Court File No. 2022 01G 1964

IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR
IN BANKRUPTCY AND INSOLVENCY

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF EDWARD COLLINS CONTRACTING LIMITED, H & E DESIGNS LTD., CLASSIC SECURITY LTD., FGC HOLDINGS LTD. AND 51037 NEWFOUNDLAND & LABRADOR INC.

Tenth Report of Grant Thornton Limited,
in its Capacity as Monitor

November 3, 2023

Grant Thornton Limited,
Monitor

Suite 300 - 15 International Place
St. John's, NL A1A 0L4

Tenth Report of the Monitor

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Introduction

1. Pursuant to an order of the Supreme Court of Newfoundland and Labrador (the "**Court**") made on October 5, 2022 (the "**Initial Order**"), Edward Collins Contracting Limited ("**ECC**"), H&E Designs Ltd. ("**H&E**"), Classic Security Ltd. ("**Classic**"), FGC Holdings Ltd. ("**FGC**") and 51037 Newfoundland and Labrador Inc. ("**51037**") (collectively, the "**Company**") were granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, (the "**CCAA**").

2. The Initial Order appointed Grant Thornton Limited as monitor (the "**Monitor**") in the CCAA proceedings and granted a stay of proceedings (the "**Stay Period**") initially expiring on October 17, 2022. On October 17, 2022, the Court issued an Amended and Restated Initial Order ("**ARIO**") which affirmed the terms of the Initial Order.

3. On March 17, 2023, the Court approved a limited claims procedure order (the "**Claims Procedure Order**") pursuant to which the Monitor solicited proofs of claim from claimants identified on the Company's books and records as those withholding monies otherwise due to the Company such as holdbacks, liquidated damage claims, and forced account claims, and from the CRA in respect of its deemed trust super priority claim.

4. On April 18, 2023, the Court issued an Approval and Vesting Order regarding the sale of the condominium property at 35 Bonaventure Avenue, Suite 121, St. John's, NL (the "**Condominium Property**") owned by Classic.

5. On May 19, 2023, ECC filed an application for an Order approving a Stalking Horse Sale Process (the "**Sale Process**") pursuant to which 92712 Newfoundland & Labrador Inc. ("**92712**" or the "**Stalking Horse Bidder**") as a stalking horse would acquire substantially all of the assets of ECC for consideration in the amount of: (i) the payment in cash of $6,900,000; (ii) the assumption of the Assigned Debt (as defined below); and (iii) the assumption of ongoing contracts and related liabilities (the "**Stalking Horse Agreement**") and for an extension of the Stay Period (the "**Sale Process Application**").

6. The Sale Process Application was heard on June 16, 2023 wherein the Court verbally extended the Stay Period until September 14, 2023. In addition, ECC and counsel to the Royal Bank of Canada ("**RBC**") advised the Court that there was an agreement in principle in relation to the proposed Sales Process, which process was designed to canvass the market for offers superior to the transaction subject to the Stalking Horse Agreement (the "**Stalking Horse Bid**") and that the Monitor would conduct the Sale Process. The parties further advised that it was anticipated that there would be agreement on a form of order (the "**Sales Process Order**"), which Order was expected to be submitted to the Court for approval on a consent basis. Notwithstanding this, no agreement on the Sales Process was reached and no order ended up being issued.

7. On September 13, 2023, the Court issued a Stay Extension Order granting a further Order extending the Stay Period until October 11, 2023 and set a hearing date of September 26, 2023 as the date to approve the Stalking Horse Agreement.

8. On September 26, 2023 and September 29, 2023, the Sale Approval Application was heard to approve the Stalking Horse Bid and related relief, in addition to approve various orders which remained outstanding. The Court approved the following Orders during these hearings:

   a. approved the Sales Process Order on September 26, 2023. The order is attached hereto as **Appendix "A"**;

   b. approved the Stalking Horse Agreement. The vesting order is attached hereto as **Appendix "B"**; and

   c. extending the Stay Period to November 15, 2023.

9. On October 10, 2023 the Court issued the order to extend the Stay Period to November 15, 2023. The order is attached hereto as **Appendix "C"**.

10. On October 18, 2023 the Court issued the following orders:

   a. Sales Approval Order;

   b. Distribution Order that provided the payment of Canada Revenue Agency's deemed trust claim in ECC and a payment to RBC on account of its first ranking secured creditor claim on closing of the Stalking Horse Agreement. The order is attached hereto as **Appendix "D"**; and

   c. Extending the Stay Period to August 4, 2023 pursuant to an application heard on June 16, 2023, extending the Stay Period to September 14, 2023 pursuant to an application heard on August 4, 2023, and extending the Stay Period to October 11, 2023 pursuant to an application heard on September 13, 2023.

11. This is the Tenth Report of the Monitor (the "**Tenth Report**"). Additional background information on the Company and the CCAA Proceedings along with all the unsealed documents filed with the Court are available on the Monitor's website, located at: www.grantthornton.ca/ecc (the "**Monitor's Website**"). The Monitor continues to update this website as appropriate.

Purpose of this Report

12. The purpose of this Tenth Report is to provide this Honourable Court and the Company's stakeholders with information in respect to the following:

   a. An update on the Company's operations through the last Stay Period;

   b. An update on the status of the closing of the sale of the Stalking Horse Agreement;

   c. The proposed Plan of Arrangement for FGC, including a request for the Court to approve the proposed Meeting Order and Claims Procedure Order;

d. The status of the Claims Process;

e. An updated cash flow projection through to and until February 28, 2024 to support an extension of the Stay Period to February 28, 2024 to be able to complete the Claims Process;

f. The Monitor's recommendation to approve a distribution of sale proceeds of the Condominium Property to the CRA on account of their deemed trust claim against Classic and a distribution to RBC on account of their mortgage in FGC; and

g. Any other matter the Monitor considers material.

Terms of Reference and Disclaimer

13. In preparing this Tenth Report, the Monitor has relied upon unaudited financial information, the Company's records, financial information and projections, and discussions with the Company's management. While the Monitor reviewed various documents provided by the Company (including, among other things, unaudited internal financial documents and financial projections) and believes that the information therein provides a fair summary of the transactions as reflected in the documents, such work does not constitute an audit or verification of such information for accuracy, completeness or compliance with Generally Accepted Assurance Standards ("**GAAS**"), Generally Accepted Accounting Principles ("**GAAP**"), or International Financial Reporting Standards ("**IFRS**"). Accordingly, the Monitor expresses no opinion or other form of assurance pursuant to GAAS, GAAP or IFRS with respect to such information.

14. Some of the information used in preparing this Tenth Report consists of financial projections, including a Revised Cash Flow Projection. The Monitor cautions that these projections are based upon assumptions about future events and conditions that are not ascertainable. The Company's actual results may vary from the Revised Cash Flow Projection, even if the hypothetical and probable assumptions set forth in the Revised Cash Flow Projection contained therein materialize, and the variations could be significant. The Monitor's review of the future oriented information used to prepare this Ninth Report did not constitute an audit of such information under GAAS, GAAP or IFRS.

15. In the course of its mandate, the Monitor has assumed the integrity and truthfulness of the information and explanations presented to it by the Company, its management and other stakeholders, within the context in which such information was presented. To date, nothing has come to the Monitor's attention that would cause it to question the reasonableness of these assumptions, or accuracy of the information. The Monitor has requested that management bring to its attention any significant matters which were not addressed in the course of the Monitor's specific inquiries. Accordingly, this Report is based solely on the information (financial or otherwise) made available to the Monitor by the Company, its management, and other stakeholders.

16. This Tenth Report has been prepared for the use of this Honourable Court and the Company's stakeholders as general information relating to the Company and to assist the Court in administering this proceeding. Accordingly, the reader is cautioned that this Report may not be appropriate for any other purpose. The Monitor will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this Tenth Report contrary to the provisions of this paragraph.

17. Capitalized terms not defined in this Tenth Report have the meanings ascribed to them in the Initial Order, the Originating Application, or the previous reports of the Monitor.

18. All references to dollars are in Canadian currency unless otherwise noted.

Update on Operations Generally

19. The Company's main operating entity, ECC, was created in 1974 and for 48 years has operated in the heavy civil construction industry. The Company's expertise includes road building, commercial site and subdivision development, water and sewer installation, ditching, culvert installation and subgrade road work, and heavy equipment rentals. The Company operates across Newfoundland and Labrador. The Company does not conduct operations or hold assets outside Newfoundland and Labrador.

20. The sole asset of Classic, the Condominium Property, was sold for the benefit of creditors, which is further described below. Classic will not be included in any go forward sale or restructuring and will be wound down.

21. The assets of ECC and H&E are included in the Stalking Horse Agreement and post-closing will be wound down.

22. The Company has been working to complete contracts, collect receivables, and negotiate settlements on disputed contracts where possible. A current accounts receivable listing dated November 2, 2023 is attached as **Appendix "E"**. The Company's outstanding receivables have reduced by $92,259.66 to $639,548.18. A summary of the accounts receivable compared to the figures in the last report is noted below:

Accounts Payable		02-Nov-23	11-Sep-23	Net Change
	0 to 30 Overdue	130,636.51	176,458.69	(45,822.18)
	31 to 60 Overdue	65,699.62	111,807.60	(46,107.98)
	61+ Overdue	443,212.05	443,541.55	(329.50)
		639,548.18	731,807.84	(92,259.66)
Holdbacks		58,917.90	70,361.90	(11,444.00)
Liquidated Damages		363,378.69	363,378.69	0.00
		1,061,844.77	1,165,548.43	(103,703.66)

23. Unbilled holdbacks as of November 2, 2023 decreased by $11,444.00 to $58,917.90 and are included in **Appendix "E"**. The decrease relates to the Argentia Management Authority Berth Demolition project.

24. Recoverable liquated damages related to provincial Department of Transportation & Infrastructure projects are unchanged at $363,378.69 (net of HST). A listing of liquidated damages by project are included in **Appendix "E"**.

25. An updated trade accounts payable list dated November 2, 2023 is attached as **Appendix "F"**. A summary is as follows:

Accounts Payable	02-Nov-23	11-Sep-23	Net Change
1 to 30 Overdue	(27,446.74)	(39,708.45)	12,261.71
31 to 60 Overdue	35,950.79	1,827.78	34,123.01
61+ Overdue	3,822,842.80	3,895,561.14	(72,718.34)
	3,831,346.85	3,857,680.47	(26,333.62)

26. The balance of payables due has decreased slightly since the Ninth Report to $3,831,346.85. The decrease is a matter of timing as bills are entered into and paid from the accounting system. Supplier invoices incurred since the date of the Initial Order continue to be paid in the normal course and any account balance changes are due to the timing of payments.

27. The Monitor continues to review the accounts payable subledger and vendor accounts for unpaid invoices, or payment on pre-filing amounts. Nothing unusual was noted by the Monitor during its review.

28. HAPSET – As described in the Fifth Report the Company had outstanding returns for Health and Post Secondary Education Tax ("**HAPSET**"). An amount of $56,297.12 is owing for pre-CCAA HAPSET.

29. The Company continues to pay post-filing operating costs in the normal course. This includes the payment of the fees of the Monitor and legal counsel and post-Initial Order lease payments.

30. The Company indicated that it intended to disclaim an additional lease as there is no equity in the equipment, and the Stalking Horse Agreement does not contemplate retaining this item:

    a. Wells Fargo - 2014 John Deere 644K Wheel Loader – SN 1DW644KZCED663184

31. The Wells Fargo lease for the 2014 John Deere 644K Wheel Loader was not disclaimed as of the date of this Tenth Report but the Company has advised that it will be issued prior to closing the Stalking Horse Agreement.

32. The Company continues to work with the Monitor and provide information to the Monitor and creditors as requested, continues to communicate with creditors, employees, customers, and other stakeholders, and assist its legal counsel with the various contract disputes. The Company continues to diligently work with the Stalking Horse Bidder and other parties to close the sale.

33. The Monitor continues to work through the receivables contained in the Claims Procedure Order. Receivables generated from more recent work were generally collected in the normal course.

Sale of H&E Lot and Non-Material Assets

34. The sale of Lot #7 will not be proceeding as the proposed Purchaser has decided not to close.

35. ECC has sold two truck trailers located in Montreal, Quebec deemed surplus by the Company. The assets were sold by public auction by Ritchie Bros. with net proceeds of $12,874.63. The funds have been paid to the Monitor. No other assets were sold by the Company.

Stalking Horse Agreement and Closing

36. The Stalking Horse Bidder has provided the Monitor with the deposit as required by Section 3.2 of the Stalking Horse Agreement. The Monitor holds that deposit in trust.

