

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

- and -

DISTINCT INFRASTRUCTURE GROUP INC., DISTINCT INFRASTRUCTURE GROUP WEST INC., DISTINCTTECH INC., IVAC SERVICES INC., IVAC SERVICES WEST INC., and CROWN UTILITIES LTD.

Respondents

**MOTION RECORD
(Returnable March 21, 2019)**

March 18, 2019

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Court File No. CV-19-00615270-00CL

**ONTARIO
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COMMERCIAL LIST**

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

B E T W E E N:

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Applicant

- and -

**DISTINCT INFRASTRUCTURE GROUP INC., DISTINCT INFRASTRUCTURE
GROUP WEST INC., DISTINCTTECH INC., IVAC SERVICES INC., IVAC
SERVICES WEST INC., and CROWN UTILITIES LTD.**

Respondents

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TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

- and -

DISTINCT INFRASTRUCTURE GROUP INC., DISTINCT INFRASTRUCTURE GROUP WEST INC., DISTINCTTECH INC., IVAC SERVICES INC., IVAC SERVICES WEST INC., and CROWN UTILITIES LTD.

Respondents

**NOTICE OF MOTION
(Returnable March 21, 2019)**

DELOITTE RESTRUCTURING INC. (“**Deloitte**”), in its capacity as court-appointed receiver and manager (the “**Receiver**”) of Distinct Infrastructure Group Inc., Distinct Infrastructure Group West Inc., DistinctTech Inc., iVac Services Inc., iVac Services West Inc. and Crown Utilities Ltd. (collectively, the “**Debtors**”) will make a motion to a Judge presiding over the Commercial List on March 21, 2019, at 9:30 a.m. or as soon after that time as the motion can be heard at the Courthouse located at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING: This Motion is to be heard orally.

THIS MOTION IS FOR:

1. An Order (the “**Approval and Vesting Order**”), *inter alia*:
 - (a) abridging the time for service of this Notice of Motion and the materials filed in support of the motion and dispensing with further service thereof;
 - (b) approving the Agreement of Purchase and Sale (the “**APA**”) between the Receiver and Crown Pipeline Ltd. (the “**Purchaser**”) dated March 15, 2019 for the sale of the assets, property and undertaking of Crown Utilities Ltd. (“**Crown**”);
 - (c) vesting all of the Receiver’s right, title and interest, if any, of the assets, property and undertaking of Crown in the Purchaser upon closing of the sale transaction (the “**Transaction**”); and
 - (d) sealing Confidential Appendices “1” and “2” appended to the Receiver’s First Report to the Court dated March 18, 2019 (the “**First Report**”) until six months after the Closing or further order of the Court, which enclose: (i) the unredacted version of the APA; (ii) the supporting equipment appraisal; and (iii) the Receiver’s comparative liquidation analysis.

THE GROUNDS FOR THE MOTION are as follows:

2. By Order of the Court dated March 11, 2019 (the “**Appointment Order**”), Deloitte was appointed upon application by Royal Bank of Canada (the “**Bank**”) as Receiver of the assets, undertakings and properties (collectively, the “**Property**”) of the Debtors pursuant

to section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “BIA”);

3. Crown is a wholly-owned subsidiary of Distinct Infrastructure Group Inc. (the “Company”) pursuant to the acquisition of all of the issued and outstanding shares of Crown on November 21, 2017. Crown was formed by amalgamation under the Manitoba *Business Corporations Act*;
4. Crown operates exclusively in the province of Manitoba and is based in Winnipeg. Crown’s services include directional drilling, Hydro Vac excavating, ploughing, and transmission line and regulator station installations;
5. Crown’s operations are not integrated with the operations of the Company;
6. The principal of the Purchaser was the former owner of Crown, prior to the Company’s acquisition, and remained employed by Crown as general manager;
7. Since the Appointment Order, the Receiver has continued the business of Crown in the ordinary course in an effort to market the sale of Crown’s business as a going concern;
8. The Receiver and the Purchaser entered into discussions regarding the sale of Crown’s assets shortly after the date of the Appointment Order, which quickly culminated into the APA;

9. The Debtors, including Crown, do not have sufficient cash on hand to support ongoing operations and the Bank is expected to suffer a significant shortfall on its indebtedness. The Purchaser has agreed to fund the operations of Crown until closing of the Transaction. As a result, it is imperative that the Receiver conclude the sale of Crown's assets as quickly as possible;
10. Pursuant to the APA, the Purchaser will purchase substantially all of the assets of Crown and Crown's rights and obligations pursuant to 32 vehicle and equipment leases will be assigned to the Purchaser;
11. It is a condition precedent under the APA that the Court grant the Approval and Vesting Order on or before March 22, 2019;
12. The closing date of the Transaction shall be the later of: (i) March 22, 2019; and (ii) two business days following the date of the Approval and Vesting Order;
13. The Purchase Price (as defined in the APA) under the APA is financially advantageous and commercially reasonable as compared to a liquidation of Crown's assets;
14. The Bank consents to the granting of the Approval and Vesting Order;
15. such other grounds as counsel may advise and this Honourable Court may deem just.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of this application:

1. First Report to the Court of the Receiver dated March 18, 2019; and
2. such further and other evidence as counsel may advise and this Honourable Court may permit.

March 18, 2019

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(as at March 18, 2019)

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IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

ROYAL BANK OF CANADA

and

DISTINCT INFRASTRUCTURE GROUP INC. et al.

Applicant

Respondents

Court File No. CV-19-00615270-00CL

ONTARIO
**SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at Toronto

NOTICE OF MOTION

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TAB 2

**ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

BETWEEN:

ROYAL BANK OF CANADA

Applicant

- and -

**DISTINCT INFRASTRUCTURE GROUP INC., DISTINCT INFRASTRUCTURE
GROUP WEST INC., DISTINCTTECH INC., IVAC SERVICES INC., IVAC SERVICES
WEST INC., and CROWN UTILITIES LTD.**

Respondents

**FIRST REPORT OF DELOITTE RESTRUCTURING INC. IN ITS CAPACITY AS
RECEIVER OF DISTINCT INFRASTRUCTURE GROUP INC. ET. AL.**

MARCH 18, 2019

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INTRODUCTION AND PURPOSE OF THIS REPORT

1. On March 11, 2019, Deloitte Restructuring Inc. (“**Deloitte**”) was appointed Receiver (in such capacity, the “**Receiver**”), without security, of all of the assets, undertakings and properties of Distinct Infrastructure Group Inc. (the “**Company**”) and its subsidiaries set out in **Appendix “A”** hereto (collectively with the Company, “**DIG**”) pursuant to the order (the “**Appointment Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”). A copy of the Appointment Order is attached to this report as **Appendix “B”**.
2. The sole purpose of this first report (the “**First Report**”) is to provide information to the Court to support:
 - a) the Receiver’s recommendation that the Court approve the Agreement of Purchase and Sale (the “**APA**”) between the Receiver and Crown Pipeline Ltd. (the “**Purchaser**”) dated March 15, 2019 for the sale of the assets, property and undertaking of Crown Utilities Ltd. (“**Crown**”);
 - b) the issuance of an Approval and Vesting Order by the Court; and
 - c) an Order sealing (i) the unredacted version of the APA; (ii) the supporting equipment appraisal; and (iii) the Receiver’s comparative liquidation analysis until the Closing of the Transaction (as each term is defined below).
3. A redacted copy of the APA, redacted as to the Purchase Price and the value amount of certain of the Purchased Assets, is attached to this First Report as **Appendix “C”**. The unredacted version of the APA is attached to this First Report as **Confidential Appendix “1”**. The Receiver requests that the unredacted APA be sealed until six months after the closing of the Transaction, or further order of the Court. Otherwise, in the event that the

Transaction does not close, the Receiver's efforts to sell the Crown business will be prejudiced as a result of the disclosure of such commercial terms.

4. Reference is made to the Report of Deloitte in its capacity as Proposed Receiver dated February 28, 2019 (the "**Pre-Filing Report**") which can be accessed on the Receiver's website at www.insolvencies.deloitte.ca/en-ca/dig . Capitalized terms not defined herein shall have the meaning ascribed to them in the APA, the Pre-Filing Report or the Appointment Order, as applicable.

TERMS OF REFERENCE

5. In preparing this First Report, Deloitte has been provided with, and has relied upon unaudited, draft and/or internal financial information, DIG's books and records, discussions with management of DIG, and information from third-party sources (collectively, the "**Information**"). Except as described in this First Report:
 - a) Deloitte has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, Deloitte has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards ("**CAS**") pursuant to the *Chartered Professional Accountants Canada Handbook* and, accordingly, the Receiver expresses no opinion or other form of assurance contemplated under CAS in respect of the Information;
 - b) As noted in the Pre-Filing Report, the Company has issued a press release advising that its financial statements are misstated and should not be relied upon. The

Company has made material write downs to its accounts receivable, work in progress, and inventory balances, and accordingly, Deloitte cautions that the financial information reported herein is subject to further verification and may require material revision; and

- c) Deloitte has prepared this First Report in its capacity as Receiver solely to support the Court's approval of the APA and granting of an Approval and Vesting Order. Parties using the First Report other than for the purposes outlined herein are cautioned that it may not be appropriate for their purposes.

- 6. Unless otherwise stated, all dollar amounts contained in this First Report are expressed in Canadian dollars.

THE BUSINESS AND ASSETS OF CROWN

- 7. Crown is a wholly-owned subsidiary of DIG. According to the records maintained by the Manitoba Companies Office, Crown was formed under the Manitoba *Business Corporations Act* on July 31, 2001 as a result of an amalgamation between Crown Utilities Ltd. and Crown Home Renovations Ltd. The Company announced it had acquired all of the issued and outstanding shares of Crown on November 21, 2017 for \$17 million.
- 8. Crown operates exclusively in the province of Manitoba and is based in Winnipeg. Crown's services include directional drilling, Hydro Vac excavating, ploughing, and transmission line and regulator station installations. Major customers of Crown include Manitoba Hydro, Manitoba Water Services Board, Bell MTS, and Shaw Cable Systems. Crown employs approximately 101 non-union and two union employees represented by

United Association Local Union 254 in Manitoba. Relating to certain non-union employees, the Receiver was contacted by Operating Engineers of Manitoba who advised that in February 2019, they were successful in organizing Crown's employees and obtained a ruling from the Manitoba Labour Board certifying the Crown employees with a 90-day timeline to negotiate a collective bargaining agreement. The Receiver has not seen further documentation in this regards and understands that Crown had not yet commenced such negotiations, although scheduled to commence in April.

9. The operations of Crown are not integrated with the operations of DIG. Following the acquisition of Crown by DIG, the former owner of Crown, Mr. Gilles Gauthier ("**Gauthier**"), remained employed by Crown as General Manager. Gauthier is the owner and principal of Crown Pipeline Ltd., the purchaser pursuant to the APA (the "**Purchaser**").
10. Since March 11, 2019, the Receiver has taken steps to continue the business of Crown in the ordinary course including:
 - a) engaging hourly and salaried staff on a short-term, contractual basis;
 - b) compiling data and processing *Wage Earner Protection Program Act* ("**WEPP**") submissions for employees of Crown;
 - c) communicating with major customers; and
 - d) making arrangements for the payment of post-receivership expenses in the ordinary course.
11. Since its appointment, the Receiver has communicated with 47 potential purchasers of the business of DIG (including the assets and operations of Crown). In such communications, the Receiver marketed the sale of the business of Crown on an operating, *en bloc* basis. While 11 parties have executed non-disclosure agreements and have been given access to

a secure data room with information on Crown's business and assets, only Gauthier has expressed a serious and immediate interest to the Receiver in acquiring the assets, property and undertaking of Crown.

12. The Receiver commenced negotiations with Gauthier, which quickly culminated in the execution of the APA by the Receiver and the Purchaser. While the Receiver acknowledges that other interested parties may not have had sufficient time to conduct substantive due diligence on the business of Crown and formulate a binding offer, as described in the Pre-Filing Report, DIG does not have sufficient cash on hand to support ongoing operations. As a result, any funds required to continue the operations of Crown to support a sale process would be funded by DIG's senior secured lender, Royal Bank of Canada (the "**Bank**"), who is expected to suffer a significant shortfall on its indebtedness. As a result, it is imperative that the Receiver conclude the sale of Crown's operations as quickly as possible.
13. In the days immediately prior to the date of the Appointment Order, the Company had introduced a third party in the construction industry to the Bank. While this party initially expressed an interest in acquiring all of the assets and remaining businesses of the Company, including Crown, the negotiations shortly evolved into non-binding expressions of interest for the assignment of the Bank's indebtedness and security over the assets of DIG. This party was given a short period of time to conduct further due diligence on the business, which included a site visit to Crown's facilities located in Winnipeg. This party and the Bank were unable to agree on the terms of a transaction and the negotiations were terminated. Accordingly, the Bank proceeded with its application for the appointment of a Receiver.

14. Since the date of the Appointment Order, the Receiver has collected accounts receivable of Crown of approximately \$125,000, and all ongoing operating disbursements have been funded by Gauthier on an unsecured basis (in the approximate amount of \$165,000 for payroll and operating disbursements). The cash balance in Crown's bank account on March 14, 2019 was approximately \$462,000. This cash balance will not form part of the Purchased Assets under the APA. Based on the cash flow forecast prepared by Crown management for the coming four-week period, it is estimated that there will be a shortfall of receipts over disbursements of approximately \$160,000 assuming forecast accounts receivable and holdback collections of \$1,064,000 are received during that period. As noted below, it is uncertain whether customers will delay payments due to the appointment of the Receiver.

AGREEMENT OF PURCHASE AND SALE

15. Since its appointment, the Receiver has worked with Gauthier and other advisors to the Purchaser to provide information and negotiate an agreement. Following these discussions, the APA was executed on March 15, 2019 for the purchase and sale of the Receiver's right, title and interest, if any, in and to the undertaking and all of the property and assets of Crown (the "**Transaction**"), subject to the issuance of an Approval and Vesting Order. The Purchaser has provided a deposit of \$500,000 (the "**Deposit**") to the Receiver to be credited to the Purchase Price on closing of the Transaction (the "**Closing**"). As previously mentioned, the Purchaser has demonstrated its commitment to the Transaction by funding payroll and operating disbursements on an unsecured basis.
16. Pursuant to the APA, the Purchased Assets include, among other things, machinery and equipment, tools, furniture, inventory, work in progress, contracts, accounts receivable and

the exclusive right to use the name “Crown Utilities”. Further, Crown’s rights and obligations pursuant to 32 vehicle and equipment leases will be assigned to the Purchaser (the “**Assigned Leases**”). The Purchased Assets exclude certain equipment which is not used in the Crown business and cash on hand as of March 14, 2019.

17. The two significant conditions precedent to the completion and closing of the Transaction are as follows:

- a) the Purchaser shall have responsibility for all continued operating costs of Crown from the date of the Appointment Order to the Closing Date, and shall indemnify the Receiver for all such costs; and
- b) the Receiver shall as soon as reasonably possible apply to the Court, on notice to all parties having an interest in any of the Purchased Assets and Assigned Leases, for an Order (the “**Approval and Vesting Order**”) approving the Transaction and vesting the Purchased Assets in the Purchaser, free and clear of all mortgages, charges, encumbrances, security interests or liens whatsoever of every nature and kind, including, without limitation, all charges, encumbrances, security interests or liens created or arising by operation of law at any time, including subsequent to the making of the Approval and Vesting Order, by or under any Federal or Provincial statute, registration, direction or order whatsoever and howsoever created, such Approval and Vesting Order to be in a form reasonably satisfactory to the Purchaser’s counsel. The Approval and Vesting Order must be granted on or before March 22, 2019. In the event that the Court refuses to grant the Approval and Vesting Order, the APA is null

and void and the Deposit shall be returned to the Purchaser in full without set off or deduction within three business days thereto.

