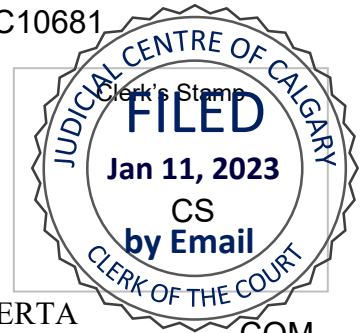


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COURT FILE NUMBER 2101-04670

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF BANK OF MONTREAL

RESPONDENTS TRADESMEN ENTERPRISES LIMITED PARTNERSHIP, and
TRADESMEN ENTERPRISES INC.

APPLICANT KSV RESTRUCTURING INC., in its capacity as receiver and
manager of TRADESMEN ENTERPRISES LIMITED
PARTNERSHIP, and TRADESMEN ENTERPRISES INC.

DOCUMENT SIXTH REPORT TO COURT OF KSV RESTRUCTURING
INC. AS RECEIVER AND MANAGER OF TRADESMEN
ENTERPRISES LIMITED PARTNERSHIP AND
TRADESMEN ENTERPRISES INC.

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Jan 20 2023

JANUARY 9, 2023

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF PARTY
FILING THIS DOCUMENT

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**Sixth Report to Court of
KSV Restructuring Inc. as
Receiver and Manager of
Tradesmen Enterprises Limited Partnership
and Tradesmen Enterprises Inc.**

January 9, 2023

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COURT FILE NUMBER: 2101-04670

COURT OF KING'S BENCH OF ALBERTA

IN THE MATTER OF THE RECEIVERSHIP OF
TRADESMEN ENTERPRISES LIMITED PARTNERSHIP
AND TRADESMEN ENTERPRISES INC.
OF THE CITY OF CALGARY,
IN THE PROVINCE OF ALBERTA

SIXTH REPORT OF KSV RESTRUCTURING INC.
AS RECEIVER AND MANAGER OF
TRADESMEN ENTERPRISES LIMITED PARTNERSHIP AND
TRADESMEN ENTERPRISES INC.

JANUARY 9, 2023

1.0 Introduction

1. This report (the "Report") is filed by KSV Restructuring Inc. ("KSV") in its capacity as receiver and manager ("Receiver") of Tradesmen Enterprises Limited Partnership ("TELP") and Tradesmen Enterprises Inc. ("TEI", and together with TELP, the "Companies"). KSV was appointed Receiver pursuant to an order of the Court of King's Bench of Alberta (the "Court") issued on April 15, 2021 (the "Receivership Order"). A copy of the Receivership Order is attached as Appendix "A".
2. KSV was formerly the proposal trustee (the "Proposal Trustee") of the Companies in connection with Notices of Intention to Make a Proposal they filed on February 1, 2021 pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") (the "NOI Proceedings").
3. The principal purposes of the NOI Proceedings were for the Companies to:
 - a) obtain a stay of proceedings in order to provide them with breathing space to advance litigation (the "Litigation") against Teck Coal Limited ("Teck"), Fluor Canada Ltd. ("Fluor"), Canadian Pacific Limited ("CP"), the Province of British Columbia (the "Province") and FortisBC Energy ("Fortis"), which Litigation against Teck subsequently became subject to an arbitration (the "Arbitration") before Stuart Hankinson, as arbitrator (the "Arbitrator"); and
 - b) access funding under an interim financing credit facility dated February 1, 2021 (the "Interim Financing Agreement") between the Companies, as borrowers, and Bank of Montreal ("BMO"), as interim lender, which was approved pursuant to a Court order dated February 3, 2021, as amended and restated pursuant to a Court order dated March 2, 2021.

4. As it became apparent that the Litigation would not be resolved prior to August 1, 2021, being the six-month anniversary of the commencement of the NOI Proceedings and the date by which the Companies were required to file a proposal pursuant to subsection 50.4(9) of the BIA, the Companies did not seek to extend the NOI Proceedings beyond April 17, 2021. As a result, the Companies were deemed to have made assignments in bankruptcy pursuant to subsection 50.4(8) of the BIA on April 17, 2021. KSV is the licensed insolvency trustee (the “Trustee”) appointed in the Companies’ bankruptcy proceedings.
5. The Receiver and Teck, with the participation of BMO, agreed to attempt to mediate a resolution of the Litigation. The mediation took place on November 4, 2022 and settlement discussions continued following the date of the mediation (the “Mediation”). The Mediation resulted in the Settlement Agreement (as defined below), which is subject only to Court approval.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information about the Companies and these proceedings;
 - b) summarize the Minutes of Settlement dated November 30, 2022 (the “Settlement Agreement”) between KSV, in its capacity as Receiver and Trustee of TELP, and Teck, including the agreed-upon form of Mutual Release (the “Release”) and releases to be provided by TELP’s Lien Claimants (as defined below), and provide the Receiver’s rationale for recommending Court approval of the Settlement Agreement and the Release;
 - c) set out the proposed distribution or distributions (the “Distributions”) of the settlement proceeds to BMO, the Companies’ principal secured creditor, after paying or providing for any outstanding post-filing fees and expenses incurred during these proceedings;
 - d) recommend that the Receiver be discharged of its duties and obligations under the Receivership Order upon filing a certificate with the Court confirming that all outstanding receivership matters have been completed (the “Receiver’s Completion Certificate”);
 - e) summarize the fees and disbursements of the Receiver, its insolvency counsel, Bennett Jones LLP (“Bennett Jones”), and its litigation counsel, Lawson Lundell LLP (“Lawson”), from June 1, 2021 to November 30, 2022, and seek Court approval of same; and
 - f) recommend that the Court issue an order (the “Discharge Order”):
 - i. approving the Settlement Agreement and Release;
 - ii. authorizing the Receiver to make one or more Distributions to BMO after paying or providing for the outstanding post-filing fees and expenses secured by the Court-ordered charges in these proceedings;

- iii. approving the fees and disbursements of the Receiver, Bennett Jones and Lawson for the period June 1, 2021 to November 30, 2022, plus an accrual for the estimated fees incurred or to be incurred from December 1, 2022 to completion (the “Fee Accrual”), including amounts for the Trustee to complete the administration of the Companies’ bankruptcy proceedings;
- iv. approving this Report and the Receiver’s Second Report dated February 7, 2022, Third Report dated April 5, 2022, Fourth Report dated June 15, 2022 and Fifth Report dated August 23, 2022 (collectively, the “Reports”), including the Receiver’s activities detailed therein;
- v. discharging the Receiver upon the filing of the Receiver’s Completion Certificate; and
- vi. releasing and holding the Receiver harmless from any liability for any act or omission on its part including, without limitation, any act or omission pertaining to the discharge of its duties in these proceedings, save and except for any liability arising out of any fraud, gross negligence or willful misconduct on the part of the Receiver.

1.2 Restrictions

1. In preparing this Report, the Receiver has relied upon unaudited financial information prepared by the Companies, the Companies’ books and records and discussions with the Companies’ management, legal counsel and majority owner, Fulcrum Capital Partners Inc. (“Fulcrum”). The Receiver has not audited, reviewed or otherwise verified the accuracy or completeness of the information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants of Canada Handbook*.
2. The Receiver expresses no opinion or other level of assurance with respect to the financial information presented in this Report or relied upon by the Receiver in preparing this Report. KSV accepts no responsibility for any of the Companies’ financial information. Any party intending to place reliance on the Companies’ financial information should perform its own due diligence and any reliance placed by any party on the information presented herein shall not be considered sufficient for any purpose whatsoever.

2.0 Background

1. TELP formerly carried on a mechanical contracting business specializing in facility and pipeline construction, piping and structure fabrication, module assembly and maintenance projects. TELP operated from two leased premises in Alberta, both of which were vacated on or around April 30, 2021. Its head office was located in Calgary and its fabrication facility in Grande Prairie. TEI is an inactive holding company with no business activity or operations.
2. Pursuant to an agreement dated May 28, 2019 (the “Teck Contract”), Teck retained TELP to act as the mechanical and piping general contractor on a project to construct the Fording River Operations Active Water Treatment Facility (South Project) located near Elkford, British Columbia (the “Project”).

3. The Project was substantially over budget – TELP takes the position that the Teck Contract originally had a contractual scope of approximately \$52 million. TELP's position is that due to the increased scope of, and the extraordinary number of changes on, the Project, TELP issued approximately 900 change order requests and 1,700 requests for information to Teck. By letter dated January 11, 2021, Teck terminated the Teck Contract. TELP's position is that the grounds relied upon by Teck to terminate the contract were improper. Teck disputes TELP's position. TELP claimed \$54 million against Teck in the Arbitration and Teck filed a \$54 million counter-claim against TELP in the Arbitration.
4. The termination of the Teck Contract caused the Companies to commence the NOI Proceedings. On or around the commencement date of the NOI Proceedings, TELP reduced its employee headcount from approximately 614 to seven. During the NOI Proceedings, TELP retained these employees to assist to wind-down TELP's business and to assist in the Litigation.
5. BMO is the Companies' principal secured creditor and the Plaintiff in these proceedings. As at December 21, 2022, BMO was owed approximately \$25.9 million, plus interest and costs which continue to accrue, comprised of pre-filing debt (the "BMO Pre-Filing Indebtedness") and post-filing debt of approximately \$16.3 million and \$9.6 million, respectively. The Companies' other significant creditors are:
 - a) 21 sub-contractors of TELP with claims totalling approximately \$18.3 million (collectively, the "Lien Claimants"), each of which has filed liens against lands (as more fully described in section 4.1 below) associated with the Project for their unpaid work performed on the Project;¹
 - b) Fulcrum, which was owed approximately \$1.8 million at the commencement of the NOI Proceedings. Fulcrum also guaranteed a portion of the BMO debt, which guarantee it funded following the commencement of the NOI Proceedings; and
 - c) Teck, as a contingent creditor in respect of its counter-claim in the Arbitration.
6. Court materials filed in the Companies' receivership, NOI and bankruptcy proceedings are available on KSV's website at <https://www.ksvadvisory.com/insolvency-cases/case/tradesmen-enterprises>.

3.0 Funding of these Proceedings

1. BMO has funded the NOI Proceedings and the receivership proceedings. As at December 21, 2022, the BMO Pre-Filing Indebtedness and BMO's post-filing indebtedness is comprised of the following (interest and costs continue to accrue on all three facilities listed below):
 - a) as at December 21, 2022, the BMO Pre-Filing Indebtedness, including interest and fees accrued to that date, totals approximately \$16.3 million². As noted, Fulcrum guaranteed a portion of this debt, which it has funded;

¹ This does not include the lien claim of Kettle River Contracting Limited Partnership by its general partner Kettle River GP Ltd. ("Kettle River").

² Net of a \$2.6 million distribution paid by the Receiver pursuant to a Court order dated July 15, 2021, which represented the net proceeds generated from the liquidation of TELP's fixed assets.

- b) during the NOI Proceedings, the Interim Financing Agreement was fully drawn, which indebtedness including interest and fees totaled approximately \$3.4 million as at December 21, 2022. Pursuant to the Receivership Order, advances under the Interim Financing Agreement are secured by a charge on the Companies' property (the "Interim Financing Charge"); and
- c) as at the date of this Report, BMO has funded a principal sum of \$5.935 million pursuant to receiver's certificates (the "Receiver's Certificates") in accordance with the Receivership Order, which amount including interest and fees totaled approximately \$6.2 million as at December 21, 2022. Pursuant to the Receivership Order, such advances are secured by the Receiver's Borrowings Charge.

2. The status of each Court-ordered charge created under the Receivership Order is provided in the table below.

| Charge | Amount (\$000s) | Status |
|------------------------------|-----------------|---|
| Receiver's Charge | 1,000 | Any and all outstanding fees and disbursements of the Receiver and its counsel will be paid from the funds in trust and/or from the proceeds of the Settlement Agreement. |
| Administration Charge | 300 | The Administration Charge covers the professional fees incurred during the NOI Proceedings, all of which have been paid. The amounts funded by BMO are included in the amounts discussed in paragraph 3.0.1(b) above. |
| Receiver's Borrowings Charge | 6,000 | As at the date of this Report, the Receiver has borrowed \$5.935 million from BMO under the Receiver's Borrowings Charge. These funds have been used to pay the fees and costs of these proceedings, including \$1 million funded by BMO which remains on deposit in the Receiver's trust account which was required to be posted as security for costs in the Arbitration. The amounts funded by BMO under the Receiver's Borrowings Charge are included in the amounts discussed in paragraph 3.0.1(c) above. |
| Interim Financing Charge | 2,800 | The Interim Financing Agreement was fully drawn upon during the NOI Proceedings and is discussed in paragraph 3.0.1(b) above. |
| KERP Charge | 202.5 | The Receivership Order includes a charge for certain of the Companies' employees who provided services during these proceedings (the "KERP Charge"). The final payment secured by the KERP Charge is approximately \$125,000, which will be paid from the proceeds of the Settlement Agreement. |

4.0 The Arbitration

1. Shortly following the termination of the Teck Contract, TELP registered builders' liens in the amount of approximately \$52.8 million against lands associated with the Project, including real property owned by CP, the Province and a statutory right of way registered in favour of Fortis.
2. On February 24, 2021, TELP commenced the Litigation against Teck, Fluor, CP, the Province and FortisBC Energy Inc. by filing a Notice of Civil Claim in the Supreme Court of British Columbia.

3. Material developments since the commencement of the Litigation include the following:
- a) in April, 2021, TELP and Teck agreed to arbitrate the Litigation. Mr. Hankinson was retained to act as the Arbitrator;
 - b) TELP applied to have Fluor³ added as a party to the Arbitration. TELP's application was heard by the Arbitrator on August 6, 2021. On September 15, 2021, the Arbitrator ruled that Fluor would not be added as a party to the Arbitration;
 - c) on May 26, 2021, representatives of TELP, Teck and the Receiver convened a "senior executive" meeting via videoconference. The senior executive meeting was required under the dispute resolution provisions of the Teck Contract to see if the dispute between TELP and Teck could be settled prior to the commencement of the Arbitration. The meeting did not result in resolution;
 - d) on June 3, 2021, TELP's Notice to Arbitrate was served;
 - e) on June 23, 2021, Teck served its counterclaim;
 - f) on November 19, 2021, the Arbitrator issued Procedural Order #1, which details the manner in which the arbitration is to be conducted, as well as the timetable. Pursuant to Procedural Order #1, the dispute was scheduled for a 20-day hearing commencing June 19, 2023;
 - g) on December 15, 2021, the Arbitrator heard Teck's application for security for costs. Teck sought to have approximately \$3.035 million posted by TELP as security for costs. Teck's application was opposed by TELP;
 - h) on January 17, 2022, the Arbitrator ruled that \$1.5 million in security for costs must be posted by TELP, in \$500,000 installments, to be made on February 28, 2022, July 31, 2022 and January 31, 2023. BMO funded the first two installments, which remain on deposit in the Receiver's trust account. The third installment will not need to be funded if the Settlement Agreement is approved by this Court;
 - i) on January 31, 2022, TELP's response to Teck's counterclaim was served;
 - j) on or around July 15, 2022, the parties exchanged documents and subsequently attended before the Arbitrator to discuss a schedule to resolve document production issues;
 - k) on or around September 9, 2022, TELP delivered its witness statements with respect to its claim and Teck delivered its witness statements with respect to its counterclaim. Teck's and TELP's responding witness statements were scheduled to be delivered in mid-January, 2023 (subsequently adjourned to mid-February, 2023, on the application of Teck);
 - l) on or around October 7, 2022, the parties agreed to mediate and jointly engaged John Logan, as mediator (the "Mediator");

³ Fluor was the design engineering firm retained by Teck for the Project.

- m) the Mediation took place on November 4, 2022 at Lawson’s offices in Vancouver, British Columbia. Representatives and/or legal counsel to Teck, TELP, the Receiver, BMO and Fulcrum attended the Mediation; and
- n) between November 5, 2022 and November 30, 2022, with the assistance of the Mediator, the parties negotiated the terms and conditions of the Settlement Agreement, which is summarized in the following section of this Report.

5.0 The Settlement Agreement

1. The key terms and conditions of the Settlement Agreement are provided in the table below.

| Term | Description |
|--------------------------|--|
| Required Payment | Pursuant to the Settlement Agreement, Teck will pay the all-inclusive amount of \$31 million (inclusive of GST), as follows: <ul style="list-style-type: none"> a) \$12.4 million to the Lien Claimants, representing 67%⁴ of the amount of their lien claims (the “Lien Claimant Settlement”); and b) \$18.6 million to the Receiver (the “Settlement Proceeds”), which is to be paid by Teck to the Receiver within 30 days of Court approval, should the approval order be granted. |
| Conditions Precedent | The material conditions precedent to the Settlement Agreement are: <ul style="list-style-type: none"> a) the Lien Claimants’ agreement to the Lien Claimant Settlement; and b) Court approval. |
| Mutual Release | The Settlement Agreement contemplates the Release, being a mutual release of all claims under, in relation to or in any way connected to the Teck Contract, the termination of the Teck Contract, the Project, the Litigation, the lien actions and the Arbitration, as between Teck and KSV, in its capacities as the Receiver and Trustee of TELP. The Release precludes, <i>inter alia</i> , any further action being taken by the Receiver or Trustee against the other defendants in the Litigation, including Fluor. |
| Lien Claimants’ Release | The Lien Claimants are to provide a release of KSV, TELP and TELP’s directors and officers in the usual commercial terms for a settlement of that nature in British Columbia. |
| Dismissal of Proceedings | Subject to Court approval of the Settlement Agreement: <ul style="list-style-type: none"> a) the Litigation will be dismissed pursuant to a Consent Dismissal Order against all parties, including Fluor; |

⁴ Calculated as follows: \$12.4 million payable by Teck to the Lien Claimants divided by the total amount of their lien claims (approximately \$18.4 million).

| Term | Description |
|-------|---|
| | b) Teck and the Receiver will bear their own costs, including their respective share of the Arbitrator's costs, and the Arbitration will be dismissed on a without costs basis; and c) all claims of lien and certificates of pending litigation filed by the Receiver or TELP are to be discharged and removed from title and the lien claims will be dismissed pursuant to Consent Dismissal Orders against all parties and named landowners on a without costs basis. |
| Other | The Settlement Agreement also provides for the return of \$1 million from the Receiver to BMO, which amount was advanced by BMO and is being held in trust by the Receiver, as security for costs in the Arbitration. |

2. The condition in respect of the Lien Claimant Settlement has been satisfied, as follows:
 - a) on December 1, 2022, Teck's legal counsel sent a letter to each of the Lien Claimants setting out the terms of the proposed Lien Claimant Settlement, including a schedule reflecting the amount each Lien Claimant would receive (i.e., their pro rata share of the Lien Claimant Settlement based on the amount of their lien claim);
 - b) on December 12, 2022, Teck's counsel confirmed to the Receiver's counsel that each Lien Claimant accepted the Lien Claimant Settlement and that the condition was satisfied. A copy of Teck's confirmation letter is attached as Appendix "B"; and
 - c) on January 6, 2023, Teck confirmed to the Receiver the form of release that it would be obtaining from the Lien Claimants as part of the Lien Claimant Settlement, which form is satisfactory to the Receiver. A copy of this form of release is attached as Appendix "C".
3. Copies of the Settlement Agreement and the Release are attached as Appendices "D" and "E", respectively. The parties have agreed on the form of Release, which will be executed in the coming days.
4. As noted, Kettle River has not been included in the Lien Claimant Settlement. The material facts regarding Kettle River are as follows:
 - a) TELP engaged Kettle River on August 9, 2019 as a subcontractor to perform excavation work on a unit rate basis with respect to the Project;
 - b) Kettle River completed its excavation work on the Project in early 2020. Kettle River claimed additional amounts from TELP pursuant to several change orders, some of which were accepted and others of which were rejected. TELP paid Kettle River in full for the amount TELP determined was due to them pursuant to the subcontract and approved change orders. The change order log TELP maintained with respect to Kettle River is attached as Appendix "F";

- c) after Kettle River completed its work on the Project, Fluor and Teck conducted a reconciliation of the work actually done by Kettle River (Kettle River was entitled to charge on a unit rate basis, for the amount of earth it excavated), and the amounts invoiced by Kettle River. Fluor and Teck carried out this reconciliation based on the survey of the volume of earth removed, that had been provided by Kettle River. Teck and Fluor concluded that TELP had overpaid Kettle River by \$158,899.29. TELP advised Kettle River of the results of this reconciliation on November 10, 2020. A copy of TELP's November 10, 2020 letter to Kettle River is attached as Appendix "G";
 - d) on November 10, 2020, Kettle River replied to TELP that it disagreed with TELP's reconciliation and that it had "gathered project documents and data which contradict" TELP's reconciliation. On November 11, 2020, TELP replied to Kettle River, requesting that Kettle River provide such documents and data, failing which TELP would consider its reconciliation to be final, with the amount of \$158,899.29 owing to TELP. Despite this request, Kettle River never provided any such documents or data to TELP. A copy of the emails exchanged between TELP and Kettle River on November 10 and 11, 2020 is attached as Appendix "H";
 - e) on March 19, 2021, Kettle River registered a Claim of Lien claiming the amount of \$1,132,738.41 against a statutory right of way associated with the Project. TELP is of the view that this lien registration was out of time and therefore invalid because it was registered more than 45 days after TELP's head contract with Teck was terminated. The *Builders' Lien Act* (British Columbia) requires liens to be registered within 45 days of the termination of a head contract (see section 20). A copy of Kettle River's registered Claim of Lien is attached as Appendix "I";
 - f) on March 29, 2022, Kettle River filed a Notice of Civil Claim in the Supreme Court of British Columbia. TELP is of the view the Notice of Civil Claim did not preserve Kettle River's lien claim as it did not name the owner of the statutory right of way which its claim of lien purportedly attached. A copy of Kettle River's Notice of Civil Claim is attached as Appendix "J";
 - g) on May 7, 2022, Kettle River's counsel served the Notice of Civil Claim on counsel for the Receiver; and
 - h) on May 10, 2022, counsel for the Receiver wrote to counsel for Kettle River, advising of the stay of proceedings in place with respect to TELP. A copy of that letter is attached as Appendix "K".
5. Based on the foregoing, the Receiver is of the view that:
- a) Kettle River has no valid claim against TELP because it was overpaid for the work it completed, by \$158,899.29. This was the conclusion of Fluor and Teck's reconciliation;
 - b) Kettle River has no valid lien because:
 - i. it is not owed anything by TELP;

- ii. its purported registration of its Claim of Lien was out of time and failed to preserve any potential lien rights under the *Builders' Lien Act* (British Columbia); and
 - iii. its purported commencement of a Civil Claim failed to include the owner of the statutory right of way which is the property that was liened and thus it failed to preserve any potential lien rights under the *Builders' Lien Act* (British Columbia);
- c) not including Kettle River in the Lien Settlement is reasonable and is not unfair to Kettle River, nor to any other stakeholder. To the extent Kettle River has lien rights, it can still assert those rights against Teck and the other defendants in its Civil Claim, including the real property owned by those defendants.

