

Clerk's Stamp

Court File Number 24-2101043

Court COURT OF QUEEN'S BENCH OF ALBERTA
IN BANKRUPTCY & INSOLVENCY

Judicial Centre EDMONTON

IN THE MATTER OF PARAGRAPH 65.13(4)(c) OF THE
BANKRUPTCY AND INSOLVENCY ACT

AND IN THE MATTER OF THE PROPOSAL OF
GRAHAM BROTHERS CONSTRUCTION GROUP LTD.

Document TRUSTEE'S THIRD REPORT TO COURT

Address for Service And Contact Information
of Party Filing this Document **Deloitte Restructuring Inc.**
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PROPOSAL TRUSTEE'S THIRD REPORT

INTRODUCTION

1. On March 18, 2016 (the "**NOI Filing Date**"), Graham Brothers Construction Group Ltd. ("**GBCG**" or the "**Company**") filed a Notice of Intention to Make a Proposal ("**NOI**") pursuant to Part III, Division I, section 50.4 of the *Bankruptcy and Insolvency Act* ("**BIA**").
2. Deloitte Restructuring Inc. ("**Deloitte**") is named as the trustee under the proposal in the NOI (the "**Proposal Trustee**").
3. On April 19, 2016 the Court of Queen's Bench of Alberta granted an Order, *inter alia*, permitting the Company to sell personal property of the Company of an aggregate value not exceeding \$500,000, without further Order of the Court provided that the method of sale and the proceeds of sale are agreed to by the Company, the Proposal Trustee, and such secured creditors who may hold first priority contractual security on the subject personal property.
4. This report provides an update on property that has been sold pursuant to the above and in support of the Company's application for an Order allowing for a further \$500,000 of equipment and other personal property to be sold subject to the same conditions as above.
5. Post April 19, 2016, the Company has sold \$304,234 of equipment, inclusive of GST, subject to the Court imposed \$500,000 ceiling and there remains \$195,766 available for further equipment sales. The particulars of the equipment sold are:

Description	Proceeds
Uninventoried Smalls	\$241,780
12 inch CC QL80	4,704
HT-115 International Workstar Tandem Dump Truck	57,750
Total	\$304,234

6. The Company has advised the Proposal Trustee that it will be able to imminently sell a further \$483,000 worth of equipment, inclusive of GST, at prices favourable to the Company and its secured creditors. The equipment the Company proposes to sell is:

Description	Estimated Proceeds
BH-148 CAT0336EEFJH01410 – Caterpillar 336E Hydraulic Excavator	\$262,500
BH-137 HHKHZ701CC0000352 – Hyundai R250LC-9 Hydraulic Excavator	115,500
BH-156A – ST100 Excavator mounted lead system	105,000
Total	\$483,000

7. The sales value of the foregoing assets will exceed the \$500,000 ceiling in the April 19, 2016 Order and the Proposal Trustee understands that the Company is seeking the Court's approval to sell a further \$500,000 of equipment in addition to the \$500,000 permitted in the April 19, 2016 Court Order. The Proposal Trustee supports the Company's request regarding this matter.
8. The Proposal Trustee believes that the Company has acted, and is acting, in good faith and with due diligence in complying with the Court ordered sales process and consulting affected creditors and the Proposal Trustee.
9. The Proposal Trustee is not aware of any creditor that would be materially prejudiced if leave for the Company to sell an additional \$500,000 for the asset sales under the same conditions as in the April 19, 2016 Order is granted by the Court.

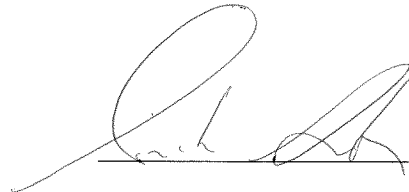
ALL OF WHICH IS RESPECTFULLY SUBMITTED THIS 6th DAY OF MAY, 2016 BY:

DELOITTE RESTRUCTURING INC.

Trustee under the Proposal of

GRAHAM BROTHERS CONSTRUCTION GROUP LTD.

Per:



Name: Gordon G. Smith, CPA, CA, LIT, CBV, CFE

Title: Senior Vice-President