18. Pursuant to the APA, the Closing Date of the Transaction shall be the later of: (i) March 22, 2019; and (ii) two business days following the date of the Approval and Vesting Order.
19. The APA also provides for the Receiver to facilitate (on a “best efforts” basis) the transfer of certain shares of HD-Petroleum Inc. which shares were held in trust by Crown (as Bare Trustee) for 1005661 Manitoba Ltd. (“**5611 MB Ltd.**”) since the sale of the shares by Crown to 5611 MB Ltd. in November 2017. The Receiver has reviewed the circumstances of this request and has concluded that Crown has no beneficial interest in these shares.

ANALYSIS AND RECOMMENDATION TO APPROVE THE TRANSACTION

20. Notwithstanding that it has only been one week since the appointment of the Receiver and a broad and fulsome marketing of the assets has not been undertaken, the Receiver recommends that the Court approve the Transaction and issue the requested Approval and Vesting Order. The Receiver has considered the following factors in assessing such recommendation, each of which is more fully discussed below: (i) the need for urgency; (ii) the preservation of Crown’s business as a going concern; (iii) the certainty of realization and avoidance of further operating and receivership costs; (iv) the consideration and other financial attributes of the Transaction; (v) the assignment of the Assigned Leases; and (vi) the consent of the Bank.

The need for urgency

21. While the Ontario business of DIG was no longer viable and ceased as of the date of the Receivership, Crown's business and operations were not integrated nor dependent on the other DIG businesses and has been carried on by the Receiver. However, the continuation of the business is wholly reliant on the continued support of Crown management and staff pursuant to temporary contract arrangements with the Receiver, the continued support of Manitoba Hydro, Crown's largest customer, the ongoing provision of goods and services from Crown's suppliers, the continued payment of accounts receivable by Crown's customers, and the funding of forecast cash disbursements over the next four weeks.
22. Crown's business, in its current form, is economically dependent on agreements with Manitoba Hydro, which comprised approximately 40% of Crown's revenues in 2018. During the course of negotiating the form of APA, the Purchaser initially requested that a condition precedent to the sale transaction, for the benefit of the Purchaser, was confirmation that Manitoba Hydro would continue to work with the Purchaser after closing of the Transaction. In conversations with Manitoba Hydro, Gauthier has gained sufficient comfort that Manitoba Hydro will continue to work with the Purchaser provided that Crown management and staff remain, and therefore, this condition was removed from the APA.
23. The Crown employee group has been retained temporarily by the Receiver pursuant to contract arrangements. The employees are owed wages and vacation pay prior to the date of the Appointment Order of approximately \$250,000 and the employees will seek to recover eligible amounts from WEPP benefits. Further, certain non-union employees appear to be represented by Operating Engineers of Manitoba and Crown may be required

to negotiate a collective bargaining agreement in the immediate future. The Receiver is concerned that there is a meaningful risk of attrition for the employee base if a sale transaction cannot be executed quickly.

24. Creditors of Crown have not been paid for goods and services prior to the Appointment Order and approximately \$1.0 million is owing to various vendors. Such unpaid liabilities could cause certain of these creditors to cease trading with Crown.
25. The Receiver has reviewed the cash flow forecast prepared by Crown management and it is estimated that approximately \$1.3 million is required to fund post-receivership employee, occupancy and operating costs for the next four weeks. While forecast accounts receivable and holdback collections may be available to meet these obligations in the ordinary course, it is uncertain as to whether customers will delay payments due to the appointment of the Receiver.
26. Crown's unaudited financial statements for the year ended December 31, 2018 report a net loss of \$1.6 million on revenue of \$25.1 million. As mentioned above, the Company previously issued a press release stating that such financial statements cannot be relied upon.
27. At this time, there is approximately \$500,000 in Crown's bank account to fund operations. As noted, in the absence of continued and timely collections from accounts receivable, this balance will be insufficient to meet immediate obligations over the coming four weeks. The Receiver believes that it is unlikely that the Bank would risk additional funding to pay for future operating deficits due to operating risks and the uncertainty that a going concern transaction will result in a sufficiently improved recovery over a liquidation. The

Transaction is advantageous in this regard as the Purchaser has committed to fund the operations during the period to closing of the Transaction.

28. For the reasons above, the Receiver believes that it is urgent that a transaction be concluded quickly due to the significant business interruption and financing risks noted.

The preservation of the business as a going concern

29. The Transaction will likely see the continued employment of approximately 105 employees, and continued business for approximately 120 suppliers.
30. The Transaction will result in the Assigned Leases being assigned to the Purchaser, as described below, relating to construction equipment and motor vehicles without loss to the lessors.
31. The Transaction will also result in the uninterrupted delivery of services to Crown's customers thereby avoiding potential disruptions to public and private infrastructure projects, especially those of Manitoba Hydro.
32. Manitoba Hydro has advised the Receiver that they would be prepared to consider continuation of its business with Crown if existing management and staff can be preserved. As mentioned, the principal of the Purchaser, Gauthier, is the former owner of the business and had demonstrated its strength of relationship and credibility with Manitoba Hydro. For this reason, there is no condition of closing to the Transaction relating to the continuation of business with Manitoba Hydro.

The certainty of realization and avoidance of further operating and receivership costs

33. Acknowledging that other parties have not had the opportunity to undertake due diligence and consider making an offer for the Crown business, there is no certainty that another industry party can be identified quickly which will result in a transaction price that would exceed the Purchase Price under the APA. The Receiver has consulted with the Bank and the Bank is satisfied with the Purchase Price in the APA.
34. The Purchaser has funded the Deposit which is non-refundable should the Purchaser not close the Transaction after the granting of an Approval and Vesting Order.
35. If an additional marketing period were required, additional funding may be required to sustain the business. Even a liquidation of the assets of Crown through a public auction will require a further occupancy period of at least three months. There is no certainty that the Bank would advance additional funds to the Crown business in this circumstance.
36. The Transaction contemplates a very quick closing and transfer of the business to the Purchaser. An additional marketing period will require increased supervisory and management costs of the Receiver, as well as an extended period of operating risks.

Consideration and other financial attributes of the Transaction

37. The Receiver has compared the Purchase Price to the estimated realization from the assets if the business were liquidated. For this purpose, the Receiver engaged Maynards Industries Canada Appraisals Ltd. (“**Maynards**”) to provide an appraisal (the “**Appraisal**”) of the equipment owned by Crown. Due to the urgency of the situation, Maynards did not have the opportunity to physically inspect the equipment, but relied on the descriptions provided

by the Receiver and assessed market conditions on this basis. The Appraisal was delivered to the Receiver on March 13, 2019.

38. The Appraisal and the Receiver's comparative liquidation analysis are attached to this First Report together as **Confidential Appendix "2"**. The Receiver requests that such documents be sealed until six months after the closing of the Transaction, or further order of the Court. Otherwise, the commercial terms of the Transaction and the Appraisal can cause prejudice to the Receiver's efforts to sell Crown's assets and property in the event the Transaction does not close.
39. The Receiver has considered the Appraisal in its comparative liquidation analysis and has determined that, based on the assumptions used in the liquidation analysis, the consideration from the Transaction is financially advantageous and commercially reasonable.

Assignment of the Assigned Leases

40. As mentioned above, the APA provides that the Assigned Leases will be assigned to the Purchaser under the Approval and Vesting Order. The Appointment Order authorizes the Receiver to assign the Property out of the ordinary course of business (with Court approval in respect of a transaction exceeding \$500,000) and to apply for a vesting order "or other orders necessary to convey the Property or any parts there to a purchaser".
41. Pursuant to section 84.1 of the *Bankruptcy and Insolvency Act* (the "**BIA**"), on application by a trustee and on notice to every party to an agreement, the Court may make an order assigning the rights and obligations of a bankrupt under the agreement to any person who is specified by the Court and agrees to the assignment.

42. In this instance, the Receiver requests the Court to grant an Order similar to that set forth in section 84.1 of the BIA and assign Crown's rights and obligations under the Assigned Leases to the Purchaser. Given the truncated timeline for due diligence, the Receiver and Purchaser have not had an opportunity to review each of the Assigned Leases to determine whether they require consent of the counterparty to assign such Assigned Lease. Accordingly and in such circumstances, the Receiver is requesting the Court grant an Order assigning all of the Assigned Leases to the Purchaser.
43. None of the Assigned Leases fall under the categories of leases that are not assignable under section 84.1(3) of the BIA. In deciding whether to make an order under section 84.1 of the BIA, the Court is to consider, among other things, (a) whether the person to whom the rights and obligations are to be assigned is able to perform the obligations; and (b) whether it is appropriate to assign the right and obligations to that person.
44. In respect of (a) above, the Receiver has been advised that the Purchaser will be filing an affidavit with the Court outlining the Purchaser's ability to perform the obligations under the Assigned Leases. In respect of (b) above, the Purchaser will be assuming the entire business of Crown as a going concern and accordingly, it is appropriate to assign the Assigned Leases to the Purchaser.
45. Further, there are no monetary defaults in relation to the Assigned Agreements and if there were, the Purchaser has agreed to pay such amounts pursuant to the APA.
46. The Receiver supports the assignment of the Assigned Leases to the Purchaser.

The consent of the Bank

47. The Receiver has consulted with the Bank on all aspects of the Transaction and the Bank has advised that it supports the Transaction.

Recommendation

48. For the reasons outlined in this First Report, the Receiver recommends that the Court approve the Transaction, issue the requested Approval and Vesting Order, and Order that Confidential Appendices “1” and “2” to the Report be kept under Court seal until six months after the closing of the Transaction, or further order of the Court.

UPDATE ON PUBLIC REPORTING REQUIREMENTS

49. The Company is a public company listed on the TSX Venture Exchange (“**TSXV**”) under the symbol “DUG”. After the issuance of the press release advising that its financial statements are misstated and should not be relied upon, the Ontario Securities Commission (the “**OSC**”) noted the Company in default and issued a cease trade order on February 15, 2019 (the “**CTO**”). In addition, the TSXV suspended the Company's shares from trading.
50. DIG’s auditor for the year ended December 31, 2017 was MNP LLP. In September 2018, MNP LLP was replaced by Ernst & Young LLP (“**EY**”). On March 11, 2019, EY advised the Company in writing of its resignation as auditors of DIG. A copy of the resignation letter (the “**EY Resignation Letter**”) is attached hereto at **Appendix “D”**.
51. As a result of the EY Resignation Letter, the Company has to comply with certain requirements under National Instrument 51-102, Part 4.11. The Receiver may seek additional relief shortly in respect of such requirements.

All of which is respectfully submitted at Toronto, Ontario this 18th day of March, 2019.

DELOITTE RESTRUCTURING INC.,
solely in its capacity as the proposed
Court-appointed receiver of
Distinct Infrastructure Group Inc. and its
subsidiaries set out in Appendix "A" hereto,
and without personal or corporate liability

Per: P. Casey

Paul Casey, CPA, CA, FCIRP, LIT

Senior Vice-President

APPENDIX “A”

Appendix “A”

List of Subsidiaries

Distinct Infrastructure Group West Inc.
DistinctTech Inc.
iVac Services Inc.
iVac Services West Inc.
Crown Utilities Ltd.

APPENDIX “B”

Appendix “B”

Appointment Order

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE

JUSTICE

HAINES

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MONDAY, THE ~~8TH~~ ^{11TH}

DAY OF MARCH, 2019

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

BETWEEN:

ROYAL BANK OF CANADA

Applicant

- and -

DISTINCT INFRASTRUCTURE GROUP INC., DISTINCT INFRASTRUCTURE GROUP WEST INC., DISTINCTTECH INC., IVAC SERVICES INC., IVAC SERVICES WEST INC., and CROWN UTILITIES LTD.

Respondents

ORDER
(appointing Receiver)

THIS APPLICATION made by Royal Bank of Canada (the "**Applicant**" or the "**Bank**") for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing Deloitte Restructuring Inc. as receiver and manager (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of Distinct Infrastructure Group Inc., Distinct Infrastructure Group West Inc., DistinctTech Inc., iVac Services Inc., iVac Services West Inc. and Crown Utilities Ltd. (collectively, the

"Debtors") acquired for, or used in relation to a business carried on by the Debtors, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Gary Ivany sworn February 28, 2019 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant and the Receiver, no one else appearing or served, and on reading the consent of Deloitte Restructuring Inc. to act as the Receiver,

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, Deloitte Restructuring Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (the "**Property**").

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, arranging for provision of utilities,

the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

- (c) to manage, operate, and carry on the business of the Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the Debtors;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby

conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

- (i) without the approval of this Court in respect of any transaction not exceeding \$500,000, provided that the aggregate consideration for all such transactions does not exceed \$1,500,000; and

- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required.

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have;
- (r) to make an assignment in bankruptcy on behalf of any or all of the Debtors; and
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtors, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, including but not limited to, Joe (Giuseppe) Lanni, Alex Agius and George Parselias, and all other persons acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure. All such Persons shall preserve the Records in their original format and shall not alter, amend, erase or destroy any Records without the prior written consent of the Receiver.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall preserve such Records in their original format and shall not alter, amend, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least

seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days' notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

8. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the Debtors, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (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 THE RECEIVER

11. THIS COURT ORDERS that 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 any of the Debtors, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtors 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 Debtors 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 Receiver, and that the Receiver shall be entitled to the continued use of the Debtors' current 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 Receiver in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

14. THIS COURT ORDERS that all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. THIS COURT ORDERS that nothing herein contained shall require the Receiver 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 Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver'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.

LIMITATION ON THE RECEIVER'S LIABILITY

17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

20. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow from the Bank by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$2,000,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. THIS COURT ORDERS that, pending further Order of the Court, for a period of fifteen (15) calendar days following the date of this Order (the "**Interim Comeback Period**"), the Receiver's Borrowing Charge shall not extend to collateral that is subject to a properly perfected security interest that is in priority to the Bank's security, including purchase money security interests. Any secured creditor that wishes to take the position that the priority charges granted pursuant to this Order should not extend to collateral subject to their security interest shall serve a motion on notice to the Receiver and the Bank within fifteen (15) calendar days of the date of this Order, seeking such relief. In the absence of an Order being granted in respect of such motion that is served within the Interim Comeback Period, all priority charges under this Order including the Receiver's Borrowings Charge set forth in paragraph 21 above, will apply to all assets, including those subject to purchase money security interests, equipment leases or other

interests that may be in priority to the Bank's security, immediately upon the conclusion of the Interim Comeback Period without any further steps being taken.

23. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

24. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

25. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

26. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: www.insolvencies.deloitte.ca/en-ca/dig.

27. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, email, or facsimile transmission to the Debtors' creditors or other interested parties at their respective

addresses as last shown on the records of the Debtors and that any such service or distribution by courier, personal delivery, email, or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

RETENTION OF LAWYERS

28. THIS COURT ORDERS that the Receiver may retain solicitors to represent and advise the Receiver in connection with the exercise of the Receiver's powers and duties, including without limitation, those conferred by this Order. Such solicitors may include Thornton Grout Finnigan LLP, solicitors for the Applicant herein, in respect of any matter where there is no conflict of interest. The Receiver shall, however, retain independent solicitors in respect of any legal advice or services where a conflict exists, or may arise.

GENERAL

29. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

30. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of any of the Debtors.

31. 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 Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

32. THIS COURT ORDERS that the Receiver 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 Receiver 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.

33. THIS COURT ORDERS that the Applicant shall have its costs of this Application, up to and including entry and service of this Order, provided for by the terms of the Application security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtors' estates with such priority and at such time as this Court may determine.

34. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

MAR 11 2019

PER / PAR: 

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Deloitte Restructuring Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties of Distinct Infrastructure Group Inc., Distinct Infrastructure Group West Inc., DistinctTech Inc., iVac Services Inc., iVac Services West Inc. and Crown Utilities Ltd. (together, the "**Debtors**") acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 11th day of March, 2019 (the "**Order**") made in an action having Court file number CV-19-00615270-00CL, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20__.

Deloitte Restructuring Inc., solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

ROYAL BANK OF CANADA

- and -

DISTINCT INFRASTRUCTURE GROUP INC. et al.

Applicant

Respondents

Court File No. CV-19-00615270-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

ORDER
(appointing Receiver)

Thornton Grout Finnigan LLP
TD West Tower, Toronto-Dominion Centre
100 Wellington Street West, Suite 3200
Toronto, ON M5K 1K7
Fax: (416) 304-1313

D.J. Miller (LSO# 34393P)
Email: djmiller@tgf.ca / Tel: (416) 304-0559

Rachel Bengino (LSO# 68348V)
Email: rbengino@tgf.ca / Tel: (416) 304-1153

Lawyers for the Applicant, Royal Bank of Canada

APPENDIX “C”

Appendix “C”

Agreement of Purchase and Sale (Redacted)

THIS AGREEMENT made the 15th day of March, 2019.

BETWEEN:

DELOITTE RESTRUCTURING INC.

**Solely in its capacity as Court-appointed Receiver of Crown Utilities Ltd. and not
in its personal or corporate capacity**

(hereinafter referred to as the "**Vendor**"),

OF THE FIRST PART,

And

CROWN PIPELINE LTD.

(hereinafter referred to as the "**Purchaser**"),

OF THE SECOND PART.

WHEREAS pursuant to an Order dated March 11, 2019 (the "**Receivership Order**") granted by the Ontario Superior Court of Justice (Commercial List) (the "**Court**"), Deloitte Restructuring Inc. was appointed as receiver (in such capacity, the "**Receiver**") without security, of all of the assets, undertakings and properties of Distinct Infrastructure Group Inc., Distinct Infrastructure Group West Inc., DistinctTech Inc., IVAC Services Inc., IVAC Services West Inc. and Crown Utilities Ltd. (the latter entity being defined herein as "**Crown**", and all entities collectively hereinafter referred to as the "**Debtors**") acquired for or used in relating to a business carried on by the Debtors;

AND WHEREAS the Purchaser desires to purchase all of the Vendor's (which include all of Crown's) right, title and interest, if any, in and to the Purchased Assets (as herein defined) on the terms and conditions contained herein (the "**Transaction**").

NOW THEREFORE in consideration of the covenants, agreements, warranties and payments herein set out and for the sum of Ten (\$10.00) Dollars paid to each of the parties hereto to the other (the receipt and sufficiency of which are hereby acknowledged by each party hereto), the parties hereto covenant and agree as follows:

1. PURCHASED ASSETS

Subject to the terms and conditions hereof, the Vendor agrees to sell, assign and transfer to the Purchaser and the Purchaser agrees to purchase from the Vendor on Closing (as defined herein) the Vendor's right, title and interest, if any, in and to the undertaking and all of the property and assets of Crown (the "**Business**") including, without limiting the generality of the foregoing the following (collectively, the "**Purchased Assets**"):

- a. Machinery, motor vehicles, trucks, trailers, equipment, tools, furniture, fixtures, furnishings, signs, inventory, and all accessories to the foregoing and all supplies of all kinds owned by Crown and used in connection with the Business including, but without limitation, the machinery and equipment described in **Schedule "A"**, but excluding (i) assets subject to the Assigned Leases (as defined below); and (ii) any valid claims which might be made by suppliers to the Business pursuant to S. 81.1 of the *Bankruptcy and Insolvency Act*;
- b. The exclusive right to use the name "Crown Utilities";
- c. Work in progress;
- d. All contracts bid, bid and accepted;
- e. All accounts receivable of the Business (attached hereto as **Schedule "B"**) including customer holdbacks of every nature and kind, save and except for any intercompany accounts receivable owed by any of the other Debtors;
- f. Unbilled work in progress (attached hereto as **Schedule "B1"**);

- g. The Vendor's interest in any equipment or machinery subject to any purchase money security interests or leases (attached hereto as **Schedule "C"**) (the "**Assigned Leases**") wherein all rights and obligations of Crown under the Assigned Leases: (i) will be assigned to and assumed by the Purchaser either on consent of the Assigned Lease counterparties where such consent is required pursuant to the terms of such Assigned Leases (such consent to be sought by the Purchaser); or (ii) in the event that, where such consent is required pursuant to an Assigned Lease and not obtained, such Assigned Lease will be assigned to the Purchaser pursuant to the terms of the Approval and Vesting Order made upon notice having been given to all parties with an interest in the Assigned Leases; or (iii) where neither subparagraphs (i) or (ii) apply, the equipment or machinery in the Assigned Lease(s) not so assigned or vested will be removed from the Purchased Assets with no adjustment to the Purchase Price; and
- h. All other property, assets and rights, real or personal, tangible or intangible, owned by the Vendor in connection with the Business.

The Purchased Assets do not include any of the property, assets or undertaking (of any nature or kind, wherever located) of any of the Debtors other than Crown, including but not limited to those described in **Schedule "D"** hereto, and also excludes cash on deposit with Royal Bank of Canada in the amount of \$462,391.36. For greater certainty, all cash on deposit, payments and cheques received in excess of such amount will be for the benefit of the Purchaser.

For certainty, the Purchaser shall be purchasing the Purchased Assets and assuming the Vendor's right, title and interest in the Purchased Assets including those subject to the Assigned Leases on an "as is, where is" basis, with no representation or warranties from the Receiver or the Debtors, and without recourse to the Vendor. Without limiting the generality of the foregoing, the Purchaser specifically acknowledges that no representations are being made with

respect to any matter or thing relating to the Purchased Assets, including but not limited to the assignment of any agreements or other contractual rights of Crown.

2. PURCHASE PRICE

The consideration payable by the Purchaser to the Vendor for the Purchased Assets shall be cash in the amount of [REDACTED] plus (i) an assumption of the obligations under the Assigned Leases, together with any amounts that are required to be paid to counterparties on account of the Assigned Leases pursuant to the consent of such counterparty or the Approval and Vesting Order; (ii) any applicable taxes (collectively the "**Purchase Price**"). The Parties hereto acknowledge that there will be no adjustments to the Purchase Price.

3. PAYMENT OF PURCHASE PRICE

The payment of the Purchase Price shall be paid and satisfied as follows:

- a. As a deposit and on account of the Purchase Price, the sum of Five Hundred Thousand Dollars (CDN\$500,000.00) (the "**Deposit**") shall be payable by certified cheque or wire transfer to the Receiver and delivered contemporaneously with the execution and delivery of this Agreement. The deposit shall be held in the Receiver's trust account and, upon the conditions herein being satisfied, including Court approval of the Transaction, the Deposit shall be credited against the Purchase Price upon the closing of the Transaction (the "**Closing**"). In the event that the Purchaser does not close the transaction on the date of Closing (the "**Closing Date**"), the Deposit shall be forfeited by the Purchaser to the Receiver. In the event that the Court does not approve the Transaction and grant an Approval and Vesting Order, the Deposit shall be returned to the Purchaser in full without set off or deduction within three (3) business days thereto. In the event the Vendor does not close the Transaction on the

Closing Date, the deposit shall be returned to the Purchaser in full without set off or deduction within three (3) business days thereto.

- b. The Purchaser's written acknowledgement of its assumption of the Assigned Leases and release of the Vendor from all obligations relating to the Assigned Leases.
- c. The balance of the Purchase Price of [REDACTED] to be payable to the Receiver by way of Bank Draft or wire transfer on Closing.

4. **CONDITIONS PRECEDENT TO CLOSING**

The parties acknowledge that the conditions precedent to the completion and Closing of the Transaction are as follows:

- a. the Purchaser shall have responsibility for all continued operating costs of Crown from the date of the Receivership Order to Closing, and shall indemnify the Receiver for all such costs;
- b. the Vendor shall as soon as reasonably possible, upon execution of this Agreement, apply to the Court, on notice to all parties having an interest in any of the Purchased Assets, for an Order (the "**Approval and Vesting Order**") approving the Transaction and vesting the Purchased Assets in the Purchaser, free and clear of all mortgages, charges, encumbrances, security interests or liens whatsoever of every nature and kind, including, without limitation, all charges, encumbrances, security interests or liens created or arising by operation of law at any time, including subsequent to the making of the Approval and Vesting Order, by or under any Federal or Provincial statute, registration, direction or order whatsoever and howsoever created, such Approval and Vesting Order to be in a form reasonably satisfactory to the Purchaser's counsel. In the event that the Court refuses to grant the Approval and Vesting Order, this Agreement is

null and void and the Deposit shall be returned to the Purchaser in full without set off or deduction within three (3) business days thereto;

- c. Receipt by the Purchaser of a Statutory Declaration of the Receiver providing that the Vendor are not non-residents of Canada within the meaning of the *Income Tax Act* (Canada); and
- d. Receipt by the Vendor of a Statutory Declaration of the Purchaser providing that the Purchaser is not non-resident of Canada within the meaning of the *Income Tax Act* (Canada).

5. MATERIAL DATES

The material dates with respect to this Agreement are:

- a. Execution of this Agreement by the Vendor and the Purchaser on or before Friday, March 15, 2019, at 6:00 p.m. (Toronto time);
- b. Granting of the Approval and Vesting Order by the Court no later than Friday, March 22, 2019 at 4:00 p.m. (Toronto time), subject to Court availability;
- c. Granting of an Order of the Court of Queen's Bench of Manitoba adopting the Approval and Vesting Order within five (5) business days of the granting of the said Order (the "**Manitoba Order**"), which for greater certainty, may be completed post-Closing;
- d. The Closing Date shall be the later of: i) Friday, March 22, 2019, at 2:00 p.m. (Toronto time); and ii) two business days following the date of the Approval and Vesting Order.

The parties may mutually agree in writing to waive or adjust any of the above material dates.

6. CLOSING

The transactions contemplated herein shall close on the Closing Date at the offices of BD Oakes Jardine Kaneski UnRuh LLP and the Closing shall be effective upon the delivery by the Receiver of a certified copy of the Approval and Vesting Order. Forthwith upon Closing, the Vendor shall relinquish possession of all of the Purchased Assets wherever they may be currently located (but with no obligation to move or transfer any of the Purchased Assets), including all keys, passcards, security or combination codes for any of the Purchased Assets and copies of the Assigned Leases. It shall be a condition subsequent of the Closing that the Receiver shall deliver to the Purchaser a certified copy of the Manitoba Order within the time prescribed in paragraph 5 (c) of this Agreement.

The Receiver shall, after the Closing Date, on a best efforts basis, return the following to 10005661 Manitoba Ltd.: the 28,089 Class A Common shares of HD- Petroleum Inc. represented by Share Certificate No. CA167, the 252,808 Class A Common shares represented by Share Certificate CA168 and the 56,180 Class A Common shares from the capital stock of HD-Petroleum Inc., a corporation duly incorporated pursuant to the laws of the Province of Manitoba, being held as bare trustee by Crown Utilities Ltd. (Trustee) (copies of which are attached hereto as **Schedule "E"**).

7. CONFIDENTIALITY

The Parties agree to keep the terms of this Agreement and all aspects of their negotiations confidential, save only for disclosure of necessary information to their respective consultants, agents, solicitors and other professional advisors, along with disclosure to the Court in respect of the motion to seek the Approval and Vesting Order, or as may be required by law.

8. GENERAL

- a. The Purchaser hereby expressly acknowledges and agrees that the Vendor is acting only in its representative capacity as court-appointed Receiver of

the property, assets and undertaking of Crown and shall have no personal liability under or as a result of entering into or carrying out the transaction which is the subject of this Agreement except in such capacity and without limitation to the generality of the foregoing the Vendor shall have no liability under or as a result of entering into or carrying out of such transaction in its personal capacity.

- b. Time shall be of the essence of this Agreement.
- c. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns but shall not be assignable by any of the parties hereto without the written consent of the other parties hereto.
- d. This Agreement may be signed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same agreement.
- e. As between the Vendor and the Purchaser, this Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by the laws of the Province of Ontario. Each of the parties hereto hereby irrevocably attorns to the jurisdiction of the courts of the Province of Ontario and the Ontario Superior Court of Justice (Commercial List) in the proceeding wherein the Receiver was appointed by the Court. In respect of any issue that may arise as between the Purchaser and any third parties (other than the Vendor), this Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by the laws of the Province of Manitoba. For greater clarity, all Assigned Leases shall remain subject to the governing laws set forth in the Assigned Leases.

9. NOTICES

Any demand, notice or other communication to be given in connection with this Agreement shall be given in writing and shall be given by personal delivery or by electronic mail (with an original to follow) addressed to the recipient as follows:

to the Vendor:

Deloitte Restructuring Inc.
8 Adelaide Street West
Toronto, ON M5H 0A9

Attention: Paul Casey

Email: paucasey@deloitte.ca

with a copy to:

Thornton Grout Finnigan LLP
100 Wellington Street West, Suite 3200
Toronto, ON M5K 1K7

Attention: D.J. Miller / Rachel Bengino

Email: djmiller@tgf.ca / rbengino@tgf.ca

to the Purchaser:

Crown Pipeline Ltd.
1076 Oxford Street West
Winnipeg, Manitoba R2C 2Z2

Attention: Gilles Gauthier

Email:

or to such other address as may be designated by notice given by either Party to the other. Any notice or other communication given by personal delivery shall be deemed to have been given on the day of actual delivery thereof and, if given by electronic communication, on the day of transmittal thereof if given during normal business hours on the business day during which such normal business hours next occur if not given during such hours on any day.

[Signature pages follow]

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto
as of the day and year first above written.

DELOITTE RESTRUCTURING INC.,
Solely in its capacity as Court-appointed
Receiver of the Crown Utilities Ltd.
and not in its personal or corporate capacity

Per: P. Carey
Name: Paul M. Carey
Title: SENIOR VICE-PRESIDENT

CROWN PIPELINE LTD.

Per: Gilles Gauthier
Name: Gilles Gauthier
Title: President
I have the authority to bind this corporation.