5.1 Recommendation

1. The Receiver recommends that the Court approve the Settlement Agreement for the following reasons:
 - a) the Arbitration is complex and expensive. Since the Receiver's appointment, BMO has funded approximately \$6 million under Receiver's Certificates (in addition to the funding it provided under the Interim Financing Charge during the NOI Proceedings⁵). The future Litigation costs will be millions of dollars, all of which are afforded a super-priority pursuant to Court orders issued in the NOI Proceedings and the receivership proceedings;
 - b) pursuant to the Receiver's Borrowing Charge, the ongoing costs of the Arbitration and these proceedings rank in priority to the Lien Claimants, and accordingly, the Lien Claimants' recovery would be at significant risk, particularly if TELP was unsuccessful or partially successful in the Arbitration. The Settlement Agreement will see the Lien Claimants who have valid lien claims receive a distribution of approximately 67% of their lien claims;
 - c) BMO supports approval of the Settlement Agreement notwithstanding it will suffer a shortfall on the BMO Pre-Filing Indebtedness. BMO has been consulted throughout these proceedings, including by attending the Mediation;
 - d) all Lien Claimants who have valid lien claims have accepted the Lien Claimant Settlement;
 - e) Fulcrum, the Companies' subordinated secured creditor, is not opposed to the Settlement Agreement. Fulcrum will not receive any distributions in these proceedings;
 - f) in the Receiver's view, the terms of the Settlement Agreement and the Release are fair and reasonable, and will fully and finally resolve the Litigation, the Arbitration and all claims of lien and claims related to the Project, the termination of the Teck Contract, and the Teck Contract, for the benefit of TELP and its stakeholders;

⁵ Some of this funding was also used to fund litigation costs.

- g) the Settlement Agreement provides for an efficient resolution to these proceedings, including avoiding a potential priority dispute over any recoveries generated in these proceedings; and
- h) the two inspectors of TELP's bankrupt estate, being representatives from each of Fulcrum and BMO, have authorized the Trustee to enter into the Settlement Agreement and provide the Release.

6.0 Distributions

1. Under the proposed Discharge Order, the Receiver seeks authorization to make the following Distributions after paying or providing for all of the Receiver's and its legal counsel's existing and final fees and disbursements and retaining an accrual for all professional fees incurred or to be incurred from December 1, 2022 to the completion of the Companies' bankruptcy proceedings:
 - a) approximately \$6.2 million to BMO for amounts borrowed by the Receiver pursuant to the Receiver's Certificates and secured by the Receiver's Borrowings Charge;
 - b) approximately \$3.4 million to BMO for amounts advanced by BMO in the NOI Proceedings and secured by the Interim Financing Charge; and
 - c) the balance of the Settlement Proceeds to BMO to be applied against the BMO Pre-Filing Indebtedness. Notwithstanding the Distributions contemplated under the proposed Discharge Order, BMO will incur a substantial shortfall on its pre-filing advances to the Companies.
2. Pursuant to a Court order dated July 15, 2021, the Receiver was authorized to distribute fixed asset recoveries to BMO to be applied against its pre-filing debt. In the context of that application, the Receiver advised the Court that its legal counsel, Bennett Jones, had provided the Receiver with an opinion⁶ on BMO's security in respect of its pre-filing debt. The opinion confirms the validity and enforceability of BMO's security, subject to standard qualifications and assumptions.
3. The Receiver believes the Distributions are appropriate given that, *inter alia*: (a) the Settlement Agreement is supported by the Lien Claimants, including the allocation of the proceeds payable by Teck between the Lien Claimants and BMO; (b) BMO is a secured creditor of the Companies and its pre-filing security is valid and enforceable pursuant to an opinion provided by Bennett Jones; (c) BMO has funded both the NOI Proceedings and these receivership proceedings pursuant to orders issued by the Court granting it a super-priority charge on the Companies' business and assets, subject only to the Court-ordered charges granted in these proceedings; and (d) the Receiver is of the view that Kettle River's claim is without merit, and it retains all of its rights, if any, against Teck and the other defendants named in its Civil Claim, and all of its rights, if any, as against the lands named in its registered Claim of Lien.

⁶ A copy of the security opinion will be made available to the Court should the Court wish to review it.

7.0 Receiver's Discharge

1. Subject to Court approval, the Receiver intends to:
 - a) finalize the Settlement Agreement;
 - b) make the Distributions to BMO after paying or providing for the outstanding post-filing fees and expenses incurred during these proceedings;
 - c) prepare and file the Receiver's final report as required under Section 246 of the BIA; and
 - d) deal with any sundry issues not specified above.
2. Once the Receiver has completed its activities, it will file the Receiver's Completion Certificate as its duties and responsibilities under the Receivership Order and other orders granted in these proceedings will have been completed.
3. Notwithstanding its discharge, the proposed Discharge Order provides that the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership and the Receiver shall continue to have the benefit of the provisions of all Orders made in these proceedings, including all approvals, protections and stays of proceedings in favour of the Receiver in its capacity as Receiver. The Receiver believes this provision is appropriate in the circumstances as it will allow the Receiver to address any issue that may arise following its filing of the Receiver's Completion Certificate. This is a customary provision in discharge orders granted in receivership proceedings.

8.0 Overview of the Receiver's Activities

1. The Receiver's activities set out in its First Report to Court dated July 5, 2021 (the "First Report") were approved pursuant to a Court order dated July 15, 2021. The Receiver is now seeking approval of the Reports and the activities described therein. Each of the Second, Third, Fourth and Fifth Reports were filed for the purposes of seeking an increase to the Receiver's Borrowings Charge. Those Reports are attached as Appendices "L" to "O", respectively, without appendices.
2. Since the date of the First Report (July 5, 2021), the Receiver's activities have included, among other things, the following:
 - a) working with Lawson and Bennett Jones to advance the Arbitration, including reviewing and commenting on all materials filed with the Arbitrator, including applications filed with the Arbitrator and witness statements;
 - b) reviewing TELP's expert witness report prepared by KPMG LLP which was filed in the Arbitration;
 - c) reviewing materials filed by Teck in the Arbitration and corresponding with management, Lawson and Bennett Jones in respect thereof;
 - d) working with management to prepare cash flow projections in order to quantify the Receiver's Borrowings Charge;

- e) providing BMO with weekly cash flow reporting, including rolling cash flow projections and budget-to-actual variance analyses;
- f) working with management to understand issues related to the Project, particularly as it related to the Litigation, Teck's counterclaim and the lien claims;
- g) working with Lawson and Bennett Jones to prepare for the Mediation, including reviewing and commenting on all materials filed with the Mediator, including TELP's Mediation brief;
- h) reviewing materials filed by Teck in the Mediation and corresponding with management, Lawson and Bennett Jones in respect thereof;
- i) negotiating the Settlement Agreement and Release, including corresponding extensively with legal counsel on all aspects thereof;
- j) reviewing and commenting on multiple iterations of the Settlement Agreement and related documentation;
- k) corresponding periodically with the Companies' stakeholders, including legal counsel to several of the Lien Claimants; and
- l) drafting the Reports and this Report and reviewing and commenting on Court materials filed in connection therewith.

9.0 Professional Fees

1. The fees of the Receiver, Bennett Jones and Lawson from April 1, 2021 to May 31, 2021 were approved pursuant to a Court order dated July 15, 2021.
2. The fees (excluding disbursements and applicable sales tax) of the Receiver, Bennett Jones and Lawson from June 1, 2021 to November 30, 2022 total approximately \$392,000, \$304,000 and \$2.3 million, respectively.
3. Detailed invoices in respect of the fees and disbursements of the Receiver, Bennett Jones and Lawson can be made available to the Court upon request. A summary of the fees and disbursements included on each invoice of KSV, Bennett Jones and Lawson for the referenced billing periods is attached as Appendix "P".
4. The Receiver is of the view that the hourly rates charged by Bennett Jones and Lawson are consistent with the rates charged by corporate law firms practicing in the areas of corporate insolvency, restructuring and litigation in the Alberta and British Columbia markets, and that the overall fees charged by Bennett Jones, Lawson and the Receiver are reasonable and appropriate in the circumstances.
5. The Receiver will retain a Fee Accrual that is sufficient and necessary to cover its fees and the fees of Bennett Jones and Lawson from December 1, 2022 to the filing of the Receiver's Completion Certificate. Those fees have principally been, or will be, incurred in connection with finalizing the Settlement Agreement, preparing for the hearing of the Receiver's application returnable January 20, 2023, implementing the Settlement Agreement should the Court grant the requested relief and dealing with any sundry matters to complete the receivership proceedings. To the extent that the Fee Accrual is not required to be spent on professional fees and unpaid, post-filing expenses, it will be distributed to BMO.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.
SOLELY IN ITS CAPACITY AS RECEIVER AND MANAGER OF
TRADESMEN ENTERPRISES LIMITED PARTNERSHIP AND
TRADESMEN ENTERPRISES INC.
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “A”

COURT FILE NUMBER 2101-04670
 COURT COURT OF QUEEN'S BENCH OF ALBERTA
 JUDICIAL CENTRE CALGARY
 APPLICANT **BANK OF MONTREAL**
 RESPONDENTS **TRADESMEN ENTERPRISES LIMITED
 PARTNERSHIP, and TRADESMEN ENTERPRISES
 INC.**
 DOCUMENT **CONSENT RECEIVERSHIP ORDER**



ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT Josef G.A. Kruger, Q.C. / Jack R. Maslen
 Borden Ladner Gervais LLP
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 File No. 407500.000127

DATE ON WHICH ORDER WAS PRONOUNCED: APRIL 15, 2021
NAME OF JUSTICE WHO MADE THIS ORDER: JUSTICE B.E.C. ROMAINE
LOCATION OF HEARING: CALGARY, ALBERTA

UPON the application (the “**Application**”) of Bank of Montreal (“**BMO**”) for the appointment of a receiver in respect of each of Tradesmen Enterprises Limited Partnership and Tradesmen Enterprises Inc. (collectively, the “**Debtor**”); **AND UPON** having read the Application, the Affidavit of Zachary Newman sworn on April 6, 2021 and filed, the Supplemental Affidavit of Zachary Newman sworn on April 13, 2021 and filed, the Affidavit of Service of Jennifer Gorrie sworn on April 13, 2021 and filed, the Fourth Report of KSV Restructuring Inc. (“**KSV**”) in its capacity as proposal trustee dated and filed on April 6, 2021, the Supplement to the Fourth Report of KSV in its capacity as proposal trustee dated and filed on April 13, 2021, and such other pleadings filed in this action or in Alberta Court of Queen’s Bench Action No. BK01-095189 (the “**NOI Proceedings**”); **AND UPON** noting the consent of the Debtor; **AND UPON** noting the consent of KSV to act as receiver and manager of the Debtor (in such capacity, the “**Receiver**”); **AND UPON** hearing from counsel for BMO, counsel for the Debtor, counsel for KSV, and any other counsel or interested parties present;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. The time for service of the Application is hereby abridged and deemed good and sufficient and this Application is properly returnable today.

LIFTING OF NOI STAY

2. The stay of proceedings provided for in the NOI Proceedings is hereby lifted *nunc pro tunc* to allow for the commencement of the within action and the Application.

APPOINTMENT

3. Pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”), and section 13(2) of the *Judicature Act*, R.S.A. 2000, c.J-2, KSV is hereby appointed Receiver, without security, of all of the Debtor’s current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “**Property**”).

RECEIVER'S POWERS

4. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
 - (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property, which shall include the Receiver’s ability to abandon, dispose of or otherwise release any interest in any of the Debtor’s real property, or any right in any immovable assets;
 - (b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

- (c) to manage, operate and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to or by the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding, and provided further that nothing in this Order shall authorize the Receiver to defend or settle the action in which this Order is made unless otherwise directed by this Court;
- (k) to market any or all the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:

- (i) without the approval of this Court in respect of any transaction not exceeding \$500,000, provided that the aggregate consideration for all such transactions does not exceed \$2,000,000; and
- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,

and in each such case notice under subsection 60(8) of the *Personal Property Security Act*, R.S.A. 2000, c. P-7 or any other similar legislation in any other province or territory shall not be required.

- (m) to apply for any vesting order or other orders (including, without limitation, confidentiality or sealing orders) necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other orders in respect of the Property against title to any of the Property, and when submitted by the Receiver for registration this Order shall be immediately registered by the Registrar of Land Titles of Alberta, or any other similar government authority, notwithstanding section 191 of the *Land Titles Act*, RSA 2000, c. L-4, or the provisions of any other similar legislation in any other province or territory, and notwithstanding that the appeal period in respect of this Order has not elapsed and the Registrar of Land Titles shall accept all Affidavits of Corporate Signing Authority submitted by the Receiver in its capacity as Receiver of the Debtor and not in its personal capacity;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. (i) The Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being “**Persons**” and each being a “**Person**”) shall forthwith advise the Receiver of the existence of any Property in such Person’s possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver’s request.
6. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks or other data storage media containing any such information (the foregoing, collectively, the “**Records**”) in that Person’s possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph or in paragraph 7 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.
7. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in

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

NO PROCEEDINGS AGAINST THE RECEIVER

8. No proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

9. No Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further order of this Court, provided, however, that nothing in this Order shall: (i) prevent any Person from commencing a proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such proceeding is not commenced before the expiration of the stay provided by this paragraph; and (ii) affect a Regulatory Body’s investigation in respect of the debtor or an action, suit or proceeding that is taken in respect of the debtor by or before the Regulatory Body, other than the enforcement of a payment order by the Regulatory Body or the Court. “**Regulatory Body**” means a person or body that has powers, duties or functions relating to the enforcement or administration of an Act of Parliament or of the legislature of a Province.

NO EXERCISE OF RIGHTS OF REMEDIES

10. All rights and remedies of any Person, whether judicial or extra-judicial, statutory or non-statutory (including, without limitation, set-off rights) against or in respect of the Debtor or the

Receiver or affecting the Property are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, provided that nothing in this Order shall:

- (a) empower the Debtor to carry on any business that the Debtor is not lawfully entitled to carry on;
- (b) prevent the filing of any registration to preserve or perfect a security interest;
- (c) prevent the registration of a claim for lien; or
- (d) exempt the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment.

11. Nothing in this Order shall prevent any party from taking an action against the Applicant where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Receiver at the first available opportunity.

NO INTERFERENCE WITH THE RECEIVER

12. No Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, except with the written consent of the Debtor and the Receiver, or leave of this Court.

CONTINUATION OF SERVICES

13. All persons having:

- (a) statutory or regulatory mandates for the supply of goods and/or services; or
- (b) oral or written agreements or arrangements with the Debtor, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Debtor

are hereby restrained until further order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the

Debtor or exercising any other remedy provided under such agreements or arrangements. The Debtor shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the date of this Order are paid by the Debtor in accordance with the payment practices of the Debtor, or such other practices as may be agreed upon by the supplier or service provider and each of the Debtor and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

15. Subject to employees’ rights to terminate their employment, all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor’s behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, S.C. 2005, c.47 (“**WEPPA**”).
16. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a “**Sale**”). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such

information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

17. (a) Notwithstanding anything in any federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:
- (i) before the Receiver's appointment; or
 - (ii) after the Receiver's appointment unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.
- (b) Nothing in sub-paragraph (a) exempts a Receiver from any duty to report or make disclosure imposed by a law referred to in that sub-paragraph.
- (c) Notwithstanding anything in any federal or provincial law, but subject to sub-paragraph (a) hereof, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, the Receiver is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order,
- (i) if, within such time as is specified in the order, within 10 days after the order is made if no time is so specified, within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, or during the period of the stay referred to in clause (ii) below, the Receiver:
 - A. complies with the order, or
 - B. on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;

- (ii) during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) above, within 10 days after the order is made or within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, by,
 - A. the court or body having jurisdiction under the law pursuant to which the order was made to enable the Receiver to contest the order; or
 - B. the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or
- (iii) if the Receiver had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

LIMITATION ON THE RECEIVER'S LIABILITY

- 18. Except for gross negligence or wilful misconduct, as a result of its appointment or carrying out the provisions of this Order the Receiver shall incur no liability or obligation that exceeds an amount for which it may obtain full indemnity from the Property. Nothing in this Order shall derogate from any limitation on liability or other protection afforded to the Receiver under any applicable law, including, without limitation, sections 14.06, 81.4(5) or 81.6(3) of the BIA.

RECEIVER'S ACCOUNTS

- 19. The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case, incurred at their standard rates and charges. The Receiver and counsel to the Receiver shall be entitled to the benefits of and are hereby granted a charge (the “**Receiver’s Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$1,000,000, as security for their professional fees and disbursements incurred at the normal rates and charges of the Receiver and such counsel, both before and after the making of this Order in respect of these proceedings, and the Receiver’s Charge shall form a first charge on the Property in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person but subject to sections 14.06(7), 81.4(4) and 81.6(2) of the BIA.
- 20. The Receiver and its legal counsel shall pass their accounts from time to time.
- 21. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including the legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its

counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

22. The Receiver shall be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$2,500,000 at any time except as otherwise provided for in paragraph 27 below or as this Court may by further order authorize, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the “**Receiver’s Borrowings Charge**”) as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver’s Charge and the charges set out in sections 14.06(7), 81.4(4) and 81.6(2) of the BIA.
23. Neither the Receiver’s Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
24. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule “A” hereto (the “**Receiver’s Certificates**”) for any amount borrowed by it pursuant to this Order.
25. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver’s Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver’s Certificates.
26. The Receiver shall be allowed to repay any amounts borrowed by way of Receiver’s Certificates out of the Property or any proceeds, including any proceeds from the sale of any assets without further approval of this Court.
27. The Receiver shall be allowed to increase the borrowings limit under paragraph 22 hereof, in \$500,000 increments, without further order of this Court, provided that (i) the Receiver prepares and files a report to the Court describing the need for increased borrowings, and (ii) serves such

report on the service list maintained for these proceedings. Unless a Person files and serves on the Receiver a written Notice of Objection within 10 days of the service of the report, the Receiver shall be authorized and entitled to increase its borrowings by such a \$500,000 increment and the Receiver's Borrowings Charge shall be increased to the same extent. In the event that a Notice of Objection is filed and served on the Receiver, the Receiver's Borrowing Charge shall only be increased if so ordered by the Court upon application by the Receiver.

CONTINUATION OF CHARGES AND PRIORITIES OF CHARGES

28. Each of the Administration Charge, the Interim Financing Charge and the KERP Charge (each as defined in the orders granted in the NOI Proceedings) shall continue to constitute valid and enforceable charges on the Property.
29. The priority of the charges created in the NOI Proceedings (and continued by this Order) in relation to the Receiver's Charge and the Receiver's Borrowings Charge created hereunder, shall be as follows:
 - (a) First - the Receiver's Charge;
 - (b) Second - the Administration Charge;
 - (c) Third - the Receiver's Borrowings Charge;
 - (d) Fourth - the Interim Financing Charge; and
 - (e) Fifth - the KERP Charge.

ALLOCATION

30. Any interested party may apply to this Court on notice to any other party likely to be affected, for an Order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the various assets comprising the Property.

AUCTION

31. Notwithstanding any other provision of this Order, Ritchie Bros Auctioneers (Canada) Ltd. (the "**Liquidator**") is hereby authorized and directed to continue to perform its services under the liquidation services agreement ("**Liquidation Services Agreement**") entered into between the Liquidator and the Debtor, as approved by this Honourable Court pursuant to the Order granted on March 16, 2021 in the NOI Proceedings (the "**Auction Order**").

32. The Auction Order is hereby ratified and recognized in these proceedings and remains enforceable in all respects, except that references to the “Applicants” therein shall be read to mean the Receiver where the context requires.
33. Any proceeds arising from the Liquidation Services Agreement, the Auction Order and the transactions contemplated thereunder, which, but for the commencement of this action, would be payable to the Debtor shall be paid to the Receiver in accordance with the terms of this Order.

GENERAL

34. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
35. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Receiver will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Receiver’s reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.
36. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor and the Receiver is hereby authorized to act as the trustee in bankruptcy of the Debtor.
37. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.
38. The Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

39. The Plaintiff shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis, including legal costs on a solicitor-client full indemnity basis, to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.
40. Any interested party may apply to this Court to vary or amend this Order on not less than 7 days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

FILING

41. The Receiver shall continue to maintain its present website in respect of these proceedings at <https://www.ksvadvisory.com/insolvency-cases/case/tradesmen-enterprises> (the "**Receiver's Website**") and shall post there as soon as practicable:
- (a) all materials prescribed by statute or regulation to be made publically available; and
 - (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, or served upon it, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.
42. Service of this Order shall be deemed good and sufficient by:
- (a) serving the same on:
 - (i) the persons listed on the service list created in these proceedings or otherwise served with notice of these proceedings;
 - (ii) any other person served with notice of the application for this Order;
 - (iii) any other parties attending or represented at the application for this Order; and
 - (b) posting a copy of this Order on the Receiver's Website
- and service on any other person is hereby dispensed with.

43. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

A handwritten signature in black ink, appearing to be 'H. J.', written above a horizontal line.

Justice of the Court of Queen's Bench of Alberta

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that KSV Restructuring Inc., the receiver and manager (the "**Receiver**") of all of the assets, undertakings and properties of Tradesmen Enterprises Limited Partnership and Tradesmen Enterprises Inc. appointed by Order of the Court of Queen's Bench of Alberta and Court of Queen's Bench of Alberta in Bankruptcy and Insolvency (collectively, the "**Court**") dated the 15th day of April, 2021 (the "**Order**") made in action numbers [●], has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of [\$], being part of the total principal sum of \$2,500,000 that the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [**daily**] [**monthly not in advance on the ● day of each month**] after the date hereof at a notional rate per annum equal to the rate of [●] per cent above the prime commercial lending rate of Bank of [●] from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property (as defined in the Order), in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at [●].
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

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

DATED the _____ day of _____, 2021.

KSV Restructuring Inc., solely in its capacity as
Receiver of the Property (as defined in the Order),
and not in its personal capacity

Per: _____
Name:
Title:

Appendix “B”

FASKEN

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

550 Burrard Street, Suite 2900
Vancouver, British Columbia V6C 0A3
Canada

T +1 604 631 3131
+1 866 635 3131
F +1 604 631 3232
fasken.com

December 12, 2022
File No.: 309779.00052/15951

David Curtis
Direct +1 604 631 4827
Facsimile +1 604 632 4827
dcurtis@fasken.com

WITHOUT PREJUDICE and CONFIDENTIAL

Via Email

Lawson Lundell LLP
Suite 1600 Cathedral Place
925 West Georgia Street
Vancouver, BC V6C 3L2

Bennett Jones LLP
4500 Bankers Hall East,
855 2nd Street SW
Calgary, AB T2P 4K7

Attention: Michael B. Morgan

Attention: Chris D. Simard

Dear Mr. Morgan and Mr. Simard:

Re: Settlement with Lien Claimants

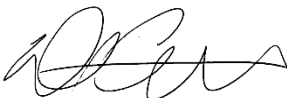
We write to report on the status of settlement with the lien claimants engaged by Tradesmen related to Teck's Fording River Operations Active Water Treatment Facility Project, as identified at the enclosed **Schedule "A"** (the "**Lien Claimants**"). Teck has obtained agreement from all of the Lien Claimants on the terms set out in Teck's letters to the Lien Claimants dated December 1, 2022, which we also enclose.

