

COURT FILE NUMBER

District of Alberta
Division No. 01 – Edmonton
Court No. 24-2101043
Estate No. 24-2101043



COURT

COURT OF QUEEN'S BENCH OF ALBERTA
IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE


EDMONTON

IN THE MATTER OF THE NOTICE OF
INTENTION TO MAKE A PROPOSAL OF
GRAHAM BROTHERS CONSTRUCTION
GROUP LTD.

I hereby certify this to be a
true copy of the original.

DOCUMENT

ORDER


for Registrar in Bankruptcy

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF PARTY
FILING THIS DOCUMENT

Ogilvie LLP
1400, 10303 Jasper Avenue
Edmonton AB T5J 3N6
Attention: Kentigern A. Rowan, Q.C.
Phone: 780.429.6236
Fax: 780.429.4453
File No.: 3089.57

**Service will be accepted by delivery or fax. No
other form of service will be accepted.**

DATE ON WHICH ORDER WAS PRONOUNCED:

APRIL 19, 2016

NAME OF MASTER/JUDGE WHO MADE THIS ORDER:

JUSTICE K.G. NIELSEN

JUDICIAL CENTRE WHERE THE ORDER WAS MADE:

EDMONTON

ORDER

UPON THE APPLICATION of Graham Brothers Construction Group Ltd. (the "Corporation"); AND UPON hearing read the Affidavit of Thomas William Graham, sworn April 19, 2106; AND UPON reading the Report of Deloitte Restructuring Inc., the Trustee pursuant to a Notice of Intention to Make a Proposal filed by the Corporation (the "Proposal Trustee") (the "Proposal Trustee's Report"); AND UPON noting that:

- (a) the Corporation had previously sold six (6) Ford pickup trucks, being the last six (6) pieces of equipment described in paragraph 8 of the Proposal Trustee's Report (the "Ford Trucks");

- (b) the Proposal Trustee is in receipt of the net proceeds from the sale of the Ford Trucks after payment of amounts owed to Ford Credit on the Ford Trucks (the "Net Ford Proceeds");
- (c) the Corporation proposes to sell the first seven (7) items as described in paragraph 8 of the Proposal Trustee's Report (the "Additional Equipment");
- (d) the Corporation proposes to obtain permission from this Honourable Court to sell up to an additional \$500,000.00 in aggregate of the Corporation's property without further Order of this Honourable Court (the "Further Equipment");
- (e) the Corporation wishes to enter into a lease of some of its equipment (including equipment leased to the Corporation by Royal Bank Leasing) to Mortenson Canada Corporation ("Mortenson") pursuant to the terms of the proposed lease attached as Appendix 1 to the Proposal Trustee's Report and have the proceeds received from the lease paid to the Proposal Trustee;
- (f) the Proposal Trustee proposes to pay to the Corporation from funds it presently has in trust or such further funds as it may receive in accordance with this Order and such previous or subsequent Orders granted in these proceedings, the amounts indicated as "transfer to Graham Brothers" on Appendix 2 to the Proposal Trustee's Report for the purposes of payment of those amounts as set forth under the heading "Cash Disbursements" on the said Appendix 2;

AND UPON hearing counsel for the Corporation, counsel for the Proposal Trustee and counsel for the Royal Bank of Canada ("RBC"); AND UPON noting that RBC is a secured creditor of the Corporation and holds general security on all of the Corporation's personal property; AND UPON being satisfied that the Corporation is acting in good faith and with due diligence; AND UPON being satisfied that it is appropriate to authorize the Corporation to proceed in accordance with this Order; IT IS HEREBY ORDERED AND ADJUDGED THAT:

SERVICE

1. Time for service of notice of this Application and materials in support is hereby abridged and service is deemed good and sufficient.

SALE OF FORD TRUCKS

2. To the extent required, the Corporation be and is hereby granted authority and permission *nunc pro tunc* to sell and dispose of the Ford Trucks in the manner and for the price received on the sale of the Ford Trucks.
3. The Proposal Trustee shall hold the Net Ford Proceeds and disburse same only in accordance with the terms of this Order or such further Order of this Honourable Court.

4. The Net Ford Proceeds or, as required, the portions thereof attributable to any individual one of the Ford Trucks, shall stand in place of the Ford Trucks, or any individual Ford Truck and are subject to the same claims, security and priorities of persons claiming security on the Ford Trucks or any individual Ford Truck, as existed as of the date of the sale.