37. The Stalking Horse Bidder and Company has established November 14, 2023 as the closing date for the transaction.

FGC Holdings Ltd.

38. FGC has filed a plan of arrangement with its creditors. FGC has sourced financing from a private lender in the amount of $315,000 through a refinancing of 26 Lakeview Drive, Humber Valley Resort. The commitment letter has been accepted by FGC. The sole condition to closing is the issuance of an approved vesting order.

39. The funding from the private lender is of a sufficient amount to repay all the creditors of FGC, with the exception of an unlimited guarantee provided by FGC to RBC in respect to the debt owing by ECC to RBC, and any deficiency claim related from the disclaimer of a lease to CWB National Leasing.

40. The proposed uses of the funds sourced in the refinancing are as follows:

a. RBC – Repayment of the RBC mortgage on 26 Lakeview Drive with a balance outstanding as at March 7, 2023 of $240,103. It is anticipated that RBC would be paid in full;

b. CRA – Payment of the estimated $15,065 in corporate income tax and $19,402 in HST owing. It is anticipated that CRA would be paid in full; and

c. Unsecured creditors – The Company's accountant has advised that the only known unsecured claim of FCG is $1,725 owing to the accountant. It is anticipated that this claim will be paid in full.

41. The Monitor has been advised by FGC that CWB's deficiency claim, if any, and the unlimited guarantee provided by FGC to RBC in respect to the debt owing by ECC to RBC, has been settled. They are not expected to file a claim in the plan of arrangement. This will be confirmed through the proposed claims process.

42. A schedule of the contemplated distribution is attached hereto as **Appendix "G"**.

43. Highlights of the proposed plan of arrangement are:

a. Repayment of the secured claim to RBC in the amount of $240,103;

b. Repayment to CRA and other unsecured creditors in full;

c. Should unsecured creditors come forward in the claims process, the unsecured creditors will share in the pool created for unsecured creditors which totals $54,897;

d. The costs of the plan of arrangement, estimated to be $20,000, is to be funded by FGC with proceeds from the refinancing;

44. The form of the proposed claims procedure order and meeting order is reasonable and consistent with other orders issued in CCAA proceedings. Assuming the Court grants the order on November 6, 2023, the proposed timeline would be as follows:

a. By November 9, 2023, send all creditors a creditors package including the Claims Procedure Order, a proof of claim and instructions letter;

b. By November 13, 2023 have the advertisement posted in the Evening Telegram;

c. Claims bar date of December 6, 2023. This given creditors 30 days to submit a proof of claim to the Monitor. The Monitor believe this period is fair as the pool of creditors is known, and no other creditors of FGC have identified themselves during the proceeding; and

d. Creditor meeting on December 14, 2023.

45. The plan of arrangement and process contemplates that FGC will advance the total required funds of $296,295 to the Monitor who will in turn, evaluate any claims (with the assistance of FGC), and seek a distribution order on completion of the claims process.

46. The Monitor supports FGC's proposed plan of arrangement are it contemplates the payout of the secured creditor RBC for its balance outstanding as of March 7, 2023, repayment of amounts owing to CRA, and the repayment of all known unsecured claims.

Canada Revenue Agency

47. The Company continues to file and remit to CRA in the normal course for HST and payroll remittances. All payroll and HST payable since July 20, 2022, has been remitted.

48. The Monitor is unaware of any issues with statutory reporting to CRA.

Revised Cash Flow Forecast

49. The Revised Cash Flow Forecast has been prepared through to February 28, 2024 and is attached as **Appendix "H"**.

50. The Company has advised that it continues to pay all post filing expenses in the normal course and will do so for expenses incurred to the date of closing.

51. The revised cash flow forecast projects the Company will have no further operations post-closing except to complete the distribution of funds to creditors, and to complete the Claims Process. The cost of the claims process is being funded by the balances owing, and the FGC proposed plan of arrangement provides for funding of that process. The estate has funding to complete the administration of the CCAA.

52. The revised cash flow forecast has been prepared by the Company using probable and hypothetical assumptions set out therein (the "**Probable and Hypothetical Assumptions**").

53. Section 23(1)(b) of the CCAA states that the Monitor is to review the revised cash flow forecast for reasonableness. The Monitor has reviewed the revised cash flow forecast based on the actual expenses incurred since the date of the Initial Order and the Company's forecasted operations. The Monitor is of the opinion that the revised cash flow forecast is reasonable in all material respects:

   a. The Probable and Hypothetical Assumptions are consistent with the purpose of the revised cash flow forecast;

   b. As at the date of this Ninth Report, the Probable and Hypothetical Assumptions developed by the Company are suitably supported and consistent with the

Company’s plans and provide a reasonable basis for the revised cash flow forecast;

54. The revised cash flow forecast reflects the Probable and Hypothetical Assumptions.

Claims Process Update

55. As described in the Fifth Report, the Court granted the Claims Procedure Order on March 17, 2023. The Monitor solicited proofs of claim from claimants identified on the Company’s books as withholding monies otherwise due to the Company such as holdbacks, liquidated damage claims, and forced account claims, and from CRA in respect of its deemed trust claim in ECC.

56. The Claims Procedure Order set a Claims Bar Date of 5:00 PM Newfoundland Standard Time on March 27, 2023. Claims are to be received by the Monitor by that date. The claim form and submission instructions are included in the Claims Procedure Order.

57. The updated status of the claims identified in the Claims Procedure Order is indicated below:

Claimant	Date Filed	Time Filed (NL)	Status	Claim Amount	Decision
Town of Bryant's Cove	N/A	N/A	Settled	N/A	N/A
Town of Fox Harbour	N/A	N/A	Settled	N/A	N/A
Government of Newfoundland & Labrador					
Contract 46-21	27-Mar-23	6:12 PM	Claim Filed	128,606.18	
Contract 45-20	27-Mar-23	6:12 PM	Claim Filed	423,086.09	O/S
Contract 12-21	27-Mar-23	6:12 PM	Claim Filed	164,120.72	
Town of Deer Lake			Complete	59,279.20	Decision made by the Court
Rodco Mechanical (2014) Ltd.			Claim Filed	149,503.01	Settled
Canada Revenue Agency	14-Mar-23	3:09 PM			
ECC			Claim Filed	2,127,872.52	Admitted
Placentia Water Line Project	31-Jul-23		Under Appeal	237,785.00	Monitors decision appealed.

a. The Government of Newfoundland & Labrador has filed claims related to three contracts for amounts owing to ECC for holdbacks and Liquidated Damages that cover the entirety of the amount the Company is seeking, being $896,417.37. The Monitor’s review of the claims is ongoing.

b. The Town of Deer Lake has paid the Monitor the amount of the holdback and prejudgement interest. It has not paid the Company, Monitor, and their respective legal counsels’ costs which have been submitted for payment. The taxation of the cost is being completed the week ending November 3, 2023. The total costs claimed is approximately $81,362. The decision, and payment, of the cost award remains outstanding.

c. The Town of Placentia Water Project claim was decided by the Monitor in favour of CRA and was appealed by Western Surety. The appeal hearing is set for February 7, 2024.

Distributions to Creditors

FGC

58. As noted above, FGC intends to file a plan of arrangement with its creditors and has sourced financing from a private lender in the amount of $315,000.

59. FGC seeks an order to make distributions to RBC for the mortgage on 26 Lakeview Drive in the following amounts:

a. RBC – Repayment of the RBC mortgage on 26 Lakeview Drive with a balance outstanding as at March 7, 2023 of $240,103. It is anticipated that RBC would be paid in full.

Classic

60. As reported in the Monitor's Seventh Report, the Monitor received $364,608.18 from the sale of the condominium located at 35 Bonaventure Avenue, Unit 121.

61. ECC seeks an order to make distributions to the CRA on account of their deemed trust claim for source deductions against Classic in the amount of $347,742.63. The deemed trust claim is attached hereto as **Appendix "I"**.

62. The residual amount, $20,456 plus any accrued interest, to be paid to ECC on account of costs incurred for the CCAA proceeding. ECC has been funding the ongoing CCAA proceeding.

Debtors' Conduct

63. The Monitor is of the opinion that the Company and stakeholders continue to act with due diligence and in good faith.

Material Adverse Change

64. The Monitor is not aware of any issue or condition that could be considered a material adverse change pursuant to section 23(1)(d) of the CCAA.

65. The Monitor continues to be of the opinion that section 23(1)(h) does NOT apply and it would be more beneficial to the Company's creditors to continue with the Company's partial liquidation within the CCAA proceeding.

Monitor's Activities

66. The Monitor's activities since the date of the last report include:

a. Communications to secured creditors (RBC and CRA) and lessors, Western Surety, PNL, various customers and unsecured creditors, including their advisors;

b. Continuing discussions with the Stalking Horse Bidder, Pillar, and assisting the Company and the Stalking Horse Bidder assemble the information required to satisfy the conditions precedent, respond to queries as made and participate in various calls and communications. Generally, assist the parties towards closing;

c. Assist the Company, the Court, and claimants concerning the holdback from the Town of Placentia water project and its appeal;

d. Draft submissions, attend, and participate in the taxation of the costs associated with the Town of Deer Lake Claim;

e. Assist FGC in drafting a proposed plan of arrangement;

f. Working with the Company's management and legal counsel to:

    i. assist in cash flow reporting;

    ii. cash flow monitoring;

    iii. monitor the reporting of and payment of statutory remittances (CRA and WCB NL);

    iv. work with stakeholders to assist in the resolution of disputes for the benefit of the estates' stakeholders;

    v. various correspondence with stakeholders in relation to the Claims Procedure Order and attended various hearings on same; and

    vi. the preparation of the Monitor's Reports as required by the various Court Orders in this proceeding.

Request for Extension of Stay Period

67. The Stay Period currently expires on November 15, 2023.

68. The Company is requesting of this Court an extension of the Stay Period to February 28, 2024 to allow for the distribution of funds from the sale of EC and H&E, and to complete the Claims Process.

69. As demonstrated in the revised cash flow forecast, the Company is forecasting sufficient liquidity to fund operations, the costs of the CCAA proceeding, through the end of the requested extension of the Stay Period.

Recommendation

70. For the reasons set out in this Tenth Report, the Monitor is of the view that the relief requested is reasonable and respectfully recommends that this Court approve the:

a. Request to extend the Stay Period to February 28, 2024;
b. The requested claims procedure order and meeting order for the FGC proposed plan of arrangement;
c. The proposed distributions to CRA and RBC listed above;

Dated at Halifax, Nova Scotia the 3rd day of November 2023.

GRANT THORNTON LIMITED, in its capacity as Monitor of ***EDWARD COLLINS CONTRACTING LIMITED, H & E DESIGNS LTD., CLASSIC SECURITY LTD., FGC HOLDINGS LTD. AND 51037 NEWFOUNDLAND & LABRADOR INC.*** and not in its personal capacity

Per: ________________________________
Name: Phil Clarke, CPA, CA, CIRP, LIT
Title: Senior Vice President

Appendix “A”

2022 01G 1964
IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR
IN BANKRUPTCY AND INSOLVENCY

SEP 25 '23 12:1

IN THE MATTER OF the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "***CCAA***")

AND IN THE MATTER OF an application of Edward Collins Contracting Limited, Classic Security Ltd., FGC Holdings Ltd., 51037 Newfoundland and Labrador Inc. and H & E Designs Ltd. (collectively, "**ECC**" or the "**Company**").

SALES, INVESTMENT AND SOLICITION PROCESS ORDER (INCLUDING EXTENSION TO THE S.11 STAY ORDER)

Before the Honourable Justice Alexander MacDonald on June 16, 2023:

THIS APPLICATION made by Edward Collins Contracting Limited, Classic Security Ltd., FGC Holdings Ltd., 51037 Newfoundland and Labrador Inc. and H & E Designs Ltd. (collectively, "**ECC**" or the **"Applicant"**) pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the **"*CCAA*"**) for a sales, investment and solicitation process order (a "**SISP Order**") pursuant to an application that was heard on 24 May, 2023 and 16 June 2023.

ON READING the affidavits of Josh Collins and the Exhibits attached thereto, the Seventh Report of Grant Thornton Limited (**"GTL"**) as Court appointed monitor of ECC (in such capacity, the **"Monitor"**);

ON HEARING the submissions of counsel for the Company, counsel for the Royal Bank of Canada, and counsel for the Canada Revenue Agency, and such other counsel that were present, no one else appearing for any party.

Capital terms not otherwise defined herein shall have the meaning ascribed to them in the within Application or the ARIO.

	Filed	Sept 26 23

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Materials filed, is hereby deemed adequate notice so that this Application is properly returnable today and hereby dispenses with further service thereof. Further service of Court materials, including the Materials, may be facilitated by the Monitor as prescribed by the amended and restated initial order dated 17 October 2022 (the "**ARIO**").

