

**ONTARIO
SUPERIOR COURT OF JUSTICE**

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

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

**MOTION RECORD OF THE MOVING PARTY,
RSM RICHTER (“the Monitor”)**

(Motion returnable June 17, 2011)

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Solicitors for the Monitor (moving party)

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AND

TO: BORDEN LADNER GERVAIS LLP
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AND

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Monitor

AND

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Lawyers for Caterpillar Financial

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**ONTARIO
SUPERIOR COURT OF JUSTICE**

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

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

NOTICE OF MOTION
(returnable June 17, 2011)

The Monitor RSM Richter will make a motion to the court on June 17, 2011, at 10:00 am or as soon after that time as the motion can be heard, at the Courthouse, 161 Elgin Street, Ottawa, ON.

PROPOSED METHOD OF HEARING: The motion is to be heard:

- in writing under subrule 37.12.1(1) because it is made without notice
- in writing as an opposed motion under subrule 37.12.1(4);
- orally.

THE MOTION IS FOR:

- a) an Order abridging the time for, or dispensing with service of this Notice of Motion;

- b) an Order approving the accounts of RSM Richter (the “Monitor”) as Monitor in these proceedings under the Companies’ Creditors’ Arrangement Act (the “CCAA”), as well as the accounts of counsel for the Monitor and counsel for the Envision Group (the “Company”), which was the original applicant in these proceedings;
- c) an Order authorizing RSM Richter to pay these accounts in the amounts set forth in the final report of the Monitor;
- d) an Order approving the payment of these accounts from the funds that were on hand in the Company’s various bank accounts as at January 14, 2011 and to have each participating creditor affected by the Administrative Charge reimburse ATB for its respective pro rata share of the professional fees and costs;
- e) an Order discharging the Monitor from all further duties and responsibilities under the Initial Order in this matter; and
- f) such further and other relief as counsel may advise and this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

1. Rules 3.02(1) and 37.07(2) of the *Rules of Civil Procedure*;

The Previous Orders of this Court

2. By the order of Justice Ray on December 14, 2010 an initial stay under the CCAA was granted to the Company, and RSM Richter was appointed as Monitor in these proceedings.

3. By the same order this Court ordered that the Monitor, counsel to the Monitor and counsel to the Company shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, as part of the costs of these proceedings;

4. By the same order this Court ordered that the Monitor, counsel to the Monitor and the counsel to the Company shall be entitled to the benefit of an Administration Charge on the property of the Company in the amount of \$500,000, and that this charge shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise in favour of any persons;

5. By the same order this Court ordered that the accounts of the Monitor and the accounts of the legal counsel for the Monitor and the Company shall be passed before the Court as part of the CCAA proceedings;

6. By the decision of Justice Beaudoin on January 13, 2011, the initial stay under the CCAA was not extended.

The Report of the Monitor

7. On April 21, 2011, RSM Richter issued its final report as Monitor in these proceedings;

8. Appendix "A" of the report of the Monitor details all fees and costs of the Monitor;
9. Appendix "B" of the report of the Monitor details all fees and costs of MacLeod Dixon LLP, which acted as counsel to the Monitor. The Monitor reports that it finds the fees of MacLeod Dixon LLP to be fair and reasonable;
10. Appendix "C" of the report of the Monitor details all fees and costs of Cavanagh Williams Conway Baxter LLP, which acted as counsel to the Company, and which now acts for the Monitor in the present motion. The Monitor reports that it finds the fees of Cavanagh Williams Conway Baxter LLP to be fair and reasonable;
11. The Monitor reports that all fees for both counsel to the Monitor and counsel to the Company were billed at normal standard billing rates of the respective firms;
12. The total of all fees and costs is less than the \$500,000 Administration Charge;
13. The Monitor believes that the funding of the professional fees should come from the funds that were on hand in the Company's bank accounts as at January 14, 2011 and that each of Caterpillar, GCNA and AXA reimburse ATB for their respective *pro rata* share once all of the assets have been realized; and
14. RSM Richter now holds these funds in trust as Receiver and Manager.

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

- a) the Affidavit of Andrew Wilson, sworn May 6, 2011 and the exhibit attached thereto;
- b) the Order of Justice Ray dated December 14, 2010;
- c) the Order of Justice Ray dated December 23, 2010;
- d) the Decision of Justice Beaudoin dated January 14, 2011; and
- e) such further and other material as counsel may advise and as this Honourable Court may permit.

May 11, 2011

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Lawyers for The Guarantee Company of North America

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Lawyers for Alberta Treasury Branches

AND

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Lawyers for Caterpillar Financial

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS
AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF** Envision
Engineering & Contracting Inc., Iona Contractors Ltd., Western Construction and Combustion
Services Inc., Bow Valley Electrical Services Ltd., Inter Project Systems Inc. and Landex
Construction Inc.

Court File No: 10-50109

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Ottawa

NOTICE OF MOTION

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**ONTARIO
SUPERIOR COURT OF JUSTICE**

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

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

**AFFIDAVIT OF ANDREW WILSON
(sworn May 6, 2011)**

I, Andrew Wilson, of the City of Ottawa, **MAKE OATH AND SAY:**

1. I am counsel with the law firm of Cavanagh Williams Conway Baxter LLP ("CWCB") and as such I have knowledge of the matters to which I hereinafter depose. Unless I indicate otherwise, these matters are within my own knowledge. Where I have indicated that I have obtained information from other sources, I state the source of that information and verily believe it to be true.
2. This affidavit is sworn in support of the motion of RSM Richter for the passing of its accounts and other relief as described in the Motion Record. Attached to this Affidavit and marked as Exhibit "A" is the Final Report of the Monitor dated April 21, 2011.
3. CWCB was retained by the Envision Group (the "Company") to apply for protection under the Company's Creditors' Arrangement Act (the "CCCA"). CWCB assembled and filed

the initial application in the proceedings herein, which was heard by Justice Ray on December 14, 2010.

4. Pursuant to that application, the initial order for a stay under the CCAA was granted for a period of 30 days and, *inter alia*, RSM Richter was appointed as Monitor. From the beginning of its retainer until January 14, 2011, CWCB worked continually with the Monitor and its counsel MacLeod Dixon LLP on behalf of the Company.

5. CWCB represented the Company in subsequent proceedings on December 23, 2010 which resulted in a variation of the initial order.

6. CWCB also represented the Company at the call-back hearing on January 14, 2011. When, in accordance with the decision of Justice Beaudoin of that date, the stay was not continued, CWCB terminated its retainer with the Company, and submitted its final accounts to the Monitor.

7. Subsequently the Monitor retained CWCB to act on its behalf in the herein motion.

8. I swear this affidavit in support of a motion by the Monitor for certain relief under the CCAA and for no other or improper purpose.

SWORN BEFORE ME at the City of
Ottawa, this 6th day of May 2011.



Commissioner for taking affidavits



Andrew Wilson

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

Court File No: 10-50109

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

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Ottawa

AFFIDAVIT OF ANDREW WILSON

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Lawyers for the Monitor RSM Richter
Box 90

RSM Richter

Second Report of RSM Richter Inc. Court-appointed Monitor of Envision Engineering & Contracting Inc., Iona Contractors Ltd., Western Construction and Combustion Services Inc., Bow Valley Electrical Services Ltd. Inter Project Systems Inc. and Landex Construction Inc.

RSM Richter Inc.
Calgary, April 21, 2011

This is Exhibit A referred to in the
affidavit of Andrew Wilson
sworn before me, this 6th
day of May 2011
Doreen Navarro
A COMMISSIONER FOR TAKING AFFIDAVITS

Doreen Adela Navarro, a Commissioner, etc.,
Province of Ontario, for Cavanagh Williams Conway Baxter LLP,
Barristers and Solicitors.
Expires March 5, 2013.

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**ONTARIO
SUPERIOR COURT OF JUSTICE
- COMMERCIAL LIST -**

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
ENVISION ENGINEERING & CONTRACTING INC., IONA CONTRACTORS LTD.,
WESTERN CONSTRUCTION AND COMBUSTION SERVICES INC., BOW
VALLEY ELECTRICAL SERVICES LTD., INTER PROJECT SYSTEMS INC., AND
LANDEX CONSTRUCTION INC. ("THE ENVISION GROUP")**

**SECOND REPORT OF RSM RICHTER INC.
AS CCAA MONITOR OF
THE ENVISION GROUP**

April 21, 2011

INTRODUCTION

1. On December 14, 2010, the *Ontario* Superior Court of Justice, Judicial District of Ottawa-Carleton ("Court") issued an order ("Initial Order") granting the Envision Group (sometimes referred to herein as the "Company") protection pursuant to the *Companies' Creditors Arrangement Act* ("CCAA") (the "CCAA Proceedings"). RSM Richter Inc. ("Richter") was appointed monitor ("Monitor") under the Initial Order.
2. The Initial Order provided, *inter alia*, for an Administrative Charge to a maximum of \$500,000 over the Envision Group's assets to secure the professional fees of the Monitor, the Monitor's legal counsel, and the Company's legal counsel in priority to the interests of all creditors. The Initial Order also stipulated that the Monitor's accounts and the accounts of legal counsel for the Monitor and the Company would be passed before the Court as part of the CCAA Proceedings.

3. On January 14, 2011, the Court terminated the CCAA Proceedings for the reasons set out in the Decision of the Honourable Justice Beaudoin ("January 14 Decision").
4. Immediately after the January 14 Decision, Alberta Treasury Branches ("ATB") enforced its security and appointed Richter as the Receiver and Manager over certain members of the Envision Group. The Guarantee Company of North America ("GCNA") and AXA Pacific Insurance ("AXA"), the sureties with respect to the bonded projects assumed control of the Company's incomplete construction projects. Caterpillar Financial Services Limited ("Caterpillar") initiated steps to take possession of equipment it had financed for the Envision Group and issued Notices under the Personal Property Security Act of Alberta of its intention to sell its collateral at the expiration of the notice period. Lessors of various vehicles have taken steps to deal with the leased vehicles.

Purpose of this Report

5. The purpose of this report ("Report") is to:
 - a) Obtain the Court's approval of the accounts of the Monitor, the Monitor's legal counsel and the Company's legal counsel;
 - b) Obtain the Court's approval to allocate the professional fees and costs in connection with the CCAA Proceedings pro rata among all secured creditors except vehicle and small equipment lessors on the basis of the realization of the Company's assets in existence as at December 14, 2010;
 - c) Obtain the Court's approval to have ATB fund the professional fees and costs in the CCAA Proceedings from funds that were on hand in the Company's various bank accounts as at January 14, 2011 and to have each participating creditor affected by the Administrative Charge reimburse ATB for its respective pro rata share of the professional fees and costs; and
 - d) Request the Court to discharge the Monitor from all duties and responsibilities under the CCAA and the Initial Order.