SALE OF ADDITIONAL EQUIPMENT

5. The Corporation be and is hereby authorized to sell the Additional Equipment by such method and for such price as may be agreed upon by the Corporation, the Proposal Trustee, RBC and such other secured creditors who may hold first priority contractual security on any individual piece of Additional Equipment.
6. Subject to the provisions of this Order, the sale of the Additional Equipment pursuant to this Order shall be free and clear of any security interest, charge or other claim on the Additional Equipment including, but not limited to, any security for which there is a registration pursuant to the *Personal Property Security Act* or otherwise.
7. The net sale proceeds of the Additional Equipment, being gross proceeds less only commissions and other costs of sale (the "Additional Equipment Sale Proceeds") shall be paid to the Proposal Trustee and disbursed only in accordance with the terms of this Order or such further Order of this Honourable Court.
8. The Additional Equipment Sale Proceeds or, as required, the portions thereof attributable to any individual piece of Additional Equipment, shall stand in place of the Additional Equipment or such individual piece of Additional Equipment and are subject to the same claims, security and priorities of persons claiming security on the Additional Equipment, or any portion thereof, as existed as of the date of sale.

FURTHER EQUIPMENT SALES

9. In addition to the equipment and other personal property of the Corporation for which permission for sale has been given in this or any other Orders of this Honourable Court, the Corporation is authorized to sell additional personal property owned by the Corporation of an aggregate value not exceeding \$500,000.00, without further Order of this Honourable Court provided that the method of sale and the proceeds of sale are agreed to by the Corporation, the Proposal Trustee, and such secured creditors who may hold first priority contractual security on any individual piece of Further Equipment or any portion thereof.
10. Subject to the provisions of this Order, the sale of the Further Equipment pursuant to this Order shall be free and clear of any security interest, charge or other claim on the Further Equipment including, but not limited to, any security for which there is a registration pursuant to the *Personal Property Security Act* or otherwise.

11. The net sale proceeds of the Further Equipment sales being gross proceeds less only commissions and other costs of sale (the "Further Equipment Sale Proceeds") shall be paid to the Proposal Trustee and disbursed only in accordance with the terms of this Order or such further Order of this Honourable Court.
12. The Further Equipment Sale Proceeds or, as required, the portions thereof attributable to any individual piece of Further Equipment, shall stand in place of the Further Equipment or such individual piece of Further Equipment and are subject to the same claims, security and priorities of persons claiming security on the Further Equipment, or any portion thereof, as exists as at the date of sale.

DISCHARGE OF SECURITY

13. RBC and any other party holding security against the Ford Trucks, the Additional Equipment, the Further Equipment, or any of the property of the Corporation being sold pursuant to the Order of this Honourable Court granted in these proceedings on April 1, 2016 (in the aggregate, the "Corporation's Property") may file discharges of security held on the Corporation's Property or any portion thereof at any Registry where such security is registered and the discharge of such security shall not affect that secured party's priority to the proceeds of the sale of the Corporation's assets or any portion thereof as are provided for in this or any other Order of this Honourable Court granted in these proceedings.

LEASE OF EQUIPMENT

14. The Corporation be and is hereby authorized to enter into a lease with Mortenson of the equipment described in the lease attached as Appendix 1 to the Proposal Trustee's Report substantially on the terms and conditions as set forth in the lease attached as Appendix 1 to the Proposal Trustee's Report subject only to such modifications thereof as are agreed to by the Corporation, the Proposal Trustee and RBC (the "Lease").
15. All rental payments to be paid pursuant to the terms of the Lease shall be paid to the Proposal Trustee and shall be held and disbursed by the Proposal Trustee only in accordance with the terms of this Order or such further Order of this Honourable Court.
16. The rental payments are subject to the claims, security and priorities of persons claiming security in the Equipment subject to the Lease, or any portion thereof, as existed as of the date of entering into the Lease.