SALE PROCESS

2. **THIS COURT ORDERS** that the Sale Process attached as **Schedule "A"** to this Order is hereby approved (the "**Sale Process**").

3. **THIS COURT ORDERS** that the Company and the Monitor are hereby authorized and empowered to take such steps as are necessary or desirable to carry out and perform their obligations under the Sale Process, provided that any definitive agreement to be executed by the Applicants in respect of the sale of all or part of the assets, rights, undertakings and properties of the Applicants, of every nature and kind whatsoever, and wherever situated, including all proceeds thereof shall require further approval of the Court.

4. **THIS COURT ORDERS** that the Applicants and the Monitor are authorized and directed to enter into the stalking horse asset purchase agreement dated 17 May 2023 (the "**Stalking Horse Agreement**") between the Applicants and **92712 Newfoundland & Labrador Inc.** (the "**Stalking Horse Bidder**"), and the Stalking Horse Agreement is hereby approved and accepted for the purpose of conducting the Sale Process.

5. **THIS COURT ORDERS** that the Monitor shall incur no liability or obligation because of assisting the Applicants with the carrying out of the Sale Process or the provisions of this Order, save and except for gross negligence or willful misconduct on its part.

EXTENSION TO STAY

6. **THIS COURT ORDERS** that until and including the 14 September 2023, or such later date as this Court may order (the **"Stay Period"**), no proceeding or enforcement process in any

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

ISSUED at St. John's, Newfoundland and Labrador this 16 day of June, 2023.

COURT OFFICER

SCHEDULE "A"
SISP Procedure

STALKING HORSE SALE PROCESS ("SALE PROCESS")

For the sale of the business of Edward Collins Contracting Ltd. ("ECC"), and H & E Designs Ltd. (collectively, the "Company")

Overview of the Company

1. The Company's main operating entity, ECC, was created in 1974 and for 48 years has operated in the heavy civil construction industry. The Company's expertise includes road building, commercial site and subdivision development, water and sewer installation, ditching, culvert installation and subgrade road work, and heavy equipment rentals. The Company operates across Newfoundland and Labrador and does not have any operations or assets outside Newfoundland and Labrador. (the "**Business**").

2. The Company obtained protection under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the "**CCAA**") pursuant to an Amended and Restated Initial Order (the "**ARIO**") granted by the Supreme Court of Newfoundland and Labrador in Bankruptcy and Insolvency (the "**Court**") on October 17, 2022.

3. Pursuant to the ARIO, Grant Thornton Limited. was appointed as monitor (the "**Monitor**") in order to assist the Company with its restructuring.

4. To effectuate a restructuring, the Company has entered into a Stalking Horse Share Purchase Agreement with **92712 Newfoundland & Labrador Inc.** (the "**Stalking Horse Purchaser**"), dated May 17, 2023 (the "**Stalking Horse Agreement**"), pursuant to which the Stalking Horse Purchaser has agreed to acquire the Company, including its Business and to assume certain of the liabilities of the Company (the "**Purchased Entities**").

5. The Stalking Horse Agreement as well as these sale procedures were approved by Order of the Court on June 16, 2023 (the "**Sale Process Order**").

6. All capitalized terms contained herein, but not otherwise defined herein, shall have the meanings ascribed thereto in the Stalking Horse Agreement to which this schedule is appended.

Objectives and Commencement of the Sale Process

7. The objective of the Sale Process is to obtain offers to effect a sale of the Purchased Entities' Business, including their property, assets, and undertakings (the "**Assets**") on a going concern basis for an amount and on terms which are superior to the transaction contemplated by the Stalking Horse Agreement (the "**Stalking Horse Bid**").

8. The roles and responsibilities of the Monitor are described in further detail throughout this Sale Process, however, the Monitor's role herein does not include managing, operating, or taking possession or control of the Purchased Entities' Business and/or Assets.

9. Any transaction consummated pursuant to this Sale Process will be on an "as is, where is" basis and without surviving representations or warranties of any kind, nature or description by the Monitor, the Company, or any of their respective directors, officers, agents, advisors, or other representatives unless otherwise agreed in a definitive agreement.

10. All of the shares of the Purchased Entities including their Assets sold pursuant to any transaction(s) contemplated herein will be sold free and clear of all liens, security interests, mortgages, charges, and other encumbrances, except those expressly assumed by the purchaser, pursuant to a Court order approving such sale.

Timeline

11. The following table sets out the key milestones and deadlines under the Sale Process, which milestones and deadlines may be extended or amended by the Monitor, in its discretion:

Milestone	Deadline
Phase 1	
Application for the Sale Process Approval	June 16, 2023
Commencement of the Marketing including Teaser Letter and CIM for Due Diligence	June 23, 2023
Phase 1 Bid Deadline	July 26, 2023
Phase 2	
Further Due Diligence, including data room, site visits, management meetings, etc.	July 27, 2023
Due Diligence Period Closes	August 10, 2023
Phase 2 Bid Deadline	August 11, 2023
Notification of Auction (if applicable)	Two days after the Phase 2 Bid Deadline
Auction (if applicable)	Fives days after the Phase 2 Bid Deadline
Selection of Successful Bid (assuming Auction)	Five days after the Phase 2 Bid Deadline
Schedule the Sale Approval Hearing	As soon as reasonably practical following the execution and delivery of the Successful Bid
Closing Date Deadline	No later than 7 days following Court approval of the Successful Bid

12. Any extensions or amendments (other than the Closing Date Deadline) shall be communicated to all bidders in writing and posted on the Monitor's Website at: www.grantthornton.ca/ECC

13. The Monitor may make any modification to the Sale Process it considers appropriate in the circumstance and, where it considers such modification to be material, it may seek Court approval of such modification on notice to parties in the CCAA proceeding.

Solicitation of Interest: Notice of Sale Process

14. The Monitor shall be entitled, but not obligated, to arrange for a notice to be published in any newspaper or industry journal as the Monitor considers appropriate if it believes that such advertisement would be useful in the circumstances.

15. The Monitor, with the assistance of the Company, shall prepare:

(a) a list of potential buyers ("**Interested Parties**");

(b) an initial offering summary ("**Teaser Letter**");

(c) a form of non-disclosure agreement ("**NDA**");

(d) a confidential information memorandum describing the opportunity ("**CIM**");

(e) an electronic data room ("**Data Room**"); and

(f) the Stalking Horse Agreement for use and markup by Interested Parties.

16. The Monitor will have responsibility for managing all communication with Interested Parties prior to and after receipt of binding offers ("**Offers**"). This shall include facilitating the delivery of all communications, contacting prospective bidders and providing them with the Teaser Letter and CIM, coordinating the execution of NDAs, facilitating any requests for tours of the facilities, managing the process of answering inquiries from prospective bidders, coordinating any presentations that may be requested by Potential Bidders (defined below), soliciting and tracking all Offers, and reviewing and negotiating transaction documentation.

17. The Monitor will send the Teaser Letter and the form of NDA to all applicable Interested Parties as soon as reasonably practicable after granting the Sale Process Order and to any other Interested Party who requests a copy of the Teaser Letter and NDA, or who is identified by the Company or the Monitor as an Interested Party, as soon as reasonably practicable after such request or identification, as applicable.

Sale Process – Phase 1

18. During Phase 1 of the Sale Process, the Monitor, with the assistance of the Company, will solicit non-binding letters of intent from Interested Parties to acquire the Business and/or Assets and/or assume liabilities of the Purchased Entities.

19. Any Interested Party who wishes to participate in the Sale Process must provide to the Monitor:

(a) an NDA executed by it, and a letter setting forth the identity of the Interested Party, the contact information for such Interested Party, and full disclosure of the direct and indirect principals of the Interested Party. The NDA shall include an acknowledgement of the Sale Process terms; and

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(b) if the Monitor considers it necessary, such form of financial disclosure that allows the Monitor to make a reasonable determination as to the Interested Party's financial and other capabilities to consummate a sale transaction.

20. If an Interested Party: (i) has delivered an executed NDA; and (ii) has provided the Monitor with satisfactory evidence of its capability based on the availability of financing, its experience, and other considerations, to be able to consummate a sale transaction pursuant to the Sale Process, then such Interested Party will be determined by the Monitor to be a "**Potential Bidder**". The Stalking Horse Purchaser shall be deemed to be a Potential Bidder.

21. The Monitor will provide each Potential Bidder with a copy of the CIM and access to the Data Room. Potential Bidders must rely solely on their own independent review, investigation, and/or inspection of all information and of the Business and/or Assets in connection with their participation in the Sale Process and any transaction they enter into with the Purchased Entities. The Company, the Monitor, and their respective directors, officers, agents and advisors make no representation or warranty whatsoever as to the information (including, without limitation, with respect to its accuracy or completeness): (i) contained in the CIM or the Data Room; (ii) provided through the due diligence process or otherwise made available pursuant to the Sale Process; or (iii) otherwise made available to a Potential Bidder except to the extent contemplated in any definitive documentation duly executed and delivered by the Successful Bidder (as defined below) duly executed by the Purchased Entities and approved by the Court.

22. At any time during the Sale Process, the Monitor may, in its reasonable business judgment, eliminate a Potential Bidder from the Sale Process, in which case such party will no longer be a Potential Bidder for the purposes of the Sale Process.

23. The Monitor shall afford each Potential Bidder such access to applicable due diligence materials and information pertaining to the Business and the Assets of the Purchased Entities as the Monitor deems appropriate in its reasonable business judgment. Due diligence access may include access to the Data Room, on-site inspections, and other matters which a Potential Bidder may reasonably request and which the Monitor deems appropriate. The Monitor will designate one or more representatives to coordinate all reasonable requests for additional information and due diligence access from each Potential Bidder and the manner in which such requests must be communicated.

24. The Monitor shall not be obligated to furnish any information relating to the Business or the Assets to any person other than to Potential Bidders. For the avoidance of doubt, selected due diligence materials may be withheld from certain Potential Bidders, if the Monitor in consultation with the Company determines such information to represent proprietary or sensitive competitive information related to the Business and/or the Assets of the Purchased Entities that should not be provided to a Potential Bidder.

Phase 1 Bid Deadline

25. Bidders that wish to make a formal binding Offer pursuant to the Sale Process must submit by email a non-binding letter of intent (a "**Phase 1 Bid**") so as to be received by the Monitor

not later than 5:00 PM (Saint John's Time) on June 30, 2023 (the "**Phase 1 Bid Deadline**"), with a copy to each of the persons specified in Schedule "B" hereto.

26. A Phase 1 Bid will be considered a "**Qualified Phase 1 Bid**" only if (collectively, the "**Phase 1 Bid Criteria**"):

(a) it is submitted on or before the Phase 1 Bid Deadline;

(b) it is accompanied by a letter setting forth:

(i) the identity of the bidder and full disclosure of any entities and/or individuals that control the bidder; and/or the beneficial owner (if any) with the power, directly or indirectly to cause the direction of the management and policies of the bidder;

(ii) a specific indication of the sources of debt and equity (as applicable) capital/financing for the transaction and preliminary evidence of the sources of financing of the purchase price, the availability of such financing, steps necessary and timing to obtain such financing, and any related contingencies and financial information that would allow the Monitor to make a reasonable determination as to the bidder's financial capabilities to consummate the transaction;

(iii) include written evidence, in form and substance reasonably satisfactory to the Monitor, of authorization and approval from the bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the Phase 1 Bid;

(iv) a statement that the bidder expects to be able to consummate a sale transaction pursuant to the Sale Process on or before the Closing Date Deadline (as defined herein); and

(v) such other information as reasonably requested by the Monitor, in consultation with the Company;

(c) the Phase 1 Bid identifies or contains the following;

(i) the purchase price in Canadian dollars, including details of all Assets to be purchased and liabilities to be assumed by the bidder. The purchase price must be in an amount that is at least $250,000 in cash in excess of the purchase price contained in the Stalking Horse Agreement, or is otherwise a better offer than the offer contemplated under the Stalking Horse Agreement (a "**Superior Offer**");

(ii) any anticipated approvals and consents required to close the transaction and any anticipated impediments to such approvals or consents;

(iii) specific due diligence required to be conducted during Phase 2, if any;

(iv) all conditions to Closing sought by the bidder; and

(v) any other terms or conditions that the bidder believes are material to the transaction.

27. The Monitor may, if it deems appropriate or desirable in the circumstances, modify or amend the Phase 1 Bid Criteria.