Terms of Reference

6. In developing this Report, the Monitor has relied upon unaudited financial information prepared by the Company's management, the Company's books and records and discussions with its management. The Monitor has not performed an audit or other verification of such information. An examination of the Company's financial forecasts as outlined in the Canadian Institute of Chartered Accountants Handbook has not been performed. Future-oriented financial information relied upon in this Report is based on management's assumptions regarding future events. Actual results achieved may vary from this information and these variations may be material, and as such the Monitor expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this Report, or relied upon by the Monitor in preparing this Report.

Currency

7. Currency references in this Report are to Canadian dollars.

SECURED CREDITORS

8. Based on the searches conducted under the *Personal Property Security Act* of Alberta, British Columbia and Ontario, the secured creditors, excluding vehicle and small equipment lessors are ATB, Caterpillar, GCNA and AXA.
9. ATB holds a general security agreement and cross-guarantees of each entity within the Envision Group. ATB is owed approximately \$10.1 million.
10. Caterpillar provided financing to the Envision Group for the purchase of heavy construction equipment. Caterpillar is owed approximately \$4.8 million.

11. GCNA and AXA are the sureties with respect to the bonded projects of the Envision Group. The exposure that GCNA and AXA will have with respect to the Company is not known at this time. Obligations to GCNA and AXA will arise from deficits that occur on the completion of various projects.

ASSETS OF THE ENVISION GROUP

12. The Envision Group's assets as at December 14, 2010 consisted mainly of accounts receivable due on various construction projects. Due to the nature of the business, there are numerous claims of sub trades that will impact on the collection of the accounts receivable. The accounts receivable are charged by ATB, and the sureties. Caterpillar has no claim to the accounts receivable but will recover from the proceeds of realization of the construction equipment it holds as collateral.

MONITOR'S FEES

13. Richter incurred fees and costs as Monitor totalling \$124,415.17 including GST to January 14, 2011. Attached as Appendix "A" are copies of the statements of account Richter has rendered with respect to the CCAA Proceedings.
14. Richter estimates it will incur an additional \$5,500.00 in fees and costs, including GST to prepare this report and to attend at the application for approval of the fees and costs ("Fee Approval Hearing").
15. The Monitor requests the Court's approval of the fees and costs as detailed in Appendix "A" and the estimated fees to prepare this report and attend the Fee Approval Hearing.

MONITOR'S LEGAL FEES

16. Macleod Dixon LLP ("Macleod") was retained by Richter to assist the Monitor in the discharge of the Monitor's duties and responsibilities as outlined in the Initial Order and as prescribed by the CCAA. Macleod incurred fees and costs totalling \$24,125.25 including GST in connection with the CCAA Proceedings. Attached as Appendix "B" are copies of Macleod's invoices for legal services rendered to the Monitor in the CCAA Proceedings.
17. Macleod estimates that it will incur \$1,500 to assist the Monitor in connection with the Fee Approval Hearing.
18. Richter has reviewed the accounts of Macleod including Macleod's estimated fees in connection with the Fee Approval Hearing and finds the time charges to be fair and reasonable. The Monitor requests the Court's approval of Macleod's fees as detailed in Appendix "B" and the estimate described in paragraph 17.

THE ENVISION GROUP'S LEGAL FEES

19. Cavanagh Williams Conway Baxter, LLP ("CWCB") was legal counsel to the Envision Group and provided legal services to the Company regarding the CCAA Proceedings. CWCB has incurred fees and costs of \$104,802.76, including HST to January 19, 2011. Attached as Appendix "C" are copies of CWCB's invoices for legal services rendered to the Company in the CCAA Proceedings.
20. At the Monitor's request, CWCB has prepared the motion materials with respect to the approval of the professional fees in the CCAA Proceedings including attendance at

the Fee Approval Hearing.

21. CWCB estimates it will incur fees of \$5,650.00 including HST with respect to the Fee Approval Hearing.
22. The Monitor has reviewed the legal fees of CWCB including the estimated fees and costs to prepare for and attend the Fee Approval Hearing and finds them to be fair and reasonable.
23. The Monitor requests the Court's approval of CWCB's fees and costs as detailed in Appendix "C" and the estimated fees of CWCB to prepare for and attend the hearing of the application for approval of the professional fees.

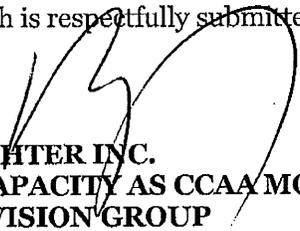
CONCLUSION AND RECOMMENDATION

24. The professional fees incurred in the CCAA Proceedings were billed at normal standard billing rates of the respective firms.
25. The Initial Order provides for the Administrative Charge over all of the assets of the Envision Group. In view of the provisions of the Administrative Charge, the Monitor is of the opinion that the burden of the CCAA Proceedings should be shared among ATB, Caterpillar, GCNA, and AXA on a pro rata basis determined by the realization from the assets of the Envision Group in existence as at December 14, 2010.
26. The Monitor also believes that the funding of the professional fees should come from the funds that were on hand in the Envision Group's bank accounts as at January 14, 2011 and that each of Caterpillar, GCNA and AXA reimburse ATB for their respective pro rata share once all of the assets have been realized.

27. The January 14 Decision effectively terminated the CCAA Proceedings, and by extension, the Monitor's appointment.
28. Based on the foregoing, the Monitor respectfully recommends that the Court make an order granting the relief detailed in this Report.

* * *

All of which is respectfully submitted this 21st day of April 2011.



**RSM RICHTER INC.
IN ITS CAPACITY AS CCAA MONITOR OF
THE ENVISION GROUP
AND NOT IN ITS PERSONAL CAPACITY**

RSM Richter

January 7, 2011

Lynn Zienka
 Envision Engineering & Contracting Inc.
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 www.rsmrichter.com

HST/GST #: 891460348RT

Invoice #: 35-100110
 Client #: 5124
 Job #: 8599

INVOICE

Re: Envision Engineering & Contracting Inc., et al ("Companies")

Statement of account for professional services rendered in connection with our appointment as Consultant and Monitor in respect of the Companies' filing under the *Companies' Creditors Arrangement Act* ("CCAA") for the period ended December 17, 2010 including:

- Telephone conference call with the Companies and its legal counsel regarding the financial position and the Companies' requirement to file for court protection under the CCAA;
- Review of financial information provided by the Companies including the preliminary cash flow statement;
- Provide the Companies with the required format for the cash flow statement to be filed in support of a CCAA application;
- Review of the revised cash flow statement provided and communications with the Companies regarding same;
- Review of the draft affidavit of Lynn Zienka and provide comments thereon;
- Further telephone conference calls with the Companies and its legal counsel regarding the affidavit, cash flow statement, and other documents required for the CCAA filing;

Please remit payment to:

RSM Richter Inc.
 Bow Valley Square 2, Suite 3810
 205 - 5th Avenue SW
 Calgary, AB T2P 2V7

Wire transfer:

Payee: RSM Richter Inc.
 Bank: 004-TD Canada Trust
 Address: 65 King Street West, Toronto, ON M5K 1A2
 Transit: 10262
 Account: 5214984
 Swift: TD0MCATTOR

RSM Richter is an independent member firm of RSM International,
 an affiliation of independent accounting and consulting firms.

- Preparation of the Draft Report of the Proposed Monitor;
- Numerous communications with Alberta Treasury Branches ("ATB") and its legal counsel regarding the Companies' filing and the processing of payments on a go forward basis;
- Review of the reporting requirements of ATB in light of the Companies' filing;
- Preparation and filing of the statutory notices with the Office of the Superintendent of Bankruptcy ("OSB");
- Preparation of the Notice to Creditors regarding the Companies' filing;
- Preparation of the Publication Notice regarding the Companies' filing;
- Telephone communications with creditors of the Companies;
- All other matters pertaining to the CCAA filing not specifically referred to above.

Professional Fees	29,720.00
AB - GST (5%)	1,486.00
Total Due:	<u>\$31,206.00</u>

RSM Richter Inc.
Staff Time Summary
Re: Envision Engineering & Contracting Inc., et al ("Companies")
Invoice 35-100110

<u>Staff</u>	<u>Rate</u>	<u>Hours</u>	<u>Amount</u>
B Taylor	\$550.00	30.90	\$16,995.00
G Stevenson	150.00	1.50	225.00
W Palmer	400.00	29.75	11,900.00
Administrative and other		6.00	600.00
Total		68.15	\$29,720.00

RSM Richter

January 19, 2011

VIA POST

Envision Engineering & Contracting Inc.
4278 Greenbank Road
Ottawa, ON K2C 3H2

Attention: Ms. Lynn Zienka

RSM Richter Inc.

Bow Valley Square 2
3810, 205 5th Avenue SW
Calgary, AB T2P 2V7
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E-mail: btaylor@rsmrichter.com

Dear Ms. Zienka:

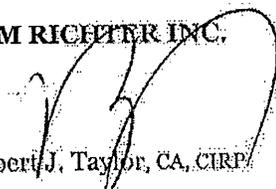
Re: Envision Engineering & Contracting Inc. et al ("Companies")

Enclosed please find our statement of account in connection with the Companies' filing pursuant to the *Companies' Creditors Arrangement Act* ("CCAA") on December 14, 2010. The period covered by the enclosed Statement is December 18, 2010 to January 9, 2011.

Should you have any questions regarding this matter, please contact us.

Yours very truly,

RSM RICHTER INC.


Robert J. Taylor, CA, CERP

Encl.(s)

RSM Richter

January 19, 2011

Ms. Lynn Zienka
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HST/GST #: 881468548RT

Invoice #: 35-100121
Client #: 5124
Job #: 8599

INVOICE

Re: Envision Engineering & Contracting Inc., et al ("Companies")

Statement of account for professional services rendered in connection with our appointment as Consultant and Monitor in respect of the Companies' filing under the *Companies' Creditors Arrangement Act* ("CCAA") for the period December 18, 2010 to January 9, 2011 including:

- Coordinating a meeting with the Companies' management and legal counsel including preparation of an agenda of meeting items to discuss;
- Attendance at the Companies' offices on December 21, 2010 to discuss various aspects of the CCAA process and to address the critical payments and certain accounts receivable information;
- Review of the banking activity of the Companies and compare to projected cash flow statement;
- Preparation of a variance analysis regarding the cash flow;
- Numerous communications with the Companies' management regarding project information; payroll funding, and payment of pre-filing obligations;

Please remit payment to:

RSM Richter Inc.
Bow Valley Square 2, Suite 3810
205 - 5th Avenue SW
Calgary, AB T2P 2V7

Wire transfer:

Payee: RSM Richter Inc.
Bank: 004-TD Canada Trust
Address: 55 King Street West, Toronto, ON M5K 1A2
Transit: 10252
Account: 5214964
Swift: TD0MCATTOR

RSM Richter is an independent member firm of RSM International,
an affiliation of independent accounting and consulting firms.

