrete piling as per geophysical report.
7. Contractor was not ready for a B2 project. Initial assurances on bid that common areas could be modular using c-can approach but the end result was prefabrication using red iron for a prefabrication as opposed to a modular approach. This created design and time challenges for the contractor that was not a part of their original planning. In turn this has delayed the project and affected how the project was completed.
8. The Hythe Pioneer Home work site needs financial resources that are a part of the contractor's capacity to complete the work, separate from monies realized through progress billings and payments certified by Cuthbert Smith. This project has past and current scenarios where local resources are not paid on time and in turn, individuals and companies are being told that Hythe Pioneer Homes is not paying the contractor. Connecting Care project monitoring resource has had to invest time in educating and facilitating proper back-up, proper invoicing and cost control in relation to budget. This contractor has not demonstrated internal financial capacity in regards to these matters which has impacted cash flows and the monitoring efforts required.
9. The initial proposal to Connecting Care, RPK Architects and the Hythe Pioneer Home compared a traditional build to the Ladacor modular approach. It is the Owner's opinion that a traditional build using an established contractor would have led to a project completed in time. The learning from our project is that a blended approach will work best in the future –general contracting abilities and modular units as a subcontract to the main project.
10. Contractor has provided limited choices for implementation –ie: elevator from Phoenix. Owner contacted other elevator companies after the fact and was advised that design work had been completed for the contractor but was not released to contractor because they would not pay deposit. This is also the scenario for the link (could have been stick built), the foundation (could have been belled concrete piling) and crawl space walls (temporary walls put in place without proper construction drawings and specifications).
11. Effort for monitoring build, build issues and cost control has been ongoing and excessive for Hythe Pioneer Homes and Connecting Care.
12. Contractor does not have the financial relationships, monies and support to properly resource the project and complete on time. There have been numerous payroll challenges and demands on the Owner and Connecting Care for monies. It is the Owner's perspective that checks and balances are in place for the payment of monies when work is completed, inspected and payment is certified as per the Contract Documents. Deficiencies identified must be corrected and these become credits against monies owing. This contractor has not demonstrated that financial resource capacity based on observations to date and this is opposite to what was indicated on the initial site tour in Calgary and assurances that were provided by the contractor representative.

**Going forward:**

What did we learn from our experience with this contractor to date and how do we finish the project off so that it is completed properly and on time. In regards to time, it is spring / summer and there is a small window of time for the completion of this project. In regards to this contractor, the lack of financial resource has impacted and will impact on our project going forward. It makes more sense for the owner to secure modular units built or in process from the contractor, to end the current contract and to complete the Pioneer Place project using Clark Builders and other resources / individuals. The delivery of units needed to the Hythe work site will create cash flow for Ladacor.

Connecting Care (Owners development lead) has a history with Clark Builders and projects have been completed successfully with Clark Builders. This builder has the capacity and expertise to back up the completion of this project in conjunction with Connecting Care, site supervision and the Hythe Pioneer Homes. Collectively Connecting Care, the Hythe Pioneer Homes, site supervision and Clark Builders will be able to manage and complete the Pioneer Place project better than the current contractor. To date, the results demonstrated by the contractor for the Pioneer Place project are less than impressive and this cannot continue at the expense of the Hythe Pioneer Homes. For Ladacor, bringing a finish to its commitment for the Hythe Pioneer Place project will facilitate navigation of other projects it is engaged in –Town of Banff as an example. This could become a win win because Ladacor is able to use spare resources for finishing smaller projects and it will secure operational dollars from Hythe for the delivery of modular units to the site.

**Plan proposed:**

1. Modules / product at Ladacor facility in Calgary needs to be quantified and valued as to stage of completion; and costs to complete; through site visits by RPK Architects (Owners representative) and Cuthbert Smith (Payment Certifier). Delivery of modules and product to Hythe will create cash flow for Ladacor.
2. Documentation regarding planning steps needs to be shared to stakeholders –Alberta Treasury Branch, Connecting Care, RPK, Steenhoff Engineering (consultant for the project), Clarke Builders, Tim Mitchell, Receiver and Ladacor.
3. Notice in Writing to end contracts for CCDC 14 and CCDC 3 based on conditions laid out under the general conditions and the Owner's right to terminate the work, to terminate the design builders right to continue with design services (design services are 98% billed) and Owners right to terminate design builders right to continue with the work.
4. Approval from ATB and other relevant parties for plan and financing for an all in build value – at this point in time the final projected cost is \$12,141,735. (It is the perspective of the owner that a traditional build would have been completed by this time and within budget.)
5. Contractual documents put in place to clarify new relationships-Ladacor, Site Supervision, Cuthbert Smith, and RPK in relation to the Hythe & District Pioneer Homes Advisory Committee.



## HYTHE & DISTRICT PIONEER HOMES ADVISORY COMMITTEE

Box 388, 10404 – 100 Street Hythe, AB T0H 2C0

PH: 780-356-3077 FAX: 780-356-3938

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6. As per General Conditions within the Contract Documents, the Owner shall be entitled to take possession of the work and products at the place of work (the Pioneer Place project).
7. As per the General Conditions within the contract documents, the Owner shall be entitled to apply all provisions applicable to the project under CCDC 7.2 or CCDC 7.1.1 of the applicable contracts.

Sincerely;

Dalvin Napen

Chief Administrative Officer

Hythe & District Pioneer Homes Advisory Committee

Cc Tracy Palidar Connecting Care

Cc Doug Mills, Connecting Care

Cc Chris Perrin, Board Chair, Hythe & District Pioneer Homes Advisory Committee

Schedule "C"



**From:** Konowalchuk, Orest [<mailto:okonowalchuk@alvarezandmarsal.com>]  
**Sent:** Tuesday, June 05, 2018 2:26 PM  
**To:** [Admin@hythepioneerhomes.ca](mailto:Admin@hythepioneerhomes.ca); [tracy.palidwor@connectingcare.ca](mailto:tracy.palidwor@connectingcare.ca); [doug.mills@connectingcare.ca](mailto:doug.mills@connectingcare.ca); [michaelw@dwlaw.ca](mailto:michaelw@dwlaw.ca)  
**Cc:** Artem, Chad; Bourassa, Kelly; Zahara, Ryan  
**Subject:** HYTHE - LADACOR PROJECT

**CONFIDENTIAL**

**WITHOUT PREJUDICE**

Tracy et al,

Further to our discussion regarding this matter, the Receiver has completed its analysis of estimated costs to complete the various stages of the "Hythe Project". We have also reviewed the letter sent by your counsel, Mr. Wheaton, with respect to your desired path forward.

Please find attached the following schedules:

1. Estimated Completion Costs
  - a. The Receiver has worked with its contractors (former Ladacor/Nomads project managers/employees) to understand and develop a revised draft cost estimate to complete this Hythe Project in two Options for your clients consideration:
    - Option 1 – Complete Modules and Ship to site and Complete building as per contract
    - Option 2 – Complete Modules, ship to site and only erect the building (leaving internal and external envelope unfinished however with minor weather proofing)

We understand that your letter (referenced above) directs us to your desire for Option 2, however we wanted to provide you with both options as the information was put together already.

The cost estimates for the above Options will include a portion of the Receiver's overhead/margin profit to complete the work, along with contingencies.

2. Listing of AR due from Connecting Care/Pioneer Homes for the project up to May 31, 2018 (including accrual for May work) of approximately **\$2.6 million**, including holdbacks. We would like to discuss these matters, in particular, amounts outstanding for work completed to date on the modules/site work that we need a resolution on and will form part of an Agreement to move forward with the remaining work on the project.
3. Payables: Total outstanding estimated payables on the project to date are approximately **\$1.6 million**, of which we currently identify \$130K as critical vendors.
4. Possible liens or lienable payables

- a. We are not aware at this point of the total quantum of liens filed, but before proceeding, understanding how liens (and possible other liens) will be dealt with prior to commencement of this work will be critical.

We understand that time is of the essence and it may make sense for us to meet face to face to try to iron out the business terms and quickly as possible (and overall path forward). Once this is understood and agreed, we would ask that our counsel and yours draft a form of Accommodation Agreement that can serve to complete the work required.

Looking forward to further discussions.

Regards,  
Orest

Orest Konowalchuk, CPA, CA, CIRP, LIT  
Senior Vice President

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[www.alvarezandmarsal.com](http://www.alvarezandmarsal.com)

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### Estimated Cost Summary for Hythe Project

Amounts exclude GST

	Duration of Work (calendar days)	Estimated Costs*	Cumulative Estimated Cost	Cost to Complete	Overhead & Margin	Total before Contingency	Contingency	Total with Contingency
<b>Option 1A</b>	Complete modules and ship to site	\$ 467,703	\$ 467,703	\$ 406,698	\$ 61,005	\$ 467,703	\$ 61,004.70	\$ 528,707
<b>Option 1B</b>	Erect building and envelope done	\$ 1,766,665	\$ 2,234,367	\$ 1,536,230	\$ 230,435	\$ 1,766,665	\$ 230,434.50	\$ 1,997,099
	<b>Total</b>	<b>\$ 2,234,367</b>	<b>\$ 2,234,367</b>	<b>\$ 1,942,928</b>	<b>\$ 291,439</b>	<b>\$ 2,234,367</b>	<b>\$ 291,439</b>	<b>\$ 2,525,806</b>
<b>Option 2A</b>	Complete modules and ship to site	\$ 467,703	\$ 467,703	\$ 406,698	\$ 61,005	\$ 467,703	\$ 61,004.70	\$ 528,707
<b>Option 2B</b>	Erect building only (minor weatherproofing)	\$ 717,945	\$ 1,185,648	\$ 624,300	\$ 93,645	\$ 717,945	\$ 93,645	\$ 811,590
	<b>Total</b>	<b>\$ 1,185,648</b>	<b>\$ 1,185,648</b>	<b>\$ 1,030,998</b>	<b>\$ 154,650</b>	<b>\$ 1,185,648</b>	<b>\$ 154,650</b>	<b>\$ 1,340,297</b>



Ladacor AMS Ltd.  
Customer Aged Detail As at 04/06/2018

DRAFT

Source	Date	Original Invoice Amount	Total Outstanding	Holdback Outstanding (not including GST)
160731-2	31/07/2016	\$ 68,040.00	\$ (2,835.00)	\$ 7,200.00
160831-2	31/08/2016	\$ 42,525.00	\$ -	\$ 4,500.00
160930-2	30/09/2016	\$ 32,130.00	\$ -	\$ 3,400.00
160930-3	30/09/2016	\$ 6,026.66	\$ 6,026.66	\$ 637.74
161231-2	31/12/2016	\$ 29,156.17	\$ -	\$ 3,085.39
170131-0	31/01/2017	\$ 26,662.19	\$ (1,784.98)	\$ 2,821.40
170331-0	31/03/2017	\$ 4,792.57	\$ -	\$ 507.15
170430-0	30/04/2017	\$ 4,988.19	\$ 4,988.19	\$ 527.85
170531-0	31/05/2017	\$ 9,894.86	\$ -	\$ 1,047.08
170630-0	30/06/2017	\$ 513,382.23	\$ -	\$ 54,326.16
170731-0	31/07/2017	\$ 24,239.96	\$ -	\$ 2,565.08
170831-0	31/08/2017	\$ 1,364,690.64	\$ (150,713.00)	\$ 144,411.71
170930-0	30/09/2017	\$ 874,575.00	\$ -	\$ 92,547.62
170930-4	30/09/2017	\$ (20,730.68)	\$ -	\$ (2,193.72)
171031-0	31/10/2017	\$ 850,242.83	\$ -	\$ (115,809.36)
171031-1	31/10/2017	\$ 71,485.58	\$ -	\$ 7,564.61
171130-0	30/11/2017	\$ 664,133.67	\$ -	\$ 70,278.70
171130-1	30/11/2017	\$ 3,220.71	\$ -	\$ 340.82
171231-1	31/12/2017	\$ 14,320.66	\$ -	\$ 1,515.41
171231-11	31/12/2017	\$ 356,927.89	\$ -	\$ 37,770.15
H-18-01-01	31/01/2018	\$ 513,189.77	\$ -	\$ 54,305.80
H-18-01-02	31/01/2018	\$ 24,421.53	\$ 24,421.53	\$ 2,584.29
H-18-02-01	28/02/2018	\$ 1,948.08	\$ 1,948.08	\$ 206.15
H-18-02-02	28/02/2018	\$ 408,670.40	\$ 408,670.40	\$ 43,245.54
H-18-03-02	31/03/2018	\$ 738,535.17	\$ 738,535.17	\$ 78,151.87
H-18-03-01	31/03/2018	\$ 112,564.75	\$ 112,564.75	\$ 11,911.61
H-18-04-02	30/04/2018	\$ 455,683.02	\$ 455,683.02	\$ 48,220.42
H-18-05-02	18/05/2018	\$ 461,270.67	\$ 461,270.67	\$ 48,811.71
Supplier Payment 27/3/18			\$ (9,737.18)	
Total outstanding:			\$ 2,049,038.31	\$ 604,481.18
TOTAL with Holdbacks				\$ 2,653,519.49
Generated On: 04/06/2018				

# Schedule "D"

**From:** Konowalchuk, Orest [mailto:[okonowalchuk@alvarezandmarsal.com](mailto:okonowalchuk@alvarezandmarsal.com)]  
**Sent:** Friday, June 15, 2018 10:39 AM  
**To:** Tracy Palidwor  
**Cc:** Admin@hythepioneerhomes.ca; Doug Mills; michaelw@dwlaw.ca; Artem, Chad; Bourassa, Kelly; Zahara, Ryan; Williams, David; Brian Peterson  
**Subject:** Re: HYTHE - LADACOR PROJECT - Add't Info Request - Clarification - 2018.june.13

Hi Tracy

Any indication on when we can sit down and go over the costing and the path forward? I am proposing early next week. There are holding costs the receiver is incurring and need to determine if there is an opportunity to assist or shut down the project on our end.

Also, with rain and other environmental concerns, your units onsite need to be further addressed. We have taken interim measure and supplied the onsite supervisor materials and other materials to help protect the assets (preventative measures), but a larger plan I think needs to be decided on.

Any visibility on your position would be helpful.

Take care  
Orest

Orest Konowalchuk, CPA, CA, CIRP, LIT  
Managing Director  
Alvarez & Marsal Canada ULC  
Calgary, Alberta  
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Office: 403.538.4736  
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Sent from my iPhone

On Jun 13, 2018, at 8:46 PM, Konowalchuk, Orest <[okonowalchuk@alvarezandmarsal.com](mailto:okonowalchuk@alvarezandmarsal.com)> wrote:

Thanks Tracy.

I followed up with our PM and team and this is what we were advised. We are not sure why they are asking only \$117k, unless they are not including the installation on site? See attached quote previously provided to Ladacor.



**Breakdown of the Price:**

The original price for the elevator was \$211,530.00 (US) and Ladacor provided a 30% deposit U\$63,459.00. The remain balance is U\$ 148,071.00

Original price

	US Dollars	Canadian (1.3)
Original Price	\$211,530.00	
Deposit 30%	\$ 63,459.00	
Remain*	\$ 148,071.00	\$192,492.30
Transportation	\$25,000.00	\$32,500.00
Contingency **	\$20,000.00	\$26,000.00
Total		<b>\$250,992.30</b>

\*\*Ladacor added \$20,000.00 contingency since the elevator company was asking for storage fees and delay fees.

Upon further review, the team checked the detailed cost schedule (we provided you) and there seems to be a slight error on the amount owed. It should be U\$147,625.83 instead \$168K on the excel file.

Hope this provides some clarity.

Regards,  
Orest

**From:** Tracy Palidwor [<mailto:tracy.palidwor@connectingcare.ca>]

**Sent:** Wednesday, June 13, 2018 4:08 PM

**To:** Konowalchuk, Orest

**Cc:** [Admin@hythepioneerhomes.ca](mailto:Admin@hythepioneerhomes.ca); Doug Mills; [michaelw@dwlaw.ca](mailto:michaelw@dwlaw.ca); Artem, Chad; [KELLY.BOURASSA@blakes.com](mailto:KELLY.BOURASSA@blakes.com); Ryan Zahara ([Ryan.Zahara@blakes.com](mailto:Ryan.Zahara@blakes.com)); Williams, David; Brian Peterson

**Subject:** RE: HYTHE - LADACOR PROJECT - Add't Info Request - Clarification - 2018.june.13

Hi Orest,

Thank you for providing the information for our review.

Just a quick question – how was the amount determined re: Phoenix Elevator? After being contacted by the vendor directly last week, they had indicated that the amount owing was \$117,500.00, which when converted to USD, equates to \$152,556.13; a difference of \$124,343.87.

What else is being factored into the scope of work?

Thank you,  
-tp

**Tracy Palidwor** | Project Manager

Connecting Care (2000) Inc. • #503 10158 103 Street • Edmonton, AB • T5J 0X6

P: 780.423.5959 EXT. 215 • C: 780.237.6094 • F: 780.451.0499 • E: [tracy.palidwor@connectingcare.ca](mailto:tracy.palidwor@connectingcare.ca)

[www.connectingcare.ca](http://www.connectingcare.ca) • *"Building Person-Centered Communities"*

**From:** Konowalchuk, Orest <[okonowalchuk@alvarezandmarsal.com](mailto:okonowalchuk@alvarezandmarsal.com)>

**Sent:** June 13, 2018 1:37 PM

**To:** Tracy Palidwor <[tracy.palidwor@connectingcare.ca](mailto:tracy.palidwor@connectingcare.ca)>

**Cc:** Admin@hythepioneerhomes.ca; Doug Mills <[doug.mills@connectingcare.ca](mailto:doug.mills@connectingcare.ca)>; michaelw@dwlaw.ca;

Artem, Chad <[cartem@alvarezandmarsal.com](mailto:cartem@alvarezandmarsal.com)>; KELLY.BOURASSA@blakes.com; Ryan Zahara

([Ryan.Zahara@blakes.com](mailto:Ryan.Zahara@blakes.com)) <[Ryan.Zahara@blakes.com](mailto:Ryan.Zahara@blakes.com)>; Williams, David

<[david.williams@alvarezandmarsal.com](mailto:david.williams@alvarezandmarsal.com)>

**Subject:** RE: HYTHE - LADACOR PROJECT - Add't Info Request - UPDATE REQUEST - 2018.june.12

**Draft – for discussion purposes**

Hi Tracy,

Please find attached a copy of an updated summary schedule (slight changes to include certain other estimated costs) and the details costs schedule that support the summary schedule ("Cost to Complete" column).

Should you have any questions, please let us know. Hopefully we can discuss in the next day or so.

Regards,  
Orest

**From:** Tracy Palidwor [<mailto:tracy.palidwor@connectingcare.ca>]

**Sent:** Tuesday, June 12, 2018 5:52 PM

**To:** Konowalchuk, Orest

**Cc:** Admin@hythepioneerhomes.ca; Doug Mills; michaelw@dwlaw.ca; Artem, Chad;

KELLY.BOURASSA@blakes.com; Ryan Zahara ([Ryan.Zahara@blakes.com](mailto:Ryan.Zahara@blakes.com)); Williams, David

**Subject:** RE: HYTHE - LADACOR PROJECT - Add't Info Request - UPDATE REQUEST - 2018.june.12

Hi Orest,

I just wanted to follow up to see where things are at with the detailed cost information?

If you can provide a timeline as to when we will receive that would be great.

Look forward to hearing from you.

Thank you,  
-tp



**Tracy Palidwor** | Project Manager

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[www.connectingcare.ca](http://www.connectingcare.ca) • *"Building Person-Centered Communities"*

**From:** Konowalchuk, Orest <[okonowalchuk@alvarezandmarsal.com](mailto:okonowalchuk@alvarezandmarsal.com)>

**Sent:** June 8, 2018 1:00 PM

**To:** Tracy Palidwor <[tracy.palidwor@connectingcare.ca](mailto:tracy.palidwor@connectingcare.ca)>

**Cc:** Admin@hythepioneerhomes.ca; Doug Mills <[doug.mills@connectingcare.ca](mailto:doug.mills@connectingcare.ca)>; michaelw@dwlaw.ca; Artem, Chad <[cartem@alvarezandmarsal.com](mailto:cartem@alvarezandmarsal.com)>; KELLY.BOURASSA@blakes.com; Ryan Zahara (<[Ryan.Zahara@blakes.com](mailto:Ryan.Zahara@blakes.com)>) <[Ryan.Zahara@blakes.com](mailto:Ryan.Zahara@blakes.com)>; Williams, David <[david.williams@alvarezandmarsal.com](mailto:david.williams@alvarezandmarsal.com)>

**Subject:** Re: HYTHE - LADACOR PROJECT - Add't Info Request - 2018.june.08

Yes, understood we will get this to you.