As this condition of the settlement between Teck and the Receiver (the "**Settlement**") is now met, we ask that the Receiver proceed with setting down an application in the Alberta's Court of King's Bench for the approval of the Settlement. The writer will likely appear at the application to provide any support as needed.

Please provide use with the date and time of the hearing and attendance particulars when they are known.

Yours truly,

FASKEN MARTINEAU DuMOULIN LLP



David Curtis
Personal Law Corporation

DHC/exn

Encl.

SCHEDULE "A"

| Lien Claimant | Amount of Lien | Pro Rata Entitlement to HB | Value of Entitlement |
|---|--------------------------|----------------------------|-------------------------|
| Techmation Electric & Controls Ltd., Inc No A0082748 | \$ 11,447,429.37 | 62.268% | \$ 7,721,272.36 |
| C.I.F. Construction Ltd., Inc No. BC0385442 | \$ 2,250,000.00 | 12.239% | \$ 1,517,621.31 |
| Industrial Scaffold Services L.P. | \$ 1,557,741.57 | 8.473% | \$ 1,050,694.14 |
| Fourquest Energy Inc., Inc No A0088899 | \$ 590,177.72 | 3.210% | \$ 398,073.91 |
| Leavitt Machinery General Partnership, Inc No FM0415669 | \$ 548,122.59 | 2.982% | \$ 369,707.79 |
| Alberta Pipe Support & Fabrication Inc. | \$ 433,932.99 | 2.360% | \$ 292,687.09 |
| Precision Forest Industries Ltd. | \$ 322,587.40 | 1.755% | \$ 217,584.67 |
| Transcendent Mining and Mobilization Inc. | \$ 294,078.80 | 1.600% | \$ 198,355.67 |
| CWP Constructors Ltd., Inc No A0108863 | \$ 159,117.03 | 0.866% | \$ 107,324.18 |
| Manitoulin Transport Inc. | \$ 138,499.24 | 0.753% | \$ 93,417.51 |
| Emco Corporation d.b.a. Emco, Westlund, and Sandale Utility Products, Inc No A0059958 | \$ 103,510.23 | 0.563% | \$ 69,817.48 |
| Leavitt Cranes Canada Inc., Inc No 9377042 | \$ 100,367.09 | 0.546% | \$ 67,697.44 |
| Fabco Plastics Western Ltd. | \$ 96,549.47 | 0.525% | \$ 65,122.46 |
| Swift Oilfield Supply Inc. | \$ 83,796.80 | 0.456% | \$ 56,520.80 |
| Canadian Dewatering (2006) LTD dba Canadian Dewatering L.P., Inc No A0068860 | \$ 61,003.24 | 0.332% | \$ 41,146.59 |
| Jackson Rentals Ltd. | \$ 40,040.90 | 0.218% | \$ 27,007.52 |
| Tri-Kon Precast Products Ltd., Inc No BC0110887 | \$ 36,500.10 | 0.199% | \$ 24,619.26 |
| Allnorth Consultants Limited., Inc No BC0870308 | \$ 36,474.90 | 0.198% | \$ 24,602.26 |
| EnQuest Energy Solutions Inc. | \$ 31,527.52 | 0.171% | \$ 21,265.26 |
| FR Rentals Ltd., Inc No BC1031787 | \$ 27,227.88 | 0.148% | \$ 18,365.16 |
| Cascade Services 2008 Ltd dba Cascade Energy Services LP, Inc No A0074888 | \$ 25,347.95 | 0.138% | \$ 17,097.15 |
| Total | \$ 18,384,032.79 | 1.000 | \$ 12,400,000.00 |
| | Value of Holdback | \$ | 12,400,000.00 |

Appendix “C”

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the “**Agreement**”) is effective as of January [●], 2023.

BETWEEN:

[INSERT LIEN CLAIMANT NAME]

(the “**Lien Claimant**”)

AND:

TECK COAL LIMITED

(“**Teck**”)

WHEREAS:

- A. The Lien Claimant was engaged by Tradesmen Enterprises Limited Partnership (“**Tradesmen**”) to perform work or provide materials in relation to Teck’s Fording River Operations Active Water Treatment Facility South Project in the Elk Valley (the “**Project**”).
- B. Tradesmen was terminated from the Project on January 11, 2021.
- C. The Lien Claimant filed Claims of Lien Nos. [●] (the “**Liens**”) and Certificate of Pending Litigation No. [●] (the “**CPL**”) in the Kamloops Land Title Office and commenced an action in the Supreme Court of British Columbia, Action No. [●], Cranbrook Registry (the “**Action**”), to enforce the Liens, claims against the holdback withheld by Teck from Tradesmen (the “**Holdback**”), and for other claims arising out of the construction of the Project.
- D. KSV Restructuring Inc. (“**KSV**”) was the Proposal Trustee of Tradesmen, and is currently the Licensed Insolvency Trustee of Tradesmen, and the court appointed receiver and manager to Tradesmen pursuant to proceedings under the *Bankruptcy and Insolvency Act*. All references to KSV hereinafter, unless indicated otherwise, shall be deemed to include KSV in all its capacities with respect to TME (as Proposal Trustee, Trustee and Receiver) and also in its personal capacity.
- E. The Lien Claimant, along with 20 other lien claimants who have made claims in regard to work performed under Tradesmen on the Project, have agreed to a *pro rata* distribution of the all inclusive amount of \$12,400,000 (the “**Settlement Funds**”), as part of a negotiated settlement involving all of the lien claimants, based on the amount of their respective lien claims in full and final settlement of all of their claims related to the Project (the “**Lien Claimant Settlement**”). For greater certainty, the \$12,400,000 is inclusive of GST.
- F. The Lien Claimant’s agreed to *pro rata* share of the Settlement Funds is \$[●], as indicated in the attached **Schedule “A”** to this Agreement.

G. Teck and the Lien Claimant (the “**Parties**”) wish to fully and finally settle any and all claims in any way related to the Action, the CPL, the Liens, the Holdback, and the Project on the terms set out herein.

IN CONSIDERATION of the mutual covenants and agreements herein, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

Settlement

1. Within 10 days of receiving notice of approval from the Alberta Court of King’s Bench of the Lien Claimant Settlement, Teck’s solicitors, Fasken Martineau DuMoulin LLP (“**Fasken**”), will confirm to all parties to the Lien Claimant Settlement that it holds the Settlement Funds (\$12,400,000), in trust for the benefit of the lien claimants and the purpose of distributing the Settlement Funds to the various lien claimants on the *pro rata* basis set out in **Schedule “A”**.
2. Teck will instruct Fasken to provide counsel for the Lien Claimant with an undertaking to advance the Lien Claimant’s *pro rata* share of the Settlement Funds upon the satisfaction of conditions 3(a), 3(b) and 3(c) of this Agreement.
3. Within 30 days of receiving notice of approval from the Alberta Court of King’s Bench of the Lien Claimant Settlement, the Lien Claimant will:
 - a) deliver an executed copy of this Agreement to Fasken;
 - b) instruct its solicitors to execute and file with the BC Supreme Court a Consent Dismissal Order, in the form attached at **Schedule “A”** to this Agreement, without costs to any party and return an entered copy to Fasken; and
 - c) discharge the Liens and cancel the CPL.
4. Teck will pay \$[●], being the Lien Claimant’s *pro rata* share of the Settlement Funds, to the Lien Claimant within 30 days of Fasken receiving:
 - a) a copy of this Agreement executed by the Lien Claimant;
 - b) a filed and entered copy of the Consent Dismissal Order; and
 - c) a filed Form C and post-cancellation land title search confirming cancellation of the Liens and CPL.

Release

5. The Lien Claimant, on its own behalf, and on behalf of its affiliates, subsidiaries, past, present and future partners, directors, officers, employees, agents, predecessors, successors, assigns, liquidators, receivers, receiver-managers, trustees, insurers, owners and shareholders, and any one or any other entity, that may claim through them, and each of them (collectively, the “**Lien Claimant Releasers**”) do hereby remise, release and forever discharge Teck, Tradesmen, KSV, FortisBC Energy Inc. (formerly known as Columbia Natural Gas Limited), Canadian

Pacific Railway Company, Canadian Pacific Railway Limited, Canadian Pacific Limited, Accor Management Canada Inc. and Her Majesty the Queen in Right of the Province of British Columbia and their respective affiliates, subsidiaries, past, present and future partners, directors, officers, employees, agents, predecessors, successors, assigns, liquidators, receivers, receiver-managers, trustees, insurers, owners and shareholders and each of them (collectively, “**Defendant Releasees**”) from any and all actions, causes of actions, claims, liens, claims of lien, liens against holdback, certificates of pending litigation, trust claims, suits, litigation, debts, contracts, demands, bonds, damages, costs, expenses, interest, legal fees and compensation of whatsoever kind related to, arising from or connected with the Action, the Liens, the CPL, the Holdback, and any and all work performed for or under Tradesmen on the Project or related to the Project (the “**Claims**”).

6. The Lien Claimant acknowledges, confirms and agrees that KSV, Tradesmen, FortisBC Energy Inc. (formerly known as Columbia Natural Gas Limited), Canadian Pacific Railway Company, Canadian Pacific Railway Limited, Canadian Pacific Limited, Accor Management Canada Inc., and Her Majesty the Queen Right in the Province of British Columbia are beneficiaries of the release described herein, and that the Lien Claimant has received due consideration from these parties, including but not limited to a waiver of the entitlement to taxable costs and disbursements in the Action, the receipt and sufficiency of which is hereby acknowledged by the Lien Claimant.
7. The Lien Claimant has not assigned and will not commence, maintain, continue or assign any claim or proceeding against the Defendant Releasees on account of any matter relating to the subject matter of this Agreement.
8. The Lien Claimant has not assigned and will not commence, maintain, continue or assign any claim or proceeding against any other person or corporation who might claim contribution or indemnity from any Defendant Releasee in respect of any matter which is the subject of this Agreement. If the Lien Claimant brings or continues any such claim or proceeding, then it will indemnify and save harmless the affected party from any and all resulting liabilities, obligations, costs, expenses and disbursements (including reasonable legal fees and disbursements on a solicitor and own client basis).
9. It is understood and agreed that this Agreement represents a compromise of a disputed claim and that entering into of this Agreement or anything contained herein shall not constitute or be construed as an admission of liability by the Parties and such liability is expressly denied.
10. The Parties acknowledge and agree that the facts in respect of which this Agreement is made may prove to be other than or different from the facts now known or believed by the Parties to be true. The Parties accept and assume the risk of the facts being different and agree that this Agreement shall be in all respects enforceable and not subject to termination, rescission, or variation by discovery of any differences in fact.
11. The Lien Claimant has read this Agreement and understands the contents and signs this Agreement by their own free will after having obtained legal advice.

12. If any provision of this Agreement is held to be invalid or unenforceable for any reason, the remaining provisions will continue in full force and effect without being impaired or invalidated in any way. It is the intention of the Parties that this Agreement will have been executed without reference to any provision which may, for any reason, be held to be invalid or unenforceable.
13. This Agreement shall be for the benefit of the Parties and shall be binding upon the Parties and their respective heirs, successors and assigns.
14. This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia, Canada.
15. Any dispute or controversy arising from, connected with or relating to this Agreement, or the settlement underlying it, or any related matters, shall be resolved before the Supreme Court of British Columbia.
16. The Parties shall, at the reasonable request of each other, execute and deliver such further and other documents and instruments, and do any further and other things that may be necessary to implement and to carry out the terms, conditions and intent of this Agreement.
17. The provisions contained herein, including the recitals, constitute the entire agreement between the Parties, and supersede all previous communications, representations, understandings and agreements, whether oral or written, between them, with respect to the subject matter of this Agreement.

18. This Agreement may be executed in counterpart and may be delivered by facsimile, email or otherwise, each of which when executed and delivered will be deemed an original.

IN WITNESS WHEREOF, THE PARTIES TO THIS AGREEMENT HAVE EXECUTED THIS AGREEMENT AS OF THE EFFECTIVE DATE.

Authorized Signatory of the Lien Claimant

Name:

Position:

Date:

Authorized Signatory of Teck Coal Limited

Name:

Position:

Date:

Appendix “D”

IN THE MATTER OF AN ARBITRATION UNDER THE
2020 VanIAC Domestic Arbitration Rules
And the *Arbitration Act*, SBC 2020, c.2

BETWEEN:

KSV RESTRUCTURING INC., in its capacity as the Court-
Appointed Receiver of TRADESMEN ENTERPRISES LIMITED
PARTNERSHIP

CLAIMANT
RESPONDENT BY COUNTERCLAIM

AND:

TECK COAL LIMITED

RESPONDENT
CLAIMANT BY COUNTERCLAIM

MINUTES OF SETTLEMENT
MEDIATION HELD ON NOVEMBER 4, 2022
SETTLEMENT REACH ON NOVEMBER 30, 2022

RECITALS

- A. Tradesmen Enterprises Limited Partnership (“TME”) performed work for Teck Coal Limited (“Teck”) at Teck’s Fording River Operations Active Water Treatment Facility South Project (the “Project”) under a Works Agreement made as of May 28, 2019 (the “Contract”).
- B. Teck terminated TME’s Contract on January 11, 2021 (the “Termination”).
- C. On February 1, 2021, TME filed a Notice of Intention to Make a Proposal pursuant to the *Bankruptcy and Insolvency Act* and KSV Restructuring Inc. (“KSV”) was appointed the Proposal Trustee. On April 17, 2021, TME was deemed to have filed an assignment in bankruptcy and KSV was appointed the Licensed Insolvency Trustee (the “Trustee”) of TME. On April 15, 2022, pursuant to an order of the Court of King's Bench of Alberta (the “Court”) KSV was appointed as the receiver and manager (the “Receiver”) of TME on the application of its primary secured creditor, Bank of Montreal (“BMO”).
- D. KSV, in its capacity as Receiver, commenced an Action in the Supreme Court of British Columbia, Cranbrook Registry No. CLB-S-30453 (the “Supreme Court Action”), against Teck, Fluor Canada Ltd. (“Fluor”), Her Majesty the Queen in Right of the Province of British Columbia (the “Province”), Canadian Pacific Limited (“CPL”), and FortisBC Energy Inc. (“FEI”) in respect of various claims respecting the Contract and the Termination.
- E. The Supreme Court Action was stayed and the Receiver commenced an arbitration against Teck and Fluor on June 3, 2021, seeking damages of approximately \$54 million (the “Arbitration”).

- F. Fluor was determined by the Arbitrator to not be a proper party to the Arbitration.
- G. Teck commenced a Counterclaim against TME in the Arbitration, seeking damages of approximately \$54 million.
- H. A number of TME's subcontractors (the "**Lien Claimants**") who worked on the Project have filed liens and certificates of pending litigation against lands owned by Teck, the Province, CPL and FEI (the "**Lands**"), claimed *Shimco* liens and commenced court actions against Teck and others to enforce their claims (the "**Lien Actions**").
- I. Following a mediation held on November 4, 2022, the Receiver and Teck (the "**Parties**") have agreed, subject to the conditions precedent set out below, to fully and finally settle the Supreme Court Action and the Arbitration and all associated claims of lien, claims related to the Project, claims related to the Termination, and claims under the Contract on the following terms.

Settlement Amount

- 1. Subject to the conditions set out below, Teck will pay the all-inclusive sum of \$31,000,000 as follows:
 - (a) the all-inclusive amount of \$12,400,000 is allocated and payable to the Lien Claimants (Teck will pay the Lien Claimants directly and obtain releases from them), and
 - (b) the all-inclusive amount of \$18,600,000 is allocated and payable to the Receiver.
- 2. All amounts payable by Teck are expressed in Canadian dollars and inclusive of GST.

Conditions to the Settlement

- 3. The settlement is conditional on Teck having until December 14, 2022, to determine whether the Lien Claimants will settle their claims for \$12,400,000 (the "**Lien Claimant Settlement**"). If the Lien Claimants are unwilling to agree to the Lien Claimant Settlement, then this settlement is void and of no effect unless Teck waives this condition.
- 4. The Lien Claimant Settlement, if obtained, must be in the usual commercial terms for a settlement of this nature in British Columbia, and Teck will obtain Consent Dismissal Orders of the Lien Actions against all parties and all named landowners, on a without costs basis, and a release from the Lien Claimants, including a release of Tradesmen, the Receiver, the Trustee and each of their affiliates, subsidiaries, past, present and future partners, directors, officers, employees, agents, predecessors, successors, assigns, liquidators, receivers, receiver managers, trustees, insurers, owners, and shareholders.
- 5. This settlement is conditional on the Receiver obtaining court approval in the receivership proceedings in the Court, which approval will be sought by the Receiver forthwith upon confirmation from Teck that the Lien Claimant Settlement is agreed upon. If the Court does not approve this settlement then this settlement is void and of no effect.

6. If Court approval of the settlement is achieved, then payment will be made by Teck to the Receiver of the \$18,600,000 within 30 days of the Court's approval (subject to TME discharging its claim of lien and provision of a signed mutual release as referenced below).
7. If Teck confirms that the Lien Claimants have agreed to the Lien Claimant Settlement, then the Parties hereto will adjourn all pre-hearing filing deadlines in the Arbitration pending Court approval of the settlement, following which the hearing will be dismissed if Court approval is obtained and the terms of this settlement, including all payments hereunder, are fulfilled. For greater certainty, the hearing of the Arbitration will not be adjourned upon confirmation of the Lien Claimant Settlement being confirmed. If Court approval is not obtained then the Parties agree that the hearing will proceed as scheduled, but the Parties will agree to revised pre-hearing deadlines that allow both Parties a reasonable opportunity to prepare their evidence, the intention being that the Parties do not wish to expend legal fees while waiting for Court approval of this settlement.

Mutual Release

8. Teck and the Receiver/Trustee (for and on behalf of itself and Tradesmen) shall sign a mutual release of all claims under, in relation to or in any way connected to the Contract, the Termination, the Project, the Supreme Court Action, the Lien Actions and the Arbitration in the usual commercial terms for a settlement of this nature in British Columbia, on their own behalf and on behalf of all affiliates, subsidiaries, past, present and future partners, directors, officers, employees, agents, predecessors, successors, assigns, liquidators, receivers, receiver managers, trustees, insurers, owners, and shareholders.
9. The mutual release will include a release by the Receiver and the Trustee (for and on behalf of itself and Tradesmen) of Fluor and the other landowner and interest-owner defendants named in the Supreme Court Action.

Dismissal of Proceedings

10. If the Court approves of this settlement and the terms of this settlement, including all payments hereunder, are fulfilled:
 - (a) the Supreme Court Action will be dismissed in its entirety on a Consent Dismissal Order basis against all parties, including Fluor and the named landowners, on a without costs basis;
 - (b) The Parties will bear their own costs and their equal share of the Arbitrator's accounts, and the Arbitration will be dismissed on a without costs basis; and
 - (c) All claims of lien and certificates of pending litigation filed by the Receiver or TME are to be discharged and removed from the Lands and the Lien Actions will be dismissed in their entirety on a Consent Dismissal Order basis against all parties and the named landowners, on a without costs basis.

Other Terms of Settlement

dismissed in their entirety on a Consent Dismissal Order basis against all parties and the named landowners, on a without costs basis.

Other Terms of Settlement

11. If Court approval of the settlement is obtained, then the \$1,000,000 security posted by BMO in the Arbitration will be returned forthwith by the Receiver to BMO, or with the consent of BMO, used to fund the remaining costs of the receivership.
12. The Parties agree that the installment of the third posting of security is extended and will be held in abeyance pending Court approval of the settlement. If the settlement does not proceed, then the instalment will be required at a time to be agreed between the Parties or further direction of the Arbitrator if the Parties are unable to agree on timing.
13. The Parties confirm they have agreed to the following extensions of time in the Arbitration, which agreement is independent of this settlement:
 - (a) the date for both Parties to provide their witness statements in defence and reliance documents is extended to February 24, 2023;
 - (b) the date for both Parties to provide their expert reports in chief is extended to February 10, 2023.
14. These Minutes of Settlement may be executed in one or more counterparts and by facsimile, PDF email attachment or other means of electronic transmission, each of which shall be deemed an original, but all of which taken together shall constitute one and the same Minutes of Settlement.

Agreed to by the Parties on November 30, 2022:



Authorized representative of
Teck Coal Limited

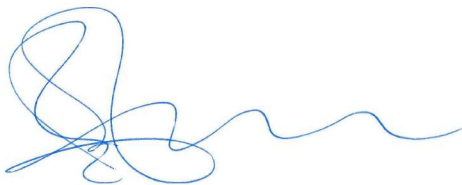
Authorized representative of
KSV RESTRUCTURING INC.,
in its capacity as the Court-Appointed
Receiver of TRADESMEN ENTERPRISES
LIMITED PARTNERSHIP

Authorized representative of
KSV RESTRUCTURING INC.,
in its capacity as the Licensed Insolvency
Trustee of TRADESMEN ENTERPRISES
LIMITED PARTNERSHIP

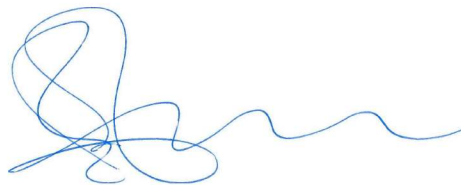
11. If Court approval of the settlement is obtained, then the \$1,000,000 security posted by BMO in the Arbitration will be returned forthwith by the Receiver to BMO, or with the consent of BMO, used to fund the remaining costs of the receivership.
12. The Parties agree that the installment of the third posting of security is extended and will be held in abeyance pending Court approval of the settlement. If the settlement does not proceed, then the instalment will be required at a time to be agreed between the Parties or further direction of the Arbitrator if the Parties are unable to agree on timing.
13. The Parties confirm they have agreed to the following extensions of time in the Arbitration, which agreement is independent of this settlement:
 - (a) the date for both Parties to provide their witness statements in defence and reliance documents is extended to February 24, 2023;
 - (b) the date for both Parties to provide their expert reports in chief is extended to February 10, 2023.
14. These Minutes of Settlement may be executed in one or more counterparts and by facsimile, PDF email attachment or other means of electronic transmission, each of which shall be deemed an original, but all of which taken together shall constitute one and the same Minutes of Settlement.