SCHEDULE "A"

Equipment and Vehicles

Make	Model	Serial #	Year	Description
John Deere	350DLC	FF3500X806651	2009	Crawler Hydraulic Excavator, trenching bucket, very good undercarriage, 5322 hours, very good
Ditch Witch	JT30	CMWJT30XCF0000168	2015	Directional Drill, rubber tracks, full compliment of drill rods, very good
Ditch Witch	JT25	CMWJT25XTF0000367	2015	Directional Drill, rubber tracks, full compliment of drill rods, with cab, very good
Ditch Witch	JT20	CMWJT20XCE0000129	2014	Directional Drill, rubber tracks, full compliment of drill rods, very good
Case	580SN	JJGN58WTAFC723037	2016	Wheel Loader Backhoe
Felling	Utility Trailer	5FTFA3034D1043281	2013	Tri axle DOW tilt and load tag-along trailer with 27' deck, 6' beavertail and ramps, Rayco
Ditch Witch	410SDD	4N0392		Plow/Trencher, Fair
Case	90 XT	JAF0245005	1997	Skid Steer Loader, EROPS, quick couple, third valve, forks, good
Case	90XT	JAF0239460	1997	Skid Steer Loader
Caterpillar	D8R	7XM00726	1996	Crawler Tractor, EROPS, 8A dozer blade with twin hydraulic tilts, diff steer, 4114 hours, very good undercarriage, very good
John Deere	850J WLT	T0850JX17029	2009	Crawler Tractor, EROPS, PAT blade, winch, AC, very good undercarriage, plumbed for TopCon gps, 6987 hours, very good
Ditch Witch	JT60	CMWJT60XHF0000055	2016	Directional Drill with cab, full compliment of drill rods. Excellent
Felling	Utility Trailer	5FTFA3834F1003516	2015	Tri axle DOW tilt and load tag-along trailer with 27' deck, 6' beavertail and ramps, Reyco suspension, 215/75R17.5 tires on aluminum Budd wheels, very good
John Deere	TC44H	DWTC44H571879	1999	Wheel Loader, tool carrier, EROPS, quick couple, third valve, forks, 10246 hours, very good
	1500SLT Ram	1C6RD7FP1CS192523	2012	Pickup Truck, Crew Cab
Western	4900SB	5KKPALDR0DPFJ2264		Western Star with Tornado F4 Slope
Western	4900SB	5KKPALDR6DPBZ2142		Western Star with Tornado F4 Slope
John Deere	700J LGP	T0700JX168017	2008	Crawler Tractor, EROPS, PAT blade, winch, AC, excellent undercarriage, 3332 hours, very good
John Deere	450J	T0450JX179235	2008	Crawler Tractor
	Silverado	1GCKZEU1HF125037		Pick up truck
	Silverado	1GCKZEU1HF125037		Pickup Truck, 4x4 - LT 3500 crew
	Sierra	1G12XEG8FF626539	2015	2500HD Crew Cab 4x4
	F250SD XLT	1FT7W2B6XFE847896	2015	Pickup Truck, 4x4, Crew Cab
	1500	3GCKPKEA8BG354320	2011	Pickup Truck, Crew Cab
	1500Silverado	3GCKPKEA8BG379006	2011	Pickup Truck, 4x4, Crew Cab, tool box, good
	F150XLT	1FTFW1E86AFB64005	2010	Pickup Truck, Crew Cab
	F250 SD XLT	1FTSW2157ED49729	2006	Pickup Truck, 4x4, Crew Cab, rough
Peterbilt	567	1NCPX4TX5GD323631	2016	Tridem Vacuum truck, Cummins ISX15 diesel turbo power, 20/66 axles, air ride, c/w Schellvac vacuum system, s/n SCHVT-16-148, boom, 48000 km's, As new
WesternStar	4900SF	5KKPAED58FPFX1017	2015	Tridem Vacuum truck with DD15 diesel power, 18 speed, 20/57 axles, 445/65R22.5 front and 12R22.5 rear tires on aluminum Budd wheels, air ride, c/w Vactor Guzzler 21HXXPD15 vacuum body s/n 1408V14737, 190000 km's, very good
Freightliner	114SD	1FVMG3DV4DHFE7660	2013	Quad axle vacuum truck with DD13 diesel power, 18 speed, 20/46 axles, T/A on Hendrickson suspension with air lift SPIF 4th axle, c/w RAMVAC HX12 vacuum body, very good
Freightliner	114SD	1FVHG3DV7DHFE7184	2013	T/A Vacuum truck with DD13 diesel engine, 18 speed, 20/46 axles, 60" spring mounted walking beam suspension, and c/w RAMVAC HX12 hydro vac unit with boom, very good
Peterbilt	367	1NPTLB0X7BD115635	2011	T/A HydroVac vacuum truck, Cat 3406 diesel power, 18 speed, 20/46 axles, with Custom Vac vacuum units s/n CVVAC20460310.
Caterpillar	D6R LGP	CAT00D6RHADE00367	2004	Crawler tractor with Bron V100 cable plow, with 6A dozer blade, EROPS, very good undercarriage, very good
WesternStar	4900FA	5KJRAEAV87PY25346	2007	Tridem vacuum truck, Cat C15 diesel power, 11R24.5 driver tires on aluminum Budd wheels, 18 speed, 315/70R22.5 front tires, 20,000 lb. front and 64,000 lb. rear axles, air ride, 112000 km's, Crawler Tractor, EROPS, Bush canopy with full sweeps, 8A hyd. Dozer, #8 multi shank parallelogram ripper, undercarriage very good, very good
Caterpillar	D8R	7XM02888	1998	Crawler tractor, hyd. Angle dozer, EROPS and Bron HS III cable plow, very good undercarriage, good
Komatsu	D155AX-3	60925	1995	Crawler tractor, hyd. Angle dozer, EROPS and Bron HS III cable plow s/n 00M11974, very good undercarriage, good
Komatsu	D155AX-4	60063	1995	Crawler tractor, hyd. Angle dozer, EROPS and Bron HS III cable plow s/n 00M11974, very good undercarriage, good
	W7000SF	5KKHAVFE3HLJD8040	2017	T/A Dump truck, 20823 km's, DD13 diesel power, 16/40 axles, 385/65R22.5 and 11R22.5 rear tires on aluminum Budd wheels, air ride, as new
Ditch Witch	JT3020M1	CMWJT30M1VC0000566	2014	Directional Drill
John Deere	310SL	1T0310SLJFF279389	2015	Wheel Loader/Backhoe
Caterpillar	D7R LGP	3DN00263	1997	Crawler Tractor, 7A hyd. Dozer blade, winch, EROPS, Full bush guard canopy with sweeps, good undercarriage, 4635 hours, very good
Case	580SN	JJGN58WRKFC723554	2016	Wheel Loader Backhoe, 4x4, EROPS, Ehoe, gp bucket, quick couple trenching bucket, excellent
John Deere	310SK	1T0310SKJEE262894	2015	Wheel Loader/Backhoe, 4x4, EROPS, Ehoe, gp bucket, rear quick couple trenching bucket, third valve, good tires,
Bron	150	97T15012017	1997	Crawler Sideboom
John Deere	310SK	1T0310SKHEE262417	2014	Wheel Loader/Backhoe, 4x4, EROPS, Ehoe, gp bucket, rear quick couple trenching bucket, third valve, good tires,
Ditch Witch	JT1220M1	CMWJT1220PC0000458	2012	Directional drill, full compliment of drill rods, rubber tracks, excellent
Case	580SN	JJGN58SNTCC564773	2012	Wheel Loader/Backhoe
Case	580 SHWT	JJGN58WTHCC567693	2012	Wheel Loader/Backhoe, 4x4, gp bucket, EROPS, Ehoe, quick couple rear bucket, fair tires, 4662 hours, very good
Ditch Witch	922	SMWJT922LB0000567	2011	Directional Drill, rubber track, c/w Belshe tag-a-long trailer, water tank, full compliment of drill rods, Ditch Witch FM5 fluid management, 999 hours, very good.
Etnyre	Q30978	1E9309787CE111360	2012	Tri axle drop neck low bed float, 63 ton, tunnel rear bridge, 27' deck with OR & lash rings low ground pressure hydraulic drop neck, 255/70R22.5 tires on steel Budd wheels, air ride, very good
John Deere	310SJ	T0310SJ165548	2008	Wheel Loader/Backhoe
John Deere	180CW	FF180CW030033	2006	Rubber Tired Hydraulic Excavator, outriggers, quick couple, third valve, 60" hyd. tilt ditching bucket, 7704 hours, good
John Deere	444J	DW444JP616461	2007	Wheel Loader, EROPS, quick couple, third valve, good tires forks and gp bucket very good
John Deere	TC44H	DWTC44H577549	2000	Wheel Loader tool carrier, EROPS, gp bucket with bolt on blade, third valve, good tires, 10000 hours, good
	3500 RAM	3C83R3GJ5FG556254	2015	Pickup Truck, 4x4, Crew Cab
	3500 RAM	3C83R3GJ0FG556257	2015	Pickup Truck, 4x4, Crew Cab
AtlasCopco	XAVS375JD	4500B1316BR072216	2011	Portable air compressor on trailer, 375 cfm, John Deere diesel power
	M2-BusinessClass	1FVHCTDJ05HU18440	2005	T/A water truck, Mercedes Benx MB1900 diesel power, 10 speed, 12/40 axles, Advance Engineered tank with hydraulic drive pump, air ride, 226000 km's, very good
John Deere	35D	1FF035DXCCG270331	2013	Crawler Hydraulic Excavator, rubber tracks, third valve, blade, trenching bucket
	35 Ton	2C9DS3537GC181671	2016	End Dump
	F150XLT	1FTFW1EJ1HEC09179	2017	Pickup truck, crew cab, XTR 4x4, As New
Canuck	35 Ton	2C9DS2827FC181758	2015	T/A dump trailer, 28' steel, tarp, air ride, excellent
John Deere	35D	1FF035DXABG268040	2012	Crawler Hydraulic Excavator, rubber tracks, blade, third valve, quick couple, hydraulic tilt ditching bucket, 2923 hours, very good
Lode King	Semi Trailer	2LDS0531EE058056	2014	53' tri axle drop deck trailer with beavertail and ramps, 235/70R22.5 tires on steel Budd wheels, air ride, very good
Canuck	35 Ton	2C9DS2827EC181711	2014	T/A dump trailer, 28' steel, tarp, air ride, excellent
Sullivan- Paletak	375QH	4YAACC12122N022260		Portable air compressor on trailer, 375 cfm, on trailers CLK 575 s/n 4YAACC12122N022260 with
Sullivan- Paletak	375QH	4YAEE131X4N071128		Portable air compressor on trailer, 375 cfm, on trailer CLK 574 with dryer, 4YAEE13167N071602