- Attendance at the Companies' offices on January 6, 2011 to further discuss the project information for all entities;
- Communications with the Companies' Ottawa management regarding the Landex projects;
- Participation in a conference call with Alberta Infrastructure, the Companies' representatives, and legal counsel regarding the Jubilee Auditorium project;
- Review of project schedules provided by the Companies and amend to add information on the accounts receivable and accounts payable;
- Communications with representatives of The Guaranty Company of North America ("GCNA") and legal counsel regarding the projects bonded by GCNA;
- Numerous telephone meetings with ATB and its legal counsel regarding the Companies' operations, projects, and sureties position regarding the Companies' projects;
- Communications with the Companies regarding its position on continuing the CCAA process;
- Communications with the Companies' creditors regarding status of projects, claims, etc.
- Preparation of the mailing to creditors;
- Arranging for the publication of the Companies' filing in the Calgary Herald; and
- All other matters pertaining to the CCAA filing not specifically referred to above.

Professional Fees	58,907.00
Disbursements and Out-of-Pocket Expenses	845.76
	<u>59,752.76</u>
AB - GST (5%)	2,987.64
Total Due	<u>\$ 62,740.40</u>

RSM Richter Inc.,
Envision Engineering & Contracting Inc.
Time Summary
December 18, 2010 to January 9, 2011
(CDN\$)

Personnel	Hours	Hourly Rate	Amount
R.J. Taylor	41.00	550	22,550.00
W. Palmer	57.50	400	23,000.00
E. Rodier	0.60	595	357.00
A. Hebert	9.80	540	5,292.00
S. Jimenez	2.00	350	700.00
L. Huber	1.10	400	440.00
G. Stevenson	13.75	150	2,062.50
Technical support	<u>42.30</u>		<u>4,505.50</u>
Sub-total	<u>168.05</u>		<u>58,907.00</u>

RSM Richter

February 14, 2011

Envision Engineering & Contracting Inc.
c/o RSM Richter Inc.
Bow Valley Square 2, Suite 3810
Calgary, AB T2P 2V7

RSM Richter Inc.
Bow Valley Square 2, Suite 3810
205 - 5th Avenue SW
Calgary, AB T2P 2V7
Tel: 403.233.8452 Fax: 403.233.8688
www.rsmrichter.com
HST/GST #: 891488548RT

Invoice #: 35-100140
Client #: 5124
Job #: 8599

INVOICE

Re: Envision Engineering & Contracting Inc., et al ("Companies")

Statement of account for professional services rendered in connection with our appointment as Monitor in respect of the Companies' filing under the Companies' Creditors Arrangement Act ("CCAA") for the period January 10, 2011 to January 14, 2011 including:

- Preparation of the Monitor's First Report and the schedules and appendices supporting the report;
- Numerous communications with Alberta Treasury Branches ("ATB"), legal counsel for ATB, the Monitor's legal counsel and the Companies' legal counsel regarding the status of the operations, and the motion for an extension of the CCAA stay;
- Communications with the Companies' management to obtain details of the projects, accounts receivable and accounts payable and review of the information;
- Communications with the Companies' management regarding payroll issues and the status of the bank accounts;
- Preparation of post-hearing agenda to review project information, communicate with sureties, creditors and obligees;
- Communications with the sureties regarding the post-hearing matters and completion of certain projects;

Please remit payment to:

RSM Richter Inc.
Bow Valley Square 2, Suite 3810
205 - 5th Avenue SW
Calgary, AB T2P 2V7

Wire transfer:

Payee: RSM Richter Inc.
Bank: 004-TD Canada Trust
Address: 55 King Street West, Toronto, ON M5K 1A2
Transit: 10252
Account: 5214964
Swift: TDOMCATTOR

RSM Richter is an independent member firm of RSM International,
an affiliation of independent accounting and consulting firms.

- 
- Numerous communications with the Companies' creditors regarding the status of the CCAA;
 - Communications with employees regarding the status of operations, and the project sites;
 - All other matters pertaining to the CCAA filing not specifically referred to above.

Professional Fees	28,916.25
Disbursements and Out-of-Pocket Expenses	101.63
	<hr/>
	29,017.88
AB - GST (5%)	1,450.89
Total Due	<hr/>
	\$ 30,468.77
	<hr/>



RSM Richter Inc.,
Envision Engineering & Contracting Inc.
Time Summary
January 10, 2011 to January 14, 2011
(CDN\$)

Personnel	Hours	Hourly Rate	Amount
R.J. Taylor	27.30	550	15,015.00
W. Palmer	26.40	400	10,560.00
G. Stevenson	10.00	150	1,500.00
Technical support and other	<u>13.80</u>		<u>1,841.25</u>
Sub-total	<u>77.50</u>		<u>28,916.25</u>

RSM Richter Inc.
Bow Valley Square 2
3810, 205 - 5th Avenue SW
Calgary AB T2P 2V7
Canada

APPENDIX "B"

Macleod Dixon LLP
1000
1000
1000
1000

3700 Cantera Tower
400 Third Avenue SW
Calgary Alberta
Canada T2P 4H2

Our File # 269971
Invoice# 10097578
Date: January 13, 2011

Main: 403-267-8222
Fax: 403-264-5973
GST Registration No: R113033450

www.macleoddixon.com

REMITTANCE COPY

For Services Rendered To December 31, 2010

ATTN: Robert Taylor

Re: Envision Engineering & Contracting Inc., Iona Contractors Ltd., Western Construction and Combustion
Services Inc., Bow Valley Services Ltd., Inter Project Systems Inc. and Landex Construction Inc.
Our Matter No. 269971

Total Fees	\$6,846.00
Total Disbursements	\$0.00
Total Other Charges	\$4.43
Total GST	\$342.52
INVOICE TOTAL	\$7,192.95

TOTAL OWING ON THIS INVOICE **\$7,192.95**

Invoices are due when rendered and are payable in Canadian funds unless otherwise indicated.

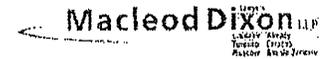
Macleod Dixon LLP

Interest at 10.8% per annum will be charged on all invoices not paid within one month of the date of the invoice.

Please return this remittance with your payment. Thank you.

RSM Richter Inc.
 Bow Valley Square 2
 3810, 205 - 5th Avenue SW
 Calgary AB T2P 2V7
 Canada

Page# 1



3700 Canterra Tower
 400 Third Avenue SW
 Calgary Alberta
 Canada T2P 4H2

Our File # 269971
 Invoice# 10097578
 Date: January 13, 2011

Main: 403-267-8222
 Fax: 403-264-5973
 GST Registration No: R113033450

www.macleod Dixon.com

ATTN: Robert Taylor

RE: Envision Engineering & Contracting Inc., Iona Contractors Ltd., Western Construction and Combustion Services Inc., Bow Valley Services Ltd., Inter Project Systems Inc. and Landex Construction Inc.

For Services Rendered To December 31, 2010

Date	Description	Timekeeper	Hours
12/07/10	Review draft documents; Telephone call to R. Taylor;	Gorman, H.A.	0.80
12/16/10	Conference with Monitor; Telephone call to ATB solicitor;	Gorman, H.A.	0.60
12/22/10	Review correspondence; Telephone call to Receiver;	Gorman, H.A.	0.40
12/23/10	Multiple conference calls; Drafting Order; Telephone call to R. Shaban; Court application; E-mail(s) to counsel for Applicant;	Barr, K.E.	3.30
12/23/10	Conference call with bond company; Review and revise Amending Order; Conference with Monitor;	Gorman, H.A.	3.00
12/28/10	E-mail message from opposing counsel (multiple);	Barr, K.E.	0.10
12/29/10	Review various e-mails;	Barr, K.E.	0.30
12/29/10	Telephone calls from, telephone calls to and emails to various creditors and bonding companies; Revise Order; Telephone call to debtor solicitors;	Gorman, H.A.	3.00

TOTAL FEES FOR PROFESSIONAL SERVICES	\$6,846.00
5% GST	342.30
TOTAL FEES FOR PROFESSIONAL SERVICES (Including GST)	\$7,188.30

OTHER CHARGES

Charge for long distance telephone calls	\$4.43
TOTAL OTHER CHARGES	\$4.43
5% GST	0.22
TOTAL OTHER CHARGES (Including GST)	\$4.65

RSM Richter Inc.
Bow Valley Square 2
3810, 205 - 5th Avenue SW
Calgary AB T2P 2V7
Canada

Page# 2

Macleod Dixon LLP

3700 Canterra Tower
400 Third Avenue SW
Calgary Alberta
Canada T2P 4H2

Our File # 269971
Invoice# 10097578
Date: January 13, 2011

Main: 403-267-8222
Fax: 403-264-5973
GST Registration No: R113033450

www.macleod Dixon.com

TOTAL CURRENT BILLING ON THIS INVOICE

\$7,192.95

PLEASE REMIT TOTAL BALANCE DUE ON THIS INVOICE:

\$7,192.95

Macleod Dixon LLP

Per: _____

E&OE

1. Please refer to the above invoice number when remitting payment on this file. Invoices are due when rendered and are payable in Canadian funds unless otherwise indicated.
2. Interest at 10.8% per annum will be charged on all invoices not paid within one month of the date of the invoice.

RSM Richter Inc.
Bow Valley Square 2
3810, 205 - 5th Avenue SW
Calgary AB T2P 2V7
Canada

Macleod Dixon LLP
3700 Canterra Tower
400 Third Avenue SW
Calgary Alberta
Canada T2P 4H2

Our File # 269971
Invoice# 10097910
Date: January 14, 2011

Main: 403-267-8222
Fax: 403-264-5973
GST Registration No: R113033450

REMITTANCE COPY

For Services Rendered To January 14, 2011

ATTN: Robert Taylor

**Re: Envision Engineering & Contracting Inc., Iona Contractors Ltd., Western Construction and Combustion Services Inc., Bow Valley Services Ltd., Inter Project Systems Inc. and Landex Construction Inc.
Our Matter No. 269971**

Total Fees	\$16,105.00
Total Disbursements	\$21.00
Total Other Charges	\$0.00
Total GST	\$806.30
INVOICE TOTAL	\$16,932.30

TOTAL OWING ON THIS INVOICE \$16,932.30

Invoices are due when rendered and are payable in Canadian funds unless otherwise indicated.