Assessment of Phase 1 Bids

28. Promptly after the Phase 1 Bid Deadline, the Monitor, in consultation with the Company:

(a) will review and assess the Phase 1 Bids to determine whether they are qualified (such qualified bids being the "**Qualified Phase 1 Bids**" and the bidder thereof, a "**Qualified Phase 1 Bidder**"); and

(b) may request clarification of the terms of the Phase 1 Bids.

29. In assessing whether the Phase 1 Bids received are Qualified Phase 1 Bids, the Monitor, in consultation with the Company, will consider, among other things, the following:

(a) whether they meet the Phase 1 Bid Criteria;

(b) the form and amount of consideration being offered, including any purchase price adjustments and/or any non-cash consideration;

(c) the demonstrated financial capability of the bidder to consummate the proposed transaction;

(d) the conditions to closing of the proposed transaction; and

(e) the estimated time required to complete the proposed transaction and whether, in the Monitor's reasonable business judgment, the transaction is reasonably likely to close on or before the Closing Date Deadline.

30. Notwithstanding anything herein to the contrary, the offer represented by the Stalking Horse Agreement shall be deemed to be a Qualified Phase 1 Bid and a Qualified Phase 2 Bid for all purposes under, and at all times in connection with, this Sales Process.

31. If the Monitor, after consultation with the Company determines that no Qualified Phase 1 Bid has been received other than the Stalking Horse Agreement, the Monitor shall be authorized to terminate the Sale Process, in which case, the Stalking Horse Agreement will be deemed to be the Successful Bid (as defined below).

32. If the Monitor, after consultation with the Company determines that two or more Qualified Phase 1 Bids are received, including the Stalking Horse Agreement, then the Sale Process shall proceed to Phase 2.

Sale Process- Phase 2

33. During Phase 2 of the Sale Process, each Qualified Phase 1 Bidder will be granted further access to such due diligence materials and information as the Monitor, in its reasonable business judgment and in consultation with the Company, determines is appropriate and available.

Phase 2 Bid Deadline, Phase 2 Bids and Removal of Conditions

34. Qualified Phase 1 Bidders that wish to make a formal binding Offer pursuant to the Sale Process (a "**Phase 2 Bid**") must submit by email such Offer so as to be received by the Monitor not later than 5:00 PM (Saint John's Time) on July 15, 2023 (the "**Phase 2 Bid Deadline**"), with a copy to each of the persons specified in Schedule "B" hereto.

35. In order to be considered a "**Qualified Phase 2 Bid**", the offer shall (collectively, the "**Phase 2 Bid Criteria**"):

(a) be a Superior Offer;

(b) include a sealed, duly authorized and executed, definitive purchase agreement consistent with the form of the Stalking Horse Agreement, together with all completed schedules thereto, containing the detailed terms and conditions of the proposed transaction, the obligations to be assumed, the purchase price for the Business proposed to be acquired, the detailed structure and financing of the proposed transaction, and a blackline comparing the purchase agreement submitted to the Stalking Horse Agreement;

(c) be binding and irrevocable until the earlier of: (i) 30 days after the Phase 2 Bid Deadline, and (ii) approval by the Court of the Successful Bid;

(d) include a non-refundable cash deposit in the form of a wire transfer (to a bank account specified by the Monitor or such other form of deposit as is acceptable to the Monitor), payable to the Monitor, in trust, in an amount equal to 10% of the purchase price contemplated by the Bid (the "**Deposit**"). All Deposits submitted by bidders who did not submit the Successful Bid shall be returned, without interest, as soon as practicable following the date on which any such offers are rejected hereunder. The Deposit forming part of the Successful Bid shall be dealt with in accordance with the asset purchase agreement submitted by the Successful Bidder;

(e) include acknowledgments and representations of the bidder that: (i) it has had an opportunity to conduct any and all due diligence regarding the Business and/or Assets, the Purchased Entities, or otherwise, prior to making its bid; (ii) it has relied solely upon its own independent review, investigation and/or inspection of the Business and/or Assets (including, without limitation, any documents in connection therewith) in making its bid; and (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory, or otherwise, regarding the Business and the Assets or the Purchased Entities or the completeness of any information provided in connection therewith, except as expressly contemplated in any definitive documentation duly executed by the Successful Bidder and the Purchased Entities and approved by the Court;

(f) not be subject to further due diligence;

(g) not be subject to financing;

(h) includes a description of any regulatory or other third-party approvals required to consummate the proposed transaction, if any, and the time period within which the bidder expects to receive such regulatory and/or third-party approvals, and those actions the bidder will take to ensure receipt of such approvals as promptly as possible;

(i) include a description of any desired arrangements with respect to transition services that may be required from the Company in connection with the transaction, including funding for same; not be subject to any conditions precedent except those that are customary in a transaction of this nature; not be conditional upon approval by the Court of any bid protection, such as a break-up fee, termination fee, expense reimbursement or similar type of payment; and

(j) be received by the Phase 2 Bid Deadline; and contemplate closing the transaction set out therein no later than seven days following Court approval of the Successful Bid (the "**Closing Date Deadline**").

36. The Monitor may, if it deems appropriate or desirable in the circumstances, modify or amend the Phase 2 Bid Criteria.

Selection of Successful Bidders

37. Following the Phase 2 Bid Deadline, the Monitor will determine if each Phase 2 Bid delivered to the Monitor meets the Phase 2 Bid Criteria, provided that each Phase 2 Bid may be negotiated among the Monitor and the applicable bidder and may be amended, modified or varied to improve such Phase 2 Bid as a result of such negotiations. The Monitor shall be under no obligation to negotiate identical terms with, or extend identical terms to, each bidder.

38. If a Phase 2 Bid meets the Phase 2 Bid Criteria, as determined by the Monitor in its sole discretion in consultation with the Company, such Phase 2 Bid will be deemed to be a Qualified Phase 2 Bid and the bidder in respect of each such Qualified Phase 2 Bid shall be a "**Qualified Bidder**" in respect to the Sale Process.

39. If no Qualified Phase 2 Bid (other than the Stalking Horse Bid) is received by the Phase 2 Bid Deadline, the Stalking Horse Bid shall be deemed the Successful Bid (defined below).

40. If more than two Qualified Phase 2 Bid are received by the Phase 2 Bid Deadline the Monitor shall extend invitations by email by 10:00 a.m. on the second business day after the Phase 2 Bid Deadline to the Qualified Bidders and to the Stalking Horse Purchaser to attend an auction (the "**Auction**"). The Auction shall be held at 10:00 a.m. on the fifth business day after the Phase 2 Bid Deadline at the offices of the Monitor or by teleconference, video conference, or other form of electronic telecommunications, as the Monitor may deem fit.

41. The Monitor shall conduct the Auction. At the Auction, the bidding shall begin initially with the highest Qualified Bid, and subsequently continue in multiples of $100,000, or such other amount as the Monitor determines to facilitate the Auction. Additional consideration in excess of the amount set forth in the highest Qualified Bid must be comprised only of cash consideration. The format and other procedures for the Auction shall be determined by the Monitor in its sole discretion.

42. The successful bid (the "**Successful Bid**") by the successful Bidder (the "**Successful Bidder**") shall be, either:

(a) in the event that no Qualified Phase 1 Bid other than the Stalking Horse Bid is received by the Phase 1 Bid Deadline, the Stalking Horse Agreement;

(b) in the event that no Qualified Phase 2 Bid other than the Stalking Horse Bid is received by the Phase 2 Bid Deadline, the Stalking Horse Agreement; or

(c) in the event that multiple Qualified Phase 2 Bids are received, following the conclusion of the Auction, the Qualified Bidder submitting the highest and/or best offer through the Auction.

Sale Approval Hearing

43. At the hearing of the motion to approve any transaction with a Successful Bidder (the "**Sale Approval Hearing**"), the Company shall seek, among other things, approval from the Court to consummate any Successful Bid. All the Qualified Phase 2 Bids other than the Successful Bid, if any, shall be deemed to be rejected on and as of the date of approval of the Successful Bid by the Court.

Confidentiality and Access to Information

44. Each Interested Party and Qualified Bidder shall not be permitted to receive any confidential or competitive information that is not made generally available to all participants in the Sale Process relating the number or identity of bidders. The details of any Bids submitted or the details or existence of any confidential discussions or correspondence among the Company, the Monitor, and any bidder in connection with the Sale Process.

45. The Stalking Horse Purchaser shall not be entitled to review, or in any way be involved in, the consideration, negotiation, or selection of any Qualified Bid or the Successful Bid.

Supervision of the Sale Process

46. Subject to any consultation rights and other similar rights provided for herein, the Monitor will conduct the Sale Process in the manner set out herein and in the Sale Process Order. All discussions or inquiries to the Company regarding the Sale Process shall be directed to the Monitor. Under no circumstances should a representative of the Company be contacted directly or indirectly in respect of the Sale Process, including diligence requests, without the prior written consent of the Monitor. Any such unauthorized contact or communication could result in exclusion from the Sale Process, in the Monitor's sole discretion.

47. The Company and its principals, employees and professional advisors shall cooperate fully with the Monitor and provide documents and information requested as part of the Sale Process to the Monitor in a prompt fashion.

48. Other than as specifically set forth in a definitive agreement between the Company and a Successful Bidder, the Sale Process does not, and will not be interpreted to, create any contractual or other legal relationship among the Company, the Monitor, any Interested Party, any Qualified Bidder, the Successful Bidder, or any other party.

49. Neither the Company nor the Monitor shall be liable for any claim for a brokerage commission, finder's fee or like payment in respect of the consummation of any of the transactions consummated under the Sale Process. Any such claim shall be the sole

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liability of the bidder that consummates a transaction under the Sale Process pursuant to which the claim is being made.

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Appendix “B”

2022 01G 1964
IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF the Companies Creditor Arrangement Act, R.S.C. 1985 c.C-36 as amended (the "**CCAA**")

AND IN THE MATTER OF an application of Edward Collins Contracting Ltd., Classic Security Limited, 51037 Newfoundland and Labrador Inc., and H & E Designs Ltd. (collectively "**ECC**" or the "**Company**")

ORDER

Before the Honourable Justice Alexander MacDonald on September 29, 2023:

UPON HEARING counsel for ECC, and other counsel appearing for the other parties, each party as set out in the attached **Schedule A** having been duly and properly served with notice of the within application as set out in the affidavit of Melissa De Caria dated 21 September 2023.

AND UPON HEARING the Applicant's motion for the following relief, the Applicant seeks:

(a) an order abridging the notice periods pursuant to Section 11 of the CCAA and the *Rules of the Supreme Court, 1986,* Rule 3.03(1), Rule 6.04(2) and Rule 6.06;

(b) an order pursuant to Section 11 of the CCAA, directing that the service on the service list set out in **Schedule A** hereto is sufficient for the purposes of this application;

(c) An order providing for, among other things:

(i) approval of the sale of substantially all the assets of ECC and H&E (the "**ECC Vendors**") to 92712 Newfoundland & Labrador Inc. (the "**Purchaser**") pursuant to an asset purchase agreement dated 17 May 2023 (the "**Asset Purchase Agreement**"), and authorizing and directing the ECC Group to take such additional steps and execute such additional documents as may be necessary or desirable for the

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completion of the sale contemplated in the Asset Purchase Agreement;

(ii) granting a release in favour of the ECC Vendors and Universal Environmental Services Inc (the "**Third Party Sponsor**"), as well as each of their directors, officers, employees and advisors, the Monitor and its advisors, and the Purchaser and its directors, officers, and advisors, all as described in detail below and set out in the draft Order;

(iii) amending the Further Amended and Restated Initial Order dated 17 October 2022 (the "**ARIO**"), to extend the stay of proceedings until 31 October 2023;

(iv) accepting and approving the Monitor's 9th Report, dated 21 September 2023, and the activities of the Monitor as described therein; and

(v) such further and other relief as counsel may advise and this Court deems just.

AND UPON READING the materials filed by the Applicant, including the affidavit of Josh Collins dated 20 September 2023 (the "**Collins Affidavit'**), and materials filed by the Monitor, including the Monitor's Ninth Report, dated 21 September 2023, and on being advised that the senior secured creditors who are likely to be affected by this Order were given notice as evidenced by the affidavit of service of Melissa De Caria referred to in the preamble above;

SERVICE

2. **THIS COURT ORDERS** that the time for service of the Applicant's motion is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

DEFINITIONS

1. **THIS COURT ORDERS** that, unless otherwise indicated or defined herein, capitalized terms used in this Order shall have the meanings given to them in the Asset Purchase Agreement, the Initial Order, the ARIO, or the Collins Affidavit filed 21 September

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2023.

STAY PERIOD

2. **THIS COURT ORDERS** that the Stay Period, as defined in the ARIO dated 31 September 2023 is hereby extended until 31 October 2023.