Orest Konowalchuk, CPA, CA, CIRP, LIT

Managing Director

Alvarez & Marsal Canada ULC

Calgary, Alberta

Mobile: 403.470.7478

Office: 403.538.4736

Email: [okonowalchuk@alvarezandmarsal.com](mailto:okonowalchuk@alvarezandmarsal.com)

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Sent from my iPhone

On Jun 8, 2018, at 2:57 PM, Tracy Palidwor <[tracy.palidwor@connectingcare.ca](mailto:tracy.palidwor@connectingcare.ca)> wrote:

Hi Orest,

I am looking for a detailed cost breakdown on the numbers, not a description of the work.

Thank you,

-tp

**Tracy Palidwor** | Project Manager

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**From:** Konowalchuk, Orest <[okonowalchuk@alvarezandmarsal.com](mailto:okonowalchuk@alvarezandmarsal.com)>  
**Sent:** June 8, 2018 12:54 PM  
**To:** Tracy Palidwor <[tracy.palidwor@connectingcare.ca](mailto:tracy.palidwor@connectingcare.ca)>  
**Cc:** Admin@hythepioneerhomes.ca; Doug Mills <[doug.mills@connectingcare.ca](mailto:doug.mills@connectingcare.ca)>;  
[michaelw@dwlaw.ca](mailto:michaelw@dwlaw.ca); Artem, Chad <[cartem@alvarezandmarsal.com](mailto:cartem@alvarezandmarsal.com)>;  
[KELLY.BOURASSA@blakes.com](mailto:KELLY.BOURASSA@blakes.com); Ryan Zahara ([Ryan.Zahara@blakes.com](mailto:Ryan.Zahara@blakes.com))  
<[Ryan.Zahara@blakes.com](mailto:Ryan.Zahara@blakes.com)>  
**Subject:** Re: HYTHE - LADACOR PROJECT - Add't Info Request - 2018.june.08

Correct. Option A , two phases, are to finish off the remaining units and deliver all the units and erect them.

Orest Konowalchuk, CPA, CA, CIRP, LIT  
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Sent from my iPhone

On Jun 8, 2018, at 2:49 PM, Tracy Palidwor <[tracy.palidwor@connectingcare.ca](mailto:tracy.palidwor@connectingcare.ca)> wrote:

Hi Orest,

Are you able to provide a detailed breakdown for the cost to complete?

I am trying to understand what makes up the amounts provided.

Just to confirm – the information provided only deals with the modules and not the site work?

Thank you,  
-tp

**Tracy Palidwor** | Project Manager  
Connecting Care (2000) Inc. • #503 10158 103 Street • Edmonton, AB •  
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[www.connectingcare.ca](http://www.connectingcare.ca) • *"Building Person-Centered Communities"*

**From:** Konowalchuk, Orest <[okonowalchuk@alvarezandmarsal.com](mailto:okonowalchuk@alvarezandmarsal.com)>  
**Sent:** June 8, 2018 9:21 AM  
**To:** Tracy Palidwor <[tracy.palidwor@connectingcare.ca](mailto:tracy.palidwor@connectingcare.ca)>;  
[Admin@hythepioneerhomes.ca](mailto:Admin@hythepioneerhomes.ca); Doug Mills  
<[doug.mills@connectingcare.ca](mailto:doug.mills@connectingcare.ca)>; [michaelw@dwlaw.ca](mailto:michaelw@dwlaw.ca)  
**Cc:** Artem, Chad <[cartem@alvarezandmarsal.com](mailto:cartem@alvarezandmarsal.com)>;  
[KELLY.BOURASSA@blakes.com](mailto:KELLY.BOURASSA@blakes.com); Ryan Zahara ([Ryan.Zahara@blakes.com](mailto:Ryan.Zahara@blakes.com))  
<[Ryan.Zahara@blakes.com](mailto:Ryan.Zahara@blakes.com)>  
**Subject:** RE: HYTHE - LADACOR PROJECT - TP REPLY - 2018.june.08

Thank you. Please let us know if you need anything else.  
Kind regards,  
Orest

**From:** Tracy Palidwor [<mailto:tracy.palidwor@connectingcare.ca>]  
**Sent:** Friday, June 08, 2018 8:35 AM  
**To:** Konowalchuk, Orest; [Admin@hythepioneerhomes.ca](mailto:Admin@hythepioneerhomes.ca); Doug Mills;  
[michaelw@dwlaw.ca](mailto:michaelw@dwlaw.ca)  
**Cc:** Artem, Chad; [KELLY.BOURASSA@blakes.com](mailto:KELLY.BOURASSA@blakes.com); Ryan Zahara  
([Ryan.Zahara@blakes.com](mailto:Ryan.Zahara@blakes.com))  
**Subject:** RE: HYTHE - LADACOR PROJECT - TP REPLY - 2018.june.08

Good morning Orest,

The information has been provided to all of the parties, who are  
currently in the process of reviewing.

We will be in touch with your group early next week to discuss.

Thank you,  
-tp

**Tracy Palidwor** | Project Manager  
**Connecting Care (2000) Inc.** • #503 10158 103 Street • Edmonton, AB •  
T5J 0X6  
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[www.connectingcare.ca](http://www.connectingcare.ca) • *"Building Person-Centered Communities"*

**From:** Konowalchuk, Orest <[okonowalchuk@alvarezandmarsal.com](mailto:okonowalchuk@alvarezandmarsal.com)>  
**Sent:** June 8, 2018 7:56 AM  
**To:** [Admin@hythepioneerhomes.ca](mailto:Admin@hythepioneerhomes.ca); Tracy Palidwor  
<[tracy.palidwor@connectingcare.ca](mailto:tracy.palidwor@connectingcare.ca)>; Doug Mills  
<[doug.mills@connectingcare.ca](mailto:doug.mills@connectingcare.ca)>; [michaelw@dwlaw.ca](mailto:michaelw@dwlaw.ca)  
**Cc:** Artem, Chad <[cartem@alvarezandmarsal.com](mailto:cartem@alvarezandmarsal.com)>;  
[KELLY.BOURASSA@blakes.com](mailto:KELLY.BOURASSA@blakes.com); Ryan Zahara ([Ryan.Zahara@blakes.com](mailto:Ryan.Zahara@blakes.com))  
<[Ryan.Zahara@blakes.com](mailto:Ryan.Zahara@blakes.com)>  
**Subject:** RE: HYTHE - LADACOR PROJECT



Tracy,

I am following up on the below to see where you and your group is at on the below. Please advise when you are next available to speak. There are likely roofing and other matters that need to be taken care of soon, but we need to confirm the go-forward with the parties.

Regards,  
Orest

**From:** Konowalchuk, Orest  
**Sent:** Tuesday, June 05, 2018 11:26 AM  
**To:** 'Admin@hythepioneerhomes.ca'; [tracy.palidwor@connectingcare.ca](mailto:tracy.palidwor@connectingcare.ca); [doug.mills@connectingcare.ca](mailto:doug.mills@connectingcare.ca); [michaelw@dwlaw.ca](mailto:michaelw@dwlaw.ca)  
**Cc:** Chad Artem ([cartem@alvarezandmarsal.com](mailto:cartem@alvarezandmarsal.com)); [KELLY.BOURASSA@blakes.com](mailto:KELLY.BOURASSA@blakes.com); Ryan Zahara ([Ryan.Zahara@blakes.com](mailto:Ryan.Zahara@blakes.com))  
**Subject:** HYTHE - LADACOR PROJECT

**CONFIDENTIAL**

**WITHOUT PREJUDICE**

Tracy et al,

Further to our discussion regarding this matter, the Receiver has completed its analysis of estimated costs to complete the various stages of the "Hythe Project". We have also reviewed the letter sent by your counsel, Mr. Wheaton, with respect to your desired path forward.

Please find attached the following schedules:

1. Estimated Completion Costs
  - a. The Receiver has worked with its contractors (former Ladacor/Nomads project managers/employees) to understand and develop a revised draft cost estimate to complete this Hythe Project in two Options for your clients consideration:
    - Option 1 – Complete Modules and Ship to site and Complete building as per contract
    - Option 2 – Complete Modules, ship to site and only erect the building (leaving internal and external envelope unfinished however with minor weather proofing)

We understand that your letter (referenced above) directs us to your desire for Option 2, however we wanted to provide you with both options as the information was put together already.

The cost estimates for the above Options will include a portion of the Receiver's overhead/margin profit to complete the work, along with contingencies.

2. Listing of AR due from Connecting Care/Pioneer Homes for the project up to May 31, 2018 (including accrual for May work) of approximately **\$2.6 million**, including holdbacks. We would like to discuss these matters, in particular, amounts outstanding for work completed to date on the modules/site work that we need a resolution on and will form part of an Agreement to move forward with the remaining work on the project.
3. Payables: Total outstanding estimated payables on the project to date are approximately **\$1.6 million**, of which we currently identify \$130K as critical vendors.
4. Possible liens or lienable payables
  - a. We are not aware at this point of the total quantum of liens filed, but before proceeding, understanding how liens (and possible other liens) will be dealt with prior to commencement of this work will be critical.

We understand that time is of the essence and it may make sense for us to meet face to face to try to iron out the business terms and quickly as possible (and overall path forward). Once this is understood and agreed, we would ask that our counsel and yours draft a form of Accommodation Agreement that can serve to complete the work required.

Looking forward to further discussions.

Regards,  
Orest

Orest Konowalchuk, CPA, CA, CIRP, LIT  
Senior Vice President

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Email: [okonowalchuk@alvarezandmarsal.com](mailto:okonowalchuk@alvarezandmarsal.com)  
[www.alvarezandmarsal.com](http://www.alvarezandmarsal.com)

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<Hythe quote.pdf>

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# Schedule "E"

**From:** Konowalchuk, Orest [mailto:okonowalchuk@alvarezandmarsal.com]  
**Sent:** Friday, June 15, 2018 2:24 PM  
**To:** tracy.palidwor@connectingcare.ca  
**Cc:** Admin@hythepioneerhomes.ca; Doug Mills; michaelw@dwlaw.ca; Artem, Chad; Bourassa, Kelly; Zahara, Ryan; Williams, David; Brian Peterson  
**Subject:** FW: Hythe Roof

Hi Tracy,

Further to my previous email, there is concern that if the roofing on the one unit is not erected soon in Hythe, it could create various damage to the unit itself due to the rain and environmental conditions.

The Receiver is doing its best to take prevented measures (tarps, etc.) and working with the site supervisor, but this will need to be addressed and the Receiver is not going to site to complete the roofing until we can get an agreement in place with you and the owners. The cost of the roofing itself is around \$230k. We have attached the proposal and currently Ladacor has a contract with Standard roofing to perform this work.

I thought I would send this to you to ensure you and the project owners are aware of the situation.

Regards,  
Orest

**From:** Wilson Bohorquez [mailto:wbohorquez@ladacor.com]  
**Sent:** Friday, June 15, 2018 10:40 AM  
**To:** Konowalchuk, Orest; Larry Slywka  
**Cc:** Williams, David; Michael Keane  
**Subject:** Hythe Roof

Hi Orest,

The contract with Standard roofing is for \$230,930.00 (attached) which includes the complete building (except the link units). Right now the priority is phase 1 which is half of the project. So they can choose to start with this (critical) area. Last time that I talked to Standard roofing they have the material and they were ready to start installation. I will call them again and check their schedule and if they have any request.

Timeline: two weeks

Additional to the roofer I will expect that we need some minor work on site, with the crew that we have, to get everything ready. 3 guys x \$40 x 50 hours (5 days) = \$6,000

Mike / Larry any other suggestion

Regards,

Wilson Bohorquez. P Eng,  
Senior Project Manager



729 – 24 Avenue SE | Calgary, AB | T2G 1P5  
Direct Line: 403-685-2419  
Cellphone: 587-581-5971  
Main Office: 587-352-5922  
[wbohorquez@ladacor.com](mailto:wbohorquez@ladacor.com)  
[www.ladacor.com](http://www.ladacor.com)



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11413 - 101ST STREET  
GRANDE PRAIRIE AB T8V 2R8  
PHONE: (780) 539-4880  
FAX: (780) 532-3805 17-146-1



## CONTRACT PROPOSAL



BUILD-UP ROOFING  
SHINGLING  
SHEET METAL  
COMMERCIAL CLADDING  
SINGLE PLY ROOFING SYSTEM

PROPOSAL SUBMITTED TO 17-146-1	PHONE 587-532-5922	DATE November 3, 2017
Ladacor 729-24 Avenue SE Calgary, AB T2G 1P5	JOB NAME Hythe Pioneer Homes	<input checked="" type="checkbox"/>
VIA FAX: email: wbohorquez@ladacor.com	JOB LOCATION Hythe, AB	<input checked="" type="checkbox"/>
	ATTENTION: Wilson Bohorquez	<input checked="" type="checkbox"/>

We are pleased to submit the following proposal:

Page 1 of 2

**2 Ply SBS Roofing, Asphalt Shingles & Related Sheet Metal Flashings**  
To supply and install 2 ply SBS roofing, Asphalt shingles and related sheet metal flashings on an approximate roof area 26,500 square feet, to the following specification.

**2-Ply SBS Roofing**

- onto exterior plywood (supply and install by others)
- tyvek bybuilding wrap (mechanically fasten)
- tapered EPS insulation (mechanically fasten)
- 1" fibreboard (mopped in asphalt)
- 95 FS base sheet (mopped in asphalt)
- 180 peel and stick base stripping
- 180 GR torch cap sheet and stripping
- 26 ga. pre-painted roof related sheet metal flashing (standard color only)

**Asphalt Shingles**

- onto exterior plywood (supply and install by others)
- peel and stick underlay membrane
- asphalt shingles (iko cambridge)
- 26 ga. pre-painted drip flashing (standard color only)

Price... \$230,930.00

**Note...** 1. Cant strip is not included

\*\* OUR QUOTE DOES NOT INCLUDE GST

**We Propose** hereby furnish material and labour, complete in accordance with above specifications, for the sum of :  
AS SHOWN ABOVE dollars [ \$ ]

Payment to be made as follows:  
NET 30 DAYS

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra cost will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Our workers are fully covered by Workman's Compensation Insurance.

Authorized Signature \_\_\_\_\_  
Note: This proposal may be withdrawn by us if not accepted within 30 days.

**Acceptance of Proposal** The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Signature \_\_\_\_\_  
Signature \_\_\_\_\_  
Date of Acceptance \_\_\_\_\_

By accepting this contract proposal you authorize us to use your personal information as needed as outlined in our privacy policy.

**FREE ESTIMATES  
GUARANTEED WORK**



11413 - 101 STREET  
GRANDE PRAIRIE AB T8V 2R8  
PHONE: (780) 539-4880  
FAX: (780) 532-3805 17-146-1



# STANDARD ROOFING & EXTERIORS LTD.

## CONTRACT PROPOSAL



BUILD-UP ROOFING  
SHINGLING  
SHEET METAL  
COMMERCIAL CLADDING  
SINGLE PLY ROOFING SYSTEM

PROPOSAL SUBMITTED TO 17-146-1	PHONE 587-532-5922	DATE November 3, 2017
Ladacor 729-24 Avenue SE Calgary, AB T2G 1P5	JOB NAME Hythe Pioneer Homes	
VIA FAX: email: wbohorquez@ladacor.com	JOB LOCATION Hythe, AB	
ATTENTION: Wilson Bohorquez		

We are pleased to submit the following proposal:

Page 2 of 2

**Hardieplank Siding / Vinyl Siding and Related Accessories**  
To supply and install hardieplank siding / Vinyl Siding and related accessories on an approximate 16,700 square feet, to the following specification as discussed with Wilson Bohorquez

- 5/8" densglass (mechanically fasten)
- peel and stick vapour barrier
- 4" roxul insulation (mechanically fasten)
- 5" 18 ga. adjustable Z-bar with thermal tape
- tyvek commercial wrap
- 8 1/4" hardiplank cedarmill finish / Vinyl Siding
- 5.5" & 4.5" hardie trim boards smooth finish (standard color only)
- aluminum vented metal soffit and fascia (standard color only)
- 5" eave trough c/w downspouts (standard color only)
- all related accessories to maintain a weather tight structure
- remove and dispose of all work related debris

Mansard Wall

- tyvek commercial wrap
- 26 ga. 936 panel by Behlen (standard color only)

Base Price... \$520,945.00

**NOTE...** 1. Less Densglass & Vapour Barrier on the above scope of work,  
Deduct \$ 51,976.00 from Base Price  
2. 2% Discount if all scopes of work awarded

\*\* OUR QUOTE DOES NOT INCLUDE GST

**We Propose** hereby furnish material and labour, complete in accordance with above specifications, for the sum of :  
AS SHOWN ABOVE dollars [ \$ ]  
Payment to be made as follows:  
NET 30 DAYS

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra cost will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Our workers are fully covered by Workman's Compensation Insurance.

Authorized Signature \_\_\_\_\_  
Note: This proposal may be withdrawn by us if not accepted within 30 days.

**Acceptance of Proposal** The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Signature \_\_\_\_\_  
Signature \_\_\_\_\_  
Date of Acceptance \_\_\_\_\_

By accepting this contract proposal you authorize us to use your personal information as needed as outlined in our privacy policy.

**FREE ESTIMATES  
GUARANTEED WORK**

Schedule "F"

**From:** Tracy Palidwor [mailto:tracy.palidwor@connectingcare.ca]  
**Sent:** Wednesday, June 20, 2018 4:58 PM  
**To:** Konowalchuk, Orest  
**Cc:** Admin@hythepioneerhomes.ca; Doug Mills; michaelw@dwlaw.ca; Artem, Chad; Bourassa, Kelly; Zahara, Ryan; Williams, David; Brian Peterson; Mark Southern (msouthern@cuthbertsmith.com); Michael E Wheaton (michaelw@dwlaw.ca)  
**Subject:** RE: HYTHE - LADACOR PROJECT - OWNERS' PLAN FORWARD RS - 2018.june.20  
**Importance:** High

Hi Orest,

Attached you will find a copy of the Owners' Plan Forward, breakdown of deficiencies and their estimated values, updated Ladacor AR report, and certificates of payment no. 22 (applicable to March 2018) and no. 23 (applicable to April 2018).

To quickly summarize the letter and information provided, the Owner Group is looking to enter into an agreement based on a modified option no. 2A; take the modules "as-is".

The itemized deficiency list provided outlines the corrective work required to the modules that are currently on site and previously placed.

Lastly, the updated AR report reflects those invoices that were previously paid, not approved, and/or approved at a revised amount based on RPK's review of the work completed. The attached Payment Certificates no. 22 and 23 detail the reason behind the reduced values.

Please let me know, after review of the attached information, when you would like to schedule a conference call and/or meeting to discuss.

Thank you,  
-tp

**Tracy Palidwor** | Project Manager  
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P: 780.423.5959 EXT. 215 • C: 780.237.6094 • F: 780.451.0499 • E: [tracy.palidwor@connectingcare.ca](mailto:tracy.palidwor@connectingcare.ca)  
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**From:** Konowalchuk, Orest <[okonowalchuk@alvarezandmarsal.com](mailto:okonowalchuk@alvarezandmarsal.com)>

**Sent:** June 15, 2018 7:39 AM

**To:** Tracy Palidwor <[tracy.palidwor@connectingcare.ca](mailto:tracy.palidwor@connectingcare.ca)>

**Cc:** Admin@hythepioneerhomes.ca; Doug Mills <[doug.mills@connectingcare.ca](mailto:doug.mills@connectingcare.ca)>; michaelw@dwlaw.ca; Artem, Chad <[cartem@alvarezandmarsal.com](mailto:cartem@alvarezandmarsal.com)>; KELLY.BOURASSA@blakes.com; Ryan Zahara (Ryan.Zahara@blakes.com) <[Ryan.Zahara@blakes.com](mailto:Ryan.Zahara@blakes.com)>; Williams, David <[david.williams@alvarezandmarsal.com](mailto:david.williams@alvarezandmarsal.com)>; Brian Peterson <[brian2280034@gmail.com](mailto:brian2280034@gmail.com)>

**Subject:** Re: HYTHE - LADACOR PROJECT - Add't Info Request - Clarification - 2018.june.13

Hi Tracy

Any indication on when we can sit down and go over the costing and the path forward? I am proposing early next week. There are holding costs the receiver is incurring and need to determine if there is an opportunity to assist or shut down the project on our end.