Macleod Dixon LLP

Interest at 10.8% per annum will be charged on all invoices not paid within one month of the date of the invoice.

Please return this remittance with your payment. Thank you.

RSM Richter Inc.
 Bow Valley Square 2
 3810, 205 - 5th Avenue SW
 Calgary AB T2P 2V7
 Canada

Page# 2

Macleod Dixon LLP
Chartered Accountants
 Calgary, Alberta
 1977, 1978, 1979, 1980, 1981, 1982, 1983, 1984, 1985, 1986, 1987, 1988, 1989, 1990, 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011

3700 Canterra Tower
 400 Third Avenue SW
 Calgary Alberta
 Canada T2P 4H2

Our File # 269971
 Invoice# 10097910
 Date: January 14, 2011

Main: 403-267-8222
 Fax: 403-264-5973
 GST Registration No: R113033450

Date	Description	Timekeeper	Hours
	TOTAL FEES FOR PROFESSIONAL SERVICES		\$16,105.00
	5% GST		805.25
	TOTAL FEES FOR PROFESSIONAL SERVICES (Including GST)		\$16,910.25

DISBURSEMENTS

SUBJECT TO GST

Date	Description	Hours
01/12/11	Alberta Corporate Registries Re: Search 15760396	\$3.00
01/14/11	Personal Property Registry Re: Searches Z2548038	3.00
01/14/11	Personal Property Registry Re: Searches Z2548053	3.00
01/14/11	Personal Property Registry Re: Searches Z2548071	3.00
01/14/11	Personal Property Registry Re: Searches Z2548092	3.00
01/14/11	Personal Property Registry Re: Searches Z2548099	3.00
01/14/11	Personal Property Registry Re: Searches Z2548110	3.00
	TOTAL SUBJECT TO GST	\$21.00
	5% GST	1.05
	TOTAL DISBURSEMENTS (Including GST)	\$22.05

TOTAL CURRENT BILLING ON THIS INVOICE \$16,932.30

PLEASE REMIT TOTAL BALANCE DUE ON THIS INVOICE \$16,932.30

RSM Richter Inc.
Bow Valley Square 2
3810, 205 - 5th Avenue SW
Calgary AB T2P 2V7
Canada

Page# 3

Macleod Dixon LLP
Chartered Accountants
Certified Public Accountants

3700 Cantara Tower
400 Third Avenue SW
Calgary Alberta
Canada T2P 4H2

Our File # 269971
Invoice# 10097910
Date: January 14, 2011

Main: 403-267-8222
Fax: 403-264-5973
GST Registration No: R113033450

Macleod Dixon LLP

Per: _____


E&OE

1. Please refer to the above invoice number when remitting payment on this file. Invoices are due when rendered and are payable in Canadian funds unless otherwise indicated.
2. Interest at 10.8% per annum will be charged on all invoices not paid within one month of the date of the invoice.



Cavanagh · Williams · Conway · Baxter LLP
Litigation Counsel / Boutique de litige

STATEMENT OF ACCOUNT

December 21, 2010

Statement No. 5159

Ms. Lynn Zienka
Vice-President, Finance
The envision Group
4278 Greenbank Road
Ottawa, ON K2C 3H2

File No.: 1414-001
Matter Caption: Restructuring under the Companies' Creditors Arrangement Act
Your Reference:

TO PROFESSIONAL SERVICES RENDERED and disbursements incurred in connection with this matter.

			Hours
November 22, 2010	TGC	Review e-mail from Stephen Cavanagh forwarding e-mail received from Lynn Zienka inquiring about retainer for CCAA application; meeting with Stephen Cavanagh regarding same; e-mail to Lynn Zienka (c.: Colin Baxter) regarding same; telephone call to Lynn Zienka (left voice mail message); telephone call from Lynn Zienka and telephone conference call with envision Engineering & Contracting management; e-mail to Lynn Zienka; telephone call from Lynn Zienka and envision Engineering & Contracting management regarding process for making application for initial order under CCAA; telephone calls to various potential insolvency professionals regarding possibility of accepting appointment as CCAA monitor; meeting with Colin Baxter, Chris Hutchison, Galina Ritchie and Doreen Navarro regarding possible CCAA application; telephone calls and e-mail messages to Lynn Zienka throughout the day regarding same.	3.00
November 22, 2010	CSB	Telephone call to Stan Lolselle; telephone call to Bruce Brooks; meeting with Tom Conway re CCAA application; meeting with Tom Conway, Chris Hutchison and Calina Ritchie	0.40
November 22, 2010	CJH	Office meeting with Colin Baxter, Tom Conway and Calina Ritchie regarding potential CCAA restructuring application.	0.30
November 22, 2010	CNR	Office conference with Colin Baxter, Tom Conway and Chris Hutchison regarding possible CCAA application; located draft motion materials.	1.00
November 23, 2010	TGC	E-mail from Doreen Navarro regarding file opening; e-mail from Marc Kelly to Lynn Zienka regarding retainer in possible CCAA proceeding; brief meeting with Colin Baxter regarding possibility of having performance bond holders	2.00

401-1111 Prince of Wales Drive, Ottawa ON K2C 3T2

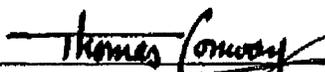
Telephone: 613.569.8558 Fax: 613.569.8668

Baxter LLP	Taxi			
Subtotal for Taxi				\$19.64
	<i>External Disbursements:</i>			\$373.36
	<i>Total External Disbursements:</i>			\$373.36
Disbursements (Internal)				
<i>Task</i>	<i>Description</i>	<i>Units</i>	<i>Per Unit</i>	<i>Amount</i>
Component: Photocopies				
	Photocopies	365	\$0.15	\$54.75
Subtotal for Photocopies				\$54.75
	<i>Internal Disbursements:</i>			\$54.75
	<i>Total Internal Disbursements:</i>			\$54.75
	<i>TOTAL HST:</i>			\$6,804.41
	<i>TOTAL GST:</i>			\$0.00
	<i>Total Current Invoice:</i>			\$59,327.02
	<i>Previous Balance:</i>			\$0.00
	<i>Opening Trust Balance:</i>			\$0.00
	<i>Transfer from Trust:</i>			\$0.00
	<i>Closing Trust Balance:</i>			\$25,000.00
	TOTAL NOW DUE:			\$59,327.02

GST Registration Number: 884966110RT0001

This is our invoice herein which is due and payable upon receipt.
Please make cheque payable to "CAVANAGH WILLIAMS CONWAY BAXTER LLP".

E. & O. E.


Thomas G. Conway, Colin S. Baxter

401-1111 Prince of Wales Drive, Ottawa ON K2C 3T2

Telephone: 613.569.8558 Fax: 613.569.8668



Cavanagh · Williams · Conway · Baxter LLP
 Litigation Counsel / Boutique de litige

STATEMENT OF ACCOUNT

January 4, 2011

Statement No. 5239

Ms. Lynn Zienka
 Vice-President, Finance
 The envision Group
 4278 Greenbank Road
 Ottawa, ON K2C 3H2

File No.: 1414-001
Matter Caption: Restructuring under the Companies' Creditors Arrangement Act
Your Reference: C07-09-037

TO PROFESSIONAL SERVICES RENDERED and disbursements incurred in connection with this matter.

			Hours
December 21, 2010	AJW	Flight to and from Saskatoon; attendance at meeting re Saskatoon ring road project	12.40
December 21, 2010	TGC	Preparation for telephone conference call with representatives of Monitor and client representatives regarding various issues of concern to the Monitor; attendance on telephone conference call with Wayne Palmer, Lynn Zienka and other representatives of clients and Monitor to review status of business of The enterprise Group of companies, including a detailed review of status of construction companies, payroll issues, specific terms of Initial Order and other matters critical to the operation of the business and the plan of arrangement; e-mail communications was Sean Collins (c.: Wayne Palmer and Lynn Zienka) requesting urgent telephone conference call with respect to intercompany transfers to cover payroll obligations; e-mail communications with Lynn Zienka regarding background materials for telephone conference call with representatives of ATB, Monitor and Debtor Companies; attendance on and participation in telephone conference call with representatives of ATB, Monitor and Debtor Companies requesting and receiving approval for inter-company transfers to make payroll obligations of Debtor Companies; [REDACTED]; telephone call from Robert Taylor regarding addition of member from Monitor's Montréal office to assist in the preparation of vital information for the Monitor's report and for the extension of the Initial Order; e-mail communications with Michelle Belanger regarding demand for payment made against Western; review Initial Order regarding same; e-mail to Michele Belanger et al. advising that demand letter has been made against company that is not protected by Initial Order; e-mail	7.50