Make	Model	Serial #	Year	Description
Peterbilt	377	1XP0DB9X1N397803	1996	T/A
	F350SD XLT	1FT8W3B66CEA51532	2012	Pickup Truck, Crew Cab, 4x4, tow package, 217000 km's.
	F350SD	1FDRF3G6XFE059703	2015	Flatbed dually stake truck, headache rack, trailer package, 32000 km's, excellent
	F350	1FDRF3G61FEC59704	2015	Flatbed Truck
Case	TR320	JAFTR320LCM450283	2012	Skid Steer Loader, quick couple, forks, Excellent
Case	440CT	N7M452048	2007	Skid Steer Loader loader, quick couple, gp bucket, rubber tracks, EROPS, good
	F350SD XLT	1FT8W3B66FEC05893	2015	Pickup truck, 4x4, tow package, excellent
	Savanna3500	1GD374BG3E1168271	2014	S/A dually Cube Van, 16' FRP van body, rear roll up door, 39000 km's, excellent
Freightliner	FL80	1FVH3XAK62HJ26572	2002	T/A Line Truck, with Altec digger S/N 37-72810, T/A, Cat 3126 diesel, 6350 kg front and 16330 kg rear axles, 11R22.5 very good tires on steel Budd wheels, pintle hitch, 112000 km's, very good
Felling	Utility Trailer	5FTTA3039B1036651	2011	Tri axle DOW tag-a-long trailer, on air, 24' deck, 6' beavertail and ramps, Reyco suspension, very good
	F550SD	1FD0X5HT8CEA34698	2012	Flatbed stake dually Truck, 4x4, Escab, headache rack front mounted winch, 62,000 km's, excellent
Freightliner	FL80	1FVXJBB7YHH20643	2000	T/A stake boom truck with Cat 3126 diesel, set back front axle, 12/40 axles, c/w rear mount Hiab 122B-33CL fold away crane, 27' deck, 1010000 km's
Sterling	A9500	2FWJA3CV96AV51471	2008	T/A tractor with Mercedes Benz MBE4000 diesel power, 13 speed, 11R22.5 tires on aluminum Budd wheels, air ride, wet line kit, 12/40 axles, 835000 km's, good
Sterling	L9500	2FWJAZDE28AAB9515	2008	T/A Tractor, Cat C13 diesel power, 13 speed, 12/40 axles, wt line kit, 11R22.5 tires on Budd wheels, 183000 km's, good
Load Max	Utility Trailer	4ZEPH2526C1030563	2012	T/A DOW tag-a-long trailer dually, 27' with beavertail and ramps, very good
	1500	1GCVKPEH1EZ109951	2014	Pickup Truck, Crew Cab
	4500	1GB6G6CGXD1138215	2013	Express dually Cube Van, 16' aluminum body, rear roll up door, 77000 km's, excellent
	A9500	2FWJA3CV86AV99511	2008	T/A Dump truck, 16' box, 18,000 lb. front and 40,000 lb. rear axles, automatic, on air, Aluminum Budd front and steel Budd rear wheels, 11R22.5R22.5 front and rear good tires, 60" air ride suspension, 778000 km's, good
	L7500	2FZHATDJ07AY21542	2007	T/A Dump Truck, Mercedes Benx MBE4000 diesel engine, automatic, 18/40 axles, 315/60R22.5 front and 11R22.5 rear tires, 210000 km's very good.
	L7500	2FZHATDJ97AY21541	2007	T/A Dump Truck, 16' box, 315/60R22.5 front and 11R22.5 rear tires, Mercedes MBE4000 diesel power, automatic, rubber block walking beam bogie suspension, 231000 km's, good
	L9500	2FWJAZCV35AN99563	2005	T/A Dump Truck
	A9500	2FWJA3CV86AV99508	2008	T/A dump truck, Mercedes Benze MBE4000 diesel power, 10 speed, 12/40 axles, air ride, 11R22.5 tires on steel Budd wheels, 16' box, good
	F350SD XL	1FT8W3B64BEB49831	2011	Pickup Truck, Crew Cab 4x4, tow package, 113000 kms', excellent
	F350SD XLT	1FT8W3B60BEB06247	2011	Pickup Truck, 4x4, V8, Crew Cab
	F550SD XLT	1FDAF6F61ED48565	2001	S/A dually stake truck, 6 speed, V8 diesel engine, trailer package, fair
	F350SD XLT	1FT8W3B7BEC43523	2011	Pickup Truck, 4x4, Crew Cab, Power Stroke diesel, trailer package, very good
	F350SD XLT	1FT8W3B73BEA99901	2011	Pickup Truck, 4x4, diesel, Crew Cab
	F350SD XLT	1FT8W3B79BEB50303	2011	Pickup Truck, Crew Cab
Falcan	Utility Trailer	2F8T325L9D6056294	2013	Tri axle DBW triple reel trailer, excellent
	E450SD	1FDXE4FL1DDA57584	2013	Cube van, 16' FRP body, very good
	CH613	1M1AA18YX1W144235	2001	T/A Dump truck, E7 diesel engine, 18 speed, 12,000 lb. front and 40,000 lb. rear axles, Jake, cruise, 11R22.5 good tires on aluminum Budd front and steel Budd rear wheels, 16' Neu Star AR400 near new box, air ride bogies, pup
	4900SA	5KJALCV14PM53344	2004	T/A Flatbed stake truck
	F250SD XL	1FT7W2B6XCEA35176	2012	Pickup Truck, 4x4, Crew Cab
	F250SD XLT	1FT7W2B6XCEA52026	2012	Pickup Truck, 4x4, Crew Cab
	E450SD	1FDXE4FL3CDA87538	2012	Cube Van, 16' FRP van body, rear roll up door, trailer hitch, very good
	4300	1HTMMAAM85H675103	2005	S/A straight truck with FRP van body
	CH613	1M2AA13Y2TW054244	1996	T/A Dump Truck, E7 diesel engine, 15 speed, 12,000 lb. front and 40,000 lb. rear axles, 11R22.5 good tires on steel Budd wheels, 16' Neu Star box, 60" camel back suspension bogies, pup plumbed, 1035000km's, fair
	CH613	1M2AA13YXTW064276	1996	T/A Dump Truck, E7 diesel engine, 15 speed, 12,000 lb. front and 40,000 lb. rear axles, 11R22.5 good tires on steel Budd wheels, 16' Neu Star box, 60" camel back suspension bogies, pup plumbed, 1044000km's, fair
	379	1XP5DB9X1ND319689	1992	T/A Dump truck
Felling	Utility Trailer	5FTRE1215F1000475	2015	S/A FT8R reel dolly
Float King	Utility Trailer	2T97753007060315	2007	Tri axle DOW dawl wheel tag-a-long trailer, 27' deck, 6' beavertail and ramps, on air, very good
	1500	3GCPKPEA6BG398512	2011	Pickup Truck, Crew Cab
	F250	1FT7W2A61BEC65012	2011	Pickup Truck, Crew Cab
AtlasCopco	XAS166	4500B13176R016369	2006	Portable 185 cfm compressor with John Deere diesel power
WesternStar	4900SA	5KJALCV84PM53342	2004	T/A flat bed truck with Mercedes Benz MBE4000 diesel power, 12,000 lb. front and 40,000 lb. rear axles, 60" air ride suspension, trailer hitch package, 770000 km's, fair
	377	1XP0DB9X6SN383616	1995	T/A sleeper flat bed stake truck, Cat 3406 diesel engine, 9 speed 12/38 axles, water tank and pump, 1172000 km's, good
Case	C450H	Not visible	1983	Crawler Sideboom, OROPS, PAT blade, good undercarriage, good
Hogg Davis	P-120	1H940121H1011075	2016	S/A Cable reel dolly
Felling	Utility Trailer	5FTRE1012C1039250	2012	FT8R S/A reel dolly, PTO hydraulics, very good
Felling	Utility Trailer	5FTRE1014C1039251	2012	S/A reel dolly
International	9400 Eagle	2HSFHAER7XC024211	1999	T/A tractor
Trail King	Utility Trailer	1TKC0263X2M098677	2002	Tri axle 24'DOW tag-a-long trailer Reyco suspension, beavertail and ramps, on air, poor
Brandt Tractor				Best 300 Series Ripper 1038400
Load Trail	Utility Trailer	4ZECF122461009007	2006	T/A DBW tag-a-long trailer with compressor and dryer
Sauber	Utility Trailer	1F9UZ2328MV048566	2001	T/A 3 reel DBW tag-a-long trailer, 6 ton, fair
NA	Utility Trailer			S/A reel dolly, good
	F350SD	1FTWW31R98EC29704	2008	Pickup Truck, 4x4, Crew Cab, tow package, headache rack, tool box, 356000 km's, good
Shop Built	Utility Trailer	NA	NA	S/A reel dolly with hydraulics, good
Ditch Witch	T9B	1DSB182K0417Y1784	2004	T/A DBW tag-a-long with Ditch Witch Tank and FM5, ramp
IngersollRand	XP375WCU	369781UD0812	2006	375 cfm portable compressor, diesel, 3366 hours, good
Sweetwater	Utility Trailer	1RCFDAF1391000835	2009	
	F150XLT Triton	1FTRX14W88FB73958	2008	Dump truck
Load Trail	Utility Trailer	4ZEDK1829E1047743	2014	T/A DOW tag-a-long trailer, 6 ton, good
Shop Built	Utility Trailer	1720020352	N/A	Licensed 2015, S/A reel dolly
	4900	1HTSDAAR2YH227075	2000	
	4900	1HTSDAAN8YH251149	2000	
PJ	Utility Trailer	3CVB51829E2515516	2014	T/A DBW tag-a-long trailer, 6 ton, 18' deck, excellent
Mack	CH613	1M1AA13Y0WW081452	1998	T/A stake flat bed, Mack E7 diesel engine, 9 speed, 12/40 axles 11R22.5 good tires on Aluminum Budd front and steel Budd rear wheels, air ride, pup trailer hitch, 1023000 km's, good
NA	Utility Trailer	2CPUSB2D2EA021552	2014	T/A dump tag-a-long trailer, good
Saturn	Utility Trailer	2S917B3255W010005	2005	T/A Dually DOW tag-a-long trailer, 24' ramp, 6' beavertail, ramps, air ride, on air, very good
NA	Utility Trailer			S/A reel dolly with hydraulics
Saturn	Utility Trailer	2S917B3456W010024	2006	T/A dually DOW tag-a-long trailer, 24' deck, 6' beavertail, ramps, on air, air ride, very good
Big Tex	14XL	16VDX1423E5051716	2014	T/A tag-a-long dump trailer
Savanna3500		1GDJG31K71201297	2008	Cube van, 18' FRP van body, rear roll up door, fair

Make	Model	Serial #	Year	Description
Hogg Davis	T150	1H948121821011033	2002	S/A Cable line puller, with gas powered engine
	Escape	1FMCU6D799KB62323	2011	SUV, 130000 km's
	F150 XLT Trilon	1FTPW14547FA34314	2007	Pickup Truck, crew cab, tow package, good
	F150XLT Trilon	1FTRX14W67FA45166	2007	Pickup Truck, Ecab, Box canopy, low package, very good
Carry On	Cargo Trailer			T/A, 15' Enclosed, rear barn door, side personnel door, very good
Saturn	Utility Trailer	2S917B446YW010163	2000	T/A Dually DOW tag-a-long trailer, 24' ramp, 6' beavertail, ramps, air ride, on air, very good
	Escape XLT	1FMCU6D799KB62323	2010	SUV, 4 door, very good
	Escape XLT	1FMCU6D749KC15235	2011	SUV, Custom painted
	RANGER	1FTYR44U77PA31390	2007	Extended Cab pickup with box canopy, trailer package, fair
	Utility Trailer	5NHUTW420AN064029	2010	T/A 18' cargo van with rear barn doors
Saturn	Utility Trailer	2S917B34XSW919174	1995	Tri axle 9 ton DOW tag-a-long trailer with beavertail, good
GardnerDenver	D0190PR7A	1901363		190 cfm Air compressor portable air compressor, diesel powered, fair
GardnerDenver	D190	1901363		Portable air compressor, 190 cfm
Magnum	Light Tower			Portable with Kubota diesel
Saturn	Utility Trailer	2S917B32X8W010036	2008	T/A DOW tag-a-long trailer, 6 ton, good
	F150	1FTRF12W87NA06456	2007	Pickup Truck, Ecab
ContinentalCargo	Tail Wind	5NHUTW215BN064734	2011	S/A 15' cargo trailer, rear barn doors, personnel side door, good
ContinentalCargo	Tail Wind	5NHUTW211BN064732	2011	S/A 15' cargo trailer, rear barn doors, personnel side door, good
Shop Built	Utility Trailer	N/A	N/A	T/A DOW tag-a-long trailer, fair
Shop Built	Utility Trailer	N/A	N/A	S/A reel dolly, fair
TRAILTECH H370		2CU54ARE3E2035233		30FT HIGHBOY FIFTH WHEEL (59)
Shop Built	Utility Trailer	N/A	N/A	
P J	Utility Trailer	4P5CF1829N1112685	1992	
TRAILTECH		2CUB38EA972023362		16 FT DUMP TRAILER (57)
CANADA TRAIL		2CPUSF2F6GA026247		CE718-14K-AXL
NA	Utility Trailer	N/A		T/A 24' tag-a-long with beavertail and ramps, on air, fair
NA	Utility Trailer	LD 9148	NA	Portable Office trailer "CYR Construction"
Rome	TMR 10-30	S5TMR-2067		HD breaking disc, hydraulic controls
US Cargo	Trail N Sport	5NHUTS4224W019830	2004	T/A 15' cargo trailer, rear barn doors, personnel side door, good
PJ TRAILER F8303		4PSF83031D3002543		30 FT POLE TRAILER (52)
PJ TRAILER F8303		4PSF83030E1198939		30FT POLE TRAILER (53)
Double A	UTILITY TRAILER	2DAHCB2135T004063	2006	T/A dually DOW tag-a-long trailer, 24' deck, 6' beavertail and ramps, 60" walking beam suspension, electric brakes, fair
Saturn	Utility Trailer	2S917B32X8W010102	1999	T/A DBE tag-a-long trailer with beavertail and ramps, 6 ton, good
Load Trail	Utility Trailer	3CVU6122072106726	2007	T/A DBW Tag-a-long trailer with ramps
Shop Built	Utility Trailer	N/A	1982	T/A Reel dolly
Shop Built	Utility Trailer	N/A	2000	
WellsCargo	Tote Wagon	1WC200E10A1125728	2010	10' S/A cargo trailer with fold down rear door ramp, side personnel door, very good
	F350XLS	1FDWF38546EC00688	2006	S/A Dually standard cab truck with tool box
	F350SD XLT	1FTSW30L63ED25980	2003	Crew cab pickup, tow package, sign board, fair
TRAILTECH		2CU4AJTP652017248		26'X8'3AXL DUALY FLAT DECK TIRE 1500KG
	F150 XLT	1FTPX04575KD92566	2006	Pickup Truck, Ecab
Continental	Utility Trailer	5NHUTW42XG080716	2016	
Shop Built	Utility Trailer	N/A	N/A	
Rainbow	Utility Trailer	2RGBT2021D1000729	2013	
Floe	Utility Trailer	4L4T210189H000458	2009	
Norberts	Utility Trailer	2N9DESCF7YG017129	2000	
P J	Utility Trailer	4P5C51626B2158028	2011	Priced with Ref # 286
Permer	Utility Trailer	5AACG2627WE000002	1997	T/A DOW Tag-a-long trailer with ramps
Saturn	Utility Trailer	2S917B325PW010234	1993	
Shop Built	Utility Trailer	NONE:8440	1982	
Shop Built	Utility Trailer	NONE:8439	1992	
Shop Built	Utility Trailer	C5432	1996	
Shop Built	Utility Trailer	N/A	1996	
Shop Built	Utility Trailer	N/A	1996	
Shop Built	Utility Trailer	N/A	N/A	
Shop Built	Utility Trailer	N/A	N/A	S/A reel dolly, poor
Shop Built	Utility Trailer	N/A	N/A	
Shop Built	Utility Trailer	N/A	N/A	
Shop Built	Utility Trailer	N/A	N/A	
Shop Built	Utility Trailer	N/A	N/A	
SnakeRiver	Utility Trailer	5PTBF122591013256	2008	
Trail King	Utility Trailer	1TKC024223B043552	2003	
Trilon	Utility Trailer	4TCSM1111DHX10514	2013	
Felling	Utility Trailer	5FTUN1814E1001553	2014	
Shop Built	Utility Trailer	N/A	2006	
	F150	1FTSW30L63ED25980	2008	Pickup Truck, Crew Cab
Shop Built	Utility Trailer	N/A	N/A	Single axle DBW tilt tip tag-a-long trailer, wood deck, tank and gas powered pump, fair
NA	Utility Trailer	ST3	NA	Portable Office trailer "CYR Construction"
	F350SD	1FTSX31P54EA72791	2004	Pickup Truck, 4x4, Crew Cab
	Van	2MN122347S1001404	1996	48' T/A FRP dry freight van
FLEXREEL		2ATE08269EU205265		REEL- FR-5 SERIES
NA	Utility Trailer	16VAX121592A40790	2009	S/A DBW tag-a-long trailer 3 ton
Shop Built	Utility Trailer		1996	T/A DBW tag-a-long 6 tone trailer, fair
Shop Built	Utility Trailer	20410220	2002	S/A pipe trailer, good
Ditch Witch	Utility Trailer	9479	1977	T/A DBW reel dolly
ROYAL CARGO		2S9PL336753014623		17'X8' /CARGO TIRE 1150KG EACH
NA	Utility Trailer	N/A		S/A Reel dolly
IngersollRand	180	180263884		Portable 180 cfm Air compressor, rough
Shop Built	Utility Trailer	N/A	N/A	Single Axle DBW box tag-a-long trailer with gas engine and hyd. drive cable pulley
Shop Built	Utility Trailer	N/A	N/A	Single axle DBW tag-a-long trailer
Shop Built	Utility Trailer	N/A	N/A	S/A DOW tag-a-long with cable reel, fair
Shop Built	Utility Trailer	N/A	N/A	S/A DOW tag-a-long trailer, fair
Beishe	Utility Trailer	16JF0162181044268	2008	Priced with Ditch Witch JT922
	10' Panels			Shoring boxes- GME Lights
Winch, to fit Cat D8	Winch, to fit Cat D8	Winch, to fit Cat D8		Winch, to fit Cat D8
	Sierra	1GT12XEG8FF626539	2015	2500HD Crew Cab 4x4
	F150XLT	1FTFW1ET8CFB38189	2012	Pickup Truck, 4x4, Crew Cab
	F250SD XL	1FT7W2B69DEB66049	2013	Pickup Truck, 4x4, Crew Cab
Michigan	L90	L90C75178	~1988	Wheel Loader, EROPS, gp bucket with teeth, fair only tires, fair condition
Washex				Pressure washer

Make	Model	Serial #	Year	Description
	F250 SD XLT	1FTSW21RX9EA05223	2009	Pickup Truck, Crew Cab
	F350SD XLT	1FTWW31P66EC19370	2006	Pickup Truck, 4x4, Crew Cab, tow package, headache rack, tool box, 395000 km's, small ding in drivers cab side and bit of rust showing otherwise good
	F150XLT	1FTFW1EFXBFB35224	2011	Pickup Truck, 4x4, Crew Cab
	F150XLT	1FTFW1EF1BFB60111	2011	Pickup Truck, 4x4, Crew Cab
	F350SD XL	1FTWW31538EB64863	2008	Pickup Truck, 4x4 Crew Cab, trailer package, fair to poor

SCHEDULE "B"

Accounts Receivable

Company		Balance	
		\$	
Total		\$	

SCHEDULE "B1"

Unbilled Work in Progress

Company		Balance	
		\$	
Total		\$	

SCHEDULE "C"