Also, with rain and other environmental concerns, your units onsite need to be further addressed. We have taken interim measure and supplied the onsite supervisor materials and other materials to help protect the assets (preventative measures), but a larger plan I think needs to be decided on.

Any visibility on your position would be helpful.

Take care

Orest

Orest Konowalchuk, CPA, CA, CIRP, LIT

Managing Director

Alvarez & Marsal Canada ULC

Calgary, Alberta

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Office: 403.538.4736

Email: [okonowalchuk@alvarezandmarsal.com](mailto:okonowalchuk@alvarezandmarsal.com)

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On Jun 13, 2018, at 8:46 PM, Konowalchuk, Orest <[okonowalchuk@alvarezandmarsal.com](mailto:okonowalchuk@alvarezandmarsal.com)> wrote:

Thanks Tracy.

I followed up with our PM and team and this is what we were advised. We are not sure why they are asking only \$117k, unless they are not including the installation on site? See attached quote previously provided to Ladacor.

**Breakdown of the Price:**

The original price for the elevator was \$211,530.00 (US) and Ladacor provided a 30% deposit U\$63,459.00. The remain balance is U\$ 148,071.00

Original price

	US Dollars	Canadian (1.3)
Original Price	\$211,530.00	
Deposit 30%	\$ 63,459.00	
Remain*	\$ 148,071.00	\$192,492.30
Transportation	\$25,000.00	\$32,500.00
Contingency **	\$20,000.00	\$26,000.00
Total		<b>\$250,992.30</b>

\*\*Ladacor added \$20,000.00 contingency since the elevator company was asking for storage fees and delay fees.

Upon further review, the team checked the detailed cost schedule (we provided you) and there seems to be a slight error on the amount owed. It should be U\$147,625.83 instead \$168K on the excel file.

Hope this provides some clarity.

Regards,  
Orest

**From:** Tracy Palidwor [<mailto:tracy.palidwor@connectingcare.ca>]

**Sent:** Wednesday, June 13, 2018 4:08 PM

**To:** Konowalchuk, Orest

**Cc:** [Admin@hythepioneerhomes.ca](mailto:Admin@hythepioneerhomes.ca); Doug Mills; [michaelw@dwlaw.ca](mailto:michaelw@dwlaw.ca); Artem, Chad; [KELLY.BOURASSA@blakes.com](mailto:KELLY.BOURASSA@blakes.com); Ryan Zahara ([Ryan.Zahara@blakes.com](mailto:Ryan.Zahara@blakes.com)); Williams, David; Brian Peterson

**Subject:** RE: HYTHE - LADACOR PROJECT - Add't Info Request - Clarification - 2018.june.13

Hi Orest,

Thank you for providing the information for our review.

Just a quick question – how was the amount determined re: Phoenix Elevator? After being contacted by the vendor directly last week, they had indicated that the amount owing was \$117,500.00, which when converted to USD, equates to \$152,556.13; a difference of \$124,343.87.

What else is being factored into the scope of work?

Thank you,  
-tp

**Tracy Palidwor** | Project Manager

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**From:** Konowalchuk, Orest <[okonowalchuk@alvarezandmarsal.com](mailto:okonowalchuk@alvarezandmarsal.com)>  
**Sent:** June 13, 2018 1:37 PM  
**To:** Tracy Palidwor <[tracy.palidwor@connectingcare.ca](mailto:tracy.palidwor@connectingcare.ca)>  
**Cc:** Admin@hythepioneerhomes.ca; Doug Mills <[doug.mills@connectingcare.ca](mailto:doug.mills@connectingcare.ca)>; michaelw@dwlaw.ca; Artem, Chad <[cartem@alvarezandmarsal.com](mailto:cartem@alvarezandmarsal.com)>; KELLY.BOURASSA@blakes.com; Ryan Zahara (<[Ryan.Zahara@blakes.com](mailto:Ryan.Zahara@blakes.com)> <[Ryan.Zahara@blakes.com](mailto:Ryan.Zahara@blakes.com)>); Williams, David <[david.williams@alvarezandmarsal.com](mailto:david.williams@alvarezandmarsal.com)>  
**Subject:** RE: HYTHE - LADACOR PROJECT - Add't Info Request - UPDATE REQUEST - 2018.june.12

Draft – for discussion purposes

Hi Tracy,  
Please find attached a copy of an updated summary schedule (slight changes to include certain other estimated costs) and the details costs schedule that support the summary schedule ("Cost to Complete" column).

Should you have any questions, please let us know. Hopefully we can discuss in the next day or so.

Regards,  
Orest

**From:** Tracy Palidwor [<mailto:tracy.palidwor@connectingcare.ca>]  
**Sent:** Tuesday, June 12, 2018 5:52 PM  
**To:** Konowalchuk, Orest  
**Cc:** Admin@hythepioneerhomes.ca; Doug Mills; michaelw@dwlaw.ca; Artem, Chad; KELLY.BOURASSA@blakes.com; Ryan Zahara (<[Ryan.Zahara@blakes.com](mailto:Ryan.Zahara@blakes.com)>); Williams, David  
**Subject:** RE: HYTHE - LADACOR PROJECT - Add't Info Request - UPDATE REQUEST - 2018.june.12

Hi Orest,

I just wanted to follow up to see where things are at with the detailed cost information?

If you can provide a timeline as to when we will receive that would be great.

Look forward to hearing from you.

Thank you,  
-tp

**Tracy Palidwor** | Project Manager  
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**From:** Konowalchuk, Orest <[okonowalchuk@alvarezandmarsal.com](mailto:okonowalchuk@alvarezandmarsal.com)>  
**Sent:** June 8, 2018 1:00 PM  
**To:** Tracy Palidwor <[tracy.palidwor@connectingcare.ca](mailto:tracy.palidwor@connectingcare.ca)>  
**Cc:** Admin@hythepioneerhomes.ca; Doug Mills <[doug.mills@connectingcare.ca](mailto:doug.mills@connectingcare.ca)>; michaelw@dwlaw.ca; Artem, Chad <[cartem@alvarezandmarsal.com](mailto:cartem@alvarezandmarsal.com)>; KELLY.BOURASSA@blakes.com; Ryan Zahara ([Ryan.Zahara@blakes.com](mailto:Ryan.Zahara@blakes.com)) <[Ryan.Zahara@blakes.com](mailto:Ryan.Zahara@blakes.com)>; Williams, David <[david.williams@alvarezandmarsal.com](mailto:david.williams@alvarezandmarsal.com)>  
**Subject:** Re: HYTHE - LADACOR PROJECT - Add't Info Request - 2018.june.08

Yes, understood we will get this to you.

Orest Konowalchuk, CPA, CA, CIRP, LIT  
Managing Director  
Alvarez & Marsal Canada ULC  
Calgary, Alberta  
Mobile: 403.470.7478  
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Sent from my iPhone

On Jun 8, 2018, at 2:57 PM, Tracy Palidwor <[tracy.palidwor@connectingcare.ca](mailto:tracy.palidwor@connectingcare.ca)> wrote:

Hi Orest,

I am looking for a detailed cost breakdown on the numbers, not a description of the work.

Thank you,  
-tp

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**From:** Konowalchuk, Orest <[okonowalchuk@alvarezandmarsal.com](mailto:okonowalchuk@alvarezandmarsal.com)>  
**Sent:** June 8, 2018 12:54 PM  
**To:** Tracy Palidwor <[tracy.palidwor@connectingcare.ca](mailto:tracy.palidwor@connectingcare.ca)>  
**Cc:** Admin@hythepioneerhomes.ca; Doug Mills <[doug.mills@connectingcare.ca](mailto:doug.mills@connectingcare.ca)>; michaelw@dwlaw.ca; Artem, Chad <[cartem@alvarezandmarsal.com](mailto:cartem@alvarezandmarsal.com)>; KELLY.BOURASSA@blakes.com; Ryan Zahara ([Ryan.Zahara@blakes.com](mailto:Ryan.Zahara@blakes.com))

<[Ryan.Zahara@blakes.com](mailto:Ryan.Zahara@blakes.com)>

**Subject:** Re: HYTHE - LADACOR PROJECT - Add't Info Request - 2018.june.08

Correct. Option A , two phases, are to finish off the remaining units and deliver all the units and erect them.

Orest Konowalchuk, CPA, CA, CIRP, LIT  
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Sent from my iPhone

On Jun 8, 2018, at 2:49 PM, Tracy Palidwor <[tracy.palidwor@connectingcare.ca](mailto:tracy.palidwor@connectingcare.ca)> wrote:

Hi Orest,

Are you able to provide a detailed breakdown for the cost to complete?

I am trying to understand what makes up the amounts provided.

Just to confirm – the information provided only deals with the modules and not the site work?

Thank you,  
-tp

**Tracy Palidwor** | Project Manager  
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**From:** Konowalchuk, Orest <[okonowalchuk@alvarezandmarsal.com](mailto:okonowalchuk@alvarezandmarsal.com)>  
**Sent:** June 8, 2018 9:21 AM  
**To:** Tracy Palidwor <[tracy.palidwor@connectingcare.ca](mailto:tracy.palidwor@connectingcare.ca)>; [Admin@hythepioneerhomes.ca](mailto:Admin@hythepioneerhomes.ca); Doug Mills <[doug.mills@connectingcare.ca](mailto:doug.mills@connectingcare.ca)>; [michaelw@dwlaw.ca](mailto:michaelw@dwlaw.ca)  
**Cc:** Artem, Chad <[cartem@alvarezandmarsal.com](mailto:cartem@alvarezandmarsal.com)>; [KELLY.BOURASSA@blakes.com](mailto:KELLY.BOURASSA@blakes.com); Ryan Zahara ([Ryan.Zahara@blakes.com](mailto:Ryan.Zahara@blakes.com))

<[Ryan.Zahara@blakes.com](mailto:Ryan.Zahara@blakes.com)>

**Subject:** RE: HYTHE - LADACOR PROJECT - TP REPLY - 2018.june.08

Thank you. Please let us know if you need anything else.  
Kind regards,  
Orest

**From:** Tracy Palidwor [<mailto:tracy.palidwor@connectingcare.ca>]

**Sent:** Friday, June 08, 2018 8:35 AM

**To:** Konowalchuk, Orest; [Admin@hythepioneerhomes.ca](mailto:Admin@hythepioneerhomes.ca); Doug Mills;  
[michaelw@dwlaw.ca](mailto:michaelw@dwlaw.ca)

**Cc:** Artem, Chad; [KELLY.BOURASSA@blakes.com](mailto:KELLY.BOURASSA@blakes.com); Ryan Zahara  
([Ryan.Zahara@blakes.com](mailto:Ryan.Zahara@blakes.com))

**Subject:** RE: HYTHE - LADACOR PROJECT - TP REPLY - 2018.june.08

Good morning Orest,

The information has been provided to all of the parties, who are currently in the process of reviewing.

We will be in touch with your group early next week to discuss.

Thank you,  
-tp

**Tracy Palidwor** | Project Manager

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[tracy.palidwor@connectingcare.ca](mailto:tracy.palidwor@connectingcare.ca)

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**From:** Konowalchuk, Orest <[okonowalchuk@alvarezandmarsal.com](mailto:okonowalchuk@alvarezandmarsal.com)>

**Sent:** June 8, 2018 7:56 AM

**To:** [Admin@hythepioneerhomes.ca](mailto:Admin@hythepioneerhomes.ca); Tracy Palidwor  
<[tracy.palidwor@connectingcare.ca](mailto:tracy.palidwor@connectingcare.ca)>; Doug Mills  
<[doug.mills@connectingcare.ca](mailto:doug.mills@connectingcare.ca)>; [michaelw@dwlaw.ca](mailto:michaelw@dwlaw.ca)

**Cc:** Artem, Chad <[cartem@alvarezandmarsal.com](mailto:cartem@alvarezandmarsal.com)>;  
[KELLY.BOURASSA@blakes.com](mailto:KELLY.BOURASSA@blakes.com); Ryan Zahara ([Ryan.Zahara@blakes.com](mailto:Ryan.Zahara@blakes.com))  
<[Ryan.Zahara@blakes.com](mailto:Ryan.Zahara@blakes.com)>

**Subject:** RE: HYTHE - LADACOR PROJECT

Tracy,  
I am following up on the below to see where you and your group is at on the below. Please advise when you are next available to speak. There are likely roofing and other matters that need to be taken care of soon, but we need to confirm the go-forward with the parties.

Regards,  
Orest

**From:** Konowalchuk, Orest  
**Sent:** Tuesday, June 05, 2018 11:26 AM  
**To:** 'Admin@hythepioneerhomes.ca'; [tracy.palidwor@connectingcare.ca](mailto:tracy.palidwor@connectingcare.ca);  
'[doug.mills@connectingcare.ca](mailto:doug.mills@connectingcare.ca)'; [michaelw@dwlaw.ca](mailto:michaelw@dwlaw.ca)  
**Cc:** Chad Artem ([cartem@alvarezandmarsal.com](mailto:cartem@alvarezandmarsal.com));  
[KELLY.BOURASSA@blakes.com](mailto:KELLY.BOURASSA@blakes.com); Ryan Zahara  
([Ryan.Zahara@blakes.com](mailto:Ryan.Zahara@blakes.com))  
**Subject:** HYTHE - LADACOR PROJECT

**CONFIDENTIAL**

**WITHOUT PREJUDICE**

Tracy et al,

Further to our discussion regarding this matter, the Receiver has completed its analysis of estimated costs to complete the various stages of the "Hythe Project". We have also reviewed the letter sent by your counsel, Mr. Wheaton, with respect to your desired path forward.

Please find attached the following schedules:

1. Estimated Completion Costs
  - a. The Receiver has worked with its contractors (former Ladacor/Nomads project managers/employees) to understand and develop a revised draft cost estimate to complete this Hythe Project in two Options for your clients consideration;

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We understand that your letter (referenced above) directs us to your desire for Option 2, however we wanted to provide you with both options as the information was put together already.

The cost estimates for the above Options will include a portion of the Receiver's overhead/margin profit to complete the work, along with contingencies.

2. Listing of AR due from Connecting Care/Pioneer Homes for the project up to May 31, 2018 (including accrual for May work) of approximately **\$2.6 million**, including holdbacks. We would like to discuss these matters, in particular, amounts outstanding for work completed to date on the modules/site work that we need a resolution on and will form part of an Agreement to move forward with the remaining work on the project.
3. Payables: Total outstanding estimated payables on the project to date are approximately **\$1.6 million**, of which we currently identify \$130K as critical vendors.
4. Possible liens or lienable payables
  - a. We are not aware at this point of the total quantum of liens filed, but before proceeding, understanding how liens (and possible other liens) will be dealt with prior to commencement of this work will be critical.

We understand that time is of the essence and it may make sense for us to meet face to face to try to iron out the business terms and quickly as possible (and overall path forward). Once this is understood and agreed, we would ask that our counsel and yours draft a form of Accommodation Agreement that can serve to complete the work required.

Looking forward to further discussions.

Regards,  
Orest

Orest Konowalchuk, CPA, CA, CIRP, LIT  
Senior Vice President

Alvarez & Marsal Canada Inc.  
Licensed Insolvency Trustees  
Bow Valley Square IV  
Suite 1110, 250 - 6th Avenue SW  
Calgary, Alberta T2P 3H7  
Main: 403.538.7555  
Direct: 403.538.4736  
Fax: 403.538-7551  
Mobile: 403.470.7478  
Email: [okonowalchuk@alvarezandmarsal.com](mailto:okonowalchuk@alvarezandmarsal.com)  
[www.alvarezandmarsal.com](http://www.alvarezandmarsal.com)

*Alvarez & Marsal employs CPAs but is not a licensed CPA firm*

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<Hythe quote.pdf>

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the 1990s, the number of people with a mental health problem has increased by 50% (Mental Health Foundation 2000).

There is a growing awareness of the need to address the needs of people with mental health problems in the community. The Department of Health (1999) has set out a vision for the future of mental health care, which includes a focus on preventing mental health problems, supporting people with mental health problems in the community, and providing specialist services for people with severe mental health problems. The Department of Health (1999) also states that the future of mental health care should be based on a partnership between the NHS, local authorities, and the voluntary sector.

The Department of Health (1999) has also set out a number of key principles for the future of mental health care, which include: a focus on preventing mental health problems; supporting people with mental health problems in the community; providing specialist services for people with severe mental health problems; and ensuring that the future of mental health care is based on a partnership between the NHS, local authorities, and the voluntary sector.

The Department of Health (1999) also states that the future of mental health care should be based on a partnership between the NHS, local authorities, and the voluntary sector. This partnership should be based on a shared vision of the future of mental health care, and a commitment to working together to achieve this vision.

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## HYTHE & DISTRICT PIONEER HOMES ADVISORY COMMITTEE

Box 388, 10404 – 100 Street Hythe, AB T0H 2C0

PH: 780-356-3077 FAX: 780-356-3938

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June 19, 2018

Alvarez & Marsal Canada ULC

Calgary, AB

Re: Confidential / without prejudice – GO FORWARD OWNERS' AMENDING PLAN

Orest et al,

The Pioneer Place project is a supportive living project for seniors with dementia and higher care needs. Monies were advanced from the provincial government and the moral authority for this project comes from the seniors and families in need of these services in the Peace Region. In turn, there is a moral responsibility to ensure that this project happens because it is in the best interests of seniors and families needing these services.

From this perspective, the Hythe & District Pioneer Homes has key ASAP Critical Path planning actions to keep the project moving forward:

- 1) Option 2A modified –Ship modules identified on Jeff Nelson May 30<sup>th</sup> visit “as is” and deliver to site. \$131,248 plus receiver mark-up for overhead and margin within three weeks' time. Shipping subject to agreed expedited coordinated delivery outcomes.
- 2) Roofing –a waterproof membrane needs to be in place immediately to prevent more damage to all modules on site. Standard Roofing is a critical vendor for this and outstanding dollars owing to this vendor will be paid directly by Hythe (local resource and critical subcontractor) to ensure our assets are protected and further damages from water infiltration are minimized. ***No permanent roofing at this point in time for phase one is unacceptable. ALL WORK ON SITE IS AT RISK.***
- 3) Critical subcontractors –group A. From Hythe's perspective, the critical subcontractors who need immediate payment are the subcontractors needed to ensure roofing can be completed and the site is ready for the staging of C-Can's shipped from Calgary. For the staging of the site, D-Reay subcontractors must be paid immediately so that their resources can be used for dirt removal and additional site preparation. The Hythe & District Pioneer Homes is prepared to pay outstanding amounts owed to D-Ray construction to ensure staging for the shipment of C-Can modules is completed immediately.
- 4) Critical contractor –group B –foundation work and site preparation for the installation of modules around the elevator shaft. Critical subcontractors who must be paid include DFI and our concrete supplier (name?).

In relation to go forward planning and an amending agreement, the following must be noted and taken into consideration:

- 5) Construction Deficiencies (see attached), Change Orders, Contractor's A/R, Contractor's A/P & Liens; - all named categories are co-related and are subject to review and verification by Connecting Care & Payment Certifier. Monies released by the ATB for the settlement of project related expenditures will be as per the processes and practices in place for the Pioneer Place project.