Agreed to by the Parties on November 30, 2022:

Authorized representative of
Teck Coal Limited



Authorized representative of
KSV RESTRUCTURING INC.,
in its capacity as the Court-Appointed
Receiver of TRADESMEN ENTERPRISES
LIMITED PARTNERSHIP



Authorized representative of
KSV RESTRUCTURING INC.,
in its capacity as the Licensed Insolvency
Trustee of TRADESMEN ENTERPRISES
LIMITED PARTNERSHIP

Appendix “E”

MUTUAL RELEASE

Dated for reference the [●] day of January 2023.

WHEREAS:

- A. Tradesmen Enterprises Limited Partnership (“**TME**”) performed work for Teck Coal Limited (“**Teck**”) at Teck’s Fording River Operations Active Water Treatment Facility South Project (the “**Project**”) under a Works Agreement made as of May 28, 2019 (the “**Contract**”).
- B. Teck terminated TME’s Contract on January 11, 2021 (the “**Termination**”).
- C. On February 1, 2021, TME filed a Notice of Intention to Make a Proposal pursuant to the Bankruptcy and Insolvency Act and KSV Restructuring Inc. (“**KSV**”) was appointed the Proposal Trustee.
- D. On April 15, 2022, pursuant to an order of the Court of King's Bench of Alberta (the “**Court**”) KSV was appointed as the receiver and manager (the “**Receiver**”) of TME on the application of its primary secured creditor, Bank of Montreal (“**BMO**”).
- E. On April 17, 2021, TME was deemed to have filed an assignment in bankruptcy and KSV was appointed the Licensed Insolvency Trustee (the “**Trustee**”) of TME. All references to KSV hereinafter, unless indicated otherwise, shall be deemed to include KSV in all its capacities with respect to TME (as Proposal Trustee, Trustee and Receiver) and also in its personal capacity.
- F. KSV, in its capacity as Receiver, commenced an Action in the Supreme Court of British Columbia, Cranbrook Registry No. CLB-S-30453 (the “**Supreme Court Action**”), against Teck, Fluor Canada Ltd. (“**Fluor**”), Her Majesty the Queen in Right of the Province of British Columbia (the “**Province**”), Canadian Pacific Limited (“**CPL**”), and FortisBC Energy Inc. (“**FEI**”) in respect of various claims respecting the Contract and the Termination.
- G. The Supreme Court Action was stayed and the Receiver commenced an arbitration against Teck and Fluor on June 3, 2021, seeking damages of approximately \$54 million (the “**Arbitration**”).
- H. Fluor was determined by the Arbitrator to not be a proper party to the Arbitration.
- I. Teck commenced a Counterclaim against TME in the Arbitration, seeking damages of approximately \$54 million (the “**Counterclaim**”).
- J. A number of TME’s subcontractors (the “**Lien Claimants**”) who worked on the Project have filed liens and certificates of pending litigation against lands owned by Teck, the Province, CPL and FEI (the “**Lands**”), claimed Shimco liens and commenced court actions against Teck and others to enforce their claims (the “**Lien Actions**”).

- K. Following a mediation held on November 4, 2022, the Receiver, the Trustee and Teck (the “**Parties**”) agreed to fully and finally settle the Supreme Court Action and the Arbitration and all associated claims of lien, claims related to the Project, claims related to the Termination, and claims under the Contract (the “**Settlement**”) as set out in Minutes of Settlement dated November 30, 2022 (the “**Minutes of Settlement**”). The Minutes of Settlement are hereby confirmed, ratified, and incorporated into this Mutual Release.
- L. This Mutual Release (the “**Mutual Release**”) is the release referenced in sections 8 and 9 of the Minutes of Settlement.

NOW THEREFORE IN CONSIDERATION OF the Settlement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties **HEREBY COVENANT AND AGREE AS FOLLOWS:**

Mutual Release

1. Save and except for KSV’s obligations in the Minutes of Settlement and in this Mutual Release, Teck, on its own behalf, and on behalf of its affiliates, subsidiaries, past, present and future partners, directors, officers, employees, agents, predecessors, successors, assigns, liquidators, receivers, receiver managers, trustees, insurers, owners, and shareholders **HEREBY RELEASES, REMISES AND FOREVER DISCHARGES** KSV, TME and their affiliates, subsidiaries, past, present and future partners, directors, officers, employees, agents, predecessors, successors, assigns, liquidators, receivers, receiver managers, trustees, insurers, owners, shareholders, from any and all claims, counterclaims, complaints, disputes, demands, causes of action, liabilities, obligations, damages, legal fees, costs, expenses and disbursements of any nature or kind, whatsoever and howsoever arising, whether known or unknown, whether in law or in equity or pursuant to statute, which Teck has ever had, now has, or at any time hereafter may have by reason of, relating to, arising out of, or connected with any event, act or omission prior to or existing up to and inclusive of the date of this Mutual Release which is in any way connected with, or which arises directly or indirectly from, or relates to the Contract, the Termination, the Project, the Supreme Court Action, the Lien Actions and the Arbitration (collectively, the “**Disputed Matters**”).
2. Save and except for Teck’s obligations in the Minutes of Settlement and in this Mutual Release, KSV, on its own behalf, on behalf of TME, and on behalf of their affiliates, subsidiaries, past, present and future partners, directors, officers, employees, agents, predecessors, successors, assigns, liquidators, receivers, receiver managers, trustees, insurers, owners, and shareholders **HEREBY RELEASES, REMISES AND FOREVER DISCHARGES** Teck, the Province, FEI, CPL, Canadian Pacific Railway Company, Fluor, and their affiliates, subsidiaries, past, present and future partners, directors, officers, employees, agents, predecessors, successors, assigns, liquidators, receivers, receiver managers, trustees, insurers, owners, shareholders, from any and all claims, liens, certificate of pending litigation, claims against holdback, counterclaims, complaints, disputes, demands, causes of action, liabilities, obligations, damages, legal fees, costs, expenses and disbursements of any nature or kind, whatsoever and howsoever arising, whether known or unknown, whether in law or in equity or pursuant to statute, which KSV

has ever had, now has, or at any time hereafter may have by reason of, relating to, arising out of, or connected with any event, act or omission prior to or existing up to and inclusive of the date of this Mutual Release which is in any way connected with, or which arises directly or indirectly from, or relates to the Disputed Matters.

No Assignment

3. Teck represents and warrants that it has not assigned any of the claims or proceedings that are the subject of this Mutual Release.
4. KSV represents and warrants that it has not assigned any of the claims or proceedings that are the subject of this Mutual Release.

No Further Claims

5. Teck will not commence, maintain, continue or assign any claim or proceedings against any person or entity in respect of the Disputed Matters which may result in a claim or proceeding against TME or KSV.
6. KSV will not commence, maintain, continue or assign any claim or proceedings against any person or entity in respect of the Disputed Matters which may result in a claim or proceeding against Teck, the Province, FEI, CPL, Canadian Pacific Railway Company, or Fluor.

General Terms

7. This Mutual Release may be pleaded or relied upon by the Parties and beneficiaries as a full and complete defence and may be used as a basis for an injunction against any claim or proceeding or other act or omission that may be made, commenced or continued in breach of the terms of this Mutual Release.
8. The Parties acknowledge that they have executed this Mutual Release after receiving independent legal advice from their solicitors.
9. The Parties acknowledge that the facts in respect of which this Mutual Release is made may prove to be other than or different from the facts now believed by them to be true, and they accept and assume the risk of the facts being different, and covenants and agrees that this Mutual Release will be in all respects enforceable and not subject to termination, rescission or variation by discovery of any difference in facts.
10. This Mutual Release and all related matters will be governed by, and construed in accordance with, the laws of British Columbia, Canada and the federal laws of Canada applicable therein. Any dispute arising from, connected with or relating to this Mutual Release, or any related matters, must be resolved before the courts of British Columbia sitting in the City of Vancouver and the Parties and each of them hereby irrevocably submit and attorn to the original and exclusive jurisdiction of these courts in respect of any dispute or matter related to this Mutual Release.

11. If any provision of this Mutual Release is held to be invalid or unenforceable for any reason, the remaining provisions will continue in full force and effect without being impaired or invalidated in any way. It is the intention of the Parties that this Mutual Release will have been executed without reference to any provision which may, for any reason, be held to be invalid or unenforceable.
12. The Parties acknowledge and agree that the settlement between them, the Minutes of Settlement, this Mutual Release, and the consideration for this Mutual Release, and anything done pursuant to this Mutual Release, are not admissions of any direct or indirect fault or liability by any party and the Parties expressly deny any such fault or liability.
13. This Mutual Release may be executed and delivered in one or more counterparts and by electronic delivery or otherwise, each of which when executed and delivered will be deemed an original, and all of which will constitute one and the same document.
14. The provisions contained herein (including the recitals), together with the Minutes of Settlement, constitute the entire agreement between the Parties and supersede all previous communications, representations, understandings and agreements, whether oral or written, between them with respect to the subject matter of this Mutual Release.

Agreed to by the Parties on [●]:

Authorized representative of
Teck Coal Limited

Authorized representative of
KSV RESTRUCTURING INC.,
in its personal capacity as theand in its capacities as Proposal Trustee, Trustee and Court-
Appointed Receiver of
TRADESMEN ENTERPRISES LIMITED PARTNERSHIP

Appendix “F”

Project Name: Teck Coal Ltd, Fording River Operations AWTF - S Project
 Customer Name: Fluor Canada Ltd. *acting as limited agent on behalf of Teck Coal Limited
 Customer Ref. No.: A9TW02-40-K103
 TE Job No.: 190010
 Report Rev. No.: 00
 Subcontractor: KRC
 Subcontractor PO(s):

| Scope of Work (i.e. K103, K104, | Change Order No. | Rev. No. | Description | Subcontract | Change Order | Tradesmen CO Status |
|------------------------------------|------------------|----------|---|-------------|--------------|------------------------|
| | | | | Cost (\$) | Total | |
| K110 | KRC CR-006 | 0 | Estimate for Diversion work at Kilmarnock | 25,597.50 | \$25,597.50 | Approved |
| K110 | KRC CR-015 | 0 | Clean-up Work TME Requested | 1,300.00 | \$1,300.00 | Approved |
| K110 | KRC CR-016 | 0 | CP Rail Scope | 20,959.50 | \$20,959.50 | Approved |
| K110 | KRC CR-017 | 0 | Rock Hammer | 144,400.00 | \$144,400.00 | Approved |
| K110 | KRC CR-027 | 0 | Low Perm Haul Material from Graham Stockpile | 16,260.00 | \$16,260.00 | Approved |
| K110 | KRC CR-029 | 0 | Liner Support for the Dam at the Kilmarnock Castle | 3,190.00 | \$3,190.00 | Approved |
| K110 | KRC CR-032 | 0 | Back Fill Under Placed Piping | 11,897.50 | \$11,897.50 | Approved |
| K110 | KRC CR-033 | 0 | Construct Swift Temporary Access Road | 8,592.50 | \$8,592.50 | Approved |
| K110 | KRC CR-035 | | Estimated Costs to Complete Wood Low Flow T&M | 114,320.00 | \$114,320.00 | Approved |
| K110 | KRC CR-041 R1 | | KRC Support to Badger to locate yellow pipe | 5,812.90 | 5,812.90 | Approved |
| K110 | KRC CR-042 | 1 | Bore Support Additional Excavator | 32,655.72 | \$32,655.72 | Approved |
| K110 | KRC CR-044 | | Crane Pad for retention Pond Ehouse | 850.00 | \$850.00 | Approved |
| K110 | KRC CR-045 | | Construct and remove temporary Crane pad | 3,905.00 | \$3,905.00 | Approved |
| K103 | KRC CR-046 | | Remove & Replace Concrete Door-Stair Pad at Eroom RFI 376 | 5,757.50 | \$5,757.50 | Approved |

\$395,498.12

Summary by Tradesmen CO Status
 Approved \$395,498.12
 Pending \$ -
 Rejected/Cancelled \$ 1,329,156.87
Total Change Order Value Submitted \$ 1,730,489.59

Project Name: Teck Coal Ltd, Fording River Operations AWTF - S Project
 Customer Name: Fluor Canada Ltd. *acting as limited agent on behalf of Teck Coal Limited
 Customer Ref. No.: A9TW02-40-K103
 TE Job No.: 190010
 Report Rev. No.: 00
 Subcontractor: KRC
 Subcontractor PO(s):

| Scope of Work (i.e. K103, K104, K110) | Change Order No. | Rev. No. | Description | | | Tradesmen CO Status |
|--|------------------|----------|-------------|-----------------------|--------------------|---------------------|
| | | | | Subcontract Cost (\$) | Change Order Total | |
| | | | | | | \$0.00 |

Summary by Tradesmen CO Status
 Rejected/Cancelled \$395,498.12
 Pending \$0.00
 Approved \$ 1,329,156.87
Total Change Order Value Submitted \$ 1,730,489.59

Project Name: Teck Coal Ltd, Fording River Operations AWTF - 5 Project
 Customer Name: Fluor Canada Ltd. *acting as limited agent on behalf of Teck Coal Limited
 Customer Ref. No.: A9TW02-40-K103
 TE Job No.: 190010
 Report Rev. No.: 00
 Subcontractor: KRC
 Subcontractor PO(s):

| Scope of Work (i.e. K103, K104, K110) | Change Order No. | Rev. No. | Description | Subcontract Cost (\$) | Change Order Total | Tradesmen CO Status |
|---------------------------------------|------------------|----------|---|-----------------------|-----------------------|---|
| K110 | KRC CR-001 | 0 | Excavation of Common Soils 3-6m in depth (retention pond chamber) | 0.00 | \$0.00 | Rejected/Cancelled |
| K110 | KRC CR-002 | 0 | VOID - KRC Office Trailer | 15,800.00 | \$15,800.00 | Rejected/Cancelled |
| K110 | KRC CR-003 | 0 | VOID - Retention Pond Key-way | 609,953.25 | \$609,953.25 | Rejected/Cancelled |
| K110 | KRC CR-004 | 0 | VOID - KRC Safety Personnel | | \$0.00 | Rejected/Cancelled |
| K110 | KRC CR-005 | 0 | Removal of BOQ Item | 2,024.50 | \$2,024.50 | Rejected/Cancelled |
| K110 | KRC CR-007 | 0 | Estimate for Rip rap excavation work at Swift | 2,340.00 | \$2,340.00 | Rejected/Cancelled |
| K110 | KRC CR-008 | 0 | VOID - Estimate for Keyway work at retention pond | 9,555.00 | \$9,555.00 | Rejected/Cancelled |
| K110 | KRC CR-009 | 0 | Care of Water Requirements | 5,815.00 | \$5,815.00 | Rejected/Cancelled |
| K110 | KRC CR-010 | 0 | Indirect Cost of Schedule Delays | 187,075.00 | \$187,075.00 | Rejected/Cancelled |
| K110 | KRC CR-011 | 0 | VOID - Objects | | \$0.00 | Rejected/Cancelled |
| K110 | KRC CR-012 | 0 | Standby Delays for Foreign Buried Objects | 6,045.00 | \$6,045.00 | Rejected/Cancelled |
| K110 | KRC CR-013 | 0 | Backfill of Retention Pond Chamber | 6,890.00 | \$6,890.00 | Rejected/Cancelled |
| K110 | KRC CR-014 | 0 | VOID - Standby for Uncontrollable Events | | \$0.00 | Rejected/Cancelled |
| K110 | KRC CR-018 | 0 | VOID - Excavation for Concrete Foundations (E-House) | 4,605.00 | \$4,605.00 | Rejected/Cancelled |
| K110 | KRC CR-019 | 0 | VOID - Construction of the E House Pad East of the Building | | \$0.00 | Rejected/Cancelled |
| K110 | KRC CR-020 | 0 | VOID - Backfill of CWP10 Low Flow Pipeline | | \$0.00 | Rejected/Cancelled |
| K110 | KRC CR-021 | 0 | Excavation and Install of Retention Pond Mooring | 10,400.00 | \$10,400.00 | Rejected/Cancelled |
| K110 | KRC CR-022 | 2 | Retention Pond Key-way (Winter Work Revision) | 29,640.00 | \$29,640.00 | Rejected/Cancelled |
| K110 | KRC CR-024 | 0 | Wood Low Flow Pipeline Backfill | 0.00 | \$0.00 | Rejected/Cancelled |
| K110 | KRC CR-025 | 0 | Fluor Standby Charges | 4,350.00 | \$4,350.00 | Rejected/Cancelled |
| K110 | KRC CR-026 | 0 | Keyway, E-House Foundation Excavation/Backfill, Wood Control Box | 0.00 | \$0.00 | Rejected/Cancelled |
| K110 | KRC CR-030 | 0 | Rip Rap Removal | 7,370.00 | \$7,370.00 | Rejected/Cancelled |
| K110 | KRC CR-031 | 0 | Stand By Charges Safety Stand Down | 16,487.50 | \$16,487.50 | Rejected/Cancelled |
| K110 | KRC CR-036 | | Gravel Stockpile | | \$0.00 | Rejected/Cancelled |
| K110 | KRC CR-037 | | Heat and Horde | | \$0.00 | Rejected/Cancelled |
| K110 | KRC CR-038 | | Sanitation Line | | \$0.00 | Rejected/Cancelled |
| K110 | KRC CR-039 | | Wood Bed Rock Support | | \$0.00 | Rejected/Cancelled |
| K110 | KRC CR-047 | | Indirect costs due to schedule delays | 140,760.00 | \$140,760.00 | Rejected/Cancelled |
| K110 | KRC CR-048 | | Indirect costs due to schedule delays | 35,200.00 | \$35,200.00 | Rejected/Cancelled |
| K110 | KRC CR-023 | 0 | Excavate Material and Compact Material at E-House | 31,200.00 | \$31,200.00 | Not Approved based on Neat line volumes. Which was paid through BOQ reconciled quantities |
| K110 | KRC CR-028 | 0 | Construction of the E House Pads | 12,730.00 | \$12,730.00 | Not Approved based on Neat line volumes. Which was paid through BOQ reconciled quantities |
| K110 | KRC CR-034 | | Unit Rate Change for Winter Cable Trench Excavation | 129,288.60 | \$129,288.60 | Not Approved based on Neat line volumes. Which was paid through BOQ reconciled quantities |
| K110 | KRC CR-040 | | Excavation and Back fill of Concrete structures | 46,672.80 | \$46,672.80 | Not Approved based on Neat line volumes. Which was paid through BOQ reconciled quantities |
| K110 | KRC CR-043 | | Additional Bore Pit Quantities | 14,945.22 | \$14,945.22 | Not Approved based on Neat line volumes. Which was paid through BOQ reconciled quantities |
| | | | | | \$1,329,156.87 | |

Summary by Tradesmen CO Status
 Rejected/Cancelled \$ 1,329,156.87
 Pending \$ -
 Approved \$ 395,498.12
 Total Change Order Value Submitted \$ 1,730,489.59

Appendix “G”



Tradesmen Enterprises Limited Partnership
 #730, 440 – 2nd Avenue S.W.
 Calgary, AB T2P 5E9
 Ph.: (403) 265-4557

Letter Number: LTR-TDM-TCL-K103-020

November 10th, 2020

Kettle River Contracting
 Unit 201 -127 Commercial Drive
 Calgary, Alberta T3Z 2A7

Sent via email to scott.henderson@kettlerivercontracting.com

Attention: Scott Henderson

Contract No.: A9TW02-40-K103

Description: KRC Project Reconciliation - Final

Project: Fording River Operations (FRO) Active Water Treatment Facility (AWTF) South Project

SUBJECT: KRC Project Reconciliation - Final

Dear Sir,

Upon review of volume and cost comparisons between submitted KRC invoices vs. actuals, Tradesmen advises discrepancies in accordance with the Unit Rate terms in our contract; detailed in the appended documents K110 - CIVIL.Earthworks.SiteFinish- KRC Reconciliation.

Regarding Unit Rate, the attached spreadsheet includes KRC as-built drawing data submitted per BOQ line item (Column Claimed Quantity By KRC) along with Client neat-line design volumes (EAC Quantity Eligible) which is based upon the contract’s MOM payment terms. Project actuals are represented are in accordance with these same MOM calculations.

For ease of reference, the Project MOM is attached to support the understanding of unit rate inclusions for payment terms. This mutual understanding of the contract terms is identified in KRC Exceptions and Clarifications, and further supported by correspondence between Tradesmen and KRC in attached KRC TME Email Record.

The attached spreadsheet entitled Payment breakdown-KRC represents all invoices submitted to date along with payments already made, broken down in to Contract Types. Tradesmen have completed an audit of all T&M LEMS as well as approved payments. Please see below table 1 highlighting the variance between Tradesmen Paid as well as Reconciliation Contract values.

Table 1: Variance between Paid and Reconciliation Contract Values

| | Unit Rate | T&M | Mob | COR | | |
|-----------------------|-----------------|-----------------|---------------|-----------------|--------------------|------------------------|
| Paid | \$ 1,580,171.13 | \$ 131,784.40 | \$ 3,600.00 | \$ 217,022.50 | | |
| Reconciliation | \$ 1,133,696.60 | 242,666.52 | 5,100.00 | 395,498.12 | Total Due | \$ 1,776,961.24 |
| Overpayment | \$ 446,474.53 | \$ (110,882.12) | \$ (1,500.00) | \$ (178,475.62) | Overpayment | \$ 158,899.29 |



Tradesmen Enterprises Limited Partnership
#730, 440 – 2nd Avenue S.W.
Calgary, AB T2P 5E9
Ph.: (403) 265-4557

This reconciliation analysis has determined the following:

- 1. Unit rate discrepancies result in a credit owed to TME for \$446,474.53**
- 2. T&M discrepancies result in a credit owed to KRC for \$110,882.12**
- 3. COR discrepancies result in a credit owed to KRC for \$178,475.62**
- 4. Demobilization discrepancy in a credit owed to KRC for \$1,500**

These findings equate to an overall credit owed to Tradesmen in the amount of \$158,899.29.

Tradesmen has assessed remaining outstanding CORs as per attached file titled [KRC CO Log 20201108](#).

Should the foregoing findings require additional clarification, a meeting could be arranged to discuss in greater detail.

Tradesmen Enterprises appreciates business with KRC and anticipates an expedient and equitable resolution.