401-1111 Prince of Wales Drive, Ottawa ON K2C 3T2

Telephone: 613.569.8558 Fax: 613.569.8668

		communications with Andrew Wilson regarding meeting in Saskatoon on Graham Flatiron Joint Venture.	
December 22, 2010	AJW	Numerous conference calls, emails and consultations re motion of Guarantee and AXA issue	4.70
December 22, 2010	TGC	E-mail from Karen Kiang (c.: Richard Shaban) regarding The Guarantee Company of North America; e-mail and telephone communications from Kevin Nearing, counsel for Guarantee, Richard Shaban, Sean Collins, Colin Baxter, Andrew Wilson and Bob Taylor throughout the day regarding intended motion by Guarantee for variance of Initial Order; telephone conference call with Colin Baxter, Andrew Wilson and Frank D'Addario regarding various issues, including instructions to work forced to abandon Bow Valley and other projects; lengthy telephone conferences with Richard Shaban, Karen Kiang and Bob Taylor regarding motion.	6.90
December 22, 2010	CSB	Meeting with Tom Conway; memo from Guarantee re amendment to initial order; review and analysis of proposed text [REDACTED]; memo to Tom Conway; letter from BLG (Guarantee Counsel); telephone call to Monitor; conference call with BLG re Bond Company's position; telephone call to Lynn Zienka; telephone call to Frank; telephone call to Lynn Zienka; memo to same; memo from ATB counsel; meeting with Tom Conway and Andrew Wilson re opposing Bond Company carve out; review priorities under BIA between sureties; conference call with Monitor	4.70
December 23, 2010	AJW	Phone conversation with the monitor re Sask meeting and new abandonments. Discussion with T Conway. Prepare report of Saskatoon meeting.	2.60
December 23, 2010	TGC	Brief meeting with Colin Baxter regarding position of Guarantee on whether variance of Initial Order still required following discussion with Monitor on the issue; receipt and review of letter from Thomas B. MacLachlan, MacLachlan McNab Hembroff, regarding alleged abandonment of City of Lethbridge project by Western; e-mail to Frank D'Addario (c.: Lynn Zienka, Michele Belanger, Colin Baxter and Andrew Wilson) regarding letter received from Thomas MacLachlan and alleged abandonment by Western of Stafford Plaza project; e-mail communications with counsel for bonding companies, counsel for the Monitor, counsel for ATB, Colin Baxter and Andrew Wilson regarding Guarantee's motion for variance of Initial Order; meeting with Colin Baxter and Andrew Wilson regarding same; receipt and review of letter from Sean Collins regarding credit card, payroll and related issues; e-mail to Colin Baxter and Andrew Wilson regarding same; e-mail communications to and from Michelle Belanger, Frank D'Addario and Ferne Daddario regarding issue of instructions to workforces to abandon projects; e-mail from Bob Taylor regarding same; telephone communications with Colin Baxter regarding various issues, including motion for order varying Initial Order, letter received from Sean Collins, preparation of report on Graham Flatiron Joint Venture project.	2.50
December 23, 2010	CSB	Telephone call to B. Taylor; telephone call from same and discuss Bonding Company concerns; discuss mini-DIPs, etc; discuss revised Order allowing investigation; telephone call to BLG; discussions with Nearing et al re hearing; receive and review affidavit of GCNA affiant; review terms of proposed Order; memo to Monitor and counsel; memo from same; attend at Court; appear before Ray J; adjourn; negotiate additional terms of Order; reattend before Ray J; secure revised Order; telephone call to Tom Conway;	4.80

		memo to same; letter from ATB counsel re various matters; memo to Tom Conway and Andrew Wilson	
December 24, 2010	TGC	E-mail to Lynn Zienka (c.: Colin Baxter and Andrew Wilson) forwarding copy of letter received from Sean Collins, December 23, 2010, regarding payroll, credit card and other issues, and requesting status report on arrangements for payment of payroll; e-mail from Lynn Zienka responding; e-mail communications with Colin Baxter and Andrew Wilson regarding draft report to Monitor on meeting in Saskatoon on Graham Flatiron Joint Venture project; e-mail communications with Colin Baxter and Andrew Wilson regarding payments to subs.	0.80
December 24, 2010	CSB	Letter from Sean Collins; [REDACTED]; [REDACTED]; memo to same; [REDACTED]; memo to Monitor; memo to Andrew Wilson; memo to Tom Conway; memo from Monitor; draft and revise responding memo to Sean Collins; memo to Monitor re Sask project	0.90
December 24, 2010	CSB	Memo to Andrew Wilson re Saskatoon report; memo from same; memo to Tom Conway; memo from same; memo to clients	0.10
December 28, 2010	TGC	Receipt and review of e-mail communications with Colin Baxter, Bob Taylor, Andrew Wilson and Frank D'Addario regarding Saskatoon project and other related issues; e-mail messages to Colin Baxter and Andrew Wilson.	0.40
December 28, 2010	CSB	Memo from Bob Taylor re Saskatoon IONA project; memo to same re consent amendment to Order, etc; memo to clients; memo to Tom Conway; memo to Monitor's counsel re appearance before Justice Ray; telephone call to same; memo from Sean Collins, ATB counsel; [REDACTED]; [REDACTED]; continue dialog with opposing counsel re form of Order and other matters; memo to Frank; memo to opposing counsel; memo to Monitor counsel; memo from same	1.30
December 29, 2010	TGC	E-mail exchange with Colin Baxter regarding hearing before Mr. Justice Ray; receipt and review of e-mail communications from Colin Baxter, Bob Taylor and counsel for the Monitor regarding Axa amendment to Initial Order and re-tendering Issues for Graham Flatiron project.	0.20
December 29, 2010	CSB	Memo from H. Gorman re AXA form of Order; memo to same; memo to Tom Conway; memo from Gorman; memo to same re ATB request for lifting of stay re Sask project; memo from same; memo to same; memo to Monitor; memo from Gorman; telephone call to K. Nearing; memo from Tom Conway; memo from Nearing; memo to all counsel re Justice Ray appearance; memo to Monitor; memo to Frank and Lynn Zienka; letter to Collins re Credit Card reinstatement; memo to Lynn Zienka re meeting with Monitor	1.10
December 30, 2010	CSB	Memo from Monitor; memo to Lynn Zienka and clients re project information and credit cards; memo to Andrew Wilson; memo from same; memo from Frank re response to Monitor's request for information	0.30
December 31, 2010	AJW	Emails with C Baxter, T Conway; [REDACTED]	2.30
December 31, 2010	CSB	Memo from Monitor; [REDACTED]; memo to Tom Conway; [REDACTED]; memo to Lynn Zienka re Credit Cards; memo to ATB counsel	0.70
January 3, 2011	TGC	Receipt and review of e-mail communications between Colin Baxter, Rob	0.30

		Taylor, Wayne Palmer and others regarding various matters; brief meeting with Colin Baxter regarding arrangements for return date for continuance of Initial Order; receipt and review of e-mail message from Frank D'Addario to Monitor at et al. questioning request for additional information concerning status of projects; e-mail to Colin Baxter and Andrew Wilson regarding same.	
January 3, 2011	CSB	Memo from Monitor; memo to Frank and Ferne D'Addario re assembly of relevant documents etc; memo from Michelle Belanger re various matters; memo to Richter re amendments to Order; memo to Sean Collins re proposed Credit Card order amendments; memo to Monitor re numerous matters; memo to clients	0.40
January 4, 2011	AJW	Review docs relating to personal guarantee under bonding agreements - effect of Alberta Guarantees Acknowledgment Act	1.20
January 4, 2011	TGC	Receipt and review of e-mail message from Wayne Palmer to Frank D'Addario et al. responding to Frank D'Addario's question regarding information necessary for the preparation of the Monitor's report; [REDACTED]; e-mail communications with Bob Taylor regarding collection of information for Monitor's report and requesting telephone conference call; brief meeting with Colin Baxter regarding issues to be discussed with Bob Taylor and Wayne Palmer on telephone conference call; receipt and review of e-mail communications between Bob Taylor and Alex Russell regarding payments received and payments to be made on Montfort Hospital project; e-mail communications with Colin Baxter regarding same; attendance on conference call with Bob Taylor, Wayne Palmer and Colin Baxter regarding issues of concern to Monitor, including immediate requirement to gather information for Monitor's report, [REDACTED]; telephone conference call with Lynn Zienka, Alex Russell and Colin Baxter regarding these issues; [REDACTED]; e-mail communications with Lynn Zienka, Bob Taylor and Colin Baxter regarding participation of Frank D'Addario in telephone conference call to discuss information collection for draft Monitor's report.	2.50
January 4, 2011	CSB	Memo from Bob Taylor; memo from Lynn Zienka; memo to same; memo from Monitor; letter to opposing counsel; telephone call from Frank D'Addario re GCNA bonds and other matters; review and analysis of GCNA affidavit of Tara Wishart; review and analysis of Indemnity Agreements for issues of personal liability of guarantors; meeting with Andrew Wilson and instructions to same; meeting with Tom Conway; conference call with Monitor; conference call with Lynn Zienka and Alex Russell; telephone call to Monitor; memo to same	2.60

Fees: \$22,622.50

Total Fees: \$22,622.50

Rate Summary

Andrew J. Wilson	Senior	23.20 hours at	\$250.00	\$5,800.00
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401-1111 Prince of Wales Drive, Ottawa ON K2C 3T2

Telephone: 613.569.8558 Fax: 613.569.8668

Thomas G. Conway	Partner	18.30 hours at	\$450.00	\$8,235.00
Thomas G. Conway	Partner	2.80 hours at	\$475.00	\$1,330.00
Colin S. Baxter	Partner	13.90 hours at	\$425.00	\$5,907.50
Colin S. Baxter	Partner	3.00 hours at	\$450.00	\$1,350.00
<i>Total:</i>		<u>61.20</u>		

Disbursements (External)

<i>Date</i>	<i>Payee</i>	<i>Description</i>	<i>GST No.</i>	<i>Amount</i>
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Component: Air/Rail fare

December 21, 2010	Cavanagh Williams Conway Baxter LLP	Air/Rail fare		\$1,763.25
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Subtotal for Air/Rail fare

\$1,763.25

Component: Filing service

December 7, 2010	Kilrea Bailiff & Process Servers	Filing service	890342025RT	\$10.00
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Subtotal for Filing service

\$10.00

Component: Teleconference

December 12, 2010	Bell Conferencing Inc.	Teleconference		\$9.43
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December 17, 2010	Bell Conferencing Inc.	Teleconference		\$64.83
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Subtotal for Teleconference

\$74.26

External Disbursements:

\$1,847.51

Total External Disbursements:

\$1,847.51

Disbursements (Internal)

<i>Task</i>	<i>Description</i>	<i>Units</i>	<i>Per Unit</i>	<i>Amount</i>
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Component: Long distance charges

	Long distance charges	15	\$1.48	\$22.20
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Subtotal for Long distance charges

\$22.20

Component: Photocopies

	Photocopies	426	\$0.15	\$63.90
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Subtotal for Photocopies

\$63.90

Internal Disbursements:

\$86.10

Total Internal Disbursements:

\$86.10

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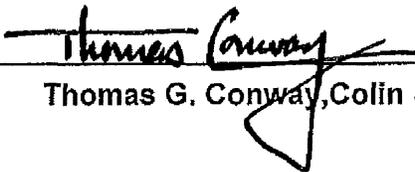
Telephone: 613.569.8558 Fax: 613.569.8668

TOTAL HST:	\$3,192.30
TOTAL GST:	\$0.00
Total Current Invoice:	\$27,748.41
Previous Balance:	\$59,327.02
Opening Trust Balance:	\$25,000.00
Transfer from Trust:	\$0.00
Closing Trust Balance:	\$25,000.00
TOTAL NOW DUE:	\$87,075.43

GST Registration Number: 884966110RT0001

This is our invoice herein which is due and payable upon receipt.
Please make cheque payable to "CAVANAGH WILLIAMS CONWAY BAXTER LLP".

