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.

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

September 21, 2023

Grant Thornton Limited,
Monitor

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

Ninth 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, "**ECC**" or 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 ("**GTL**" or the "**Monitor**") in the CCAA proceedings and granted a stay of proceedings (the "**Stay Period**") initially expiring on October 17, 2022.

3. On October 17, 2022, the Court issued an Amended and Restated Initial Order ("**ARIO**") which affirmed the terms of the Initial Order and among other things:

    a. Confirmed the appointment of Grant Thornton Limited as Monitor;
    b. Granted the authority to file, if deemed appropriate, a plan of compromise and arrangement;
    c. Granted the authority to implement operational changes and pursue restructuring opportunities;
    d. Granted authority under s. 32 of the CCAA to disclaim or rescind agreements for real property;
    e. Granted an extension of the stay of proceedings to December 15, 2022;
    f. Empowered the Company to permanently downsize, cease, or shut down any of its business operations and dispose of assets subject to the written consent of the Royal Bank of Canada ("**RBC**") and the Canada Revenue Agency ("**CRA**"), with the oversight of the Court; and
    g. Pursue all avenues of refinancing of its Business and Property (as defined therein), in whole or in part, subject to prior approval of the Court being obtained before any material refinancing.

4. On December 14, 2022, the Court issued a Stay Extension Order granting an extension of the stay of proceedings until April 6, 2023. In addition, the Court ordered:

    a. The Monitor to file an updated report on or before February 3, 2023;
    b. The Parties shall return for an interim hearing on February 17, 2023 to review the contents of the Monitor's report;
    c. Inter alia, that the Company shall pay to the monitor the amount of $250,000.00 to be held by the Monitor, in trust, pending an application to this Honourable Court for distribution and a determination of entitlement to such amounts recognizing the relative priorities of the parties to such amounts as at the date of the stay of proceedings in the Initial Order; and
    d. An update hearing on the matter will be held at 10:00 am on March 17, 2023.

5. On March 14, 2023 the Court issued a Scheduling Order to set out a timetable to schedule the comeback hearing and adjudicate a Stay Extension Motion. The Court ordered the following:

a. The Monitor shall service its report by 2:00 pm on March 27, 2023;
b. The Debtors shall serve its material, which may include any affidavits and written submissions, by 2:00 pm on March 29, 2023;
c. RBC shall serve its supplementary material, which may include any supplemental affidavits and written submissions, by 2:00 pm on March 31, 2023; and
d. The Stay Extension Motion shall be heard on April 4, 2023.

6. 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 CRA in respect of its deemed trust super priority claim.

7. On April 14, 2023, the Court issued a Stay Extension Order granting an extension of the stay of proceedings until May 31, 2023. In addition, the Court ordered:

   a. The Monitor shall provide RBC with weekly updates as to the status of the Travelers refinancing, a copy of the term sheet and amendments, and shall respond to questions posed to the Monitor by RBC; and
   b. Amounts recovered pursuant to the Claims Procedure Order shall be remitted to the CRA on account of its deemed trust claim, net of reasonable fees of the Monitor and legal fees of the Company's counsel).

8. 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. The Court ordered and declared, among other things:
   a. The approval of the Purchase Agreement and authorized Classic to complete the sale.
   b. The right, title and interest of the Condominium Property shall vest with the Purchaser upon delivery of a Monitor's Certificate, and all claims affecting or relating to the Condominium Property are expunged and discharged as against the Condominium Property.
   c. The net proceeds of the sale of the Condominium Property shall stand in the place and stead of the Condominium Property and claims shall attach to the net proceeds with the same priority as they had with the Condominium Property prior to the sale.

9. On May 19, 2023, ECC filed an application for an Order approving a stalking Horse Sale Process (the "**Sales Process**") pursuant to which 92712 Newfoundland and Labrador Inc. ("**92712**" or the "**Stalking Horse Bidder**") as a stalking horse bidder 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 "**Sales Process Application**").

10. On May 24, 2023, the Court issued a Stay Extension Order (verbal) granting an extension of the stay of proceedings until August 4, 2023. In addition, the parties advised the Court that:
    a. There was agreement in principle in relation to the proposed Sales Process which was designed to canvass the market for offers superior to the Stalking Horse Agreement.
    b. To authorize and direct the parties to enter into the Stalking Horse Agreement and approve the Stalking Horse Agreement is accepted for the purpose of conducting the Sales Process.

11. The parties advised that it was anticipated that there would be agreement on the Sales Process order which was expected to be submitted to the court for approval on a consent basis. No agreement on the Sales Process was reached and no order was issued.

12. The Sales 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 for RBC advised the Court that there was an agreement in principle in relation to the proposed Sales Process which as designed to canvass the market for offers superior to the transaction subject to the Stalking Horse Agreement. The parties further advised that it was anticipated that there would be agreement on a form of order (the "**Sales Process Order**") which was expected to be submitted to the Court for approval on a consent basis. Notwithstanding this, no agreement on the Sales Process Order was reached and no order was issued.

13. On September 13, 2023, the Court issued a Stay Extension Order granting an extension of 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. As of the date of this report the Ninth Report the Sales Process Order had not yet been issued.

14. This is the Ninth report of the Monitor (the "**Ninth Report**"). The Monitor previously filed with the Court a Pre-filing Report (the "**Pre-filing Report**") dated September 13, 2022, a Supplement to the Pre-filing Report (the "**Supplemental Pre-Filing Report**") dated September 23, 2022, a First Report ("**First Report**") dated October 13, 2022, a Second Report ("**Second Report**") dated November 17, 2022, a Third Report ("**Third Report**") dated December 8, 2022, a Supplement to the Third Report ("**Supplemental Third Report**") dated December 13, 2022, a Fourth Report ("**Fourth Report**") dated February 3, 3023, a Fifth Report ("**Fifth Report**") dated March 27, 2023, a Fifth Supplemental Report ("**Fifth Supplemental Report**") dated April 13, 2023, and a Sixth Report ("**Sixth Report**") dated April 18, 2023, a Seventh Report ("**Seventh Report**") dated May 22, 2023 and an Eight Report ("**Eight Report**") dated August 23, 2023. Readers are encouraged to review these reports and the related application materials for additional information on the proceedings.

15. 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

16. The purpose of this Ninth 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. The results of the Sales Process and the Monitor's recommendation of this Court to approve the Stalking Horse Agreement and to issue the proposed Approval and Vesting Order;
    c. The Monitor's recommendation for approval of ECC to make a distribution from proceeds of sale of the Stalking Horse Bid to CRA on account of their deemed trust claim against ECC an to RBC on account of their senior secured indebtedness;
    d. The proposed Plan of Arrangement for FGC, including a request for the Court to approve the proposed Meeting Order and Claims Procedure Order;
    e. The status of the Claims Process;
    f. An update on the receipts and disbursements of the Company;
    g. An updated cash flow projection through to and until October 31, 2023 to support an extension of the Stay Period to October 31, 2023 in order to be able to close the Stalking Horse Bid;
    h. The Monitor's recommendation to approve the sale of Lot 7 in H&E Designs Ltd.;
    i. The Monitor's recommendation to approve the distribution of the proceeds of the Condominium Property to CRA on account of their deemed trust claim against Classic; and
    j. Any other matter the Monitor considers material.

Terms of Reference and Disclaimer

17. In preparing this Ninth 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.

18. Some of the information used in preparing this Ninth 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.

19. 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.

20. This Ninth 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 Ninth Report contrary to the provisions of this paragraph.

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

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

Update on Operations Generally

23. 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 does not conduct operations or hold assets outside Newfoundland and Labrador.

24. 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. 51037 has no assets or operations and will also not be included in any go forward sale or restructuring.

25. The Company continues to work on existing projects and contract work and continues to pursue new work and bid on new projects. An updated list of ongoing contracts is attached hereto as **Appendix "A"**.

26. The Company has been working to complete contracts, collect receivables, and negotiate settlements on disputed contracts where possible. A current accounts receivable listing dated September 11, 2023 is attached as **Appendix "B"**. The Company's outstanding receivables have

reduced by $679,130.86 to $731,807.84. A summary of the accounts receivable compared to the figures in the last report is noted below:

Accounts Payable		11-Sep-23	16-May-23	Net Change
	0 to 30 Overdue	176,458.69	125,864.44	50,594.25
	31 to 60 Overdue	111,807.60	96,364.25	15,443.35
	61+ Overdue	443,541.55	1,188,710.01	(745,168.46)
		731,807.84	1,410,938.70	(679,130.86)
Holdbacks		70,361.90	58,917.90	11,444.00
Liquidated Damages		363,378.69	363,378.69	-
		1,165,548.43	1,833,235.29	(667,686.86)

27. Unbilled holdbacks as of September 11, 2023 increased by $11,444.00 to $70,361.90 and are included in **Appendix "B"**. The increase relates to the Argentia Management Authority Berth Demolition project.

28. Recoverable liquated damages related to provincial Department of Transportation & Infrastructure ("**TI**") projects are unchanged at $363,378.69 (net of HST). A listing of liquidated damages by project are included in **Appendix "B"**. These are being adjudicated in the Claims Process discussed further in this report.

29. An updated trade accounts payable list dated September 11, 2023 is attached as **Appendix "C"**. A summary is as follows:

Accounts Payable		11-Sep-23	16-May-23	Net Change
	1 to 30 Overdue	(39,708.45)	78,745.75	(118,454.20)
	31 to 60 Overdue	1,827.78	769.13	1,058.65
	61+ Overdue	3,895,561.14	3,716,953.29	178,607.85
		3,857,680.47	3,796,468.17	61,212.30

30. The balance of payables due has increased slightly since the Seventh Report to $3,857,679.47. The increase is mostly attributed to accrued legal fees and rent at the Port of Argentia. Included in the balance as at September 11, 2023 is a credit of $25,000 paid to Pillar Capital Corp for titles searches on real property. 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.

31. 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.

32. Bonding – As previously reported, Western Surety Company ("**Western Surety**") will not provide any further bonding to the Company. The Company has not yet found a replacement surety. Instead, it has been bidding on projects using cash bonds and by partnering with other entities (primarily with a related non-CCAA entity Universal Environmental Services Inc. ("**UESI**")) who has the capabilities to provide the necessary bonding, if required.

33. Workplace NL – As further described in the Fifth Report the net owing for the Company's 2023 estimated payroll is $24,208.74. The Company has made payments on this balance totaling $11,533 as of September 11, 2023.

34. HAPSET – As described in the Fifth Report the Company had outstanding returns for Health and Post Secondary Education Tax ("**HAPSET**"). A total of $8,372.00 in HAPSET was accrued in the post-CCAA period and the Company has paid this amount. An amount of $56,297.12 is owing for pre-CCAA HAPSET.

35. 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.

36. The Company indicated that it intended to disclaim two additional leases as there is no equity in the equipment, and the Stalking Horse Agreement does not contemplate retaining these two items:

    a. Wells Fargo - 2014 John Deere 644K Wheel Loader – SN 1DW644KZCED663184
    b. De Lage Landen Financial Services – 2014 Wirtgen W200i Milling Machine Cold Planer

37. The De Lage Landen Financial Services – 2014 Wirtgen W200i Milling Machine Cold Planer was disclaimed on June 20, 2023. A copy of the disclaimer is attached as **Appendix "D"**. No application was made to the court to have the court order that the agreement is not to be disclaimed or resiliated so pursuant to paragraph 32(5)(a) of the CCAA the agreement is disclaimed.

38. The Wells Fargo lease for the 2014 John Deere 644K Wheel Loader was not disclaimed as of the date of this Ninth Report.

39. The new part time Controller has taken over the operational tasks previously being done by the Company's former external accountant. That Controller continues to work to improve financial and operational reporting of the Company.

40. The Company continues to bid and obtain new contracts with a focus on smaller projects in the municipal infrastructure and private company market. The Monitor understands that these new projects and contracts are in good standing, except for the Town of Humber Arm South Lift Station

Replacement Project DTI #17-RNC-20-00016. There are no additional contracts that have been terminated.

41. The Company issued a notice of default to the Town of Humber Arm South Lift Station Replacement Project DTI #17-RNC-20-00016. Extensive communications between the Company and the Town of Humber Arm South have continued since at least the spring of 2023 to restart work on the project. The project has not restarted and as of the date of this Ninth Report no resolution to contract dispute has been achieved. The Monitor understands that the Company intends to commence an action to seek damages for repudiation of the contract and claim the Town of Humber Arm South is in violation of the ARIO issued by the Court.

42. 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.

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

44. The Monitor and the Company have completed the Sales Process contemplated in the proposed order dated June 16, 2023.

45. The Monitor and FGC have drafted a Plan of Arrangement to be put forward to creditors.

46. The path forward for the various entities of the Company is as follow:

    a. Classic – Has no remaining assets and significant debts, specifically to CRA. Classic will not be participating in the Stalking Horse Agreement or filing a plan of arrangement.
    b. 51037 – Has no assets and certain debts. Classic will not be participating in the Stalking Horse Agreement or filing a Plan of arrangement.
    c. ECC and H&E – These entities have determined it is in the best interest of stakeholders to sell the assets of H&E and ECC as contemplated in the Stalking Horse Agreement.
    d. FGC has determined it is in the best interest of its creditors to file a plan of arrangement.

47. The ability of the Company to close the proposed Stalking Horse Agreement, and complete the proposed Plan of Arrangement for FGC continues to be based on the successful achievement of the following objectives:

    a. Continue to maintain a neutral cash flow, or positive cash flow, in the short term to allow time for the Company to complete the collection of collect accounts receivable to generate cash, continue to deliver on profitable ongoing contracts, pay the ongoing holding costs of the assets, and fund the costs of the CCAA proceeding; and
    b. Closing the refinancing of the assets of ECC and H&E to fund the Stalking Horse Bid and Plan of Arrangement contemplated by FGC.

Sale of Condominium Property and Non-Material Assets

48. H&E has received an offer to sell Lot 7 of the Morrissey's Place development in Placentia, NL ("**Lot 7**") to Carl Bowker. A copy of the offer is attached hereto as **Appendix "E"**.

49. The offer is for an amount in excess of the appraised value, asking price and liquidation value. The lots had been listed with Royal LePage in the region since at least May 2022 (MLS #1244188 – no longer active) with instructions to contract the realtor if interested and with the listing noting that "lots priced as low as $57,000".

50. Both RBC and CRA have been advised of the sale and it's the Monitor's understanding that neither party objects to the sale of Lot 7.

51. There is approximately $1,800 in outstanding property taxes on Lot 7.

52. Should the offer for Lot 7 close, the Monitor proposes to pay the net proceeds to RBC, who holds a first ranking mortgage on the Morrisey's Place residential development.

53. 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. No other assets were sold by the Company.

Sales and Investment Solicitation Process

54. The Company determined that it would be in the best interest of the stakeholders in the CCAA proceeding to conduct a Sales Process and enter into the Stalking Horse Agreement in order to set a floor price for the assets of ECC and H&E (the "**Stalking Horse Assets**").

55. Since the filing of the Stalking Horse Agreement as part of the Sales Process Application, the Stalking Horse Agreement was amended to correct the following:
    a. To include the Point Verde Quarry, Point Verde, NL in Schedule 2.1(h) – Real Property; and
    b. Remove reference to Schedule 1.1 (b) as noted in Section 1.4 Schedule. The reference to that schedule was an error. The Stalking Horse Bid is for the assets of ECC and H&E. No liabilities are being assumed, other than the liabilities associated with completing the assumed contracts.

56. Attached hereto as **Appendix "F"** is the Stalking Horse Agreement. The amended agreement was used in the Sales Process.

57. The intent of the Sales Process was to:

   a. allow ECC and H&E to go to market and solicit bids for their assets (and provides for the possibility to assume certain liabilities);
   b. allows any party in the Sales Process to submit a bid in a competitive, fair, open, and transparent process;
   c. provide for a floor price for participants in the Sales Process using the Stalking Horse Agreement, and
   d. provides a mechanism by which ECC and H&E can exit the CCAA proceedings.

58. The following is a summary of the timeline for the Sales Process as adjusted for the hearing on June 16, 2023:

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

59. The detailed Sales Process procedures are attached as **Appendix "G".**

60. The Sales Process provided interested parties 40 calendar days to submit a nonbinding letter of intent to the Monitor, and a further 16 days to submit a binding offer.

61. The Sales Process required that the purchase price must be an amount that is $250,000 in cash in excess of the purchase price contemplated in the Stalking Horse Bid.

62. In conducting the Sales Process, the Monitor marketed the Stalking Horse Assets in the following manner:
    a. The marketing commenced on, or before June 23, 2023. The Monitor contacted 151 different parties across Atlantic Canada in the building and construction industries, private equity parties, various professional service firms, and various liquidators/auctioneers and distributed copies of the teaser ("**Teaser**"). A copy of the Teaser is attached hereto as **Appendix "H"**.
    b. The Monitor posted the following documents on the Monitor's website at to make it easy for parties interested in participating in the Sales Process:
        i. Confidentiality and Non-Disclosure Agreement ("NDA"), attached hereto as **Appendix "I"**;
        ii. A form of letter of intent, attached hereto as **Appendix "J"**;
        iii. The Teaser, attached hereto as **Appendix "H"**;
        iv. The Sales Process, attached hereto as **Appendix "G"**; and
        v. The amended form of Stalking Horse Agreement, attached hereto as **Appendix "F"**.
    c. Advertisements were run in Allnewfoundland for 5 business days (between July 10, 2023 to July 17, 2023) and the Evening Telegram for 2 days on July 11, 2023 and July 14, 2023. The Allnewfoundland banner ad provided a link to the Monitor's website which contained the information on the Sales Process and Stalking Horse Agreement. A copy of the Allnewfoundland ad, the Evening Telegram Ad, and the Allnewfoundland website statistics are attached hereto as **Appendix "K"**.
    d. A virtual data room was created with equipment listings, and real property descriptions.
    e. Of the parties contacted during the Sales Process:
        i. 4 indicated they were not interested.
        ii. 3 parties, Ritchie Brothers, Maynard, and the Tiger Group, all auctioneers/liquidators completed NDAs and were given access to the data room.
        iii. The Monitor followed up with 12 well known construction companies (5 in Newfoundland and Labrador, 4 in Nova Scotia, and 3 in New Brunswick) who were thought to be parties who may be interested and capable of acquiring the Stalking Horse Assets. The Monitor did not receive a response to the follow up contact from 11 of the parties. The 1 other party advised they were not interested.

63. The Monitor received no bids by the Phase 1 Bid Deadline on July 26, 2023.

64. The Monitor provided both RBC and CRA with a detailed update on the Sales Process, its outcome, and that no bids were received. The Monitor also advised that it did not intend to run a Phase 2 given the lack of Phase 1 bids. No objections were received.

65. The Monitor also advised ECC and H&E that no bids were received, and the Monitor did not intend to continue the Sales Process into Phase 2.

66. On August 30, 2023, the Monitor advised the Stalking Horse Bidder that pursuant to paragraph 31 of the Sales Process, no qualified Phase 1 bids had been received. On consultation with the Company, the Monitor terminated the Sales Process, and the Stalking Horse Bid was deemed to be the successful bid. In addition, the Monitor requested the additional deposit pursuant to Section 3.2 (b), of the Stalking Horse Agreement, being the Closing Deposit of $490,000.

67. Legal counsel for the Stalking Horse Bidder has advised the Monitor that they have funds in trust for the Closing Deposit, but that it won't forward the funds until a copy of the Sales Process order is issued.

68. It is the Monitor's understanding that ECC, H&E, and RBC cannot come to a consent agreement on the Sales Process order until a settlement as to releases is reached as between the parties. This issue is discussed further below.

69. The Monitor is of the view that the process run was fair, open, transparent, and the market was sufficiently canvassed. The process was run by the Monitor, supported by ECC and H&E, and third parties could participate in the Sales Process in a confidential manner. The process provided sufficient time for a party to express interest and evaluate the opportunity. The process was also open to all parties.

Stalking Horse Agreement

70. ECC and H&E seek approval of the Stalking Horse Bid.

71. 92712, the Stalking Horse Bidder is an arms length entity to ECC and H&E. 92712 is related to Newport Capital Corp. by common control. Newport is also a creditor of ECC. A copy of the Companies and Deeds Online for 92712 is attached to the Monitor's Seventh Report.

72. A copy of the Amended Stalking Horse Agreement is attached hereto as **Appendix** "**F**".

73. Key terms of the Stalking Horse Agreement include:

    a. The purchase of all of the assets of ECC and H&E, including most ongoing contracts (the only excluded contract is 46-21 with the Province of Newfoundland and Labrador), on a going concern basis;

    b. A process is priovided for 92712 to acquire the employees of ECC;

c. The assumption of ongoing contracts and their related liabilities;

d. The purchase price includes the assumption of ECC's liabilities to Newport Capital Corp. and Placentia Mall Ltd. which have an approximate balance outstanding of $340,000 ("**Assigned Debt**");

e. A purchase price comprising the aggregate of:

   i. Payment in cash of $6,900,000;
   ii. Assumption of the Assigned Debt; and
   iii. Assumption of ongoing contracts and related liabilities;

f. A deposit of $200,000 on delivery of the executed Stalking Horse Agreement. The Monitor can confirm that the $200,000 was sent by wire to the Monitor on Friday May 19, 2023 to be held in trust subject to the terms of the Sales Process;

g. A further $490,000 deposit was to be paid to the Monitor before the commencement of Phase 2 of the Sales Process pursuant to Section 3.2 (b) of the Stalking Horse Bid. The Stalking Horse Bid is only a qualified bid upon payment of the total deposit contemplated in the Sales Process. As mentioned above, the Stalking Horse Bidder has advised they have the Closing Deposit but will not send the Closing Deposit until they are in receipt of an issued Sales Process order.

h. Provides for the payment of cure costs to cure any monetary defaults on any consent required contracts; and

i. As a condition to the closing of the Stalking Horse Bid, certain releases from RBC in favour of UESI, Frank Collins and Josh Collins.

74. The parties have agreed to the release terms.

75. The Monitor is of the view that the Stalking Horse Bid is in the best interest of creditors and should it be accepted and approved, the Stalking Horse Bid provides reassurance to the Company's employees, vendors, suppliers and customers that work on ongoing projects not in default will continue under the purchaser, post filing trade debt will be paid in the normal course and allows ECC to continue to source and win new work, and H&E to continue to see the lots of the residential development.

76. The Stalking Horse Bid has the following projected impact on the creditors of ECC and H&E as follows (in order of priority):

a. CRA – Repayment of CRA's deemed trust claim against ECC in full. CRA will not be paid on account of outstanding HST amounts or income taxes owed by ECC and H&E as those claims are subordinated to secured creditors.

b. RBC – The cash proceeds from the Stalking Horse Bid is expected to be sufficient to repay all mortgages, lines of credit, equipment leases, Visa, overdraft balances and certain accrued interest which aggregate balance owing to RBC as of March 7, 2023 was $3,817,957 (excludes the mortgage on 26 Lakeview which will be repaid in the FGC plan of arrangement). The Stalking Horse Bid does not contemplate any payment on the HASCAP Loan (secured by a 90% guarantee from the Business Development Bank of Canada), protective disbursements, and the CEBA loans. This amount is estimated at $1,641,310.

c. Western Surety and Intact – Both Western Surety and Intact have general security registrations on ECC that are subordinate to CRA's deemed trust claim, and RBC's security. The Stalking Horse Bid does not contemplate any payment to these secured creditors. Pursuant to Intact's statement of claim dated October 24, 2022 the amount owing is $1,460,235. Pursuant to correspondence dated October 14, 2022, Western Surety received, and paid, bond claims totalling $972,573, had $707,860.69 in outstanding claims, and had anticipated receiving additional claims.

d. Leases and Purchase Money Security Interests - The Stalking Horse Bid contemplates the following payments to these groups of creditors, assuming the:

    i. Bank of Nova Scotia – The Stalking Horse Bid contemplates the payment in full of the outstanding balance in respect of a car, estimated at $15,675;
    ii. Brandt Finance – There is no balance outstanding to this creditor. The lease was acquired by Wells Fargo.
    iii. Caterpillar Financial – ECC has disclaimed this lease. This was the only lease with Caterpillar Financial. Any deficiency claim will be an unsecured claim in the proceeding. The Stalking Horse Bid does not contemplate any payment to Caterpillar Financial.
    iv. CWB National Leasing – This lease, in FGC, was disclaimed. Any deficiency will be dealt with in FGC's plan of arrangement.
    v. De Lage Landen Financial Services – After considering the disclaimer of a lease for a 2014 Wirtgen W200i Milling Machine, the Stalking Horse Bid contemplates the payment in full of the remaining outstanding leases, estimated at $112,079.
    vi. Daimler Truck Financial - The Stalking Horse Bid contemplates the payment in full of the remaining outstanding leases, estimated at $297,867.
    vii. Honda - The Stalking Horse Bid contemplates the payment in full of the remaining outstanding lease, estimated at $10,158.
    viii. John Deere Financial - The Stalking Horse Bid contemplates the payment in full of the remaining outstanding leases, estimated at $764,053.

ix. Wells Fargo – After considering the disclaimer of the lease for the 2014 John Deere 644K Wheel Loader, the Stalking Horse Bid contemplates the payment in full of the remaining outstanding leases, estimated at $219,189.

77. Under the Stalking Horse Bid no proceeds are available for secured creditors subordinated to RBC.

78. There would be no proceeds for unsecured creditors.

79. There will be no proceeds for creditors of 51037.

80. There will be no proceeds for the unsecured creditors of Classic.

81. A forecasted sources and uses of funds from the Stalking Horse Bid is attached hereto as **Appendix "L"**.

82. The cash component of the Stalking Horse Bid is to be funded as follows:

    a. $6,100,000 through financing provided by Pillar Capital Corp. ("Pillar") to 92712. 92712 has confirmed that it has received and accepted a commitment letter from Pillar, and the legal deposit was paid. Pillar has already retained legal counsel to work on the funding which is anticipated to take between 3-4 weeks from court approval; and
    b. $800,000 – to be funded by UESI.

83. In addition, to close the sources and uses gap, ECC is required to contribute approximately $205,000.

84. Pillar has advised the Monitor that it is aware of the Sales Process and Stalking Horse Bid and that funding will take approximately 3-4 weeks after Court approval.

FGC Holdings Ltd.

85. FGC intends to file 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.

86. The funding from the private lender is of 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. The Monitor understands that the guarantee to RBC by FGC will be dealt with as part of the Stalking Horse Bid and related distribution to RBC.

87. 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 FGC is $1,725 owing to the accountant. It is anticipated that this claim will be paid in full.

88. The Monitor has been advised by FGC that CWB's deficiency claim, if any, on the disclaimer of the lease has been settled with CWB. They are not expected to file a claim in the plan of arrangement. This will be confirmed through the proposed claims process.

89. A schedule of the contemplated distribution is attached hereto as **Appendix "M"**.

90. 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;
    e. A proposed meeting order, the meeting to be held on October 19, 2023 at 10am NL time; and
    f. A proposed claims procedure order, with a claimed bar date of October 18, 2023.

91. 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.

92. 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

93. 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.

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

Cash Flow Variance Report

95. The Company has prepared an updated actual analysis to August 4, 2023. That is attached hereto as **Appendix "N"**.

96. Overall, the Company has generally held its cash balance steady in the 12-week period. The Company has collected on its ongoing projects. Fuel, equipment rental, repairs and maintenance, and bid deposits / bonding were notable unfavourable variances. The bid deposits variance is temporary while the others are permanent. The net of direct and fixed wages is a favourable variance. Other favourable variances include materials & subcontracts, rentals (ie: Port of Argentia), vehicle, equipment lease and legal and restructuring fees. Most of the favourable variances are temporary.