Other Considerations:

- 6) Tile from Italy – shipment to Hythe to be arranged if product is scheduled to land in Calgary.
- 7) Elevator module is shown as missing. A deposit is noted as being paid. Hythe will not accept the Phoenix Elevator and the deposit is therefore forfeited. The elevator module will not be necessary because a traditional concrete pit will be created allowing for an elevator that meets the specifications used on the Red Deer Project.
- 8) Generator – Hythe will deal with supplier and would ask that Ladacor facilitate access and shipping to Hythe site.
- 9) Office, storage areas and equipment on Pioneer Place site. Hythe would like to negotiate a package deal for these items.
- 10) Crane and temporary roof trusses –immediate removal by Ladacor is required in order to prepare the site for the shipment of modules.
- 11) Planning as noted will be shared with the ATB and Connecting Care for review and feedback.

Amending agreement must note that the ongoing involvement of the Hythe & District Pioneer Homes Advisory Committee will be limited to the supply of C-CAN's completed on an "as is" basis shipped to the Hythe site. Time is of the essence and these C-Cans are required on site within three weeks' time from June 19<sup>th</sup>. All interior and exterior work to complete the Pioneer Place project henceforth will be facilitated through alternative project management resources. All site work required henceforth to complete the Pioneer Place project will be facilitated through alternative project management resources.



**HYTHE & DISTRICT PIONEER HOMES ADVISORY COMMITTEE**

Box 388, 10404 – 100 Street Hythe, AB T0H 2C0

PH: 780-356-3077 FAX: 780-356-3938

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Time is of the essence and these details must be finalized in order to ensure that a moral responsibility for the end product (dementia housing to benefit seniors and families in the Peace Region) is observed by all.

Sincerely,

Dalvin Napen

CAO, Hythe & District Pioneer Homes Advisory Committee

Cc Doug Mills, Connecting Care

Cc Tracy Palidwor, Connecting Care

Cc Chris Perrin, Board Chair, Hythe Pioneer Homes

Cc Brain Peterson, Board representative, Hythe Pioneer Homes

# HYTHE DEFICIENCIES

Exterior OSB - uneven, holes, PT filler pieces, dirty	\$	50,000.00
Water Infiltration - repairs, and rework (drywall, flooring, subfloor, millwork, insulation, paint)	\$	350,000.00
Crawlspace/Foundation Repair and Re-Work	\$	250,000.00
Weeping Tile System - remove and repair	\$	75,000.00
Mud Slab - repairs to ph. 1 & ph. 2	\$	100,000.00
Window Sill Membranes - 48 windows @ \$1750	\$	84,000.00
Uneven Floors - estimate only for ph. 1 & 2	\$	75,000.00
Uneven Ceilings/Bulkheads - estimate only for ph. 1 & 2	\$	75,000.00
Roof Repairs/Investigation	\$	15,000.00
Mould Investigation/Report/Monitoring	\$	35,000.00
Window Replacement - approximately 10 windows (\$750.00/window)	\$	7,500.00
total	\$	<u>1,116,500.00</u>

amount owing as per AR \$ 1,068,043.29

balance due to Ladacor -\$ 48,456.71



Ladacor AMS Ltd.

Customer Aged Detail As at 04/06/2018

Source	Date	Original Invoice Amount	Total Outstanding	Holdback Outstanding (not including GST)
160731-2	31/7/2016	\$ 68,040.00	\$ -	\$ 7,200.00
160831-2	31/8/2016	\$ 42,525.00	\$ -	\$ 4,500.00
160930-2	30/9/2016	\$ 32,130.00	\$ -	\$ 3,400.00
160930-3	30/9/2016	\$ 6,026.66	already invoiced	
161231-2	31/12/2016	\$ 29,156.17	\$ -	\$ 3,085.39
170131-0	31/1/2017	\$ 26,662.19	1,784.98	\$ 2,821.40
170331-0	31/3/2017	\$ 4,792.57	\$ -	\$ 507.15
170430-0	30/4/2017	\$ 4,988.19	\$ -	\$ 527.85
170531-0	31/5/2017	\$ 9,894.86	\$ -	\$ 1,047.08
170630-0	30/6/2017	\$ 513,382.23	\$ -	\$ 54,326.16
170731-0	31/7/2017	\$ 24,239.96	\$ -	\$ 2,565.08
170831-0	31/8/2017	\$ 1,364,690.64	150,713.00	\$ 144,411.71
170930-0	30/9/2017	\$ 874,575.00	\$ -	\$ 92,547.62
170930-4	30/9/2017	(\$ 20,730.68)	\$ -	\$ 2,193.72
171031-0	31/10/2017	\$ 850,242.83	\$ -	\$ 115,809.36
171031-1	31/10/2017	\$ 71,485.58	\$ -	\$ 7,564.61
171130-0	30/11/2017	\$ 664,133.67	\$ -	\$ 70,278.70
171130-1	30/11/2017	\$ 3,220.71	\$ -	\$ 340.82
171231-1	31/12/2017	\$ 14,320.66	\$ -	\$ 1,515.41
171231-11	31/12/2017	\$ 356,927.89	\$ -	\$ 37,770.15
H-18-01-01	31/1/2018	\$ 513,189.77	\$ -	\$ 54,305.80
H-18-01-02	31/1/2018	\$ 24,421.53	not approved	
H-18-02-01	28/2/2018	\$ 1,948.08	not approved	
H-18-02-02	28/2/2018	\$ 408,670.40	\$ -	\$ 43,245.54
H-18-03-02	31/3/2018	\$ 738,535.17	\$ 293,233.50	\$ 31,030.00 approved amount lower than invoice
H-18-03-01	31/3/2018	\$ 112,564.75	not approved	\$ -
H-18-04-02	30/4/2018	\$ 455,683.02	\$ 73,460.38	\$ 7,773.59 approved amount lower than invoice
H-18-05-02	18/5/2018	\$ 461,270.67	not approved	invoice not rec'd; plant shut down in March 2018, nothing shipped to site or manufactured
Supplier Payment	27/3/2018	\$ -	9,737.18	
Total outstanding:		\$ 615,282.31	\$ 452,760.98	
		Amount Owing	\$ 1,068,043.29	





May 18, 2018

1238

Hythe & District Pioneer Homes  
Box 388  
Hythe, AB T0H 2C0

Attention: Dalvin Napen

Dear Dalvin,

Re: Progress Claim No. CCDC14-22  
Points West Living, Hythe AB

We are in receipt of progress claim no. CCDC14-22 from Ladacor Advanced Modular Systems and have reviewed the breakdown.

Enclosed are:

- RPAP certificate of accounts number CCDC14-22
- Contractors invoice #-
- Contract breakdown.

The total amount of \$293,233.50, after 10% lien holdback and inclusive of GST is now recommended for payment.

The above value is based on periodic visits to the site and does not imply a detailed examination of quantities of equipment, materials installed or labor expended.

We trust you will find the above in order.

Yours truly,  
ROCKLIFF PIERZCHAJLO  
ARCHITECTS & PLANNERS LTD.

  
Jeffrey Nelson  
Associate

cc: Mike Keane, Ladacor  
J. Pierzchajlo, RPAP

#### PRINCIPALS

JAN PIERZCHAJLO  
Architect AAA, BES, MArch, MRAIC

JONATHAN ROCKLIFF  
Architect AAA, BArch, MRAIC

JAN KROMAN  
Architect AAA, BSc, MArch, MRAIC

#### ASSOCIATES

DAN LETOURNEAU  
Arch Tech Dipl

JEFFREY NELSON  
BEnvD Arch

KAREN MUIR  
Architect AAA, MArch, BASc

G KIM NORSWORTHY

PETER WONG  
Arch Tech Dipl





**ROCKLIFF  
PIERZCHAJLO  
KROMAN  
ARCHITECTS LTD.**

# CERTIFICATE OF ACCOUNTS

#400 -10722 - 103 Avenue, Edmonton, Alberta T5J 5G7  
Telephone: (780) 426 7412, Fax: (780) 425 6831  
E-Mail: Admin@RPKArchitects.com

<b>Client:</b> Hythe & District Pioneer Homes	<b>Claim Number :</b> CCDC14-22
<b>Contractor:</b> Ladacor Advanced Modular Systems	<b>Project Number:</b> 1238
	<b>Project:</b> Points West Living, Hythe AB

In accordance to the contract dated:  
and the contractor's application for payment dated

1-Jun-16  
31-Mar-18

**This is to certify the following accounts:**

Original contract amount (including allowances)	\$8,756,759.00	Work complete to date	\$ 6,447,469.12
Original contract amount (excluding allowances)	\$8,756,759.00	Present net retention	\$644,746.91
Net Change To Original	\$340,872.96	Work less retention (excl. G.S.T.)	\$5,802,722.21
Revised Contract amount (including work allowance)	\$8,415,886.04	Previous payments (excl. G.S.T.)	\$5,523,452.21
Present Contract Amount	\$9,097,631.96	Payment due for work complete	\$279,270.00
(Includes allowances)		Payment due for G.S.T (5%)	\$13,963.50
		Present recommended payment in total	\$293,233.50

**STATEMENT OF RETENTION**

Work complete to date	\$6,447,469.12
Gross lien holdback (10%)	\$644,746.91
Previous releases	\$0.00
Current Release	\$0.00
Remaining retention	\$644,746.91

This certificate is based on the estimated amount of work completed and materials supplied as per general observation on the site at the date of the contractor's application and shall not represent an accurate and precise audit.

**Date:** Friday, May 18, 2018

**ROCKLIFF PIERZCHAJLO  
KROMAN ARCHITECTS LTD.**

Copy to: ☒ Contractor ☒ Owner

Ladacor AMS

Hythe Project - Progress Claims - CCDC 14

March 31 2018



Description of Work	Contract Breakdown	% Complete	Completed to Date	Completed Previously	Completed This month	Balance to complete
Engineering	\$ 450,000.00	98%	\$ 441,000.00	\$ 441,000.00	\$	\$ 9,000.00
General Conditions	\$ 250,000.00	40%	\$ 100,000.00	\$ 100,000.00	\$	\$ 150,000.00
Mobilization	\$ 200,000.00	100%	\$ 200,000.00	\$ 200,000.00	\$	\$
Foundations - Piling (Cash Allowance)	\$ 155,000.00	85%	\$ 131,750.00	\$ 131,750.00	\$	\$ 23,250.00
Early Procurement	\$ 520,000.00	100%	\$ 520,000.00	\$ 520,000.00	\$	\$
Shop Modular Construction	\$ 5,645,459.00	88%	\$ 4,941,947.64	\$ 4,373,059.05	<del>\$ 560,000.59</del>	\$ 703,511.36
Elevator	\$ 270,758.40	30%	\$ 81,227.52	\$ 81,227.52	\$	\$ 189,530.88
Transportation and Placement	\$ 321,000.00	50%	\$ 160,500.00	\$ 160,500.00	\$	\$ 160,500.00
Modules Interconnection and Finishing	\$ 216,241.60	30%	\$ 64,872.48	\$ 64,872.48	\$	\$ 151,369.12
Common area Flooring	\$ 30,000.00	0%	\$	\$	\$	\$ 30,000.00
Common area painting	\$ 30,000.00	0%	\$	\$	\$	\$ 30,000.00
Mechanical Systems	\$ 50,000.00	0%	\$	\$	\$	\$ 50,000.00
Electrical Systems	\$ 33,300.00	0%	\$	\$	\$	\$ 33,300.00
Telephone system (Cash Allowance)	\$ 30,800.00	0%	\$	\$	\$	\$ 30,800.00
Wireless system (Cash Allowance)	\$ 35,900.00	0%	\$	\$	\$	\$ 35,900.00
Firestopping	\$ 15,000.00	0%	\$	\$	\$	\$ 15,000.00
Wood doors	\$ 18,000.00	0%	\$	\$	\$	\$ 18,000.00
Metal doors	\$ 20,759.00	0%	\$	\$	\$	\$ 20,759.00
Entrances	\$ 15,000.00	0%	\$	\$	\$	\$ 15,000.00
Canopy	\$ 10,000.00	0%	\$	\$	\$	\$ 10,000.00
Roofing	\$ 171,230.00	0%	\$	\$	\$	\$ 171,230.00
Hardie Board siding	\$ 203,311.00	0%	\$	\$	\$	\$ 203,311.00
Masonry siding	\$ 25,000.00	0%	\$	\$	\$	\$ 25,000.00
Demobilization	\$ 40,000.00	0%	\$	\$	\$	\$ 40,000.00
Total Fixed Cost Breakdown	\$ 8,756,759.00	76%	\$ 6,641,297.64	\$ 6,072,409.05	<del>\$ 569,000.59</del>	\$ 2,115,461.36
Change Order #01	\$ 265,784.12	16%	\$ 42,387.13	\$ 42,387.13	\$	\$ 223,396.99
Change Order #02	\$ 3,150.00	100%	\$ 3,150.00	\$ 3,150.00	\$	\$
Change Order #03	\$ (3,369.60)	100%	\$ (3,369.60)	\$ (3,369.60)	\$	\$
Change Order #04	\$ 75,308.44	30%	\$ 22,592.53	\$ 22,592.53	\$	\$ 52,715.91
Change Order #05	<del>\$ 31,067.52</del>	<del>87%</del>	<del>\$ 26,407.39</del>	<del>\$ 26,407.39</del>	<del>\$</del>	<del>\$ 4,660.13</del>
Link Change Order	<del>\$ 114,719.54</del>	<del>48%</del>	<del>\$ 55,065.38</del>	<del>\$ 55,065.38</del>	<del>\$</del>	<del>\$ 59,654.16</del>
M66 Mechanical Room Change Order	<del>\$ 115,407.62</del>	<del>70%</del>	<del>\$ 80,841.33</del>	<del>\$ 80,841.33</del>	<del>\$</del>	<del>\$ 34,566.29</del>
Change Order #7	<del>\$ 100,631.99</del>	<del>50%</del>	<del>\$ 50,316.00</del>	<del>\$ 50,316.00</del>	<del>\$</del>	<del>\$ 50,316.00</del>
Total Building Cost	\$ 9,459,538.63	73%	\$ 6,918,687.80	\$ 6,137,169.11	<del>\$ 701,518.69</del>	\$ 2,540,850.83
Holdback		10%	\$ (648,623.24)	\$ (570,471.37)	<del>\$ 178,151.87</del>	
Progress Billing			\$ 6,270,064.56	\$ 5,566,697.74	\$ 703,366.82	

\$310,300

\$310,300

\$310,300

(\$31,030)

\$279,270

INCORRECT CO

NOT SIGNED

NOT SIGNED

NOT SIGNED



Ladacor AMS  
Hythe Project - Progress Claims  
March 31 2018



Description of Work	Contract Breakdown	Order of Inspection	% Completed Mth	TTD	Shipped Date	Completed To Date	Previously Completed	Completed This Month	Balance to Complete
CCDC 14:									
HT-01	\$ 86,853		0%	95%	13-Feb-18	\$ 82,511	\$ 82,511	\$	\$ 4,343
HT-02	\$ 86,853		0%	95%	12-Oct-17	\$ 82,511	\$ 82,511	\$	\$ 4,343
HT-03	\$ 86,853		0%	95%	16-Feb-18	\$ 82,511	\$ 82,511	\$	\$ 4,343
HT-04	\$ 86,853		0%	95%	17-Oct-17	\$ 82,511	\$ 82,511	\$	\$ 4,343
HT-05	\$ 86,853		0%	95%	13-Feb-18	\$ 82,511	\$ 82,511	\$	\$ 4,343
HT-06	\$ 86,853		0%	95%	13-Feb-18	\$ 82,511	\$ 82,511	\$	\$ 4,343
HT-07	\$ 86,853		0%	95%	14-Feb-18	\$ 82,511	\$ 82,511	\$	\$ 4,343
HT-08	\$ 86,853		0%	95%	14-Feb-18	\$ 82,511	\$ 82,511	\$	\$ 4,343
HT-09	\$ 86,853		0%	95%	10-Oct-17	\$ 82,511	\$ 82,511	\$	\$ 4,343
HT-10	\$ 86,853		0%	95%	10-Oct-17	\$ 82,511	\$ 82,511	\$	\$ 4,343
HT-11	\$ 86,853		0%	95%	10-Oct-17	\$ 82,511	\$ 82,511	\$	\$ 4,343
HT-12	\$ 86,853		0%	95%	10-Oct-17	\$ 82,511	\$ 82,511	\$	\$ 4,343
HT-13	\$ 86,853		0%	95%	16-Feb-18	\$ 82,511	\$ 82,511	\$	\$ 4,343
HT-14	\$ 86,853		0%	95%	16-Feb-18	\$ 82,511	\$ 82,511	\$	\$ 4,343
HT-15	\$ 86,853		0%	95%	16-Feb-18	\$ 82,511	\$ 82,511	\$	\$ 4,343
HT-16	\$ 86,853		0%	95%	16-Feb-18	\$ 82,511	\$ 82,511	\$	\$ 4,343
HT-17	\$ 86,853		0%	95%	16-Oct-17	\$ 82,511	\$ 82,511	\$	\$ 4,343
HT-18	\$ 86,853		0%	95%	16-Oct-17	\$ 82,511	\$ 82,511	\$	\$ 4,343
HT-19	\$ 86,853		0%	95%	16-Oct-17	\$ 82,511	\$ 82,511	\$	\$ 4,343
HT-20	\$ 86,853		0%	95%	16-Oct-17	\$ 82,511	\$ 82,511	\$	\$ 4,343
HT-21 - (S2)	\$ 86,853		0%	95%	14-Feb-18	\$ 82,511	\$ 82,511	\$	\$ 4,343
HT-22 - (S1)	\$ 86,853		0%	95%	22-Nov-17	\$ 82,511	\$ 82,511	\$	\$ 4,343
HT-23	\$ 86,853		0%	95%		\$ 82,511	\$ 82,511	\$	\$ 4,343
HT-24	\$ 86,853		0%	95%		\$ 82,511	\$ 82,511	\$	\$ 4,343
HT-25	\$ 86,853		0%	95%	13-Oct-17	\$ 82,511	\$ 82,511	\$	\$ 4,343
HT-26	\$ 86,853		0%	95%	13-Oct-17	\$ 82,511	\$ 82,511	\$	\$ 4,343
HT-27	\$ 86,853		0%	95%		\$ 82,511	\$ 43,427	39,084	\$ 4,343
HT-28	\$ 86,853		0%	95%		\$ 82,511	\$ 43,427	39,084	\$ 4,343
HT-29	\$ 86,853		0%	95%	25-Oct-17	\$ 82,511	\$ 82,511	\$	\$ 4,343
HT-30	\$ 86,853		0%	95%	25-Oct-17	\$ 82,511	\$ 82,511	\$	\$ 4,343
HT-31	\$ 86,853		0%	95%	26-Feb-18	\$ 82,511	\$ 82,511	\$	\$ 4,343
HT-32	\$ 86,853		0%	95%	26-Feb-13	\$ 82,511	\$ 82,511	\$	\$ 4,343
HT-33	\$ 86,853		0%	95%		\$ 82,511	\$ 52,112	30,399	\$ 4,343
HT-34	\$ 86,853		0%	95%		\$ 82,511	\$ 52,112	30,399	\$ 4,343
HT-35	\$ 86,853		0%	95%	27-Feb-18	\$ 82,511	\$ 82,511	\$	\$ 4,343
HT-36	\$ 86,853		0%	95%	27-Feb-18	\$ 82,511	\$ 82,511	\$	\$ 4,343
HT-37	\$ 86,853		0%	95%		\$ 82,511	\$ 17,371	65,140	\$ 4,343
HT-38	\$ 86,853		0%	95%		\$ 82,511	\$ 26,056	56,455	\$ 4,343
HT-39 - Roofadors 1	\$ 86,853		0%	95%	12-Dec-17	\$ 82,511	\$ 82,511	\$	\$ 4,343
HT-40 - Roofadors 2	\$ 86,853		0%	95%	28-Feb-18	\$ 82,511	\$ 69,483	13,028	\$ 4,343
HT-41	\$ 86,853		0%	0%		\$	\$	\$	\$ 86,853
HT-42	\$ 86,853		0%	95%	23-Oct-17	\$ 82,511	\$ 82,511	\$	\$ 4,343
HT-43	\$ 86,853		0%	0%		\$	\$	\$	\$ 86,853
HT-44	\$ 86,853		0%	95%	25-Oct-17	\$ 82,511	\$ 82,511	\$	\$ 4,343
HT-45	\$ 86,853		0%	95%	6-Mar-18	\$ 82,511	\$ 78,168	4,343	\$ 4,343
HT-46	\$ 86,853		0%	95%	6-Mar-18	\$ 82,511	\$ 34,741	47,769	\$ 4,343
HT-47	\$ 86,853		0%	0%		\$	\$	\$	\$ 86,853
HT-49	\$ 86,853		0%	95%	22-Nov-17	\$ 82,511	\$ 82,511	\$	\$ 4,343
HT-50	\$ 86,853		0%	95%		\$ 82,511	\$ 82,511	\$	\$ 4,343
HT-51	\$ 86,853		0%	95%		\$ 82,511	\$ 52,112	30,399	\$ 4,343
HT-52	\$ 86,853		0%	25%		\$ 21,713	\$ 8,685	13,028	\$ 65,140
HT-53	\$ 86,853		0%	60%		\$ 52,112	\$ 8,685	43,427	\$ 34,741
HT-54	\$ 86,853		0%	95%		\$ 82,511	\$ 17,371	65,140	\$ 4,343
HT-55	\$ 86,853		0%	95%	13-Nov-17	\$ 82,511	\$ 82,511	\$	\$ 4,343
HT-56	\$ 86,853		0%	95%	13-Nov-17	\$ 82,511	\$ 82,511	\$	\$ 4,343
HT-57	\$ 86,853		0%	95%		\$ 82,511	\$ 26,056	56,455	\$ 4,343
HT-58	\$ 86,853		0%	95%	17-Nov-17	\$ 82,511	\$ 82,511	\$	\$ 4,343

the 1990s, the number of people in the UK with a long-term condition has increased by 50% (Department of Health 2000).