E. & O. E.


Thomas G. Conway, Colin S. Baxter

401-1111 Prince of Wales Drive, Ottawa ON K2C 3T2

Telephone: 613.569.8558 Fax: 613.569.8668



Cavanagh · Williams · Conway · Baxter LLP
Litigation Counsel / Boutique de litige

STATEMENT OF ACCOUNT

January 21, 2011

Statement No. 5337

Ms. Lynn Zienka
Vice-President, Finance
The envision Group
4278 Greenbank Road
Ottawa, ON K2C 3H2

File No.: 1414-001
Matter Caption: Restructuring under the Companies' Creditors Arrangement Act
Your Reference: C07-09-037

TO PROFESSIONAL SERVICES RENDERED and disbursements incurred in connection with this matter.

			Hours
January 5, 2011	AJW	Field call from Alan Cunningham (city of Calgary) re outstanding water treatment plant; followup memo & correspondence; report to Thomas Conway and Colin Baxter.	0.70
January 5, 2011	TGC	Brief meeting with Colin Baxter regarding telephone conference call with Lynn Zienka, Bob Taylor, Wayne Palmer and Alex Russell; receipt and review of e-mail message from Colin Baxter regarding Ontario Construction Company interested in acquiring some of The envision Group's Ontario assets; receipt and review of e-mail message from Andrew Wilson to Wayne Palmer and Colin Baxter regarding telephone discussion with counsel for the City of Calgary concerning Western Combustion project; receipt and review of work in progress reports for various construction projects; e-mail communications with Colin Baxter regarding Monitor's difficulty in obtaining cooperation from envision's management; meeting with Colin Baxter for debriefing on telephone conference call between Monitor representatives and client representatives on status of all projects; receipt and review of e-mail communications from Monitor regarding status of projects and telephone conference call to review preliminary opinion of Monitor.	1.00
January 5, 2011	CSB	Telephone call to Lynn Zienka re various matters; conference call with Lynn Zienka and Alex Russell; memo to Frank; memo from same; numerous calls to and from Monitor and clients re information required for comeback hearing; telephone call from Frank; telephone call to same; [REDACTED] memos from counsel for Bond Companies.	2.80

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Telephone: 613.569.8558 Fax: 613.569.8668

January 6, 2011	TGC	Letter to Lynn Zienka (c.: Bob Taylor and Colin Baxter) enclosing statement of account; receipt and review of e-mail from Colin Baxter, [REDACTED] e-mail from Wayne Palmer regarding telephone conference call on Jubilee Auditorium project in Calgary; e-mail communications with Colin Baxter regarding same; letter to Bob Taylor (c.: Colin Baxter) enclosing redacted statement of account; redact statement of account.	0.60
January 6, 2011	CSB	Memo from client; telephone call from Frank and counsel; meeting with Tom Conway; memo from Monitor; memo to Tom Conway; telephone call from W. Palmer; telephone call to same; telephone call from K. McLaren; memo from same; telephone call to same; memo to H. Gorman; memo from same; memo from W. Palmer re Western Construction; memo from counsel for Fort Vermillion with attached correspondence; review and analysis of same; memo to clients re abandonment of projects, etc	2.10
January 7, 2011	TGC	Attendance on telephone conference call with Bob Taylor, Wayne Palmer, Howard Gorman and Colin Baxter regarding status of proceedings, information obtained by Monitor and advisability of extension of Initial Order; e-mail from Bob Taylor attaching e-mail received from lawyer representing Silver Springs Golf Club; e-mail to Bob Taylor et al. inquiring about meeting with ATB Financial; e-mail from Bob Taylor responding; e-mail to Bob Taylor regarding attempts to obtain a hearing date for short extension of CCAA Order; e-mail to Angèle Fortier (c.: Colin Baxter) requesting hearing date.	1.20
January 7, 2011	CSB	Memo from B. Taylor; memo to same; prepare for and attend on conference call with B. Taylor, W. Palmer and H. Gorman re Monitor's views on extension, etc; discuss procedural options and forum for same; meeting with Tom Conway re instructions from clients, etc; telephone call from D. Debenham re Minute Book and asset purchase suggestion; memo to Tom Conway; memo to Monitor; telephone call to Tom Conway; telephone call from same; telephone call to Monitor; telephone call to Lynn Zienka; memo from same	1.90
January 8, 2011	CSB	Telephone call from Monitor re ATB position and asset purchase proposal; discuss comeback hearing and other matters; telephone call to clients; discuss information required by Bob Taylor and other matters; memo to Lynn Zienka	0.60
January 9, 2011	CSB	Memo to Monitor; memo from same; memo to clients; telephone call to Lynn Zienka (message); memo to Tom Conway; memo from same	0.30
January 10, 2011	TGC	Receipt and review of e-mail from Colin Baxter attaching e-mail communications from Frank D'Addario and Michelle Belanger regarding Graham Flatiron Joint Venture and Andrew Wilson's report that Iona had underbid next highest bidder by \$10 million; brief meeting with Colin Baxter regarding Sean Collins' e-mail indicating that Frank D'Addario has requested meeting with ATB Financial; receipt and review of e-mail from Sean Collins regarding same; receipt and review of e-mail from [REDACTED] e-mail from Angèle Fortier regarding request for appointment with judge for continuation of Initial Order; e-mail to Angèle Fortier responding; receipt and review of e-mail communications between Sean Collins and Colin Baxter regarding Frank D'Addario's request for meeting with ATB; receipt and review of e-mail	1.00

messages throughout the day from Colin Baxter regarding various issues, including bank deposits at TD Bank and possible transfers of those deposits; telephone conference call with Keith MacLaren and Colin Baxter regarding Frank D'Addario's role as director and issues/challenges arising out of his e-mail correspondence with ATB, suppliers and others.

January 10, 2011	CSB	Telephone call from counsel for Bow Valley landlord; memo from Sean Collins; memo to same; telephone call from counsel for GCNA re various matters; telephone call from Matt Catcher re Bow Valley vehicles; telephone call to Monitor; telephone call from Lynn Zienka re various matters; telephone call to same; memo from Monitor; memo to same; telephone call from Ron Price re bonding company position and other matters; telephone call from K. MacLaren re various matters; conference call with same and Tom Conway	2.90
January 11, 2011	TGC	Meeting with Colin Baxter regarding various bank transfers between Landex and Envision; telephone conference call with Bob Taylor and Colin Baxter regarding monitor's draft report and possible extension of Initial Order until January 31, 2011; telephone call from Sean Collins and telephone conference call was Sean Collins and Kevin McElcheran regarding appointment with judge for short extension of Initial Order; review provisions of Initial Order; e-mail to Angèle Fortier (c.: Sean Collins et al.) requesting short hearing date on Thursday, January 13, 2011; receipt and review of first draft of Monitor's report; receipt and review of draft court materials; e-mail exchange with Colin Baxter regarding same; letter to trial coordinator regarding hearing on January 12, 2011.	2.80
January 11, 2011	CSB	Memo from Frank D'Addario; memo to Tom Conway; telephone call to Alex Russell; meeting with Tom Conway; telephone call to A. Russell; conference call with Russell and Lynn Zienka; telephone call to Monitor re court hearing dates; memo to Frank's counsel; meeting with Tom Conway; receive preliminary draft report from Monitor; review and analysis of same; memo to Monitor's counsel; memo to ATB counsel; memo to Bond Co. counsel; memo from same; telephone call from same; review and analysis of proposed motion materials from ATB counsel; memo to Frank's counsel; memo from same; telephone call from same re: numerous matters.	2.70
January 12, 2011	TGC	Receipt and review of e-mail messages and draft documentation from counsel for interested parties; e-mail to Frank D'Addario (c.: Ferne D'Addario, Michelle Belanger, Lynn Zienka, Alex Russell and Colin Baxter) attaching copy of ATB's motion record; receipt and review of e-mail from Angèle Fortier regarding arrangements for telephone conferencing facilities; e-mail to Sean Collins regarding same; e-mail to Angèle Fortier regarding same.	0.60
January 12, 2011	CSB	Numerous emails from ATB counsel, bonding company counsel, etc; memo to clients; review and analysis of motion materials from Bonding Companies; telephone call to Alex Russell re instructions for hearing; receive same; prepare for hearing; receive and review Fort Vermillion materials; memo to clients re same; review and analysis of various motion materials served by AXA, GCNA, Fort Vermillion and Caterpillar; memo to clients; attend at Court; hearing before Beaudoin J; return to CWCB; memo to clients with status report on hearing/adjournment; memo from same; telephone call to Lynn Zienka; telephone from Lynn Zienka re: various matters.	4.60

January 13, 2011	CSB	Memo from Monitor re various matters; review and analysis of supplementary affidavits filed by AXA, etc; memo from Monitor; telephone call to same; telephone call from B. Taylor; telephone call to Lynn Zienka re numerous matters; prepare for hearing; receive and review motion materials from Caterpillar; memo from Monitor; memo from AXA counsel; attend at Court and attend on motion from ATB and AXA; return to CWCB; memo to clients with report on results	5.30
January 14, 2011	CSB	Numerous memos and calls from Monitor and opposing counsel; memo to same; memo from Lynn Zienka; memo to same; telephone call to B. Taylor; memo to Lynn Zienka; telephone call from counsel for Expocrete; memo to AXA counsel; memo to Lynn Zienka; memo to Monitor; receive and review decision of Beaudoin J; reporting out of decision to clients; memo to Lynn Zienka; memo from Monitor re changing of locks, etc; memo to same re appointment papers	1.90
January 14, 2011	DN	Preparation of accounting summary and memo to Colin Baxter per request from Monitor; instructions from Colin Baxter	0.20
January 17, 2011	TGC	Review decision of Mr. Justice Beaudoin denying ATB's motion for an order extending Initial Order until February 1, 2011; receipt and review of correspondence from Mr. Goodfellow, counsel for Alberta claimant; e-mail to Mr. Goodfellow responding; [REDACTED] e-mail exchange with Colin Baxter regarding reporting letter to client.	0.60
January 17, 2011	CSB	Memo to Monitor re access to premises and other matters; memo from same; memo to Tom Conway; telephone call from Andre Hebert re premises etc; telephone call to Lynn Zienka; [REDACTED] telephone call to Lynn Zienka; telephone call to Monitor	0.50
January 19, 2011	CSB	Telephone call to Bob Taylor re state of receivership and assets; discuss servers, books and records, etc; draft and revise letter to client terminating retainer; instructions to paralegal etc; memo to Tom Conway and Andrew Wilson; telephone call from Tom Conway; memo from same	0.40