Revised Cash Flow Forecast

97. The Revised Cash Flow Forecast has been prepared through to October 31, 2023 and is attached as **Appendix "O"**.

98. The revised forecast includes updated timelines on project receipts and disbursements; new projects won; and modifications to certain operating expenses assumptions based on new information and historical results, and the continuing operation of the Company in the normal course until closing. The projections contemplate the payment of all professional fees of the Company counsel, the Monitor, and the Monitor's legal counsel.

99. The revised cash flow forecast projects the Company will remain cash flow neutral throughout the period ending October 31, 2023, and forecasts that the Company will be able to continue to operate until the closing of the Stalking Horse Bid, should it be approved by the Court.

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

101. 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;

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

Claims Process Update

102. 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.

103. 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.

104. The updated status of the potential 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

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 did not file a claim related to the holdback sought by the Company in the amount of $57,070.50. After numerous unsuccessful attempts by the Monitor to engage with the Town of Deer Lake and collect the balance outstanding, the Company filed a contempt of court application with the Court. The Town of Deer Lake filed a defence to the motion indicating the amount was never owed in the first place, notwithstanding not responding to the Monitor pursuant to the Claims Procedure Order. The Court heard the matter on August 24, 2023 and ordered the Town of Deer Lake to pay the Company the amount of the holdback of $59,279.20 plus prejudgement interest (calculated to be $509.96) and ordered the Town of Deer Lake to pay the Company, Monitor, and their respective legal counsels' costs on a fully indemnified basis. 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.

c. The Monitor has negotiated a settlement on the claim submitted by Rodco Mechanical (2014) Ltd. ("**Rodco**"). Rodco was paid $141,200 with the balance of funds in the amount of $48,675.31 paid to CRA on account of the deemed trust claim as required by the April 14, 2023 order of the Court. The lien has been released and the action discontinued. This matter is considered resolved.

d. As previously advised, CRA filed a deemed trust claims for ECC which was accepted as filed.

105. The Monitor negotiated a consent order for the inclusion of the Town of Placentia Water Project into the Claims Process to deal with the project holdback funds which are being held in trust by the Monitor pursuant to an order of the Court dated May 11, 2023. The consent order includes this claim into the Claims Process, with a claims bar date of July 31, 2023. The consent order was issued September 14, 2023.

106. The parties have complied with the order and all submissions were received by the Monitor by the proposed claims bar date of July 31, 2023. The Monitor has completed its review of the claim and issued is decision on September 15, 2023. The Monitor disallowed the claim by Western Surety in its entirety and accepted the claim from CRA. As of the date of this report the Monitor is unaware of a possible appeal of its determination.

Third-Party Release

107. The Vesting and Approval Order sought by the Company includes a release of a related non-CCAA entity, UESI, in respect to claims relating to ECC.

108. The release of UESI will have the effect of releasing the claims made by Valero Energy, Waterworks EMCO, Intact Insurance and Western Surety as against UESI as a guarantor of ECC's pre-filing unsecured debt.

109. The Monitor understands that UESI made significant contributions to these CCAA proceeding. UESI permitted ECC to continue as a going concern, "keep the lights on", and thereby preserve the value of the business as a going concern. UESI was necessary for the successful restructuring of ECC in the following ways:

(a) UESI's operations are highly integrated with ECC and UESI has provided and continues to provide bonding, waste management and remediation services for ECC;

(b) UESI is contributing $800,000 towards the purchase price in the Stalking Horse Bid in order to enable ECC to pay its two senior creditors and to exit CCAA;

(c) UESI assisted ECC as a joint venturer for certain projects and contract work, which has allowed ECC to maintain positive cash flows for the benefit of all stakeholders in these CCAA proceeding; and

(d) UESI provided surety bonding to ECC during the pendency of these proceedings in order to enable ECC to meet surety requirements for new projects. This allowed ECC to pursue new work and submit bid tenders for new work. The ability to continue to source new construction projects supported ECC's cash flows during the CCAA proceedings and resulted in ECC not having to obtain debtor in possession financing to the detriment of all stakeholders.

110. Without a release, UESI faces the possibility creditors of ECC claiming as against UESI in respect of ECC related claims, which may jeopardize ECC's ability to exit these proceedings and to continue to operate as a going concern. Further, this would require ECC and/or the 92712 to source alternative bonding arrangements which may affect outstanding bids for potential projects or be more costly.

111. The Monitor has reviewed the proposed release believes that the release is reasonable and warranted in the circumstances.

a. The Monitor believes that it is reasonable for the 92712 and UESI to now start with a clean slate and not to be under the threat of potential claims relating to ECC;

b. The release of claims against UESI is connected to the purpose of the CCAA, namely to facilitate a restructuring of the company and to enable it to continue as a going concern.

ECC's exit from these proceedings as a going concern will benefit all stakeholders and will result in the recovery in full to two major creditors, the preservation of a significant number of jobs and work for independent contractors; and

c. The Monitor has reviewed the releases and finds that the release is fair, reasonable and not overly broad in the circumstances, with regard to the operations of ECC and UESI.

Distributions to Creditors

ECC and H&E

112. Proceeds of the Stalking Horse Bid will be sufficient to make distributions to CRA and RBC in the following amounts:

a. CRA – Repayment of CRA's deemed trust claim against ECC in full in the amount of $2,079,198 (being the amount of $2,127,873 less $48,675 paid on account of the deemed trust claim). CRA will not be paid on account of outstanding HST amounts or income taxes are those claims are subordinate to secured creditors.

b. RBC – The cash proceeds from the Stalking Horse Bid is expected to be sufficient to repay all mortgages, lines of credit, equipment leases, Visa, overdraft balances and accrued interest to March 7, 2023 which totals $3,817,957.

113. ECC seeks an order to make distributions to the CRA and RBC on account of their claims which are further described above. The Monitor has obtained an independent legal opinion as to the validity of RBC's security interest over the property of ECC, which opinion provides that, subject to standard assumptions and caveats, RBC's security is valid and enforceable as against a trustee in bankruptcy over ECC and H&E. Attached hereto as **Appendix "P"** is a copy of the security opinion.

FGC

114. 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.

115. ECC seeks an order to make distribution to RBC for the mortgage on 26 Lakeview Drive of the balance outstanding as at March 7, 2023 of $240,103. It is anticipated that RBC would be paid in full.

Classic

116. 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.

117. 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 "Q"**.

118. The residual amount, $16,865.55 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.

51037

119. 51037 has no assets or operations and also will not be included in any go forward sale or plan of arrangement.

Debtor Conduct

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

Material Adverse Change

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

122. 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

123. 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;

c. Run the Sales Process as contemplated in the proposed Sales Process order;

d. Assist the Company and RBC in settlement negotiations;

e. Assist the Company and claimants concerning the holdback from the Town of Placentia water project and negotiate its admission into the Claims Process, the related proposed order, review submitted materials and make a determination on the claim;

f. Draft submissions, attend, and participate in the various court hearings in relation to the Town of Deer Lake claim in the claims process and work with parties to implement the Court decision;

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

h. 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;
   vi. Various correspondence with stakeholders on the dispute between Western Surety and ECC on the Town of Placentia holdback;
   vii. Preopare the Monitor’s Reports as required by the various Court Orders in this proceeding.

Request for Extension of Stay Period

124. The Stay Period currently expires on October 11, 2023.

125. The Company is requesting of this Court an extension of the Stay Period to October 31, 2023 to allow for the closing of the Stalking Horse Bid and the completion of the FGC proposed plan of arrangement.

126. 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

127. For the reasons set out in this Ninth Report, the Monitor is of the view that the relief requested is reasonable and respectfully recommends that this Court approve the:
    a. The approval and vesting order for the Stalking Horse Bid;
    b. Request to extend the Stay Period to October 31, 2023;
    c. The requested claims procedure order and meeting order for the FGC proposed plan of arrangement;
    d. The proposed distributions to CRA and RBC described above;
    e. The proposed releases; and
    f. The proposed sale of Lot 7 in H&E.

Dated at Halifax, Nova Scotia the 21th day of September 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:

Phil Clarke, CPA, CA, CIRP, LIT
Senior Vice President

Appendix “A”

ECC Contract List Sept 14, 2023

Contract	Counter Party	Start Date/Finish Date	Value	Est. Value of work to be Completed	Holdback	% Complete	Status	Included in Cashflow	Outstanding Defaults	Comment
Town of Humber Arm Lift Station	The Town of Humber Arm South	Waiting on the Town (See Comments)	$ 370,170.05	$ 164,080.33	$ 20,594.55	80%	Awarded	NO	Issued by ECC	Awaiting response from the Town on a change order before a new schedule can be submitted to complete this contract
Western Waste Management	Western Waste Management	On Going - July 2025	$ 7,980,000.00	$ 2,205,000.00	$ -	72%	Awarded	YES	None	On-Going with no issues
Freshwater Outfall	The Town of Placentia	2023-05-15 - Sept 30, 2023	$ 263,159.00	$ 73,555.65		72%	Awarded	YES	None	On-Going - Additional change orders have delayed the completiton date
Monopile Road Widening Argentia, NL	Universal Environmental Services Inc.	Nov 2022 - July 2023	$ 150,000.00	$ -	$ -	95%	Awarded	YES	None	Time and material work remaning
Monopile Berm Construction (Includes Maintenance, Contract)	Universal Environmental Services Inc.	Nov 2022 - July 2023	$ 875,000.00	$ -	$ -	100%	Awarded	YES	None	Completed with no issues
US Navy Security	US Navy	On Going - Aug 2029	$ 960,000.00	$ 710,000.00	$ -	26%	Awarded	YES	None	On-Going with no issues
Integrated Logistics - Lime Transport	Intergated Logistics	On Going	Hourly Rates/Rentals	$ 200,000.00	$ -	On-Going	On-Going	YES	None	On-Going with no issues
Huskey White Rose Project	SDP	On Going	Monthly Rentals	$ 850,000.00	$ -	On-Going	Rentals	YES	None	On-Going with no issues
103-22PSR - Sir Ambrose Shea Lift Bridge	The Department of Transportation and Infrastructure	Feb 1, 2023 - Feb 1, 2025	Standing Offer	$ 540,829.00	$ -	9%	Awarded	Yes	None	On-Going with no issues
East Coast Snow Clearing	Various Owners (The Town of Placentia, Intergrated Logistics, Star Hall, Eastern Health Care)	On Going	Monthly	$ 142,384.75	$ -	On-Going	Awarded	YES	None	On-Going with no issues
West Coast Snow Clearing	The Department of Transportation and Infrastructure	On Going - April 15, 2023	Monthly	$ 9,770.00	$ -	On-Going	Awarded	YES	None	On-Going with no issues
Town of Placentia - Jerseyside Strom Collection System	Town of Placentia	Jul-23	$ 1,829,524.65	$ 1,629,524.65	$ -	11%	Awarded	YES	None	On-Going with no issues
Total:			$ 12,427,853.70	$ 6,525,144.38	$ 20,594.55					

Contracts in default:

Contract			Value	Est. Value of work to be Completed	Holdback	% Complete	Status	Included in Cashflow	Outstanding Defaults	Comment
12-21PHC Avalon Culvert Replacement Rehab	The Town of Humber Arm South	N/A	$ 1,561,208.95		$ 123,050.00		Awarded	NO	Issued by Both Parties	TI terminated the contract when they hired another contractor to complete the work
45-20PHP Stephenville Paving	The Department of Transportation and Infrastructure	N/A	$ 2,949,517.68		$ 188,324.58		Awarded	NO	Issued by Both Parties	Intact surety awarded the remainder of the work to another contractor
46-21PHP Central Paving and Bridge Rehab	The Department of Transportation and Infrastructure	N/A	$ 6,263,549.00	$ 5,749,100.00	$ 48,106.20	10% ?	Awarded	NO	Issued by Both Parties	TI hired another contractor to complete a portion of the work on this contract
Town of Hughes Brook Steet Improvement	The Town of Hughes Brook	N/A	$ 303,916.25		$ -		Awarded	NO	Issued by Both Parties	Town Terminated without notice once ECC was onsite to complete
Total:			$ 11,078,191.88	$ 5,749,100.00	$ 359,480.78					

Grand Total:			**$ 23,506,045.58**	**$ 12,274,244.38**	**$ 380,075.33**					

Appendix “B”

Edward Collins Contracting Limited
Aged Overdue Sales Invoices Summary As at 11.09.23

Name	Total Due	Total Current	Total Overdue	1 to 30 Overdue	31 to 60 Overdue	61+ Overdue
Cahill Fabrication Structural	1,725.00	0.00	1,725.00	0.00	862.50	862.50
CAN-AM Platforms & Construction Ltd.	7,013.25	0.00	7,013.25	0.00	0.00	7,013.25
Department of Transportation & Infrastructure	183,956.76	0.00	183,956.76	0.00	0.00	183,956.76
DFB Driver	1,840.00	0.00	1,840.00	0.00	0.00	1,840.00
DFO-Accounts Payable	230.00	0.00	230.00	0.00	0.00	230.00
Fusion Elevator Inc.	132.02	0.00	132.02	0.00	0.00	132.02
Harvey's Salt	5,622.00	0.00	5,622.00	0.00	0.00	5,622.00
Integrated Logistics	27,249.25	9,504.75	17,744.50	6,980.50	6,210.00	4,554.00
Newco Metals	776.25	0.00	776.25	0.00	0.00	776.25
OICC - USNF Argentia	23,600.00	0.00	23,600.00	23,600.00	0.00	0.00
Port of Argentia	5,048.04	-13,161.06	18,209.10	0.00	13,160.60	5,048.50
Provincial Ready Mix	137,756.78	0.00	137,756.78	0.00	0.00	137,756.78
Q.N.H Excavating & Landscaping Ltd.	3,714.50	0.00	3,714.50	0.00	0.00	3,714.50
SNC-Dragados-Pennecon G.P	214,371.50	0.00	214,371.50	80,017.00	91,574.50	42,780.00
TMSI Limited	3,048.58	0.00	3,048.58	0.00	0.00	3,048.58
Town of Humber Arm South	29,938.54	0.00	29,938.54	0.00	0.00	29,938.54
Town of Placentia	3,205.71	0.00	3,205.71	0.00	0.00	3,205.71
Tulk Tire & Service Ltd.	13,062.16	0.00	13,062.16	0.00	0.00	13,062.16
Universal Environmental Services Inc	69,000.00	0.00	69,000.00	69,000.00	0.00	0.00
Woodmar Contracting Inc.	517.50	0.00	517.50	517.50	0.00	0.00
Total outstanding:	731,807.84	-3,656.31	735,464.15	180,115.00	111,807.60	443,541.55

Edward Collins Contracting Limited
Holdback Accounts As at 11.09.23

Account Number	Account Description	Debits	Credits
1131	Holdback winter sand Bishop Falls	11,832.00	
1132	Holdback winter sand - Badger	10,763.31	
1139	Holdback Town of Long Harbour	9,006.05	
1140	Holdbacks receivable - Town of Placen	12,937.51	
1147	Holdback - Argentia small vessel st	2,352.00	
1154	Holdbacks (General)	11,444.00	
1156	Holdback - paving Codroy Valley	12,027.03	
		70,361.90	-

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 “C”

Edward Collins Contracting Limited
Aged Overdue Purchase Invoices Summary As at 11.09.23

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	371.99	7,951.22
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	10,213.35	0.00	480.57	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
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	-207.00	0.00	0.00
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.	46,942.13	0.00	1,922.01	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	40,950.72	-40,250.00	0.00	81,200.72
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	173.20	173.20	160.37
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	147.00	0.00	0.00
Pillar Capital	-25,000.00	0.00	-25,000.00	0.00
Pinnacle Office Solutions	205.23	0.00	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	78,111.54	428.35	12,314.81	65,368.38
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
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	112,865.87	0.00	11,278.85	101,587.02
Stantec Consulting Ltd.	4,249.88	0.00	0.00	4,249.88
Starlink	286.35	0.00	286.35	0.00
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
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 Deer Lake	5,923.86	0.00	0.00	5,923.86
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.	298.97	0.00	0.00	298.97
Zealous Heating & Cooling Inc.	10,084.03	0.00	0.00	10,084.03
Total outstanding:	3,857,679.47	-39,708.45	1,827.78	3,895,560.14

Appendix “D”

Companies Creditors Arrangement Regulations, SOR/2009-219

Form 4

Notice by Debtor Company to Disclaim or Resiliate an Agreement

To:
De Lage Landen Financial Services Canada Inc.
3450 Superior Court, Unit 1
Oakville, ON L6L 0C4
lossrecovery@leasedirect.com

And with a Copy to:
The Monitor, Grant Thornton Limited
via email

TAKE NOTICE THAT:

1. Proceedings under the *Companies' Creditors Arrangement Act* (the "**Act**") in respect of Edward Collins Contracting Ltd., Classic Security Ltd., H&E Designs Ltd., FGC Holdings Ltd.,51037 Newfoundland & Labrador Inc. (collectively referred to as "**ECC**") were commenced on the 5th day of October 2022.

2. In accordance with subsection 32(1) of the Act, the debtor company gives you notice of its intention to partially disclaim or resiliate the following agreement (the "**Agreement**"):

   A. Equipment Leasing Agreement 1-254586, Lease No. 699165, for the following equipment:
      i. 2014 WIRTGEN W200I MILLING MACHING (s/n 14200108) with attachments and accessories

3. As such, you are entitled to retrieve the property, as described above, at your own convenience.

4. The equipment noted above under Equipment Leasing Agreement 1-254586 is located at 110 Charter Ave., Jerseyside, Newfoundland & Labrador.

5. In accordance with subsection 32(2) of the Act, any party to the agreement may, within 15 days after the day on which this notice is given and with notice to the other parties to the agreement and to the Monitor, apply to the court for an order that the agreement is not to be disclaimed or resiliated.

6. In accordance with paragraph 32(5)(a) of the Act, if no application for an order is

made in accordance with subsection 32(2) of the Act, the agreement is disclaimed or resiliated on the 9th day of June 2023, being 30 days after the day on which this notice has been given.

Dated at NUG [illegible], in the Province of Newfoundland and Labrador, on the 9th day of May 2023.

Josh Collins
Vice President, Edward Collins Contracting Ltd.

The Monitor approves the proposed disclaimer or resiliation.

Dated at the City of Halifax, in the Province of Nova Scotia, on the 20th day of ~~May~~ June 2023.

Phil Clarke, CPA, CA, CIRP, LIT
Senior Vice President
Grant Thornton Limited on Behalf of the Monitor

Appendix “E”

REALTOR®

NEWFOUNDLAND AND LABRADOR ASSOCIATION OF REALTORS® INC.

PRIVACY CONSENT FORM FOR THE BROKER REPRESENTING THE 'BUYER(S)'

(For Use By Members of the Newfoundland and Labrador Association of REALTORS® Inc. Only)

This consent relates to the collection, use and disclosure of personal information by

Carl Bowker and Royal LePage Atlantic Homestead
(Print name of Buyer(s)) (The Selling Agency)

relating to properties which the Buyer(s) may wish to purchase.

The Buyer(s) hereby consent to the collection, use and disclosure of personal information by the Broker and by other members of the MLS® service of the Newfoundland and Labrador Association of REALTORS® Inc. for such purposes that relate to the real estate services provided by the Broker and the Association to the Buyer(s) including, but not limited to:

(i) locating, assessing and qualifying properties for the Buyer(s);
(ii) advertising on behalf of the Buyer(s);
(iii) providing information as needed to third parties retained by the Buyer(s) to assist in a transaction (e.g. financial institutions, building inspectors, etc...); and
(iv) such other use of the Buyer's information as is consistent with the services provided by the Broker in connection with the purchase or prospective purchase of the property.

The Buyer(s) agree that the sale and related information regarding any property purchased by them through the Broker may be retained and disclosed by the Broker and/or the Association for reporting, appraisal and statistical purposes.

Dated at ____________, this 27th day of April, 2023.

Witness

Authentisign
Carl Bowker
Buyer

Witness

Buyer

NL ASSOCIATION OF REALTORS®

PRIVACY CONSENT FORM FOR THE BROKER REPRESENTING THE 'SELLER(S)'

(For Use By Members of the Newfoundland and Labrador Association of REALTORS® Inc.)

MLS® MULTIPLE LISTING SERVICE®

This consent shall form part of the Multiple Listing Agreement between

H & E Designs ~~Development~~ Ltd. A.M. and Royal LePage Atlantic Homestead

(Print name of Seller(s)) *(Listing Broker)*

respecting the listing on the MLS® (Multiple Listing Service®) of Newfoundland and Labrador Association of REALTORS® Inc. (the "Association") on the property known civically as Lot 7 Morrissey's Place Placentia NL A0B 2Y0 **(the "property"). The Seller(s) hereby consent to the collection, use and disclosure of information by the Broker for the purpose of listing and marketing the property including, but not limited to:**

- **(i)** listing and advertising the property using any medium including the Internet;
- **(ii)** disclosing property information to Prospective Buyers, Brokers, Salespersons and others who may assist in the sale of the property;
- **(iii)** such other use of the Seller's personal information as is consistent with listing and marketing of the property.

The Seller(s) also consent to the placement and disclosure of the personal information as required into the database of the MLS® system operated by the Association and acknowledges that the MLS® database is the property of the Association and can be licensed, resold or otherwise dealt with by the Association. The Seller(s) further acknowledges that the Association may:

- **(i)** distribute the information to any persons authorized to use such service which may include other Brokers, Canada Mortgage and Housing Corporation, the appraisal industry, and others;
- **(ii)** market the property, at its option, in any medium, including electronic media;
- **(iii)** compile, retain and publish any statistics including historical MLS® data which may be used by licensed Association members to conduct comparative market analysis; and
- **(iv)** make such other use of the information as the association deems appropriate in connection with the listing, marketing and selling of real estate.

The Seller(s) acknowledges having been informed that the collection, use and disclosure of personal information as set forth in this consent is needed for the purpose of marketing and seeking a Buyer for the property of the Seller(s).

Dated at ____________________ **at** ________ **this** 27 **day of** April 2023

Municipality, Province, State, etc. *AM/PM* *Month* *Year*

Witness: ____________________ **Seller:** Authentisign Francis Collins

Witness: ____________________ **Seller:** ____________________

NL ASSOCIATION OF REALTORS®

AGENCY DISCLOSURE ACKNOWLEDGEMENT

(For Use By Members of the Newfoundland and Labrador Association of REALTORS® INC.)

MLS MULTIPLE LISTING SERVICE®

The difference between receiving information and services from a Broker and being represented by a Broker is the difference between being a customer and being a client.

AGENCY DISCLOSURE - Members of The Canadian Real Estate Association abide by a strict Code of Ethics and Standards of Business Practice, which serves to protect the buying and selling public alike. One of the ethical obligations embodied in the Code requires that the REALTORS® disclose who they are representing in a real estate transaction:

ARTICLE 3 – A REALTOR® shall fully disclose in writing to, and is advised to seek written acknowledgement of disclosure from, all parties to a transaction regarding the role and the nature of service that the REALTOR® will be providing to the client versus the customer or other party to the transaction. The REALTOR® shall also disclose his or her role to other REALTORS® involved in the transaction.

If you have any questions about the contents of this form contact your local real estate board/association or talk to the REALTOR® with whom you are dealing.

When working with a real estate Broker in buying or selling real estate, it is important that you understand who the Broker is representing in the transaction.

Is the Broker representing the seller, the buyer, or both? Who is the Agent's client? Who is the customer?

The difference between RECEIVING INFORMATION AND SERVICES FROM A BROKER and BEING REPRESENTED BY A BROKER is the difference between being a CUSTOMER and being a CLIENT.

The person who is represented by a Broker is a CLIENT. The Broker owes the client the duties of utmost care, integrity, confidentiality and loyalty.

A CUSTOMER, on the other hand, receives valuable information and assistance from an Agent, but is not represented by that Agent.

Regardless of whom the Broker represents, however, the Broker is obliged to treat all parties to a transaction honestly and fairly. The Broker must:

- respond honestly and accurately to questions concerning the property
- disclose material facts which the Broker knows or reasonably ought to know about the property
- promptly present all offers to the seller
- market the property without regard to race, creed, sex, handicap, religion or national origin

SELLER'S BROKER- A SELLER'S BROKER represents the Seller – either as a LISTING BROKER under a listing agreement with the Seller OR by cooperating as a SUB-AGENT, typically through the Multiple Listing Service®.

In dealing with prospective buyers (customers), a SELLER'S BROKER can provide a variety of information and services to assist the buyer in his/her decision-making, but the SELLER'S BROKER is not the Broker for the buyer.

BUYER'S BROKER– A BUYER'S BROKER represents the buyer, preferably pursuant to a Buyer Brokerage agreement. A BUYER'S AGENT'S primary allegiance is to the buyer.

DUAL BROKER- A DUAL BROKER acts on behalf of both the seller and the buyer in the same transaction. In other words, both the seller and the buyer are the Agent's clients.

A DUAL BROKER may not represent both parties without their informed consent and must ensure that the parties understand the possible effects of the dual representation, including, for example, that no information received in connection with the transaction can be treated as confidential unless an agreement in writing limiting the transfer of information exists.

ACKNOWLEDGEMENT – This form does not create an agency relationship. Its purpose is to ensure that all parties understand who is representing whom and to acknowledge that disclosure of this representation has occurred.

I have read and understand this form and acknowledge that

Aiden Hibbs
(Name of Agent)

Royal LePage Atlantic Homestead
(Firm Name)

disclosed he/she is representing:

☐ Seller, as listing Broker or Sub-Agent ☐ Buyer, as Buyer's Broker ☒ Both Seller and Buyer, with the full knowledge and consent of all parties

Francis Collins	04/26/2023		
Seller	Date	Seller	Date
Carl Bowker	04/27/2023		
Buyer	Date	Buyer	Date

Revised August 2021

NL ASSOCIATION OF REALTORS®

AGREEMENT OF PURCHASE & SALE

(For Use by Members of the Newfoundland and Labrador Association of REALTORS® Inc.)

MULTIPLE LISTING SERVICE®

Agency has been explained to me and an Agency Disclosure/Acknowledgement form has been given to me. With respect to this offer to purchase and subsequent dealings between the Buyer and the Seller on the below noted Property the selling Broker gives notice of the following agency relationship.

_____ Sub-Agency _____ Buyer Agency X Dual Agency Acknowledged SELLER: _____

I/We Carl Bowker of 14 Farm Close Bagnley Staffordshire United Kingdom WS152XT (Municipality, Province, etc.),

hereinafter called the "Buyer(s)" having inspected the Property known civically as:

Lot 7 Morrissey's Place Placentia NL A0B 2Y0

in the Province of Newfoundland & Labrador (hereinafter called the Property) offer to purchase the property from:

H & E Design Development hereinafter called the "Seller(s)"

through the Seller's/Buyer's Brokers Royal LePage Atlantic Homestead and Royal LePage Atlantic Homestead

at the price of $ 65,000.00 Sixty-Five Thousand

of lawful money of Canada, upon the following terms & conditions, payable as follows:

$ 1,000.00 by cash/cheque/EFT to the Broker or Broker's representative for the Seller within 48 hours of the acceptance of this Agreement of Purchase & Sale as a deposit to be held in trust by such Broker pending completion or other termination. Failure of the Buyer to deliver the deposit within 48 hours of acceptance of this Agreement of Purchase & Sale shall render this Agreement null and void and there shall be no further obligation on the part of either party, and; the remaining amount of:

$ 64,000.00 as follows: $ _____ as down payment on the Closing Date, and the balance by:

Cash

On the following terms and conditions:

1. Provided the title is good and free from all encumbrances except as aforesaid, and except as to any registered restrictions or covenants that run with the land.