There is a growing emphasis on the need to improve the quality of life of people with long-term conditions. The Department of Health (2000) has set out a vision of a new paradigm of care for people with long-term conditions, where the focus is on the person, rather than the condition. This vision is based on the principles of self-management, where people are encouraged to take control of their own health and well-being, and to work in partnership with their healthcare professionals. This approach is based on the belief that people with long-term conditions are not just passive recipients of care, but active participants in their own care.

Self-management is a process that involves people with long-term conditions taking control of their own health and well-being, and working in partnership with their healthcare professionals. This process is based on the principles of self-management, where people are encouraged to take control of their own health and well-being, and to work in partnership with their healthcare professionals. This approach is based on the belief that people with long-term conditions are not just passive recipients of care, but active participants in their own care.

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May 18, 2018

1238

Hythe & District Pioneer Homes  
Box 388  
Hythe, AB T0H 2C0

Attention: Dalvin Napen

Dear Dalvin,

Re: Progress Claim No. CCDC14-23  
Points West Living, Hythe AB

We are in receipt of progress claim no. CCDC14-23 from Ladacor Advanced Modular Systems and have reviewed the breakdown.

Enclosed are:


- RPAP certificate of accounts number CCDC14-23
- Contractors invoice #-
- Contract breakdown.

The total amount of \$73,460.38, after 10% lien holdback and inclusive of GST is now recommended for payment.

The above value is based on periodic visits to the site and does not imply a detailed examination of quantities of equipment, materials installed or labor expended.

We trust you will find the above in order.

Yours truly,  
ROCKLIFF PIERZCHAJLO  
ARCHITECTS & PLANNERS LTD.

  
Jeffrey Nelson  
Associate

cc: Mike Keane, Ladacor  
J. Pierzchajlo, RPAP

#### PRINCIPALS

JAN PIERZCHAJLO  
Architect AAA, BES, MArch, MRAIC

JONATHAN ROCKLIFF  
Architect AAA, BArch, MRAIC

JAN KROMAN  
Architect AAA, BSc, MArch, MRAIC

#### ASSOCIATES

DAN LETOURNEAU  
Arch Tech Dipl

JEFFREY NELSON  
BEnvD Arch

KAREN MUIR  
Architect AAA, MArch, BASc

G KIM NORSWORTHY

PETER WONG  
Arch Tech Dipl



**ROCKLIFF  
PIERZCHAJLO  
KROMAN  
ARCHITECTS LTD.**

# CERTIFICATE OF ACCOUNTS

#400 -10722 - 103 Avenue, Edmonton, Alberta T5J 5G7  
Telephone: (780) 426 7412, Fax: (780) 425 6831  
E-Mail: Admin@RPKArchitects.com

<b>Client:</b>	Hythe & District Pioneer Homes	<b>Claim Number :</b>	CCDC14-23
<b>Contractor</b>	Ladacor Advanced Modular Systems	<b>Project Number:</b>	1238
		<b>Project:</b>	Points West Living, Hythe AB

In accordance to the contract dated:  
and the contractor's application for payment dated

1-Jun-16  
30-Apr-18

**This is to certify the following accounts:**

Original contract amount (including allowances)	\$8,756,759.00	Work complete to date	\$ 6,525,204.97
Original contract amount (excluding allowances)	\$8,756,759.00	Present net retention	\$652,520.50
Net Change To Original	\$340,872.96	Work less retention (excl. G.S.T.)	\$5,872,684.47
Revised Contract amount (including work allowance)	\$8,415,886.04	Previous payments (excl. G.S.T.)	\$5,802,722.21
Present Contract Amount	\$9,097,631.96	Payment due for work complete	\$69,962.26
(Includes allowances)		Payment due for G.S.T (5%)	\$3,498.11
		Present recommended payment in total	\$73,460.38

**STATEMENT OF RETENTION**

Work complete to date	\$6,525,204.97
Gross lien holdback (10%)	\$652,520.50
Previous releases	\$0.00
Current Release	\$0.00
Remaining retention	\$652,520.50

This certificate is based on the estimated amount of work completed and materials supplied as per general observation on the site at the date of the contractor's application and shall not represent an accurate and precise audit.

**Date: Friday, May 18, 2018**

**ROCKLIFF PIERZCHAJLO  
KROMAN ARCHITECTS LTD.**

Copy to: ☒ Contractor ☒ Owner



**Ladacor AMS Ltd.**729 - 24 Avenue SE  
Calgary, Alberta T2G 1P5**INVOICE**Invoice No.: H-18-04-02  
Date: 04/05/2018  
Ship Date:  
Page: 1  
Re: Order No.**Sold to:**Hythe & District Pioneer Homes  
Attention: Dalvin Napen  
Box 388  
Hythe, AB T0H 2C0**Ship to:**Hythe & District Pioneer Homes  
Attention: Dalvin Napen  
Box 388  
Hythe, AB T0H 2C0

Business No.: 702190521

Item No.	Description	Tax	Amount
	HYTHE SUPPORTIVE LIVING-PROGRESS DRAW APRIL 2018		
	CCDC14 BUILDING WORKS:		
	GENERAL CONDITIONS 10% OF \$250,000 (50% COMPLETE)	G	25,000.00
	SHOP MODULAR CONSTRUCTION 1% OF \$5,645,459 (89% COMPLETE)	G	91,196.99
	TRANSPORTATION AND PLACEMENT 5% OF \$321,000 (55% COMPLETE)	G	16,050.00
	MODULES INTERCONNECTION AND FINISHING 10% OF \$216,241.60 (40% COMPLETE)	G	21,624.16
	CHANGE ORDER #4 20% OF \$75,308.44 (50% COMPLETE)	G	15,061.69
	CHANGE ORDER -EMERGENCY GENERATOR 90% OF \$348,080.44	G	313,272.48
	10% HOLD BACK	G	-48,220.42
	G - GST 5%		
	GST		21,699.19
	REFER TO THE PROJECT BREAKDOWN FOR DETAILS		
Shipped By:	Tracking Number:	Total Amount	<del>-455,683.02</del>
Comment:	Net 30 days. 18% Annual Interest Charge on Overdue Amounts. Thank you for your business.	Amount Paid	0.00
Sold By:		Amount Owing	455,683.02

\$73,460.38



Ladacor AMS

Hythe Project - Progress Claims - CCDC 14

April 30, 2018



0% FOR MODULAR CONSTRUCTION  
FACTORY HAS BEEN IN SHUTDOWN  
SINCE MARCH 19, 2018

Description of Work	Contract Breakdown	% Complete	Completed to Date	Completed Previously	Completed This month	Balance to complete
Engineering	\$ 450,000.00	98%	\$ 441,000.00	\$ 441,000.00	\$	\$ 9,000.00
General Conditions	\$ 250,000.00	50%	\$ 125,000.00	\$ 100,000.00	\$ 25,000.00	\$ 125,000.00
Mobilization	\$ 200,000.00	100%	\$ 200,000.00	\$ 200,000.00	\$	\$
Foundations - Piling (Cash Allowance)	\$ 155,000.00	85%	\$ 131,750.00	\$ 131,750.00	\$	\$ 23,250.00
Early Procurement	\$ 520,000.00	100%	\$ 520,000.00	\$ 520,000.00	\$	\$
Shop Modular Construction	\$ 5,645,459.00	89%	\$ 5,033,143.64	\$ 4,941,947.64	\$ -91,196.00	\$ 612,315.36
Elevator	\$ 270,758.40	30%	\$ 81,227.52	\$ 81,227.52	\$	\$ 189,530.88
Transportation and Placement	\$ 321,000.00	55%	\$ 176,550.00	\$ 160,500.00	\$ 16,050.00	\$ 144,450.00
Modules Interconnection and Finishing	\$ 216,241.60	40%	\$ 86,496.64	\$ 64,872.48	\$ 21,624.16	\$ 129,744.96
Common area Flooring	\$ 30,000.00	0%	\$	\$	\$	\$ 30,000.00
Common area painting	\$ 30,000.00	0%	\$	\$	\$	\$ 30,000.00
Mechanical Systems	\$ 50,000.00	0%	\$	\$	\$	\$ 50,000.00
Electrical Systems	\$ 33,300.00	0%	\$	\$	\$	\$ 33,300.00
Telephone system (Cash Allowance)	\$ 30,800.00	0%	\$	\$	\$	\$ 30,800.00
Wireless system (Cash Allowance)	\$ 35,900.00	0%	\$	\$	\$	\$ 35,900.00
Firestopping	\$ 15,000.00	0%	\$	\$	\$	\$ 15,000.00
Wood doors	\$ 18,000.00	0%	\$	\$	\$	\$ 18,000.00
Metal doors	\$ 20,759.00	0%	\$	\$	\$	\$ 20,759.00
Entrances	\$ 15,000.00	0%	\$	\$	\$	\$ 15,000.00
Canopy	\$ 10,000.00	0%	\$	\$	\$	\$ 10,000.00
Roofing	\$ 171,230.00	0%	\$	\$	\$	\$ 171,230.00
Hardie Board siding	\$ 203,311.00	0%	\$	\$	\$	\$ 203,311.00
Masonry siding	\$ 25,000.00	0%	\$	\$	\$	\$ 25,000.00
Demobilization	\$ 40,000.00	0%	\$	\$	\$	\$ 40,000.00
Total Fixed Cost Breakdown	\$ 8,756,759.00	78%	\$ 6,795,167.80	\$ 6,641,297.64	\$ 153,870.16	\$ 1,961,591.20
Change Order #01	\$ 265,784.12	16%	\$ 42,387.13	\$ 42,387.13	\$	\$ 223,396.99
Change Order #02	\$ 3,150.00	100%	\$ 3,150.00	\$ 3,150.00	\$	\$
Change Order #03	\$ (3,369.60)	100%	\$ (3,369.60)	\$ (3,369.60)	\$	\$
Change Order #04	\$ 75,308.44	50%	\$ 37,654.22	\$ 22,592.53	\$ 15,061.69	\$ 37,654.22
Change Order #05	\$ 35,067.52	85%	\$ 26,407.39	\$ 26,407.39	\$	\$ 4,660.13
Link Change Order	\$ 134,719.54	48%	\$ 55,065.30	\$ 55,065.38	\$	\$ 59,654.16
Mechanical Room Change Order	\$ 115,487.62	70%	\$ 80,841.33	\$ 80,841.33	\$	\$ 34,646.29
Change Order #7	\$ 100,631.99	50%	\$ 50,316.00	\$ 50,316.00	\$	\$ 50,316.00
Change Order -Emergency Generator	\$ 348,080.44	90%	\$ 313,272.40	\$	\$ -333,272.40	\$ 34,808.04
Total Building Cost	\$ 9,807,619.07	75%	\$ 7,400,892.05	\$ 6,918,687.80	\$ 1,111,204.25	\$ 2,406,727.02
Holdback		10%	\$ (618,691.80)	\$ (570,471.37)	\$ -48,220.43	
Progress Billing			\$ 6,782,200.25	\$ 6,348,216.43	\$ -433,983.82	

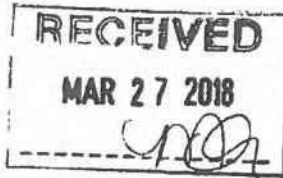
\$77,735.85

\$7,773.59

\$69,962.26

**PLEASE REMIT TO**

TOTAL POWER LIMITED  
6450 KESTREL RD  
MISSISSAUGA, ON L5T 1Z7  
Phone: (905) 670-1535

**INVOICE**

INVOICE NUMBER 22352-10  
INVOICE DATE 2/27/2018  
PO NUMBER 131800-1078  
HST/GST NUMBER 86702 8029  
TOTAL DUE \$169,575.00

**BILL TO**

LADACOR AMS LTD.  
729 - 24 AVE. SE  
CALGARY, AB T2G 1P5  
Phone: (587) 352-5922

**JOB ADDRESS**

LADACOR AMS LTD.  
729-24 AVE SE  
CALGARY, ALBERTA T2G1P5

**Description**

One Model SG300 Generac Generator  
300kW, 347/600V, Standby, Gaseous, 3 Ph Unit  
S/N: 3002716405

Two Model J07ATBA302D0R5XM Asco Automatic Transfer Switch  
200A, 347/600V  
S/N: 1668343-1, 1668343-2

Standard 2yr Factory Warranty Included.

Project #:	
Cost Code:	26 77 10
PM Approval:	<i>[Signature]</i>
CM Approval:	<i>[Signature]</i>

**Job**

22352 - HYTHE PIONEER HOMES

Customer Number	Contract Number	Payment Terms	Due Date	Shipping Method
LADAC001		NET 30	4/26/2018	DEFAULT

Billing Amount	\$161,500.00
Retention Withheld	\$0.00
Retention Due	\$0.00
Subtotal	\$161,500.00
Miscellaneous	\$0.00
GST ON SALES	\$8,075.00
Total Tax	\$8,075.00
Total	\$169,575.00

*Emergency Generator  
Change order*

Ladacor's progress bill indicates \$313,272.40? Where is the other backup to support the invoiced amount?

RPK:

THIS IS AN INVOICE. NOT A CHANGE ORDER.

TERMS: NET 30 DAYS FROM DATE OF INVOICE. OVERDUE INVOICES ARE SUBJECT TO A 2% LATE PAYMENT FEE PER MONTH, TO A MAXIMUM OF 24% PER ANNUM.

No returns accepted on special orders, manuals or electrical parts. Returns for applicable items must be accompanied by this invoice and be made within fifteen (15) days from receipt of this invoice, failing which it will be deemed that the Customer is satisfied. All claims and returns must qualify for return under the Total Power returns policy - contact office for details.

The Purchaser, for good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), hereby grants to the Seller, and the Seller takes, a Security Interest and/or a Purchase Money Security Interest in the merchandise supplied under this invoice and the proceeds from the disposition thereof and the proceeds of the proceeds (the "Collateral") to the extent that the value is applied to acquire such rights. Both the Purchaser and the Seller agree that they intend the security interest hereby granted to be in the nature of a continuing, specific and fixed security interest and that it shall attach upon receipt of this invoice. The Purchaser's failure to make any payment of any of the liabilities owed to the Seller (including for unpaid purchase price, interest and other charges and penalties) shall constitute a default hereunder. Upon any act of default by the Purchaser, the Seller (and a Receiver as applicable) to the extent permitted by law, will have the right to take possession of the Collateral, after a reasonable demand notice. However, this shall not be the Seller's only remedy and it shall be in addition to any other remedies the Seller may have for the Purchaser's default. 11- Seller hereby expressly disclaims all warranties, either expressed or implied, including any implied warranty of merchantability or fitness for a particular purpose. Seller's employees oral statements do not constitute warranties, shall not be relied upon by the Purchaser and are not part of the Contract of Sale. Please pay by invoice.

# Schedule "G"



**From:** Tracy Palidwor [<mailto:tracy.palidwor@connectingcare.ca>]  
**Sent:** Thursday, June 28, 2018 12:03 PM  
**To:** Konowalchuk, Orest <[okonowalchuk@alvarezandmarsal.com](mailto:okonowalchuk@alvarezandmarsal.com)>  
**Cc:** Dalvin Napen <[Admin@hythepioneerhomes.ca](mailto:Admin@hythepioneerhomes.ca)>; [brian2280034@gmail.com](mailto:brian2280034@gmail.com)  
**Subject:** FW: Hythe Roofing Proposal - Standard Roofing - 2018.june.28  
**Importance:** High

Good morning Orest,

Further to our conversation yesterday morning, attached is a copy of the estimate from Standard Roofing for the Hythe expansion.

We would like to get an agreement in place so that we (Hythe Pioneer Homes) can undertake the work.

I have reached out to our QS, Cuthbert Smith, with respect to the deficiencies; third party inspection to quantify the deficiency amount.

It would be greatly appreciated if you could return my voice mail from this morning as I'd like to get things rolling, so that we are able to do the work needed.

I would also like to co-ordinate a site inspection with yourselves, so if you could please let me know when your team is scheduling their visit, it would be appreciated.

Thank you,  
-tp

**Tracy Palidwor** | Project Manager  
**Connecting Care (2000) Inc.** • #503 10158 103 Street • Edmonton, AB • T5J 0X6  
P: 780.423.5959 EXT. 215 • C: 780.237.6094 • F: 780.451.0499 • E: [tracy.palidwor@connectingcare.ca](mailto:tracy.palidwor@connectingcare.ca)  
[www.connectingcare.ca](http://www.connectingcare.ca) • *"Building Person-Centered Communities"*

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the 1990s, the number of people in the UK who are aged 65 and over has increased by 1.5 million (1990–2000) and is projected to increase by a further 1.5 million by 2020 (Office for National Statistics 2001). The number of people aged 65 and over is projected to increase from 10.5 million in 1990 to 12.5 million in 2020, with the number of people aged 75 and over increasing from 4.5 million to 6.5 million in the same period (Office for National Statistics 2001).

There is a growing awareness of the need to address the health care needs of the ageing population. The Department of Health (2000) has identified the need to develop a new approach to health care for the ageing population, one that is based on a partnership between the health care system and the community. The Department of Health (2000) has identified the need to develop a new approach to health care for the ageing population, one that is based on a partnership between the health care system and the community.

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11413 - 101ST STREET  
GRANDE PRAIRIE AB T8V 2R8  
PHONE: (780) 539-4880  
FAX: (780) 532-3805 17-146-1B



**STANDARD**  
ROOFING & EXTERIORS LTD.

## CONTRACT PROPOSAL



BUILD-UP ROOFING  
SHINGLING  
SHEET METAL  
COMMERCIAL CLADDING  
SINGLE PLY ROOFING SYSTEM

PROPOSAL SUBMITTED TO 17-146-1B		PHONE 780-952-1723	DATE June 28/ 2018
Clark Builders 4703-52 Avenue Edmonton, Alberta T6B-3R6		JOB NAME Hythe Pioneer Homes Supportive living Development	
VIA FAX: darcy.fortier@clarkbuilders.com		JOB LOCATION Hythe, AB	
ATTENTION: Darcy Fortier			

We are pleased to submit the following proposal:

**2 Ply SBS Roofing, Asphalt Shingles & Related Sheet Metal Flashings**  
To supply and install 2 ply SBS roofing, Asphalt shingles and related sheet metal flashings on an approximate roof area 26,500 square feet, to the following specification.