APPROVAL AND VESTING

3. **THIS COURT ORDERS** that the Asset Purchase Agreement and the transactions contemplated thereunder are hereby approved and the execution of the Asset Purchase Agreement is hereby authorized and approved, with such minor amendments as the ECC Vendors and/or Purchaser may deem necessary or otherwise agree to, with the approval of the Monitor. The ECC Vendors are hereby authorized and directed to perform their respective obligations under the Asset Purchase Agreement and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the transactions contemplated thereunder, and any such additional documents contemplated in the Asset Purchase Agreement.

4. **THIS COURT ORDERS** that notwithstanding any provision hereof, the closing of the Asset Purchase Agreement, with such alterations, changes or amendments as may be agreed to by the ECC Vendors and the Purchaser, with the consent of the Monitor, provided that such alterations, changes or amendments do not materially alter or impact the transaction contemplated in the Asset Purchase Agreement and/or its applicable stakeholders will benefit from as part of the transaction contemplated thereunder.

5. **THIS COURT ORDERS** that this Order shall constitute the only authorization required by the Monitor and the ECC Vendors to proceed with the transactions and the Asset Purchase Agreement and that no shareholder or other approval shall be required by the ECC Vendors in connection therewith.

6. **THIS COURT ORDERS** that, at the time of the delivery of the Monitor's certificate (the

"**Monitor's Certificate**") to the ECC Vendors and the Purchaser (the "**Effective Time**"), substantially in the form attached as **Schedule A** hereto, the following shall occur:

(a) all of the right, title and interest in and to the Purchased Assets shall vest absolutely in the Purchaser, in each case free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens (maritime or otherwise), executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or all Charges (as defined in the Initial Order and ARIO) charges created by the Initial Order, the ARIO, or any other Order of the Court; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Newfoundland and Labrador), or any other personal property registry system or pursuant to the *Registration of Deeds Act, 2009* (Newfoundland and Labrador), the *Mechanics' Lien Act* (Newfoundland and Labrador) or the *Mineral Act* (Newfoundland and Labrador) or any other real property or real property related registry or recording system (all of which are collectively referred to as the "**Encumbrances**"), and, for greater certainty, this Court orders that all Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets, as applicable, and shall be of no further force and effect.

(b) For greater certainty, with respect to confirming, amending or discharging registrations at the Registry of Deeds for Newfoundland and Labrador pursuant to the *Registration of Deeds Act, 2009* including those registrations identified in **Schedule B** shall be transferred to and become registrations of the Purchaser and extinguished as against the ECC Vendors.

7. **THIS COURT ORDERS** for greater certainty, and without limiting the generality of the foregoing that nothing contained herein shall be deemed to be a release of any obligation of the ECC Vendors in relation to any environmental liabilities arising either

before or after the Closing Date.

8. **THIS COURT ORDERS** that the Monitor may rely on written notice from the ECC Vendors and the Purchaser regarding the satisfaction of the Purchase Price and satisfaction or waiver of conditions to closing under the Asset Purchase Agreement (the "**Closing Certificates**") and shall have no liability with respect to delivery of the Monitor's Certificate.

9. **THIS COURT ORDERS** the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after receipt of the Closing Certificates.

10. **THIS COURT ORDERS** that upon the delivery of the Monitor's Certificate, and upon filing of a copy of this Order, together with any applicable registration fees, all governmental authorities and any other applicable registrar or government ministries or authorities exercising jurisdiction with respect to the ECC Vendors and the Purchased Assets (collectively, the "**Governmental Authorities**") are hereby authorized and directed to accept delivery of such Monitor's Certificate and a copy of this Order as though they were originals and to register, as applicable, such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to give effect to the terms of this Order and the Asset Purchase Agreement. Presentment of this Order and the Monitor's Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register, as applicable, transfer of title or interest and cancel and discharge registrations against any of the ECC Vendors or Purchased Assets of any Claims or Encumbrances, and the Monitor and the Purchaser are hereby specifically authorized to discharge the registrations against the ECC Vendors or the Purchased Assets, as applicable.

11. **THIS COURT ORDERS** that no authorization, approval or other action by and no notice to or filing with any Governmental Authority or regulatory body exercising jurisdiction over the ECC Vendors or the Purchased Assets is required for the due execution, delivery and performance by the ECC Vendors of the Asset Purchase Agreement.

12. **THIS COURT ORDERS** that for the purposes of determining the nature and priority

of Claims, from and after the delivery of the Monitor's Certificate, all Claims and Encumbrances shall attach to the Purchase Price, with the same priority as they had with respect to the Purchased Assets immediately prior to the sale.

13. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the ECC Vendors or the Monitor, as the case may be, is authorized, permitted, and directed to, at the Effective Time, disclose to the Purchaser all human resources and payroll information in the ECC Vendors records pertaining to past and current employees of the ECC Vendors. The Purchaser shall maintain and cause the ECC Vendors, after Closing, to maintain and protect the privacy of such information in accordance with applicable law and shall be entitled to use the personal information provided to it in a manner which is in all materials respects identical to the prior use of such information by the ECC Vendors prior to Closing.

14. **THIS COURT ORDERS** that, at the Effective Time, the ECC Vendors, the Monitor and the Purchaser shall be deemed released from any and all claims, liabilities (direct, indirect, absolute or contingent) or obligations with respect to any Taxes (including penalties and interest thereon) that relate to the ECC Vendors, including without limiting the generality of the foregoing, all taxes, penalties and interest that could be assessed against the ECC Vendors or the Purchaser (including its affiliates and any predecessor corporations) pursuant to section 160 of the *Income Tax Act* (Canada), or any provincial equivalent, in connection with the ECC Vendors, provided, as it relates to the ECC Vendors, such release shall not apply to (i) transaction taxes, or (ii) Taxes in respect of the business and operations conducted by the ECC Vendors after the Effective Time. Nothing in this paragraph shall release or discharge any Claims against Purchaser with respect to Taxes that are transferred to Purchaser.

15. **THIS COURT ORDERS** that except to the extent expressly contemplated by the Asset Purchase Agreement the Contracts to which the ECC Vendors are a party upon delivery of the Monitor's Certificate will be and remain in full force and effect upon and following delivery of the Monitor's Certificate and no individual, firm, corporation, governmental body or agency, or any other entity (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") who is a party to any such arrangement

may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, dilution or other remedy) or make any demand under or in respect of any such arrangement and no automatic termination will have any validity or effect, by reason of:

(a) any event that occurred on or prior to the delivery of the Monitor's Certificate and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of the ECC Vendors);

(b) any monetary defaults in relation to the contracts incurred on or prior to the delivery of the Monitor's Certificate;

(c) the insolvency of the ECC Vendors or the fact that the ECC Vendors sought or obtained relief under the **CCAA;**

(d) any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations, or other steps taken or effected pursuant to the Asset Purchase Agreement, the transactions contemplated thereunder, or the provisions of this Order, or any other Order of the Court in these proceedings; or

(e) any change of control of the ECC Vendors arising from the implementation of the Asset Purchase Agreement, the transactions contemplated thereunder, or the provisions of this Order.

16. **THIS COURT ORDERS** that from and after the Effective Time, all Persons shall be deemed to have waived any and all defaults of the ECC Vendors then existing or previously committed by the ECC Vendors, or caused by the ECC Vendors, directly or indirectly, or non-compliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition or obligation, expressed or implied, in any contract existing between such Person and the ECC Vendors arising directly or indirectly from the filing by the ECC Vendors under the CCAA and the implementation of the transactions contemplated under the Asset Purhase Agreement, including without limitation any of the matters or events listed in paragraph 15 hereof, and any and all notices of default and demands for payment or

any step or proceeding taken or commenced in connection therewith under a contract shall be deemed to have been rescinded and of no further force or effect, provided that nothing herein shall be deemed to excuse the ECC Vendors from performing its obligations under the Asset Purchase Agreement or be a waiver of defaults by the ECC Vendors under the Asset Purchase Agreement and the related documents.

17. **THIS COURT ORDERS** that from and after the Effective Time, any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, whether directly, derivatively or otherwise, and including without limitation, administrative hearings and orders, declarations and assessment, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against the ECC Vendors, the Purchaser, or the Purchased Assets relating in any way to or in respect of any and any other claims, obligations, and other matters which are waived, released, expunged, or discharged pursuant to this Order.

18. **THIS COURT ORDERS** that, from and after the Effective Time any Person that prior to the Effective Time had a valid right or claim against the ECC Vendors, or the Purchased Assets shall no longer have such right or claim against the ECC Vendors or the Purchaser.

19. **THIS COURT ORDERS** that, as of the Effective Time, the ECC Vendors shall cease to be an applicant in these CCAA Proceedings and the ECC Vendors shall be deemed to be released from the purview of the Initial Order, the ARIO, and all other Orders of this Court granted in these CCAA Proceedings, including all Charges, save and except for this Order the provisions of which (as they relate to the ECC Vendors) shall continue to apply in all respects.

20. **THIS COURT ORDERS** that, notwithstanding:

(a) the pendency of these CCAA Proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the BIA in respect of the ECC Vendors and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of the ECC Vendors;

(d) the provisions of any federal or provincial statutes pertaining to fraudulent preferences, assignments, fraudulent conveyances, transfers at undervalue, other reviewable transactions, or oppressive or unfairly prejudicial conduct;

the Asset Purchase Agreement, the implementation of the transactions contemplated thereunder (including without limitation the transfer and vesting of the Purchased Assets to the Purchaser) and any payments by the Purchaser authorized herein or pursuant to the Asset Purchase Agreement shall be binding on any trustee in bankruptcy that may be appointed in respect of the ECC Vendors and shall not be void or voidable by creditors of the ECC Vendors, as applicable, nor shall they constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the CCAA, the BIA or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

RELEASES

21. **THIS COURT ORDERS** that effective upon the delivery of the Monitor's Certificate to the ECC Vendors and the Purchaser: (i) ECC Venders and its current and former directors, officers, employees, legal counsel, and advisors; (ii) the Third-Party Sponsor; (iii) the Monitor and its legal counsel, and their respective present and former directors, officers, partners, employees, and advisors, and (iv) the Purchaser, its current and former directors, officers, employees, legal counsel, and advisors (the Persons listed in (i), (ii) (iii) and (iv) being collectively, the "**Released Parties**") shall be deemed to be forever irrevocably released and discharged from any and all present and future claims whatsoever (including, without limitation, claims for contribution or indemnity), liabilities, indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes, recoveries, and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) based in whole or in part on any act or omission,

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transaction, offer, investment proposal, dealing, or other fact, matter, occurrence or thing existing or taking place prior to the delivery of the Monitor's Certificate or completed pursuant to the terms of this Order and/or in connection with the Transactions solely in respect of the ECC Vendors, including their assets, business or affairs, or prior dealings with the ECC Vendors (wherever or however conducted or governed), or the administration and/or management of the ECC Vendors or these proceedings or arising in connection with the Asset Purchase Agreement, the completion of the Transactions, the closing documents, any agreement, document, instrument, matter or transaction in each case solely involving the ECC Vendors or arising in connection with or pursuant to any of the foregoing (collectively, the **"Released Claims"**), which Released Claims are hereby fully, finally, irrevocably and forever waived, discharged, released, cancelled, and barred as against the Released Parties, and are not vested nor transferred to the Purchaser or to any other entity and are extinguished, provided that nothing in this paragraph shall waive, discharge, release, cancel or bar any claim for fraud or wilful misconduct or any claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA.

22. **THIS COURT ORDERS** that with respect to the Third Party Sponsor, this Approval and Vesting Order shall not affect the rights (if any) of the Canadian Revenue Agency or any other Person, relating to any and all claims existing or arising from events which occurred prior to or occur subsequent to the issuance of the Approval and Vesting Order and for which do not relate to the ECC Vendors or the Asset Purchase Agreement and the transactions contemplated thereunder.

23. **THIS COURT ORDERS** that nothing in this Order waives, discharges or in any way releases any person, including the Released •Parties, from any responsibility or obligation, including any Encumbrance, that was, is or may be owed to or enforceable by the Province of Newfoundland and Labrador or any Ministry or agency thereof (collectively, **"Newfoundland and Labrador Governmental Authorities"**), that is not a "claim" as defined in section 2(1) of the CCAA, including from any environmental Liability that was, is or may be owed to or enforceable by any Newfoundland and Labrador Governmental Authority that is not a "claim" as defined in section 2(1) of the CCAA, and nothing in this order in any way bars, estops, stays or enjoins any and all steps or proceedings by any Newfoundland and Labrador Governmental Authorities or any

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servant, agent or employee thereof in respect thereof; it being understood that nothing in this paragraph shall impact the protections in favour of the Monitor otherwise provided for herein.