2. Insurance, Rentals, Mortgage Interest, Taxes, Water Rates & Fuel, to be apportioned and allowed to date herein fixed for completion of the sale.

3. It is a condition of this sale that if the Buyer requires financing for this transaction, the Buyer shall obtain approval for such financing on or before 11:59 PM on the _____ day of _____ The Seller or his Broker shall receive written notice of the approval of such financing within the time specified. If the Seller or Broker shall fail to receive such written notice within the time aforesaid this agreement shall be null and void and of no force and effect.

4. If this Purchase & Sale is subject to the Buyer obtaining any permits, such permits shall be obtained by the Buyer on or before 11:59PM on the _____ day of _____. Written notice of receipt of such permits shall be given to the Seller within the time specified. If such permits are not received by the Buyer and such written notice thereof given within the time aforesaid, then this Agreement shall be void and of no effect.

Buyer(s) and Seller(s) to initial indicating that both have read and understand the above.

Date: 04/26/23 **Witness Initials:** _____ **Buyer's Initials** CB _____

Witness Initials: _____ **Seller's Initials** FC _____

Revised August 2021

NL ASSOCIATION OF REALTORS®

AGREEMENT OF PURCHASE & SALE

(For Use by Members of the Newfoundland and Labrador Association of REALTORS® Inc.)

MULTIPLE LISTING SERVICE®

Address: Lot 7 Morrissey's Place Placentia NL A0B 2Y0

5. Vacant possession to be given by the Seller on or before the 21 day of June 2023

   This transaction of Purchase & Sale shall be completed on or before the 21 day of June 2023

6. This offer, when accepted, shall constitute a binding contract of Purchase & Sale, and time shall in all respects be of the essence hereof.

7. **The Seller agrees to release the Buyer's deposit should the transaction be unable to be completed because of a failure to satisfy a condition of this Agreement, provided that the Buyer provides the Seller with written proof of the Buyer's reason(s) for the failure to satisfy such condition(s) of this Agreement. With the exception of the foregoing provision only, the Buyer is to forfeit the deposit unless he completes as agreed herein.**

8. This offer and its acceptance to be read with all changes of gender or number required by the context.

9. This Agreement shall ensure to the benefit of and be binding upon the parties hereto, and their respective Heirs, Executors, Administrators, Successors and Assigns.

10. I agree to buy on the above terms, and I understand that this offer shall not constitute a binding Agreement of Sale until signed by the Seller.

11. All buildings and equipment upon the real property shall be and remain at the risk of the Seller until closing. Pending completion of sale, the Seller will hold all insurance policies and the proceeds thereof in trust for the parties as their interests may appear.

12. The Seller warrants that there are no outstanding work orders on the property and shall supply written confirmation from the Municipality if requested by the Buyer.

13. The following leased or rented equipment or fixtures are located on the property, and shall be assumed by the Buyer, or paid out by the Seller as listed below:

Assumed by Buyer **Paid out by Seller**

Buyer's Initials ____________ ____________ **Seller's Initials** ____________ ____________

14. The Buyer(s) hereby consent to the collection, use and disclosure of personal information by the Broker and by other members of the MLS® Service of the Newfoundland and Labrador Association of REALTORS® for such purposes that relate to the real estate services provided by the Broker and the Association to the Buyer(s) included, but not limited to:
    a. locating, assessing and qualifying properties for the Buyer(s);
    b. advertising on behalf of the Buyer(s);
    c. providing information as needed to third parties retained by the Buyer(s) to assist in a transaction (e.g. financial institutions, building inspectors, etc.); and
    d. such other use of the Buyer's information as is consistent with the services provided by the Broker in connection with the purchase or prospective purchase of the property.

15. The Buyer(s) agree that the sale and related information regarding any property purchased by them through the Broker may be retained and disclosed by the Broker and/or Association for reporting, appraisal, and statistical purposes.

Buyer(s) and Seller(s) to initial indicating that both have read and understand the above.

Date: 04/26/23 **Witness Initials:** ____________ **Buyer's Initials** CB ____________

Witness Initials: ____________ **Seller's Initials** FC ____________

NL ASSOCIATION OF REALTORS®

AGREEMENT OF PURCHASE & SALE

(For Use by Members of the Newfoundland and Labrador Association of REALTORS® Inc.)

MULTIPLE LISTING SERVICE®

Address: Lot 7 Morrissey's Place Placentia NL A0B 2Y0

16. **The following terms and conditions, as per the attached forms, shall form part of this Agreement of Purchase and Sale.**
Appendix A

17. A Home Inspection Report Addendum ☐ does, ☒ does not form part of this Agreement of Purchase & Sale.

This offer shall be open for acceptance by you until 11:59PM (*am/pm*) **on the** 28 **day of** April 2023 **after which time if not accepted it shall be null void and the deposit shall be returned as soon as it is practicable.**

I acknowledge having read and received a copy of this agreement at the time of signing.

Dated at ____________ (*Municipality, Province, State, etc*) **at** ________ (*AM/PM*) **this** 27 **day of** April (*Month*) 2023 (*Year*)

Witness ____________________ Carl Bowker **Buyer**

Witness ____________________ ____________________ **Buyer**

Buyer(s) and Seller(s) to initial indicating that both have read and understand the above.

Date: 04/26/23 **Witness Initials:** ________ **Buyer's Initials** CB

Witness Initials: ________ **Seller's Initials** FC

REALTOR®

Revised August 2021

NL ASSOCIATION OF REALTORS®

AGREEMENT OF PURCHASE & SALE

(For Use by Members of the Newfoundland and Labrador Association of REALTORS® Inc.)

MULTIPLE LISTING SERVICE®

Address: Lot 7 Morrissey's Place Placentia NL A0B 2Y0

Seller to sign one of the three sections below

I hereby accept the above offer and agree to sell on the above terms.

I agree to pay the Broker, Royal LePage Atlantic Homestead, a commission as per Listing Agreement, for having procured this Offer, said commissions and HST to be deducted from the deposit, and in consideration of the Broker having procured this Offer, I hereby assign to, and irrevocably instruct my solicitor to pay direct to the said Broker, any unpaid balance of commission and HST from the proceeds of the sale and further instruct the Broker to remit any balance of monies to my solicitor herein. I acknowledge having read and received a copy of this agreement at the time of signing. The Listing Broker shall pay all Selling Broker's commission out of commissions received by him.

Dated at ______ (Municipality, Province, etc) at ______ (AM/PM) this 27 day of April (Month) 2023 (Year)

Witness ______ Authentisign Francis Collins Seller

Witness ______ Seller ______

Buyer(s) Lawyer ______ Seller(s) Lawyer ______

I hereby accept the above offer and all its terms and conditions, subject to the amendments, exceptions and/or additions set out in the Counter Offer attached hereto.

Dated at ______ (Municipality, Province, etc) at ______ (AM/PM) this ______ day of ______ (Month) ______ (Year)

Witness ______ Seller ______

Witness ______ Seller ______

I hereby reject the above offer to sell on the above terms and conditions.

Dated at ______ (Municipality, Province, etc) at ______ (AM/PM) this ______ day of ______ (Month) ______ (Year)

Witness ______ Seller ______

Witness ______ Seller ______

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NL ASSOCIATION OF REALTORS®

APPENDIX "A"

(For Use By Members of the Newfoundland and Labrador Association of REALTORS® Inc.)

MULTIPLE LISTING SERVICE®

Attached to and forming part of the Agreement of Purchase & Sale between:

Buyer(s) Carl Bowker

and

Seller(s) H & E Designs ~~Development~~ Ltd. (A.N)

on the property known as Lot 7 Morrissey's Place Placentia NL A0B 2Y0

in the Province of Newfoundland & Labrador, dated April 27 2023

-Sale of property is subject to court approval

-Purchase Price of $65000 is subject to 15% HST. Total amount buyer is to pay is $74750

I hereby acknowledge having read and received a copy of this "Appendix A" at the time of signing.

Dated at ______ *(Municipality, Province, etc.)* **at** ______ *(AM/PM)* **this** 27 **day of** April *(Month)* 2023 *(Year)*

Witness ______ Carl Bowker **Buyer**

Witness ______ **Buyer**

I hereby acknowledge having read and received a copy of this "Appendix A" at the time of signing.

Dated at ______ *(Municipality, Province, etc.)* **at** ______ *(AM/PM)* **this** 27 **day of** April *(Month)* 2023 *(Year)*

Witness ______ Francis Collins **Seller**

Witness ______ **Seller**

Appendix “F”

92712 Newfoundland & Labrador Inc., a corporation governed by the laws of the Province of Newfoundland and Labrador;
the "Purchaser"

and

Edward Collins Contracting Ltd. and
H & E Designs Ltd.;
collectively, the "Vendors"

ASSET PURCHASE AGREEMENT

May 17, 2023

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ASSET PURCHASE AGREEMENT

RECITALS:

(1) Edward Collins Contracting Ltd., Classic Security Limited, FGC Holdings Ltd. and H & E Designs Ltd. (collectively, "**ECC**") together operate as an integrated entity in the heavy civil construction industry (the "**Business**") across Newfoundland and Labrador;

(2) ECC commenced proceedings (the "**CCAA Proceedings**") under the *Companies' Creditors Arrangement Act* (the "**CCAA**") and an amended and restated initial order was granted by the Supreme Court of Newfoundland and Labrador in Bankruptcy and Insolvency (the "**Court**") on October 17, 2022 (as amended and restated or otherwise modified from time to time, the "**ARIO**") pursuant to which Grant Thornton Limited was named monitor (in such capacity, the "**Monitor**");

(3) 92712 Newfoundland & Labrador Inc (the "**Purchaser**") as a "**Stalking Horse Bidder**", wishes to purchase, and the Vendors have agreed to sell, the Purchased Assets (as defined below) pursuant to and in accordance with the terms of a Stalking Horse Sale Process (the "**Sale Process**") and subject to and in accordance with the conditions of this Agreement; and

(4) The transactions contemplated by this Agreement are subject to the approval of the Court and will be consummated only pursuant to the Approval and Vesting Order to be entered in the CCAA Proceedings.

NOW THEREFORE in consideration of the mutual covenants and agreements contained in this Agreement and for other good and valuable consideration (the receipt and sufficiency of which are acknowledged), the Parties agree as follows:

ARTICLE 1
INTERPRETATION

Section 1.1 Defined Terms.

As used in this Agreement, the capitalized terms listed below shall have the corresponding meanings.

"**Affiliate**" of a Person means any other Person that directly or indirectly controls, is controlled by or is under common control with such Person, where "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"**Agreement**" means this Asset Purchase Agreement and all attached Schedules, in each case as the same may be supplemented, amended, restated or replaced from time to time, and the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this Agreement and all attached Schedules and unless otherwise indicated, references to Articles, Sections and Schedules are to Articles, Sections and Schedules in this Agreement.

"**Ancillary Agreements**" means all agreements, certificates and other instruments delivered or given pursuant to this Agreement.

"**Approval and Vesting Order**" means an approval and vesting order of the Court in form and in substance satisfactory to the Vendors and the Purchaser, each acting reasonably, approving this Agreement and vesting in and to the Purchaser the Purchased Assets, free and clear of and from any and all Encumbrances to the extent and as provided for in such approval and vesting order.

"**Assigned Debt**" means the full-face amount of the security held by Newport Capital Corp. and Placentia Mall Ltd. over the assets of the Vendors, which was assigned to the Purchaser on May 17, 2023, in a combined amount of $340,000.00 plus accrued interest.

"**Assignment Order**" means an order or orders of the Court, in form and substance satisfactory to the Purchaser, acting reasonably, authorizing and approving the assignment of one or more Consent Required Contracts for which the consent, approval or waiver of the party or parties thereto (other than the Vendors) are required to assign such Consent Required Contracts has not been obtained by Closing.

"**Assumed Contracts**" means all of the Contracts of the Vendors used in the Business other than the Excluded Contracts.

"**Assumed Liabilities**" has the meaning given to such term in Section 3.1.

"**Books and Records**" means all information in any form relating to the Purchased Assets, including books of account, financial, operations, sales books, tax, business, marketing, personnel and research information and records, technical information, drill logs, equipment logs, technical reports, operating guides and manuals and all other documents, files, correspondence and other information, including all data, information and databases stored on computer-related or other electronic media, but excluding the minute books and corporate records of the Vendors.

"**Business**" has the meaning specified in the preamble to this Agreement.

"**Business Day**" means any day of the year, other than a Saturday, Sunday or any day on which major Canadian chartered banks are closed for business in the Province of Newfoundland and Labrador or the federal laws of Canada applicable in the Province of Newfoundland and Labrador.

"**CCAA**" has the meaning given to such term in the preamble to this Agreement.

"**CCAA Proceedings**" has the meaning given to such term in the preamble to this Agreement.

"**Claims Process**" means the claims process for the CCAA proceedings of Edward Collins Contracting Ltd. et. al. by way of order of the Honourable Supreme Court dated 14 March 2023 in matter 2022 01G 1964.

"**Closing**" means the completion of the transaction of purchase and sale contemplated in this Agreement.

"**Closing Date**" means the date on which the Closing occurs, which date shall be no later than five (5) days from the issuance of the Approval and Vesting Order or such other date as mutually agreed between the Parties and the Monitor.

"**Closing Deposit**" has the meaning specified in Section Section 3.2.

"**Consent Required Contract**" means any Assumed Contract or License which is not assignable in whole or in part without the consent, approval or waiver of the party or parties thereto (other than the Vendors).

"**Contract**" means all contracts, letters of intent, licenses, leases, agreements, obligations, promises, undertakings, arrangements, documents, commitments, bonding contracts (including without limitation the contract for services with Western Waste Management and the associated bonding contract with Guarantee Company of North America) entitlements or engagements to which the Vendors are a party or by which the Vendors are bound relating to the Purchased Assets and/or the Business, all as may be amended and/or restated, and including any and all related quotations, orders, proposals or tenders which remain open for acceptance, warranties and guarantees and documents ancillary thereto.

"**CRA**" means the Canada Revenue Agency.

"**Cure Costs**" means, in respect of any Consent Required Contract for which an Assignment Order is required, all amounts owing as at the Closing Date by the Vendors pursuant to such Consent Required Contract and all amounts required to be paid to cure any monetary defaults thereunder, if any, required to effect an assignment thereof from the Vendors to the Purchaser, together with any fee or other monetary concession approved by the Purchaser and granted in connection with obtaining any Assignment Order for such Consent Required Contract, including all administrative fees and counsel fees of the counterparties required to be paid to obtain such Assignment Order.

"**Deposit**" has the meaning specified in Section Section 3.2.

"**Employees**" means any and all (i) employees who are actively at work (including full-time, part-time or temporary employees) of the Vendors; and (ii) employees of the Vendors who are on leaves of absence (including maternity leave, parental leave, disability leave, sickness leave, workers' compensation and other statutory leaves) as at the Closing Date;

"**Encumbrance**" means any mortgage, charge, pledge, hypothec, security interest, deemed trust (statutory or otherwise), assignment, lien (statutory or otherwise), leases, rights of way, title defects, options, claim, adverse claims, encumbrances, easement, title retention agreement or arrangement, conditional sale, deemed or statutory trust, restrictive covenant or other encumbrance of any nature which, in substance, secures payment or performance of an obligation.

"**Excluded Assets**" has the meaning specified in Section 2.2.

"**Excluded Contracts**" means all of the Contracts listed in Schedule 1.1(a).

"**Excluded Liabilities**" means, other than the Assumed Liabilities, any and all liabilities and obligations of the Vendors including, without limitation, any liabilities or claims with respect to or arising in connection with, the Excluded Contracts, and the Non-Transferred Employee Liabilities;

"**Expense Reimbursement**" has the meaning specified in Section 7.2(a).

"**First Deposit**" has the meaning specified in Section Section 3.2.

"**Governmental Authorities**" means governments, regulatory authorities, governmental departments, agencies, commissions, bureaus, officials, ministers, Crown corporations, courts, bodies, boards, tribunals or dispute settlement panels or other law or regulation-making organizations or entities: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory, state or other geographic or political subdivision thereof; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.

"**Intellectual Property**" means all intellectual property of the Vendors used by or currently being developed for use in the Business, and all rights of the Vendors therein, including without limitation:

(a) all patents, patent applications and other patent rights, including provisional and continuation patents;

(b) all registered and unregistered trade-marks, service marks, logos, slogans, corporate names, business names and other indicia of origin, and all applications and registrations therefor;

(c) registered and unregistered copyrights and mask works, including all copyright in and to computer software programs and applications and registrations of such copyright;

(d) internet domain names, applications and reservations for internet domain names, uniform resource locators and the corresponding internet sites;

(e) industrial designs; and

(f) trade secrets and proprietary information not otherwise listed in (a) through (e) above, including, without limitation, all inventions (whether or not patentable), invention disclosures, moral and economic rights of authors and inventors (however denominated), confidential information, technical data, customer lists, corporate and business names, trade names, trade dress, brand names, know-how, mask works, circuit topography, formulae, methods (whether or not patentable), designs, processes, procedures, technology, business methods, source codes, object codes, computer software programs (in either source code or object code form), databases, data collections and other proprietary information or material of any type, and all derivatives, improvements and refinements thereof, howsoever recorded or unrecorded.

"**Laws**" means any principle of common law and all applicable (i) laws, constitutions, treaties, statutes, codes, ordinances, orders, decrees, rules, regulations and by-laws, (ii) judgments, orders, writs, injunctions, decisions, awards and directives of any governmental entity and (iii) to the extent that they have the force of law, standards, policies, guidelines, notices and protocols of any governmental entity.

"**Monitor's Certificate**" has the meaning specified in Section 9.3.

"**Non-Transferred Employee Liabilities**" means all liabilities relating to the Non-Transferred Employees, including Wages, vacation pay, termination costs, notice or pay in lieu of notice, severance, wrongful and constructive dismissal damages, human rights claims, all liabilities pursuant to any employee plan and any other damages arising from the loss of employment by any Non-Transferred Employee.

"**Non-Transferred Employees**" means all Employees who are not Transferred Employees.

"**Notice**" has the meaning specified in Section 11.1.

"**Offerees**" has the meaning given in Section 6.4(a).

"**Parties**" means the Vendors and the Purchaser and any other Person who may become a party to this Agreement.

"**Person**" means an individual, partnership, limited partnership, limited liability partnership, corporation, limited liability company, unlimited liability company, joint stock company, trust, unincorporated association, joint venture or other entity and pronouns have a similarly extended meaning.

"**Purchase Price**" has the meaning specified in Section 3.1, subject to any change pursuant to Section 3.1.

"**Purchased Assets**" has the meaning specified in Section 2.1.

"**Purchaser**" has the meaning specified in the preamble to this Agreement.

"**RBC**" means the Royal Bank of Canada.

"**Sale Process**" has the meaning specified in the preamble to this Agreement.

"**Sale Process Approval Order**" means the Court order approving the Sale Process.

"**Stalking Horse Bidder**" has the meaning specified in the preamble to this Agreement.

"**Successful Bid**" has the meaning specified in the Sale Process.

"**Successful Bidder**" has the meaning specified in the Sale Process.

"**Tax Act**" means the *Income Tax Act* (Canada), as amended and any relevant legislation of a province imposing tax similar to the *Income Tax Act* (Canada).

"**Tax Returns**" means any and all returns, reports, declarations, elections, notices, forms, designations, filings, and other documents filed or required to be filed in respect of Taxes.

"**Taxes**" means (i) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies, rates, withholdings, dues, contributions and other charges, collections or assessments of any kind whatsoever; (ii) all interest, penalties, fines, additions to tax or other additional amounts imposed on or in respect of amounts of the type described in clause (i) above or this clause (ii); and (iii) any liability for the payment of any amounts of the type described in clauses (i) or (ii) as a result of any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any party.

"**Transferred Employees**" means Offerees who accept an offer of employment made by the Purchaser and attend work on their next regularly scheduled work day following the Closing Date;

"**Vendors**" means Edward Collins Contracting Ltd. and H & E Designs Ltd.

"**Wages**" has the meaning given in Section 6.4(d).

Section 1.2 References and Usage.

Unless expressly stated otherwise, in this Agreement:

(a) reference to a gender includes all genders;

(b) the singular includes the plural and vice versa;

(c) "or" is used in the inclusive sense of "and/or";

(d) "any" means "any and all";

(e) the words "including", "includes" and "include" mean "including (or includes or include) without limitation";

(f) the phrase "the aggregate of", "the total of", "the sum of", or a phrase of similar meaning means "the aggregate (or total or sum), without duplication, of";

(g) $ or dollars refers to the Canadian currency unless otherwise specifically indicated;

(h) a statute includes all rules and regulations made under it, if and as amended, re-enacted or replaced from time to time;

(i) a Person includes its predecessors, successors and permitted assigns;

(j) the term "notice" refers to oral or written notices except as otherwise specified;

(k) the term "Agreement" and any reference in this Agreement to this Agreement or any other agreement or document includes, and is a reference to, this Agreement or such other agreement or document as it may have been, or may from time to time be amended, restated, replaced, supplemented or novated and all schedules to it, except as otherwise provided in this Agreement; and

(l) whenever payments are to be made or an action is to be taken on a day which is not a Business Day, such payment will be required to be made or such action will be required to be taken on or not later than the next succeeding Business Day and in the computation of periods of time, unless otherwise stated, the word "from" means "from and excluding" and the words "to" and "until" each mean "to and including".

Section 1.3 Headings, etc.

The use of headings (e.g. Article, Section, etc.) in this Agreement is reference only and is not to affect the interpretation of this Agreement. References in the Agreement to Article, Section etc., unless otherwise specified, shall mean the applicable Article, Section, etc. of this Agreement.

Section 1.4 Schedules.

The schedules attached to this Agreement form an integral part of this Agreement for all purposes of it.

Schedule 1.1(a)	Excluded Contracts
Schedule 1.1(b)	Excluded Liabilities
Schedule 1.1(c)	Sale Process
Schedule 2.2(d)	Excluded Assets
Schedule 3.3	Purchase Price Allocation

ARTICLE 2
PURCHASE AND SALE

Section 2.1 Purchased Assets.

Subject to the terms and conditions of this Agreement, the Vendors agree to sell, assign and transfer to the Purchaser and the Purchaser agrees to purchase from the Vendors on the Closing Date, on an "as is, where is" basis, all of the Vendors' right, title and interest in the Vendors' property, assets and undertakings of every kind and description and wheresoever situate, of the Business, other than the Excluded Assets (collectively, the "**Purchased Assets**"), free and clear of all Encumbrances, and the Purchased Assets shall include:

(a) **Equipment and Supplies.** All machinery, equipment, furnishings, furniture, parts, dies, molds, tooling, tools, computer hardware, supplies, accessories and other tangible personal and moveable property (other than inventory) owned by the Vendors;

(b) **Contracts.** All Assumed Contracts and all rights, title, interests and obligations thereunder;

(c) **Vehicles**. All motor vehicles, including all trucks, vans, cars and forklifts registered in the name of the Vendors and used for the Business;

(d) **Computer Software.** All software and documentation used in the Business, including, all electronic data processing systems, program specifications, input data, report layouts, formats, algorithms, record file layouts, diagrams, functional specifications, narrative descriptions, flow charts, operating manuals;

(e) **Cash and Accounts Receivable.** All cash in bank accounts of the Vendors and all accounts receivable (including unbilled revenue from work in progress), bills receivable, bid deposits, accounts receivable, proceeds of the Claims Process, set-offs (contractual, legal and equitable), contractual hold-backs, trade accounts, trade debts and book debts due or accruing due in connection with the Business, including any refunds and rebates receivable relating to the Business or the Purchased Assets and the full benefit of all security (including cash deposits), guarantees and other collateral held by the Vendors relating to the Business, and amounts receivable (or which may become receivable) by the Vendors under agreements whereby the Vendors have disposed of a business, facility or other assets, or under royalty (or other) agreements or documents related thereto and all bank accounts;

(f) **Proceeds from Litigation Claims.** All proceeds and amounts received in connection with or obtained from any litigation between the Vendors and any other Person;

(g) **Prepaid Expenses**. All prepaid expenses of the Business;

(h) **Real Property**. The real or immoveable property owned by the Vendors including but not limited to those properties listed on Schedule 2.1(h), including and all plants, buildings, structures, improvements, appurtenances and fixtures (including fixed machinery and fixed equipment) thereon or forming part thereof (the "**Real Property**");

(i) **Intellectual Property**. All right, title and interest of the Vendors in and to the Intellectual Property owned by or licensed to the Vendors for use in connection with the Business or the Purchased Assets, including domain names;

(j) **Books and Records**. The Books and Records of the Vendors related to the Business, the Purchased Assets, the Assumed Liabilities, or the Assumed Liabilities;

(k) **Claims**. All claims of the Vendors relating to the Business or the Purchased Assets whether choate or inchoate, choses in action, known or unknown, contingent or otherwise;

(l) **Tax Refunds**. The benefit of any refundable Taxes payable or paid by the Vendors net of any amounts withheld by any taxing authority, and any claim or right of the Vendors to any refund, rebate, claims for tax losses (if applicable), or credit of Taxes including but not limited to any investment tax credits payable in connection with the Purchaser's acquisition of the Vendors' asphalt plant;

(m) **Goodwill**. The goodwill of the Business, including the exclusive right of the Purchaser to represent itself as carrying on the Business in continuation of and in succession to the Vendors;

(n) **Licenses**. All license agreements relating to the Business, to the extent the foregoing are transferable (the "**Licenses**");

(o) **Insurance**. The interest of the Vendors in all contracts of insurance, insurance policies and insurance plans which are assets of or maintained in connection the Purchased Assets, (b) any insurance proceeds net of any deductibles recovered by the Vendors under all other contracts of insurance, insurance policies (excluding D&O policies) and insurance plans between the date of this Agreement and the Closing Date, and (c) the full benefit of the Vendors' rights to insurance claims relating to the Business and amounts recoverable in respect thereof net of any deductible to the extent any of the foregoing are transferable;

(p) **Warranty Rights**. All warranty rights against manufacturers or suppliers relating to any of the Purchased Assets, to the extent the foregoing are transferable; and

(q) **Other Property**. All other property, assets and undertakings of the Vendors of whatever nature or kind used in connection with the Business and/or the Purchased Assets.

Section 2.2 Excluded Assets.

The Purchased Assets shall not include any of the following assets (collectively, the "**Excluded Assets**"):

(a) the Excluded Contracts; and

(b) the Excluded Assets listed on Schedule 2.2(d).

Section 2.3 Assumed Liabilities.

Subject to this transaction Closing, from and after the Closing Date the Purchaser agrees to discharge, perform and fulfil the obligations and liabilities of the Vendors with respect to the Purchased Assets (the "**Assumed Liabilities**")

Section 2.4 Excluded Liabilities.

The Purchaser shall not assume and shall have no obligation to discharge, perform or fulfil any of the Excluded Liabilities.