**2-Ply SBS Roofing**

- onto exterior plywood (supply and install by others)
- tyvek bybuilding wrap (mechanically fasten)
- tapered EPS insulation (mechanically fasten)
- 1" fibreboard (mopped in asphalt)
- 95 FS base sheet (mopped in asphalt)
- 180 peel and stick base stripping
- 180 GR torch cap sheet and stripping
- 26 ga. pre-painted roof related sheet metal flashing (standard color only)

**Asphalt Shingles**

- onto exterior plywood (supply and install by others)
- peel and stick underlay membrane
- asphalt shingles (iko cambridge)
- 26 ga. pre-painted drip flashing (standard color only)

Price... \$230,930.00


**Note...** 1. Cant strip is not included

\*\* OUR QUOTE DOES NOT INCLUDE GST

**We Propose** hereby furnish material and labour, complete in accordance with above specifications, for the sum of :  
AS SHOWN ABOVE \_\_\_\_\_ dollars [ \$ ]

Payment to be made as follows:  
NET 30 DAYS

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra cost will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Our workers are fully covered by Workman's Compensation Insurance.

Authorized Signature   
Note: This proposal may be withdrawn by us if not accepted within 30 days.

**Acceptance of Proposal** The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Signature \_\_\_\_\_  
Signature \_\_\_\_\_  
Date of Acceptance \_\_\_\_\_

By accepting this contract proposal you authorize us to use your personal information as needed as outlined in our privacy policy.

**FREE ESTIMATES  
GUARANTEED WORK**



# Schedule "H"

**From:** Artem, Chad [<mailto:cartem@alvarezandmarsal.com>]  
**Sent:** Tuesday, July 03, 2018 8:20 PM  
**To:** Tracy Palidwor  
**Cc:** Konowalchuk, Orest; Zahara, Ryan; Bourassa, Kelly; Wilson Bohorquez; Larry Slywka  
**Subject:** Roofing work access agreement

Hi Tracy, happy to speak about this tonight or tomorrow while on site, however wanted to get this over to you.

We understand there is urgency to get the roof work done, however as Receiver and for transparency and stability moving forward, we require documentation that expressly communicates what work is being done/proposed and our constraints (primarily no risk to Receiver) in allowing the subcontractor access to the site etc. We have also included a relatively small fee for supervisory time, an equipment usage fee (if the Subcontractor so chose to require it / use it) as well as a small fee for moving our equipment and materials off the site (as requested). We are asking for the estimated fee (\$20K) upfront and we will remit balances back to Connecting Care/Pioneer should we not incur the full amount of the retainer.

Please call my cell if any questions etc., otherwise happy to discuss on site tomorrow.

Regards,  
Chad

**Chad Artem, CPA, CA, CBV**  
Director  
Alvarez & Marsal Canada  
Calgary, Alberta

Mobile 403.689.2113  
Office 403.538.7518  
Email [cartem@alvarezandmarsal.com](mailto:cartem@alvarezandmarsal.com)

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July \_\_, 2018

**Hythe and District Pioneer Homes**  
Box 388, 10404 – 100 Street  
Hythe, Alberta T0H 2C0

Attention: Tracy Palidwor

**Re: Accommodation and Access Agreement for Completion of Certain Work on  
Hythe and District Pioneer Homes Development**

On November 25, 2016, Hythe and District Pioneer Homes Advisory Committee (“**Hythe Homes**” or the “**Owner**”) entered into a Design-Build Stipulated Price Contract and Cost Plus Contract (together, the “**Contract**”) with Nomads Pipeline Consulting Ltd., operating as Ladacor (“**Ladacor**” or the “**Contractor**”) for the construction of the Hythe and District Pioneer Homes Development (the “**Project**”).

On May 18, 2018 (the “**Receivership Date**”), Alvarez & Marsal Canada Inc. LIT was appointed to act as receiver and manager (the “**Receiver**”) of Ladacor pursuant to an order (the “**Receivership Order**”) granted by the Court of Queen’s Bench of Alberta (the “**Court**”). The Receiver was appointed over all of the properties, assets and undertaking of Ladacor, including the Project.

The Receiver is prepared to allow Standard Roofing & Exteriors Ltd. (the “**Subcontractor**”) to perform work on the Project to the extent necessary to complete the scope of work set out below. Hythe Homes agrees to provide certain financial and other accommodations set out in this accommodation agreement (the “**Agreement**”).

1. **Work.** The Receiver agrees to allow the Subcontractor to work on and complete the scope of work (the “**Roofing Work**”) attached as Schedule “A” hereto. The Owner and Subcontractor hereby agree to abide by section GC 2.6.2 of the Contract in respect of the Roofing Work being performed by the Subcontractor.

2. **Termination.** The Owner acknowledges that if this Agreement is terminated for any reason, including for the failure of the Subcontractor to perform any covenant or obligation, the Receiver shall not be personally liable for any loss, liability or expense incurred or suffered by the Owner arising out of this Agreement regarding the Roofing Work, except where such loss, liability or expense is the result of the gross negligence or willful misconduct of the Receiver.

3. **“As is, where is” Basis.** The Owner hereby acknowledges and agrees that the Roofing Work shall be completed by the Subcontractor and transferred to it by the Receiver as part of the Project only on an “as is, where is” basis and without any

representation, warranty, agreement or condition, express or implied, direct or collateral, statutory or otherwise, as to fitness for any particular purpose, quality, merchantability and any conditions or warranties express or implied by the *Sale of Goods Act* (Alberta).

4. **Payments.** The Owner will pay to the Receiver the aggregate estimated amount of CDN\$20,000 (the "**Access Payments**") as genuine pre-estimate of the amounts to be incurred by the Receiver for the Subcontractor to complete the Roofing Work (as set out below) by way of wire transfer or other immediately available funds to the bank account of the Receiver set out in Schedule "B" upon execution of this Agreement and as follows:

(a) **Supervisory/Safety Fee:** To be charged at a rate of \$500.00 per day for so long as the Subcontractor is performing the Roofing Work and will be invoiced. The Receiver anticipates, and the Owner agrees, that the expected time period for the roofing work is approximately 15 to 20 calendar days. (Estimated to be approximately \$7,000)

(b) **Equipment Fee:** To be charged based on reasonable equipment rates for Ladacor-owned equipment and tools for so long as the Subcontractor is performing the Roofing Work, including, but not limited to:

- a. Zoom boom monthly cost \$3,800.00. Daily rate will be \$275.00;
- b. Genie lift monthly rate \$3,600.00. Daily rate will be \$250.00; and
- c. Scissor lift monthly rate \$3,000.00. Daily rate will be \$200.00.

(Estimated to be approximately \$7,000)

(c) **Moving Fee:** To be charged based on a reasonable rate for moving equipment, tools, trailers and anything else required to be moved off of the Project site for as the purpose of the Subcontractor to perform the Roofing Work. The Receiver estimates, and the Owner agrees, to a fee of \$3,000.00 (plus GST) (Equal to two Ladacor site employees, working 40 hours at their rates to prepare site for Subcontractor).

5. **Work Schedule.** The Subcontractor will use its best efforts to complete the Roofing Work in accordance with the schedule set out in Schedule "A", as expeditiously as possible.

6. **Review and Inspection.** The Owner shall have access to the Roofing Work at all times, subject to the reasonable notification to the Subcontractor and the Receiver of the date and time of that access. The Subcontractor, upon reasonable notice, shall provide sufficient, safe and proper facilities at all times for the review and inspection of the Roofing Work by the Owner.

7. **Liability.** The Owner acknowledges that the Receiver will not be liable in any way for the Roofing Work performed by the Subcontractor, except where any loss,



liability or expense is the result of the gross negligence or willful misconduct of the Receiver. Nor will the Receiver be responsible in any way for any incremental costs of the Roofing Work due to the current state of the Project, including any perceived deficiencies in the Project.

8. **Governing Law.** This Agreement shall be construed in accordance with and governed by the laws of the Province of Alberta and the federal laws of Canada applicable therein and the parties shall attorn to the jurisdiction of the Alberta Court of Queen's Bench, or otherwise as may be applicable.

9. **Warranty.** The Owner acknowledges and agrees that any Remaining Work performed pursuant to this Agreement shall be without warranty and the Receiver shall not be liable for any loss, liability or expense incurred or suffered by the Owner in any way in connection with the Remaining Work, except where such loss, liability or expense is the result of the gross negligence or willful misconduct of the Receiver.

10. **Indemnity.** The Owner agrees to indemnify and save harmless the Receiver from any damages, loss, cost or liability (including reasonable legal fees and the cost of enforcing this indemnity) arising out of or resulting from the Subcontractor's performance of its obligations under this Agreement.

11. **Counterparts.** This Agreement may be executed and delivered by way of facsimile or by email using secure portable document format (.pdf) and in any number of counterparts each of which when executed and delivered is an original but all of which taken together constitute one and the same instrument.

12. **Time of the Essence.** For each provision of this Agreement, time is of the essence.

13. **Assignment and Enurement.** This Agreement shall enure to the benefit of, and be binding on, the parties hereto and their successors and permitted assigns.

**[Remainder of page left intentionally blank, signature pages to follow]**

Yours very truly,

**ALVAREZ & MARSAL CANADA  
INC., solely in its capacity as  
receiver and manager of LADACOR  
AMS LTD., and not in its personal  
or corporate capacity,**

by: \_\_\_\_\_  
Name:  
Title:

**ACCEPTED and AGREED as of the date written above:**

**HYTHE AND DISTRICT PIONEER  
HOMES ADVISORY COMMITTEE.**

by: \_\_\_\_\_  
Name:  
Title:

**STANDARD ROOFING AND  
EXTERIORS LTD.**

By: \_\_\_\_\_  
Per:  
Title:

**Schedule A – Scope of Remaining Work and Schedule**

**Schedule B**

Accommodation Account Information

**BANK:**  
**BANK ADDRESS:**  
**BANK NUMBER:**  
**BRANCH NUMBER:**  
**SWIFT CODE:**  
**ACCOUNT NAME:**  
**ACCOUNT NUMBER:**



11413 - 101 STREET  
GRANDE PRAIRIE AB T8V 2R8  
PHONE: (780) 539-4880  
FAX: (780) 532-3805 17-146-1B



**STANDARD**  
ROOFING & EXTERIORS LTD.

## CONTRACT PROPOSAL



BUILD-UP ROOFING  
SHINGLING  
SHEET METAL  
COMMERCIAL CLADDING  
SINGLE PLY ROOFING SYSTEM

PROPOSAL SUBMITTED TO <b>17-146-1B</b>	PHONE 780-952-1723	DATE June 28/ 2018
Clark Builders 4703-52 Avenue Edmonton, Alberta T6B-3R6	JOB NAME Hythe Pioneer Homes Supportive living Development	
VIA FAX: darcy.fortier@clarkbuilders.com	JOB LOCATION Hythe, AB	
ATTENTION: Darcy Fortier		

We are pleased to submit the following proposal:

**2 Ply SBS Roofing, Asphalt Shingles & Related Sheet Metal Flashings**  
To supply and install 2 ply SBS roofing, Asphalt shingles and related sheet metal flashings on an approximate roof area 26,500 square feet, to the following specification.

**2-Ply SBS Roofing**

- onto exterior plywood (supply and install by others)
- tyvek bybuilding wrap (mechanically fasten)
- tapered EPS insulation (mechanically fasten)
- 1" fibreboard (mopped in asphalt)
- 95 FS base sheet (mopped in asphalt)
- 180 peel and stick base stripping
- 180 GR torch cap sheet and stripping
- 26 ga. pre-painted roof related sheet metal flashing (standard color only)

**Asphalt Shingles**

- onto exterior plywood (supply and install by others)
- peel and stick underlay membrane
- asphalt shingles (iko cambridge)
- 26 ga. pre-painted drip flashing (standard color only)

Price... \$230,930.00

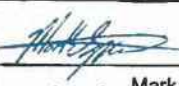
**Note...** 1. Cant strip is not included

\*\* OUR QUOTE DOES NOT INCLUDE GST

**We Propose** hereby furnish material and labour, complete in accordance with above specifications, for the sum of :  
AS SHOWN ABOVE \_\_\_\_\_ dollars [ \$ ]

Payment to be made as follows:  
NET 30 DAYS

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra cost will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Our workers are fully covered by Workman's Compensation Insurance.

Authorized Signature   
Note: This proposal may be withdrawn by us if not accepted within 30 days.

**Acceptance of Proposal** The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Signature \_\_\_\_\_  
Signature \_\_\_\_\_  
Date of Acceptance \_\_\_\_\_

By accepting this contract proposal you authorize us to use your personal information as needed as outlined in our privacy policy.

**FREE ESTIMATES**  
**GUARANTEED WORK**





**From:** Artem, Chad [mailto:cartem@alvarezandmarsal.com]  
**Sent:** Tuesday, July 10, 2018 2:40 PM  
**To:** Tracy Palidwor  
**Cc:** Konowalchuk, Orest; Zahara, Ryan; Bourassa, Kelly  
**Subject:** RE: Hythe - Accommodation and Access Agreement - TP REPLY - 2018.july.09

Hi Tracy, please find attached execution version for your signature as well as Standard Roofing's signature. Once both are executed please send back and have a cheque couriered to our office in Calgary.

I will follow up on a separate note with Wilson and Larry from Ladacor in order to have everyone up to speed etc.

Regards,  
Chad

**Chad Artem**  
Alvarez & Marsal Canada  
Mobile 403.689.2113  
Office 403.538.7518

**From:** Artem, Chad  
**Sent:** Monday, July 09, 2018 10:33 PM  
**To:** 'Tracy Palidwor' <tracy.palidwor@connectingcare.ca>  
**Cc:** Konowalchuk, Orest <okonowalchuk@alvarezandmarsal.com>; Zahara, Ryan <ryan.zahara@blakes.com>; Bourassa, Kelly <kelly.bourassa@blakes.com>  
**Subject:** RE: Hythe - Accommodation and Access Agreement - TP REPLY - 2018.july.09

Thanks Tracy. We will get back to you tomorrow morning with final version for execution. Alvarez & Marsal / Receiver of Ladacor AMS Ltd. would be payee.

**Chad Artem**  
Alvarez & Marsal Canada  
Mobile 403.689.2113  
Office 403.538.7518

**From:** Tracy Palidwor [mailto:tracy.palidwor@connectingcare.ca]  
**Sent:** Monday, July 09, 2018 3:28 PM

To: Artem, Chad <[cartem@alvarezandmarsal.com](mailto:cartem@alvarezandmarsal.com)>

Cc: Konowalchuk, Orest <[okonowalchuk@alvarezandmarsal.com](mailto:okonowalchuk@alvarezandmarsal.com)>; Zahara, Ryan <[ryan.zahara@blakes.com](mailto:ryan.zahara@blakes.com)>; Bourassa, Kelly <[kelly.bourassa@blakes.com](mailto:kelly.bourassa@blakes.com)>

Subject: RE: Hythe - Accommodation and Access Agreement - TP REPLY - 2018.july.09

Hi Chad,

Just left you a voice message to let you know that the revised agreement can be finalized and sent over for signature.

With respect to payment, cheque is to be issued to Alvarez & Marsal?

Thank you,

-tp

**Tracy Palidwor** | Project Manager

Connecting Care (2000) Inc. • #503 10158 103 Street • Edmonton, AB • T5J 0X6

P: 780.423.5959 EXT. 215 • C: 780.237.6094 • F: 780.451.0499 • E: [tracy.palidwor@connectingcare.ca](mailto:tracy.palidwor@connectingcare.ca)

[www.connectingcare.ca](http://www.connectingcare.ca) • "Building Person-Centered Communities"

From: Artem, Chad <[cartem@alvarezandmarsal.com](mailto:cartem@alvarezandmarsal.com)>

Sent: July 9, 2018 11:40 AM

To: Tracy Palidwor <[tracy.palidwor@connectingcare.ca](mailto:tracy.palidwor@connectingcare.ca)>

Cc: Konowalchuk, Orest <[okonowalchuk@alvarezandmarsal.com](mailto:okonowalchuk@alvarezandmarsal.com)>; Zahara, Ryan <[ryan.zahara@blakes.com](mailto:ryan.zahara@blakes.com)>; Bourassa, Kelly <[kelly.bourassa@blakes.com](mailto:kelly.bourassa@blakes.com)>

Subject: Hythe - Accommodation and Access Agreement

Hi Tracy, as discussed please see revised Access Agreement attached. On the basis of phase 1 roofing work only the Monitoring fee has been reduced to an estimated \$3.5K, with \$5K upfront in case there are overages from the \$3.5k estimate. Any balance remaining will be remitted back to Pioneer Homes/Connecting Care.

Looking forward to locking this in and getting the roof on.

Regards,

Chad

**Chad Artem, CPA, CA, CBV**

Director

Alvarez & Marsal Canada

Calgary, Alberta

Mobile 403.689.2113

Office 403.538.7518

Email [cartem@alvarezandmarsal.com](mailto:cartem@alvarezandmarsal.com)

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Bow Valley Square 4  
Suite 1110  
250 – 6th Avenue SW  
Calgary, Alberta T2P 3H7  
Phone: +1 403 538 7555  
Fax: +1 403 538 7551

July 9, 2018

**Hythe and District Pioneer Homes**  
Box 388, 10404 – 100 Street  
Hythe, Alberta T0H 2C0

Attention: Tracy Palidwor

**Re: Accommodation and Access Agreement for Completion of Certain Work on  
Hythe and District Pioneer Homes Development**

On November 25, 2016, Hythe and District Pioneer Homes Advisory Committee (“**Hythe Homes**” or the “**Owner**”) entered into a Design-Build Stipulated Price Contract and a Cost Plus Contract (together, the “**Contract**”) with Nomads Pipeline Consulting Ltd., operating as Ladacor (“**Ladacor**” or the “**Contractor**”) for the construction of the Hythe and District Pioneer Homes Development (the “**Project**”).

On May 18, 2018 (the “**Receivership Date**”), Alvarez & Marsal Canada Inc. LIT was appointed to act as receiver and manager (the “**Receiver**”) of Ladacor pursuant to an order (the “**Receivership Order**”) granted by the Court of Queen’s Bench of Alberta (the “**Court**”). The Receiver was appointed over all of the properties, assets and undertaking of Ladacor, including the Project.

The Receiver is prepared to allow Standard Roofing & Exteriors Ltd. (the “**Subcontractor**”) to perform work on the Project to the extent necessary to complete the scope of work set out below. Hythe Homes agrees to provide certain financial and other accommodations set out in this accommodation agreement (the “**Agreement**”).

1. **Work.** The Receiver agrees to allow the Subcontractor to work on and complete the scope of work (the “**Roofing Work**”) attached as Schedule “A” hereto. The Owner and Subcontractor hereby agree to abide by and comply with section GC 2.6.2 of the Design Build Contract and section GC 3.2 of the Cost Plus Contract (including any other relevant provisions of the Contract that relates to those sections) in respect of the Roofing Work being performed by the Subcontractor.

2. **Termination.** The Owner acknowledges that if this Agreement is terminated for any reason, including for the failure of the Subcontractor to perform any covenant or obligation, the Receiver shall not be personally liable for any loss, liability or expense incurred or suffered by the Owner arising out of this Agreement regarding the Roofing Work, except where such loss, liability or expense is the result of the gross negligence or willful misconduct of the Receiver.

3. **"As is, where is" Basis.** The Owner hereby acknowledges and agrees that the Roofing Work shall be completed by the Subcontractor and transferred to it by the Receiver as part of the Project only on an "as is, where is" basis and without any representation, warranty, agreement or condition, express or implied, direct or collateral, statutory or otherwise, as to fitness for any particular purpose, quality, merchantability and any conditions or warranties express or implied by the *Sale of Goods Act* (Alberta).

4. **Payments.** The Owner will pay to the Receiver the aggregate estimated amount of CDN\$5,000 (the "**Access Payment**") as genuine pre-estimate of the amounts to be incurred by the Receiver for the Subcontractor to complete the Roofing Work (as set out below) by way of wire transfer or other immediately available funds to the bank account of the Receiver set out in Schedule "B" upon execution of this Agreement and as follows:

- (a) **Supervisory/Safety Fee:** To be charged at a rate of \$500.00 per day for performing supervisory and safety services on site (the "**Supervisory/Safety Services**") so long as the Subcontractor is performing the Roofing Work and will be invoiced. The Receiver anticipates, and the Owner agrees, that the expected time period for the roofing work is approximately 5 to 7 calendar days. (Estimated to be approximately \$3,500)

If there are any amount of the Access Payment that has not been utilized in performing the Supervisory/Safety Services incurred by the Contractor during the Roofing Work than any remaining amounts of the Access Payment shall be refunded to the Owner. Additionally, if the Contractor incurs fees in excess of the Access Payment for performing the Supervisory/Safety Services the Owner shall be required to pay those amounts to the Receiver at upon the completion of the Roofing Work and may not set-off or holdback any such amounts that are owed to the Receiver under the terms of this Agreement.