Fees: \$15,592.00

Total Fees: \$15,592.00

Rate Summary

Andrew J. Wilson	Senior	0.70	hours at	\$250.00	\$175.00
Thomas G. Conway	Partner	0.60	hours at	\$450.00	\$270.00
Thomas G. Conway	Partner	7.20	hours at	\$475.00	\$3,420.00
Colin S. Baxter	Partner	26.00	hours at	\$450.00	\$11,700.00
Doreen Navarro	Law Clerk	0.20	hours at	\$135.00	\$27.00
<i>Total:</i>		<u>34.70</u>			

Disbursements (External)

<i>Date</i>	<i>Payee</i>	<i>Description</i>	<i>GST No.</i>	<i>Amount</i>
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Telephone: 613.569.8558 Fax: 613.569.8668

Component: Parking

December 23, 2010	Cavanagh Williams Conway Parking Baxter LLP	\$10.62
January 12, 2011	Cavanagh Williams Conway Parking Baxter LLP	\$3.54
January 13, 2011	Cavanagh Williams Conway Parking Baxter LLP	\$10.62
Subtotal for Parking		\$24.78

Component: Taxi

December 21, 2010	Cavanagh Williams Conway Taxi Baxter LLP	\$58.04
Subtotal for Taxi		\$58.04

External Disbursements: \$82.82

Total External Disbursements: \$82.82

Disbursements (Internal)

<i>Task</i>	<i>Description</i>	<i>Units</i>	<i>Per Unit</i>	<i>Amount</i>
Component: Long distance charges				
	Long distance charges	1	\$0.48	\$0.48
Subtotal for Long distance charges				\$0.48
Component: Photocopies				
	Photocopies	84	\$0.15	\$12.60
Subtotal for Photocopies				\$12.60
<i>Internal Disbursements:</i>				\$13.08

Total Internal Disbursements: \$13.08

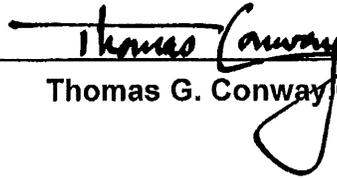
<i>TOTAL HST:</i>	\$2,039.43
<i>TOTAL GST:</i>	\$0.00
<i>Total Current Invoice:</i>	\$17,727.33
<i>Previous Balance:</i>	\$87,075.43
<i>Opening Trust Balance:</i>	\$25,000.00
<i>Transfer from Trust:</i>	\$0.00
<i>Closing Trust Balance:</i>	\$25,000.00
TOTAL NOW DUE:	\$104,802.76

Period covered by this statement: January 4, 2011 to January 21, 2011

GST Registration Number: 884966110RT0001

This is our invoice herein which is due and payable upon receipt.
Please make cheque payable to "CAVANAGH WILLIAMS CONWAY BAXTER LLP".

E. & O. E.



Thomas G. Conway Colin S. Baxter

401-1111 Prince of Wales Drive, Ottawa ON K2C 3T2

Telephone: 613.569.8558 Fax: 613.569.8668

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE

)

TUESDAY, THE 14TH

JUSTICE

RAY

)

)

DAY OF DECEMBER, 2010

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

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

INITIAL ORDER

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

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

SERVICE

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

APPLICATION

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

PLAN OF ARRANGEMENT

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

POSSESSION OF PROPERTY AND OPERATIONS

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

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

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

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

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

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

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

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

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

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

RESTRUCTURING

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

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

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

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

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

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

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH RIGHTS

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

CONTINUATION OF SERVICES

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

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

NON-DEROGATION OF RIGHTS

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

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

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

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

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

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

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

APPOINTMENT OF MONITOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

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

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

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

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

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

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

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

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

33.

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

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

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

SEALING ORDER/PUBLICATION BAN

36. THIS COURT ORDERS that the cashflow statements attached as Exhibit "D" to the affidavit of Lynn Zienka be and hereby are filed under seal of this Court, and that any publication of those statements is prohibited pursuant to s.10(3) of the CCAA, subject to any further order of this Court.

SERVICE AND NOTICE

37. THIS COURT ORDERS that the Monitor shall (i) without delay, publish in [newspapers specified by the Court] a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the applicants of more than \$1000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

38. THIS COURT ORDERS that the applicants and the Monitor be at liberty to serve 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 or electronic transmission to the applicants creditors or other interested parties at their respective addresses as last shown on the records of the applicants and that any such service or notice by courier, personal delivery or electronic 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.

39. THIS COURT ORDERS that the applicants, the Monitor, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Monitor may post a copy of any or all such materials on its website at www.rsmrichter.com .

GENERAL

40. THIS COURT ORDERS that the applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder.

41. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the applicants, the Business or the Property.

42. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the applicants and the Monitor and their respective agents in carrying out the terms of this Order.

43. THIS COURT DECLARES that the acceptance of jurisdiction by the Court over the Applicants shall not be determinative of the proper forum for any proceedings that may be commenced by ATB in respect of the Applicants, or any of them, such forum to be determined in accordance with applicable law.

44. THIS COURT ORDERS that each of the applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

45. THIS COURT ORDERS that any interested party (including the applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days

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

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

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke, positioned above a solid horizontal line.

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

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE

)

THURSDAY, THE 23RD

)

JUSTICE RAY

)

DAY OF DECEMBER, 2010

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

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

ORDER

THIS MOTION by Guarantee Company of North America ("GCNA") to amend the Initial Order made by the Honourable Mr. Justice Ray dated December 14, 2010 (the "Initial Order") was heard this day by conference call at 161 Elgin Street, Ottawa, Ontario.

ON READING the affidavit of Tara Wishart sworn December 23, 2010 and the Exhibits thereto, filed, and upon hearing the submissions of GCNA, the Applicants, Alberta Treasury Branches and RSM Richter Inc., in its capacity as Court appointed Monitor.

1. **THIS COURT ORDERS** that the Initial Order be and the same is amended to add the following paragraphs:

8.2 **THIS COURT ORDERS** that nothing in this Initial Order shall affect a bonding company's or surety's ability to attend on or investigate any bonded projects, including discussing such bonded projects with any Obligee or Claimant,

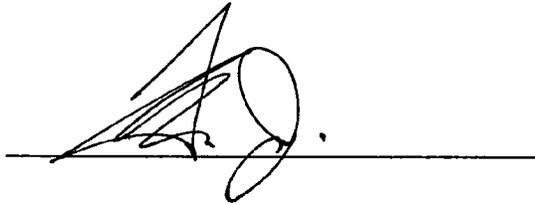
as those terms are defined in any performance bonds or labour and material payment bonds issued in respect of the Applicants.

8.3 THIS COURT ORDERS that any Obligee or Claimant under any bond is entitled to provide notice to any bonding company or surety of any claim that it is advancing and the bonding company or surety shall be entitled to make such investigations as it deems appropriate in the ordinary course under the relevant bond.

8.4 THIS COURT ORDERS that no bonding company or surety shall make any payment to an Obligee or Claimant pending further Order of this Court, *EXCEPT IN URGENT SITUATIONS WHERE, AND ONLY TO THE EXTENT THAT THE SURETY DEEMS IT NECESSARY TO MITIGATE POTENTIAL CLAIMS UNDER THE BONDS OR ON PRIOR REASONABLE NOTICE TO THE MONITOR AND THE APPLICANTS.*

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

- (j) provide the affected bonding company or surety and the ATB with notice of any payments received in respect of a bonded project.

A handwritten signature in black ink, consisting of a stylized 'A' followed by a large loop, positioned above a horizontal line.

ENTERED AT OTTAWA INSCRIT A OTTAWA
ON/LE DEC 23 2010
DOCUMENT # <u>3365</u>
IN BOOK NO. 73-13 AU REGISTRE NO. 73-13

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding Commenced at Ottawa

ORDER

BORDEN LADNER GERVAIS LLP

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Box 368

File No. 017698-000177/ems

COURT FILE NO.: 10-50109

DATE: 2011/01/14

ONTARIO

SUPERIOR COURT OF JUSTICE

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

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

DECISIONBEAUDOIN J.

[1] This is a Motion by Alberta Treasury Branches ("ATB"), to extend the Stay Period originally ordered by this Court on December 14th, 2010 pursuant to s. 11 of the Companies' Creditors Arrangement Act, R.S.C. 1985, c C-35 as amended (the "CCAA"). A short extension is sought until February 1st, 2011. Subject any exceptions set out in that Order, that initial order stayed proceedings and enforcement processes in any court or tribunal against the Debtors for a period until and including 30 days and appointed RSM Richter Inc. as monitor with certain powers. The request for the extension is opposed by Guarantee Company of North America ("GCNA") and by AXA Pacific Insurance Company ("AXA"). GCNA and AXA are surety bonding facilities for the Debtors.

Background

[2] This proceeding commenced was on December 7th, 2010 by Envision Engineering and Contracting Inc. ("Envision") and certain affiliated companies as set out in the title of these proceedings. The Affidavit filed in support of the application indicated that the total of claims against the group of companies was an excess of \$35,000,000.00 and that the group was then

- 2 -

insolvent. The group sought an order granting a stay of proceedings against all its creditors to permit and develop a restructuring plan. According to the affidavit Lynn Zienka filed in support of the application, the requested stay would offer the group an opportunity to review the viability of it various projects and to devise a strategy to preserve and maximize value.

[3] The Honourable Justice Ray granted the initial Stay Order on December 14th, 2010. The order recites that the secured creditors who were likely to be affected by the charges created by the order were given notice and that the order was made on the submissions of counsel for the applicants and of ATB and as well as the consent of RSM Richter to act as monitor.

[4] Shortly thereafter, GCNA brought an application/motion to vary the initial order such that nothing in that Order would interfere with the rights of GCNA or any of the obligees under the bonds issued by it to pursue their rights and remedies in respect of any bonds issued by them. CGNA had not been given notice of the application.

[5] As a result of that application/motion a further order was issued on December 23rd, 2010 which gave GCNA certain rights to attend and investigate any bonded projects and other remedies. At this time, AXA also submits that it was not given notice of the initial application and it seeks similar relief if the extension is granted.