Thank you and best regards,

Mike Taylor

Mike Taylor
General Manager Civil & Earthworks
Tradesmen Enterprises LP
Cell: (403) 988-3581
E-mail: mike.taylor@teigp.com

Cc: Patrick Shannon, Dean Kato, Jamie Markotjohn, Cori-Ann Mogan, Craig Boudreau

Enclosure: **1. K110 – CIVIL.Earthworks.SiteFinish – KRC Reconciliation**
2. Payment Breakdown – KRC
3. Project MOM
4. KRC TME Email Record
5. KRC CO Log 20201108

Response required: Yes

Response required by: November 20th,2020

Appendix “H”

From: Mike Taylor <mike.taylor@teigp.com>

Sent: November 10, 2020 11:18 AM

To: scott.henderson@kettlerivercontracting.com

Cc: patrick.shannon@kettlerivercontracting.com; Dean Kato <Dean.Kato@teigp.com>; Jamie Markotjohn <Jamie.Markotjohn@teigp.com>; Cori-Ann Mogan <Cori-Ann.Mogan@teigp.com>; Craig Boudreau <Craig.Boudreau@teigp.com>

Subject: LTR-TDM-SUB-K103-020 Reconciliation-Final

Hi Scott,

Please find attached for your review.

Thank you,
Mike



Mike Taylor

General Manager Civil & Earthworks

#730, 440 – 2 Avenue S.W., Calgary, AB T2P 5E9

p: 403.988.3581

mike.taylor@teigp.com

www.tradesmenenterprises.com



Tradesmen Enterprises Limited Partnership
 #730, 440 – 2nd Avenue S.W.
 Calgary, AB T2P 5E9
 Ph.: (403) 265-4557

Letter Number: LTR-TDM-TCL-K103-020

November 10th, 2020

Kettle River Contracting
 Unit 201 -127 Commercial Drive
 Calgary, Alberta T3Z 2A7

Sent via email to scott.henderson@kettlerivercontracting.com

Attention: Scott Henderson

Contract No.: A9TW02-40-K103

Description: KRC Project Reconciliation - Final

Project: Fording River Operations (FRO) Active Water Treatment Facility (AWTF) South Project

SUBJECT: KRC Project Reconciliation - Final

Dear Sir,

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Regarding Unit Rate, the attached spreadsheet includes KRC as-built drawing data submitted per BOQ line item (Column Claimed Quantity By KRC) along with Client neat-line design volumes (EAC Quantity Eligible) which is based upon the contract’s MOM payment terms. Project actuals are represented are in accordance with these same MOM calculations.

For ease of reference, the *Project MOM* is attached to support the understanding of unit rate inclusions for payment terms. This mutual understanding of the contract terms is identified in *KRC Exceptions and Clarifications*, and further supported by correspondence between Tradesmen and KRC in attached *KRC TME Email Record*.

The attached spreadsheet entitled *Payment breakdown-KRC* represents all invoices submitted to date along with payments already made, broken down in to Contract Types. Tradesmen have completed an audit of all T&M LEMS as well as approved payments. Please see below table 1 highlighting the variance between Tradesmen Paid as well as Reconciliation Contract values.

Table 1: Variance between Paid and Reconciliation Contract Values

| | Unit Rate | T&M | Mob | COR | | |
|-----------------------|-----------------|-----------------|---------------|-----------------|--------------------|------------------------|
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| Reconciliation | \$ 1,133,696.60 | 242,666.52 | 5,100.00 | 395,498.12 | Total Due | \$ 1,776,961.24 |
| Overpayment | \$ 446,474.53 | \$ (110,882.12) | \$ (1,500.00) | \$ (178,475.62) | Overpayment | \$ 158,899.29 |



Tradesmen Enterprises Limited Partnership
#730, 440 – 2nd Avenue S.W.
Calgary, AB T2P 5E9
Ph.: (403) 265-4557

This reconciliation analysis has determined the following:

1. Unit rate discrepancies result in a credit owed to TME for \$446,474.53
2. T&M discrepancies result in a credit owed to KRC for \$110,882.12
3. COR discrepancies result in a credit owed to KRC for \$178,475.62
4. Demobilization discrepancy in a credit owed to KRC for \$1,500

These findings equate to an overall credit owed to Tradesmen in the amount of \$158,899.29.

Tradesmen has assessed remaining outstanding CORs as per attached file titled [KRC CO Log 20201108](#).

Should the foregoing findings require additional clarification, a meeting could be arranged to discuss in greater detail.

Tradesmen Enterprises appreciates business with KRC and anticipates an expedient and equitable resolution.

Thank you and best regards,

Mike Taylor

Mike Taylor
General Manager Civil & Earthworks
Tradesmen Enterprises LP
Cell: (403) 988-3581
E-mail: mike.taylor@teigp.com

Cc: Patrick Shannon, Dean Kato, Jamie Markotjohn, Cori-Ann Mogan, Craig Boudreau

Enclosure: 1. K110 – CIVIL.Earthworks.SiteFinish – KRC Reconciliation
2. Payment Breakdown – KRC
3. Project MOM
4. KRC TME Email Record
5. KRC CO Log 20201108

Response required: Yes

Response required by: November 20th,2020



ANALYSIS - CIVIL EARTHWORKS -SITE FINISH

PROJECT: FRO-AWTF-S

DATE: AUG 12 2020

KRC ASSESSMENT

REFERENCES AND COMMENTS

| Unit Price Ref | Scope of Work | Unit Price Description | AREA | Estimated Total QUANT. | U/R UOM | Completed Quantity | 2. KRC.REF (K) | EAC Quantity (Eligible) | KRC ASSESSMENT | | | | | PAYMENT | Comments | LINK |
|----------------|--------------------------------------|--|--|------------------------|---------|--------------------|-------------------------|-------------------------|----------------|----------|------------|------------------------------|--------------|---------------|--|--------------------------------|
| | Supply, Fabricate, Install / Perform | | | | Metric | | Claimed Quantity By KRC | | Claimed | Eligible | Rate (KRC) | QTY Variance (Against Claim) | 1,117,511.28 | | | |
| Unit Price Ref | Supply, Fabricate, Install / Perform | Unit Price Description | AREA | 0.0 | Metric | 0.0 | Claimed Quantity By KRC | QTY Eligible | Earned | Claimed | Eligible | Extra 2 | QTY | Payment | | |
| 00.10.003.0001 | Install / Perform | haul and dump excavated material < 3 km | to waste dump areas | 10,000.0 | m3 | 27431 | 30,738.2 | 27,431.0 | 0.0 | Claimed | Eligible | \$16.90 | -3307.2 | \$ 463,583.90 | Haul and dump based on the retention pond and Kilmarnock intake. There will be an additon for the manhole displacement volumes. Accounted for Displacement on all concrete and pipeline. Removed Kilmarnock outfall scope. COMPLETED: [R-62-DWG-KRC-OSBL-002 = 22462 m3] [R-70-DWG-KRC-OSBL-037 = 5005 m3] TOTAL: 27,431 | 00.10.003.0001 |
| 00.10.003.0002 | Install / Perform | haul and dump excavated material < 3 km | to topsoil stockpile | 750.0 | m3 | 0 | 750.0 | 0.0 | 0.0 | Claimed | xx | \$16.90 | 0 | \$ - | Accounted for in 00.10.003.0001 | 00.10.003.0001 |
| 00.20.001.0001 | Install / Perform | Clearing & grubbing up to depth 1.5m. | Swift intake area | 0.15 | ha | 0 | 0.10 | 0.150 | 0.0 | Claimed | Eligible | \$38,500.00 | 0.05 | \$ 5,775.00 | Agreed on units | N/A |
| 00.20.002.0001 | Install / Perform | Stripping of Topsoil up to depth 0.5m. (ave) | various areas | 1,500.0 | m2 | 0 | 2,362.0 | 0.0 | 0.0 | Claimed | x | \$8.50 | 0 | \$ - | KRC did this on another contract. This line is not relevent any more | N/A |
| 00.20.005.0001 | Supply | Silt Fences | various areas | 350.0 | m | 1042 | 1,158.0 | 1,042.0 | 0.0 | Claimed | Eligible | #N/A | -116 | \$ - | Part of Install and Perform | N/A |
| 00.20.005.0002 | Install / Perform | Silt Fences | various areas | 350.0 | m | 1042 | 1,158.0 | 1,042.0 | 0.0 | Claimed | Eligible | \$10.85 | -116 | \$ 11,305.70 | Missing Documents. Pictures required. | N/A |
| 00.25.001.0001 | Install / Perform | Excavation of Common Soil for Cable Trench by Hand - by machine | AWTF Facility Overall Electrical | 390.0 | m3 | 124 | 880.3 | 124.0 | 0.0 | Claimed | x | \$24.05 | 0 | \$ - | NOT ELIGIBLE | N/A |
| 00.25.001.0002 | Install / Perform | Excavation of Common Soil for Cable Trench by Hand - by machine | AWTF Overall Lighting, Retention Structure and Process Bldg. | 1,110.0 | m3 | 432.63 | 579.9 | 432.6 | 0.0 | Claimed | Eligible | \$24.05 | -147.27 | \$ 10,404.75 | Corrected to 432.63 as per Fluor/TME assessment. [R20 / R22 / R27] | 00.25.001.0002 |
| 00.25.001.0004 | Install / Perform | Excavation of Common Soil for Cable Trench by Hand - by machine | Kilmarnock Intake Pump Station | 42.0 | m3 | 31.05 | 61.0 | 31.1 | 0.0 | Claimed | Eligible | \$24.05 | -29.9 | \$ 747.96 | Based on WSP As-Builts [R-25 - 181-06483-00-000-00-CSTK080-R0] | 00.25.001.0004 |
| 00.25.002.0001 | Install / Perform | Excavation of Common Soil for Pipe Trench by Machine | Pipeline Trenches | 12,000.0 | m3 | 6051.5 | 13,091.0 | 6,051.5 | \$ - | Claimed | Eligible | \$11.00 | -7039.5 | \$ 66,566.50 | Based on WSP As-Builts [R-03 / R-31 / R-32 / R-33 / R-35] | 00.25.002.0001 |
| 00.25.002.0002 | Install / Perform | Excavation of Common Soil for Pipe Trench by Machine | CWP-10 (Swift by-pass) | 2,160.0 | m3 | 0 | 647.0 | 0.0 | 0.0 | Claimed | x | \$15.00 | 0 | \$ - | NOT PERFORMED | N/A |
| 00.25.003.0001 | Install / Perform | Excavation for foundations | 0 | 60.0 | m3 | 1406.62 | 167.5 | 1,406.6 | 0.0 | Claimed | x | \$0.00 | 0 | \$ - | NOT ELIGIBLE | N/A |
| 00.25.004.0001 | Install / Perform | Mass Excavation of Common Soil for depths 0-3m | Retention Pond Site rough grading | 22,600.0 | m3 | 22878.29 | 22,426.0 | 22,878.3 | 0.0 | Claimed | Eligible | \$7.00 | 452.29 | \$ 160,148.03 | Completed, WSP provided Neat lines [R-01 / R-11 / R-41] | 00.25.004.0001 |
| 00.25.004.0003 | Install / Perform | Mass Excavation of Common Soil for depths 0-3m | Access Roads | 255.0 | m3 | 0 | 746.0 | 166.0 | 0.0 | Claimed | x | \$20.00 | 0 | \$ - | REMAINING, NOT DONE | 00.25.004.0003 |
| 00.25.004.0004 | Install / Perform | Mass Excavation of Common Soil for depths 0-3m | Swift Intake Pad | 480.0 | m3 | 279.52 | 0.0 | 279.5 | 0.0 | N/A | x | \$22.84 | 0 | \$ - | Agrrred Units of 279.52 as per Flour. | |
| 00.25.004.0005 | Install / Perform | Mass Excavation of Common Soil for depths 0-3m | Kilmarnock Intake Site | 225.0 | m3 | 191.36 | 163.0 | 191.4 | 0.0 | Claimed | Eligible | \$22.00 | 28.36 | \$ 4,209.92 | Completed, WSP provided Neat lines [R-07 /R-08 /R-09 / R-29 / R-39] | 00.25.004.0005 |
| 00.25.004.0006 | Install / Perform | Mass Excavation of Common Soil for depths 0-3m | Drain Manholes | 30.0 | m3 | TBD | 182.0 | #VALUE! | 0.0 | Claimed | x | \$39.00 | 0 | \$ - | Based off Design (3 manholes). Waiting on the Neatline From WSP | |
| 00.30.001.0002 | Install / Perform | Backfill and Compaction of Bedding Sand for Pipe Trenches, 12mm minus | All buried HDPE Pipeline | 1,250.0 | m3 | 374.51 | 338.5 | 374.5 | 0.0 | Claimed | Eligible | \$36.00 | 36.01 | \$ 13,482.36 | R-03 , R-31, R-32, R-33 | 00.30.001.0002 |
| 00.30.001.0004 | Install / Perform | Backfill and Compaction of pipe zone material for pipe trenches , 25mm minus | All buried HDPE Pipeline | 3,310.0 | m3 | 1318.89 | 2,301.5 | 1,318.9 | 0.0 | Claimed | Eligible | \$57.00 | -982.61 | \$ 75,176.73 | R-21, R-32, R-31, R-27 | 00.30.001.0004 |
| 00.30.001.0006 | Install / Perform | Trench Backfill - Common Fill, 75mm minus | All buried HDPE Pipeline | 8,650.0 | m3 | 3985.3 | 10,501.2 | 3,985.3 | 0.0 | Claimed | Eligible | \$29.40 | -6515.9 | \$ 117,167.82 | R-03, R-20, R-27, R-31, R-31, R-32, R-33 | 00.30.001.0006 |
| 00.30.002.0004 | Install / Perform | Backfill and Compaction of Common Fill for Cable Trench by Hand for Cross Section Type 1 | AWTF Overall Lighting, Retention Structure and Process Bldg | 634.0 | m3 | 554.5 | 0.0 | 554.5 | 0.0 | N/A | x | \$46.28 | 0 | \$ - | KRC As-built provided. [R-68-DWG-KRC-OSBL-035] | 00.30.002.0004 |
| 00.30.002.0006 | Install / Perform | Backfill and Compaction of Common Fill for Cable Trench by Hand for Cross Section Type 1 | Swift Creek Intake Sub Station | 50.0 | m3 | 79.77 | 0.0 | 79.8 | 0.0 | N/A | x | \$46.28 | 0 | \$ - | R-23 | 00.30.002.0006 |
| 00.30.002.0008 | Install / Perform | Backfill and Compaction of Common Fill for Cable Trench by Hand for Cross Section Type 1 | Kilmarnock Intake Pump Station | 24.0 | m3 | 24 | 0.0 | 24.0 | 0.0 | N/A | x | \$46.28 | 0 | \$ - | Agreed | |
| 00.30.002.0010 | Install / Perform | Backfill and Compaction of Sand Fill for Cable Trench by Hand for Cross Section Type 1 | AWTF Facility Overall Electrical | 168.0 | m3 | 168 | 187.0 | 168.0 | 0.0 | Claimed | x | \$83.00 | 0 | \$ - | Not Completed by KRC | |



ANALYSIS - CIVIL EARTHWORKS -SITE FINISH

PROJECT: FRO- AWTF-S

DATE: AUG 12 2020

KRC ASSESSMENT

REFERENCES AND COMMENTS

| Unit Price Ref | Scope of Work | Unit Price Description | AREA | Estimated Total QUANT. | U/R UOM | Completed Quantity | 2. KRC.REF (K) | EAC Quantity (Eligible) | | KRC | KRC | Rate (KRC) | QTY Variance (Against Claim) | PAYMENT | Comments | LINK |
|----------------|--------------------------------------|--|---|------------------------|---------|--------------------|-------------------------|-------------------------|-----|---------|----------|------------|------------------------------|--------------|--|--------------------------------|
| | Supply, Fabricate, Install / Perform | | | | Metric | | Claimed Quantity By KRC | | | Claimed | Eligible | | | | | |
| 00.30.002.0012 | Install / Perform | Backfill and Compaction of Sand Fill for Cable Trench by Hand for Cross Section Type 1 | AWTF Overall Lighting, Retention Structure and Process Bldg | 476.0 | m3 | 127 | 570.8 | 127.0 | 0.0 | Claimed | Eligible | \$83.00 | -443.8 | \$ 10,541.00 | Completed, KRC TOPO providing Neat lines R-68-DWG-KRC-OSBL-035 | 00.30.002.0012 |
| 00.30.002.0014 | Install / Perform | Backfill and Compaction of Sand Fill for Cable Trench by Hand for Cross Section Type 1 | Swift Creek Intake Sub Station | 38.0 | m3 | 56.98 | 0.0 | 57.0 | 0.0 | Claimed | x | \$82.91 | 0 | \$ - | R-23 | 00.30.002.0014 |
| 00.30.002.0016 | Install / Perform | Backfill and Compaction of Sand Fill for Cable Trench by Hand for Cross Section Type 1 | Kilmarnock Intake Pump Station | 18.0 | m3 | 74.13 | 0.0 | 74.1 | 0.0 | Claimed | x | \$82.91 | 0 | \$ - | R-10, R-24, R-25 | 00.30.002.0016 |
| 00.30.003.0001 | Install / Perform | Backfill and Compaction of 20mm for Concrete Foundations | Retention Pond and Kilmarnock Pad | 60.0 | m3 | 84.05 | 60.0 | 60.0 | 0.0 | Claimed | Eligible | \$83.00 | 0 | \$ 4,980.00 | R-10, R-14, R-15, R-16, R-17 | 00.30.003.0001 |
| 00.30.004.0001 | Install / Perform | Mass Backfill and Compaction of Common Soil for thicknesses between 0-3m. | Retention Pond | 1,285.0 | m3 | 806 | 806.0 | 806.0 | 0.0 | Claimed | Eligible | \$23.25 | 0 | \$ 18,739.50 | KRC As-Built and original TOPO coincide. R-62-DWG-KRC-OSBL-002 | 00.30.004.0001 |
| 00.30.004.0004 | Install / Perform | Mass Backfill and Compaction of Common Soil for thicknesses between 0-3m. | Swift Intake Pad | 880.0 | m3 | 233.32 | 0.0 | 233.3 | 0.0 | Claimed | x | \$34.03 | 0 | \$ - | R-06, R-17 | 00.30.004.0004 |
| 00.30.004.0005 | Install / Perform | Mass Backfill and Compaction of Common Soil for thicknesses between 0-3m. | Kilmarnock Intake Site | 3,365.0 | m3 | 2862.62 | 4,002.2 | 2,862.6 | 0.0 | Claimed | Eligible | \$34.03 | -1139.58 | \$ 97,414.96 | Completed, WSP providing Neat lines [R-09 / R-28 / R-39] | 00.30.004.0005 |
| 00.30.006.0004 | Install / Perform | trench marker tape | All buried HDPE Pipeline | 3,300.0 | m | 2067 | 2,067.0 | 2,067.0 | 0.0 | Claimed | Eligible | \$0.45 | 0 | \$ 930.15 | Based off Design and Actual K110 Drawings As-Built [R-76-DWG-KRC-OSBL-059] | 00.30.006.0004 |
| 00.40.006.0001 | Install / Perform | Construction of Drainage Ditch - 400mm wide, up to 1m d | various areas | 100.0 | m | 157.5 | 157.5 | 157.5 | 0.0 | Claimed | Eligible | \$56.00 | 0 | \$ 8,820.00 | No BACK??? | |
| 00.40.007.0001 | Install / Perform | Common Fill diversion Barrier Berm | various areas | 100.0 | m3 | 1081 | 215.0 | 1,081.0 | 0.0 | Claimed | Eligible | \$36.00 | 866 | \$ 38,916.00 | This is actually in a COR in Process | |
| 00.40.007.0002 | Install / Perform | reinforced earth berm | Kilmarnock Intake dyke | 150.0 | m3 | 183 | 183.0 | 183.0 | 0.0 | Claimed | Eligible | \$47.00 | 0 | \$ 8,601.00 | R-29 | 00.40.007.0002 |
| 00.50.004.0001 | Install / Perform | Grass Seeding - pipe corridor restoration (spread topsoil) | swift pipe corridor | 8,000.0 | m2 | 6156 | 6,156.0 | 6,156.0 | 0.0 | Claimed | x | \$7.50 | 0 | \$ - | Not Completed by KRC | |
| 00.50.004.0002 | Install / Perform | Grass Seeding - pipe corridor restoration (spread topsoil) | kilmarnock pipe corridor | 5,000.0 | m2 | 6537.8 | 6,537.8 | 6,537.8 | 0.0 | Claimed | x | \$7.50 | 0 | \$ - | Not Completed by KRC | |

Project Name: Teck Coal Ltd, Fording River Operations AWTF - S Project
 Customer Name: Fluor Canada Ltd. *acting as limited agent on behalf of Teck Coal Limited
 Customer Ref. No.: A9TW02-40-K103
 TE Job No.: 190010
 Report Rev. No.: 00
 Subcontractor: KRC
 Subcontractor PO(s):

| Scope of Work (I.e. K103, K104, | Change Order No. | Rev. No. | Description | Subcontract | Change Order | Tradesmen CO Status |
|------------------------------------|------------------|----------|---|-------------|--------------|---------------------|
| | | | | Cost (\$) | Total | |
| K110 | KRC CR-006 | 0 | Estimate for Diversion work at Kilmarnock | 25,597.50 | \$25,597.50 | Approved |
| K110 | KRC CR-015 | 0 | Clean-up Work TME Requested | 1,300.00 | \$1,300.00 | Approved |
| K110 | KRC CR-016 | 0 | CP Rail Scope | 20,959.50 | \$20,959.50 | Approved |
| K110 | KRC CR-017 | 0 | Rock Hammer | 144,400.00 | \$144,400.00 | Approved |
| K110 | KRC CR-027 | 0 | Low Perm Haul Material from Graham Stockpile | 16,260.00 | \$16,260.00 | Approved |
| K110 | KRC CR-029 | 0 | Liner Support for the Dam at the Kilmarnock Castle | 3,190.00 | \$3,190.00 | Approved |
| K110 | KRC CR-032 | 0 | Back Fill Under Placed Piping | 11,897.50 | \$11,897.50 | Approved |
| K110 | KRC CR-033 | 0 | Construct Swift Temporary Access Road | 8,592.50 | \$8,592.50 | Approved |
| K110 | KRC CR-035 | | Estimated Costs to Complete Wood Low Flow T&M | 114,320.00 | \$114,320.00 | Approved |
| K110 | KRC CR-041 R1 | | KRC Supprt to Badger to locate yellow pipe | 5,812.90 | 5,812.90 | Approved |
| K110 | KRC CR-042 | 1 | Bore Support Additional Excavator | 32,655.72 | \$32,655.72 | Approved |
| K110 | KRC CR-044 | | Crane Pad for retention Pond Ehouse | 850.00 | \$850.00 | Approved |
| K110 | KRC CR-045 | | Construct and remove temporary Crane pad | 3,905.00 | \$3,905.00 | Approved |
| K103 | KRC CR-046 | | Remove & Replace Concrete Door-Stair Pad at Eroom RFI 376 | 5,757.50 | \$5,757.50 | Approved |

\$395,498.12

Summary by Tradesmen CO Status

| | |
|--|---------------------|
| Approved | \$395,498.12 |
| Pending \$ | - |
| Rejected/Cancelled \$ | 1,329,156.87 |
| Total Change Order Value Submitted \$ | 1,730,489.59 |

