

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE) TUESDAY, THE 14TH
JUSTICE RAY)
DAY OF DECEMBER, 2010

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT
ACT, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF Envision Engineering & Contracting Inc., Iona
Contractors Ltd., Western Construction and Combustion Services
Inc., Bow Valley Electrical Services Ltd., Inter Project Systems Inc.
and Landex Construction Inc. (the "Applicants")**

INITIAL ORDER

THIS APPLICATION, made by the applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 161 Elgin Street, Ottawa, Ontario.

ON READING the affidavit of Lynn Zienka sworn December 7, 2010 and the Exhibits thereto, and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the applicants, and on hearing the submissions of Alberta Treasury Branches ("ATB"), and on reading the consent of RSM Richter to act as the Monitor,

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Copie authentique certifiée et conforme à l'original
Dated this 14 day of December 2010
Fait jour de Douglas

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. THIS COURT ORDERS AND DECLARES that the applicants are companies to which the CCAA applies.

PLAN OF ARRANGEMENT

3. THIS COURT ORDERS that the applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "Plan").

POSSESSION OF PROPERTY AND OPERATIONS

4. THIS COURT ORDERS that the applicants shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property"). Subject to further Order of this Court, the applicants shall continue to carry on business in a manner consistent with the preservation of their business (the "Business") and Property. The applicants shall deposit all receivables into the account maintained by the applicable applicant with ATB and shall conduct all banking with ATB unless ATB otherwise specifically agrees in writing to an or any of the applicants depositing their receivables or conducting their banking elsewhere. The applicants shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "Assistants") currently retained or employed by them, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

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Dated this 14 day of September 2010
Fait _____
[Signature]

5. THIS COURT ORDERS that the applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (b) the fees and disbursements of any Assistants retained or employed by the applicants in respect of these proceedings, at their standard rates and charges provided that no payments to Assistants on account of fees or disbursement incurred prior to the date of this Order shall exceed \$50,000 without the prior written consent of the Monitor and ATB; and
- (c) with the prior consent of the Monitor, amounts owing to ATB on account of the indebtedness outstanding to ATB under and pursuant to the credit facilities maintained by the Applicants with ATB.

6. THIS COURT ORDERS that, except as otherwise provided to the contrary herein, the applicants shall be entitled but not required to pay all reasonable expenses incurred by the applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the applicants following the date of this Order.

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7. THIS COURT ORDERS that the applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the applicants in connection with the sale of goods and services by the applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the applicants.

8. THIS COURT ORDERS that, except as specifically permitted herein, the applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the applicants to any of their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

8.1 THIS COURT ORDERS that Landex Construction Inc. ("Landex") be and is hereby authorized to borrow up to \$417,000 from Western Combustion and Construction Services Inc.

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("Western") for the purpose of paying those creditors (the "Montfort Creditors") with pre-filing claims in respect of the Montfort Hospital project as listed in Schedule "A" to this Order (and for greater certainty, Landex be and is hereby authorized to pay the Montfort Creditors the amounts as set out in Schedule "A") provided that such payment results in the immediate release of a progress advance from the owner of the Montfort Hospital in the amount of \$966,000 and provided that such proceeds are utilized by Landex to immediately repay Western. Western be and is hereby granted a charge over the assets of Landex (the "Inter-Entity Borrowing Charge"). The Inter-Entity Borrowing Charge shall have the priority set out in paragraphs 28 and 32 herein.

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Fait par [Signature]

RESTRUCTURING

9. THIS COURT ORDERS that the applicants shall, subject to such requirements as are imposed by the CCAA, have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of their businesses or operations, and to dispose of redundant or non-material assets not exceeding \$200,000 in any one transaction; and
- (b) terminate the employment of such of their employees or temporarily lay off such of their employees as they deem appropriate;
- (c) pursue all avenues of refinancing of their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the applicants to proceed with an orderly restructuring of the Business (the "Restructuring").

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

10. THIS COURT ORDERS that until and including thirty days from the date of this order, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement

process in any court or tribunal (each, a "Proceeding") shall be commenced or continued against or in respect of the applicants or the Monitor, or affecting the Business or the Property, except with the written consent of the applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

11. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person") against or in respect of the applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the applicants to carry on any business which the applicants are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

12. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the applicants, except with the written consent of the applicants and the Monitor, or leave of this Court.

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Fait [Signature]

CONTINUATION OF SERVICES

13. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other

data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the applicants, and that the applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the applicants in accordance with normal payment practices of the applicants or such other practices as may be agreed upon by the supplier or service provider and each of the applicants and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

14. THIS COURT ORDERS that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

15. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the applicants or this Court.

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Fait [Signature]
jour de [Signature]

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

16. THIS COURT ORDERS that the applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the applicants after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

17. THIS COURT ORDERS that the directors and officers of the applicants shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge") on the Property, which charge shall not exceed an aggregate amount of \$500,000, as security for the indemnity provided in paragraph 16 of this Order. The Directors' Charge shall have the priority set out in paragraphs 28 and 31 herein.

18. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the applicants directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 16 of this Order.

