

COURT FILE NO.: 2101-00809  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY  
PLAINTIFF BANK OF MONTREAL  
DEFENDANTS METRO PAVING AND ROADBUILDING LTD., METRO PAVING LTD.,  
METRO PARS CORPORATION and GRASSLANDS OF BEISEKER  
DEVELOPMENT CORPORATION



DOCUMENT **ORDER APPROVING SALES PROCESS, ACTIONS OF RECEIVER,  
ETC.**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT  
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File No.: 28677-31

**Attention: Jeffrey Oliver / Danielle Marechal**

**DATE ON WHICH ORDER WAS PRONOUNCED:** April 27, 2022

**NAME OF JUSTICE WHO MADE THIS ORDER:** The Honourable Madam Justice B.E.C. Romaine

**LOCATION OF HEARING:** Calgary, Alberta

**UPON THE APPLICATION OF** BDO Canada Limited, in its capacity as receiver and manager (in such capacity, the “**Receiver**”) of the assets, undertakings and properties of Metro Paving and Roadbuilding Ltd. (“**Roadbuilding**”), Metro Paving Ltd. (“**Paving**”), Metro Pars Corporation (“**Pars**”) and Grasslands of Beiseker Development Corporation (“**Grasslands**” and together with Roadbuilding, Paving and Pars, the “**Companies**”) for an Order, among other things, (i) approving of the conduct and activities of the Receiver; (ii) approving the Receiver’s interim statements of receipts and disbursements; (iii) approving the professional fees and disbursements; (iv) approving an interim distribution; and (v) approving the collapse of Paving’s participating life insurance policy with The Canada Life Assurance Company (“**Canada Life**”); **AND UPON HAVING** read the Receivership Order pronounced on January 20, 2021, the Fourth Report of the Receiver dated April 13, 2022 (the “**Report**”), the Confidential

Supplement to the Report dated April 13, 2022 (the “**Confidential Supplement**”) and the Affidavit of Service of Richard Kay, sworn April 21, 2022; **AND UPON HEARING** counsel for the Receiver, counsel to the Bank of Montreal (“**BMO**”) and all other interested parties present;

**IT IS HEREBY ORDERED THAT:**

1. Service of this application (the “**Application**”) and supporting materials is hereby declared to be good and sufficient, and no other person is required to have been served with notice of this Application, and time for service of this Application is abridged to that actually given.
2. Terms not otherwise defined herein shall have the meaning ascribed to them in the Report.

Approval of Interim Distribution

3. Following the payment of professional fees and other administrative costs, the Receiver is hereby authorized and empowered to make a distribution to BMO in the following approximate amounts:
  - (a) \$1,500,000, but not to exceed \$1,583,288, from the proceeds of the Statesman Transaction and other realizations to date (as defined and set out in the Report), provided that such distribution shall be subject to reasonable holdbacks as the Receiver deems necessary for the payment of estimated priority payables and the costs of administration of these proceedings; and
  - (b) \$200,000 from the proceeds of the Grasslands Transaction (as defined in the Report), provided that such distribution shall be subject to reasonable holdbacks as the Receiver deems necessary for the payment of estimated priority payables and the costs of administration of these proceedings. The remaining proceeds from the Grasslands Transaction, which amount shall not be less than \$475,000, shall be held by the Receiver pending further order of this Honourable Court.
4. This Order including paragraph 3(b) hereof, is made without having determined and entirely without prejudice to the determination of, any of the following:
  - (a) the validity or enforceability of the Grasslands Mortgage (as that term is defined in the Report);
  - (b) the validity or enforceability of the postponement agreement registered against the title to the Grasslands Property (as that term is defined in the Report) to the Grasslands Mortgage;
  - (c) the priority as between the Horseshoe Mortgage and the Grasslands Mortgage;

- (d) the allocation of the remaining proceeds pending further order of this Honourable Court, to or among any of Horseshoe Contracting Ltd. ("**Horseshoe**"), 875242 Alberta Ltd. ("**875 Ltd.**"), Grasslands, Roadbuilding and BMO;
- (e) the claims by Horseshoe and 875 Ltd. as plaintiffs against Grasslands, Roadbuilding, Ron Friesen, Aaron Badger and BMO as defendants in Court of Queen's Bench Action No. 2101 06038; and
- (f) in respect of allocation and claims referenced (d) and (e) above, application of the indebtedness agreement dated November 1, 2012 between Roadbuilding, Horseshoe, and Eclipse Geomatics and Engineering Ltd. (predecessor to 875 Ltd.) and the accounting sought by Horseshoe and 875 as outlined in paragraphs 33 – 43 of the Affidavit of Thomas Doran sworn April 20, 2022 and filed in these proceedings.

#### Actions of the Receiver

- 5. The Receiver's actions, activities and conduct as set out in the Report and Confidential Supplement, including without limitation the interim statement of receipts and disbursements as attached to the Report, are hereby ratified and approved.

#### Approval of Professional Fees

- 6. The Receiver's accounts for fees and disbursements for the period of March 1, 2021 to March 31, 2022, as set out in paragraph 90 of the Report are hereby approved without the necessity of a formal assessment of its accounts.
- 7. The accounts of the Receiver's legal counsel, Cassels Brock & Blackwell LLP, for its fees and disbursements for the period of March 1, 2021 to March 31, 2022, as set out in paragraph 91 of the Report are hereby approved without the necessity of a formal assessment of its accounts.

#### Service

- 8. Service of this order shall be deemed good and sufficient by serving same on the persons listed on the service list in these proceedings and by posting a copy of it on the Receiver's website at: <http://www.bdo.ca/en-ca/extranets/metrogroupofcompanies>.
- 9. Service of this order on any party not listed on the service list for this Application is hereby dispensed with.




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J.C.Q.B.A