Project Name: Teck Coal Ltd, Fording River Operations AWTF - S Project
 Customer Name: Fluor Canada Ltd. *acting as limited agent on behalf of Teck Coal Limited
 Customer Ref. No.: A9TW02-40-K103
 TE Job No.: 190010
 Report Rev. No.: 00
 Subcontractor: KRC
 Subcontractor PO(s):

| Scope of Work (I.e. K103, K104, K110) | Change Order No. | Rev. No. | Description | | | Tradesmen CO Status |
|--|------------------|----------|-------------|-----------------------|--------------------|---------------------|
| | | | | Subcontract Cost (\$) | Change Order Total | |

\$0.00

Summary by Tradesmen CO Status

| | |
|---|------------------------|
| Rejected/Cancelled | \$395,498.12 |
| Pending | \$0.00 |
| Approved | \$ 1,329,156.87 |
| Total Change Order Value Submitted | \$ 1,730,489.59 |

Project Name: Teck Coal Ltd, Fording River Operations AWTF - S Project
Customer Name: Fluor Canada Ltd. *acting as limited agent on behalf of Teck Coal Limited
Customer Ref. No.: A9TW02-40-K103
TE Job No.: 190010
Report Rev. No.: 00
Subcontractor: KRC
Subcontractor PO(s):

| Scope of Work (I.e. K103, K104, K110) | Change Order No. | Rev. No. | Description | | | Tradesmen CO Status |
|--|------------------|----------|---|-----------------------|--------------------|---|
| | | | | Subcontract Cost (\$) | Change Order Total | |
| K110 | KRC CR-001 | 0 | Excavation of Common Soils 3-6m in depth (retention pond chamber) | 0.00 | \$0.00 | Rejected/Cancelled |
| K110 | KRC CR-002 | 0 | VOID - KRC Office Trailer | 15,800.00 | \$15,800.00 | Rejected/Cancelled |
| K110 | KRC CR-003 | 0 | VOID - Retention Pond Key-way | 609,963.25 | \$609,963.25 | Rejected/Cancelled |
| K110 | KRC CR-004 | 0 | VOID - KRC Safety Personnel | | \$0.00 | Rejected/Cancelled |
| K110 | KRC CR-005 | 0 | Removal of BoQ Item | 2,024.50 | \$2,024.50 | Rejected/Cancelled |
| K110 | KRC CR-007 | 0 | Estimate for Rip rap excavation work at Swift | 2,340.00 | \$2,340.00 | Rejected/Cancelled |
| K110 | KRC CR-008 | 0 | VOID - Estimate for Keyway work at retention pond | 9,555.00 | \$9,555.00 | Rejected/Cancelled |
| K110 | KRC CR-009 | 0 | Care of Water Requirments | 5,815.00 | \$5,815.00 | Rejected/Cancelled |
| K110 | KRC CR-010 | 0 | Indirect Cost of Schedule Delays | 187,075.00 | \$187,075.00 | Rejected/Cancelled |
| K110 | KRC CR-011 | 0 | VOID - Objects | | \$0.00 | Rejected/Cancelled |
| K110 | KRC CR-012 | 0 | Standby Delays for Foreign Buried Objects | 6,045.00 | \$6,045.00 | Rejected/Cancelled |
| K110 | KRC CR-013 | 0 | Backfill of Retention Pond Chamber | 6,890.00 | \$6,890.00 | Rejected/Cancelled |
| K110 | KRC CR-014 | 0 | VOID - Standby for Uncotrollable Events | | \$0.00 | Rejected/Cancelled |
| K110 | KRC CR-018 | 0 | VOID - Excavation for Concrete Foundations (E-House) | 4,605.00 | \$4,605.00 | Rejected/Cancelled |
| K110 | KRC CR-019 | 0 | VOID - Construction of the E House Pad East of the Building | | \$0.00 | Rejected/Cancelled |
| K110 | KRC CR-020 | 0 | VOID - Backfill of CWP10 Low Flow Pipeline | | \$0.00 | Rejected/Cancelled |
| K110 | KRC CR-021 | 0 | Excavation and Install of Retention Pond Mooring | 10,400.00 | \$10,400.00 | Rejected/Cancelled |
| K110 | KRC CR-022 | 2 | Retention Pond Key-way (Winter Work Revision) | 29,640.00 | \$29,640.00 | Rejected/Cancelled |
| K110 | KRC CR-024 | 0 | Wood Low Flow Pipeline Backfill | 0.00 | \$0.00 | Rejected/Cancelled |
| K110 | KRC CR-025 | 0 | Fluor Standby Charges | 4,350.00 | \$4,350.00 | Rejected/Cancelled |
| K110 | KRC CR-026 | 0 | Keyway, E-House Foundation Excavation/Backfill, Wood Control Box | 0.00 | \$0.00 | Rejected/Cancelled |
| K110 | KRC CR-030 | 0 | Rip Rap Removal | 7,370.00 | \$7,370.00 | Rejected/Cancelled |
| K110 | KRC CR-031 | 0 | Stand By Changes Safety Stand Down | 16,487.50 | \$16,487.50 | Rejected/Cancelled |
| K110 | KRC CR-036 | | Gravel Stockpile | | \$0.00 | Rejected/Cancelled |
| K110 | KRC CR-037 | | Heat and Horde | | \$0.00 | Rejected/Cancelled |
| K110 | KRC CR-038 | | Sanitation Line | | \$0.00 | Rejected/Cancelled |
| K110 | KRC CR-039 | | Wood Bed Rock Support | | \$0.00 | Rejected/Cancelled |
| K110 | KRC CR-047 | | Indirect costs due to schedule delays | 140,760.00 | \$140,760.00 | Rejected/Cancelled |
| K110 | KRC CR-048 | | Indirect costs due to schedule delays | 35,200.00 | \$35,200.00 | Rejected/Cancelled |
| K110 | KRC CR-023 | 0 | Excavate Material and Compact Material at E-House | 31,200.00 | \$31,200.00 | Not Approved based on Neat line volumes. Which was paid through BOQ reconciled quantities |
| K110 | KRC CR-028 | 0 | Construction of the E House Pads | 12,730.00 | \$12,730.00 | Not Approved based on Neat line volumes. Which was paid through BOQ reconciled quantities |
| K110 | KRC CR-034 | | Unit Rate Change for Winter Cable Trench Excavation | 129,288.60 | \$129,288.60 | Not Approved based on Neat line volumes. Which was paid through BOQ reconciled quantities |
| K110 | KRC CR-040 | | Excavation and Back fill of Concrete structures | 46,672.80 | \$46,672.80 | Not Approved based on Neat line volumes. Which was paid through BOQ reconciled quantities |
| K110 | KRC CR-043 | | Additional Bore Pit Quantities | 14,945.22 | \$14,945.22 | Not Approved based on Neat line volumes. Which was paid through BOQ reconciled quantities |
| | | | | | \$1,329,156.87 | |

Summary by Tradesmen CO Status

| | |
|---|------------------------|
| Rejected/Cancelled | \$1,329,156.87 |
| Pending | \$ - |
| Approved | \$ 395,498.12 |
| Total Change Order Value Submitted | \$ 1,730,489.59 |

Digital Post Shawnessy

From: "Clayton Meisner" <clayton.meisner@kettlerivercontracting.com>
Date: July-03-19 12:25 PM
To: "Ron Thibault" <Ron.Thibault@teigp.com>
Attach: Clarifications July_3_2019.pdf
Subject: Re: Common Fill Clarification

Hi Ron,

Find the attached clarifications regarding the above questions.

Regards,

On Wed, Jul 3, 2019 at 8:21 AM Ron Thibault <Ron.Thibault@teigp.com> wrote:

Good Morning,

Below are the 3 questions that came back from TECK, that we would like you to review and advise on any changes or explanations:

- Unit price for cable trench excavation is substantially higher than pipe excavation. Please justify this difference.
- 00.30.001.0003 - Supply Backfill and Compaction of pipe zone material for pipe trenches, 25mm minus - All buried HDPE Pipeline: This price is substantially higher than the rate we are currently paying for this material. Please review and confirm actual price.
- Backfill and Compaction (various) for cable trench should be similar to the 12mm pipe trench pricing.

Can you please respond by noon today?

RT

P: 403.265.4557 ext. 205

C: 780-296-2555

From: Clayton Meisner [mailto:clayton.meisner@kettlerivercontracting.com]
Sent: July-02-19 3:03 PM
To: Ron Thibault <Ron.Thibault@teigp.com>
Subject: Common Fill Clarification

Hi Ron,

Find the attached clarification on the Common Fill backfill of the pipe and cable trenching.

Regards,



Clayton Meisner | Project Manager

Kettle River Contracting Ltd.

Phone: (403) 803-2923

www.kettlerivercontracting.com

DEVOTED TO SAFETY, DRIVEN BY EXCELLENCE



Clayton Meisner | Project Manager

Kettle River Contracting Ltd.

Phone: (403) 803-2923

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CLARIFICATION**00.30.001 & 00.30.002 Backfill and Compaction of Common Fill**

The pricing of the Common Fill backfill is a reflection of the actual vs. neat line design. When calculated the Common Fill requirements for the Cable Trench is 5+ times the neat line design. Pipe Trench is 3+ times the neat line design. This is directly reflected in the estimated pricing.

Furthermore, this gives reason to use locally sources Common Fill without processing.

Unit price for cable trench excavation is substantially higher than pipe excavation. Please justify this difference.

The BoQ quantities are based on the neat line not the actual quantity of material that will need to be to be within the Mines Act. The ratio of additional material vs. neat line is substantially greater for the cable trench than it is for the pipe trench.

00.30.001.0003 - Supply Backfill and Compaction of pipe zone material for pipe trenches, 25mm minus - All buried HDPE Pipeline: This price is substantially higher than the rate we are currently paying for this material. Please review and confirm actual price.

As per the Method of Measurement, the BoQ volumes are measured vertically from the bottom of the trenches and includes indirects. If the Method of Measurement is intended to say or to be changed to say, cubic meters delivered, the unit rates can be adjusted to be measured off the trucking tickets and will reflect the material costs.

Furthermore, producing the required backfill on-site will allow for the elimination of supply chain risk, reducing overall pricing risk associated with the above items.

Backfill and Compaction (various) for cable trench should be similar to the 12mm pipe trench pricing.

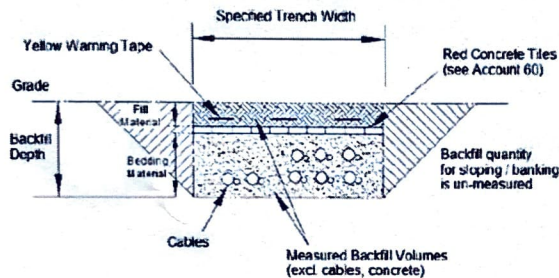
Variations reflect the ratio of neat line volume to the overall excavation required for given trench dimensions. The cable trench ratio of additional excavation vs. neat line is substantially greater than the pipe trench.

TRENCHES MEASURED VOLUMES VERSES ACTUAL WORKING VOLUMES

- Pipe backfill Bedding Sand volumes requires 1.13 times the Measured Backfill Volume
- Cable backfill Bedding Sand volumes requires 2.27 times the Measured Backfill Volume

CABLE TRENCH BACKFILL

- See MoM below

Sketch 00.006 Typical Backfill for Cable Trench


| 00.30.004 | MASS / AREA BACKFILL / COMPACTION |
|-----------------------|--|
| Specific Requirements | Mass backfill for area with excavated and/or free issue material. The quality of backfill material shall be approved by Company prior to installation. Mass / Area Backfill, includes but are not limited to the following: <ul style="list-style-type: none"> • Bathtubs • Grouping of Excavated Foundations in close proximity to each other. |
| Unit of measurement | Cubic meter (m ³) / Cubic yard (yd ³) |
| Basis of Measurement | Generally per 00.01 above, and including, but not limited to: <ul style="list-style-type: none"> • Based on neat volume of area to be excavated as defined on Issue for Construction (IFC) drawings excluding volume of concrete within the backfill area. • Settlement of consolidation of the original subsoil shall not be measured. |
| Unmeasured items | Generally per 00.00 above, and including, but not limited to: <ul style="list-style-type: none"> • Loading and transportation from temporary storage or stockpile area adjacent or near excavations. • Material sorting to comply with specification requirements. • Compaction of sub grade. • Fill and final compaction. • Grading to specified levels. • Removal of dewatering equipment. • Installation and removal of any form of shoring. • All Safety protection and precautions including maintenance of any form of shoring, sloping and banking required. • Note: Any hauling from outside Project Facility to temporary storage area or stockpile areas adjacent or near excavations are excluded from this item, and shall be measured under 00.10.003 Haul and Dump under this Section 00 – Earthwork and Civil. |

As per the MoM, our supply (BoQ 00.30.002) is inclusive of all the materials required to meet the Neat Line volumes.

This includes;

- Compaction
- Waste and sloping
- Indirects (survey, supervision, etc)
- Measured backfill volumes (measured off Neat Line)

Example: 168m³ according to the BoQ will required 382m³ of placed and compacted material.

- This volume calculation is based on a single conduit cable trench.
- Drawings do not specify the actual quantity of conduits contained within each trench.

Please clarify the Method of Measurements, is the example listed above correct? If not, please provide an example.

As discussed, we understand that the current rate for bedding sand is \$40/Cubic Meter delivered material. If required Kettle River Contracting will request a change in the Method of Measurement for all bedding material, to be measured on the biases of trucking tickets.

Basis of Measurement changed from;

- Based on neat volume of area to be excavated as defined on Issue for Construction (IFC) drawings excluding volume of concrete within the backfill area.

To;

- Volume based on trucking tickets delivered to designated area.

Payments by Vendor for 190010-34

| Vendor | Invoice | Invoice Date | Paid Date | Total Invoice Value Amount | Job Charges (Net of GST) | Unit Rate | T&M | Mob | COR | Holdback | Paid (Net of GST) | |
|--|---------|--------------|------------|----------------------------|--------------------------|------------------------|---------------------|-------------------|---------------------|--------------------|------------------------------------|--|
| Kettle River Contracting Limited Partnership | 1103 | 09/09/19 | 11/8/2019 | 650,635.81 | 619,653.15 | 619,653.15 | | | | - | 619,653.15 | |
| | 1120 | 10/31/19 | 12/20/2019 | 529,986.45 | 504,749.00 | 438,426.00 | 64,103.00 | | 1,950.00 | - | 504,749.00 | |
| | 2008 | 12/20/19 | 2/14/2020 | 339,698.78 | 323,522.65 | 280,082.65 | 1,080.00 | 3,600.00 | 38,760.00 | - | 323,522.65 | |
| | 2011 | 01/21/20 | 3/20/2020 | 209,391.66 | 199,420.63 | 162,893.13 | 7,097.50 | | 29,430.00 | - | 199,420.63 | |
| | 2013 | 02/19/20 | 4/17/2020 | 302,940.86 | 288,515.10 | 79,116.20 | 59,503.90 | | 146,882.50 | - | 288,515.10 | |
| | | | | | SUBTOTAL PAID | 1,580,171.13 | 131,784.40 | 3,600.00 | 217,022.50 | | | |
| | 2016 | 03/26/20 | | 113,514.78 | 108,109.31 | 35,646.81 | 67,997.50 | | 4,465.00 | - | - | |
| | 2021 | 04/16/20 | | 210,967.97 | 200,921.88 | 160,721.88 | 29,595.00 | 1,500.00 | 6,802.50 | - | - | |
| | 2025 | 04/24/20 | | 343,984.14 | 327,603.94 | 11,595.32 | 3,248.22 | | 312,760.40 | - | - | |
| | | | | | SUBTOTAL UNPAID | 207,964.01 | 100,840.72 | 1,500.00 | 324,027.90 | | | |
| | | | | TOTAL INVOICED | | 1,788,135.14 | 232,625.12 | 5,100.00 | 541,050.40 | | 1,935,860.53 Total Paid | |
| | | | | Paid | | 1,580,171.13 | 131,784.40 | 3,600.00 | 217,022.50 | | 2,572,495.67 Total Invoiced | |
| | | | | Reconciliation | | \$ 1,117,511.28 | 242,666.52 | 5,100.00 | 395,498.12 | Total Due | 1,760,775.92 | |
| | | | | Overpayment | | 462,659.85 | - 110,882.12 | - 1,500.00 | - 178,475.62 | Overpayment | 175,084.61 | |

00 – Earthwork and Civil

Contract PART II – Schedule B

Unit Price Descriptions - Standard Contract

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|--------------|---------------------------------|
| 00.00 | SCOPE OF WORK INCLUSIONS |
|--------------|---------------------------------|

| |
|----------------------|
| 0.1 – General |
|----------------------|

- a) All Unit Prices shall include all required coordination, and each and every item of Work and expense, to comply with the Work set forth in the Contract, unless explicitly noted otherwise.
- b) Contractor's indirect costs for the Work are deemed to include lump sum prices for Mobilization, Demobilization and Contractor Operating Support as specified in Commercial Schedule A - Pricing for Indirects of Part II Commercial Terms.
- c) The following items will not be measured or separately paid for and are referred to as "un-measured" items but are not limited to:
 1. All consumables required to execute the Work, see Sections II and III of Commercial Schedule G -Small Tools/Expendable/Consumable/Safety Supply List;
 2. All items forming part of the Work but not listed as separate pay-items.
 3. All items listed under 0.2 Supply Inclusions, 0.3 Fabricated Inclusions, and 0.4 Install / Perform Inclusions below.
 4. All further items identified in the Unit Price Descriptions under 'unmeasured items'.
- d) The Unit Prices shall account for all un-measured items, including the "General unit price inclusions" listed under the Introduction section of Commercial Schedule B – Unit Prices and Method of Measurements.
- e) The Unit Price descriptions may indicate un-measured items included. Such indication is made for clarity and does not imply that other un-measured items are excluded or that Units of Work with no indication would exclude such un-measured items.
- f) The Unit Price descriptions may indicate certain items of supply are included; such indication is made for clarity and does not imply that other items of supply are excluded or that Units of Work with no indication would exclude such items of supply.
- g) The following Scope of Work inclusions (supply, fabricate, install/perform) shall be read in-conjunction with Commercial Schedule B – Bill of Quantities, and shall apply to the selected Scope of Work per line item, regardless if used in single format (i.e. supply only) or a combination (i.e. supply and install/perform) are used.

| |
|--------------------------------|
| 0.2 – Supply Inclusions |
|--------------------------------|

- a) All temporary, consumable or non-permanent material required to perform the Work.

| |
|-----------------------------------|
| 0.3 – Fabricate Inclusions |
|-----------------------------------|

- a) Not Applicable

| |
|---|
| 0.4 – Install / Perform Inclusions |
|---|

- a) Setting out, assembling, mixing, curing, lapping, cutting, fixing, erecting, lifting, hoisting, handling,

laying, spreading, grading, measuring, watering, compacting, trimming, planting, installation and placing of materials and goods in position.

- b) Waste, bulking, compaction and shrinkage of materials and materials placed outside the final design criteria on the IFC drawings and specifications.
- c) All Dewatering requirements associated with high water conditions, such as well point systems, unless otherwise stated in the Part I - Scope of Work.
- d) Any coatings required as per Project Specifications.

| | |
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| 00.01 | GENERAL BASIS OF MEASUREMENT |
|--------------|-------------------------------------|

This section shall be read in-conjunction with Commercial Schedule B – Introduction under Part II Commercial Terms. The following items provides the general basis of measurement related to this method of measurement, and are not intended to eliminate the specific basis of measurements outlined in the specific method of measurements. These shall include, but is not limited to:

- a) All unit of work quantities are to be measured from the “Issued for Construction” drawings, unless explicitly stated otherwise in the Contract. Sketches are for illustration purposes only.
- b) Quantities shall be rounded off in accordance with Section 0.2 Measurement of Unit of Work, in Commercial Schedule B – Introduction of Part II – Commercial Terms.
- c) Surplus and Compensation Piles shall not be included in the measurements.
 - i. Surplus piles are any extra piles provided by Contractor and not requested by Company.
 - ii. Compensation piles are called for as replacements for the following piles;
 - Driven piles which do not meet the specified tolerances (location, slope, and elevation).
 - Piles which are not successfully driven (i.e., structurally damaged, improper splicing, terminated before refusal, etc.).

| | |
|--------------|---------------------------|
| 00.02 | GENERAL EXCLUSIONS |
|--------------|---------------------------|

The following listed items shall not be included under this section of Method of Measurements and shall be measured against the referenced Method of Measurement(s):

- a) Any coating or painting activities shall be measured under 81 – Painting and Coatings, if applicable.
- b) Any Demolition activities shall be measured under 84 – Demolition.
- c) Any protection tiles required shall be measured under Prime Account 60 – Electrical.

| | |
|--------------|--------------------------|
| 00.10 | CIVIL - AUXILLARY |
|--------------|--------------------------|

| | |
|------------------|----------------------|
| 00.10.001 | SOILS TESTING |
|------------------|----------------------|