APPOINTMENT OF MONITOR

19. THIS COURT ORDERS that RSM Richter is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the applicants with the powers and obligations set out in the CCAA or set forth herein and that the applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

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Fait Jour de 14 December 2010
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20. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the applicants receipts and disbursements;
- (b) approve any disbursement in excess of \$25,000;
- (c) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters
- (d) advise the applicants in their development of the Plan and any amendments to the Plan;
- (e) assist the applicants, to the extent required by the applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (f) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the applicants, to the extent that is necessary to adequately assess the applicants business and financial affairs or to perform its duties arising under this Order;
- (g) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (h) be at liberty to report to ATB at any time in respect of the Applicants' then financial or operational position including providing any financial or operational information to ATB in respect of the Applicants that ATB may request including, without limitation:
 - (i) status of accounts receivable and accounts payable;
 - (ii) status of any construction projects involving the Applicants including, without limitation, advising with respect to the status of: (a) construction lien and trust claims being threatened or asserted by creditors of the Applicants, (b) any

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surety bond maintained by the Applicants, (c) the completion of any project including amounts invoiced to date, amounts to be invoiced, payments to be made to creditors of the Applicants, the status of progress advances and any holdbacks related thereto; and

(iii) providing actual to budget comparisons in respect of any matter contained in the cash flow statements filed by the Applicants determined at any time or for any period; and

(i) perform such other duties as are required by this Order or by this Court from time to time.

21. THIS COURT ORDERS that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

22. THIS COURT ORDERS that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

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23. THIS COURT ORDERS that that the Monitor shall provide any creditor of the applicants with information provided by the applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the applicants may agree.

24. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

25. THIS COURT ORDERS that the Monitor, counsel to the Monitor and counsel to the applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the applicants as part of the costs of these proceedings. The applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the applicants on a weekly basis and, in addition, the applicants are hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the applicants, retainers in the amount[s] of \$25,000 each to be held by them as security for payment of their respective fees and disbursements outstanding from time to time

26. THIS COURT ORDERS that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

27. THIS COURT ORDERS that the Monitor, counsel to the Monitor, if any, and the applicants' counsel shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of \$500,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this

Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 28 and 30 hereof.

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Fait Jour de Douglas

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

28. THIS COURT ORDERS that the priorities of the Directors' Charge and the Administration Charge as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$500,000);

Second – Directors' Charge (to the maximum amount of \$500,000).

Third – Inter-Entity Borrowing Charge (to the maximum amount of \$417,000)

29. THIS COURT ORDERS that the filing, registration or perfection of the Directors' Charge or the Administration Charge (collectively, the "Charges") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

30. THIS COURT ORDERS that the Administration Charge (as constituted and defined herein) shall constitute a charge on the Property and such charge shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "Encumbrances") in favour of any Person.

31. THIS COURT ORDERS that the Directors' Charge (as constituted and defined herein) shall constitute a charge on the Property and such charge shall be subordinate to the Administration Charge and the security held by ATB but otherwise rank in priority to all other Encumbrances in favour of any Person.

32. THIS COURT ORDERS that the Inter-Entity Borrowings Charge (as constituted and defined herein) shall constitute a charge on the Property and such charge shall be subordinate to the Administration Charge, the Director's Charge and the security held by ATB but otherwise rank in priority to all other Encumbrances in favour of any Person.

33.

34. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Directors' Charge or the Administration Charge, unless the applicants also obtain the prior written consent of the Monitor and the beneficiaries of the Directors' Charge and the Administration Charge, or further Order of this Court.

35. THIS COURT ORDERS that the Directors' Charge and the Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "Chargees") thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds the applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Charges shall not create or be deemed to constitute a breach by the applicants of any Agreement to which they are a party; and
- (b) the payments made by the applicants pursuant to this Order and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

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Dated this 14 day of December 2020
Fait J. Douglas

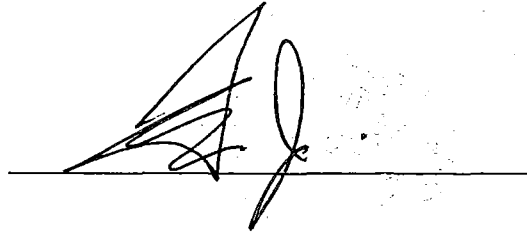
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Dated this 14 day of December 2018
Fait ce jour de 14 décembre 2018

GENERAL

40. THIS COURT ORDERS that the applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder.
41. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the applicants, the Business or the Property.
42. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the applicants and the Monitor and their respective agents in carrying out the terms of this Order.
43. THIS COURT DECLARES that the acceptance of jurisdiction by the Court over the Applicants shall not be determinative of the proper forum for any proceedings that may be commenced by ATB in respect of the Applicants, or any of them, such forum to be determined in accordance with applicable law.
44. THIS COURT ORDERS that each of the applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
45. THIS COURT ORDERS that any interested party (including the applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days

notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

46. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.



ENTERED AT OTTAWA
INSCRIT A OTTAWA
ON/LE DEC 14 2010
DOCUMENT # 3249
IN BOOK NO. 73-13
AU REGISTRE NO. 73-13

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