Section 2.5 Assignment and Assumption of Consent Required Contracts.

(a) Notwithstanding anything in this Agreement, the Purchaser shall not assume and has no obligation to discharge any liability or obligation under or in respect of any Consent Required Contract unless: (a) the consent, approval or waiver of the party or parties to such Consent Required Contract (other than the

Vendors) required to assign such Consent Required Contract has been obtained on terms satisfactory to the Purchaser, acting reasonably and the value of such Consent Required Contract has enured to the Purchaser; or (b) such Consent Required Contract is subject to an Assignment Order.

(b) The Vendors and the Purchaser shall use reasonable commercial efforts to obtain the consent, approval or waiver of the party or parties to each Consent Required Contract (other than the Vendors) to the assignment of such Consent Required Contract prior to the filing of the motion materials for the Approval and Vesting Order. For greater certainty, neither the Vendors nor the Purchaser are under any obligation to pay any money, incur any obligations, commence any legal proceedings (other than as set forth below with respect to Assignment Orders), or offer or grant any accommodation (financial or otherwise) to any third party in order to obtain any such consent, approval or waiver.

(c) In the event that the consent, approval or waiver required to assign any Consent Required Contract is not obtained before the date the motion materials are filed for the Approval and Vesting Order, the Vendors shall, at the request of the Purchaser and prior to Closing, seek the Assignment Order for such Consent Required Contract in form and substance satisfactory to the Vendors and the Purchaser, each acting reasonably.

(d) Subject to Closing, in the event that the consent to assign any Consent Required Contract is not obtained and the Vendors are required to obtain the Assignment Order for one or all of the Consent Required Contracts, the Purchaser shall pay the applicable Cure Costs related to such Consent Required Contracts on Closing.

ARTICLE 3
PURCHASE PRICE

Section 3.1 Purchase Price.

The purchase price payable by the Purchaser to the Vendors for the Purchased Assets (the "**Purchase Price**") shall be the aggregate of the following:

(a) the payment in cash, of the amount of $6,900,000.00.

(b) the amount of the Assigned Debt as a credit bid;

(c) the amount of any Cure Costs; and

(d) the assumption of the Assumed Liabilities.

Section 3.2 Deposit

Subject to the terms herein, the Parties agree that the Purchaser shall pay to the Monitor:

(a) on the execution and delivery of this Agreement, a non-refundable deposit of $200,000 Canadian Dollars (the "**First Deposit**")

(b) upon commencement of Phase 2 of the Sales Process (as defined therein), a non-refundable deposit of $490,000 Canadian Dollars (the "**Closing Deposit**").

The First Deposit and the Closing Deposit are collectively referred to as the "**Deposit**". The Deposit shall be held by the Monitor in a non-interest-bearing account in accordance with the provisions of this Agreement pending completion or termination of this Agreement. The Purchaser agrees that Deposit shall be non-refundable and may only be returned to the Purchaser if this Agreement is terminated pursuant to Article 10 hereof.

Section 3.3 Payment of the Purchase Price.

The Purchaser shall pay and satisfy the Purchase Price at Closing by:

(a) the payment in cash of $6,210,000 , net of the Deposit;

(b) the tender and cancellation of the Assigned Debt by way of credit bid;

(c) the payment of Cure Costs to the applicable counter-party in respect to a Consent Required Contract that is an Assumed Contract; and

(d) by the assumption of the Assumed Liabilities.

Section 3.4 Adjustment of the Purchase Price

In the event that the Vendors dispose of any equipment or other assets prior to the Closing Date, the Purchase Price shall be reduced on a dollar-for-dollar basis by the amount of the proceeds of such sale, provided that the proceeds of the sale are applied to either the indebtedness owed by the Vendors to RBC or the CRA. For greater certainty, any sale of assets contemplated herein must be made in accordance with the ARIO.

Section 3.5 Purchase Price Allocation.

The Purchase Price shall be allocated among the Purchased Assets in the manner and form set out in Schedule 3.5. Such allocation shall be binding and the Purchaser and Vendors shall report the purchase and sale of the Purchased Assets and file all filings which are necessary or desirable under the Tax Act to give effect to such allocations and shall not take any position or action inconsistent with such allocation.

Section 3.6 No Effect on Other Rights.

The determination of the Purchase Price in accordance with the provisions of this Article will not limit or affect any other rights or causes of action either the Purchaser or the Vendors may have with respect to the representations, warranties or covenants in its favour contained in this Agreement.

ARTICLE 4
TAX MATTERS

Section 4.1 Transfer Taxes.

The Purchaser shall be liable for and shall pay all sales Taxes and all other similar Taxes properly payable upon and in connection with the sale, assignment and transfer of the Purchased Assets from the Vendors to the Purchaser, other than any taxes payable on the Vendors' net income, profits or gains.

Section 4.2 Tax Elections.

The Parties shall use their commercially reasonable efforts in good faith to minimize (or eliminate) any taxes payable under the *Excise Tax Act* (Canada) in respect of the Closing by, among other things, making such elections and taking such steps as may be provided for under that Act, including, for greater certainty, making a joint election in a timely manner under Section 167 of that Act or Section 22 of the Tax Act as may reasonably be requested by the Purchaser in connection with the Closing.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES

Section 5.1 Representations and Warranties of the Vendors.

The Vendors represent and warrant as follows to the Purchaser and acknowledges and agrees that the Purchaser is relying upon the representations and warranties in connection with its purchase of the Purchased Assets and its assumption of the Assumed Liabilities.

(a) **Incorporation and Qualification**. Each of the Vendors is a corporation incorporated and existing under the laws of jurisdiction of its formation. Each of the Vendors have the corporate power and authority to own and operate its property, carry on its business and enter into and perform its obligations under this Agreement and each of the Ancillary Agreements to which it is a party.

(b) **Corporate Authorization**. Subject to the issuance of the Approval and Vesting Order, the execution and delivery of and performance by the Vendors of this Agreement and each of the Ancillary Agreements to which they are a party and the consummation of the transactions contemplated by them have been duly authorized by all necessary and corporate action on the part of each of them.

(c) **Execution and Binding Obligation**. Subject to the issuance of the Approval and Vesting Order, this Agreement and each of the Ancillary Agreements to which the Vendors are a party have been duly executed and delivered by the Vendors and constitute legal, valid and binding agreements of it, enforceable against them in accordance with their respective terms.

(d) **Residence of the Vendors.** None of the Vendors are a non-resident of Canada within the meaning of the *Tax Act*. None of the Vendors are a non-Canadian within the meaning of the *Investment Canada Act*.

(e) **HST Registrant**. The Vendors are registrants for the purposes of the tax imposed under Part IX of the *Excise Tax Act* (Canada) and their registration numbers are 10158 2641 RT0001 and 816702161 RT0001.

Section 5.2 Representations and Warranties of the Purchaser.

The Purchaser represents and warrants as follows to the Vendors and acknowledges and agrees that each Vendor is relying on such representations and warranties in connection with its sale of the Purchased Assets:

(a) **Incorporation and Corporate Power**. The Purchaser is an entity that is duly formed and validly existing under the laws of the jurisdiction of its formation, has full power and capacity to own the Purchased Assets and to carry on the Business as now conducted has the power and authority to enter into and perform its obligations under this Agreement and each of the Ancillary Agreements to which it is a party.

(b) **Corporate Authorization**. The execution and delivery of and performance by the Purchaser of this Agreement and each of the Ancillary Agreements to which it is a party and the consummation of the transactions contemplated by them have been duly authorized by all necessary action on the part of the Purchaser.

(c) **Execution and Binding Obligation.** This Agreement and each of the Ancillary Agreements to which the Purchaser is a party have been duly executed and delivered by the Purchaser and constitute legal, valid and binding agreements of the Purchaser, enforceable against it in accordance with their respective terms subject only to any limitation under applicable laws relating to (i) bankruptcy, winding-up insolvency, arrangement, fraudulent preference and conveyance, assignment and preference and other similar laws of general application affecting creditors' rights, and (ii) the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.

(d) **HST Registrant**. The Purchaser will be as at Closing, a registrant for the purposes of the tax imposed under Part IX of the *Excise Tax Act* (Canada) and its registration number is 75208 8419 RT0001.

Section 5.3 No Other Representations or Warranties.

The representations and warranties given by the Vendors in Section 5.1 are the only representations and warranties of the Vendors in connection with this Agreement and the transactions contemplated by them. Except for the representations and warranties given by the Vendors in Section 5.1, the Purchaser is purchasing the Purchased Assets on an "as is, where is" basis and does not rely upon any statements, representations, promises, warranties, conditions or guarantees whatsoever by the Vendors or the Monitor, whether express or implied (by operation of law or otherwise), oral or written, legal, equitable, conventional, collateral or otherwise, regarding any of the assets to be acquired or any of the liabilities to be assumed or the completeness of any information provided in connection therewith. No representation, warranty or condition is expressed or can be implied as to title, encumbrances, description, fitness for purpose, merchantability, condition, quantity or quality or in respect of any other matter or thing whatsoever concerning the Purchased Assets, the Business, the Assumed Liabilities or the Assumed Liabilities.

Section 5.4 As is, Where is.

THE PURCHASER ACKNOWLEDGES AND AGREES THAT, EXCEPT AS EXPRESSLY SET FORTH HEREIN, THE PURCHASED ASSETS AND THE BUSINESS ARE PURCHASED AND THE ASSUMED LIABILITIES ARE ASSUMED BY THE PURCHASER "**AS IS, WHERE IS**" AS THEY SHALL EXIST AT THE CLOSING DATE WITH ALL FAULTS AND WITHOUT ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, IN FACT OR BY LAW WITH RESPECT TO THE PURCHASED ASSETS, THE BUSINESS, AND THE ASSUMED LIABILITIES, AND WITHOUT ANY RECOURSE TO ANY OF THE VENDORS, THE MONITOR OR ANY OF THEIR DIRECTORS, OFFICERS, SHAREHOLDERS, EMPLOYEES, AGENTS, REPRESENTATIVES OR ADVISORS, OTHER THAN FOR KNOWING AND INTENTIONAL FRAUD. THE PURCHASER AGREES TO ACCEPT THE PURCHASED ASSETS, THE BUSINESS, THE ASSUMED LIABILITIES AND THE ASSUMED LIABILITIES IN THE CONDITION, STATE AND LOCATION THEY ARE IN ON THE CLOSING DATE BASED ON THE PURCHASER'S OWN INSPECTION, EXAMINATION AND DETERMINATION WITH RESPECT TO ALL MATTERS AND WITHOUT RELIANCE UPON ANY EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE MADE BY OR ON BEHALF OF OR IMPUTED TO ANY OF THE VENDORS OR THE MONITOR, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT. Unless specifically stated in this Agreement, the Purchaser acknowledges and agrees that no representation, warranty, term or condition, understanding or collateral agreement, whether statutory, express or implied, oral or written, legal, equitable, conventional, collateral or otherwise, is being given by the Vendors or Monitor in this Agreement or in any instrument furnished in connection with this Agreement, as to description, fitness for purpose, sufficiency to carry on any business, operate, merchantability, quantity, condition, ownership, quality, value, suitability, durability, environmental condition, assignability or marketability thereof, or in respect of any other matter or thing whatsoever, and all of the same are hereby expressly excluded.

ARTICLE 6
PRE-CLOSING COVENANTS OF THE PARTIES

Section 6.1 Access by Purchaser.

Subject to applicable Law, from the date that this Agreement is selected, or deemed to be selected as, the Successful Bid in accordance with the Sale Process until the Closing, the Vendors shall (i) upon reasonable notice, permit the Purchaser and its partners and Affiliates, its and their respective employees, agents, counsel, accountants or other representatives, lenders, potential lenders and potential investors to have reasonable access during normal business hours to (a) the premises of the Vendors, (b) the Purchased Assets, including all Books and Records and all minute books and corporate records of the Vendors using commercially reasonable efforts and (c) the Assumed Contracts; and (d) furnish to the Purchaser or its partners, employees, agents, counsel, accountants or other representatives, lenders, potential lenders and potential investors such financial and operating data and other information with respect to the Purchased Assets and the Vendors (to the extent such data or information is in the Vendors' possession or, using commercially reasonable efforts, can be obtained by the Vendors or the Monitor) as the Purchaser from time to time reasonably requests.

Section 6.2 Access by Monitor.

From the Closing Date, the Purchaser shall, upon reasonable notice, permit representatives of the Monitor to have reasonable access during normal business hours to the Books and Records for the purpose of completing its mandate as the Monitor from time to time reasonably requests.

Section 6.3 Title and Risk.

The Purchased Assets shall remain at the risk of the Vendors until Closing and at the risk of the Purchaser from and after Closing. The Vendors covenant to the Purchaser that, during the period from and including the date hereof through and including the Closing Date or the earlier termination of this Agreement, the Vendors shall use commercially reasonable efforts to conduct the Business in substantially the same manner as conducted as of the date hereof.

Section 6.4 Employees.

(a) The Purchaser shall prior to the Closing Date, offer employment conditional on Closing and effective as of the Closing Date to the all of the Employees whom the Purchaser wishes, in its sole discretion (subject to the requirements of applicable Law, if any), to employ after the Closing (collectively, the "**Offerees**") on such employment terms and conditions as the Purchaser considers appropriate or as may be required in accordance with applicable Law.

(b) At least two (2) Business Days prior to the Closing Date, the Purchaser shall provide the Vendors and the Monitor with a schedule setting forth a list of the names of all Offerees.

(c) The Vendors shall terminate the employment of all Employees no later than the Closing.

(d) Prior to the Closing Date, the Vendors shall process, or cause to be processed, the payroll for, and pay (or cause to be paid), all compensation, including the base wages, base salary, vacation pay and ordinary course sales commissions for all Employees (collectively, "**Wages**") as and when due for the period prior to Closing. The Vendors shall withhold and remit all applicable payroll taxes and deductions from Wages at source as required by Law.

(e) Following the Closing, the Purchaser shall process the payroll for, and pay (or cause to be paid), as and when due, (i) all unpaid Wages accrued but which did not become due prior to the Closing Date with respect to each Transferred Employee, and (ii) all Wages accrued on and after the Closing Date with respect to each Transferred Employee.

(f) As of the Closing Date, the Purchaser shall become the participating employers and sponsors under the benefit plan, if any. The Vendors shall take all appropriate and necessary action to transfer control of and liability and responsibility for the benefit plan, if any, to the Purchaser.

(g) All Non-Transferred Employee Liabilities shall be dealt with in the CCAA Proceedings or any subsequent bankruptcy of the Vendors in accordance with the entitlement and priority afforded to such claims under applicable Law. The Purchaser shall not assume or be liable for any Non-Transferred Employee Liabilities.

Section 6.5 Notices and Requests for Consents.

(a) Subject to the selection or deeming of this Agreement as the Successful Bid in accordance with the Sale Process, the Vendors shall use commercially reasonable efforts to obtain or cause to be obtained prior to Closing, at its expense, all consents, approvals and waivers that are required by the terms of the Consent Required Contracts, or an Assignment Order in order to complete the transactions contemplated by this Agreement.

(b) The Vendors and the Monitor shall provide notices (in form and substance acceptable to the Purchaser, acting reasonably) that are required by the terms of the Assumed Contracts in connection with the transaction contemplated pursuant to the Approval and Vesting Order and this Agreement.

Section 6.6 Transfer of the Purchased Assets.

The Vendors shall take all necessary steps and proceedings to permit title to the Purchased Assets to be duly and validly transferred and assigned to the Purchaser at the Closing pursuant to the Approval and Vesting Order and this Agreement, free from all Encumbrances.

Section 6.7 Actions to Satisfy Closing Conditions.

(a) The Vendors shall use commercially reasonable efforts to take or cause to be taken all such actions so as to ensure compliance with all of the conditions set forth in Section 8.1.

(b) The Purchaser shall use its commercially reasonable efforts to take or cause to be taken all such actions so as to ensure compliance with all of the conditions set forth in Section 8.2.

ARTICLE 7
SALES PROCESS

Section 7.1 Compliance with Sale Process.

The Parties each agree to comply with the Sale Process.

Section 7.2 Expense Reimbursement.

(a) In consideration for the Purchaser's expenditure in the preparation of this Agreement, and in performing due diligence with respect to the Vendors and the Purchased Assets, if this Agreement is terminated pursuant to Section 10.1(1) and Section 10.1(2)(a), then the Vendors shall reimburse the Purchaser for its expenses reasonably incurred in connection with this

Agreement up to a maximum amount of $30,000 (the "**Expense Reimbursement**").

(b) The Purchaser agrees that the Expense Reimbursement will be the sole and exclusive remedy of the Purchaser against the Vendors in the event that this Agreement is terminated pursuant to Section 10.1(1) or Section 10.1(2)(a).

Section 7.3 Transaction Fee

(a) If the Purchaser is not selected as the Successful Bidder pursuant to the Sale Process, the Purchaser shall be entitled to a transaction fee in connection with the transaction in this Agreement amount of 2% of the Purchase Price, being 2%, (the "**Transaction Fee**"). The Transaction Fee shall represent consideration as time and effort spent negotiating this Agreement and serving as the Stalking Horse Bidder. The Transaction Fee shall be payable by the Vendors to the Purchaser in immediately payable funds to an account designated by the Purchaser from the proceeds of the Successful Bid concurrently with the closing of such Successful Bid.

(b) If the Purchaser is not selected as, or deemed to be, the Successful Bidder, the Vendors shall request that the order of the Court approving the sale of the assets of the Vendors to the Successful Bidder to include a provision requiring that the Expense Reimbursement and the Transaction Fee be paid to the Purchaser in accordance with the Sale Process and that the payment of the Expense Reimbursement be approved as part of such sale and not be voidable as a matter of bankruptcy law or otherwise.

(c) The Vendors shall seek the approval of the Court to the transactions contemplated by this Agreement in accordance with the following:

(i) Promptly upon execution of this Agreement, the Vendors shall seek approval of the (i) Sale Process, (ii) filing of this Agreement as a "stalking horse bid", (iii) the Expense Reimbursement, and (iv) the Transaction Fee.

(ii) The Vendors and the Purchaser acknowledge that: (i) this Agreement is subject to Court approval, and (ii) Closing the transactions contemplated herein is subject to this Agreement being determined to be the "Successful Bid" in accordance with the Sale Process and to the issuance of the Approval and Vesting Order.

(iii) As soon as practicable if the Purchaser is selected as, or deemed to be, the Successful Bidder, the Vendors shall file motion materials seeking the issuance of the Approval and Vesting Order.

(iv) If the Purchaser is selected, or deemed to be selected as the Successful Bidder, as soon as practicable, the Purchaser shall advise the Vendors and the Monitor in writing of the Consent Required Contracts for which the Purchaser requires the Vendor to seek an Assignment Order.

(v) The Vendors and the Purchaser shall cooperate with filing and serving the motion for issuance and entry of the Approval and Vesting Order and any Assignment Orders required pursuant to Section 2.5(c).

(vi) The Vendors, in consultation with the Purchaser, shall determine all Persons required to receive notice of the motions for the Approval and Vesting Order and any Assignment Order under applicable Laws and the requirements of the CCAA, the Court and any other Person determined necessary by the Vendors or the Purchaser.

ARTICLE 8
CONDITIONS OF CLOSING

Section 8.1 Conditions for the Benefit of the Purchaser.

The purchase and sale of the Purchased Assets and the assumption of the Assumed Liabilities are subject to the following conditions being satisfied on or prior to the Closing Date, which conditions are for the exclusive benefit of the Purchaser and may be waived, in whole or in part, by the Purchaser in its sole discretion:

(a) **Successful Bid.** The Purchaser shall have been selected as, or deemed to be, the Successful Bidder, following the completion of the Sale Process.

(b) **Truth of Representations and Warranties**. The representations and warranties of the Vendors contained in this Agreement were true and correct as of the date of this Agreement and are true and correct as of the Closing Date with the same force and effect as if such representations and warranties had been made on and as of such date and the Vendors shall have executed and delivered a certificate of a senior officer to that effect. Upon the delivery of such certificate, the representations and warranties of the Vendors in Section 5.1 will be deemed to have been made on and as of the Closing Date with the same force and effect as if made on and as of such date.

(c) **Performance of Covenants**. The Vendors shall have fulfilled or complied with all covenants contained in this Agreement required to be fulfilled or complied with by it at or prior to the Closing, and the Vendors shall have executed and delivered a certificate of an authorized representative to that effect.

(d) **Consents for Consent Required Contracts**. All consents, approvals or waivers for each Consent Required Contract shall have been obtained on terms acceptable to the Purchaser, acting reasonably, or an Assignment Order will have been obtained in respect thereof. All such consents, approvals, waivers or Assignment Orders will be in force and will not have been modified, rescinded, appealed or stayed.

(e) **Legal Action**. There shall be no order issued by any Governmental Authority delaying, restricting or preventing consummation of the transactions contemplated herein.

(f) **Deliveries**. The Vendors shall have delivered or caused to be delivered to the Purchaser the following in form and substance satisfactory to the Purchaser acting reasonably:

(i) consents to the assignment of the Consent Required Contracts to the extent that an Assignment Order was not obtained;

(ii) the certificates referred to in Section 8.1(b) and Section 8.1(c);

(iii) the issued and entered Approval and Vesting Order, which Order will not have been modified, rescinded, appealed or stayed;

(iv) a copy of the Monitor's Certificate (such certificate shall be filed with the Court by the Monitor following Closing and a copy of such filed Monitor's Certificate shall be delivered to the Purchaser promptly thereafter);

(v) the originals of the Books and Records, excluding those Excluded Assets but including all Tax Returns pertaining to corporate income Taxes of the Vendors for the previous 5 years from the Closing Date, that are available to the Vendors using commercially reasonable efforts;

(vi) the Purchased Assets, which shall be delivered in situ, other than the cash held in the Vendors' bank accounts on the Closing Date, which shall be transferred to the Purchaser;

(vii) a full and final release from the **RBC** in form satisfactory to the Purchaser and the Vendors releasing the Vendors, Universal Environmental Services Inc. ("**UESI**"), Francis Collins, and Josh Collins from any and all obligations owed to RBC including but not limited to any obligations owed to RBC pursuant to RBC's credit facilities with the Vendors and UESI; and

(viii) an assignment and assumption agreement, bill of sale or such other conveyances, assignments, documents and instruments of transfer as may be reasonably required by the Purchaser to complete the transaction contemplated herein.

Section 8.2 Conditions for the Benefit of the Vendors.

The purchase and sale of the Purchased Assets and the assumption of the Assumed Liabilities are subject to the following conditions being satisfied on or prior to the Closing Date, which conditions are for the exclusive benefit of the Vendors and may be waived, in whole or in part, by the Vendors in their sole discretion.

(a) **Truth of Representations and Warranties**. The representations and warranties of the Purchaser contained in this Agreement were true and correct as of the date of this Agreement and are true and correct as of the Closing Date with the same force and effect as if such representations and warranties had been made on and as of such date and the Purchaser shall have executed and delivered a certificate of a senior officer to that effect. Upon delivery of such certificate, the representations and warranties of the Purchaser in Section 5.2 will be deemed to have been made on and as of the Closing Date with the same force and effect as if made on and as of such date.

(b) **Performance of Covenants**. The Purchaser shall have fulfilled or complied with all covenants contained in this Agreement required to be fulfilled or complied with by it at or prior to Closing and the Purchaser shall have executed and delivered a certificate of a senior officer to that effect.

(c) **Deliveries**. The Purchaser shall have delivered or caused to be delivered to the Vendors the following in form and substance satisfactory to the Vendors, acting reasonably:

(i) a certificate of status, compliance, good standing or like certificate with respect to the Purchaser issued by appropriate government official of the jurisdiction of its incorporation; and

(ii) the certificates referred to in Section 8.2(a) and Section 8.2(b).

(d) **Proceedings**. All proceedings to be taken in connection with the transactions contemplated in this Agreement and any Ancillary Agreement are reasonably satisfactory in form and substance to the Vendors, acting reasonably, and the Vendors shall have received copies of all the instruments and other evidence as it may reasonably request in order to establish the consummation of such transactions and the taking of all proceedings in connection therewith.

(e) **Legal Action**. There shall be no order by issued by any Governmental Authority delaying, restricting or preventing consummation of the transactions contemplated herein.

Section 8.3 Conditions for the Benefit of the Purchaser and the Vendors.

The purchase and sale of the Purchased Assets is subject to the following conditions being satisfied on or prior to the Closing Date, which conditions are for the benefit of the Vendors and the Purchaser and may be jointly waived, in whole or in part, by the Vendors and the Purchaser.

(a) **Approval and Vesting Order.** The Approval and Vesting Order shall have been obtained and shall not have been appealed, set aside, varied or stayed or, if appealed or stayed, all appeals shall have been dismissed and all stays shall have been lifted, respectively.

(b) **Monitor's Certificate.** The Monitor shall have delivered the Monitor's Certificate confirming the satisfaction of all conditions under this Agreement, payment of the Purchase Price and the vesting of the Purchased Assets pursuant to the Approval and Vesting Order.

ARTICLE 9
CLOSING

Section 9.1 Date, Time and Place of Closing.

Closing will take place on the Closing Date by exchanging signature pages of the Parties electronically or at the offices of counsel to the Vendors in, St. John, Newfoundland and Labrador, or at such other place, on such other date and at such other time as may be consented to by the Monitor and agreed upon in writing between the Vendors and the Purchaser.

Section 9.2 Closing Procedures.

Subject to satisfaction or waiver by the relevant Party of the conditions of closing, on the Closing Date, the Closing shall be deemed completed upon the delivery of the Monitor's Certificate.

Section 9.3 Monitor's Certificate.

The Parties hereby acknowledge and agree that the Monitor shall be entitled to file a certificate, substantially in the form attached to the Approval and Vesting Order (the "**Monitor's Certificate**"), with the Court upon receiving written confirmation from the Purchaser and the Vendors that all conditions of Closing have been satisfied or waived.

ARTICLE 10
TERMINATION

Section 10.1 Termination Rights.

(1) This Agreement will be terminated automatically, without any action by either Party, if:

(a) this Agreement is not selected as the Successful Bid pursuant to and in accordance with the terms of the Sale Process; or

(b) if the Approval and Vesting Order is not granted by September 30, 2023, or such later date as may be agreed to be the Parties.

(2) This Agreement may, by Notice in writing given on or prior to the Closing Date, be terminated on or prior to the Closing Date:

(a) by the Purchaser, if:

(i) there has been a material breach of this Agreement by the Vendors and where such breach is capable of being cured, such breach has not been waived by the Purchaser in writing or cured within 15 days following written Notice of such breach by the Purchaser; or

(ii) any of the conditions in Section 8.1 have not been satisfied and it becomes reasonably apparent that any of such conditions will never be satisfied (other than as result of the failure of the Purchaser to perform any of its material obligations) and the Purchaser has not waived such condition in writing at or prior to Closing;

(iii) if the CCAA Proceedings are terminated prior to the Closing Date;

(b) by the Vendors, if:

(i) there has been a material breach of this Agreement by Purchaser and where such breach is capable of being cured, such breach has not been waived by the Vendors in writing or cured within 15 days following written Notice of such breach by the Vendors; or

(ii) any of the conditions in Section 8.2 have not been satisfied and it becomes reasonably apparent that any of such conditions will never be satisfied (other than as result of the failure of the Vendors to perform any of their material obligations) and the Vendors have not waived such condition in writing at or prior to Closing.