THE MONITOR

24. **THIS COURT ORDERS** that the Ninth Report, and the activities of the Monitor set out therein are hereby approved, provided, however, that only the Monitor, in its personal capacity and only with respect to its own liability, shall be entitled to rely upon or utilize in any way such approval.

25. **THIS COURT ORDERS** that the Monitor, its employees and representatives shall not be deemed directors of the Purchaser de facto or otherwise and shall incur no liability as a result of acting in accordance with this Order, other than any liability arising out of or in connection with the gross negligence or wilful misconduct of the Monitor.

26. **THIS COURT ORDERS** that no action lies against the Monitor by reason of this Order or the performance of any act authorized by this Order, except by leave of the Court following a motion brought on not less than fifteen (15) days' notice to the Monitor and its legal counsel. The entities related or affiliated with the Monitor or belonging to the same group as the Monitor (including, without limitation, any agents, employees, legal counsel or other advisors retained or employed by the Monitor) shall benefit from the protection granted to the Monitor in this paragraph.

27. **THIS COURT ORDERS** that the Monitor shall not, as a result of this Order or any matter contemplated hereby:

(a) be deemed to have taken part in the management or supervision of the management of the ECC Vendors or the Purchaser, or to have taken or maintained possession or control of the business or property of any of the ECC Vendors or the Purchaser, or any part thereof; or

(b) be deemed to be in Possession (as defined in the Initial Order and ARIO) of any property of the ECC Vendors or the Purchaser within the meaning of any applicable Environmental Legislation (as defined in the Initial Order and ARIO) or otherwise.

SEALING ORDER

28. **THIS COURT ORDERS** that the **Confidential Exhibit "A"** to Collins Affidavit shall be sealed with the Court until such further Order of this Court upon application by any interested party with notice to Josh Collins, the ECC Vendors, the Monitor, and the Purchaser.

GENERAL

29. **THIS COURT ORDERS** that, following the Effective Time, the Purchaser shall be authorized to take all steps as may be necessary to effect the discharge of the Claims and Encumbrances against the ECC Vendors and the Purchased Assets.

30. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

31. **THIS COURT ORDERS** that the Monitor, the ECC Vendors, and/or the Purchaser shall be authorized to apply as it may consider necessary or desirable, with or without notice, to any other court or administrative body, whether in Canada, the United States or elsewhere, for orders which aid and complement this Order. All courts and administrative bodies of all such jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to the ECC Vendors, the Monitor, the Purchaser as may be deemed necessary or appropriate for that purpose.

32. **THIS COURT 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 ECC Vendors, the Monitor, and/or the Purchaser 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 ECC Vendors, the Purchaser, and the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the ECC Vendors, the Purchaser, and the Monitor and their respective agents in

carrying out the terms of this Order.

33. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Newfoundland and Labrador Time on the date hereof.

ISSUED at St. John's, Newfoundland and Labrador this 18th day of October 2023.

COURT OFFICER

Schedule "A"

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2022 01G 1964
IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR
GENERAL DIVISION

IN THE MATTER OF the *Bankruptcy and Insolvency Act* R.S.C., 1985 c. B-3 as Amended (the "**BIA**");

AND IN THE MATTER OF the *Companies Creditors Arrangement Act* R.S.C., 1985 c. C-36 as Amended (the "**CCAA**");

AND IN THE MATTER OF *Edward Collins Contracting Ltd. et al. in re Companies Creditors Arrangement Act*

AFFIDAVIT OF SERVICE

I, Melissa De Caria, Legal Assistant at O'Keefe & Sullivan, in the City of St. John's, Newfoundland and Labrador, make oath and say as follows:

1. On September 20, 2023, I complied with the affidavit of service by doing the following: emailing a copy of the Memorandum of Fact and Law, Affidavit of Josh Collins, Affidavit of Darren. D O'Keefe, Notice of Motion to:

cfell@reconllp.com;skour@reconllp.com;sparsons@reconllp.com;davidhearn@gov.nl.ca;nickleamon@gov.nl.ca;darren@okeefeandcompany.com;maeve.baird@justice.gc.ca;Sophie.dupre@justice.gc.ca;spittman@bensonbuffett.com;trent.kulchar@intact.net;shazleen.cheyne@intact.net;ankur.anil@intact.net;mborgo@blg.com;njacobs@stewartmckelvey.com;joethorne@stewartmckelvey.com;apunzo@blg.com; ron@colelaw.ca; phil.clarke@ca.gt.com; sbinsolvency@canaccede.com; steve@rodcomechanical.com;steven.j.mclaughlin@parthenon.ey.com;thill@boyneclarke.ca;jsantimaw@boyneclarke.ca;peterjbyrne@hotmail.com;josh__4@hotmail.com;afitzgerald@nfld.net;deerlaketownmanager@nf.aibn.com;nickleamon@gov.nl.ca;townoffoxharbour@gmail.com;mcraig@stewartmckelvey.com;ankur.anil@intact.net;Marc.Ethier@wellsfargo.com;pkyriakakis@mccarthy.ca;nstewart@mccarthy.ca;a.wells@wellslaw.ca;ChelseyBuggie@gov.nl.ca; josh__4@hotmail.com; Marc.Ethier@wellsfargo.com;nickleamon@gov.nl.ca;njacobs@stewartmckelvey.com;ankur.anil@intact.net;phil.clarke@ca.gt.com;nickleamon@gov.nl.ca;townoftownoffoxharbour@gmail.com

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2. That I swear affidavit to be true to the best of my knowledge and belief knowing it is a criminal offense to swear a false affidavit.

SWORN TO at St. John's, in the Province of Newfoundland and Labrador, this 19th day of September, 2023 before me:

ANGELA De CARIA
A Commissioner for Oaths in and for the Province of Newfoundland and Labrador.
My commission expires on December 31, 2025

Melissa De Caria

Appendix “C”

2022 01G 1964

IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF the Companies Creditor Arrangement Act, R.S.C. 1985 c.C-36 as amended (the **"CCAA"**)

AND IN THE MATTER OF an application of Edward Collins Contracting Ltd., Classic Security Limited, 51037 Newfoundland and Labrador Inc., and H & E Designs Ltd. (collectively **"ECC"** or the **"Company"**)

STAY EXTENSION ORDER

Before the Honourable Justice Alexander MacDonald on September 29, 2023:

THIS APPLICATION, made by Edward Collins Contracting Limited, Classic Security Ltd., FGC Holdings Ltd., 51037 Newfoundland and Labrador Inc. and H & E Designs Ltd. (collectively, the **"Applicants"**) pursuant to the *Companies' Creditors Arrangement Act,* R.S.C. 1985, c. C-36, as amended (the **"CCAA"**) for an order extending the Stay Period (as defined herein)

ON HEARING the submissions of counsel for the Applicants, Grant Thornton Limited in its capacity as monitor of the Applicants (the **"Monitor"**), the Royal Bank of Canada, and such other counsel that were present, no one else appearing for any party although duly served:

STAY OF PROCEEDINGS

1. **THIS COURT ORDERS** that the Stay Period, as defined in the Order of the Honourable Justice Alexander MacDonald dated October 17,2022 as extended is hereby further extended up to and including 15, November 2023.

GENERAL

2. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01

Filed Oct 18 2023

am

a.m. Eastern Standard/Daylight Time on the date of this Order.

ISSUED at St. John's, Newfoundland and Labrador this ~~29th~~ 18th day of ~~September~~ October 2023.

COURT OFFICER

Appendix “D”

2022 01G 1964

IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF the Companies Creditor Arrangement Act, R.S.C. 1985 c.C-36 as amended (the **"CCAA"**)

AND IN THE MATTER OF an application of Edward Collins Contracting Ltd., Classic Security Limited, 51037 Newfoundland and Labrador Inc., and H & E Designs Ltd. (collectively **"ECC"** or the **"Company"**)

DISTRIBUTION ORDER

Before the Honourable Justice Alexander MacDonald on September 29, 2023:

THIS APPLICATION, made by Edward Collins Contracting Limited ("**ECC**"), Classic Security Ltd. ("**Classic**"), FGC Holdings Ltd., 51037 Newfoundland and Labrador Inc. and H & E Designs Ltd. ("**H&E**" and collectively, the **"Applicants"**) pursuant to the CCAA for an order extending the Stay Period (as defined herein) up to and including 31 May 2023 was heard on the 26th day of September 2023.

ON READING the affidavit of Josh Collins, sworn September 20, 2023, and the Exhibits thereto, the Ninth Report of Grant Thornton Limited dated September 21, 2023 in its capacity as monitor of the Applicants (the **"Monitor"**);

ON HEARING the submissions of counsel for the Applicants, the Monitor, the Royal Bank of Canada, the Canada Revenue Agency and such other counsel that were present, no one else appearing for any party although duly served:

SERVICE

1) **THIS COURT ORDERS** that the time for service of the Notice of Motion and the materials

Filed Oct 19/23

filed, as set out in the Affidavit of Service, is hereby deemed adequate notice so that this Motion is properly returnable today and hereby dispenses with further service thereof.

DISTRIBUTION

2) **THIS COURT ORDERS** that the Monitor is hereby authorized and directed to distribute certain proceeds currently held by the Monitor, as follows: from ECC and H&E: (i) the amount owing to the Canada Revenue Agency ("**CRA**") in satisfaction of unpaid source deductions owing by ECC and H&E in the amount of $2,079,198, and (ii) the amount owing to the Royal Bank of Canada ("**RBC**") by ECC and H&E in the amount of $3,817,957.

3) Notwithstanding:

a) the pendency of these proceedings;

b) any applications for a bankruptcy order issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"), in respect of the Applicants and any bankruptcy order issued pursuant to such applications; and

c) any assignment in bankruptcy made in respect of the Applicants;

the payments authorized and directed by section 2) of this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Applicants and shall not be void or voidable by creditors of the Applicants nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

GENERAL

4) **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01

a/

a.m. Eastern Standard/Daylight Time on the date of this Order.

ISSUED at St. John's, Newfoundland and Labrador this 18th day of October 2023.

COURT OFFICER

Appendix “E”

Edward Collins Contracting Limited
Aged Overdue Sales Invoices Summary As at 02.11.23

Name	Total Due	1 to 30 Overdue	31 to 60 Overdue	61+ Overdue
Cahill Fabrication Structural	862.50	0.00	0.00	862.50
CAN-AM Platforms & Construction Ltd.	7,013.25	0.00	0.00	7,013.25
Department of Transportation & Infrastructure	183,956.76	0.00	0.00	183,956.76
DFB Driver	1,840.00	0.00	0.00	1,840.00
DFO-Accounts Payable	230.00	0.00	0.00	230.00
Fusion Elevator Inc.	132.02	0.00	0.00	132.02
GRIEG MARINE NL LTD.	862.50	862.50	0.00	0.00
H&M Paving Limited	846.40	0.00	846.40	0.00
Harvey's Salt	5,622.00	0.00	0.00	5,622.00
Integrated Logistics	11,983.01	7,015.01	4,968.00	0.00
National Diabetes Trust Corp.	115.00	115.00	0.00	0.00
Newco Metals	12,161.25	11,385.00	0.00	776.25
OICC - USNF Argentia	23,600.00	8,600.00	0.00	15,000.00
Port of Argentia	5,048.50	0.00	0.00	5,048.50
Provincial Ready Mix	137,756.78	0.00	0.00	137,756.78
Q.N.H Excavating & Landscaping Ltd.	3,714.50	0.00	0.00	3,714.50
SNC-Dragados-Pennecon G.P	170,361.00	81,259.00	57,097.50	32,004.50
TMSI Limited	3,048.58	0.00	0.00	3,048.58
Town of Humber Arm South	29,938.54	0.00	0.00	29,938.54
Town of Placentia	3,205.71	0.00	0.00	3,205.71
Tulk Tire & Service Ltd.	13,062.16	0.00	0.00	13,062.16
Universal Environmental Services Inc	21,400.00	21,400.00	0.00	0.00
Western Regional Waste Management	2,787.72	0.00	2,787.72	0.00
Total outstanding:	639,548.18	130,636.51	65,699.62	443,212.05

Accounts Payable	02-Nov-23	11-Sep-23	Net Change
0 to 30 Overdue	130,636.51	176,458.69	(45,822.18)
31 to 60 Overdue	65,699.62	111,807.60	(46,107.98)
61+ Overdue	443,212.05	443,541.55	(329.50)
	639,548.18	731,807.84	(92,259.66)
Holdbacks	58,917.90	70,361.90	(11,444.00)
Liquidated Damages	363,378.69	363,378.69	0.00
	1,061,844.77	1,165,548.43	(103,703.66)