Assigned Leases

VEHICLE TYPE	DESCRIPTION	S/N OR VIN	SECURED PARTY
TRUCK	2016 DODGE RAM 3500	3C63R3GL2GG208687	ADDISON LEASING OF CANADA LTD
TRUCK	2014 DODGE RAM 3500	3C63R3EL1EG196595	ADDISON LEASING OF CANADA LTD
TRUCK	2016 DODGE RAM 3500	3C63R3GL7GG234363	ADDISON LEASING OF CANADA LTD
TRUCK	2016 DODGE RAM 3500	3C63R3GL7GG208281	ADDISON LEASING OF CANADA LTD
TRUCK	2016 DODGE RAM 3500	3C63R3GLXGG144138	ADDISON LEASING OF CANADA LTD
SPORT UTILITY	2017 JEEP PATRIOT	1C4NJRAB3HD137462	ADDISON LEASING OF CANADA LTD
TRUCK	2017 DODGE RAM 1500	1C6RR7ST6HS857637	ADDISON LEASING OF CANADA LTD
TRUCK	2016 DODGE RAM 3500	3C63R3GL9GG229097	ADDISON LEASING OF CANADA LTD
TRUCK	2018 DODGE RAM 5500	3C7WRMBL0JG103109	ADDISON LEASING OF CANADA LTD
TRUCK	2016 DODGE RAM 3500	3C63R3GL0GG242143	ADDISON LEASING OF CANADA LTD
TRUCK	2018 DODGE RAM 5500	3C7WRMDL8JG110788	ADDISON LEASING OF CANADA LTD
TRUCK	2018 DODGE RAM 5500	3C7WRMDL0JG103110	ADDISON LEASING OF CANADA LTD
TRUCK	2018 DODGE RAM 5500	3C7WRMDL6JG128755	ADDISON LEASING OF CANADA LTD
TRUCK	2018 DODGE RAM 5500	3C7WRMDL6JG110787	ADDISON LEASING OF CANADA LTD
CUBE VAN	2015 CHEVROLET G4500	1GB6G6CL7F1277640	ADDISON LEASING OF CANADA LTD
CUBE VAN	2015 GMC SAVANNA G4500	1GD676CLOF1279625	ADDISON LEASING OF CANADA LTD
CUBE VAN	2015 CHEVROLET G30	1GB6G6CL9F1278529	ADDISON LEASING OF CANADA LTD
CUBE VAN	2016 HINO 338	2AYNF8JT5G3S13677	SOMERVILLE NATIONAL LEASING & RENTALS LTD.
TRUCK	2019 RAM 1500 SPORT/REBEL 4X4 QUAD CAB	1C6SRFET6KN542284	FOSS NATIONAL LEASING LTD.
MOTOR VEHICLE	2018 KENWORTH T880 TRUCK TRACTOR	1NKZLP0X5J997379	ADDISON LEASING OF CANADA LTD
MOTOR VEHICLE	2019 KENWORTH T880 TRUCK TRACTOR	1NKZLP0X7KJ999698	EVOLUTION CAPITAL CORPORATION
TRUCK	2017 KENWORTH T880 TANDEM-AXLE TRUCK CHASSIS	1NKZLP9X3HJ986328	JIM PATTISON INDUSTRIES LTD
MOTOR VEHICLE	2018 JOHN DEERE 210GLC EXCAVATOR	1FF210GXLDJ526183	JOHN DEERE CANADA ULC
MOTOR VEHICLE	2018 JOHN DEERE 210GLC EXCAVATOR	1FF210GXGJD526177	JOHN DEERE CANADA ULC
MOTOR VEHICLE	2018 JOHN DEERE 210GLC EXCAVATOR	1FF210GXGJD526180	JOHN DEERE CANADA ULC
MOTOR VEHICLE	2018 JOHN DEERE 210GLC EXCAVATOR	1FF210GXAJD526182	JOHN DEERE CANADA ULC
MOTOR VEHICLE	2017 JOHN DEERE 310 SLT LOADER BACKHOE	1T0310SLCHD314352	JOHN DEERE CANADA ULC
MOTOR VEHICLE	2017 JOHN DEERE 310 SLT LOADER BACKHOE	1T0310SLEJD327292	JOHN DEERE CANADA ULC
MOTOR VEHICLE	2017 JOHN DEERE 310 SLT LOADER BACKHOE	1T0310SLEJD328667	JOHN DEERE CANADA ULC
MOTOR VEHICLE	2017 JOHN DEERE 310 SLT LOADER BACKHOE	1T0310SLJJD327249	JOHN DEERE CANADA ULC
MOTOR VEHICLE	2017 JOHN DEERE 310 SLT LOADER BACKHOE	1T0310SLAJD328678	JOHN DEERE CANADA ULC
MOTOR VEHICLE	2017 JOHN DEERE 210 GLC	1FF210GXVGD524259	JOHN DEERE FINANCIAL INC.

SCHEDULE "D"

Excluded Assets of all other Debtors

Any and all of the property, assets and undertaking (of any nature or kind, wherever located) of any of the Debtors other than Crown, including but not limited to the following equipment, does not form part of the Purchased Assets under this Agreement, and is expressly excluded:

VEHICLE TYPE	DESCRIPTION	S/N OR VIN
TRAILER	2016 CANADA TRAILER	2CPUSF2F5GA024909
TRAILER	1994 WHITELINE	1W9FP2421RA047111
TRAILER	2010 TRAIL TECH UTILITY	2CUB38EA7A2028152
TRAILER	UBUILT UTILITY	2ATH06094AU572888
DRILL	2015 VERMEER D9X13III	1VR1120H0F1000358
DRILL	VERMEER D20X22II8VP	1VR6180T9F1001893
HEAVY PICKUP	2005 FREIGHTLINER M2	1FVACXDC15HU36295

SCHEDULE "E"

Copies of 28,089 Class A Common shares of HD- Petroleum Inc. represented by Share Certificate No. CA167, the 252,808 Class A Common shares represented by Share Certificate CA168 and the 56,180 Class A Common shares from the capital stock of HD-Petroleum Inc. held by Crown Utilities Ltd. as trustee

**AGREEMENT OF PURCHASE AND
SALE OF SHARES**

THIS AGREEMENT entered effective the 1st day of November, 2017.

BETWEEN:

CROWN UTILITIES LTD.

(hereinafter called the "Vendor")

OF THE FIRST PART,

- and

10005661 MANITOBA LTD.

(hereinafter called the "Purchaser"),

OF THE SECOND PART.

WHEREAS the Vendor is the registered owner of Twenty-Eight Thousand Eighty-Nine (28,089) Class A Common shares represented by Share Certificate No. CA167, Two Hundred Fifty-Two Thousand Eight Hundred Eight (252,808) Class A Common shares represented by Share Certificate No. CA168 and Fifty-Six Thousand One Hundred Eighty (56,180) Class A Common shares for an aggregate of Three Hundred Thirty-Seven Thousand Seventy-Seven (337,077) Class A Common shares (hereinafter called the "Sold Shares") in the capital stock of **HD-Petroleum Inc.** a corporation duly incorporated pursuant to the laws of the Province of Manitoba.

AND WHEREAS the Vendor wishes to sell the Sold Shares in the said HD-Petroleum Inc. and the Purchaser wishes to purchase the Sold Shares.

NOW THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, the parties agree each with the other as follows:

1.0 DEFINITIONS

- 1.1 "Agreement" is defined as this Agreement, both in its present form and as it may be amended from time to time.
- 1.2 "Effective Date" is defined as the date first above written.
- 1.3 "Execution Date" is defined as the date of the execution of this Agreement.
- 1.4 "Person" is defined as including an individual, partnership, association, body corporate, trustee, executor, administrator, legal representative, trust or other legal entity.
- 1.5 "Sold Shares" is defined as Three Hundred Thirty-Seven Thousand Seventy-Seven (337,077) Class A Common shares in the capital stock of the HD-Petroleum Inc. and being sold by the Vendor to the Purchaser.

2.0 TRANSFER AND CONSIDERATION

- 2.1 The Vendor shall sell and transfer to the Purchaser the Sold Shares with the effect on the Effective Date for the consideration of [REDACTED] Dollars and other good and valuable consideration (the "Purchase Price").
- 2.2 The parties acknowledge and agree that this Agreement of Purchase and Sale of Shares transfers the beneficial interest in the Sold Shares. The parties are unable to effect a transfer of the actual Sold Shares at the Closing Date. The Vendor acknowledges that as soon as the actual Sold Shares can be formally transferred to the Purchaser, the Vendor will so do and as further security, the Vendor has executed a Bare Trustee Agreement dated the 16th day of November, 2017, with the Beneficial Owner as Purchaser, a copy of which Bare Trustee Agreement is attached hereto and marked as Schedule "A".
- 2.3 Attached hereto and collectively marked as Schedule "B" is a copy of HD-Petroleum Inc. Share Certificate No. CA167 in the name of Crown Utilities Ltd. for 28,089 Class A Common shares, Share Certificate No. CA168 in the name of Crown Utilities Ltd. for 252,808 Class A Common shares and Share Certificate No. CA202 in the name of Crown Utilities Ltd. for 56,180 Class A Common shares.

shall be true at and as of the closing date and such representations, warranties, covenants and agreements shall survive the closing.

4.0 GENERAL

- 4.1 The Vendor and the Purchaser shall do or cause to be done all further actions and execute all other documents as may be required to effect the intentions of this Agreement.
- 4.2 The parties hereto covenant and agree that all terms contained in this Agreement for the benefit of the Purchaser may be waived by the Purchaser at any time in writing and that all terms in this Agreement inserted for the benefit of the Vendor may be waived by the Vendor at any time in writing.
- 4.3 No waiver by any party hereto of any breach of any of the covenants, provisoes, conditions or stipulations herein contained, whether express or implied, or negative or positive in form, by any party hereto, shall have any effect or be binding upon such party unless the same be in writing under the authority of such party for whose benefit the covenant, proviso, condition or stipulation was to be performed and any waiver whatsoever shall extend to the particular breach so waived only, and shall not limit or affect the rights of any party hereto with respect to any other or further breach.
- 4.4 Each and every term, condition and provision of this Agreement is and shall be severable one from the other and in the event that any term, condition or provision hereof is at any time declared by a court or tribunal of competent jurisdiction to be void, invalid or unenforceable, the same shall not extend to invalidate, make void or make unenforceable any other term, condition or provision of this Agreement.
- 4.5 This Agreement shall be governed by the laws of Manitoba and interpreted by the Courts of Manitoba.
- 4.6 Time shall be of the essence.

- 4.7 This Agreement shall be binding upon and enure to the benefit of the heirs, executors, successors and assigns of the parties hereto.
- 4.8 The recitals are incorporated as an integral part of this Agreement.
- 4.9 All money amounts referred to in this Agreement are in Canadian funds.
- 4.10 Each of the parties hereto shall do such things and execute such other documents as may be reasonably necessary and desirable to effect the purpose of this Agreement and carry out the terms hereof and, in particular, the Vendor and the Purchaser shall cooperate with each other in doing such other things as may be necessary to effect the purpose and the intent of this Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement effective the

12th day of November, 2017.

CROWN UTILITIES LTD.

Per: Gilles Gauthier
Gilles Gauthier, President

10005661 MANITOBA LTD.

Per: Gilles Gauthier
Gilles Gauthier, President

Schedule "A"

BARE TRUST AGREEMENT

THIS Agreement is dated as of the 16th day of November, 2017 and is made among the following parties:

CROWN UTILITIES LTD.
(the "Trustee"),

OF THE FIRST PART,

- and -

10005661 MANITOBA LTD.
(the "Beneficial Owner")

OF THE SECOND PART,

WHEREAS:

- A. The Trustee was incorporated by Articles of Amalgamation pursuant to the laws of Manitoba effective July 31, 2001;
- B. The Trustee acquired legal and beneficial ownership of 337,077 Class A Common shares in the capital stock of HD-Petroleum Inc. represented by share certificates numbers CA167, CA168 and CA202 (the "Shares") some time prior to the effective date of this Agreement;
- C. The Trustee transferred beneficial ownership of the Shares to the Beneficial Owner pursuant to an agreement of purchase and sale between the Trustee as vendor, and the Beneficial Owner as purchaser, dated November 16, 2017 (the "Asset Purchase Agreement") at the fair market value thereof, and in accordance with the provisions of section 85 of the *Income Tax Act* (Canada); and
- D. The Trustee hereby acknowledges, confirms and declares that its rights, interest and title in the Shares is held as a bare trustee for the benefit of the Beneficial Owner and on the terms set out below.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants herein contained, the parties agree as follows:

1. Trustee a Bare Trustee

The Trustee acknowledges, declares and agrees that,

- (a) the Trustee holds legal title to the Shares as bare trustee and nominee for and on behalf of the Beneficial Owner;

- (b) the Trustee has no legal or beneficial interest in the Shares and all other attributes of the beneficial ownership of the Shares, shall be and remain in the Beneficial Owner; and
- (c) the Trustee agrees to maintain the Shares as a separate asset and agrees not to intermingle the Shares with the Trustee's personal assets.

2. **Right to Create Security**

- (1) The Beneficial Owner may at any time and from time to time create charges, liens, encumbrances or security interests ("Security") in the Shares, with or without the consent of the Trustee, and the Trustee shall not dispute or contest the validity, enforceability or perfection of any such Security or the right of the Security holder to enforce the Security and realize against the Shares.
- (2) The Trustee shall execute and deliver all such instruments relating to the Shares as shall be directed in writing from time to time by the Beneficial Owner, including, without limitation, transfers, assignments, and personal property security agreements.

3. **Dealings with the Shares**

The Trustee shall deal with the Shares only as specifically directed in writing by the Beneficial Owner and shall do no act relating to the Shares without the express authorization and direction in writing of the Beneficial Owner.

5. **Income Belongs to Beneficial Owner**

- (1) All income, profits, emoluments and other receipts of any nature or kind arising from the Shares ("Income") and all rights to use or exploit the Shares, or exercise any voting rights of the Shares, belong beneficially and exclusively to the Beneficial Owner, and the Trustee has no legal or beneficial interest in the Income or right to make use of or exploit the Shares except as provided in this Agreement or as directed in writing from time to time by the Beneficial Owner.
- (2) The Trustee shall promptly remit all Income which may be received by the Trustee to the Beneficial Owners, and the Trustee shall, at the request and expense of the Beneficial Owner, account to the Beneficial Owner for all sums received by the Trustee with respect to the Shares.

6. **Provision of Notices**

- (1) The Trustee shall give promptly to the Beneficial Owner (and such other persons as the Beneficial Owner may direct in writing) a copy of every notice, claim, demand, document or other communication that the Trustee

may receive that relates to the Shares or to the title or interest of the Trustee or the Beneficial Owner in the Shares.

- (2) The Trustee shall notify the Beneficial Owner (and such other persons as the Beneficial Owner may direct in writing) forthwith of any default by any party to or beneficiary of any instrument or agreement constituting part of or relating to the Shares of which the Trustee obtains knowledge.

7. **Legal Proceedings**

Upon the request of the Beneficial Owner on behalf of the Beneficial Owner, the Trustee shall be a nominal party to any action in response to or as a consequence of such matter, and the Trustee hereby authorizes the Beneficial Owner to commence or defend in the name of the Trustee such legal, administrative or other proceedings as the Beneficial Owner may consider advisable or necessary to protect their interest with respect to the Shares.

8. **Liabilities of Beneficial Owner**

The Beneficial Owner shall be responsible for all expenses, losses, charges, encumbrances or liabilities in any way connected with or related to the Shares, and all obligations, responsibilities, acts or omissions pertaining to the Shares shall be performed by or be the responsibility of the Beneficial Owner.