Section 10.2 Effect of Termination.

The rights of termination under this Article 10 are, subject to Section 7.2(b), in addition to any other rights the respective Party may have under this Agreement or otherwise, and the exercise of a right of termination by a Party will not constitute an election of remedies. If this Agreement is terminated pursuant to Section 10.1, this Agreement will be of no further force or effect; provided, however, that Section 7.2(b) (*Expense Reimbursement*), Section 7.3 (*Transaction Fee*), this Section 10.2 (*Effect of Termination*), and Article 11 (*Miscellaneous*) and provisions that by their nature should survive, will survive the termination of this Agreement.

ARTICLE 11
MISCELLANEOUS

Section 11.1 Notices.

Any notice, direction or other communication given regarding the matters contemplated by this Agreement (each a "**Notice**") must be in writing, sent by personal delivery, courier or email addressed:

(a) **to the Purchaser at:**

92712 Newfoundland & Labrador Inc.
c/o Wells PLC Inc.
P.O. Box 26111
10 Freshwater Rd.
St. John's
NL Canada
A1C 5T9

Attn: Alex Wells
Email: a.wells@wellslaw.ca

(b) **to the Vendors at:**

Edward Collins Contracting Ltd., *et al.*
c/o O'Keefe & Sullivan
Suite 202, 80 Elizabeth Ave.
St. John's,
NL, Canada,
A1A 1W7 NL
Attn: Josh Collins
Email: josh__4@hotmail.com

with a copy by email to:

O'KEEFE & SULLIVAN
80 Elizabeth Ave., 2nd Floor
St. John's, NL A1A 4Y3

Attn: Darren O'Keefe
Email: darren@okeefeandcompany.com

(c) to the Monitor at:

Grant Thornton LLP
Nova Centre, North Tower
Suite 1000 - 1675 Grafton Street
Halifax, NS B3J 0E9
Attn: Phil Clarke
Email: Phil.Clarke@ca.gt.com

with a copy by email to:

Reconstruct LLP
200 Bay Street, Suite 2305, Box 120
Toronto, ON M5J 2J3

Attn: Caitlin Fell
Email: cfell@reconllp.com

A Notice is deemed to be given and received (i) if sent by personal delivery or courier, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day, or (ii) if sent email, on the next Business Day. A Party may change its address for service from time to time by providing a Notice in accordance with the foregoing. Any subsequent Notice must be sent to the Party at its changed address. Any element of a Party's address that is not specifically changed in a Notice will be assumed not to be changed. Sending a copy of a Notice to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the Notice to that Party.

Section 11.2 Time of the Essence.

Time shall be of the essence in respect of the obligations of the Parties arising prior to Closing under this Agreement.

Section 11.3 Announcements.

No press release, public statement or announcement or other public disclosure with respect to this Agreement or the transactions contemplated in this Agreement may be made prior to Closing except with the prior written consent and joint approval of the Vendors and the Purchaser. Where such disclosure is required by Law, the Party required to make such disclosure will use its commercially reasonable efforts to obtain the approval of the other Party as to its form, nature and extent of the disclosure. After the Closing, any disclosure by the Vendors may be made only with the prior written consent and approval of the Purchaser unless such disclosure is required by Law, in which case the Vendors shall use their commercially reasonable efforts to obtain the approval of the Purchaser as to the form, nature and extent of the disclosure. Notwithstanding the foregoing, this Agreement may be disclosed publicly in court materials filed in connection any motion to Court by the Vendors to for the Sale Process Approval Order or for the Approval and Vesting Order.

Section 11.4 Third Party Beneficiaries.

Except as otherwise provided in this Agreement, (i) the Vendors and the Purchaser intend that this Agreement will not benefit or create any right or cause of action in favour of any Person, other than the Parties and (ii) no Person, other than the Parties, is entitled to rely on the provisions of this Agreement in any action, suit, proceeding, hearing or other forum. The Parties reserve their right to vary or rescind the rights at any time and in any way whatsoever, if any, granted by or under this Agreement to any Person who is not a Party, without notice to or consent of that Person.

Section 11.5 Expenses.

Except as otherwise expressly provided in this Agreement, each Party will pay for its own costs and expenses (including the fees and expenses of legal counsel, accountants and other advisors) incurred in connection with this Agreement or any Ancillary Agreements and the transactions contemplated by them.

Section 11.6 Amendments.

This Agreement may only be amended, supplemented or otherwise modified by written agreement signed by the Vendors and the Purchaser.

Section 11.7 Waiver.

No waiver of any of the provisions of this Agreement or any Ancillary Agreement will constitute a waiver of any other provision (whether or not similar). No waiver will be binding unless executed in writing by the Party to be bound by the waiver. A Party's acceptance of any certificate delivered on Closing or failure or delay in exercising any right under this Agreement will not operate as a waiver of that. A single or partial exercise of any right will not preclude a Party from any other or further exercise of that right or the exercise of any other right.

Section 11.8 Entire Agreement.

This Agreement together with the Ancillary Agreements, (i) constitutes the entire agreement between the Parties; (ii) supersedes all prior agreements or discussions of the Parties; and (iii) sets forth the complete and exclusive agreement between the Parties, in all cases, with respect to the subject matter herein.

Section 11.9 Successors and Assigns.

(1) Upon execution of this Agreement by the Parties, it will be binding upon and enure to the benefit of the Vendors, the Purchaser and their respective successors and permitted assigns.

(2) Except as provided in this Section 11.9, neither this Agreement nor any of the rights or obligations under this Agreement may be assigned or transferred, in whole or in part, by any Party without the prior written consent of the other Party. Upon giving Notice to the Vendors at any time on or prior to the Closing Date, the Purchaser may assign this Agreement or any of its rights and/or obligations under this Agreement to any of its Affiliates, provided that such Affiliate and the Purchaser shall be jointly and severally liable with respect to all of the obligations of the Purchaser, including the representations, warranties, covenants, indemnities and agreements of the Purchaser.

Section 11.10 Severability.

If any provision of this Agreement is determined to be illegal, invalid or unenforceable by an arbitrator or any court of competent jurisdiction, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.

Section 11.11 Governing Law.

(1) This Agreement is governed by and will be interpreted and construed in accordance with the laws of the Province of Newfoundland and Labrador and the federal laws of Canada applicable therein.

(2) Each Party irrevocably attorns and submits to the exclusive jurisdiction of the Court (and appellate courts therefrom) and waives objection to the venue of any proceeding in such court or that such court provides an inappropriate forum.

Section 11.12 Counterparts.

This Agreement may be executed (including by electronic means) in any number of counterparts, each of which (including any electronic transmission of an executed signature page), is deemed to be an original, and such counterparts together constitute one and the same instrument.

[*Signature pages follow*]

IN WITNESS WHEREOF the Parties have executed this Asset Purchase Agreement.

May 17th, 2023

EDWARD COLLINS CONTRACTING LTD.

Per: ______________________________
Authorized Signing Officer
FRANCIS COLLINS

H & E DESIGNS LTD.

Per: ______________________________
Authorized Signing Officer
FRANCIS COLLINS

Alexander T. Wells
NOTARY PUBLIC
Newfoundland & Labrador

92712 NEWFOUNDLAND & LABRADOR INC.

Per: ______________________________
Authorized Signing Officer
Peter J. Byrne

GRANT THORNTON LTD.

Per: ______________________________
Authorized Signing Officer

SCHEDULES

Schedule 1.1(a) – Excluded Contracts

(1) All contracts in default not otherwise specified herein;

(2) Contract 46-21 between Edward Collins Contracting Ltd. and the Government of Newfoundland and Labrador concerning road and bridge rehabilitation work in the central Newfoundland and Labrador, also referred to as Project No. 46-21 PHP and all related amendments, additions or revisions thereto

Schedule 1.1(c) – Sale and Investment Solicitation Process

See attached.

Schedule 2.1(h) – Real Property

The Real Property shall include:

1. 3 Lakeview Drive, Humber Valley Resort, NL
2. 30 Reids Lane, Deer Lake, NL
3. Lot 27 Charter Ave., Argentia, NL
4. 104 Charter Ave., Argentia, NL
5. Morrisey’s Place, Placentia, NL
6. Point Verde Quarry, Point Verde, NL

Schedule 2.2(d) – Excluded Assets

The Excluded Assets shall include:

(a) the rights of Vendors under this Agreement; and

(b) all rights under or arising out of insurance policies not relating to the Business or the Purchased Assets or non-assignable as a matter of law.

Schedule 3.5 – Purchase Price Allocation

Purchase Price Allocation to be provided on Closing.

Appendix “G”

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

(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

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

Appendix “H”

Grant Thornton

Edward Collins Contracting Limited; H&E Designs Ltd.

("ECC" or the "Company")

Stalking Horse Asset Sale

June 23, 2023

Grant Thornton Limited,
in its capacity as the Monitor of
Edward Collins Contracting Limited
and H&E Designs Ltd.
and not in its personal or corporate capacity

Opportunity Highlights

The Company was created in 1974 and operates in the heavy civil construction industry. ECC has worked in road building, subdivision development, water & sewer, culvert installation and heavy equipment rentals across Newfoundland & Labrador.

Assets For Sale

Real Property:

- ✓ 104 Charter Ave., Argentia, NL
- ✓ 30 Reid's Lane, Deer Lake, NL
- ✓ Lot 27 Charter Ave., Argentia, NL
- ✓ 3 Lakeview Drive, Humber Valley Resort, NL
- ✓ Morrisey's Place Subdivision, Placentia, NL
- ✓ Rock Quarry – Point Verde, NL

Equipment:

- ✓ Asphalt plant and paving equipment
- ✓ Excavators, loaders, dozers, graders
- ✓ Highway tractors, dump trucks, snow plows, flat-bed and dump trailers
- ✓ Rock crushing equipment
- ✓ Motor Vehicles

Other Assets:

- ✓ Assumption of ongoing contracts
- ✓ Accounts Receivable
- ✓ Licenses and rights

Opportunity Highlights

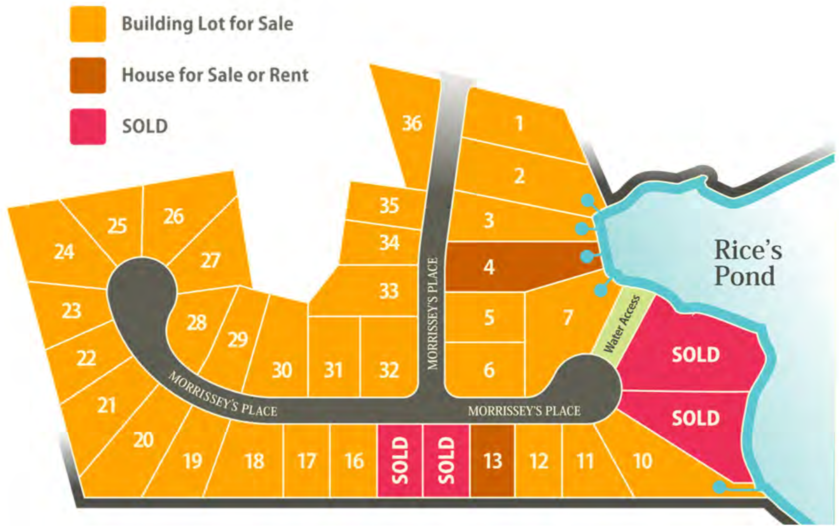
Asset and Opportunity Overview

Locations

ECC's base of operations is at 104 Charter Ave., Argentia, Newfoundland & Labrador with its quarry in nearby Point Verde. Argentia is situated within the boundaries of the Town of Placentia, approximately 130 km from the provincial capital of St. John's. It is home to seasonal ferry service to Nova Scotia and a former US Navy base. The Port of Argentia has seen recent activity and international interest related to potential wind-energy and hydrogen projects.

The Company also has industrial property in Deer Lake, Newfoundland & Labrador for operations in the western part of the province. Also included in the sale is a developed residential subdivision, "Morrissey's Place", located near the Town of Placentia. Most of the Morrisey's Place lots are currently unsold.

Pictured: 104 Charter Ave. (Below); 30 Reid's Lane (Right); Morrisey's Place (Bottom Right)



Opportunity Highlights

Asset and Opportunity Overview

Equipment

The Company has over 200 pieces of construction equipment used on projects ranging from road building and paving to municipal water and sewer installations.

Featured is a recently acquired asphalt plant which compliments additional road paving, rock crushing and grading equipment. ECC's fleet of heavy equipment includes multiple excavators of various sizes, loaders and dozers capable of large-scale projects.

A fleet of highway tractors and dump trucks are capable of moving a significant amount of cargo and transporting heavy equipment. Also included are tankers, snow plows and various other motor vehicles.

Other Assets

The Company is presently engaged in several contracts for construction services, waste management, snow removal and heavy equipment rentals.

The successful bidder will also obtain other assets such as accounts receivable, licenses, warrant rights, insurance, proceeds from litigation claims and computer software.

Process & Contact information

Stalking Horse Sales and Investment Solicitation Process (“SISP”)

The Supreme Court of Newfoundland and Labrador has approved a SISP and Stalking Horse Bid, whereby the Monitor is empowered to solicit offers for ECC’s assets using the approved Stalking Horse Bid as a base offer and floor price. Interested parties must beat the Stalking Horse Bid in the SISP in order to become the successful bidder.

Parties wishing to participate in the SISP may receive further information, by executing and delivering a non-disclosure agreement (“NDA”) to the Monitor. Copies of the NDA, details of the SISP and the Stalking Horse Bid are available at www.GrantThornton.ca/ECC.

SISP Milestones and Timeline:

Key milestones, which are subject to change by the Monitor, include but are not limited to:

- July 26: Phase 1 deadline to deliver non binding letter of intent (“LOI”) to the Monitor
- August 11: Phase 2 deadline to deliver binding LOI’s
- August 16: Selection of bid
- Court approval as soon as reasonably practical following the selection of bid.

Appendix “I”

Confidentiality and Non-Disclosure Agreement

To:
Grant Thornton Limited,
in its capacity as Court Appointed CCAA Monitor of
Edward Collins Contracting Ltd. and H&E Designs Ltd.
Attention: Allan MacDonald [allan.macdonald@ca.gt.com]

Re: Edward Collins Contracting Ltd. and H&E Designs Ltd. (together, the "**Company**")

The undersigned hereby acknowledges having been advised that:

i. On the 5th day of February 2023, the Supreme Court of Newfoundland and Labrador in Bankruptcy and Insolvency (the "**Court**") granted an order (the "**Initial Order**") pursuant to the *Companies' Creditors Arrangement Act,* R.S.C. 1985, c. C-36 ("**CCAA**") with respect to the Company, and on the 7th day of March 2023, the Court granted an amended and restated order (the "**ARIO**") pursuant to the CCAA with respect to the Company (collectively, the "**CCAA Order**"), which among other things, appointed Grant Thornton Limited as monitor of the Company (the "**Monitor**") in the CCAA proceedings.

ii. On the 16th of June 2023, the Court empowered the Monitor, on the Company's behalf, to implement a Stalking Horse Sale Process (the"**Sale Process**") in order to solicit bids for the Company's assets, rights, undertakings, and properties (collectively, the "**Property**").

iii. The Monitor, on behalf of the Company, has in its possession certain proprietary, non- public, confidential information, including without limiting the generality of the foregoing, reports, communications, books, records, documents, statements, trade secrets, ideas, formulas, discoveries, improvements, know-how, production processes and techniques, research and development information, designs, plans, analyses, compilations, studies, business plans and data relating to the Company, and the operations and the business of the Company (collectively, the "**Confidential Information**") for the review and further investigation, where appropriate, in order to assist potential interested bidders with evaluating and/or submitting a bid for the direct or indirect acquisition by any person or corporation interested in acquiring part, or all of the Property (the "**Transaction**").

In consideration of the disclosure by the Monitor to the undersigned of all or any portion ofthe Confidential Information, the sufficiency of which consideration is hereby acknowledged,the undersigned hereby undertakes and agrees as follows:

1. To maintain the Confidential Information in the strictest of confidence and to control the

dissemination of the Confidential Information, including any documents or copies (paper, electronic or otherwise) and communications thereof contained in the Confidential Information in accordance with the terms and conditions of this Confidentiality and Non-Disclosure Agreement (the "**NDA**").

2. Not to supply or disclose any data, communications or documents or portions of documents included in the Confidential Information, or any Confidential Information included therein, or any Confidential Information hereinafter obtained in the course hereof or with respect hereto to any individual or corporation except to the Representatives (defined below) and as otherwise specifically provided for herein.

3. Not to use the Confidential Information in any manner whatsoever, in whole or in part, other than in connection with the investigation and evaluation of the Company and the operations and business of the Company in relation to implementing a possible Transaction involving the direct or indirect acquisition by the undersigned or an affiliated entity of all off the business and/or Property of the Company.

4. The Confidential Information is to be used by the undersigned, its affiliates, and their respective directors, officers, employees, accountants, solicitors, financing sources, joint venture partners, consultants, representatives and professional advisors and their respective representatives, to the extent the foregoing are actually provided access to the Confidential Information by the undersigned (collectively the "**Representatives**"), only in connection with the consideration of a possible Transaction by the undersigned; for the avoidance of doubt, the undersigned may share Confidential Information and discuss,negotiate, and make proposals relating to the Company with a joint venture partner provided that such party shall execute a joinder to this NDA and the undersigned gives notice to the Monitor of such joint venture status at the time the undersigned submits to the Monitor a bid relating to a possible Transaction with the Company.

5. The undersigned shall advise the Representatives of the confidential nature of the Confidential Information and provide to those Representatives to which or to whom the Confidential Information is provided a copy of the NDA, and if such Representative is not otherwise bound by the restrictions on disclosure and use similar to the obligations hereunder, the undersigned shall require that such Representatives agree to be bound by this NDA.

6. The undersigned may transmit the Confidential Information only to those Representatives who need to know the Confidential Information for the purposes described herein, who shall be informed by the undersigned of the confidential natureof the Confidential Information and who agree to be bound by the provisions of this NDA. On request, the undersigned shall notify the Monitor of the identity of each Representative to whom any Confidential Information has been delivered or disclosed.

7. The undersigned shall be responsible for any breach of the provisions of this NDA either directly or indirectly by any of the Representatives to whom the undersigned discloses Confidential Information and the Monitor shall not be required to first assert a claim against such persons as a condition of seeking or obtaining a remedy against the undersigned.

8. In the event of a breach of any of the provisions of this NDA by the undersigned or by any of the Representatives to whom the undersigned discloses Confidential Information, the undersigned must, immediately following discovery of the breach, give notice to the Monitor of the nature of the breach and must immediately take all necessary steps to limit the extent of the

breach.

9. The undersigned and its Representatives acknowledge that the Monitor is acting strictly in its capacity as Monitor and shall have no personal liability for any action, omission, statement, misstatement, representation, or warranty made by the Company or the Monitor.

10. The undersigned and the Representatives shall, under no circumstances, contact directly or indirectly any of the former employees of the Company (i) to answer any questions regarding the possible acquisition of all or part of the Property; (ii) to request additional Confidential Information or regarding the contents of any of the Confidential Information previously obtained; (iii) to request a tour of the premises or facility; or, (iv) for any reason, except with the prior written consent of the Monitor.

11. In the event that the undersigned, or any of the Representatives, or anyone to whom any of the undersigned or the Representatives furnish certain or all of the Confidential Information, receives a request or demand to disclose all or any part of such Confidential Information by a governmental body, or deposition, interrogatory, court order or directive, request for documents, subpoena, notice of examination or cross-examination, request for undertaking, civil investigative demand or similar process, the undersigned agrees to first notify the Monitor (to the extent permitted to do so by applicable law) by delivering written notice to the address noted above, so that the Monitor or its legal representative may seek an appropriate protective order; provided, however, if such protective order or other remedy is not obtained, or the Monitor waives compliance with the provisions hereof, the undersigned or such Representative, as the case may be, may disclose only that portion of the Confidential Information which the undersigned or such Representative, as the case may be, is legally required to be disclosed.

12. The term “Confidential Information” does not include and this NDA will not apply to any Confidential Information that: (a) at the time of disclosure or thereafter is generally available to or known by the public (other than as a result of a disclosureby the undersigned or any of its Representatives in violation of any obligation under this NDA); (b) was available to the undersigned or any of the Representatives on a nonconfidential basis from a source other than the Monitor who, insofar as was known to the undersigned or any of the Representatives, was not prohibited from transmitting the Confidential Information to the undersigned or any of the Representatives by a contractual, legal or fiduciary obligation to the Company, the Monitor, or any third party; or (c) has been independently acquired or developed by the undersigned or any of the Representatives without violation of any obligation under this NDA.

13. The undersigned shall indemnify the Company, the Monitor and their respective representatives against any loss, cost, damage, expense, or liability suffered or incurred by any of them as a result of or in connection with any breach by the undersigned or any of the Representatives to whom the undersigned discloses Confidential Information of any term or provision of this NDA.

14. The undersigned acknowledges and agrees that the execution and delivery of this NDA and the delivery of the Confidential Information does not give rise to any legal obligation of the Monitor, on behalf of the Company, whether in contract, negligence, or other tort, or pursuant to any alleged fiduciary duty or otherwise. Without limiting the generality of the foregoing, the undersigned acknowledges and agrees that the Monitor, on behalf of the Company, is not and will not be under any obligation, express or implied, to provide or to continue to provide Confidential Information, to entertain any offers or proposals in respect of the possible Transaction, or to complete a sale or other transaction with the undersigned, unless and until

the Monitor, on behalf of the Company, and the undersigned execute and deliver a legally binding agreement expressly providing for such obligations. Furthermore, the undersigned acknowledges and agrees that the Monitor has not and is not obligated to provide any representations or warranties, either express or implied, concerning the accuracy or completeness of,or otherwise relating in any way to, the Confidential Information, and that the Monitor shall not have any duty, duty of care, obligation, or liability whatsoever to the undersigned or any Representative for any transaction entered into, or not entered into, or any other act, omission or decision made or taken, relied upon or in any way affected by, the Confidential Information; all of the foregoing being subject to any representations and warranties concerning the Confidential Information expressly given in writing in a legally binding agreement executed and delivered by the Monitor in respect of the Transaction (a "**Definitive Agreement**").

15. Upon receipt of a written request made to the undersigned, the undersigned and the Representatives shall promptly return to the Monitor any and all Confidential Information received by them, including any copies thereof, printed, downloaded or otherwise copied together with personal notes including written materials and any notes of verbal conversations with representatives from the Company or the Monitor obtained in the course of any investigation and/or inspection of the operations, the business and the Property being offered for sale. The undersigned agrees to return all copies made of the Confidential Information and destroy all documents prepared based on the Confidential Information; provided, that the foregoing obligation to return or destroy Confidential Information shall not extend to any digital data that may have been created as a result of automatic archiving and backup procedures which shall be retained solely for archival legal purposes and subject to the confidentiality, use and other restrictions herein.

16. The undersigned acknowledges and agrees that it has had an opportunity to obtain independent legal advice as to the terms and conditions of this NDA and has either received same or expressly waived its right to do so.

17. This NDA shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. This NDA shall be governed by and construed in accordance with the laws of the Province of Newfoundland and Labrador and the laws of Canada applicable therein. Each party hereto irrevocably submits to the exclusive jurisdiction of the Supreme Court of Newfoundland and Labrador with respect to any matter arising hereunder or related hereto.

18. No failure or delay by the Monitor in exercising any rights, powers or privileges under this NDA shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclue any other or further exercise of any rights, powers, or privileges under this NDA.

19. No amendment to the terms and conditions of this NDA shall be valid and binding unless made in writing and signed by an authorized representative of each of the parties hereto.

20. If any provision of this NDA becomes invalid or unenforceable in whole or in part for any reason whatsoever, such invalidity or unenforceability will not affect the enforceability of any of the remaining provisions of this NDA.

21. This NDA may be executed and delivered in any number of counterparts, each of which when executed and delivered will be an original, but all of which taken together constitute one instrument.

22. All of the Confidential Information shall remain the property of the Company and no right, title or interest in and to the Confidential Information shall pass to the undersigned or to the Representatives and no interest, license right, or any other right in respect of the Confidential Information, other than as expressly set out herein, is granted under this NDA, by implication or otherwise.

23. The undersigned acknowledges and agrees that unauthorized use or disclosure of the Confidential Information will cause irreparable harm to the Company and, in addition to all remedies available to the Monitor, it is agreed that the Monitor shall be entitled to equitable relief, including an injunction or specific performance in relation to a breach of this NDA.

24. Any party may deliver an executed copy of this NDA by facsimile or email.

25. The undersigned and the Representatives shall under no circumstances, contact directly, or indirectly any of the customers, employees, or suppliers of the Company without the consent of the Monitor.

[*Execution Page Follows*]

DATED AT ______________________________, this ______ day of ________________ , 2023.

______________________________	______________________________
(Signature of Person – Individual)	(Signature of Witness)
Name:	Name:

OR

Name of Corporation (Print):

Per: ______________________________	______________________________
(Signature of Authorized Signing Officer) Name: Title:	(Signature of Witness) Name:

Appendix “J”

[PURCHASER'S LETTERHEAD]

[DATE]

TO:
Grant Thornton Limited,
In its capacity as Court Appointed CCAA Monitor of
Edward Collins Contracting Ltd. and H&E Designs Ltd.

Attention: Phil Clarke and Allan MacDonald

Re: Proposal to Purchase Certain Assets of Edward Collins Contracting Ltd. and H&E Designs Ltd. (collectively, the "**Company**").

This Letter of Intent (this "**Letter**") is submitted as a Phase 1 Bid in accordance with the Monitor's bidding procedures as set out in the Stalking Horse Sale Process (the "**Sale Process**') which is intended to solicit interest in the sale of all, or substantially all, of the assets of the Company's business (the "**Business**").

This Letter is intended to summarize the terms of a proposal being considered by [BIDDER] (the "**Bidder**") regarding its possible acquisition of the Company's assets from the Company (the "**Vendor**).

The Bidder and the Vendor are referred to collectively as the "**Parties**".

1. <u>Acquisition of Assets and Purchase Price</u>

(a) Subject to the satisfaction of the conditions described in this Letter, the Bidder will acquire the assets set out in the Stalking Horse Offer (the "**Assets**"), at the purchase price set forth in Section 1(b):

(b) The purchase price for the Assets would be $______________________ (the "**Purchase Price**") in cash, subject to adjustment, and payable as follows:

(i) $___________________ representing 10% of the purchase price payable with the submission of a Phase 2 bid to Grant Thornton Limited in trust.

(ii) $___________________ payable at the closing of the proposed transaction to Grant Thornton Limited in trust.

2. <u>Assuming Liabilities</u>

(a) subject to the satisfaction of the conditions described in this Letter, the Bidder will assume the following liabilities of the Company:

(i) [INSERT ASSUMED LIABILITIES]

3. Bid Expiration. This offer will remain in effect until accepted or rejected by the Vendor or withdrawn by the Purchaser before that time.

4. No Binding Agreement. This Letter reflects the intention of the Purchaser, but for the avoidance of doubt neither this Letter nor its acceptance shall give rise to any legally binding or enforceable obligation on any Party. No contract or agreement providing for any transaction involving the Business shall be deemed to exist between the Vendor and the Purchaser or any of their respective affiliates unless and until a final definitive agreement has been executed and delivered by the Parties (or one of more of their affiliates, as applicable).

5. Governing Law. This Letter shall be governed by and construed in accordance with the laws of the Province of Newfoundland and Labrador and the federal laws of Canada applicable therein.