Liquidated Damages

project #	name			amount
12-21 PHC A	Trout Pond			60,378.69
12-21 PHC B	Soldiers Pond			-
12-21 PHC C	Finnes Pond			7,500.00
46-21	South Brook, South Brook Bridge			
	Penstock, overpasses			70,000.00
45-20 PHP B	Culverts, Stephenville			115,000.00
45-20 PHP C	Paving, Codroy Valley			-
	Robinsons washout			-
45-20 PHP D	Paving, Burgeo Highway	OHS non compliance	5,500.00	
		late completion	67,500.00	73,000.00
45-20 PHP A	Gull Pond			37,500.00
				363,378.69

Appendix “F”

Edward Collins Contracting Limited
Aged Overdue Purchase Invoices Summary As at 02.11.23

Name	Total Due	1 to 30 Overdue	31 to 60 Overdue	61+ Overdue
2085107 Alberta Inc.	5,650.00	0.00	0.00	5,650.00
A & B Construction Limited	65,716.76	0.00	0.00	65,716.76
A. St. George & Sons Ltd.	22,149.00	0.00	0.00	22,149.00
Ace Cement Finishing Ltd.	2,012.50	0.00	0.00	2,012.50
Adam's Electrical Contracting	66,202.66	0.00	0.00	66,202.66
Adventure Quest Outfitters	11,569.00	0.00	0.00	11,569.00
AFN Engineering Inc.	2,287.35	0.00	0.00	2,287.35
Aggregate Equipment (Atlantic) Limited	9,406.81	0.00	0.00	9,406.81
Air Liquide Canada Inc.	8,323.21	0.00	0.00	8,323.21
AirCo Sheetmetal Inc.	2,673.75	0.00	0.00	2,673.75
All Rock Consulting Ltd.	19,271.08	0.00	0.00	19,271.08
Allstar Rebar Limited	7,609.70	0.00	0.00	7,609.70
Apex Construction Specialties Inc.	33,866.75	0.00	0.00	33,866.75
Argentia Freezers & Terminals	5,651.91	0.00	0.00	5,651.91
Argentia Port Corporation	11,845.00	0.00	0.00	11,845.00
Armtec Canada Culvert	114,791.00	0.00	0.00	114,791.00
Atlantic Ready Mix	7,282.37	0.00	0.00	7,282.37
Atlantic Tiltload	4,539.56	0.00	0.00	4,539.56
Ault	16,294.16	0.00	0.00	16,294.16
Auto Parts Network	632.50	0.00	0.00	632.50
Avalon Ready Mix	18,692.10	0.00	0.00	18,692.10
Aylwards Home Centre	30,183.55	0.00	0.00	30,183.55
B & S Trucking Ltd.	140,036.52	0.00	0.00	140,036.52
BABB Sales & Services	460.21	0.00	0.00	460.21
Bartlett's Irving	464.21	0.00	0.00	464.21
Battlefield Equipment Rentals	64,151.88	0.00	0.00	64,151.88
Baysteel Inc.	160.43	0.00	0.00	160.43
Belfor	1,787.10	0.00	0.00	1,787.10
Bell Aliant	9,732.78	0.00	0.00	9,732.78
Bennett's Construction and Supplies (2011) Ltd.	29,095.00	0.00	0.00	29,095.00
Black Ridge Construction Ltd.	3,845.65	0.00	0.00	3,845.65
Bond's Courier	17.25	0.00	0.00	17.25
Botwood Tire & Retread Ltd. (Nortop)	29,953.16	0.00	0.00	29,953.16
Brandt	133,650.46	0.00	0.00	133,650.46
Bruce Enterprises Limited	5,577.50	0.00	0.00	5,577.50
Bumper to Bumper	3,723.15	0.00	0.00	3,723.15
Burton Appraisal NL	-575.00	0.00	0.00	-575.00
C. Russell & Sons Limited	2,742.78	0.00	0.00	2,742.78
Cahill Technical Services	5,813.25	0.00	0.00	5,813.25
Canadian Tire	114.97	0.00	0.00	114.97
Cansel	122.06	0.00	0.00	122.06
Capital Ready Mix Limited	9,599.05	0.00	0.00	9,599.05

CBS Glass	-661.25	0.00	0.00	-661.25
Central Landscaping	322.58	0.00	0.00	322.58
Central Precast & Ready Mix	19,305.05	0.00	0.00	19,305.05
Certified Labratories	3,471.15	0.00	0.00	3,471.15
C-Gas Management Inc.	11,075.60	0.00	0.00	11,075.60
City of St. John's	469.86	0.00	0.00	469.86
Clarenville Rentals Ltd.	1,179.08	0.00	0.00	1,179.08
Clarke's Trucking & Exc. Ltd.	624.89	0.00	0.00	624.89
College of the North Atlantic	230.00	0.00	0.00	230.00
Concrete Products Limited	2,874.77	0.00	0.00	2,874.77
Construction Signs Limited	46,709.66	0.00	0.00	46,709.66
Control Works Inc.	4,887.94	0.00	0.00	4,887.94
Corner Brook Industrial Sales and Service	5,006.62	0.00	0.00	5,006.62
Crane Supply	46,853.67	0.00	0.00	46,853.67
Cummins Eastern Canada Inc.	2,744.23	0.00	0.00	2,744.23
Cummins Sales and Service	2,155.10	0.00	0.00	2,155.10
D.C. Alternator & Starter Ltd.	183.94	0.00	0.00	183.94
Dawe & Tuck	45,792.50	0.00	0.00	45,792.50
Day & Ross Inc.	506.02	0.00	0.00	506.02
Deer Lake Home Hardware	11,473.54	0.00	0.00	11,473.54
Deer Lake Truck and Tirecraft	57,175.94	0.00	0.00	57,175.94
Deloitte	44,783.98	0.00	0.00	44,783.98
Deluxe	1,406.13	0.00	0.00	1,406.13
Dennis Porter Trucking Limited	74,184.77	0.00	0.00	74,184.77
Devan Holdings Inc.	13,778.73	0.00	0.00	13,778.73
Dicks & company	703.08	0.00	0.00	703.08
DMG Consulting Ltd.	7,262.25	0.00	0.00	7,262.25
Double G Trucking & Repair Ltd.	2,472.50	0.00	0.00	2,472.50
Drive Line Machine Shop	3,409.68	0.00	0.00	3,409.68
Dyna Noble Canada Inc.	80,555.87	0.00	0.00	80,555.87
East Coast Hydraulics	2,474.83	0.00	0.00	2,474.83
East Coast International Trucks	-1,208.32	0.00	0.00	-1,208.32
ECO Contracting Ltd.	19,532.75	0.00	0.00	19,532.75
Eddy Services	2,445.25	0.00	0.00	2,445.25
Edison Electronics Inc.	8,316.81	0.00	0.00	8,316.81
Edison Security Services Inc.	5,095.08	0.00	0.00	5,095.08
EMCO Limited	198,729.60	0.00	0.00	198,729.60
EMM Hardchrome & Hydraulics Ltd.	4,047.77	0.00	0.00	4,047.77
Exploits Home Building Centre	1,223.53	0.00	0.00	1,223.53
Exploits River Motel	14,155.55	0.00	0.00	14,155.55
Exploits Valley Paving Ltd.	6,969.00	0.00	0.00	6,969.00
Express Signs Ltd.	2,842.24	0.00	0.00	2,842.24
F.A Haynes Transport Ltd.	6,362.90	0.00	0.00	6,362.90
Federal Express Canada Ltd.	254.16	0.00	0.00	254.16
FedEx Express Canada Corporation	182.18	0.00	0.00	182.18
Fortis Concrete Inc.	3,636.30	0.00	0.00	3,636.30
G & B Construction	40,491.50	0.00	0.00	40,491.50

Gales Septic Cleaning	2,357.50	0.00	0.00	2,357.50
GCR Tire Centres - (72)	918.72	0.00	0.00	918.72
Genevieve Bay Inn	10,239.00	0.00	0.00	10,239.00
Gillis Truckways Inc.	5,299.68	0.00	0.00	5,299.68
Green Bay Waste Authority	20.00	0.00	0.00	20.00
H&F Electrical Ltd.	15,870.00	0.00	0.00	15,870.00
Heavy Civil Association of N.L.	2,530.00	0.00	0.00	2,530.00
Hebdraulique N.L.	6,082.73	0.00	0.00	6,082.73
Hickey's Greenhouse & Nursery	225.35	0.00	0.00	225.35
Hiscocks Spring Service	12,137.25	0.00	0.00	12,137.25
Hitech Communications Ltd	3,129.15	0.00	0.00	3,129.15
Hi-Tech Scales Ltd.	5,352.50	0.00	0.00	5,352.50
Hi-Vis Traffic Control Inc.	4,580.24	0.00	0.00	4,580.24
Holden's Transport Limited	1,840.00	0.00	1,840.00	0.00
Horizon Machining Incorporated	3,157.90	0.00	0.00	3,157.90
Howley Tourist Lodge	1,656.00	0.00	0.00	1,656.00
Humber Arm Contracting Inc.	2,041.25	0.00	0.00	2,041.25
Humber Machine and Hydraulic Ltd.	7,517.47	0.00	0.00	7,517.47
Hunt's Concrete Ltd.	27,348.13	0.00	0.00	27,348.13
Irving Oil Commercial GP	99,839.55	0.00	0.00	99,839.55
Island Hose & Fittings Ltd.	73.12	0.00	0.00	73.12
Johnny Seay / Johnnys Lawn & Garden	2,050.00	0.00	0.00	2,050.00
Kal Tire	6,708.78	0.00	0.00	6,708.78
KC Reid Enterprises Limited	60.90	0.00	0.00	60.90
Kennedy's Disposal Services Ltd.	2,702.50	0.00	0.00	2,702.50
Keyano Motel	11,800.00	0.00	0.00	11,800.00
Legge Surverys Limited	-207.00	0.00	0.00	-207.00
Major's Contracting Limited	5.14	0.00	0.00	5.14
Major's Logging	290.17	0.00	0.00	290.17
Marble RV	1,456.61	0.00	0.00	1,456.61
Margaret's Safety Services	898.99	0.00	0.00	898.99
McKay's Waste Management	184.00	0.00	0.00	184.00
Meridian Engineering Inc.	8,002.97	0.00	0.00	8,002.97
Mike Kelly & Sons Ltd.	3,146.06	0.00	0.00	3,146.06
Modern Paving Limited	10,184.75	0.00	0.00	10,184.75
Modern Pest Control Services LTD.	798.71	0.00	0.00	798.71
Mountainside General Store	1,196.20	0.00	0.00	1,196.20
Newco Metal and Auto Recycling	776.25	0.00	0.00	776.25
Newfoundland Power Inc.	45,020.12	0.00	0.00	45,020.12
Newport Capital Corp.	272,933.05	0.00	0.00	272,933.05
NLCSA	925.75	0.00	0.00	925.75
NORTHRIDGE DEVELOPMENTS LTD.	333.50	0.00	0.00	333.50
Notre Dame Drilling & Blasting	28,546.99	0.00	0.00	28,546.99
Nova Truck Centres	4,135.96	0.00	0.00	4,135.96
Oceanview Estates	8,241.58	0.00	0.00	8,241.58
Oil Filtration Solutions Ltd.	9,402.29	0.00	0.00	9,402.29
O'KEEFE & SULLIVAN	700.72	-40,250.00	0.00	40,950.72