5. **Equipment Usage.** The Owner and Subcontractor hereby confirm that neither will use the equipment located on site that is the property of the Contractor.

6. **Movement of items on Site.** The Owner and Subcontractor hereby confirm that that no equipment/materials need to be moved or removed for the purposes of completing the Roofing Work and the Contractor is not required or obligated to move any equipment or materials on site.

7. **Work Schedule.** The Subcontractor will use its best efforts to complete the Roofing Work in accordance with the schedule set out in Schedule "A", as expeditiously as possible.

8. **Review and Inspection.** The Owner shall have access to the Roofing Work at all times, subject to the reasonable notification to the Subcontractor and the Receiver of the date and time of that access. The Subcontractor, upon reasonable notice, shall provide sufficient, safe and proper facilities at all times for the review and inspection of the Roofing Work by the Owner.

9. **Liability.** The Owner acknowledges that the Receiver will not be liable in any way for the Roofing Work performed by the Subcontractor, except where any loss, liability or expense is the result of the gross negligence or willful misconduct of the Receiver. Nor will the Receiver be responsible in any way for any incremental costs of the Roofing Work due to the current state of the Project, including any perceived deficiencies in the Project.

10. **Governing Law.** This Agreement shall be construed in accordance with and governed by the laws of the Province of Alberta and the federal laws of Canada applicable therein and the parties shall attorn to the jurisdiction of the Alberta Court of Queen's Bench, or otherwise as may be applicable.

11. **Warranty.** The Owner acknowledges and agrees that any Remaining Work performed pursuant to this Agreement shall be without warranty and the Receiver shall not be liable for any loss, liability or expense incurred or suffered by the Owner in any way in connection with the Remaining Work, except where such loss, liability or expense is the result of the gross negligence or willful misconduct of the Receiver.

12. **Indemnity.** The Owner agrees to indemnify and save harmless the Receiver from any damages, loss, cost or liability (including reasonable legal fees and the cost of enforcing this indemnity) arising out of or resulting from the Subcontractor's performance of its obligations under this Agreement.

13. **Counterparts.** This Agreement may be executed and delivered by way of facsimile or by email using secure portable document format (.pdf) and in any number of counterparts each of which when executed and delivered is an original but all of which taken together constitute one and the same instrument.

14. **Time of the Essence.** For each provision of this Agreement, time is of the essence.

15. **Assignment and Enurement.** This Agreement shall enure to the benefit of, and be binding on, the parties hereto and their successors and permitted assigns.

**[Remainder of page left intentionally blank, signature pages to follow]**



Yours very truly,

**ALVAREZ & MARSAL CANADA  
INC., solely in its capacity as  
receiver and manager of LADACOR  
AMS LTD., and not in its personal  
or corporate capacity,**

by: \_\_\_\_\_  
Name: Chad Artem, CPA, CA, CBV  
Title: Senior Manager

**ACCEPTED and AGREED as of the date written above:**

**HYTHE AND DISTRICT PIONEER  
HOMES ADVISORY COMMITTEE.**

by: \_\_\_\_\_  
Name:  
Title:

**STANDARD ROOFING AND  
EXTERIORS LTD.**

By: \_\_\_\_\_  
Per:  
Title:

**Schedule A – Scope of Remaining Work and Schedule**

**Schedule B**

Accommodation Account Information

**BANK:**  
**BANK ADDRESS:**  
**BANK NUMBER:**  
**BRANCH NUMBER:**  
**SWIFT CODE:**  
**ACCOUNT NAME:**  
**ACCOUNT NUMBER:**

# Schedule "I"

**From:** Tracy Palidwor [<mailto:tracy.palidwor@connectingcare.ca>]  
**Sent:** Monday, July 23, 2018 3:01 PM  
**To:** Artem, Chad; Konowalchuk, Orest; Zahara, Ryan  
**Cc:** Dalvin Napen; [brian2280034@gmail.com](mailto:brian2280034@gmail.com); Doug Mills  
**Subject:** FW: roof agreement phase one partial Hythe - EXECUTED - 2018.july.23

Good afternoon,

Attached is a copy of the executed roofing agreement just rec'd.

Thank you,  
-tp

**Tracy Palidwor** | Project Manager

**Connecting Care (2000) Inc.** • #503 10158 103 Street • Edmonton, AB • T5J 0X6

P: 780.423.5959 EXT. 215 • C: 780.237.6094 • F: 780.451.0499 • E: [tracy.palidwor@connectingcare.ca](mailto:tracy.palidwor@connectingcare.ca)

[www.connectingcare.ca](http://www.connectingcare.ca) • *"Building Person-Centered Communities"*

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Alvarez & Marsal Canada Inc.  
Licensed Insolvency Trustees  
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Suite 1110  
250 - 8th Avenue SW  
Calgary, Alberta T2P 3H7  
Phone: +1 403 538 7555  
Fax: +1 403 538 7551

July 9, 2018

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31370979.6

ACK July 16/18  
Note -  
Partial roofing  
phase one  
only.  
ACK

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*DLN July 16/18*

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**[Remainder of page left intentionally blank, signature pages to follow]**

Yours very truly,

**ALVAREZ & MARSAL CANADA  
INC., solely in its capacity as  
receiver and manager of LADACOR  
AMS LTD., and not in its personal  
or corporate capacity,**

by: \_\_\_\_\_  
Name: Chad Artem, CPA, CA, CBV  
Title: Senior Manager


**ACCEPTED and AGREED as of the date written above:**

**HYTHE AND DISTRICT PIONEER  
HOMES ADVISORY COMMITTEE.**

*July 16/18.  
AST*

by: *Dalvin Napen*  
Name: *Dalvin Napen*  
Title: *Chief Administrative Officer.*

**STANDARD ROOFING AND  
EXTERIORS LTD.**

By:   
Per: *Tim Simigan*  
Title: *PRESIDENT.*

# Schedule "J"

**From:** Artem, Chad [<mailto:cartem@alvarezandmarsal.com>]  
**Sent:** Wednesday, July 25, 2018 11:30 AM  
**To:** Zahara, Ryan; Wilson Bohorquez; Michael Keane  
**Cc:** Konowalchuk, Orest  
**Subject:** FW: Hythe - Remaining items

Fyi here.

**From:** Artem, Chad  
**Sent:** Wednesday, July 25, 2018 8:29 AM  
**To:** Tracy Palidwor <[tracy.palidwor@connectingcare.ca](mailto:tracy.palidwor@connectingcare.ca)>  
**Cc:** Konowalchuk, Orest <[okonowalchuk@alvarezandmarsal.com](mailto:okonowalchuk@alvarezandmarsal.com)>  
**Subject:** Hythe - Remaining items

Hi Tracy,

Thanks for sending across the executed Access/Accommodation Agreement. Wanted to level set the remaining actions we need to cover off:

1. Executed Access/Accommodation Agreement
  - Please confirm cheque has been couriered to A&M office. Agreement will not be in force until payment is received.
  - Please relay contact info for Roofing Contractor and timing of work
2. Final Accommodation Agreement
  - As previously discussed, we wish to finalize matters forthwith with respect to the release of the modules and go-forward.
  - In order to finalize matters, we need to understand in detail why the total AR outstanding (\$2.8MM) may not be correct from your perspective (i.e. compete deficiency list) and what is your position?
  - We need to obtain what you believe is outstanding to Nomads and proof that this is the case.
  - Attached is an excel file ("Hythe – Ladacor Progress Billings..") that show the balance owing to Ladacor (the Receiver), including holdbacks of \$830k;
  - We propose to aim to execute this Agreement by August 2<sup>nd</sup>.
3. Lien Search
  - Please confirm the parcels of land associated with the Pioneer Homes property such that we can properly understand liens filed to date
4. Equipment / Inventory to Purchase



- In our face to face meeting you indicated an interest in purchasing some of Ladacor's (the Receiver's) assets located at both the Hythe site and potentially assets located at Ladacor's headquarters in Calgary
- Please send us a detailed list of equipment/inventory you are interested in purchasing such that we can provide an appropriate pricing etc.

5. Costs to Complete and Ship (attached)

- You previously indicated that you were take all uncompleted modules and not allow us to complete. We have not heard back from you on your position on this.
- As another point of reference, please see attached estimated cost to complete the modules and roofdoors (for shipment readiness) and cost of transportation.
- As indicated in the attached, 5 modules need work prior to shipment and 8 roofdoors also need work prior to shipment.
- Total cost is estimated to be \$305K before GST and contingency costs.
- Note, as included in the attached, the \$305K+, does not include unloading costs (Crane) at the site.

Regards,  
Chad

**Chad Artem, CPA, CA, CBV**

Director  
Alvarez & Marsal Canada  
Calgary, Alberta

Mobile 403.689.2113  
Office 403.538.7518  
Email [cartem@alvarezandmarsal.com](mailto:cartem@alvarezandmarsal.com)

*This message is intended only for the use of the addressee(s) and may contain information that is PRIVILEGED and CONFIDENTIAL. If you are not the intended recipient(s), you are hereby notified that any dissemination of this communication is strictly prohibited.*

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ADN July 16/18  
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*DLN July 16/18*

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Name: Chad Artem, CPA, CA, CBV  
Title: Senior Manager


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*July 16/18.  
AST*

by: *Dalvin Napen*  
Name: *Dalvin Napen*  
Title: *Chief Administrative Officer.*

**STANDARD ROOFING AND  
EXTERIORS LTD.**

By:   
Per: *Tim Simigan*  
Title: *PRESIDENT.*



the 1990s, the number of people in the UK who are employed in the public sector has increased by 1.5 million (1990–1999) (Table 1).

There is a growing emphasis on the need to improve the efficiency of public services, and to ensure that the public sector is able to deliver the services that are required in a cost-effective manner. This has led to a number of initiatives, including the introduction of competition, the restructuring of public services, and the introduction of performance targets. These initiatives have led to a number of changes in the way that public services are delivered, and have led to a number of improvements in the efficiency of public services.

One of the main reasons for the need to improve the efficiency of public services is the increasing pressure on public resources. The public sector is responsible for a large proportion of the UK's gross domestic product (GDP), and the public sector's share of GDP has increased over the last 10 years. This has led to a number of initiatives, including the introduction of competition, the restructuring of public services, and the introduction of performance targets.

Another reason for the need to improve the efficiency of public services is the increasing demand for public services. The population of the UK is increasing, and the demand for public services is increasing. This has led to a number of initiatives, including the introduction of competition, the restructuring of public services, and the introduction of performance targets.

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Ladacor AMS

Hythe Project - Building and Site Works

May 18, 2018

**DRAFT**  
Confidential

	Contracted Values(1)	% Complete	Completed to Date \$	Holdbacks	Completed Net of Holdbacks	Collected to Date	Net Balance Owing to Ladacor	Plus Holdbacks	Balance Owing to Ladacor (including Holdbacks)
Building	\$ 9,445,831	82%	\$ 7,781,462	\$ (778,146)	\$ 7,003,316	\$ (5,137,489)	\$ 1,865,826	\$ 778,146	\$ 2,643,972
Site Works	n/a	n/a	\$ 530,750	\$ (53,075)	\$ 477,675	\$ (348,142)	\$ 129,533	\$ 53,075	\$ 182,608
<b>Total</b>	<b>\$ 9,445,831</b>		<b>\$ 8,312,212</b>	<b>\$ (831,221)</b>	<b>\$ 7,480,991</b>	<b>\$ (5,485,632)</b>	<b>\$ 1,995,359</b>	<b>\$ 831,221</b>	<b>\$ 2,826,580</b>

Note 1 - includes change orders (approved and not approved) Change orders not approved were necessary as part of the initial design drawings.



**Estimated Cost Summary for Modified 2A Option "Complete Modules and Ship to Site"**

Amounts exclude GST

		Comments
<b>Costs to prepare units for shipment</b>		
<b>Modules</b>		
Labour	\$ 24,480	5 modules to prepare for shipment
Material	\$ 23,941	5 modules to prepare for shipment
	<u>\$ 48,421</u>	
<b>Roofadoors</b>		
Labour	\$ 36,000	8 roofadoors to prepare for shipment
Material	\$ 30,000	8 roofadoors to prepare for shipment
	<u>\$ 66,000</u>	
<b>Subtotal</b>	<b>\$ 114,421</b>	
<b>Production Manager cost</b>		
<b>Project Manager cost</b>	<b>\$ 9,600</b>	Supervise and direct preparation of modules and roofadoors
	<b>\$ 9,600</b>	Supervise and manage the project
<b>Transportation to site</b>		
Modules	\$ 111,748	Transport to Hythe from Calgary (Note 1 and 2)
Roofadoors and stairs	\$ 19,500	Transport to Hythe from Calgary (Note 1 and 2)
<b>Subtotal</b>	<b>\$ 131,248</b>	
<b>Total Estimated Cost of Modified 2A Option</b>	<b>\$ 264,869</b>	
Overhead costs (15%)	\$ 39,730	
<b>Total Estimated costs with Overhead</b>	<b>\$ 304,599</b>	
GST	\$ 15,230	
<b>Total Estimated costs with Overhead and GST</b>	<b>\$ 319,829</b>	
Contingency costs	\$ 47,974	
<b>Total Estimated costs with Overhead &amp; Contingency</b>	<b>\$ 367,803</b>	

*Note 1 - Estimated costs (crane/labour) of ~\$50K to unload the modules at the Hythe site has not been reflected in the above cost estimates and would be required to be paid by the Project Owner (Pioneer Homes).*

*Note 2 - The ability to unload the modules and roofadoors at the Hythe Site will be the responsibility of Connecting Care / Pioneer Homes. Key considerations here, include but are not limited to, access for crane and truck to unload modules and roofadoors.*

**Schedule “B” – Summary of Progress Billings**

31396438.7

Ladacor AMS Ltd.  
Customer Aged Detail As at 04/06/2018

DRAFT

Source	Date	Original Invoice Amount	Total Outstanding	Holdback Outstanding (not including GST)
160731-2	31/07/2016	\$ 68,040.00	\$ (2,835.00)	\$ 7,200.00
160831-2	31/08/2016	\$ 42,525.00	\$ -	\$ 4,500.00
160930-2	30/09/2016	\$ 32,130.00	\$ -	\$ 3,400.00
160930-3	30/09/2016	\$ 6,026.66	\$ 6,026.66	\$ 637.74
161231-2	31/12/2016	\$ 29,156.17	\$ -	\$ 3,085.39
170131-0	31/01/2017	\$ 26,662.19	\$ (1,784.98)	\$ 2,821.40
170331-0	31/03/2017	\$ 4,792.57	\$ -	\$ 507.15
170430-0	30/04/2017	\$ 4,988.19	\$ 4,988.19	\$ 527.85
170531-0	31/05/2017	\$ 9,894.86	\$ -	\$ 1,047.08
170630-0	30/06/2017	\$ 513,382.23	\$ -	\$ 54,326.16
170731-0	31/07/2017	\$ 24,239.96	\$ -	\$ 2,565.08
170831-0	31/08/2017	\$ 1,364,690.64	\$ (150,713.00)	\$ 144,411.71
170930-0	30/09/2017	\$ 874,575.00	\$ -	\$ 92,547.62
170930-4	30/09/2017	\$ (20,730.68)	\$ -	\$ (2,193.72)
171031-0	31/10/2017	\$ 850,242.83	\$ -	\$ (115,809.36)
171031-1	31/10/2017	\$ 71,485.58	\$ -	\$ 7,564.61
171130-0	30/11/2017	\$ 664,133.67	\$ -	\$ 70,278.70
171130-1	30/11/2017	\$ 3,220.71	\$ -	\$ 340.82
171231-1	31/12/2017	\$ 14,320.66	\$ -	\$ 1,515.41
171231-11	31/12/2017	\$ 356,927.89	\$ -	\$ 37,770.15
H-18-01-01	31/01/2018	\$ 513,189.77	\$ -	\$ 54,305.80
H-18-01-02	31/01/2018	\$ 24,421.53	\$ 24,421.53	\$ 2,584.29
H-18-02-01	28/02/2018	\$ 1,948.08	\$ 1,948.08	\$ 206.15
H-18-02-02	28/02/2018	\$ 408,670.40	\$ 408,670.40	\$ 43,245.54
H-18-03-02	31/03/2018	\$ 738,535.17	\$ 738,535.17	\$ 78,151.87
H-18-03-01	31/03/2018	\$ 112,564.75	\$ 112,564.75	\$ 11,911.61
H-18-04-02	30/04/2018	\$ 455,683.02	\$ 455,683.02	\$ 48,220.42
H-18-05-02	18/05/2018	\$ 461,270.67	\$ 461,270.67	\$ 48,811.71
Supplier Payment 27/3/18			\$ (9,737.18)	
Total outstanding:			\$ 2,049,038.31	\$ 604,481.18
TOTAL with Holdbacks				\$ 2,653,519.49
Generated On: 04/06/2018				



Ladacor AMS  
Hythe Project - Building and Site Works  
May 18, 2018

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	Contracted Values(1)	% Complete	Completed to Date \$	Holdbacks	Completed Net of Holdbacks	Collected to Date	Net Balance Owing to Ladacor	Plus Holdbacks	Balance Owing to Ladacor (including Holdbacks)	Comments
Building	\$ 9,445,831	82%	\$ 7,781,462	\$ (778,146)	\$ 7,003,316	\$ (5,137,489)	\$ 1,865,826	\$ 778,146	\$ 2,643,972	n/a
Site Works	n/a	n/a	\$ 530,750	\$ (53,075)	\$ 477,675	\$ (348,142)	\$ 129,533	\$ 53,075	\$ 182,608	
<b>Total</b>	<b>\$ 9,445,831</b>		<b>\$ 8,312,212</b>	<b>\$ (831,221)</b>	<b>\$ 7,480,991</b>	<b>\$ (5,485,632)</b>	<b>\$ 1,995,359</b>	<b>\$ 831,221</b>	<b>\$ 2,826,580</b>	

Note 1 - includes change orders (approved and not approved). Change orders not approved were necessary as part of the initial design drawings.