6. Confidentiality. This Letter is confidential to the Parties and their representatives and is subject to the Confidentiality and Non-Disclosure Agreement entered into between the Purchaser and the Vendor, which continues in full force and effect.

7. No Third-Party Beneficiaries. Except as specifically set forth or referred to herein, nothing herein is intended or shall be construed to confer upon any person or entity other than the Parties and their successors or permitted assigns, any rights, benefits or remedies under, or by reason of, this Letter.

8. Expenses. The Parties will each pay their own transaction expenses, including the fees and expenses of financial, legal and other advisors, incurred in connection with the proposed Transaction.

9. Miscellaneous. This Letter may be executed in counterparts and delivered electronically. Each counterpart shall be deemed to be an original and all of which together shall constitute one agreement. The headings of the various sections of this Letter have been inserted for reference only and shall not be deemed to be a part of this Letter.

[PURCHASER]

By: ______________________________

[Name:]

[Title:]

Appendix “K”

MacDonald, Allan

From: Advertising allNewfoundlandLabrador.com <advertising@allnewfoundlandlabrador.com>
Sent: July 20, 2023 4:00 PM
To: MacDonald, Allan
Subject: allNewfoundlandLabrador Activity Report - Edward Collins Contracting Ltd. + H&E Designs Ltd.

Hi Allan,

For your recent ad that ran from July10 to July 17 we are happy to report the following average statistics.

When your ad ran, our desktop site welcomed **1,851** users. They logged on for **4,266** sessions and looked at **55,302** pages.

Our allAtlanticCanada mobile app welcomed **8,560** users. They logged on for **37,205** sessions.

The following ad appeared for 15 seconds at least every two and a half minutes on the desktop site and the mobile app on the days it ran.

The ad was seen by allNewfoundlandLabrador's **2,500 paying subscribers**.

Thanks so much for advertising on allNewfoundlandLabrador.

Lais Esposito

Advertising Sales

1-877-431-9540

Scott Strickland's home of 22 years was demolished in Port aux Basques on June 23. **CONTRIBUTED**

Some residents waiting for compensation

FROM A1
EMOTIONAL

They won't be able to rebuild and the rest of the homes on the street are to be demolished in Phase 2.

On June 23 the house, where the Stricklands had lived for 22 years and where they raised their son and daughter, was demolished.

By the end of June, he said, everything was finalized with the compensation they received.

It's been an extremely emotional few months, Strickland said.

"Every day we wake up there's a different set of emotions and goals. I can't explain the emotions. I'm even filling up here now talking about it."

His wife can't go and look at the spot where their home once stood, and Strickland finds himself pulled there.

"It's just strange. It's hard to put the words," he said.

"I'm grateful that my kids weren't around when the storm happened. I'm grateful that they're of the age that we're not in the situation where we have young children. Grateful that it happened when it was just me and my wife and that we can kind of move on just the two of us."

Port aux Basques realtor Scott Strickland stands among the debris left by post-tropical storm Fiona in his Port aux Basques yard. Strickland says the storm is having a devastating effect on housing in the town. **CONTRIBUTED**

Strickland said he can't imagine people with young families and older seniors going through the loss of their home.

The experience has given him a different perspective on things. Before, he never really got what it was like to lose a home, he said.

"It's one of those things, unless you experience it, you can't really fully empathize with it. You certainly do now."

At just over two months until the anniversary of the storm, Strickland said he thinks this fall will bring a lot of apprehension for people.

"Every little forecast now is going to be taken pretty seriously, he said.

"I know I underestimated what was coming that next day. I never thought it was going to be to that extreme. I don't think anybody in Port aux Basques is going to take these forecasts lightly anymore now."

Strickland is a realtor and in the early days after the storm said housing availability was limited for those who had initially been displaced. He's starting to pick up more listings now, but said there's not a lot of buyers.

"Because the Phase 2 people, most of them still don't have any amounts (of compensation) or specific timelines, so they can't even make plans yet. We are seeing some people start to look, but they still can't make final decisions until they get some further answers."

In mid-June the province said that it continues to support residents affected by the storm.

It said an impact zone had been designated in collaboration with the Town of Port aux Basques that was based on objective, evidence-based considerations that included the debris line of the storm surge, aerial photography and on-site verification.

At the time, it said all property owners within the impact zone had been notified and provided with information outlining the process and estimated timelines for financial compensation.

The financial framework consists of a replacement value for a home at a minimum of $200 per square foot and based on a detailed assessment and the value for land of $30,500 or provision of a suitable land option.

LIFESTYLE

Feeling dirty? Clean off with 'Dicky Berg' soap


Dana Marshall, the owner of Coastal Soapworks, has made a new handcrafted soap resembling the famous "Dicky Berg" that appeared in Newfoundland in April. **CONTRIBUTED**

TRACY LAW
ATLANTIC BRIEFS DESK
tracy.law@saltwire.com

The memory of the phallic-shaped iceberg that captured global attention when it appeared in Harbour Grace in April is being kept alive as a handcrafted soap.

Photos of the iceberg, dubbed the "Dicky Berg," captured by Ken Pretty, went viral in April before it collapsed.

It's now back, but this time in soap form. Labrador-based Coastal Soapworks has launched a new handcrafted soap resembling the famous berg.

Business owner Dana Marshall started accepting pre-orders on July 5, and as of July 7, already had about 100 orders. A social media post she made about the product hit around 25,000 views by July 6.

"It's not new to me to be making shapes. But the Dicky Berg, like when that went viral in April, it was always in my mind that I could do (that)," Marshall said. "I could make a soap that replicates this Dicky Berg and it got to be done."

The soap has a scent of peppermint and orange essential oils. The tip of the soap is made with iceberg water and the base with ocean water, a nod to the famous piece of ice. It is Marshall's only product with such features.

The cold process soap is made by blending butter, oil and an alkaline solution lye at room temperature. As it comes out of the mold, the soap will sit for at least four weeks before it's ready to be shipped.

"I live in a town and the population is not even 300. It's a great way to reach a broader audience, and so far it's been doing lovely," said Marshall.

"Like my son says now, it's an oddly familiar shape. It's just funny."

The Dicky Berg soap will take about six to 10 weeks for delivery. Those interested in ordering can do so online at www.coastalsoapworks.ca/products/dicky-berg-soap-bar-pre-order.

Snow crab processing at a factory in Newfoundland and Labrador.

Capelin processing will be delayed

FROM A1
STILL

Crab harvesters didn't like the price selected and tied up for six weeks, so the season didn't get started until mid-May.

QUOTA REMAINS

With the late start to the season and more quota to catch this year, thanks to a DFO decision to increase the total allowable catch by 8.4 per cent, fish harvesters are up against the clock to land the 54,727-metric-tonne quota.

According to Department of Fisheries and Oceans data, only 32,882 metric tonnes had been landed by July 9.

The department has, so far, extended the fishing season in two zones.

Earlier this week DFO announced zones 3Ps, which includes Fortune Bay and Placentia Bay on the south coast, and 3K, which includes Notre Dame Bay and White Bay on the northeast coast, would remain open until July 21.

The crab fishing season usually closes in those areas on June 30.

In area 3LNO, which ranges from Bonavista Bay to St. Mary's Bay, the season closes July 31.

The bulk of the snow crab quota, just over 32,000 tonnes this season, comes from that zone.

Loder told SaltWire there's still crab to land in most fishing zones in the province.

According to the ASP data, about 62 per cent of the quota in 3Ps had been taken by last week.

Fishermen in 3K have landed 64 per cent of the quota in that zone and in zone 2HJ — which includes the Labrador coast and has one of the smaller quotas — 77 per cent of the crab has been landed.

In 2J the season opens July 15 and closes Aug. 31.

In zone 3LNO, which is not set to close until July 31, 52 per cent of the quota has been taken.

At that rate — 10 per cent of the overall quota coming ashore each week — some 2023 quota may go uncaught should the seasons end in July.

The question now, he said, is whether to extend into August, while keeping an eye on when the crabs start molting.

Another option, said Loder, would be for DFO to adjust the rule on trip limits.

He noted some boats, especially those that use a recirculating seawater (RSW) system to hold the crab, can hold about 75,000 pounds of crab but are limited by DFO rules to 60,000 pounds.

As the end of the season draws closer, Loder said, it would make sense to increase trip limits.

Fishing vessels at the Prossers Rock small boat basin in St. John's on May 15. For most of these boats snow crab has been their main fishery for the past few years.
KEITH GOSSE • THE TELEGRAM

Jeff Loder, executive director of the Association of Seafood Producers

"Why would a boat need to make two trips if it has that capacity in its hold?" he said, adding the ASP and FFAW had discussions in the past week on that issue.

JUGGLING

Still, this season is proving to be a juggle for processors and harvesters.

Loder added the nearly seven-week delay in the start of the crab season is now having a trickle-down affect on other fisheries.

The capelin fishery started in some areas of the province this week.

Normally, the crab fishery would be finished by the time the capelin fishery started and processors could switch their focus from crab.

This year, said Loder, most members of the ASP will have a challenge to process capelin.

"We have a limited number of buyers right now because they do not have the capacity to purchase and process capelin," Loder said.

There are also logistical issues with both fisheries operating at the same time.

"There's only so many trucks and so many plants," he said, adding processors are "doing our best … to purchase capelin, to work with harvesters to get the capelin caught. But it is a very delicate balance right now (because) crab processing is not going to be slowing down in the next couple of weeks."

Then there's the cod fishery, due to open July 23.

According to Loder, some plants won't be in a position to process cod at that time, and some fish harvesters will still be chasing after crab.

That's just some of the ripple effects of a delayed crab season start, he said.

"Some of the realities of a condensed snow crab season, and one that goes later in the year to when other fisheries start, that has impacts and we are feeling those impacts," said Loder.

Meanwhile, he said, to keep crab moving through the lines many processors have been operating their plants seven days a week, using two work shifts daily where they have the people to do that.

However, not every plant planned to have two shifts, said Loder, because none of them could have anticipated a month-long tie-up.

You just can't make a work plan around a scenario like that, he said.

"You have to be able to plan for the amount of crab you're processing over the length of the season and (with the tie-up) that was thrown out of whack," he said.

PLANNING FOR 2024

That's why the industry needs to start much earlier planning for the 2024 season, said Loder.

Given what happened this year, he said, negotiations on price and a price formula need to start in September, not in the middle of winter just weeks before the season opening.

"It's my understanding that this perspective is shared by both the province and the FFAW," he added. "We will have to see what happens."

Ultimately, said Loder, 2024 can't be a repeat of 2023.

"We cannot have a situation where one party can make a decision to tie up the largest fishery in this province, with all the implications that come with that.

"We (fishing industry) are the largest, singular, private-sector employer in Newfoundland and Labrador. Our labour force deserves to work when there is product to catch. That is the heart of our collective bargaining agreement," said Loder, "and it didn't happen right this year."

The FFAW did not respond to a request for information for this story.

CURRENT CRAB MARKETS

Multiple factors led to a price crash this season for Atlantic Canadian snow crab, from nearly $7 a pound in 2022 to $2.20 in 2023.

Prices have rebounded a little but won't likely see 2022 levels for a very long time.

In May, the wholesale price was around US$4 for five- to eight-ounce crab.

By June, according to U.S.-based seafood analyst Les Hodges, prices had moved to the low $5 range, especially for eight-ounce and larger crab.

Hodges noted the year began with about 10 million pounds of Canadian snow crab still in storage in the U.S.

Then there was the Russian crab.

Even though the U.S. embargoed Russian crab last year, in protest of Russia's invasion of Ukraine, the embargo did not take effect until July.

In his latest blog on July 7, Hodges said there's still some 2022 Russian crab in the U.S. market and "sales are said to be steady at discounted levels."

Russian crab is also flooding markets in China and Japan.

"They dominate the king crab supply and have a strong presence in snow crab with a 30 per cent share of the world supply," Hodges reports.

The market in China is primarily a live crab market, he added.

"Sales of live crab to China through May 2023 are up 75 per cent to 10,436 metric tonnes with prices 22 per cent lower than 2022 levels.

"Through May live crab deliveries made up 80 per cent of imports," he said.

Russia also has a 69 per cent share of the market in Japan, Hodges noted. Last year Japan pulled back on purchases of Canadian crab in favour of lower-cost Russian product, and imported $241-million worth of Russian crab. Through this past May, Japan had bought nearly 5,000 metric tonnes of crab from Russia.

Appendix “L”

Edward Collins Contracting Ltd., FGC Holdings Ltd., H&E Designs Ltd., 51037 NL Inc.

Sales and Investment Solicitation Process - September 11, 2023

Sources of Funds:

			Note:
Newco Bid - Stalking Horse Offer	6,900,000		
FGC Refinancing	240,103		1
Assumption of Liabilities - Employees	1		
Assumption of Liabilities - Ongoing Contracts	1		
Refinancing Proceeds		**$ 7,140,105**	
Total Funds		**$ 7,140,105**	

Paid Out Debt:

RBC Real Estate Mortgages:			
30 Reids Lane	293,903		
3 Lakeview	320,652		
Morrissey's Place	311,668		
26 Lakeview	240,103		
		$ 1,166,326	
Equipment Buyouts by Lender:			
Bank of Nova Scotia	15,675		
Brandt Finance	-		
Caterpillar Financial	-		
CWB National Leasing	-		
De Lage Landen Financial Services Canada Inc.	112,079		
Daimler Truck Financial	281,406		
Honda Financial	10,158		
John Deere Financial	723,588		
Wells Fargo	219,189		
		$ 1,362,094	
RBC Loans + Other:			
Line of Credit (ECC + 51037)	1,063,061		
RBC Equipment	1,569,965		
Visa (ECC + 51037)	207,331		
Overdraft	1,377		
Est. Fees & Interest	50,000		
		$ 2,891,734	2
Payroll Taxes:			
CRA Payroll Deemed Trust - ECC	2,127,873		3
Less - Funds Held in Trust	(250,000)		
Less - Humber Arm South	(48,675)		
Province of NL HAPSET - ECC	56,297		
		$ 1,885,494	
Total Debt to Pay Out		**$ 7,305,648**	
Cure Costs:			
Outstanding Equipment Lease	-		4

Claim for RBC Protective Disbursements	-		5
		$ -	
Total Use of Refinancing		**$ 7,305,648**	
Net Surplus (Deficit) from Refinancing		**$ (165,543)**	
Cash From Company to Close Funding Gap			
Payment from ECC	205,000		
		$ 205,000	
Net Funding Surplus (Deficit)		**$ 39,457**	

Summary of RBC Payout:		
Refinanced:		
Mortgages	$ 1,166,326	
Line of Credit (ECC + 51037)	1,063,061	
RBC Equipment	1,569,965	
Visa (ECC + 51037)	207,331	
Overdraft	1,377	
HASCAP	-	
Est. Fees & Interest	*50,000*	
		4,058,060
Not Refinanced:		
HASCAP	1,036,958.90	
Protective Disbursements	484,351.33	
CEBA	120,000	
		1,641,310
Total RBC Debt		**$ 5,699,370**

Notes:

1. Separate refinancing will be obtained to pay out FGC loans.
2. HASCAP loan is assumed to not be paid out.
3. Based on deemed trust claim filed by CRA on March 14, 2023.
4. Assumes all equipment leases will be bought out. If leases are assumed cure costs will be required.
5. Professional fees incurred by RBC excluded.

Appendix “M”

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 “N”

Edward Collins Contracting Ltd., H & E Designs Ltd., Classic Security Ltd., FGC Holdings Ltd., 51037 Newfoundland & Labrador Inc.
Budget vs Actual to August 4, 2023 ($CAD)

			Actual												Comparison		
		Actual	**WEEK 35**	**WEEK 36**	**WEEK 37**	**WEEK 38**	**WEEK 39**	**WEEK 40**	**WEEK 41**	**WEEK 42**	**WEEK 43**	**WEEK 44**	**WEEK 45**	**WEEK 46**	**Actual to**	**Budget to**	**Variance at**
Beginning Period		***2022-09-17***	2023-05-13	2023-05-20	2023-05-27	2023-06-03	2023-06-10	2023-06-17	2023-06-24	2023-07-01	2023-07-08	2023-07-15	2023-07-22	2023-07-29	2023-08-04	2023-08-04	2023-08-04
Ending Period		***2023-05-12***	2023-05-19	2023-05-26	2023-06-02	2023-06-09	2023-06-16	2023-06-23	2023-06-30	2023-07-07	2023-07-14	2023-07-21	2023-07-28	2023-08-04			
	NOTE																
Cash Receipts																	
Existing Project Receipts	1,2	3,648,793	179,476	207,357		159,970	21,973	3,835	80,586	110,810	304,842	21,218	11,612	109,485	4,859,955	4,961,350	(101,395)
Fuel Recovery		365,515			(50,000)										315,515	365,515	(50,000)
Garage		51,750											28,750	5,750	86,250	115,000	(28,750)
Management fees (FGC Holdings)		-													-	-	-
Rental Income		9,775													9,775	14,775	(5,000)
Miscellaneous Receipts	3	160,268	1,367			5,367		9,401	12,875	3,414			1,367	1,482	195,539	195,996	(457)
Collection of Accounts Receivable	4	195,077													195,077	195,077	-
RBC Loan Augmentation		25,000													25,000	25,000	-
Life Insurance		515,510													515,510	515,510	-
Total Receipts from Operations		**4,971,688**	**180,843**	**207,357**	**(50,000)**	**165,336**	**21,973**	**13,236**	**93,461**	**114,224**	**304,842**	**21,218**	**41,728**	**116,716**	**6,202,620**	**6,388,223**	**(185,602)**
Direct costs																	
Materials and Subcontracts		530,364	5,027	6,820		10,053	6,568	18,817	19,429	9,487	2,487	13,528	26,920		649,499	683,242	(33,743)
Direct Wages and Benefits		693,673	29,916	23,136	12,284	21,417	21,396	10,287	40,690	33,462	6,817	41,709	21,239	22,695	978,721	924,072	54,649
Fuel	9	596,484		50,000		99	61	960	1,665	2,016	1,587	710	3,176	1,399	658,156	615,864	42,293
Equipment Rental		43,391		1,078	14,950					14,995					74,414	60,191	14,223
Intersac AMA Fees		-													-	-	-
Direct Disbursements		**1,863,911**	**34,943**	**81,034**	**27,234**	**31,569**	**28,025**	**30,064**	**61,784**	**59,959**	**10,891**	**55,948**	**51,335**	**24,094**	**2,360,791**	**2,283,369**	**77,422**
Cash Flow Before Operating Activities		**3,107,776**	**145,900**	**126,322**	**(77,234)**	**133,767**	**(6,052)**	**(16,828)**	**31,677**	**54,265**	**293,951**	**(34,730)**	**(9,606)**	**92,622**	**3,841,829**	**4,104,854**	**(263,025)**
Operating expenses																	
Business taxes, licences, memberships		13,999													13,999	16,399	(2,400)
Insurance	5	-													-	-	-
Bank fees (Interest & Charges)		9,853			164	488	45			159	440			569	11,717	15,553	(3,836)
Office		42,992	1,120	254		368	230	125	198	304					45,590	50,192	(4,602)
Professional fees	6	99,357													99,357	102,357	(3,000)
Property taxes		5,000													5,000	5,000	-
Rentals		82,080													82,080	118,080	(36,000)
Repairs & Maintenance		382,592	8,550	4,884	6,420	28,743	29,162	17,563	10,520	6,489	27,881	7,421	8,783	1,378	540,385	502,592	37,792
Workers compensation (WHSCC NL)		37,619								8,715				2,818	49,152	45,119	4,033
Garage & Office Wages		363,704	5,408	4,923	4,923	4,923	4,923	4,923	4,923	5,463	4,923	4,923	4,923	4,923	423,802	494,768	(70,966)
Travel		45,816	960	700	1,000		1,000			6,500	5,067		1,000	1,000	63,043	57,816	5,226
Utilities & Telephone		47,055				4,968	714				7,146	1,749		812	62,445	59,155	3,289
Vehicle		-													-	43,800	(43,800)
Equipment Lease Payments		311,147	25,160	10,117		7,864	5,243	5,873		22,528	6,272	11,071			405,276	431,147	(25,872)
Miscellaneous / Contingency		45,471	37	500	115	12,563							500		59,186	63,471	(4,285)
Legal Fees		221,541	65,000								40,295				326,836	366,541	(39,705)
Restructuring Fees	7, 9	391,127			96,838					35,595					523,560	681,127	(157,566)
Admin Charge		-	-												-	-	-
HST Remitted (Refunded)		179,316	-							20,576					199,893	247,629	(47,736)
Operating Disbursements		**2,278,671**	**106,235**	**21,377**	**109,459**	**59,915**	**41,317**	**28,484**	**15,640**	**106,330**	**92,023**	**25,164**	**15,206**	**11,499**	**2,911,320**	**3,300,747**	**(389,427)**
Bid Deposits / Bonding		**(297,575)**							15,000		(148,200)				(430,775)	(297,575)	(133,200)
O'Keefe & Co Opening Bal. Adjustment	9	**(32,996)**													(32,996)	(32,996)	-
Settlement Humber Arm South Funds		**(189,252)**													(189,252)	(189,252)	-
Deposit Held With Monitor		**(250,000)**													(250,000)	(250,000)	-
Net Cash Contribution (Use)		**59,282**	**39,665**	**104,945**	**(186,694)**	**73,852**	**(47,369)**	**(45,312)**	**31,037**	**(52,065)**	**53,728**	**(59,894)**	**(24,812)**	**81,123**	**27,486**	**34,283**	**(6,797)**
Opening Cash Position		**74,806**	**134,088**	**173,753**	**278,698**	**92,005**	**165,857**	**118,488**	**73,175**	**104,212**	**52,147**	**105,875**	**45,981**	**21,169**	**74,806**	**74,806**	**74,806**
Closing Cash Position		**134,088**	**173,753**	**278,698**	**92,005**	**165,857**	**118,488**	**73,175**	**104,212**	**52,147**	**105,875**	**45,981**	**21,169**	**102,292**	**102,292**	**109,089**	**(6,797)**
ECC Bank Balance		70,349	123,103	278,048	91,584	165,436	113,068	67,755	98,792	46,727	100,455	40,561	15,748	96,872			
O'Keefe Bank Balance	9	66,996	51,996	1,996	1,996	1,996	6,996	6,996	6,996	6,996	6,996	6,996	6,996	6,996			
GT Bank Balance		-	-	-	-	-	-	-	-	-	-	-	-	-			

Balance per Bank (all accounts)		**137,344**	**175,099**	**280,044**	**93,580**	**167,432**	**120,063**	**74,751**	**105,787**	**53,723**	**107,450**	**47,557**	**22,744**	**103,867**
o/s Transactions	8	**(3,256)**	**(1,345)**	**(1,345)**	**(1,575)**	**(1,575)**	**(1,575)**	**(1,575)**	**(1,575)**	**(1,575)**	**(1,575)**	**(1,575)**	**(1,575)**	**(1,575)**
Reconciled Balance		**134,088**	**173,753**	**278,698**	**92,005**	**165,857**	**118,488**	**73,175**	**104,212**	**52,147**	**105,875**	**45,981**	**21,169**	**102,292**

NOTES:

1. Receipts collected from active / budgeted projects (awarded contracts).
2. Funds received to $USD account transferred to $CAD operating account on day of receipt.
3. Receipts for one-off jobs not related to a specific project.
4. Collection of pre-July 20 Accounts Receivable not related to active projects.
5. Insurance has been prepaid for the coming year.
6. Fees for external accounting services.
7. Includes fees of Monitor and its legal counsel for financial restructuring / CCAA proceeding.
8. Cheques issued but not yet cleared.
9. Adjustments related to O'Keefe & Co. trust account, restating results to Mar 17, 2023
   - $50,000 added to fuel purchases
   - $30,000 added to Restructuring fees
   - $12,996 reduction to opening balance for funds belonging to a different trust account.

Appendix “O”

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 September 11 to November 5, 2023 (in CAD)

	NOTE	WEEK 52	WEEK 53	WEEK 54	WEEK 55	WEEK 56	WEEK 57	WEEK 58	WEEK 59	Total Projected
Beginning Period		2023-09-11	2023-09-18	2023-09-25	2023-10-02	2023-10-09	2023-10-16	2023-10-23	2023-10-30	
Ending Period		2023-09-17	2023-09-24	2023-10-01	2023-10-08	2023-10-15	2023-10-22	2023-10-29	2023-11-05	
Cash Receipts										
Existing Project Receipts	1,2	17,250	105,750	131,750	107,750	152,250	290,750	5,750	182,750	994,000
Fuel Recovery		-	-	-	-	-	-	-	-	-
Garage		5,750	5,750	5,750	5,750	5,750	5,750	5,750	5,750	46,000
Management fees (FGC Holdings)		-	-	-	-	-	-	-	-	-
Rental Income		-	-	-	-	-	-	-	-	-
Miscellaneous Receipts	3	-	-	-	-	-	-	-	-	-
Collection of Accounts Receivable	4	-	-	-	-	-	-	-	-	-
RBC Loan Augmentation		-	-	-	-	-	-	-	-	-
Life Insurance		-	-	-	-	-	-	-	-	-
Total Receipts from Operations		**23,000**	**111,500**	**137,500**	**113,500**	**158,000**	**296,500**	**11,500**	**188,500**	**1,040,000**
Direct costs										
Materials and Subcontracts		22,726	22,726	22,783	22,726	22,726	22,726	27,783	23,013	187,207
Direct Wages and Benefits		40,719	40,719	40,719	40,719	40,886	35,886	35,886	35,886	311,416
Fuel		10,565	10,565	10,565	10,565	10,565	7,265	7,265	7,265	74,620
Equipment Rental		-	-	-	-	-	-	-	-	-
Intersac AMA Fees		-	-	-	-	-	-	-	-	-
Direct Disbursements		**74,009**	**74,009**	**74,067**	**74,009**	**74,176**	**65,876**	**70,934**	**66,164**	**573,243**
Cash Flow Before Operating Activities		**(51,009)**	**37,491**	**63,434**	**39,491**	**83,824**	**230,624**	**(59,434)**	**122,337**	**466,758**
Operating expenses										
Business taxes, licences, memberships		200	200	200	200	200	200	200	200	1,600
Insurance	5	-	-	-	-	-	100,000	-	-	100,000
Bank fees (Interest & Charges)		135	135	135	135	135	135	135	135	1,080
Office		240	240	240	240	240	240	240	240	1,920
Professional fees			-		-					-
Property taxes		-	-	-	-					-
Rentals		-	12,000	-	-	-	-	12,000	-	24,000
Repairs & Maintenance		10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	80,000
Workers compensation (WHSCC NL)	6	2,761		-	-		-			2,761
Unallocated Salaries & Wages		2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	16,000
Travel		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	8,000
Utilities		-	-	4,600	-			4,000		8,600
Vehicle		3,650	3,650	3,650	3,650	3,650	3,650	3,650	3,650	29,200
Equipment Lease Payments		6,108	10,000	10,000	10,000	10,000	10,000	10,000	10,000	76,108
Miscellaneous / Contingency		1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	12,000
Legal Fees		-	-		-		43,000			43,000
Restructuring Fees	7	-			40,250				40,250	80,500
Admin Charge										-
										-
HST Remitted (Refunded)				3,869					28,733	32,602
Operating Disbursements		**27,594**	**40,725**	**37,194**	**68,975**	**28,725**	**171,725**	**44,725**	**97,708**	**517,371**
Bid Deposits / Bonding										-
O'Keefe & Co Opening Bal. Adjustment										-
Settlement Humber Arm South Funds										-
Deposit Held With Monitor										-
Net Cash Contribution (Use)		**(78,603)**	**(3,234)**	**26,240**	**(29,484)**	**55,099**	**58,899**	**(104,159)**	**24,628**	**(50,614)**
Opening Cash Position		**92,000**	**13,397**	**10,163**	**36,403**	**6,919**	**62,018**	**120,917**	**16,758**	**92,000**
Closing Cash Position		**13,397**	**10,163**	**36,403**	**6,919**	**62,018**	**120,917**	**16,758**	**41,386**	**41,386**

NOTES:

1. Receipts of active and awarded contracts as of March 22, 2023
2. Funds received to $USD account transferred to $CAD operating account on day of receipt.
3. Receipts for one-off jobs not related to a specific projects.
4. Collection of pre-July 20 Accounts Receivable not related to active projects. Collectibility and timing of collection is presently unknown.
5. Insurance has been prepaid through August 31, 2023.
6. Based on payment plan for 2023 amount due.
7. Includes fees of the Monitor and its legal counsel for financial restructuring / CCAA proceeding.