DISBURSEMENT OF FUNDS BY THE PROPOSAL TRUSTEE

17. The Proposal Trustee be and is hereby authorized to pay to the Corporation from funds presently held or in the future received by the Proposal Trustee as a result of the terms of this or any other Order of this Honourable Court or from any other source respecting their appointment as Proposal Trustee, the amounts as set forth in Appendix 2 to the Proposal Trustee's Report referenced in the line "transfers to Graham Brothers" in the amounts and

at the times as set forth in Appendix 2 of the Proposal Trustee's Report (the "Distributed Funds")

18. The Corporation shall use the Distributed Funds for payment of the items set forth under the heading "Cash Disbursements" in Appendix 2 to the Proposal Trustee's Report.
19. Nothing in this Order shall affect the requirement to make the payments to RBC as provided for in the Order granted by this Honourable Court in these proceedings on April 1, 2016.

DISPOSITION OF FUNDS

20. Except as provided in this or any previous Order of this Honourable Court, any monies received by the Proposal Trustee as a result of the disposition of any assets of the Corporation, the Lease or for any other reason as a result of being the Proposal Trustee of the Corporation, shall be held by the Proposal Trustee and disbursed only in accordance with the terms of this Order or such further Order of this Honourable Court (the "Held Funds").
21. Any person claiming to be a secured creditor of the Corporation, including RBC, shall, within fourteen (14) days of service of a copy of this Order on them, or such further period as this Honourable Court may on application allow, prepare and file with this Honourable Court and serve on the Proposal Trustee an Affidavit which shall include:
 - (a) the basis upon which the party claims to be secured against any or all of the assets of the Corporation;
 - (b) a copy of any Security Agreement held by the alleged secured party;
 - (c) copies of any registrations made by the alleged secured party at any public registries with respect to the security claimed;
 - (d) a statement of the amounts owed to the alleged secured party by the Corporation which are subject to the alleged security.
22. The Proposal Trustee shall serve a copy of this Order upon any person it identifies as potentially being a secured person against any or all of the assets of the Corporation.
23. Any secured party, including RBC, who has filed an Affidavit substantially in accordance with this Order as a result of any previous Order granted in these proceedings can refer the Proposal Trustee to the said Affidavit in which case it shall be deemed to have complied with the terms of this Order.
24. Within ten (10) days of receiving the Affidavits from those secured persons upon whom the Proposal Trustee has served a copy of this Order in accordance with Paragraph 19 of

this Order, the Proposal Trustee shall prepare a proposed distribution of the Held Funds (the "Proposed Distribution").

25. The Proposal Trustee shall serve a copy of the Proposed Distribution on each of the secured parties who has submitted an Affidavit in accordance with Paragraph 18 of this Order.
26. If no secured party disputes the Proposed Distribution within ten (10) days of service upon them, the Proposal Trustee shall proceed to disburse the Held Funds in accordance with the Proposed Distribution.
27. The Proposal Trustee shall from time to time make Application to this Honourable Court for directions respecting the disposition of the Held Funds.

Handwritten signature in blue ink

J.C.Q.B.A.

Handwritten date: APRIL 29, 2016

APPROVED AS TO THE ORDER GRANTED:

REYNOLDS MIRTH RICHARDS & FARMER LLP

DENTONS (CANADA) LLP

Per: 

CHERRISSE KILLICK-DZENICK
Counsel for Graham Brothers Construction
Group Ltd.

Per: _____

DEAN HITESMAN
Counsel for Royal Bank of
Canada

this Order, the Proposal Trustee shall prepare a proposed distribution of the Held Funds (the "Proposed Distribution").

25. The Proposal Trustee shall serve a copy of the Proposed Distribution on each of the secured parties who has submitted an Affidavit in accordance with Paragraph 18 of this Order.
26. If no secured party disputes the Proposed Distribution within ten (10) days of service upon them, the Proposal Trustee shall proceed to disburse the Held Funds in accordance with the Proposed Distribution.
27. The Proposal Trustee shall from time to time make Application to this Honourable Court for directions respecting the disposition of the Held Funds.



J.C.Q.B.A.

APRIL 29, 2016

APPROVED AS TO THE ORDER GRANTED:

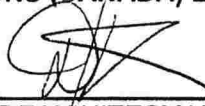
REYNOLDS MIRTH RICHARDS & FARMER LLP

Per:

CHERRISSE KILLICK-DZENICK
Counsel for Graham Brothers Construction
Group Ltd.

DENTONS (CANADA) LLP

Per:



DEAN HITESMAN
Counsel for Royal Bank of
Canada