Ladacor AMS  
Hythe Project - Progress Claims - CCDC 14  
May 18, 2018

Description of Work	Contract Value	% Complete (up to Jan 31, 2018)	Completed to Jan 31, 2018	Jan 31 to May 18 - Work Performed	% Complete (up to May 31, 18)	Completed to Date
<b>CCDC 14</b>						
Engineering	\$ 450,000	98%	\$ 441,000	\$ -	98%	\$ 441,000
General Conditions	\$ 250,000	40%	\$ 100,000	\$ 37,500	55%	\$ 137,500
Mobilization	\$ 200,000	100%	\$ 200,000	\$ -	100%	\$ 200,000
Foundations - Piling (Cash Allowance)	\$ 155,000	49%	\$ 75,698	\$ 79,302	100%	\$ 155,000
Early Procurement	\$ 520,000	100%	\$ 520,000	\$ -	100%	\$ 520,000
Shop Modular Construction	\$ 5,645,459	72%	\$ 4,056,045	\$ 1,107,379	91%	\$ 5,163,424
Elevator	\$ 270,758	30%	\$ 81,228	\$ -	30%	\$ 81,228
Transportation and Placement	\$ 321,000	38%	\$ 122,735	\$ 82,705	64%	\$ 205,440
Modules Interconnection and Finishing	\$ 216,242	20%	\$ 43,248	\$ 54,060	45%	\$ 97,309
Common area Flooring	\$ 30,000	0%	\$ -	\$ -	0%	\$ -
Common area painting	\$ 30,000	0%	\$ -	\$ -	0%	\$ -
Mechanical Systems	\$ 50,000	0%	\$ -	\$ -	0%	\$ -
Electrical Systems	\$ 33,300	0%	\$ -	\$ -	0%	\$ -
Telephone system (Cash Allowance)	\$ 30,800	0%	\$ -	\$ -	0%	\$ -
Wireless system (Cash Allowance)	\$ 35,900	0%	\$ -	\$ -	0%	\$ -
Firestopping	\$ 15,000	0%	\$ -	\$ -	0%	\$ -
Wood doors	\$ 18,000	0%	\$ -	\$ -	0%	\$ -
Metal doors	\$ 20,759	0%	\$ -	\$ -	0%	\$ -
Entrances	\$ 15,000	0%	\$ -	\$ -	0%	\$ -
Canopy	\$ 10,000	0%	\$ -	\$ -	0%	\$ -
Roofing	\$ 171,230	0%	\$ -	\$ -	0%	\$ -
Hardie Board siding	\$ 203,311	0%	\$ -	\$ 91,490	45%	\$ 91,490
Masonry siding	\$ 25,000	0%	\$ -	\$ -	0%	\$ -
Demobilization	\$ 40,000	0%	\$ -	\$ -	0%	\$ -
<b>Total Fixed Cost Breakdown</b>	<b>\$ 6,798,799</b>	<b>68%</b>	<b>\$ 5,639,654</b>	<b>\$ 1,452,437</b>	<b>81%</b>	<b>\$ 7,092,399</b>
<b>Approved Change Orders</b>						
CO #01 - Commercial Kitchen	\$ 64,955	65%	\$ 42,387	\$ 22,568	100%	\$ 64,955
CO #02 Tinting Windows	\$ 3,150	100%	\$ 3,150	\$ -	100%	\$ 3,150
CO #03 Value Engineering	\$ (3,370)	100%	\$ (3,370)	\$ -	100%	\$ (3,370)
CO #04 Lifting Equipment - Patient	\$ 43,302	52%	\$ 22,593	\$ 20,710	100%	\$ 43,302
CO #05 Second Floor Backing ceiling	\$ 34,174	0%	\$ -	\$ 34,174	100%	\$ 34,174
* Emergency Generator Ladacor CO # 013	\$ 340,010	0%	\$ -	\$ 340,010	100%	\$ 340,010
<b>Not Approved Change Orders</b>						
Link Corridors Ladacor CO #05	\$ 74,568	0%	\$ -	\$ 74,568	100%	\$ 74,568
M66 Mechanical Room Ladacor CO #014	\$ 80,841	0%	\$ -	\$ 80,841	100%	\$ 80,841
Resident Sinks Ladacor CO #007	\$ 51,441	0%	\$ -	\$ 51,441	100%	\$ 51,441
<b>Total Building Cost</b>	<b>\$ 8,446,831</b>		<b>\$ 5,704,214</b>	<b>\$ 2,076,746</b>	<b>82%</b>	<b>\$ 7,781,463</b>
	Holdback (Estimate)				10%	\$ 778,146
	Owing to Ladacor less holdback					\$ 7,003,316
	Paid to Ladacor date (excludes GST)					\$ 5,137,489
	Net balance owing (net of holdback)					\$ 1,865,826
	Holdback (Estimate)					\$ 778,146
	Net balance owing (including holdback)					\$ 2,643,972

Hythe Project - Progress Claims - CCDC 3 - Siteworks  
May 16, 2018

Description of Work	CCDC3 Cost	CCDC3 + 15% Cost	% Complete Dec 31	Completed up to December 31	CCDC3 Cost	CCDC3 + 15% Cost	Total CCDC3 Cost	% Complete up to May 18	Completed to Date
Make up cost from invoices not completely paid prior to Jan 2018									
Siteworks design	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	0%	-
Heat & Hoarding	\$ -	\$ -		\$ -	\$ 71,619	\$ 10,743	\$ 82,362	85%	70,008
Preconstruction Site works tendering prior to August '17	\$ 112,456	\$ 16,868	100%	\$ 129,325	\$ 112,456	\$ 16,868	\$ 129,325	100%	129,325
Preconstruction Site works tendering September '17	\$ 3,861	\$ 579	100%	\$ 4,440	\$ 3,861	\$ 579	\$ 4,440	100%	4,440
Demolition existing basement and backfill	\$ 45,000	\$ 6,750	100%	\$ 51,750	\$ 45,000	\$ 6,750	\$ 51,750	100%	51,750
Removal and disposal of trees and shrubs	\$ 3,500	\$ 525	100%	\$ 4,025	\$ 3,500	\$ 525	\$ 4,025	100%	4,025
Water well decommissioning	\$ 8,600	\$ 1,290	96%	\$ 9,511	\$ 8,600	\$ 1,290	\$ 9,890	100%	9,890
Earthworks	\$ 55,000	\$ 8,250	33%	\$ 20,873	\$ 55,000	\$ 8,250	\$ 63,250	90%	56,925
Snow Removal	\$ -	\$ -	0%	\$ -	\$ 20,533	\$ 3,080	\$ 23,613	85%	20,071
Deep Services			0%	\$ -	\$ -	\$ -	\$ -	0%	-
Grading	\$ 56,400	\$ 8,460	30%	\$ 19,458	\$ 56,400	\$ 8,460	\$ 64,860	81%	52,440
Client requests - road, sanitary line investigations	\$ 13,482	\$ 2,022	87%	\$ 13,489	\$ 13,482	\$ 2,022	\$ 15,504	100%	15,504
Main Utilities Relocation (Deep Services)	\$ 80,000	\$ 12,000	98%	\$ 89,841	\$ 80,000	\$ 12,000	\$ 92,000	98%	89,841
Road subbase for all hardstanding, roads, parking lots and sidewalks - supply and compact in place	\$ 35,000	\$ 5,250	20%	\$ 8,050	\$ 35,000	\$ 5,250	\$ 40,250	20%	8,050
Waterwell	\$ 33,000	\$ 4,950	0%	\$ -	\$ 33,000	\$ 4,950	\$ 37,950	0%	-
Shallow Services	\$ 25,000	\$ 3,750	0%	\$ -	\$ 25,000	\$ 3,750	\$ 28,750	0%	-
Concrete/Sidewalks	\$ 36,000	\$ 5,400	0%	\$ -	\$ 36,000	\$ 5,400	\$ 41,400	0%	-
Sprinkler reservoir & pump	\$ 60,000	\$ 9,000	0%	\$ -	\$ 60,000	\$ 9,000	\$ 69,000	0%	-
Landscaping/Paving	\$ 75,000	\$ 11,250	0%	\$ -	\$ 75,000	\$ 11,250	\$ 86,250	0%	-
Survey/Geotechnical (Bearisto)	\$ 18,996	\$ 2,849	69%	\$ 15,073	\$ 18,996	\$ 2,849	\$ 21,845	69%	15,073
Change Order #1 - Site Work Insurance Costs	\$ 2,964	\$ 445	100%	\$ 3,408	\$ 2,964	\$ 445	\$ 3,408	100%	3,408
<b>Total Build Cost Breakdown</b>	<b>\$ 664,259</b>	<b>\$ 99,639</b>		<b>\$ 369,243</b>	<b>\$ 756,411</b>	<b>\$ 113,462</b>	<b>\$ 869,872</b>	<b>61%</b>	<b>530,750</b>
<b>Total Build Cost</b>									
					CCDC 3				451,138
					CCDC 3 + 15%				79,613
					<b>Total</b>				<b>530,750</b>
					Holdback (1)			10%	53,075
					Owed to Laddor less holdback				<b>477,675</b>
					<b>Paid to date</b>				<b>348,142</b>
					Net amount owing				<b>129,533</b>
					Plus holdback				53,075
					<b>Amount owing (including holdback)</b>				<b>\$ 182,608</b>



Schedule "C" - August 15, 2018 Email

31396438.7

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## **Zahara, Ryan**

---

**From:** Artem, Chad <cartem@alvarezandmarsal.com>  
**Sent:** Wednesday, August 15, 2018 2:01 PM  
**To:** Tracy Palidwor; Dalvin Napen; brian2280034@gmail.com; michaelw@dwlaw.ca  
**Cc:** Zahara, Ryan; Konowalchuk, Orest  
**Subject:** Hythe

Tracy, thanks for meeting with us yesterday at the Ladacor office.

Further to our conversation this afternoon and pursuant to our counsel's letter dated August 2<sup>nd</sup>, 2018, to your counsel, we are transferring control of the site location today (August 15<sup>th</sup>). To ensure there is a smooth transition, we will extend not "exiting" the premise until Monday/Tuesday of next week and will have our contractor continue to monitor the site until the estate assets have been removed.

The assets on site 'available for sale' were emailed to you earlier today, which include but not limited to, equipment, materials and inventory, etc. The Receiver wanted to give you several additional days to get yourself organized as we arrange to vacate the premise by early next week (i.e. we will keep the fencing up until such time). Please let us know if HPH would be interested in acquiring any of these assets located on site by the end of this week to determine if there is an opportunity to execute a transaction. We would require payment up front before we could release any of these assets.

Further, we also look forward to receiving your position with respect to the payment of the outstanding Hythe A/R and/or settlement.

Lastly, we wanted to remind you that the insurance coverage (Builder's Risk) is going to expire on August 31<sup>st</sup>, 2018.

Kindly confirm receipt of this email and please let us know if any questions etc.?

Regards,  
Chad

**Chad Artem, CPA, CA, CBV**  
Director  
Alvarez & Marsal Canada  
Calgary, Alberta

Mobile 403.689.2113  
Office 403.538.7518  
Email [cartem@alvarezandmarsal.com](mailto:cartem@alvarezandmarsal.com)



**Schedule “D” – Emails from Adjuster to the Owner October 13, 23 and November 9, 2018**

31396438.7



[REDACTED]

---

**From:**  
**Sent:**  
**To:**  
**Subject:**

[REDACTED]

**From:** Brad Newman <Brad.Newman@ctplc.com>  
**Sent:** Friday, November 09, 2018 8:40 AM  
**To:** Tracy Palidwor <tracy.palidwor@connectingcare.ca>; Artem, Chad <cartem@alvarezandmarsal.com>; Wilson Bohorquez <wbohorquez@ladacor.com>; Dalvin Napen <Admin@hythepioneerhomes.ca>  
**Subject:** RE: Ladacor - Hythe Pioneer Homes - Next Steps

Hi Tracy,  
Further to our email of October 23, 2018.  
Have you appointed a contractor in relation to the repairs?  
Please provide an update.  
thanks

Brad Newman, CIP, CFEI  
Senior Loss Adjuster  
Charles Taylor Adjusting – Calgary  
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250 - 6<sup>th</sup> Ave SW  
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F: +1 403 266 3337  
M: +1 587 896 2723  
[Brad.newman@ctplc.com](mailto:Brad.newman@ctplc.com)  
[www.ctplc.com](http://www.ctplc.com)

**Charles  
Taylor**  
ADJUSTING



**Charles  
Taylor** **20<sup>th</sup>**  
ADJUSTING CANADIAN  
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**From:** Brad Newman

**Sent:** October 23, 2018 2:18 PM

**To:** 'Tracy Palidwor' <tracy.palidwor@connectingcare.ca>; 'Artem, Chad' <cartem@alvarezandmarsal.com>; 'Wilson Bohorquez' <wbohorquez@ladacor.com>; 'Dalvin Napen' <Admin@hythepioneerhomes.ca>

**Subject:** RE: Ladacor - Hythe Pioneer Homes - Next Steps

Hi Tracy,

We can confirm, on behalf of your insurers, that the Scope of Damages (water damages not mould) identified in the Ellis Don Scope Document are covered subject to one water damage deductible of \$25,000.00.

We await confirmation on the appointment of a contract so we can continue with the establishment of the costs.

thanks

Brad Newman, CIP, CFEI

Senior Loss Adjuster

Charles Taylor Adjusting – Calgary

Suite 1010 - Bow Valley Square 4

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**Charles  
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ADJUSTING



**Charles  
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**From:** Brad Newman

**Sent:** October 13, 2018 1:43 PM

**To:** 'Tracy Palidwor' <tracy.palidwor@connectingcare.ca>; 'Artem, Chad' <cartem@alvarezandmarsal.com>; Wilson Bohorquez <wbohorquez@ladacor.com>; Dalvin Napen <Admin@hythepioneerhomes.ca>

**Cc:** Kevin Smith (kevin.smith@ellisdon.com) <kevin.smith@ellisdon.com>

**Subject:** Ladacor - Hythe Pioneer Homes - Next Steps

Hi Everyone,

On Thursday October 11, 2018 we met with Tracy Palidwor of Connected Care.

During our meeting we discussed the scope of damage and the next steps in relation to the claim.

It is our understanding that Hythe Pioneer Homes are considering repairing the damages to Phase One and Phase Two.

The intent of this email is to identify the position of your insurers in the event you do proceed with the repairs.

#### Reservation of Rights Letter

Further to our letter of September 4, 2018 we have completed our investigation into the claim presented.

We have reported our findings to your insurers as follows:

- A number of water events caused water and mould damages to Phases One and Two at the Pioneer Lodge. (We have enclosed a chronology of the water related events)
- The majority of the water damages occurred on or about July 19 to 22, 2018.
- The July 19 to 22, 2018 water damages were directly as a result of rain water that built-up on the exterior roof surface and subsequently leaked into the interior.

We have recommended to your insurers that they consider this water damage event as one occurrence subject to one deductible.

We believe that the known water damages to Phases One and Two, confirmed through our site inspections, are captured under this one claim.

We expect to have firm instructions from your insurers within the next 5 business days.

#### Scope of Damage

As you are aware we engaged Kevin Smith of Ellis Don Consulting to assist with establishing the scope of damage related to the July 19 to 22, 2018 water event.

On September 18, 2018 Ellis Don and our office reattended the site in Hythe in order to finalize the scope of damages.

We have attached two site plans (Ground Floor and Second Floor) on which we have marked up the general scope of the water damages.

Kevin Smith has a detailed room by room, line by line scope document that he will be issuing on Monday October 15, 2018 to each of you.

#### Next Steps

- Seek full authorization to proceed from your insurers.
- Understanding the role of the Receiver in relation to the insurance claim administration. Perhaps we can discuss this further once we have full authorization.
- Await your appointment of a contractor/firm that you will be engaging to complete the repairs.
- The decision on the appointment of a contractor is yours to make.
- Once the contractor is appointed, Ellis Don Consulting and our office, would like to meet with you and your contractor to discuss an number of things including:
  1. The Scope of Damage so we can come to an agreement on the water related damages – we recognize the scope of damage may change once the removal of interior finishes commences.

2. The appointment of an environmental consultant to deal with the mould issues – although the consulting and mould remediation will not form part of your claim we are interested in knowing how these matters are being dealt with.
3. The terms of the contract with your appointed contractor (costs plus, stipulated prices, budgets, schedule, rates, mark-ups, funding, and administrative issues)
4. Our oversight including site visits and approval of water damage related costs.

We look forward to hearing from you once a contractor is appointed and we be in touch later this week once we hear from your insurers.

Thanks

Brad Newman, CIP, CFEI  
 Senior Loss Adjuster  
 Charles Taylor Adjusting – Calgary  
 Suite 1010 - Bow Valley Square 4  
 250 - 6<sup>th</sup> Ave SW  
 Calgary, AB T2P 3H7  
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 M: +1 587 896 2723  
[Brad.newman@ctplc.com](mailto:Brad.newman@ctplc.com)  
[www.ctplc.com](http://www.ctplc.com)



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## **Appendix F**





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November 30, 2018

**VIA EMAIL**

Reference: 99766/12

Michael E. Wheaton  
Dobko & Wheaton  
10022 - 102 Avenue  
Grande Prairie, AB T8V 0Z7

**RE: Hythe Pioneer Homes and Ladacor**

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Dear Mr. Wheaton:

We are counsel for Alvarez & Marsal Canada Inc. LIT (the "**Receiver**").

On November 25, 2016, Hythe and District Pioneer Homes Advisory Committee ("**Hythe Homes**" or the "**Owner**") entered into a a CCDC 14 2013 Design-Build Stipulated Price Contract ("**CCDC 14**") and CCDC 3 2016 Cost Plus Contract ("**CCDC 3**", together with CCDC 14, the "**Contract**") with Nomads Pipeline Consulting Ltd., operating as Ladacor ("**Nomads**") for the construction of the Hythe and District Pioneer Homes Development (the "**Project**").

We are writing further to our correspondence (the "**August Correspondence**") on August 2, 2018, a copy of which is enclosed for reference as Schedule "A" to this letter.

The Receiver is seeking to advance the administration of the estate, which requires addressing a number of outstanding issues under the Contract that still have not been completed or addressed by Hythe Homes. The Receiver is seeking specific information from Hythe Homes on the Owner's anticipated next steps in respect of the Project, the payment of amounts outstanding to Nomads and the approximately 23 remaining modules and roofdoors (the "**Remaining Modules**") in the possession of the Receiver.

**Amounts Outstanding to Nomads under the Contract**

The Receiver has previously advised on a number of occasions that there remain significant amounts outstanding to Nomads under the terms of the Contract. The Receiver estimates that the amounts outstanding to Nomads totals (including holdbacks) approximately \$2,826,580 (the "**Amount Outstanding**"). Attached as Schedule "B" is a summary of the progress billings that make up the Amount Outstanding to Ladacor.

The claim for the Amount Outstanding relates to work conducted by Nomads on the Remaining Modules as well as construction work that was completed in respect of the modules that were delivered to the site location for the Project (the "**Site**") and assembled at Site.

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Including hold-backs, the amount outstanding per the CCDC 14 is \$2,643,972. A detailed description of items complete (and percentage complete) is included in Schedule "B". Additionally, including hold-backs, the amount outstanding per the CCDC 3 is \$182,608. A detailed view of items completed by Nomads under the Contract (and percentage complete) is included in Schedule "B".

The Receiver also took the additional step of filing a lien against the Project in respect of the Amount Outstanding to Ladacor on August 24, 2018. The Receiver will be asserting its claim for the Amounts Outstanding against the Owner and will be filing its statement of claim in the lien action shortly.

#### **Summary of Additional Correspondence with Hythe Homes**

Since the August Correspondence the Receiver has continued to be in close communication with the Owner regarding its intentions in respect of the Project and turnover of the site to the Owner. The Receiver used best efforts to efficiently transition control of the Project over to the Owner, including entering into minor transactions to sell certain assets of Nomads to the Owner.

On September 22, 2018 the Receiver removed all of the remaining assets of Nomads from the site and the Owner has had full control of the Project since August 15, 2018. Please find attached as Schedule "C" to this letter an email sent on August 15, 2018 from the Receiver to Hythe Homes turning over control of the site to the Owner.

#### **Insurance Proceeds from Water Damage to Project**

The Receiver initiated an insurance claim for the Project in July in respect of damages associated with water entering the building envelope of the Project. The Receiver met with the insurance adjuster Brad Newman (the "**Adjuster**") on a number of occasions, including answering all questions of the Adjuster in order to complete the claim for insurance coverage. There were a number of meetings and exchanges of information with the Adjuster in September to finalize the insurance claim.

The Receiver understands that on October 13, 2018 the Owner received confirmation of insurance coverage for water damage to the Project from the Adjuster. The Adjuster noted in his email that the Owner was considering repairing the water damage that occurred on Phase One and Phase Two of the Project.

The Receiver further understands that the Adjuster followed up with the Owner on October 23, 2018 and on November 9, 2018, but the Owner still has not, to the knowledge of the Receiver, provided any confirmation on next steps in respect of the Project or the appointment of a construction company to complete repairs to the Project arising from the water damage. Attached as Schedule "D" to this letter are copies of the October 13, 23 and November 9, 2018 emails from the Adjuster to the Owner.

Please advise as soon as possible of next steps that the Owner will be taking in relation to remedying the water damage to Phase One and Phase Two of the Project.

**Disposal of the Remaining Modules**

The Receiver has been storing the Remaining Modules for a significant period of time, and is incurring significant costs in respect to those Remaining Modules. Additionally, the Receiver has not received any direction from the Owner on what its preferred course of action will be in respect of the Project or the Remaining Modules, including payment of the outstanding amounts owed to Nomads under the Contract.

If the Receiver does not hear from the Owner regarding its intentions for the Project and the Remaining Modules by no later than December 7, 2018, it will seek advice and direction from the Court with respect to the Receiver's future handling of the Remaining Modules and will commence the necessary steps to advance the collection of the Amount Outstanding.

Yours truly,



Ryan Zahara

c: Client  
Hythe Pioneer Homes