Appendix “P”

RECON
RECONSTRUCT LLP

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September 22, 2023

SENT BY EMAIL

GRANT THORNTON LIMITED
Nova Centre, North Tower Suite 1000
1675 Grafton Street
Halifax, NS B3J 0E9

Attention: Mr Phil Clarke, Partner *(Phil.Clarke@ca.gt.com)*

Dear Mr. Clarke,

RE: Opinion to Grant Thornton Limited in its capacity as monitor of Edward Collins Contracting Ltd., Classic Security Ltd., FGC Holdings Ltd., and H & E Designs Ltd. (collectively, the "Debtors") regarding the validity and enforceability of the security of the Royal Bank of Canada ("RBC") over the property, assets and undertakings of the Debtors

1. INTRODUCTION

You have asked that we review and comment upon the security granted in connection with certain credit facilities extended by RBC to the Debtors.

This report is provided solely for the benefit of Grant Thornton Limited in its capacity as monitor (in such capacities, the "**Monitor**") of the Debtors in connection with the review of the security granted by the Debtors in favour of RBC over the property, assets and undertakings of the Debtors and may not be used or relied upon by any other person or for any other purpose without our express prior written consent.

2. SCOPE OF REVIEW

Save as expressly stated in this report, we offer no views on priority of security and this report is subject to the assumptions and qualifications expressed herein and in **Schedule** "**A**" attached hereto.

It is our understanding that the Debtors only have assets in the Province of Newfoundland and Labrador and have accordingly limited our review to the laws of Newfoundland and Labrador and the laws of Canada applicable therein. The matters opined upon in this letter relate only to the personal property and assets of the Debtors situated in Newfoundland and Labrador as described in **Schedule "B"** attached hereto and the real property as described in **Schedule "C"** and **Schedule "D"** attached hereto (together, the "**Property**").

RECON
RECONSTRUCT LLP

3. SUMMARY

Subject to the assumptions and qualifications referred to herein and the discussion set out below, we are of the opinion that the security interest of RBC granted by the Debtors in the Property is valid and enforceable as against a trustee in bankruptcy of the Debtors.

4. EXAMINATION OF DOCUMENTS

For the purposes of the opinions set out herein, we have been provided with copies of the following loan and security documents:

Edward Collins Contracting Ltd. ("**ECC**")

i) General Security Agreement from ECC to RBC dated August 23, 2002;

ii) Guarantee by ECC in favour of RBC dated May 14, 2003, pursuant to which ECC guaranteed the obligations of Classic Security Ltd. ("**Classic**") to RBC in the maximum amount of $110,000 plus interest;

iii) Master Lease Agreement between ECC and RBC dated May 20, 2009, pursuant to which ECC can acquire equipment for leasing on the terms of the Master Lease Agreement:

a. Leasing Schedule 605234152-201000009650 between ECC as Lessee and RBC dated June 4, 2013, respecting McCloskey C44 Cone Crusher, s/n 80741 notice of which security interest was registered at the Newfoundland and Labrador Personal Property Registry ("**NLPPR**") as registration 19549112 on January 12, 2022, expiring on January 12, 2025;

b. Equipment Lease/Leasing Schedule 605234152-201000037024 between ECC as Lessee and RBC dated November 28, 2017, regarding 2017 Western Star sn 5KKMBBDV0HPHY2964, 2016 Brandon FHA Dump Body sn FHAC633018, 2017 Western Star sn 5KKMBBDV9HPHY2963, and 2016 Brandon FHA Dump Body sn FHAC633016, notice of which security interest was registered at the NLPPR on November 27, 2017 as registration 15521099, expiring on November 27, 2024;

c. Equipment Lease/Leasing Schedule 605234152-201000049117 between ECC as Lessee and RBC dated October 9, 2020 regarding a 2009 Caterpillar Asphalt Paver sn CATAP655AGNZ00312, as amended on October 9, 2020, notice of which security interest was registered at the NLPPR on August 6, 2019 as registration 17173139, expiring on August 6, 2024;

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d. Equipment Lease/Leasing Schedule 605234152-201000053651 between ECC as Lessee and RBC dated April 17, 2020, and amended on April 24, 2020, regarding ABS trailer sn 2A942M6RX91114022 and ABS trailer sn 2A942M6R671114015, notice of which security interest was registered at the NLPPR as registration 17775834 on April 17, 2020, expiring on April 17, 2025;

e. Equipment Lease/Leasing Schedule 605234152-201000052744 between ECC as Lessee and RBC dated March 4, 2020, as amended on October 9, 2020, notice of which security interest was registered at the NLPPR as registration 17688722 on March 2, 2020, expiring on March 2, 2026;

f. Amendment to Equipment Lease/Leasing Schedule 605234152-201000056551 between ECC and RBC dated May 11, 2021, regarding a 2009 ABS trailer sn 2A942M6RX91114022 and 2007 ABS Trailer sn 2A942M6R67lll4015;

g. Equipment Lease/Leasing Schedule 605234152-201000048572 between ECC as Lessee and RBC dated December 13, 2017, regarding 2003 Sterling Plow/Sander truck sn 2FZHAWBS03AL93012, 1998 Ingersoll-Rand Propac Vibratory Roller sn 154443 and 2008 Hitachi Hydraulic Excavator sn FF00ASP920208, notice of which security interest was registered at the NLPPR as registration 19549112 on January 12, 2022, expiring on January 12, 2025;

h. Equipment Lease/Leasing Schedule 605234152-201000037336 between ECC as Lessee and RBC dated March 4, 2020, regarding 2013 Western Star sn 5KJNAED12DPFE2377, notice of which security interest was registered at the NLPPR as original registration 15559859 on December 13, 2017, renewed on June 2, 2022 as registration number 19912104, and expiring on December 13, 2024;

i. Equipment Lease/Leasing Schedule 605234152-201000054134 between ECC as Lessee and RBC dated May 22, 2020, regarding 2006 Trail King 48 Ft Quad/A Live Bottom Trailer sn 1TKLC48466W056414, 2008 Trout River 39 Ft ri/A Live Bottom Trailer sn 2S9PS636XBW134200, and 2006 Trail King 39 Ft/Tri/A Live Bottom Trailer sn 1TKLC39376W036432, notice of which security interest was registered at the NLPPR as original registration 17841081 on May 19, 2020, renewed on June 2, 2022 as registration number 19912278, and expiring on May 19, 2025; and

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j. Equipment Lease/Leasing Schedule 605234152-201000048200 between ECC as Lessee and RBC dated June 18, 2019, regarding 2007 Freightliner sn 1FVHCYDJ67HY08123 and Almac tank sn 96-9237, notice of which security interest was registered at the NLPPR as registration 19549112 on January 12, 2022, expiring on January 12, 2025.

iv) Guarantee granted by ECC in favour of RBC dated August 4, 2015, pursuant to which ECC guaranteed all of the obligations of 51037 Newfoundland and Labrador Inc. ("**51037**") in the maximum of $180,000 plus interest;

v) Guarantee and Postponement of Claim granted by ECC in favour of RBC dated April 3, 2018, pursuant to which ECC guaranteed the obligations of FCG Holdings Ltd. ("**FGC**") in the maximum amount of $264,000.00 plus interest;

vi) Credit Agreement between ECC and RBC dated March 29, 2018, regarding a $750,000 revolving demand facility;

vii) Collateral Mortgage from ECC regarding 104 Charter Avenue, Argentia, NL dated June 21, 2019, and registered on the Newfoundland and Labrador Registry of Deeds ("NLRD") on December 18, 2019, as registration number 922918 to secure indebtedness not exceeding $500,000 plus interest;

viii) Credit Agreement between ECC and RBC dated January 20, 2020, as restated on January 28, 2022, regarding certain credit facilities, including (i) a revolving demand facility in the amount of $1,500,000, (ii) a non-revolving term facility in the amount of $300,000, (iii) a revolving lease line of credit in the amount of $2,800,000, and (iv) EFG term loans in the amount of $1,400,000;

ix) Guarantee by ECC in favour of RBC dated January 23, 2020, pursuant to which ECC guaranteed the obligations of H&E Designs Ltd. ("**HEDL**") to RBC in the maximum amount of $350,000 plus interest;

x) Collateral Mortgage from ECC in the amount of $400,000 regarding 28-30 Reid's Lane, Deer Lake, NL dated February 7, 2020, and registered on the NLRD on February 10, 2020, as registration number 927429;

xi) Loan and Security Agreement between ECC and RBC dated July 16, 2020, pursuant to which RBC extended a term loan in the amount of $1,327,620 to purchase certain equipment and ECC granted RBC a security interest in equipment listed in Schedule B thereto;

xii) Credit Agreement between ECC and RBC dated July 16, 2020;

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xiii) Collateral Mortgage from ECC regarding property at 3 Lakeview Drive, Humber Valley Resort, Pasadena, NL dated August 28, 2020, and registered at the NLRD on September 4, 2020, as registration number 946379 to secure indebtedness not exceeding $318,750.00 plus interest; and

xiv) HASCAP loan agreement dated June 1, 2021, as between ECC and RBC regarding a $1,000,000 non-revolving loan facility.

<u>Classic Security Ltd.</u>

i) General Security Agreement granted by Classic in favour of RBC dated May 14, 2003 notice of which security interest was registered at the NLPPR as registration 2814262 on August 5, 2003, expiring on August 5, 2025; and

ii) Credit Agreement between Classic and RBC dated March 29, 2018, regarding certain credit facilities, including a revolving demand facility in the amount of $80,000.

<u>FGC Holdings Ltd.</u>

i) Credit Facility Letter from RBC to FCG dated April 2, 2018, including a non-revolving term facility in the amount of $264,000;

ii) Guarantee and Postponement of Claim granted by FCG in favour of RBC pursuant to which FCG guaranteed all of the obligations of ECC to RBC, dated April 3, 2018;

iii) General Security Agreement granted by FGC in favour of RBC dated April 3, 2018, notice of which security interest was registered at the NLPPR as registration 15801848 on April 2, 2018, expiring on April 2, 2030;

iv) Non-Revolving Term Facility Borrowing Request from FCG to RBC dated April 12, 2018; and

v) Collateral Mortgage granted by FCG in favour of RBC over property at 26 Lakeview Drive, Deer Lake, NL dated April 23, 2018, and registered at the NLRD on the same date, at registration number 857279 to secure the indebtedness not exceeding $264,000 plus interest.

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H & E Designs Ltd.

i) General Security Agreement granted by HEDL in favour of RBC dated August 23, 2002, notice of which security interest was registered at the NLPPR as registration 16887127 on May 3, 2019, expiring on May 3, 2024;

ii) Guarantee and Postponement of Claim granted by HEDL in favour of RBC pursuant to which HEDL guaranteed all of the obligations of ECC to RBC dated June 12, 2018;

iii) Credit Agreement between HEDL and RBC dated January 21, 2020, regarding certain credit facilities, including (i) a variable rate term loan in the amount of $350,000, and (ii) a credit card to a maximum amount of $2,500;

iv) General Security Agreement granted by HEDL in favour of RBC dated March 18, 2020, notice of which security interest was registered at the NLPPR as registration 16887127 on May 3, 2019, expiring on May 3, 2024;

v) Collateral Mortgage granted by HEDL in favour of RBC over certain property situate in Placentia, NL, more particularly described in Schedule D attached hereto, dated March 3, 2020, and registered at the NLRD on March 26, 2020, at registration number 931157 to secure the indebtedness not exceeding $350,000 plus interest; and

vi) Amended Collateral Mortgage granted by HEDL in favour of RBC over certain property situate in Placentia, NL, more particularly described in Schedule D attached hereto, which is undated and registered at the NLRD on March 15, 2022, at registration number 1016297 to increase the secured indebtedness to not exceeding $3,000,000 plus interest.

(collectively, the “**Loan and Security Documents**”).

copies of search results conducted in the Province of Newfoundland and Labrador against the Debtors in the Newfoundland and Labrador Personal Property Security Registration System in respect to the Personal Property Security Act (“**PPSA**”); and

copies of Certificates of Status of the Debtors.

Capitalized terms not otherwise defined herein have the meaning ascribed thereto in the Loan and Security Documents.

For the purposes of the opinions expressed below we have considered the questions of law, made the searches and investigations, and examined originals or copies, certified or otherwise identified to our satisfaction, of the certificates of public officials and other certificates, documents and records, that we considered necessary or relevant, and we have relied without independent verification or investigation on all statements as to matters of fact contained in the certificates, documents and records we examined.

The Loan and Security Documents that we have received appear to us to be regular on their face. We assume that the Loan and Security Documents have been signed by the appropriate person(s) and within the scope of the authority of that person(s). We have not been provided with copies of the directors' resolutions authorizing any of the borrowers or guarantors to execute the Security Documents. We note that section 31(e) of the *Corporations Act*, R.S.N.L. 1990, c. C-36 provides that no corporation and no guarantor of an obligation of a corporation may assert, against a person dealing with the corporation or against a person who acquired rights from the corporation, that a person held out by a corporation as a director, an officer or an agent of the corporation has not been duly appointed or has no authority to exercise the powers and perform the duties that are reasonably expected to be performed in the business of the corporation. This general rule will apply except where the person has or ought to have, by virtue of the person's position with or relationship to the corporation, knowledge to that effect.

5. SEARCHES

(a) Edward Collins Contracting Limited

A search of the Newfoundland and Labrador Registry of Companies (the "**Newfoundland Registry**") conducted on April 3, 2023 notes that ECC (previously named Edward Collins Contractor and Equipment Rental Limited) was incorporated on July 19, 1974, is in Good Standing and has not been dissolved.

A search of the PPSA registration system in Newfoundland and Labrador against ECC was conducted and returned with a currency date of April 3, 2023. There are the following registrations in favour of RBC registered under the NLPPR:

i) (File No 142726-RB10, Original Registration No. 2074659) against ECC dated 2002-08-28, for all of the Debtor's present and after-acquired [sic] personal property except for consumer goods and all proceeds thereof, including, without limitation, all of the Debtor's personal and after-acquired [sic] personal property. This registration was renewed pursuant to Registration No. 20076261, expiring on 2029-08-28.

ii) (File No 80900-16051, Original Registration No. 7361419) against ECC dated 2009-05-20, for all goods and equipment of every nature or kind leased pursuant to a master lease agreement between the secured party, as lessor and the debtor as lessee, as

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amended from time to time, including all after acquired goods and equipment subject to any interim funding agreement(s) and any lease schedules attached to and forming part of such master lease agreement, together with all attachments, accessories and substitutions placed on or forming part of such goods and any proceeds derived from the sale or disposition of such goods. This registration was renewed pursuant to Registration No. 20528022, expiring on 2039-05-20.

iii) (File No 899295-RB1, Original Registration No. 13663653) against ECC dated 2016-02-08, for serial numbered collateral, 3GCUKSEC0FG284373. This registration was renewed pursuant to Registration No. 20476461, expiring on 2030-02-08.

iv) (File No 704807, Original Registration No. 15521099) against ECC dated 2017-11-27, for serial numbered collateral, 5KKMBBDV0HPHY2964, 5KKMBBDV9HPHY2963, FHAC633018 and FHAC633016. This registration was amended pursuant to Registration No. 15524358, expiring on 2024-11-27.

v) (File No 706051, Original Registration No. 15559859) against ECC dated 2017-12-13, for serial numbered collateral, 5KJNAED12DPFE2377. This registration was renewed pursuant to Registration No. 19912104, expiring on 2024-12-13.

vi) (File No 990594-RB1, Original Registration No. 15698756) against ECC dated 2018-02-20, for serial numbered collateral, 3GCUKTEJ0JG278148. This registration was renewed pursuant to Registration No. 20476545, expiring on 2030-02-20.

vii) (File No 991236-RB1, Original Registration No. 15716392) against ECC dated 2018-02-27, for serial numbered collateral, 1GCUKNEC8JF195307. This registration was renewed pursuant to Registration No. 20476628, expiring on 2030-02-27.

viii) (File No 991248-RB1, Original Registration No. 15716517) against ECC dated 2018-02-27, for serial numbered collateral, 1GC1KUEY7JF206175. This registration was renewed pursuant to Registration No. 20476610, expiring on 2030-02-27.

ix) (File No 992001-RB1, Original Registration No. 15733371) against ECC dated 2018-03-06, for serial numbered collateral, 1GC4KYCY0JF206221. This registration was renewed pursuant to Registration No. 20536108, expiring on 2030-03-06.

x) (File No 998413-RB1, Original Registration No. 15926744) against ECC dated 2018-05-14, for serial numbered collateral, 1GC1KUEY3JF205640. This registration was renewed pursuant to Registration No. 19912237, expiring on 2025-05-14.

xi) (File No 758304 Original Registration No. 17173139) against ECC dated 2019-08-06, for serial numbered collateral, CATAP655AGNZ00312, expiring on 2024-08-06.

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xii) (File No 774962, Original Registration No. 17688722, amended by Registration No. 17701814) against ECC dated 2020-03-02, for serial numbered collateral, CATPS150C3XR00606, CATCB335TC5F00120, SB2500C806, CATCB534HEAA00161, 1LH930VH781C16402, and CATCS54BPMJ500108. This registration was renewed pursuant to Registration No. 20533121, expiring on 2026-03-02.

xiii) (File No 777745, Original Registration No. 17775834, amended by Registration No. 17776329) against ECC dated 2020-04-17, for serial numbered collateral, 2A942M6RX91114022 and 2A942M6R671114015. This registration was renewed pursuant to Registration No. 19912260, expiring on 2025-04-17.

xiv) (File No 779690, Original Registration No. 17841081) against ECC dated 2020-05-19, for serial numbered collateral, 2S9PS636X8W134200, 1TKLC48466W056414 and 1TKLC39376W036432. This registration was renewed pursuant to Registration No. 19912278, expiring on 2025-05-19.

xv) (File No 784941, Original Registration No. 18039040) against ECC dated 2020-07-16, for serial numbered collateral, 48285400317DMI1001, 482854003174BFSDMI1001, 48285400317RAPDMI1001, 48285400317SOTSDMI1001, WA5191050599, 1P9CP2424XH343153 and 48285400317BT100DMI1001, expiring on 2028-07-16.

xvi) (File No SM004262.2414, Original Registration No. 19549112) against ECC dated 2022-01-12, for serial numbered collateral 1T0310SKTEE261207, 1T0310SKLEE273089, 5KJJAVDV3JLJS8207, 5KJJAVDV1JLJS8206, 1DW7444KXKCD642081, 1FF290GXJGD706534, 1DW772GXAA0629149, 1C6RR7FT3JS219572, 1FT8W3B64HED00420, 1FF290GXCGD706518, 1T0325GMCJG340958, 1FF180GXPGD020635, 1D2744KXCFD666677, 1FF290GXVHD706585, 1FF030GXTJK265916, 1FF470GXCCE470570, CAT0272DLMD200479, 2C9SBR3W7MM183603, 2C9SBR3W9MM183604, 14200108, 5KJJAED11LPLW7098, 1FUJGPDR3DDBW5634, 1FUJGNDR5CDBM3380, 1DW644KZCED663184, 071227401R, 2HGFC2F52KH006124, 1FF1880GXPG0020635, 1FF200DXLBD513619, FF350GXECD808483, 1FF240GXLED706018, 1FF210GXCFD523117, FF00ASP920208, DW744KX625763, 1DW744KXKCD642081, 1DW744KXCFD666677, T0850JX135383, 8804V91638, SKJJALCK15PU04619, 1FTYY90BXSVA06735, HHA26880, 2NPRLN9X59M774488, 5KKMBBDV0HPHY2964, 5KKMBBDV9HPHY2963, 1FDZU82E1VVA27636, 2WKPDCCF0FK912818, 1XKDD69X5YR957311, 1XP5049X83N580105, 1FUBA5CK97LY90127, 1XKDP4TXOEJ967534, 5KJNAED12DPFE2377, 1XPXD49XX9N777391, 1XPBDP9X0DD195391, 2AEASZCK23R000162,

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4V5KC9GG16N410552, 2NKHHHN8X6AM944365, 1FVHCYDJ67HY08123, CATCS583TCNX00317, 154443, 2FZHAWBS03AL93012, 43326, 70111, 80741, 91404, SB2500C359, AP655AGNZ00312, 1001, WA5191050599, 58310724, PS150C3XR00606, CATCB335TC5F00120, CB534HEAA00161, C54BPMJ500108, SB2500C806, 1LH930VH781C16402, 071227401R, Z60109846, 22000315, TBM00440, AT13F50068, HM85302, 4WFCF2021F1013639, 4WFSH1425J1014974, 7LRCN2033L1015988, 5LEBC162491007267, 2A942M6J2A1114031, 1TKLC48466W056414, 2S9PS636X8W134200, 1TKLC39376W036432, 2A942M6RX91114022, 2A942M6R671114015, 2J9J3A1H2VK001036, 2J9J3A1H5DK001059, 48BFE533X9A105169, 5WFBE2425EW045949, 575GB2420GH311293, 2AEARNCC7SR000274, 2AEABPCFXSR0271, 2R9S1A8EXKC010070, 1K921M2F3S1114108, 1PMS34222J1009084, 1HLF1D7B2E9E39148, 1TKS04826KM084691, 40FL0482151011559, 1PTF8ATR3T9001615, 1TTF4830661079884, 1TKS04837LM066808, 2M5121466Y1065095, 2LDSD3351A035235, 13N24830X51528164, 13N24830061533598, 1TTF4830732012837, 1TTF4830X52013203, 1TTF4830X52013220, 13N24830561533595, 2M5131465N1026233, 2LDSD5330XA032641, 2LDSD4821YA034488, 4WWFG0805YN604621, 2T9DF533421011572, 2DEHBFZ30F1032939, 2DEHGFZ38E1030226, 2T9FA533471011425, 2T9FA533X71011283, 1TTF4830X51077084, 2M512146XX1064112, 1UYFS2489XA864602, 791710, 1TTF4430X32009939, 13N14830441521804, 2LDSD53316A043503, 2M512146451097622, 1TTE4820831071830, 1TTE4820561078741, 2M513161311073773, 13N248306Y5992159, 2M512161351100141, 2M5121557X1059228, 2M5131461Y1063672, 13N24830461532048, 2B953HD3671001028, 1RND53A298R020403, 1TTE5130X51076145, 13N24830051524608, 2LDSD4827V9028031, 40FL04826S1012819, 2J9U3X3E7SK001046, 1D9BG5324C1609702, 2M512161161105663, 2LDSD50373A038452, 2L0SD53393A038948, 0643, 2M5131619B1126669, 2M5131615B1126670, 1HTWPAZT1AJ240634, 2LDSD52338F047107, 2LDSD53325A041418, 2B053HD3461006792, 2B953HD3461006789, 1GT423CG0EF173933, 1GT423CG9EF173557, 2MFB2R6C2YR001125, 2MFB2R6C56R003767, 2R9A4S6C091011387, 2C9EUL221CM183758, 2V9CS534X6S012540, 2V9CS53445S011463, 3GCUKSEC0FG284373, 1GC1KUEY3JF205640, 1GC4KYCY0JF206221, 1GCUKNEC8JF195307, 1GC1KUEY7JF206175, 2GCEK190981272409, 1GT125E80DF153734, 1GYS4DKJ8HR206310, 1FMCU9EG6BKC66377, 2FMDK4JC4ABB54668, 2CNFLCEC9B6380158, 1GB6G4A6XA1126592, 1GBJG31627123185, 1FDXE4FS1BDA93313, SAJXA73C08TH29107, 3C6JD7ET0CG101521, 3C6TR5HT6EG200468, 1GCHC29K38E171396, 1FTSW21RX8ED37001, 1FTPW14V79KA30980, 1GC4KZCG3CF163056, 1FT7W2B65FEA43707,

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1GB1KVCG9DF225545, 1GT423CG7EF177557, 1GB4KZCGXBF121437, 1GB4KZCG4BF123426, 6325, 3GCUKTEJ0JG278148, JF1GD29682G529959, 81637, 51V1D1H28BW350396 and 019000088158, expiring on 2025-01-12.

A search of the Newfoundland and Labrador Registry of Deeds ("**NLRD**") in the name of ECC was conducted and returned with a currency date of March 23, 2023. Under the NLRD:

i) A Collateral Mortgage regarding Charter Avenue, Argentia, NL with consideration of $500,000.00 was registered under registration number 922918 on 2019-12-18.

ii) A Mortgage regarding 30 Reids Lane, Deer Lake, NL with consideration of $400,000.00 was registered under registration number 927429 on 2020-02-10.

iii) A Collateral Mortgage regarding 3 Lakeview Drive, Humber Valley Resort, NL with consideration of $318,750.00 was registered under registration number 946379 on 2020-09-04.

(b) Classic Security Ltd.

A search of the Newfoundland Registry conducted on April 3, 2023, notes that Classic was incorporated on September 22, 1995, is listed as Not in Good Standing and has not been dissolved.

A search of the NLPPR in the name of Classic was conducted and returned with a currency date of April 3, 2023. There is a registration in favour of RBC (File No 195358-RB10, Original Registration No. 2814262) against Classic dated 2003-08-05, for all of the Debtor's present and after-aquired [sic] personal property except for consumer goods and all proceeds thereof, including, without limitation, all of the Debtor's personal and after-aquired [sic] personal property. This registration was renewed pursuant to Registration No. 19912286, expiring on 2025-08-05.

(c) FGC

A search of the Newfoundland Registry conducted on April 3, 2023, notes that FGC was incorporated on October 17, 2016, is listed as Not in Good Standing and has not been dissolved.

A search of the NLPPR in the name of FGC was conducted and returned with a currency date of April 3, 2023. There is a registration in favour of RBC (File No 994531-RB10, Original Registration No. 15801848) against FGC dated 2018-04-02, noting that a security interest is taken in all of the FGC's present and after-acquired personal property. This registration was renewed pursuant to Registration No. 20591988, expiring on 2030-04-02.

A search of the NLRD in the name of FGC was conducted and returned with a currency date of March 23, 2023. Under the NLRD a collateral mortgage regarding 26 Lakeview Drive, Humber Valley Resort, Pasadena, NL with consideration of $264,000.00 was registered under registration number 857279 on 2018-04-23.