OMB Parts & Industrial Ltd.	82.55	0.00	0.00	82.55
OMB Parts & Industrial Ltd.1	696.20	0.00	0.00	696.20
On Grade Construction	15,194.38	0.00	0.00	15,194.38
On The Spot Welding Ltd.	1,460.15	0.00	0.00	1,460.15
Oram's Ready Mix	4,461.83	0.00	0.00	4,461.83
Orkin Canada Corporation	506.77	0.00	0.00	506.77
Paint Shop Placentia	7,856.27	0.00	0.00	7,856.27
Panatrol Automation and Controls	570.00	0.00	0.00	570.00
Patterson's Steel Products	3,947.19	0.00	0.00	3,947.19
PF COLLINS CUSTOMS BROKER LTD.	147.00	0.00	0.00	147.00
Pillar Capital	-25,000.00	0.00	0.00	-25,000.00
Pinnacle Office Solutions	282.61	77.38	0.00	205.23
Placentia Area Chamber of Commerce	230.00	0.00	0.00	230.00
Placentia Rowing Club	115.00	0.00	0.00	115.00
PMW Newfoundland and Labrador Limited	2,357.50	0.00	0.00	2,357.50
Port Aux Basques Snow Clearing Limited	155.25	0.00	0.00	155.25
Port of Argentia	77,970.15	12,405.87	428.35	65,135.93
Port of Stephenville	10,626.00	0.00	0.00	10,626.00
Powers Gas Bar	43,462.19	0.00	0.00	43,462.19
Power's Oil	27,520.17	0.00	0.00	27,520.17
Power's Placentia Esso	42,533.30	0.00	0.00	42,533.30
PREMIUM ENTERPRISES	17,911.41	0.00	0.00	17,911.41
Pretty's Island Wide Concrete Inc.	3,749.00	0.00	0.00	3,749.00
Provall Parts Ltd.	57,622.37	0.00	0.00	57,622.37
Provincial Fence Products Ltd.	20,468.80	0.00	0.00	20,468.80
Provincial Ready Mix	54,667.09	0.00	0.00	54,667.09
R&D Performance Center	634.40	0.00	0.00	634.40
Receiver General Acct # 101582641 RT0001	30,234.74	0.00	30,234.74	0.00
Redline Automotive Supplies	26,324.43	0.00	0.00	26,324.43
Reinforced Earth Company Ltd.	59,880.50	0.00	0.00	59,880.50
Rigid Trucking and Excavating Ltd.	598.00	0.00	0.00	598.00
Riverview Motors	47.94	0.00	0.00	47.94
Rodco Mechanical (2014) Ltd.	189,849.99	0.00	0.00	189,849.99
Rogers Enterprises Ltd.	2,277.00	0.00	0.00	2,277.00
Royal Freightliner	68.15	0.00	0.00	68.15
Rudy's Gas Bar	4,640.89	0.00	0.00	4,640.89
SANCTON	29.90	0.00	0.00	29.90
Sharron's Sales & Services Ltd.	766.82	0.00	0.00	766.82
Simmons Tire and Service Centre Ltd.	847.32	0.00	0.00	847.32
SMS Equipment	14,950.00	0.00	0.00	14,950.00
South Coast Construction	99,331.25	0.00	0.00	99,331.25
Stantec Consulting Ltd.	4,249.88	0.00	0.00	4,249.88
Starlink	286.35	0.00	0.00	286.35
Stephenville Truck Center 1991 LTD.	3,467.43	0.00	0.00	3,467.43
Subsurface Geotech Inc.	20.00	0.00	0.00	20.00
Summit Safety Consulting	460.00	0.00	0.00	460.00
Taylor's Welding	1,667.50	0.00	0.00	1,667.50

The Cylinder Shoppe	3,646.04	0.00	0.00	3,646.04
The Home Depot	3,447.70	0.00	3,447.70	0.00
Titan Environmental Containment Ltd.	733.70	0.00	0.00	733.70
Titan GPS	6,073.07	0.00	0.00	6,073.07
TNT Truck & Tractor Repair Ltd.	2,798.02	0.00	0.00	2,798.02
Tony's Diesel Repairs	7,144.91	0.00	0.00	7,144.91
Toromont Cat	49,141.14	0.00	0.00	49,141.14
Town of Placentia	15,088.32	0.00	0.00	15,088.32
TRACTION (UAP)	27,743.46	0.00	0.00	27,743.46
Tulk Tire & Service Ltd.	12,220.04	0.00	0.00	12,220.04
Ultramar (Garage)	-1,782.59	0.00	0.00	-1,782.59
Ultramar (Stephenville)	94,601.71	0.00	0.00	94,601.71
United Rentals of Canada Inc.	39,249.21	0.00	0.00	39,249.21
Universal Fabricators Inc.	2,333.82	0.00	0.00	2,333.82
Valero Energy Inc.	96,952.39	0.00	0.00	96,952.39
Verna Mercer	2,050.00	0.00	0.00	2,050.00
VIC MOBILIER	10,087.97	0.00	0.00	10,087.97
Wajax Industrial Components LP	14,008.20	0.00	0.00	14,008.20
Wajax Mount Pearl	27,618.86	0.00	0.00	27,618.86
Walsh's Mechanical Services Inc.	2,010.40	0.00	0.00	2,010.40
Wayne Kelly	3,450.00	0.00	0.00	3,450.00
Weir's Construction Limited	207,470.16	0.00	0.00	207,470.16
WEST COAST DIESEL LTD.	1,093.70	0.00	0.00	1,093.70
Western Hydraulic and Mechanical Ltd.	13,359.62	0.00	0.00	13,359.62
Western Lock Inc.	1,333.98	0.00	0.00	1,333.98
Western Petroleum	1,700.00	0.00	0.00	1,700.00
Western Steel Works Inc.	2,695.42	0.00	0.00	2,695.42
Western Wood Works Incorporated	5,606.25	0.00	0.00	5,606.25
William Perry Trucking	12,420.00	0.00	0.00	12,420.00
Xplore Inc.	618.98	320.01	0.00	298.97
Zealous Heating & Cooling Inc.	10,084.03	0.00	0.00	10,084.03
Total outstanding:	3,831,346.85	-27,446.74	35,950.79	3,822,842.80

Appendix “G”

FGC Holdings Ltd. Plan of Arrangement

Creditor Fund	315,000	
Secured Creditor		
Royal Bank of Canada	240,103	
Administrative Fees and Expenses	20,000	
Unsecured Creditors		
Canada Revenue Agency	15,065	Corporate Income Tax
Canada Revenue Agency	19,402	HST
Dawe & Tulk Professional Corp.	1,725	
	36,192	
Residual to Company	18,705	

Notes

1. Company unlimited guarantee to RBC is compromised in the Edward Collins Contracting Ltd. proceeding
2. CWB National Leasing lease agreement 307152 was disclaimed by FGC. Assumes no deficiency claim.
3. Assuming the claims are consistent with the above estimates, the Monitor expects the creditors claims to be paid in full.

Appendix “H”

Edward Collins Contracting Ltd., H & E Designs Ltd., Classic Security Ltd., FGC Holdings Ltd., 51037 Newfoundland & Labrador Inc. (collectively, "ECC et al")
Statement of Projected Cash Flow November 5, 2023 to February 28, 2024 (in CAD)

		WEEK 60	WEEK 61	WEEK 62	WEEK 63	WEEK 64	WEEK 65	WEEK 66	WEEK 67	WEEK 68	WEEK 69	WEEK 70	WEEK 71	WEEK 72	WEEK 73	WEEK 74	WEEK 75	WEEK 76	Total Projected
Beginning Period		2023-11-06	2023-11-13	2023-11-20	2023-11-27	2023-12-04	2023-12-11	2023-12-18	2023-12-25	2024-01-01	2024-01-08	2024-01-15	2024-01-22	2024-01-29	2024-02-05	2024-02-12	2024-02-19	2024-02-26	
Ending Period		2023-11-12	2023-11-19	2023-11-26	2023-12-03	2023-12-10	2023-12-17	2023-12-24	2023-12-31	2024-01-07	2024-01-14	2024-01-21	2024-01-28	2024-02-04	2024-02-11	2024-02-18	2024-02-25	2024-02-28	
	NOTE																		
Cash Receipts																			
Operating Receipts		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Receipts		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ECC Asset Sale Proceeds		-	6,900,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,900,000
Funds Held in Trust by Monitor																			
Per Court Order		-	250,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	250,000
Equipment Sold		-	12,875	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,875
Deer Lake Settlement		-	59,789	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	59,789
Interest Earned		-	14,258	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,258
Cost Recovery from Classic			20,456																20,456
FGC Refinancing		-		-	315,000	-	-	-	-	-	-	-	-	-	-	-	-	-	315,000
Proceeds From ECC		-	200,000	-	-														200,000
Total Receipts		**-**	**7,457,378**	**-**	**315,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**7,772,378**
Operating expenses																			
Direct Operating Costs		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Administrative		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payroll & Employees		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repairs & Maintenance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous / Contingency		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal Fees		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restructuring Fees		-	150,000	-	-	25,000	-	-	20,000	-	-	-	-	-	-	-	-	-	195,000
Distribution to Creditors																			
Canada Revenue Agency		-	2,079,198	-	-	-	-	34,467	-	-	-	-	-	-	-	-	-	-	2,113,665
RBC Royal Bank		-	3,792,957	-	-	-	-	240,103	-	-	-	-	-	-	-	-	-	-	4,033,060
Equipment lessors		-	-	-	1,347,011	-	-	-	-	-	-	-	-	-	-	-	-	-	1,347,011
Other potential claims		-	56,297	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
FGC Unsecured Creditors		-	-	-	-	-	-	1,725	-	-	-	-	-	-	-	-	-	-	1,725
FGC Loan Residual		-	-	-	-	-	-	-	18,705	-	-	-	-	-	-	-	-	-	18,705
Total Disbursements		**-**	**6,078,452**	**-**	**1,347,011**	**25,000**	**-**	**276,295**	**38,705**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**7,709,166**
Net Cash Contribution (Use)		**-**	**1,378,926**	**-**	**(1,032,011)**	**(25,000)**	**-**	**(276,295)**	**(38,705)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**63,212**
Opening Cash Position		**-**	**-**	**1,378,926**	**1,378,926**	**346,915**	**321,915**	**321,915**	**45,620**	**6,915**	**6,915**	**6,915**	**6,915**	**6,915**	**6,915**	**6,915**	**6,915**	**6,915**	**-**
Closing Cash Position		**-**	**1,378,926**	**1,378,926**	**346,915**	**321,915**	**321,915**	**45,620**	**6,915**	**6,915**	**6,915**	**6,915**	**6,915**	**6,915**	**6,915**	**6,915**	**6,915**	**6,915**	**63,212**

NOTES:

Appendix “I”

Canada Revenue Agency | Agence du revenu du Canada

NSTSO, 145 Hobsons Lake, Halifax, NS
Halifax NS B3J 2T5

March 14, 2023

ATTENTION: ALLAN MACDONALD
GRANT THORNTON LIMITED
IN ITS CAPACITY AS MONITOR OF THE DEBTOR
NOVA CENTRE, NORTH TOWER
SUITE 1000 - 1675 GRAFTON STREET
HALIFAX NS B3J 0E9

Dear Allan MacDonald:

Subject: Claims Procedure Order - Deemed Trust Claim
Classic Security Ltd.
Account Number: 89564 2452 RP0001

We understand that you are the legal representative of the above-named employer and have, or are preparing to sell, liquidate, dispose of, or distribute property of this employer.

Classic Security Ltd. owes amounts that were deducted from the wages of its employees but were not paid to the Canada Revenue Agency (CRA).

As stated in subsections 227(4) and (4.1) of the Income Tax Act, subsections 23(3) and (4) of the Canada Pension Plan, and subsections 86(2) and (2.1) of the Employment Insurance Act, the following amounts are deemed to be held in trust until they are paid to the CRA.

Deemed trust claim:

Deemed trust date premiums	Federal income tax	Provincial income tax	CPP contributions	EI
2019	$178,602.54	$103,590.06	$46,936.44	$17,863.54
2020	344.33	199.69	173.25	32.78

Total deemed trust claim: $347,742.63

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When an employer does not pay an amount deemed to be held in trust, the CRA becomes the beneficial owner of, and has a priority interest over, all of the employer's property, even if there are registered or unregistered interests of other creditors. The CRA is not legally required to register a deemed trust debt against the employer's property.

The CRA also has a priority claim over the proceeds from selling, liquidating, distributing, or disposing of the employer's property. This is the case even if you received the proceeds because the employer voluntarily sold the property or if your interests in the employer's property occurred before the deemed trust date.

If you have a voluntary mortgage that was registered on the land or on a building owned by the employer before a deemed trust debt arose, part of your security interest may have priority over the amounts deemed to be held in trust. This is considered a prescribed security interest and is defined under Section 2201 of the Income Tax Regulations.

If you have a mortgage that was registered before the deemed trust date(s) noted above, please call me at 902-719-5046. The CRA will need to determine the value of any prescribed security interest you may have.

If there is no prescribed security interest, you must pay the deemed trust claim in the amount of $347,742.63 from the proceeds of the sale, liquidation, disposal or distribution of any property of the employer, minus the costs that you incurred to enforce recovery.

Your payment must be made payable to the Receiver General for Canada. Please write account number 89564 2452 RP0001 on the front of your cheque or money order and mail the payment to:

Canada Revenue Agency
PO Box 3800 STN A
Sudbury ON P3A 0C3

If you do not comply with this deemed trust claim, the CRA may have to start proceedings against you to recover these amounts.

For more information on deemed trust and prescribed security interest, go to Canada.ca/cra-deemed-trust.

If you want more information or clarification about the CRA's deemed trust claim, please call me at 902-719-5046.

Yours truly,

M.Lohnes
Resource/Complex Case Officer