9. **No Partnership**

The relationship between the Trustee and the Beneficial Owner is that of bare trustee and beneficial owner only, and nothing in this Agreement shall be construed to create a relationship of partnership or joint venture between the Beneficial Owner and the Trustee.

10. **Manner of Giving Notice**

- (1) Any notice, document or thing required or permitted by law or this Agreement to be given, delivered to or served upon either of the parties shall be sufficiently given, delivered or served if given personally or if sent by fax, e-mail or by prepaid courier or registered mail to the last known address of a party, and any party may by notice given in accordance with this section change its address for the purposes of this Agreement.
- (2) Any notice, document or thing shall be deemed (in the absence of evidence of prior receipt) to have been received by the intended recipient the same day if personally served, the next business day if sent by fax, and on the third business day next following where sent by prepaid courier or by registered mail.

11. Proper Law

This Agreement shall be governed by and construed in accordance with the laws of Manitoba, and the parties hereby attorn to the non-exclusive jurisdiction of the courts of Manitoba.

12. Further Assurances

Each party covenants and agrees to do and cause all things to be done and to execute and deliver all such documents as may be required in order to carry out the intent and the provisions of this Agreement.

13. Time of the Essence

Time shall be of the essence of this Agreement.

14. No Assignment

This Agreement may not be assigned by any party hereto except with the consent in writing of the other parties hereto.

15. Enurement

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.

IN WITNESS WHEREOF the parties have duly executed this Agreement as of the day and year first above written.

CROWN UTILITIES LTD.

Per: Gilles Gauthier
Gilles Gauthier, Director

10005661 MANITOBA LTD.

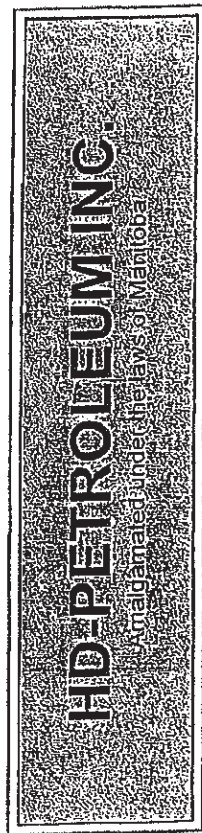
Per: Gilles Gauthier
Gilles Gauthier, Director

Schedule "B"

No.	CA167	Certificate dated	July 29	2016	For	28,089 Class A common	Shares	No. Original Certificate	No. Original Shares
ISSUED TO:	CROWN UTILITIES LTD.								
FROM:	TREASURY								
								No. Shares Transferred	
								New Certificate Nos.	

SHARE CERTIFICATE

CERTIFICATE NUMBER	CA167	NUMBER OF SHARES	28,089
-----------------------	-------	---------------------	--------




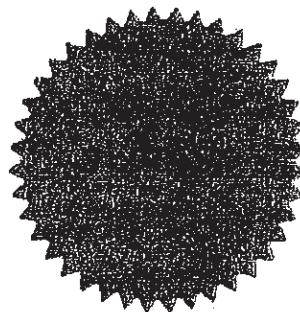
This is to certify that CROWN UTILITIES LTD. is the registered holder of Twenty Eight Thousand Eighty-Nine (28,089) fully paid Class A common shares transferable only on the books of the Corporation by the holder hereof in person or by Attorney upon surrender of this Certificate properly endorsed.

The class or series of shares represented by this Certificate has rights, privileges, restrictions or conditions attached thereto and the Corporation will furnish to the holder, on demand and without charge, a full copy of the text of (i) the rights, privileges, restrictions and conditions attached to the said shares and to each class authorized to be issued and to each series insofar as the same has been fixed by the directors; and (ii) the authority of the directors to fix the rights, privileges, restrictions and conditions of subsequent series, if applicable.

RESTRICTIONS ON TRANSFER. There are restrictions on the right to transfer the shares represented by this Certificate.

IN WITNESS WHEREOF the said Corporation has caused this Certificate to be signed by its duly authorized officers this 29th day of July, 2016.


President



No.	CA168	Certificate dated	July 29	2016	For	252,808 Class A Common	Shares	No. Original Certificate	No. Original Shares
ISSUED TO:	CROWN UTILITIES LTD.								
FROM:	TREASURY								
	No. Shares Transferred								
	New Certificate Nos.								

SHARE CERTIFICATE



CERTIFICATE
NUMBER

CA168

NUMBER OF
SHARES

252,808

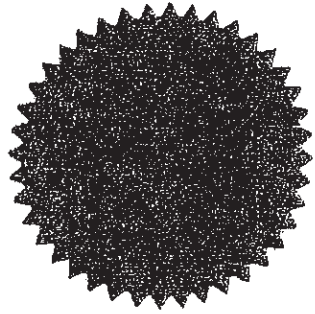
This is to certify that CROWN UTILITIES LTD. is the registered holder of Two Hundred Fifty Two Thousand Eight Hundred and Eight (252,808) fully paid Class A common shares transferable only on the books of the Corporation by the holder hereof in person or by Attorney upon surrender of this Certificate properly endorsed.

The class or series of shares represented by this Certificate has rights, privileges, restrictions or conditions attached thereto and the Corporation will furnish to the holder, on demand and without charge, a full copy of the text of (i) the rights, privileges, restrictions and conditions attached to the said shares and to each class authorized to be issued and to each series insofar as the same has been fixed by the directors; and (ii) the authority of the directors to fix the rights, privileges, restrictions and conditions of subsequent series, if applicable.

RESTRICTIONS ON TRANSFER. There are restrictions on the right to transfer the shares represented by this Certificate.

IN WITNESS WHEREOF the said Corporation has caused this Certificate to be signed by its duly authorized officers this 29th day of July, 2016.

President



No.	CA202	Certificate dated	December 31	2016	For	56,180 Class A common	Shares	No. Original Certificate	No. Original Shares
ISSUED TO:	CROWN UTILITIES LTD.								
FROM:	TREASURY								
								No. Shares Transferred	
								New Certificate Nos.	

SHARE CERTIFICATE

CERTIFICATE
NUMBER

CA202



NUMBER OF
SHARES

56,180

This is to certify that CROWN UTILITIES LTD. is the registered holder of Fifty Six Thousand One Hundred Eighty (56,180) fully paid Class A common shares transferable only on the books of the Corporation by the holder hereof in person or by Attorney upon surrender of this Certificate properly endorsed.

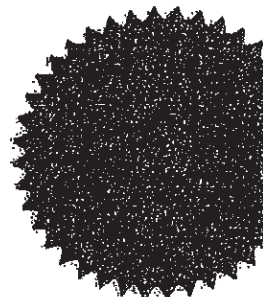
The class or series of shares represented by this Certificate has rights, privileges, restrictions or conditions attached thereto and the Corporation will furnish to the holder, on demand and without charge, a full copy of the text of (i) the rights, privileges, restrictions and conditions attached to the said shares and to each class authorized to be issued and to each series insofar as the same has been fixed by the directors; and (ii) the authority of the directors to fix the rights, privileges, restrictions and conditions of subsequent series, if applicable.

RESTRICTIONS ON TRANSFER There are restrictions on the right to transfer the shares represented by this Certificate.

IN WITNESS WHEREOF the said Corporation has caused this Certificate to be signed by its duly authorized officers this 31st day of December, 2016.



President



APPENDIX “D”

Appendix “D”

Ernst & Young LLP Resignation Letter



**Building a better
working world**

Ernst & Young LLP
Ernst & Young Tower
100 Adelaide Street W, PO Box 1
Toronto, ON M5H 0B3

Tel: +1 416 864 1234
Fax: +1 416 864 1174
ey.com

Distinct Infrastructure Group
77 Belfield Road, Suite 102
Toronto, ON M9W 1G6
Attention: John Nashmi, CFO

March 11, 2019

Deloitte Restructuring Inc.
Bay Adelaide East
8 Adelaide St. W Suite 200
Toronto, ON M5H 0A9
Attention: Todd Ambachtsheer

Dear Sirs:

We confirm the resignation of Ernst & Young LLP as auditors of Distinct Infrastructure Group, effective immediately.

We remind you of the Company's obligations under National Instrument 51-102, Part 4.11 "Change of Auditor" provisions. Please forward the required materials in due course.

Yours very truly,

Chartered Professional Accountants
Licensed Public Accountants

CONFIDENTIAL

APPENDIX “1”

Unredacted Agreement of Purchase and Sale

Confidential Appendix “1”

Unredacted Agreement of Purchase and Sale

[REDACTED]

CONFIDENTIAL

APPENDIX “2”

Maynards’ Appraisal and Comparative Liquidation Analysis

Confidential Appendix “2”

Maynard’s Appraisal and Comparative Liquidation Analysis

[REDACTED]

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

ROYAL BANK OF CANADA

- and -

DISTINCT INFRASTRUCTURE GROUP INC. et al.

Applicant

Respondents

Court File No. CV-19-00615270-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at Toronto

**FIRST REPORT OF THE RECEIVER
(March 18, 2019)**

Thornton Grout Finnigan LLP

TD West Tower, Toronto-Dominion Centre
100 Wellington Street West, Suite 3200
Toronto, ON M5K 1K7
Fax: (416) 304-1313

D.J. Miller (LSO# 34393P)

Email: djmiller@tgf.ca / Tel: (416) 304-0559

Rachel Bengino (LSO# 68348V)

Email: rbengino@tgf.ca / Tel: (416) 304-1153

Lawyers for the Receiver

TAB 3

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.)	THURSDAY, THE 21 st
)	
JUSTICE HAINEY)	DAY OF MARCH, 2019

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

- and -

DISTINCT INFRASTRUCTURE GROUP INC., DISTINCT INFRASTRUCTURE GROUP WEST INC., DISTINCTTECH INC., IVAC SERVICES INC., IVAC SERVICES WEST INC., and CROWN UTILITIES LTD.

Respondents

APPROVAL AND VESTING ORDER

THIS MOTION, made by Deloitte Restructuring Inc. in its capacity as the Court-appointed receiver (the "**Receiver**") of the undertaking, property and assets of Distinct Infrastructure Group Inc., Distinct Infrastructure Group West Inc., DistinctTech Inc., iVac Services Inc., iVac Services West Inc. and Crown Utilities Ltd. ("**Crown**") (collectively, the "**Debtors**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and Crown Pipeline Ltd. (the "**Purchaser**") dated March 15, 2019 and appended to the First Report of the

Receiver dated March 18, 2019 (the "**First Report**"), and vesting in the Purchaser Crown's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the First Report and on hearing the submissions of counsel for the Receiver and the Applicant, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Maria Magni sworn March 19, 2019 filed:

SERVICE

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

APPROVAL OF TRANSACTION AND VESTING OF PURCHASED ASSETS

2. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

3. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Receiver's Certificate**"), all of Crown's right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule B hereto shall vest absolutely in the Purchaser, except as otherwise addressed herein, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Hainey dated March 11, 2019 (the "**Receivership Order**"); and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal*

Property Security Act (Manitoba) or any other personal property registry system (all of which are collectively referred to as the "**Encumbrances**") and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. THIS COURT ORDERS AND DIRECTS the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

6. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in Crown's records pertaining to Crown's past and current employees, including personal information of those employees employed by Crown as at the date of the closing of the Transaction ("**Closing**"). The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by Crown.

7. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of any of the Debtors and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of any of the Debtors;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtors and shall not be void or voidable by creditors of the Debtors, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

ASSIGNMENT OF AGREEMENTS

8. THIS COURT ORDERS that upon the delivery of the Receiver's Certificate, all of the rights and obligations of Crown under the Assigned Leases (as defined in the Sale Agreement) shall be assigned to and assumed by the Purchaser.

9. THIS COURT ORDERS that the assumption by the Purchaser of the rights and obligations of Crown under the Assigned Leases and the assignment of the Assigned Leases to the Purchaser pursuant to this Order is valid and binding upon all of the counterparties to the Assigned Leases notwithstanding any restriction or prohibition contained in any such Assigned Leases relating to the assignment thereof, including any provision requiring the consent of any party to the assignment, and any counterparty to such Assigned Lease shall be forever barred, enjoined and estopped from enforcing the same against the Purchaser or Crown.

10. THIS COURT ORDERS that, except as otherwise addressed herein, upon Closing, Crown's right, title and interest in the Assigned Leases shall vest absolutely in the Purchaser free and clear of all Encumbrances. The Purchaser shall pay any amount owing by Crown to the counterparty under each Assigned Lease and shall perform all obligations arising under the Assigned Leases from and after Closing.

11. THIS COURT ORDERS that each counterparty to the Assigned Leases is prohibited from exercising any right or remedy under the Assigned Leases by reason of any defaults thereunder arising from the assignment of the Assigned Leases, the insolvency of Crown, the appointment of the Receiver, or any failure of Crown to perform a non-monetary obligation under the Assigned Leases.

GENERAL

12. THIS COURT ORDERS that the unredacted Sale Agreement, attached as Confidential Appendix “1” to the First Report, is hereby sealed until six months after the Closing or further order of the Court, and shall not form part of the public record.

13. THIS COURT ORDERS that the appraisal conducted by Maynards Industries Canada Appraisals Ltd. and the Receiver’s comparative liquidation analysis attached as Confidential Appendix “2” to the First Report, are hereby sealed until six months after the Closing or further order of the Court, and shall not form part of the public record.

14. THIS COURT ORDERS that, in addition to the rights and protections afforded to the Receiver under the Receivership Order, the Receiver shall not be liable for any act or omission on the part of the Receiver pertaining to the discharge of its duties under this Order, save and except any claim or liability arising out of any gross negligence or wilful misconduct on the part of the Receiver. Nothing in this Order shall derogate from the protections afforded to the Receiver by the *Bankruptcy and Insolvency Act*, any other federal or provincial applicable law, the Receivership Order or any other orders in this proceeding.

15. 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 Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

Schedule A – Form of Receiver’s Certificate

Court File No. CV-19-00615270-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

- and -

DISTINCT INFRASTRUCTURE GROUP INC., DISTINCT INFRASTRUCTURE GROUP WEST INC., DISTINCTTECH INC., IVAC SERVICES INC., IVAC SERVICES WEST INC., and CROWN UTILITIES LTD.

Respondents

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Hailey of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated March 11, 2019, Deloitte Restructuring Inc. was appointed as the receiver (the "**Receiver**") of the undertaking, property and assets of Distinct Infrastructure Group Inc., Distinct Infrastructure Group West Inc., DistinctTech Inc., iVac Services Inc., iVac Services West Inc. and Crown Utilities Ltd. ("**Crown**") (collectively, the "**Debtors**").