(d) HEDL

A search of the Newfoundland Registry conducted on April 3, 2023, notes that HEDL was incorporated on June 10, 2015, is listed as Not in Good Standing and has not been dissolved.

A search of the NLPPR in the name of HEDL was conducted and returned with a currency date of April 3, 2023. There is a registration in favour of RBC (File No 1024122-RB10, original Registration No. 16887127) against HEDL dated 2019-05-03, noting that a security interest is taken in all of the HEDL's present and after-acquired personal property, expiring 2024-05-03.

A search of the NLRD in the name of HEDL was conducted and returned with a currency date of March 23, 2023. Under the NLRD a collateral mortgage regarding property situate in Placentia, NL which is more particularly described in Schedule D attached hereto, with consideration of $350,000 was registered under registration number 857279 on 2020-03-26. An amendment to the collateral mortgage was registered on the NLRD under registration number 1016297 on 2022-03-15 increasing the registered amount to $3,000,000.

6. OPINION

Based upon the assumptions and reliances stated above, and subject to the qualifications and limitations stated below, we are of the opinion that there were no apparent defects in the manner of completion or execution of the Loan and Security Documents. The financing statements and the financing change statements registered in respect of the security interests on the Property, granted pursuant to the Loan and Security Documents were properly completed and registered.

Based on the foregoing, and subject to the assumptions and qualifications referred to herein, we are of the opinion that the security interest granted in the Property pursuant to the Loan and Security Documents, securing the obligations of the Debtors in favour of RBC are valid and enforceable as against the Debtors and would be effective as against a trustee in bankruptcy of Debtors.

This opinion is solely for the benefit of its addressee in connection with the security interests. This opinion may not be relied upon in any manner by any other person and may not be disclosed, quoted, filed with a governmental agency or otherwise referred to without our prior written consent.

Yours truly,

RECONSTRUCT LLP

CFell

Caitlin Fell
CF/sfp

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Schedule "A"

Assumptions and Qualifications

In preparing this report, we have made the following standard assumptions:

1) the Loan and Security Documents been provided in electronic portable document format (PDF) only and we assume that the copies provided to us conform to the original;

2) the Loan and Security Documents were in fact signed by the parties appearing on the face of the Loan and Security Documents to have signed the same, and such persons had authority to execute the same on behalf of the person(s) for which they appear to sign on the face of the Loan and Security Documents;

3) the Loan and Security Documents have not been amended or terminated, and the Loan and Security Documents are the final and only documents and contain the only information relevant to their subject-matter and the opinions requested;

4) value was given by the Debtors and payment obligations remain outstanding;

5) the Debtors were not insolvent, unable to pay their debts in full, or on the eve of insolvency, at the time the security was granted in the Property pursuant to the Loan and Security Documents and the Debtors were not rendered insolvent by the grant of such security;

6) the Debtors have title to or rights in the Property or the proceeds thereto;

7) the parties did not and have not agreed to postpone the time of attachment of the security interest to the Property;

8) the conditions precedent to the effectiveness of the Loan and Security Documents were either satisfied or waived;

9) the Debtors had all necessary corporate power and capacity to lease property and assets and carry on business, and to enter into and perform its obligations under the Loan and Security Documents;

10) the Loan and Security Documents were duly authorized, executed, and delivered by the Debtors on the date set out therein;

11) the Debtors and their business and assets were located in the Province of Newfoundland and Labrador at the time the security interests created by the Loan and Security Documents attached to the Property;

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12) since the currency date of the searches referred to herein, no event or circumstance has occurred which would require action to be taken in order to maintain the security granted by the Debtors;

13) nothing has occurred since the dates appearing on the face of the Loan and Security Documents and the Registration Documents that would be relevant to or affect in any way the conclusion(s) and opinion(s) made in this report; and,

14) we have assumed the accuracy, currency, and completeness of the indices and filing systems and other public records maintained by public offices where we searched or enquired, or have caused searches or enquiries to be made upon such information, as provided to us by the appropriate governmental, regulatory, or other like authorities.

The opinions expressed in this report are subject to the following qualifications:

1) other than the law in the Province of Newfoundland and Labrador, we express no opinion as to any other laws;

2) full title searches and/or any off-title searches have not been conducted in respect of the real property. We have not conducted real property searches in respect of any properties other than the foregoing property expressly discussed herein;

3) the enforceability of the Loan and Security Documents is subject to laws relating to bankruptcy, insolvency, reorganization, arrangement, moratorium, winding-up, liquidation or other similar laws affecting creditors’ rights generally;

4) we express no opinion on any security interests registered relating to the property of the Debtors aside from those registered by RBC;

5) we make no opinion as to the validity or enforceability of any term of the Loan and Security Documents other than those which are directly relevant on their face to the creation, validity or enforceability of a security interest or charge; and

6) the enforceability of the Loan and Security Documents are subject to general principles of equity, including the doctrine that equitable remedies such as specific performance and injunctions may be awarded only in the discretion of the court.

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Schedule “B”

Property

(a) All present and after acquired personal property including, without limitation, in all Goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, Money and Securities and all other Investment Property now owned or hereafter owned or acquired by or on behalf of Debtor (including such as may be returned to or repossessed by Debtor) and in all proceeds and renewals thereof, accretions thereto and substitutions therefore (hereinafter collectively called "Collateral"), and including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of Debtor:

(i) all Inventory of whatever kind and wherever situate;

(ii) all equipment (other than Inventory) of whatever kind and wherever situate, including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles of whatsoever nature or kind;

(iii) all Accounts and book debts and generally all debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by Debtor ("Debts");

(iv) all lists, records and files relating to Debtor's customers, clients and patients;

(v) all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;

(vi) all contractual rights and insurance claims;

(vii) all patents, industrial designs, trade-marks, trade secrets and know-how including without limitation environmental technology and biotechnology, confidential information, trade-names, goodwill, copyrights, personality rights, plant breeders' rights, integrated circuit topographies, software and all other forms of intellectual and industrial property, and any registrations and applications for registration of any of the foregoing (collectively "Intellectual Property");

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(b) The Security Interest granted hereby shall not extend or apply to and Collateral shall not include the last day of the term of any lease or agreement therefor but upon the enforcement of the Security Interest, Debtor shall stand possessed of such last day in trust to assign the same to any person acquiring such term.

(c) The terms "Goods", "Chattel Paper", "Document of Title", "Instrument", "Intangible", "Security", "Investment Property", "proceeds", "Inventory", "accession", "Money", "Account", "financing statement" and "financing change statement" whenever used herein shall be interpreted pursuant to their respective meanings when used in The Personal Property Security Act of Newfoundland, as amended from time to time, which Act, including amendments thereto and any Act substituted therefor and amendments thereto is herein referred to as the "P.P.S.A.". Provided always that the term "Goods" when used herein shall not include "consumer goods" of Debtor as that term is defined in the P.P.S.A., the term "Inventory" when used herein shall include livestock and the young thereof after conception and crops that become such within one year of execution of this Security Agreement and the term "Investment Property". Any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof".

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Schedule "C"

Real Property

104 Charter Avenue, Argentia, NL

28-30 Reid's Lane, Deer Lake, NL

3 Lakeview Drive, Humber Valley Resort, Pasadena, NL

26 Lakeview Drive, Deer Lake, NL

unnamed lots in Placentia, NL, more particularly described in Schedule D

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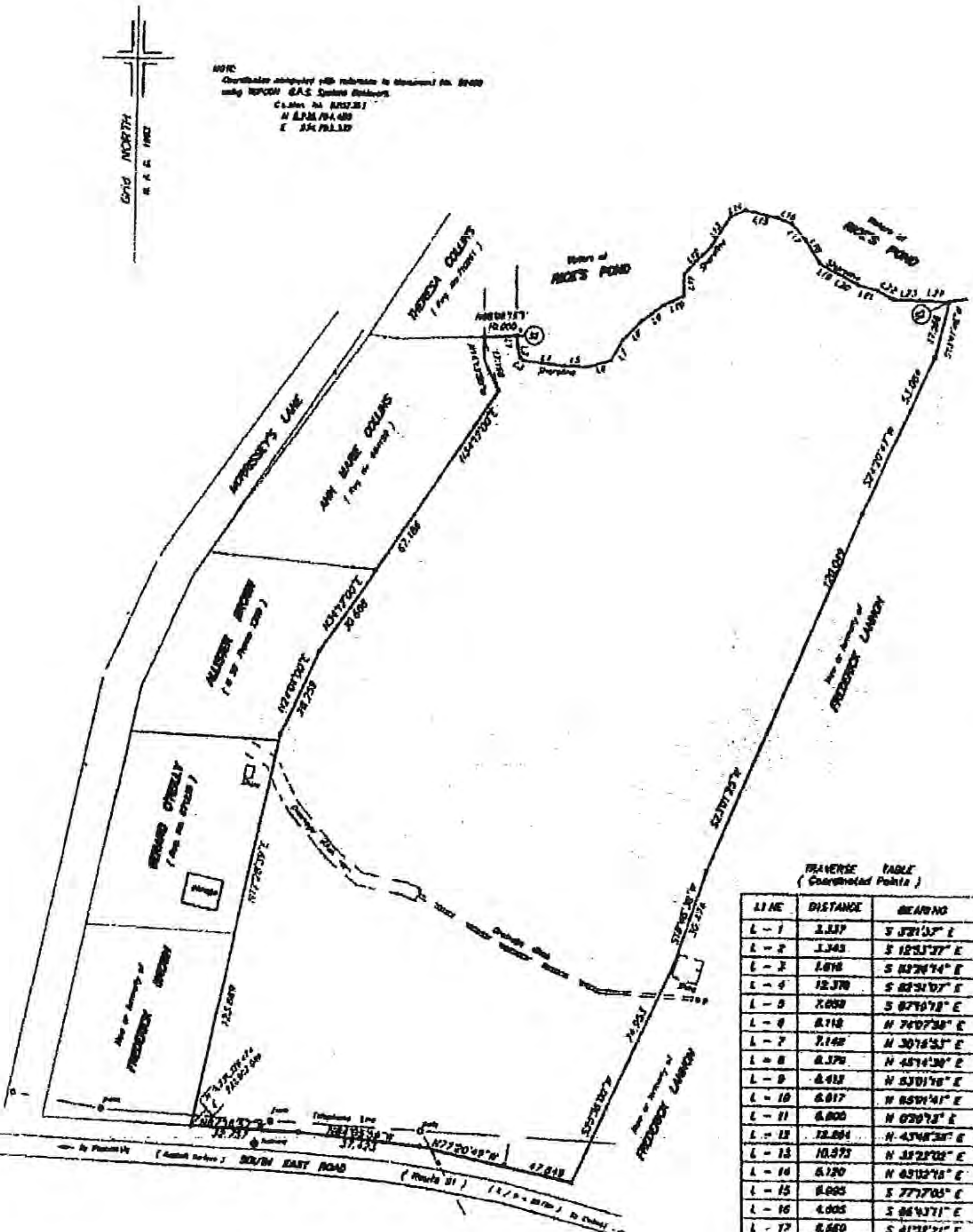
Schedule "D"

ALL THOSE pieces or parcels of land described in Schedules "A" and "B", less the parcel of land known as Lot 3 and described in Schedule "C".

SCHEDULE "A"

ALL THAT piece or parcel of land situate and being at Southeast, Placentia in the Electoral District of Placentia - St. Mary's, in the Province of Newfoundland and Labrador and being abutted and bounded as follows; **THAT IS TO SAY;** By a line beginning at a point said point being a standard survey marker found on the North limit of the Main Road through Southeast at the Southeast angle of land now or formerly of Frederick Brown and having coordinates of N 5,231,329.474 and E 233,502.046 metres of the Modified Transverse Mercator Projection for the Province of Newfoundland and Labrador; Thence running by land now or formerly of Frederick Brown and by land of Gerard O'Reilly and by land of Allister Brown North twelve degrees twenty eight minutes thirty nine seconds East a distance of one hundred and twenty three decimal eight eight nine metres; Thence continuing by land of Allister Brown North twenty four degrees one minute zero seconds East a distance of twenty eight decimal two five two metres; Thence North thirty four degrees twelve minutes zero seconds East a distance of thirty decimal six zero eight metres; Thence running by land of Ann Marie Collins North thirty four degrees twelve minutes zero seconds East a distance of sixty seven decimal one eight six metres; Thence North fourteen degrees thirteen minutes fifty seconds West a distance of seventeen decimal one nine eight metres; Thence running by land of Theresa Collins North eighty eight degrees six minutes fifteen seconds East a distance of ten decimal zero zero zero metres to a point on the Southern shoreline of Rice's Pond; Thence following the Southern shoreline of Rice's Pond to a point distant one hundred and thirty three decimal three four eight metres on a bearing of North eighty four degrees fifty four minutes thirty eight seconds East;

Thence running by land now or formerly of Frederick Lannon South thirteen degrees forty one minutes forty six seconds West a distance of seventeen decimal five six six metres; Thence South twenty four degrees twenty minutes forty seven seconds West a distance of fifty three decimal zero eight four metres; Thence South twenty three degrees one minute twenty five seconds West a distance of one hundred and twenty decimal zero four nine metres; Thence South eighteen degrees forty six minutes thirty eight seconds West a distance of thirty decimal four seven four metres; Thence South twenty five degrees thirty six minutes zero seconds West a distance of seventy four decimal nine five three metres; Thence following the North limit of the aforementioned Main Road through Southeast North seventy seven degrees twenty minutes forty nine seconds West a distance of forty seven decimal eight four nine metres; Thence North eighty four degrees five minutes fifty nine seconds West a distance of thirty seven decimal four two three metres; Thence North eighty seven degrees sixteen minutes fifty seven seconds West a distance of thirty two decimal seven five seven metres; more or less to the point of beginning and containing an area of 3 . 6 8 6 Hectares and being more completely described and delineated as shown on the drawing hereto attached. All bearings refer to Grid North N.A.D.1983.



TRAVERSE TABLE
(Coordinated Points)

LINE	DISTANCE	BEARING
L – 1	3.337	S 5°31'37" E
L – 2	3.343	S 12°53'37" E
L – 3	1.616	S 83°26'14" E
L – 4	12.378	S 83°31'07" E
L – 5	7.050	S 87°10'13" E
L – 6	8.118	N 74°07'38" E
L – 7	7.148	N 30°16'33" E
L – 8	8.378	N 45°14'30" E
L – 9	6.413	N 53°01'16" E
L – 10	6.017	N 85°01'41" E
L – 11	6.800	N 03°07'13" E
L – 12	12.884	N 45°48'38" E
L – 13	10.373	N 35°23'02" E
L – 14	6.120	N 65°32'15" E
L – 15	6.095	S 77°17'05" E
L – 16	4.005	S 86°43'71" E
L – 17	6.660	S 41°33'21" E
L – 18	8.723	S 31°12'43" E
L – 19	5.247	S 60°47'48" E
L – 20	8.076	S 61°41'33" E
L – 21	6.181	S 74°50'49" E
L – 22	5.630	S 61°31'11" E
L – 23	7.875	S 85°53'23" E
L – 24	8.746	S 87°45'13" E

Notes

(1) Subject lands are part of Crown Grant No. 3911 issued to James Collins V 23 F 96 C.L.R.

(2) Subject lands are part of Lands originally surveyed for John A. Whelan /December 1977 by R. Power N.L.S.

Parcel Area = 3 . 6 5 3 Hectares.

Shoreline Closure : S1 to S2 is N84°54'38"E @ 133.340m

Plan of Land surveyed for

FRANCIS COLLINS

Southeast , Placentia, NL

Scale: 1 : 1 5 0 0
Date : July 2015
Rev. March 2016

Survey: R.P.
File: 2015 Collins @ S.E.

Schedule "B"

James D. Foley & Jacqueline Foley

Morrissey's Lane
Southeast Placentia, NL

All that piece or parcel of land situate and being at the town of Southeast Placentia, NL and being bounded and abutted as follows:

Beginning at a point in the southeastern limit of Morrissey's Lane, said point having NAD 83 coordinates of North 5 231 506.298 meters and East 233 508.266 meters of the three degree modified transverse mercator projection.

Thence running along the said limit of Morrissey's Lane, 12.19 metres wide, North 35 degrees 46 minutes 34 seconds East, 83.399 meters

Thence running by land of Thomas & Jennifer Collins, R.O.D #226922
South 83 degrees 09 minutes 03 seconds East, 9.014 meters
North 86 degrees 06 minutes 15 seconds East, 27.116 meters

Thence running along the sinuosities of the reservation for the waters of Rice's Pond for a distance of a 21.04 metres which straight line bearing & distance from the last mentioned point is South 14 degrees 13 minutes 50 seconds East, 17.198 meters

Thence running by land of Susan Murray, survey by Robert J. Power (N.L.S) dated December 1977
South 34 degrees 12 minutes 00 seconds West, 97.198 meters

Thence running by land of Allister Brown; R.O.D Roll: 30 Frame: 1369
North 84 degrees 43 minutes 00 seconds West, 61.470 meters, more or less, to the point of beginning and containing an area of 0.382 ha, more or less.

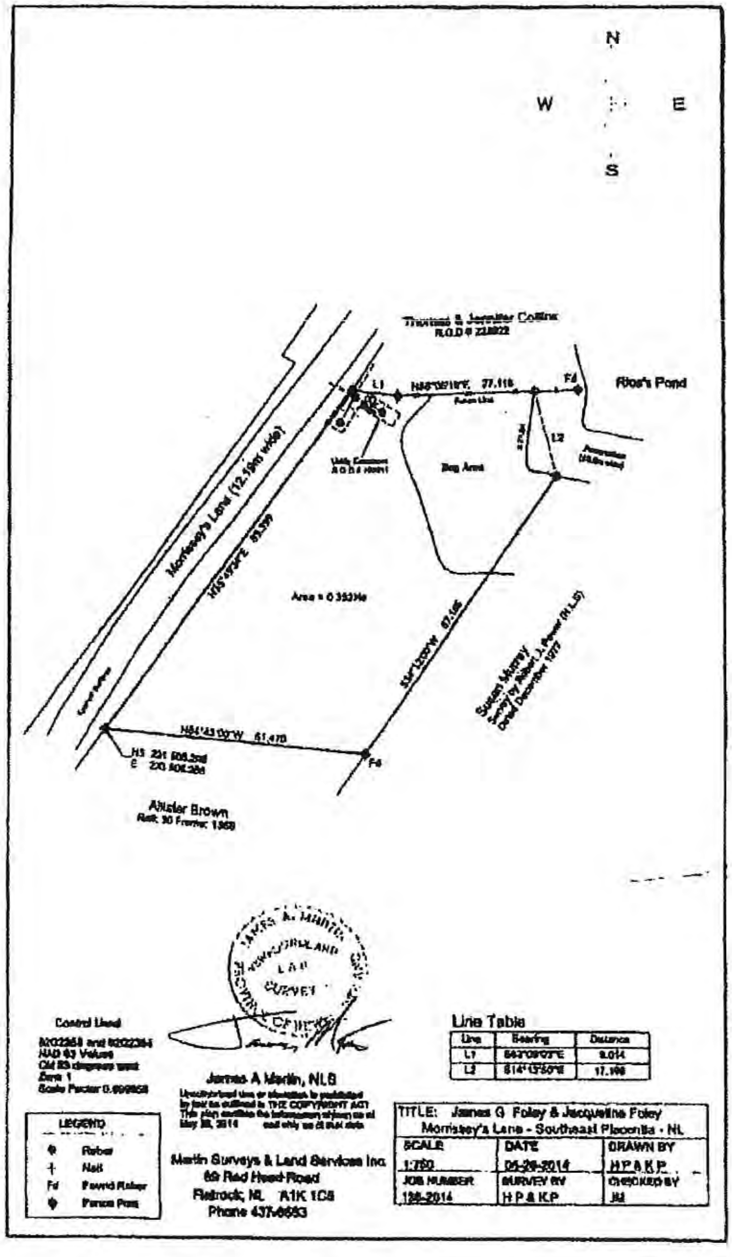
Which land is more particularly shown and delineated on Schedule "B attached dated May 26, 2014

The above described land being subject, nevertheless, to a utility easement as described under R.O.D #405911 as shown on the attached plan.

All bearings being referred to the meridian of 53 degrees west longitude.

LAND SURVEYOR

Schedule "B"


N
W
E
S
Thomas & Jennifer Collins
R.O.D # 228822
Rice's Pond
L1
N88°08'10"E 27.115
Fence Line
Fd
L2
Utility Easement
Bog Area
Morrissey's Lane (12.190 wide)
N55°49'23"E 93.399
Area = 0.353Ha
S34°12'00"W 67.65
Susan Murray
Survey by Albert J. Power (N.L.S)
Dated December 1977
N84°43'00"W 61.470
Fd
Alister Brown
Control Used
NAD 83 Values
Zone 1
James A Martin, NLS
Martin Surveys & Land Services Inc.
69 Red Head Road
Flatrock, NL A1K 1C8
Phone 437-6553
LEGEND
Rebar
Nail
Found Rebar
Fence Post
Line Table
Line | Bearing | Distance
L1 | 9.014
L2 | S14°13'50"E | 17.199
TITLE: James G Foley & Jacqueline Foley
Morrissey's Lane - Southeast Placentia - NL
SCALE
1:750
DATE
05-29-2014
DRAWN BY
H P & K P
JOB NUMBER
136-2014
SURVEY BY
H P & K P
CHECKED BY
JM

Schedule "C"

Lot #3

Street "A"
Placentia, NL

All that piece or parcel of land situate and being at the Town of Placentia, NL. and being bounded and abutted as follows:

Beginning at a point in the northeastern limit of Street "A", said point having NAD 83 coordinates of North 5 231 508.991 meters and East 233 588.468 meters of the three degree modified transverse mercator projection.

Thence running along the said limits of Street "A",
North 59 degrees 29 minutes 42 seconds West, 21.881 meters

Thence running by Lot #2,
North 29 degrees 13 minutes 17 seconds East, 43.354 meters

Thence running along a pond reservation / conservation area (15 meters wide) for a distance of +/- 17 meters, which straight line bearing and distance from the last mentioned point is,
South 65 degrees 52 minutes 31 seconds East, 16.515 meters

Thence running by Lot #4,
South 22 degrees 23 minutes 34 seconds West, 45.635 meters, more or less to the point of beginning and containing an area of **835 square meters**, more or less. Which land is more particularly shown and delineated on Schedule "B" attached dated February 1, 2019.

The above described property is subject to a power line easement as shown on the attached plan and as described in ROD Registration #839664.

All bearings being referred to the meridian of 53 degrees west longitude.

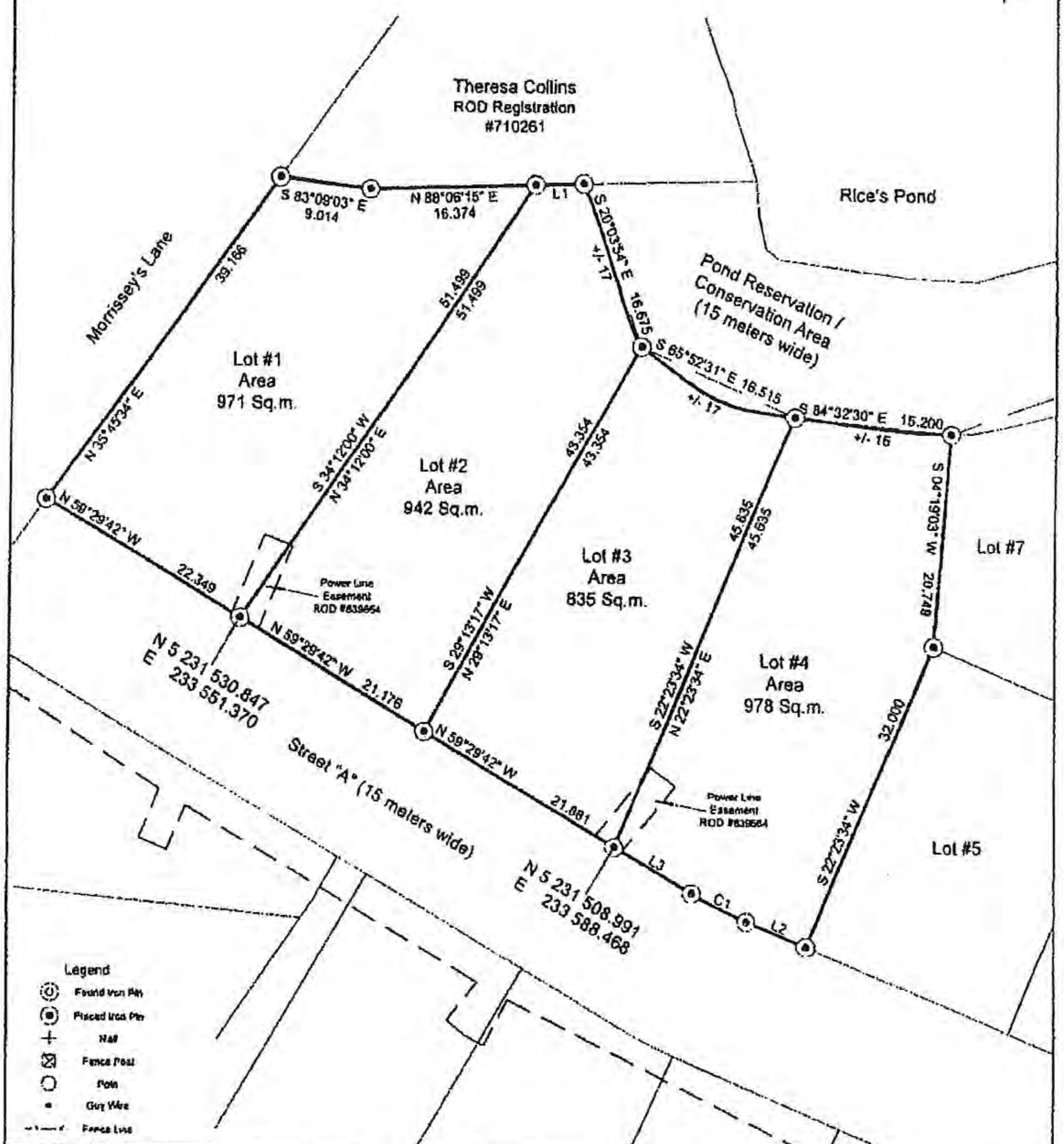
Schedule "C"

LINE TABLE

NUM	BEARING	DISTANCE
L1	N 88°06'15" E	4.744
L2	N 67°36'26" W	6.303
L3	N 59°29'42" W	8.765

CURVE TABLE

NUM	RADIUS	BEARING	DISTANCE
C1	42.500	N 63°33'04" W	6.012
C2	13.000	S 15°30'42" W	3.115



James A. Martin, NLS.	Martin Surveys & Land Services Inc. P.O. Box 1068 Torbay, NL, A1K 1K7 709-437-6593 www.martinsurveys.com	TITLE: Lot #1-4 - Survey Street "A" - Placentia - NL

Date	Job Number	Revision Number
02-01-2019	029-2017	00

Scale	Field / Plan	Checked By
1:500	KP / CM	JM

Control Used	Scale Factor
82G2388	0.999958

Appendix “Q”

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

Canada
National Insolvency Office
145 Hobsons Lake Drive
PO BOX 638
Halifax NS B3J 2T5

Local : 902-719-5046
Toll Free : 1-877-748-0441
Fax : 902-450-8564
Web site : canada.ca/taxes

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.

.../3

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