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|-----------------------|--|
| Specific Requirements | Includes all geotechnical testing for soils either in situ or in laboratory, manual or with devices as defined in the technical specifications. Soils Testing, includes but not limited to the following tests: <ul style="list-style-type: none"> • Soil Resistivity Testing. • Borehole Drilling. • Proctor Testing. |
| Unit of measurement | Each (ea) |
| Basis of Measurement | Generally per 00.01 above, and including, but not limited to: <ul style="list-style-type: none"> • Per unit of testing |
| Unmeasured items | Generally per 00.00 above, and including, but not limited to: <ul style="list-style-type: none"> • Supply, transport and placement of any kind of device(s) needed to conduct testing either on-site or in laboratory. • Drilling activities associated with testing. |

| | |
|------------------|----------------------------------|
| 00.10.002 | TOPOGRAPHIC / SITE SURVEY |
|------------------|----------------------------------|

| | |
|-----------------------|--|
| Specific Requirements | Includes all Topographic /Site survey to be conducted in-situ, including devices as required in the technical specifications. |
| Unit of measurement | Hectare (ha) / Acre (ac) |
| Basis of Measurement | Generally per 00.01 above, and including, but not limited to: <ul style="list-style-type: none"> • Net area as defined on Issue for Construction (IFC) drawings. • Actual ground profile and/or changes in grade shall not be taken into account in the determination of the area of work performed. |
| Unmeasured items | Generally per 00.00 above, and including, but not limited to: <ul style="list-style-type: none"> • Supply, transport and placement of any kind of device needed to conduct site or topographic survey. |

| | |
|------------------|----------------------|
| 00.10.003 | HAUL AND DUMP |
|------------------|----------------------|

| 00.10.003 | HAUL AND DUMP |
|-----------------------|---|
| Specific Requirements | <p>Haul and Dump of material, includes but not limited to the following: Haul and Dump of Backfill/Import Material:</p> <ul style="list-style-type: none"> • Haul of excavated material / imported material from dump area or recycling area within Project facility to temporary storage or stockpile area adjacent or near excavations. • Haul imported material from outside Project Facility to allocated dump area within Project Facility. <p>Haul and Dump of Excavated Material:</p> <ul style="list-style-type: none"> • Haul from temporary storage or stockpile area adjacent or near excavations and dump at dump area or recycling area within Project facility. • Haul from temporary storage or stockpile area adjacent or near excavations and dump to outside Project Facility or recycling area. |
| Unit of measurement | Cubic meter (m ³) / Cubic yard (yd ³) |
| Basis of Measurement | <p>Generally per 00.01 above, and including, but not limited to:</p> <ul style="list-style-type: none"> • The volume of Haul and Dump will be calculated based on volume as defined on Issue for Construction (IFC) drawings. |
| Unmeasured items | <p>Generally per 00.00 above, and including, but not limited to:</p> <ul style="list-style-type: none"> • All non site permits. • Removal, loading, storage, maintenance of temporary storage or stockpiles, transport, offloading/unloading and tipping charges. |

| | |
|-------|------------------|
| 00.20 | SITE PREPARATION |
|-------|------------------|

| 00.20.001 | SITE CLEARANCE |
|-----------------------|--|
| Specific Requirements | <p>Site clearance, including removal of any vegetation, and / or tree stumps, as expressly indicated in the construction drawings.</p> <p>Site clearance, includes but not limited to the following:</p> <ul style="list-style-type: none"> • Clearing. • Grubbing. |
| Unit of measurement | Hectare (ha) / Acre (ac) |
| Basis of Measurement | <p>Generally per 00.01 above, and including, but not limited to:</p> <ul style="list-style-type: none"> • Net area as defined on Issue for Construction (IFC) drawings. • Actual ground profile and/or changes in grade shall not be taken into account in the determination of the area of work performed |

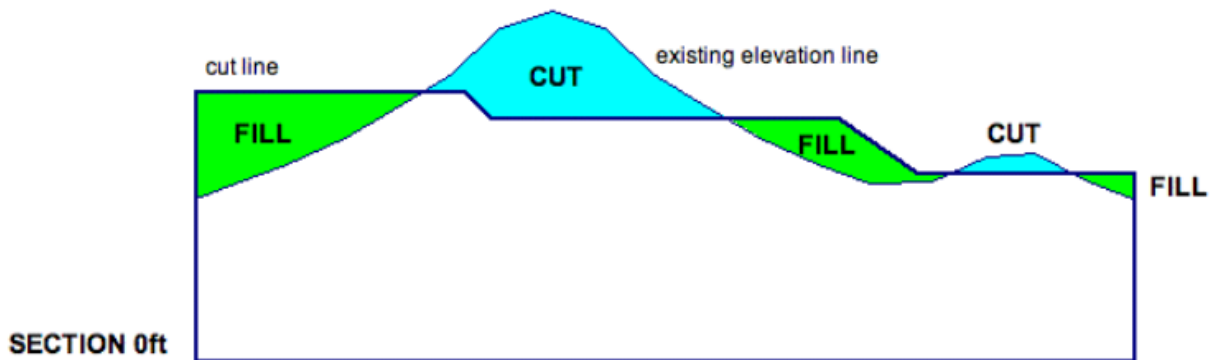
| | |
|------------------|---|
| 00.20.001 | SITE CLEARANCE |
| Unmeasured items | <p>Generally per 00.00 above, and including, but not limited to:</p> <ul style="list-style-type: none"> Demolition and breaking up. Removal, loading, transport and offloading at temporary storage or stockpile areas adjacent or near excavations and disposal of vegetation, and / or tree stumps to whatever depth is necessary. Note: Any hauling from temporary storage area or stockpile areas adjacent or near excavations to dump area is excluded from this item, and shall be measured under 00.10.003 Haul and Dump under this Section 00 – Earthwork and Civil. |

| | |
|-----------------------|---|
| 00.20.002 | STRIPPING OF TOPSOIL/SUBSOIL |
| Specific Requirements | Stripping of Topsoil/Subsoil, as expressly indicated in the construction drawings. |
| Unit of measurement | Square meter (m ²) / Square Feet (SF) or (ft ²) |
| Basis of Measurement | <p>Generally per 00.01 above, and including, but not limited to:</p> <ul style="list-style-type: none"> Net area as defined on Issue for Construction (IFC) drawings. Actual ground profile and/or changes in grade shall not be taken into account in the determination of the area of work performed |
| Unmeasured items | <p>Generally per 00.00 above, and including, but not limited to:</p> <ul style="list-style-type: none"> Demolition and breaking up. Removal, loading, transport and offloading at temporary storage or stockpile areas adjacent or near excavations. Note: Any hauling from temporary storage area or stockpile areas adjacent or near excavations to dump area is excluded from this item, and shall be measured under 00.10.003 Haul and Dump under this Section 00 – Earthwork and Civil. |

| | |
|-----------------------|--|
| 00.20.003 | CUT AND FILL |
| Specific Requirements | <p>Site area cut and fills as expressly indicated in the construction drawings, in order to achieve the project desired land topography, by filling any holes or cutting any hills or raised elevations.</p> <p>Cut and Fill, includes but not limited to the following:</p> <ul style="list-style-type: none"> Area Cutting. Area Filling (Selected Fill Material / Screened Excavated Material). |
| Unit of measurement | Cubic meter (m ³) / Cubic yard (yd ³) |
| Basis of Measurement | <p>Generally per 00.01 above, and including, but not limited to:</p> <ul style="list-style-type: none"> Net volume of area to be cut and/or filled based on IFC approved detail excavation drawings. The volume occupied by existing structures, piping, etc. shall not be included Settlement of consolidation of the original subsoil shall not be measured. |

| | |
|------------------|--|
| 00.20.003 | CUT AND FILL |
| Unmeasured items | <p>Generally per 00.00 above, and including, but not limited to:</p> <ul style="list-style-type: none"> • Scarifying of surfaces as required achieving the required specification compaction requirements. • Trimming, grading and compaction as required to the specified density. • Any maintenance of the excavation area including dewatering. • Removal, loading, transport and offloading at temporary storage or stockpile areas adjacent or near excavations. • Note: Any hauling from temporary storage area or stockpile areas adjacent or near excavations to dump area or versa visa is excluded from this item, and shall be measured under 00.10.003 Haul and Dump under this Section 00 – Earthwork and Civil. |

Sketch 00.001 Typical Cut and Fill



| | |
|-----------------------|---|
| 00.20.004 | TEMPORARY STORM CONTROL (EROSION CONTROL) - AREA |
| Specific Requirements | <p>Installation and/or application of specified erosion control system. Temporary Storm Control, includes but are not limited to the following:</p> <ul style="list-style-type: none"> • Hydroseeding of slopes. Erosion control blankets |
| Unit of measurement | Square meter (m ²) / Square Feet (SF) or (ft ²) |
| Basis of Measurement | <p>Generally per 00.01 above, and including, but not limited to:</p> <ul style="list-style-type: none"> • Net area as defined on Issue for Construction (IFC) drawings. • Actual ground profile and/or changes in grade shall not be taken into account in the determination of the area of work performed. |
| Unmeasured items | <p>Generally per 00.00 above, and including, but not limited to:</p> <ul style="list-style-type: none"> • Surface preparation including removal of stones, spreading, grading, leveling, trimming and shaping. |

| 00.20.005 | TEMPORARY STORM CONTROL (EROSION CONTROL) - LINEAR |
|-----------------------|---|
| Specific Requirements | Installation and/or application of specified erosion control system. Temporary Storm Control, includes but not limited to the following: <ul style="list-style-type: none"> • Silt fence. • Snow fence. |
| Unit of measurement | Linear meter (m) / Linear feet (ft) |
| Basis of Measurement | Generally per 00.01 above, and including, but not limited to: <ul style="list-style-type: none"> • Per linear length as defined on Issue for Construction (IFC) drawings. • Actual ground profile and/or changes in grade shall not be taken into account in the determination of the length of work performed. |
| Unmeasured items | Generally per 00.00 above, and including, but not limited to: <ul style="list-style-type: none"> • Surface preparation including removal of stones, spreading, grading, leveling, trimming and shaping. |

| 00.20.006 | TEMPORARY STORM CONTROL (EROSION CONTROL) - COUNT |
|-----------------------|--|
| Specific Requirements | Installation and/or application of specified erosion control system. Temporary Storm Control, includes but are not limited to the following: <ul style="list-style-type: none"> • Check dams (straw bales). • Sand bags |
| Unit of measurement | Each (EA) |
| Basis of Measurement | Generally per 00.01 above, and including, but not limited to: <ul style="list-style-type: none"> • Per unit of item as defined on Issue for Construction (IFC) drawings. |
| Unmeasured items | Generally per 00.00 above, and including, but not limited to: <ul style="list-style-type: none"> • Surface preparation including removal of stones, spreading, grading, leveling, trimming and shaping. |

| 00.20.007 | LINERS AND GEOTEXTILES |
|-----------------------|---|
| Specific Requirements | Installation of liners and geotextiles as expressly indicated in the construction IFC drawings, including but not limited to the following: <ul style="list-style-type: none"> • Geotextiles • Geomembranes • Geogrids |
| Unit of measurement | Square meter (m ²) / Square Feet (SF) or (ft ²) |
| Basis of Measurement | Generally per 00.01 above, and including, but not limited to: <ul style="list-style-type: none"> • Net area as defined on Issue for Construction (IFC) drawings. • Actual ground profile and/or changes in grade shall not be taken into account in the determination of the area of work performed. • Any activities/items that are associated with 00.40 Construction and Permanent Roads, will not be measured under this item. |

| | |
|------------------|--|
| 00.20.007 | LINERS AND GEOTEXTILES |
| Unmeasured items | <p>Generally per 00.00 above, and including, but not limited to:</p> <ul style="list-style-type: none"> • Surface preparation including removal of stones, spreading, grading, leveling, trimming and shaping. • All consumables like brushes, cleaning materials, sealant type, adhesives, etc. • Any protection of finished work. • Any overlap or seams. • Any testing requirement, as applicable. |

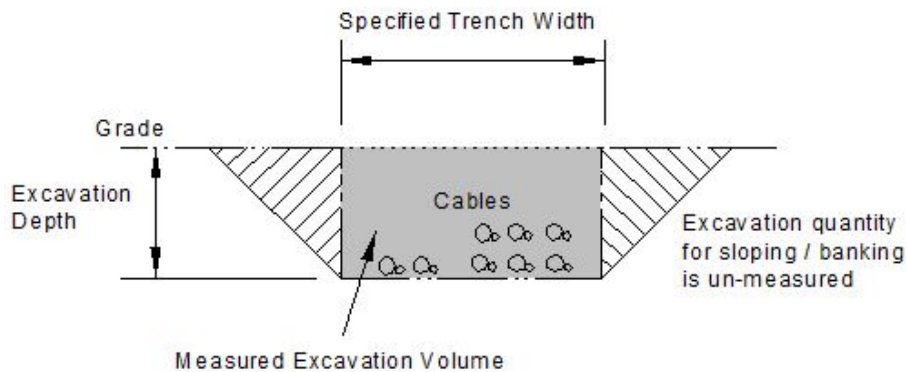
| | |
|-----------------------|---|
| 00.20.008 | LINER PENETRATIONS |
| Specific Requirements | <p>Installation of liner penetrations as expressly indicated in the construction IFC drawings, including but not limited to the following:</p> <ul style="list-style-type: none"> • Liner boots |
| Unit of measurement | Each (EA) |
| Basis of Measurement | <p>Generally per 00.01 above, and including, but not limited to:</p> <ul style="list-style-type: none"> • Per unit of item based on the size and type of penetration as defined on Issue for Construction (IFC) drawings. |
| Unmeasured items | <p>Generally per 00.00 above, and including, but not limited to:</p> <ul style="list-style-type: none"> • All surface cleaning and preparation. • All consumables like brushes, cleaning materials, sealants, adhesives, etc. • Sealing of boot to the liner. • Sealing of boot to the item penetrating the liner. • Any protection of finished work. • Any testing requirement, as applicable. |

| | |
|--------------|-------------------|
| 00.25 | EXCAVATION |
|--------------|-------------------|

| | |
|-----------------------|---|
| 00.25.001 | EXCAVATION FOR CABLE TRENCH |
| Specific Requirements | <p>Cable trench excavation by machine or hand. Cable trench, includes but are not limited to the following:</p> <ul style="list-style-type: none"> • Direct Buried Cable Trench (Machine or Hand). |
| Unit of measurement | Cubic meter (m ³) / Cubic yard (yd ³) |
| Basis of Measurement | <p>Generally per 00.01 above, and including, but not limited to:</p> <ul style="list-style-type: none"> • Volume of the cable trench measured vertically from the specified bottom of cable trench elevation to existing grade (without slope banking) for the length as defined on Issue for Construction (IFC) drawings. • Where a trench contains more than one cable, the measurement shall be calculated from the exterior of the outside cables without deduction for any spacing between cables, unless specific spacing is specified. • If sand bedding is required beneath the bottom elevation of the cables, the volume calculation will be inclusive to account for the thickness of the specified sand bedding. |

| 00.25.001 | EXCAVATION FOR CABLE TRENCH |
|------------------|--|
| Unmeasured items | <p>Generally per 00.00 above, and including, but not limited to:</p> <ul style="list-style-type: none"> • Additional excavation for safety requirements and/or any form of shoring, sloping and banking. • All Safety protection and precautions. • Maintenance of excavated area prior to cable installation and backfill activities. • Placement of excavated material in temporary storage or stockpile area adjacent or near excavation. • Maintenance of temporary storage area or stockpile adjacent or near excavation. • Any scanning and hand excavation to confirm locations of existing underground facilities. • All removal, loading, transport, offloading and compaction of the bottom of the excavation to the specified density and leveling. • Any dewatering based on specifications and/or historic data for the water table in the area of the works. • Note: Any hauling from temporary storage area or stockpile areas adjacent or near excavations to dump area is excluded from this item, and shall be measured under 00.10.003 Haul and Dump under this Section 00 – Earthwork and Civil. • Note: Excavation for Pre-cast and/or cast in place concrete cable trenches, shall be measured under 00.25.003 Excavation for Foundations under this Section 00 – Earthwork and Civil. |

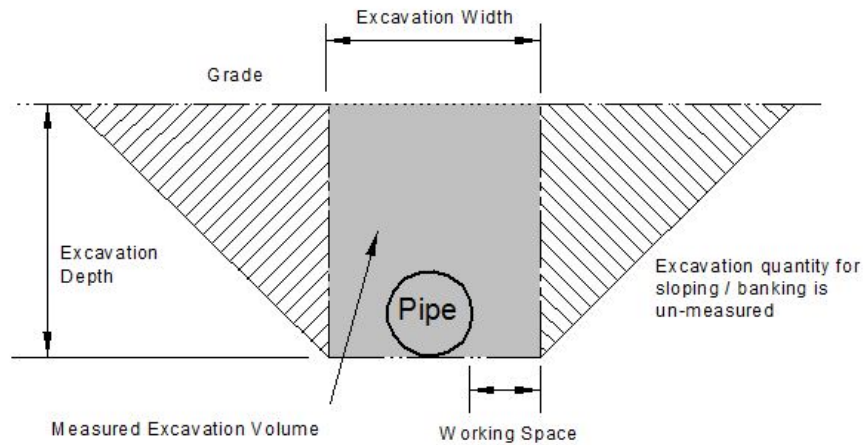
Sketch 00.002 Typical Excavation for Cable Trench



| 00.25.002 | EXCAVATION FOR PIPE TRENCH |
|-----------------------|---|
| Specific Requirements | <p>Pipe trench excavation by machine or hand. Pipe trench, includes but are not limited to the following:</p> <ul style="list-style-type: none"> • Direct Buried Pipe Trench (Machine or Hand). |
| Unit of measurement | Cubic meter (m ³) / Cubic yard (yd ³) |

| 00.25.002 | EXCAVATION FOR PIPE TRENCH |
|----------------------|--|
| Basis of Measurement | <p>Generally per 00.01 above, and including, but not limited to:</p> <ul style="list-style-type: none"> • Volume of the pipe trench + working space measured vertically from the specified bottom of pipe trench elevation to existing grade (without slope banking) for the length as defined on Issue for Construction (IFC) drawings. <ul style="list-style-type: none"> • The following working space allowances are indicative only and could be used as basis only in the absents of project standards. The measurement shall be calculated from the exterior of the outside pipes. Actual values should be based on project standards: <ul style="list-style-type: none"> ○ 300mm / 12 inch for pipe dia. up to 250mm / 10 inch, ○ 450mm / 18 inch for pipe dia. up to 1000mm / 39 inch, ○ 600mm / 24 inch for pipe dia. over 1000mm / 39 inch; • Where a trench contains more than one pipe, the measurement shall be calculated from the exterior of the outside pipes without deduction for any spacing between pipes, unless specific spacing is specified. • If sand bedding is required beneath the bottom elevation of the pipes, the volume calculation will be inclusive to account for the thickness of the specified sand bedding. |
| Unmeasured items | <p>Generally per 00.00 above, and including, but not limited to:</p> <ul style="list-style-type: none"> • Additional excavation for safety requirements and/or any form of shoring, sloping and banking. • All Safety protection and precautions. • Maintenance of excavated area prior to pipe installation and backfill activities. • Any scanning and hand excavation to confirm locations of existing underground facilities. • Placement of excavated material in temporary storage or stockpile area adjacent or near excavation. • Maintenance of temporary storage area or stockpile adjacent or near excavation. • All removal, loading, transport, offloading and compaction of the bottom of the excavation to the specified density and leveling. • Any dewatering based on specifications and/or historic data for the water table in the area of the works. • Note: Any hauling from temporary storage area or stockpile areas adjacent or near excavations to dump area is excluded from this item, and shall be measured under 00.10.003 Haul and Dump under this Section 00 – Earthwork and Civil. • Note: Excavation for Pre-cast and/or cast in place concrete pipe trenches, shall be measured under 00.25.003 Excavation for Foundations under this Section 00 – Earthwork and Civil. |

Sketch 00.003 Typical Excavation for Pipe Trench



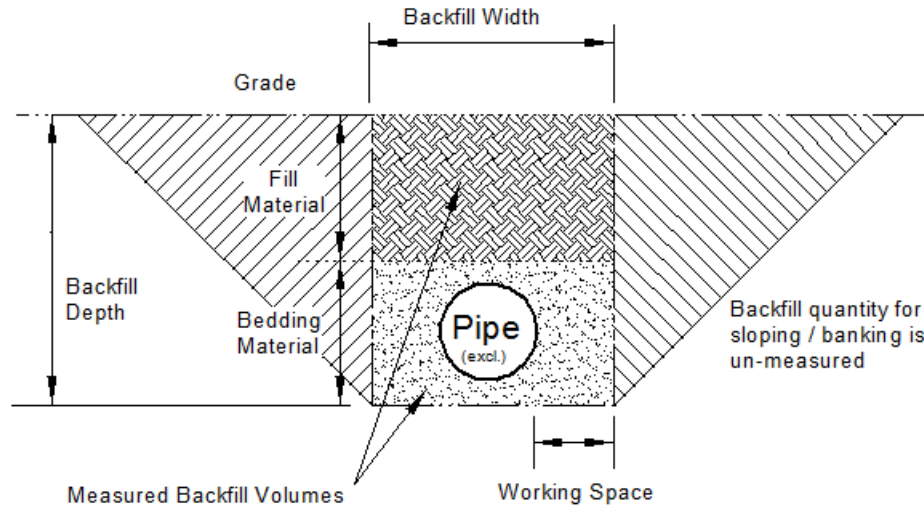
| 00.25.004 | MASS / AREA EXCAVATION |
|-----------------------|--|
| Specific Requirements | General mass excavation down to bottom from grade. Mass / Area Excavation, includes but are not limited to the following: <ul style="list-style-type: none"> • Bathtubs • Grouping of Excavated Foundations in close proximity to each other. |
| Unit of measurement | Cubic meter (m ³) / Cubic yard (yd ³) |
| Basis of Measurement | Generally per 00.01 above, and including, but not limited to: <ul style="list-style-type: none"> • The volume of excavated material will be calculated as being the footprint of the area as defined on Issue for Construction (IFC) drawings. • Excavation depth shall be calculated as the difference between the hand-over elevation as defined in the Contract technical documentation and the bottom level as per IFC drawings. |
| Unmeasured items | Generally per 00.00 above, and including, but not limited to: <ul style="list-style-type: none"> • Working space requirements. • Additional excavation for safety requirements and/or any form of shoring, sloping and banking. • All Safety protection and precautions. • Maintenance of excavated area prior to foundation installation and backfill activities. • Any scanning and hand excavation to confirm locations of existing underground facilities. • Placement of excavated material in temporary storage or stockpile area adjacent or near excavation. • Maintenance of temporary storage area or stockpile adjacent or near excavation. • All removal, loading, transport, offloading and compaction of the bottom of the excavation to the specified density and leveling. • Any dewatering based on specifications and/or historic data for the water table in the area of the works. • Note: Any hauling from temporary storage area or stockpile areas adjacent or near excavations to dump area is excluded from this item, and shall be |

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| 00.25.004 | MASS / AREA EXCAVATION |
| | measured under 00.10.003 Haul and Dump under this Section 00 – Earthwork and Civil. |

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| 00.30 | BACKFILL AND COMPACTION |
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| 00.30.001 | BACKFILL AND COMPACTION FOR PIPE TRENCH |
| Specific Requirements | <p>Machine or hand general backfill and compaction for pipe trench with excavated and/or free issue material. The quality of backfill material shall be approved by Company prior to installation.</p> <p>Backfill layers, includes but are not limited to the following:</p> <ul style="list-style-type: none"> • Select/Imported Fill Material and/or Screened Excavated Fill Material. • Bedding Sand. |
| Unit of measurement | Cubic meter (m ³) / Cubic yard (yd ³) |
| Basis of Measurement | <p>Generally per 00.01 above, and including, but not limited to:</p> <ul style="list-style-type: none"> • Volume of excavated area including working space, measured vertically from the specified bottom of trench elevation to existing grade (without slope banking), excluding volume of pipes within the backfill area, as defined on Issue for Construction (IFC) drawings. • Settlement of consolidation of the original subsoil shall not be measured. |
| Unmeasured items | <p>Generally per 00.00 above, and including, but not limited to:</p> <ul style="list-style-type: none"> • All Safety protection and precautions including maintenance of any form of shoring, sloping and banking required. • Loading and transportation from temporary storage area or stockpile area adjacent or near excavations . • Material sorting to comply with specification requirements. • Compaction of sub grade. • Fill and final compaction, including bedding sand as required. • Grading to specified levels. • Sifting out all foreign objects which could damage the pipe. • Spreading of selected material in trench. • Removal of dewatering equipment. • Installation and removal of any form of shoring. • Note: Any hauling from outside Project Facility to temporary storage area or stockpile areas adjacent or near excavations are excluded from this item, and shall be measured under 00.10.003 Haul and Dump under this Section 00 – Earthwork and Civil. |