B. Pursuant to an Order of the Court dated March 21, 2019, the Court approved the agreement of purchase and sale made as of March 15, 2019 (the "**Sale Agreement**") between the

Receiver and Crown Pipeline Ltd. (the "**Purchaser**") and provided for the vesting in the Purchaser of Crown's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section 4 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in section 4 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

**Deloitte Restructuring Inc., in its capacity as
Receiver of the undertaking, property and
assets of Distinct Infrastructure Group Inc.
et. al., and not in its personal capacity**

Per: _____

Name:

Title:

Schedule B – Purchased Assets

All the Receiver's right, title and interest, if any, in and to the undertaking and all of the property and assets of Crown (the "**Business**") including, without limiting the generality of the foregoing the following (collectively, the "**Purchased Assets**"):

- a. Machinery, motor vehicles, trucks, trailers, equipment, tools, furniture, fixtures, furnishings, signs, inventory, and all accessories to the foregoing and all supplies of all kinds owned by Crown and used in connection with the Business including, but without limitation, the machinery and equipment described in Schedule "A" to the Sale Agreement, but excluding (i) assets subject to the Assigned Leases (as defined below); and (ii) any valid claims which might be made by suppliers to the Business pursuant to S. 81.1 of the *Bankruptcy and Insolvency Act*;
- b. The exclusive right to use the name "Crown Utilities";
- c. Work in progress;
- d. All contracts bid, bid and accepted;
- e. All accounts receivable of the Business (attached at Schedule "B" to the Sale Agreement) including customer holdbacks of every nature and kind, save and except for any intercompany accounts receivable owed by any of the other Debtors;
- f. Unbilled work in progress (attached at Schedule "B1" to the Sale Agreement);
- g. The Vendor's interest in any equipment or machinery subject to any purchase money security interests or leases (attached at Schedule "C" to the Sale Agreement) (the "**Assigned Leases**") wherein all rights and obligations of Crown under the Assigned Leases: (i) will be assigned to and assumed by the Purchaser either on consent of the Assigned Lease counterparties where such consent is required pursuant to the terms of such Assigned Leases (such consent to be sought by the Purchaser); or (ii) in the event that, where such consent is required pursuant to an Assigned Lease and not obtained, such Assigned Lease will be assigned to the Purchaser pursuant to the terms of the Approval and Vesting Order made upon notice having been given to all parties with an interest in the Assigned Leases; or (iii) where neither subparagraphs (i) or (ii) apply, the equipment or machinery in the Assigned Lease(s) not so assigned or vested will be removed from the Purchased Assets with no adjustment to the Purchase Price; and
- h. All other property, assets and rights, real or personal, tangible or intangible, owned by the Vendor in connection with the Business.

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

ROYAL BANK OF CANADA

and

DISTINCT INFRASTRUCTURE GROUP INC. et al.

Applicant

Respondents

Court File No. CV-19-00615270-00CL

ONTARIO
**SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at Toronto

APPROVAL AND VESTING ORDER

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Lawyers for the Applicant, Royal Bank of Canada

TAB 4

Revised: January 21, 2014

Court File No. CV-19-00615270-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.) ~~WEEKDAY~~ THURSDAY, THE ~~#~~ 21st
JUSTICE HAINES)
DAY OF ~~MONTH~~ MARCH, ~~20YR~~ 2019

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

B E T W E E N:

~~PLAINTIFF~~

~~Plaintiff~~

ROYAL BANK OF CANADA

Applicant

- and -

~~DEFENDANT~~

~~Defendant~~

DISTINCT INFRASTRUCTURE GROUP INC., DISTINCT INFRASTRUCTURE GROUP WEST INC., DISTINCTTECH INC., IVAC SERVICES INC., IVAC SERVICES WEST INC., and CROWN UTILITIES LTD.

Respondents

APPROVAL AND VESTING ORDER

THIS MOTION, made by ~~[RECEIVER'S NAME]~~ Deloitte Restructuring Inc. in its capacity as the Court-appointed receiver (the "Receiver") of the undertaking, property and assets

of ~~[DEBTOR]~~ (the "~~Debtor~~Distinct Infrastructure Group Inc., Distinct Infrastructure Group West Inc., DistinctTech Inc., iVac Services Inc., iVac Services West Inc. and Crown Utilities Ltd. ("Crown") (collectively, the "**Debtors**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and ~~[NAME OF PURCHASER]~~Crown Pipeline Ltd. (the "**Purchaser**") dated ~~[DATE]~~March 15, 2019 and appended to the First Report of the Receiver dated ~~[DATE]~~March 18, 2019 (the "**First Report**"), and vesting in the Purchaser ~~the Debtor~~Crown's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the First Report and on hearing the submissions of counsel for the Receiver, ~~[NAMES OF OTHER PARTIES APPEARING]~~ and the Applicant, no one appearing for any other person on the service list, although properly served as appears from the affidavit of ~~[NAME]~~Maria Magni sworn ~~[DATE]~~March 19, 2019 filed¹:

SERVICE

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

APPROVAL OF TRANSACTION AND VESTING OF PURCHASED ASSETS

2. 1. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved,² and the execution of the Sale Agreement by the Receiver³ is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as

¹ This model order assumes that the time for service does not need to be abridged. The motion seeking a vesting order should be served on all persons having an economic interest in the Purchased Assets, unless circumstances warrant a different approach. Counsel should consider attaching the affidavit of service to this Order.

² In some cases, notably where this Order may be relied upon for proceedings in the United States, a finding that the Transaction is commercially reasonable and in the best interests of the Debtor and its stakeholders may be necessary. Evidence should be filed to support such a finding, which finding may then be included in the Court's endorsement.

³ In some cases, the Debtor will be the vendor under the Sale Agreement, or otherwise actively involved in the Transaction. In those cases, care should be taken to ensure that this Order authorizes either or both of the Debtor and the Receiver to execute and deliver documents, and take other steps.

may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

3. ~~2.~~ THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "Receiver's Certificate"), all of ~~the Debtor'~~Crown's right, title and interest in and to the Purchased Assets described in the Sale Agreement ~~[and listed on Schedule B hereto]~~⁴ shall vest absolutely in the Purchaser, except as otherwise addressed herein, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims"⁵) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice ~~[NAME]~~Hainey dated ~~[DATE]~~March 11, 2019 (the "Receivership Order"); and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (~~Ontario~~Manitoba) or any other personal property registry system; ~~and (iii) those Claims listed on Schedule C hereto~~ (all of which are collectively referred to as the "Encumbrances", ~~which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D~~) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

~~3. — THIS COURT ORDERS that upon the registration in the Land Registry Office for the [Registry Division of {LOCATION}] of a Transfer/Deed of Land in the form prescribed by the Land Registration Reform Act duly executed by the Receiver][Land Titles Division of {LOCATION}] of an Application for Vesting Order in the form prescribed by the Land Titles Act and/or the Land Registration Reform Act]~~⁶, the Land Registrar is hereby directed to enter the

⁴ To allow this Order to be free standing (and not require reference to the Court record and/or the Sale Agreement), it may be preferable that the Purchased Assets be specifically described in a Schedule.

⁵ The "Claims" being vested out may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims would, in that case, still continue as against the net proceeds from the sale of the claimed asset. Similarly, other rights, titles or interests could also be vested out, if the Court is advised what rights are being affected, and the appropriate persons are served. It is the Subcommittee's view that a non-specific vesting out of "rights, titles and interests" is vague and therefore undesirable.

⁶ Elect the language appropriate to the land registry system (Registry vs. Land Titles).

~~Purchaser as the owner of the subject real property identified in Schedule B hereto (the "Real Property") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.~~

4. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds⁷ from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale⁸, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. THIS COURT ORDERS AND DIRECTS the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

6. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in ~~the Company'~~Crown's records pertaining to ~~the Debtor'~~Crown's past and current employees, including personal information of those employees ~~listed on Schedule "●" to the Sale Agreement~~employed by Crown as at the date of the closing of the Transaction ("Closing"). The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by ~~the Debtor'~~Crown.

7. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;

⁷~~The Report should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at "net proceeds".~~

⁸~~This provision crystallizes the date as of which the Claims will be determined. If a sale occurs early in the insolvency process, or potentially secured claimants may not have had the time or the ability to register or perfect proper claims prior to the sale, this provision may not be appropriate, and should be amended to remove this crystallization concept.~~

- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of any of the ~~Debtor~~ Debtors and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of any of the ~~Debtor~~ Debtors;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the ~~Debtor~~ Debtors and shall not be void or voidable by creditors of the ~~Debtor~~ Debtors, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

ASSIGNMENT OF AGREEMENTS

8. THIS COURT ORDERS ~~AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario);~~ that upon the delivery of the Receiver's Certificate, all of the rights and obligations of Crown under the Assigned Leases (as defined in the Sale Agreement) shall be assigned to and assumed by the Purchaser.

9. THIS COURT ORDERS that the assumption by the Purchaser of the rights and obligations of Crown under the Assigned Leases and the assignment of the Assigned Leases to the Purchaser pursuant to this Order is valid and binding upon all of the counterparties to the Assigned Leases notwithstanding any restriction or prohibition contained in any such Assigned Leases relating to the assignment thereof, including any provision requiring the consent of any party to the assignment, and any counterparty to such Assigned Lease shall be forever barred, enjoined and estopped from enforcing the same against the Purchaser or Crown.

10. THIS COURT ORDERS that, except as otherwise addressed herein, upon Closing, Crown's right, title and interest in the Assigned Leases shall vest absolutely in the Purchaser free and clear of all Encumbrances. The Purchaser shall pay any amount owing by Crown to the

counterparty under each Assigned Lease and shall perform all obligations arising under the Assigned Leases from and after Closing.

11. THIS COURT ORDERS that each counterparty to the Assigned Leases is prohibited from exercising any right or remedy under the Assigned Leases by reason of any defaults thereunder arising from the assignment of the Assigned Leases, the insolvency of Crown, the appointment of the Receiver, or any failure of Crown to perform a non-monetary obligation under the Assigned Leases.

GENERAL

12. THIS COURT ORDERS that the unredacted Sale Agreement, attached as Confidential Appendix "1" to the First Report, is hereby sealed until six months after the Closing or further order of the Court, and shall not form part of the public record.

13. THIS COURT ORDERS that the appraisal conducted by Maynards Industries Canada Appraisals Ltd. and the Receiver's comparative liquidation analysis attached as Confidential Appendix "2" to the First Report, are hereby sealed until six months after the Closing or further order of the Court, and shall not form part of the public record.

14. THIS COURT ORDERS that, in addition to the rights and protections afforded to the Receiver under the Receivership Order, the Receiver shall not be liable for any act or omission on the part of the Receiver pertaining to the discharge of its duties under this Order, save and except any claim or liability arising out of any gross negligence or wilful misconduct on the part of the Receiver. Nothing in this Order shall derogate from the protections afforded to the Receiver by the *Bankruptcy and Insolvency Act*, any other federal or provincial applicable law, the Receivership Order or any other orders in this proceeding.

15. ~~9.~~ 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 Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this

Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

Revised: January 21, 2014

Schedule A – Form of Receiver's Certificate

Court File No. CV-19-00615270-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

B E T W E E N:

~~PLAINTIFF~~

Plaintiff

ROYAL BANK OF CANADA

Applicant

- and -

~~DEFENDANT~~

Defendant

DISTINCT INFRASTRUCTURE GROUP INC., DISTINCT INFRASTRUCTURE GROUP WEST INC., DISTINCTTECH INC., IVAC SERVICES INC., IVAC SERVICES WEST INC., and CROWN UTILITIES LTD.

Respondents

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable ~~[NAME OF JUDGE]~~ Justice Hainey of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated ~~[DATE OF ORDER]~~, ~~[NAME OF RECEIVER]~~ March 11, 2019, Deloitte Restructuring Inc. was appointed as the

receiver (the "**Receiver**") of the undertaking, property and assets of ~~[DEBTOR] (the "Debtor")~~, Distinct Infrastructure Group Inc., Distinct Infrastructure Group West Inc., DistinctTech Inc., iVac Services Inc., iVac Services West Inc. and Crown Utilities Ltd. ("Crown") (collectively, the "Debtors").

B. Pursuant to an Order of the Court dated ~~[DATE]~~, March 21, 2019, the Court approved the agreement of purchase and sale made as of ~~[DATE OF AGREEMENT]~~ March 15, 2019 (the "**Sale Agreement**") between the Receiver ~~[Debtor] and [NAME OF PURCHASER]~~ and Crown Pipeline Ltd. (the "**Purchaser**") and provided for the vesting in the Purchaser of ~~the Debtor~~ Crown's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section ~~4~~ 4 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in section ~~4~~ 4 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

- 2 -

~~{NAME OF RECEIVER}~~Deloitte
Restructuring Inc., in its capacity as Receiver
of the undertaking, property and assets of
~~{DEBTOR}~~Distinct Infrastructure Group Inc.
et. al., and not in its personal capacity

Per: _____

Name:

Title:

Schedule B – Purchased Assets

All the Receiver's right, title and interest, if any, in and to the undertaking and all of the property and assets of Crown (the "**Business**") including, without limiting the generality of the foregoing the following (collectively, the "**Purchased Assets**"):

- a. Machinery, motor vehicles, trucks, trailers, equipment, tools, furniture, fixtures, furnishings, signs, inventory, and all accessories to the foregoing and all supplies of all kinds owned by Crown and used in connection with the Business including, but without limitation, the machinery and equipment described in Schedule "A" to the Sale Agreement, but excluding (i) assets subject to the Assigned Leases (as defined below); and (ii) any valid claims which might be made by suppliers to the Business pursuant to S. 81.1 of the *Bankruptcy and Insolvency Act*;
- b. The exclusive right to use the name "Crown Utilities";
- c. Work in progress;
- d. All contracts bid, bid and accepted;
- e. All accounts receivable of the Business (attached at Schedule "B" to the Sale Agreement) including customer holdbacks of every nature and kind, save and except for any intercompany accounts receivable owed by any of the other Debtors;
- f. Unbilled work in progress (attached at Schedule "B1" to the Sale Agreement);
- g. The Vendor's interest in any equipment or machinery subject to any purchase money security interests or leases (attached at Schedule "C" to the Sale Agreement) (the "**Assigned Leases**") wherein all rights and obligations of Crown under the Assigned Leases: (i) will be assigned to and assumed by the Purchaser either on consent of the Assigned Lease counterparties where such consent is required pursuant to the terms of such Assigned Leases (such consent to be sought by the Purchaser); or (ii) in the event that, where such consent is required pursuant to an Assigned Lease and not obtained, such Assigned Lease will be assigned to the Purchaser pursuant to the terms of the Approval and Vesting Order made upon notice having been given to all parties with an interest in the Assigned Leases; or (iii) where neither subparagraphs (i) or (ii) apply, the equipment or machinery in the Assigned Lease(s) not so assigned or vested will be removed from the Purchased Assets with no adjustment to the Purchase Price; and
- h. All other property, assets and rights, real or personal, tangible or intangible, owned by the Vendor in connection with the Business.

Revised: January 21, 2014

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

~~Schedule C — Claims to be deleted and expunged from title to Real Property~~

**Schedule D—Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

(unaffected by the Vesting Order)

ROYAL BANK OF CANADA

and

DISTINCT INFRASTRUCTURE GROUP INC. et al.

Applicant

Respondents

Court File No. CV-19-00615270-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

APPROVAL AND VESTING ORDER

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Input:	
Document 1 ID	interwovenSite://TGF-WSS01/Client/2575615/1
Description	#2575615v1<Client> - approval-and-vesting-order-EN (model order)
Document 2 ID	interwovenSite://TGF-WSS01/Client/2575616/3
Description	#2575616v3<Client> - Approval and Vesting Order (March 18, 2019 draft)
Rendering set	Standard

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	118
Deletions	90
Moved from	0
Moved to	0

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

ROYAL BANK OF CANADA

and

DISTINCT INFRASTRUCTURE GROUP INC. *et al.*

Applicant

Respondents

Court File No. CV-19-00615270-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

MOTION RECORD
(Returnable March 21, 2019)

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Lawyers for the Receiver