The First Report of the Monitor

[6] The first report of RSM Richter Inc. dated January 11th, 2011 has been filed with the Court. I note the following:

Purpose of this Report

4. The purpose of this report ("Report") is to:
 - a) Provide background information regarding the Envision Group;
 - b) Provide an update on the Envision Group's restructuring efforts; and

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- c) Recommend that the Court issue an order providing for an extension of the stay under the CCAA to February 1st, 2011 with expanded Monitor powers to allow for a detailed assessment of the financial affairs of the Envision Group by the Monitor for the benefit of the various stakeholders.

Cash Flow

14. The Envision Group filed a cash flow statement in support of its application for the Initial Order. Management estimated that the Envision Group would have a positive net cash flow of approximately \$3.4 million for the 6 week period ended January 14, 2011. The actual cash flow of the Envision Group since the commencement of the CCAA Proceedings has been significantly lower than was projected. The reasons for this significant deviation from the projections appear to be as follows:

- Management was overly optimistic in its ability to collect accounts receivable. Essentially of the Envision Group's customers suspended payments upon learning of the CCAA Proceedings; and
- Management did not fully comprehend the impact the CCAA Proceedings would have on its operations. Previous business practices employed by the Envision Group could no longer be used to resolve numerous issues with its customers and suppliers.

...

16. The Envision Group has been unable to continue with its construction projects other than the Landex projects. Since the CCAA Proceedings commenced, there have been several employee resignations, several construction sites have been abandoned because of an inability to complete the work, numerous liens have been filed by the sub trades on certain projects, several trades have filed claims with the bonding companies and customers are unwilling to make progress payments.

[7] After commenting on its inability to obtain financial information due to the holiday season and the lack of availability of certain Envision Group employees, the Monitor provided a summary of the various construction projects based on the information that was available to the Monitor at that time. The Monitor then concludes in his assessment at paragraphs 18, 19 and 20:

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MONITOR'S ASSESSMENT

18. As noted earlier in this Report, the Monitor has experienced difficulty in obtaining information regarding the Envision Group's financial affairs and the status of each of the various construction projects.
19. Management has been unable to assemble the required information in a timely manner due to certain employees leaving and it appears that the accounting systems may be inadequate. Moreover, it appears management is not longer committed to the process and they have not been responsive to the Monitor's requests for information regarding the Envision Group's affairs.
20. Based on the information that the Monitor has been able to review to date, we are of the view that the Envision Group will be unable to advance a plan of arrangement of compromise for the benefit of its creditors. Management has advised the Monitor that they do not plan to seek an extension of the CCAA Proceedings.

[8] The Monitor seeks a short extension in order to establish an appropriate course of action for the Envision Group so that it can get the additional information and perform the necessary analysis. It concludes at paragraph 23:

23. The Monitor is of the view that its requisite powers under the Initial Order should be expanded to ensure Management's cooperation, access to all of the Envision Group's books and records, preserve and protect assets as appropriate, collect all accounts and control all disbursements and determine the appropriate and necessary employee complement. The suggested expanded powers are outlined in Appendix "E".

Appendix. "E" is attached to this decision.

Jurisdiction

[9] It must be noted that the Debtors are not seeking the extension of the initial Order. This has been confirmed by their counsel. The extension is sought by ATB, a secured creditor of the Debtor companies.

[10] The relevant statutory provisions are as follows:

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11.02 (1) Stays, etc. – initial application – A court may, on an initial application in respect of a debtor company, make an order on any terms that it may impose, effective for the period that the court considers necessary, which period may not be more than 30 days,

- (a) staying, until otherwise ordered by the court, all proceedings taken or that might be taken in respect of the company under the *Bankruptcy and Insolvency Act* or the *Winding-up and Restructuring Act*;
- (b) restraining, until otherwise ordered by the court, further proceedings in any action, suit or proceeding against the company; and
- (c) prohibiting, until otherwise ordered by the court, the commencement of any action, suit or proceeding against the company.

(2) Stays, etc. – other than initial application – A court may, on an application in respect of a debtor company other than an initial application, make an order, on any terms that it may impose,

- (a) staying, until otherwise ordered by the court, for any period that the court considers necessary, all proceedings taken or that might be taken in respect of the company under an Act referred to in paragraph (1)(a);
- (b) restraining, until otherwise ordered by the court, further proceedings in any actions, suit or proceeding against the company; and
- (c) prohibiting, until otherwise ordered by the court, the commencement of any action, suit or proceeding against the company.

(3) Burden of proof on application – The court shall not make the order unless

- (a) the applicant satisfies the court that circumstances exist that make the order appropriate; and
- (b) in the case of an order under subsection (2), the applicant also satisfies the court that the applicant has acted, and is acting, in good faith and with due diligence.

[11] No one takes issue with ATB's status to bring this Motion. The significant issue here is whether or not the moving party can seek the extension if there is no good faith or due diligence by or on behalf of the original applicant Debtors. The mandatory language utilized in Section

- 6 -

11.02(3) sets out the conditions precedent before the Court can exercise its discretion under the CCAA.

[12] In this case I am satisfied that the Debtors have not acted with due diligence or in good faith. Counsel for ATB submits that there is no such conclusion set out in the report of the Monitor. The Report states clearly: "that Management is no longer committed to the process and that they have not been responsive to the Monitor's request for information and that they do not plan to seek an extension." At the very least this constitutes a lack of due diligence. Any conclusions as to the good faith and due diligence on the part of the Debtors are ultimately reserved to this Court.

[13] Moreover, the Court is not limited to the information contained in the Monitor's report. In addition to that information, the Court has the benefit of the further affidavit evidence of Tara Wishart sworn on behalf of GCNA and dated January 12, 2011. She reports that "...no Envision Group employees are performing any on any of the bonded projects." She further advises that GCNA is receiving correspondence from owners regarding urgent attention needed on certain bonded projects.

[14] The Court has also had the benefit of the Affidavit of Roger Clarke sworn January 12th, 2011. Roger Clarke is the Superintendent of Schools for the Fort Vermillion School Division No. 52 in the Province of Alberta. That Affidavit is made in opposition to ATB's application to extend the stay of proceedings. He advises:

On or about December 20th, 2010 the School Division was informed that Western had laid off its Project Manager for the Project and, as at December 20th, 2010 had laid off the site Superintendent of the Project site. No arrangements for site security were made nor were arrangement for heating and hoarding of the Project undertaken.

[15] He goes on to state that the School Division has received notices that a number of liens had been placed on the School. Based on the available information, the School Division estimates that \$1,817,207.00 remains outstanding to sub trades. He advises that the Project is only 50% complete and that the delays and the inability of Western to even consider the

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completing the Project are placing added financial obligations on the School Division and Alberta Education. In addition to the financial burden, he notes that the students have lost the ability to utilize their school and will not be able to conclude the year in their new facilities.

[16] On behalf of AXA, Ron Fraser has deposed an affidavit wherein he advises that AXA has received Notices of Default on a number of projects and he also deposes that no work is being done on a number of projects. Additional affidavit information is provided by Luis Copat, a senior adjuster employed by the Defendant AXA. He identifies serious problems at the Bonnybrook Wastewater Treatment Plant, the Kings Heights Fire Hall, the Sundance Creek Culvert Installation and the City of Spruce Grove Calahoo Public Works Remediation. On the totality of all that evidence I am satisfied that the Debtor companies have not acted in good faith or with due diligence since the making of the initial Order.

[17] The Applicant ATB submits that a requirement of good faith and due diligence does not apply to them. It submits that there is no evidence of a lack of good faith or due diligence on its part and I have to agree. ATB argues that the statute makes a distinction between applications under 11.02(1) ("initial application") and application for an extension which is made under section 11.02(2). The powers of the Court in each case are identical. The significant difference between the two types of applications is found in 11.02(3)(b) which requires the applicant in seeking an extension to satisfy the Court that the applicant has acted, and is acting, in good faith and with due diligence.

[18] ATB says that since it is the applicant on this motion and there is no evidence of its acting in bad faith or without due diligence, there is no impediment for the Court granting the relief. It submits that the distinction in the Statute is deliberate. Furthermore, the ATB submits that the Court has jurisdiction under the *Courts of Justice Act* R.S.O. 1990, Chap. C.43 to stay any proceeding. That section provides;

A court, on its own initiative or on a motion by any person, whether or not a just party, may stay any proceeding in the court on terms as are considered just.

- 8 -

[19] In my view, the above statute has no application in this case. Section 106 stays an existing proceeding; it does not operate as a protective shield in the same manner as the CCAA.

[20] Counsel for GCNA submits that the reference to the applicant in sub-section 11.02(3)(b) must be applicable to the original debtor applicant otherwise it would permit a debtor company to disregard the terms of an Order and allow an innocent creditor to "pick-up the baton" and avoid any scrutiny or consequence of its actions by the Court. In the alternative, counsel for GCNA submits that the bad faith or the lack of due diligence on the part of the Debtors is evidence of circumstances that would suggest that the order is not appropriate in accordance with section 11.02(3)(a).

[21] "Applicant" is not a defined term in the CCAA. Counsel agree that there are no decided cases on point. The only authorities that have been cited to me are those where an extension is sought by the debtor company. In my view, the reference to "applicant" in section 11.02(3)(b) has to be read in the context of the entire section. The "applicant" in that section can only mean the original debtor company. Section 11.02(2) (*the extension provision*) refers to an application "in respect of the debtor company". It is the debtor company's conduct during the initial stay that is in issue. The Court is not concerned with the conduct of any other interested creditor in considering an extension to the stay. In my view, the lack of good faith and due diligence on the part of the Debtors in this case is fatal to the relief sought by ATB and the request for the extension is dismissed.


Mr. Justice Robert Beaudoin

RELEASED: January 14, 2011

Envision Group
Proposed Enhanced Monitor Powers

Exhibit "E"

In addition to those powers granted to the Monitor under the Companies' Creditors Arrangement Act pursuant to the Initial Order, the Monitor is empowered and authorized, as a Court officer, as may be necessary and appropriate:

1. To take any steps to preserve and protect the Envision Group's property and assets including changing the locks at the various Envision Group's premises;
2. To take possession and control of all books and records of each company of the Envision Group including records in electronic form;
3. To collect all monies and accounts and pay all obligations incurred by the Envision Group, consistent with the Initial Order;
4. To determine the appropriate and necessary employee complement of the Envision Group and retain or terminate employees (without any liability or obligation for such termination) as necessary; and
5. To consent to the termination of the stay of proceedings in favour of the Envision Group in respect of bonded construction projects with prior written consent of Alberta Treasury Branches and the applicable bonding company.

COURT FILE NO.: 10-50109

ONTARIO

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

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

DECISION

Mr. Justice Robert Beaudoin

RELEASED: January 14, 2011