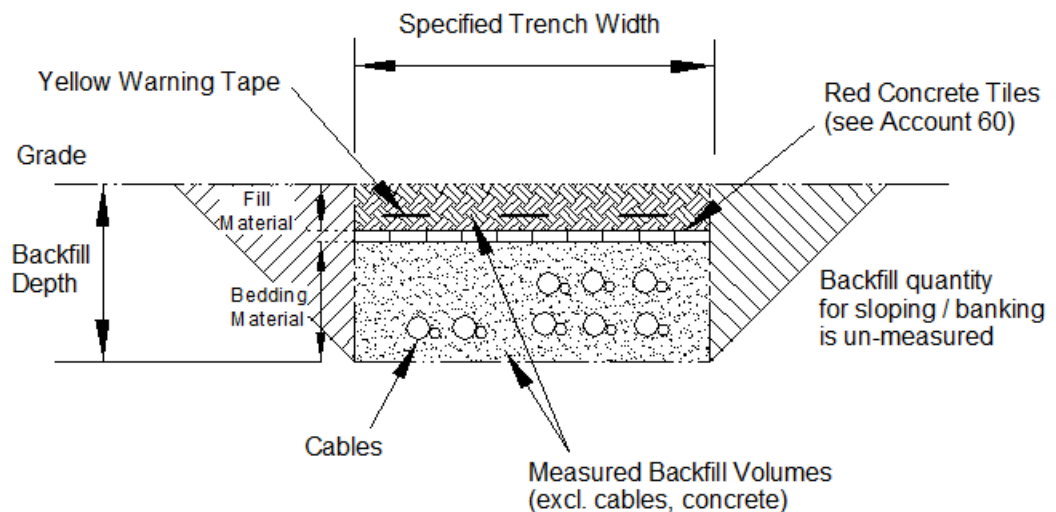
Sketch 00.005 Typical Backfill for Pipe Trench



| 00.30.002 | BACKFILL AND COMPACTION FOR CABLE TRENCH |
|-----------------------|---|
| Specific Requirements | Machine or hand general backfill and compaction for cable trench with excavated and/or free issue material. The quality of backfill material shall be approved by Company prior to installation. Backfill layers, includes but are not limited to the following: <ul style="list-style-type: none"> • Select/Imported Fill Material and/or Screened Excavated Fill Material. • Bedding Sand. |
| Unit of measurement | Cubic meter (m ³) / Cubic yard (yd ³) |
| Basis of Measurement | Generally per 00.01 above, and including, but not limited to: <ul style="list-style-type: none"> • Volume of excavated area measured vertically from the specified bottom of trench elevation to existing grade (without slope banking), excluding volume of cables within the backfill area, as defined on Issue for Construction (IFC) drawings. • Settlement of consolidation of the original subsoil shall not be measured. |

| 00.30.002 | BACKFILL AND COMPACTION FOR CABLE TRENCH |
|------------------|---|
| Unmeasured items | <p>Generally per 00.00 above, and including, but not limited to:</p> <ul style="list-style-type: none"> • All Safety protection and precautions including maintenance of any form of shoring, sloping and banking required. • Loading and transportation from temporary storage area or stockpile area adjacent or near excavations. • Material sorting to comply with specification requirements. • Compaction of sub grade. • Fill and final compaction. • Grading to specified levels. • Sifting out all foreign objects which could damage the cable. • Spreading of selected material in trench. • Installation and removal of any form of shoring. • Removal of dewatering equipment. • Red Concrete Tiles (as per project standard drawings) • Supply of plastic warning tape (as per project standard drawings). • Note: Any hauling from outside Project Facility to temporary storage area or stockpile areas adjacent or near excavations are excluded from this item, and shall be measured under 00.10.003 Haul and Dump under this Section 00 – Earthwork and Civil. • Note: Any protection tiles required shall be measured under Prime Account 60 – Electrical. |

Sketch 00.006 Typical Backfill for Cable Trench

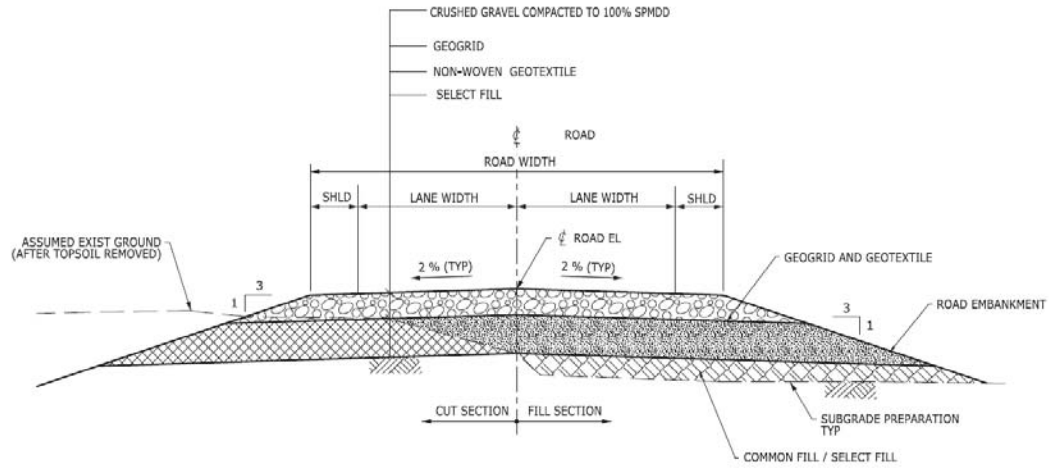


| 00.30.004 | MASS / AREA BACKFILL / COMPACTION |
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| Specific Requirements | Mass backfill for area with excavated and/or free issue material. The quality of backfill material shall be approved by Company prior to installation. Mass / Area Backfill, includes but are not limited to the following: <ul style="list-style-type: none"> • Bathtubs • Grouping of Excavated Foundations in close proximity to each other. |
| Unit of measurement | Cubic meter (m ³) / Cubic yard (yd ³) |
| Basis of Measurement | Generally per 00.01 above, and including, but not limited to: <ul style="list-style-type: none"> • Based on neat volume of area to be excavated as defined on Issue for Construction (IFC) drawings excluding volume of concrete within the backfill area. • Settlement of consolidation of the original subsoil shall not be measured. |
| Unmeasured items | Generally per 00.00 above, and including, but not limited to: <ul style="list-style-type: none"> • Loading and transportation from temporary storage or stockpile area adjacent or near excavations. • Material sorting to comply with specification requirements. • Compaction of sub grade. • Fill and final compaction. • Grading to specified levels. • Removal of dewatering equipment. • Installation and removal of any form of shoring. • All Safety protection and precautions including maintenance of any form of shoring, sloping and banking required. • Note: Any hauling from outside Project Facility to temporary storage area or stockpile areas adjacent or near excavations are excluded from this item, and shall be measured under 00.10.003 Haul and Dump under this Section 00 – Earthwork and Civil. |

| 00.30.006 | TRENCH MARKERS |
|-----------------------|--|
| Specific Requirements | Trench markers in accordance with IFC Drawings and applicable details. |
| Unit of measurement | Each (EA) |
| Basis of Measurement | Generally per 00.01 above, and including, but not limited to: <ul style="list-style-type: none"> • Per unit of trench marker as defined on Issue for Construction (IFC) drawings. |
| Unmeasured items | Generally per 00.00 above, and including, but not limited to: <ul style="list-style-type: none"> • All painting, if required • All markings or directional arrows, as required. • All labeling as required. • Loading and unloading, including transportation. |

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| 00.40 | CONSTRUCTION AND PERMANENT ROADS |
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Sketch 00.008 Typical Road Section



TYPICAL ROAD SECTION

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| 00.40.001 | ROAD SUB-BASE |
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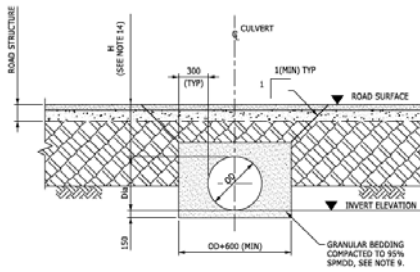
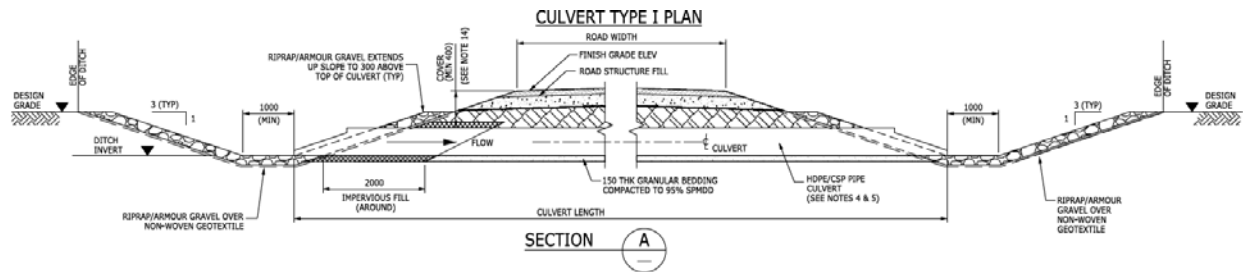
| 00.40.001 | ROAD SUB-BASE |
|-----------------------|--|
| Specific Requirements | <p>Road sub-base, using imported material and road sub-base surface material as required by IFC drawings and specifications. Road sub-base layers, includes but not limited to the following:</p> <ul style="list-style-type: none"> • Road Sub-base Select Fill. • Geotextile, as required. • Geogrid, as required. • Road shoulders. <p>Typical Roads for Road Sub-base, includes but not limited to the following:</p> <ul style="list-style-type: none"> • Primary Road. • Secondary Road. • Heavy Haul Road. • Access Road. • Plant Areas. • Permanent Parking Areas. • Construction Laydown Areas. • Construction Parking Area. |
| Unit of measurement | Square meter (m ²) / Square Feet (SF) or (ft ²) |
| Basis of Measurement | <p>Generally per 00.01 above, and including, but not limited to:</p> <ul style="list-style-type: none"> • Net area and thickness as defined on Issue for Construction (IFC) drawings. • Settlement of consolidation of the original subsoil shall not be measured. |
| Unmeasured items | <p>Generally per 00.00 above, and including, but not limited to:</p> <ul style="list-style-type: none"> • All excavation, removal, loading, transport, offloading, placement and compaction of the road sub-base material, in layers, to the specified density and leveling. • Any preparation coatings (tack coat/binder coat), as required. • Temporary storage of excavated road base material adjacent or near road sub-base. • Any dewatering based on specifications and/or historic data for the water table in the area of the works. |

| 00.40.002 | ROADS WEARING COURSE |
|-----------------------|--|
| Specific Requirements | <p>Roads Wearing Course as per construction drawings and specifications. Roads Wearing Course types, includes but not limited to the following:</p> <ul style="list-style-type: none"> • Asphalt Roads (base course and wearing course). • Concrete Roads. • Gravel Roads. • Road Shoulders. <p>Typical Roads for Roads Wearing Course, includes but not limited to following:</p> <ul style="list-style-type: none"> • Primary Road. • Secondary Road. • Heavy Haul Road. • Access Road. • Plant Areas. • Permanent Parking Areas. • Construction Laydown Areas. • Construction Parking Area. |
| Unit of measurement | Square meter (m ²) / Square Feet (SF) or (ft ²) |
| Basis of Measurement | <p>Generally per 00.01 above, and including, but not limited to:</p> <ul style="list-style-type: none"> • Net area based on the thickness as defined on Issue for Construction (IFC) drawings. |
| Unmeasured items | <p>Generally per 00.00 above, and including, but not limited to:</p> <ul style="list-style-type: none"> • Compaction requirements to the specified density. • Binder and the surface course. • Cleaning and scraping of existing road. • Bonding agent. • Loading, transportation, material selection, reinforcements (if applicable), placement and compaction in layers. • Note: Road marking are excluded and measured under Error! Reference source not found. of this document, if applicable. |

| 00.40.005 | CULVERTS |
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| 00.40.005 | CULVERTS |
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| <p>Specific Requirements</p> | <p>Culverts as per IFC drawings and specifications.</p> <p>Typical culverts, includes but not limited to following:</p> <ul style="list-style-type: none"> • Road culverts. • Railroad culverts. • Trail/pathways culverts. • Storm Drain Pipe. <p>Typical culverts materials, includes but not limited to following:</p> <ul style="list-style-type: none"> • Pipe (Galvanized Steel, Aluminum, or plastic (typical high-density polyethylene). • Precast Concrete Pipe (reinforced or non-reinforced). • Cast-in-place Concrete (reinforced or non-reinforced) type culverts |
| <p>Unit of measurement</p> | <p>Linear Meter (m) / Linear feet (ft)</p> |
| <p>Basis of Measurement</p> | <p>Generally per 00.01 above, and including, but not limited to:</p> <ul style="list-style-type: none"> • Per linear length based on the length between the ends of the pipe barrel along the flow line installed as defined on Issue for Construction (IFC) drawings. • Where spurs or branches or connections to existing pipe lines are involved, measurement of spur or connecting pipe will be made from the intersection of the flow line with the outside surface of the pipe into which the pipe connects. • Where inlets, manholes, safety end treatments, or other structures are included in lines of pipe, that length of pipe tying into the structure wall will be included for measurement, but no other portion of the structure length or width will be included. • Note: The concrete activities for cast-in-place Concrete (reinforced or non-reinforced) type culverts, will be measured under 10.50.003 Type 24, Underground Ducts, Boxes and Culverts, and the preparation and excavation activities will be covered under this section. |
| <p>Unmeasured items</p> | <p>Generally per 00.00 above, and including, but not limited to:</p> <ul style="list-style-type: none"> • Area sloping, as required. • Excavation and Compaction, as required. • Loading, transportation, material selection, reinforcements (if applicable), placement and compaction in layers. |

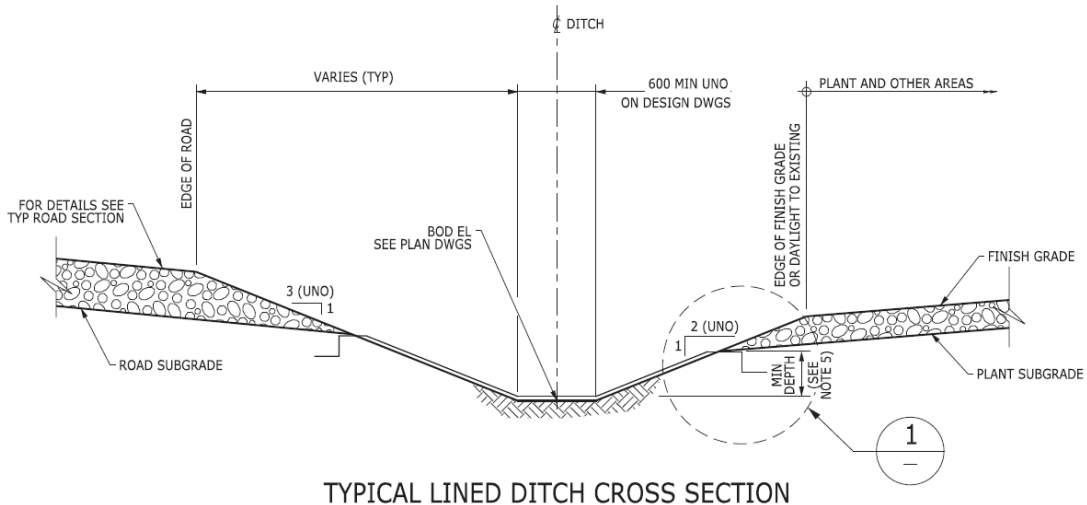
Sketch 00.009 Typical Culvert Section



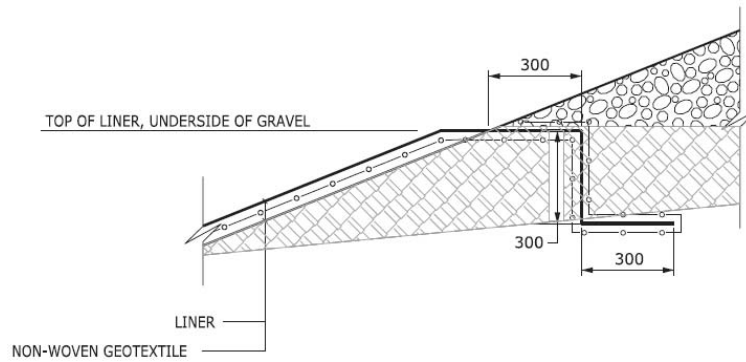
TYPICAL CULVERT CROSS SECTION

| 00.40.006 | DITCHES |
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| Specific Requirements | Ditches as per IFC drawings and specifications. Typical ditches, includes but not limited to following: <ul style="list-style-type: none"> • Lined Ditches. • Swale. |
| Unit of measurement | Linear Meter (m) / Linear feet (ft) |
| Basis of Measurement | Generally per 00.01 above, and including, but not limited to: <ul style="list-style-type: none"> • Per linear length based on the length of the ditch measured along the centerline of the ditch as defined on Issue for Construction (IFC) drawings. • Note: Any concrete activities for ditches, will be measured under 10 Concrete and the preparation and excavation activities will be covered under this section. |
| Unmeasured items | Generally per 00.00 above, and including, but not limited to: <ul style="list-style-type: none"> • Area sloping, as required. • Excavation and Compaction, as required. • Loading, transportation, material selection, reinforcements (if applicable), placement and compaction in layers. |

Sketch 00.010 Typical Lined Ditch Cross Section and Swale Section

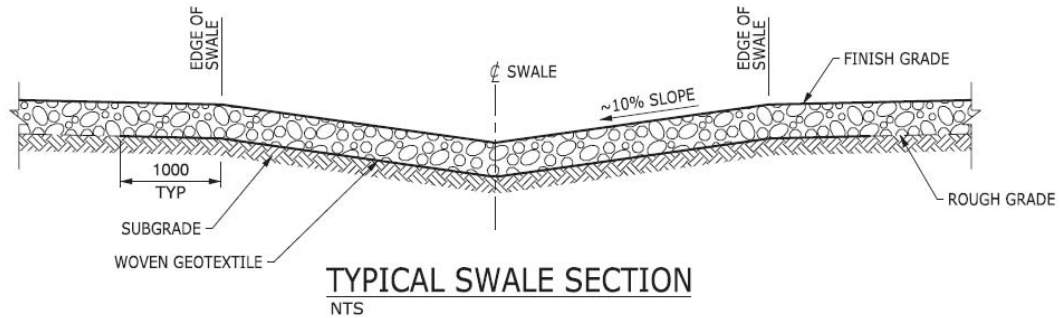


TYPICAL LINED DITCH CROSS SECTION



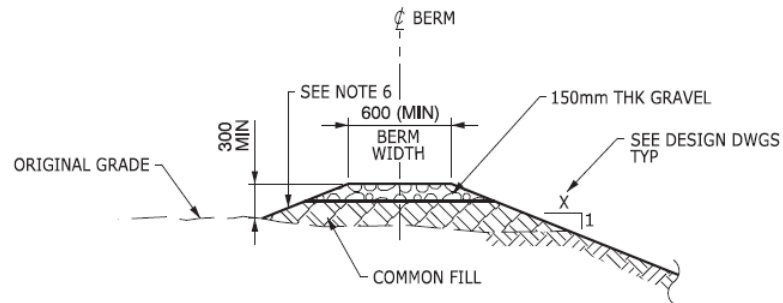
DETAIL

NTS



| 00.40.007 | BERMS |
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| Specific Requirements | Berms as per IFC drawings and specifications. Typical berms, includes but not limited to following: <ul style="list-style-type: none"> • Noise Barrier Berm. • Pipeline Berm. • Erosion Control Berms. • Road Shoulder Berm. • Security Berm. • Spill Containment Berm. |
| Unit of measurement | Cubic meter (m ³) / Cubic yard (yd ³) |
| Basis of Measurement | Generally per 00.01 above, and including, but not limited to: <ul style="list-style-type: none"> • Based on neat volume of berm to be placed as defined on Issue for Construction (IFC) drawings. • Settlement of consolidation of the original subsoil shall not be measured. |
| Unmeasured items | Generally per 00.00 above, and including, but not limited to: <ul style="list-style-type: none"> • Area sloping, as required. • All excavation, removal, loading, transport, offloading, placement and compaction of the berm material, in layers, to the specified density and leveling. • Temporary storage of excavated berm material adjacent or near berm. • Any dewatering based on specifications and/or historic data for the water table in the area of the works. |

Sketch 00.011 Typical Berm Section



TYPICAL BERM SECTION

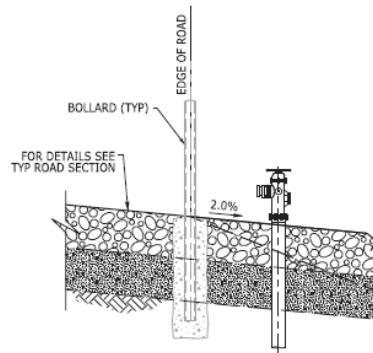
| 00.40.010 | ROAD BARRIER |
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| Specific Requirements | Road barrier as per construction drawings and specifications. Typical Road barriers, includes but not limited to following: <ul style="list-style-type: none"> • Concrete Jersey Barrier. • Plastic Jersey Barrier. • Fitch Barrier. |
| Unit of measurement | Each (EA) |
| Basis of Measurement | Generally per 00.01 above, and including, but not limited to: <ul style="list-style-type: none"> • Per type of road barrier installed as defined on Issue for Construction (IFC) drawings. |
| Unmeasured items | Generally per 00.00 above, and including, but not limited to: <ul style="list-style-type: none"> • All painting, if required • All markings or directional arrows, as required. • All labeling as required. • Any water or soil filling requirements, • Loading and unloading, including transportation. • Removal as required. • Any anchors/bolts required to attach barrier supports to paving, as required. |

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| 00.50 | PERMANENT SITE IMPROVEMENTS |
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| 00.50.001 | FENCING |
| Specific Requirements | Fencing as per construction drawings and specifications. Typical fencing, includes but not limited to following: <ul style="list-style-type: none"> • Security Fencing. • Plant Fencing. |
| Unit of measurement | Linear meter (m) / Linear feet (ft) |
| Basis of Measurement | Generally per 00.01 above, and including, but not limited to: <ul style="list-style-type: none"> • Per linear length based on the installed fencing as defined on Issue for Construction (IFC) drawings. |
| Unmeasured items | Generally per 00.00 above, and including, but not limited to: <ul style="list-style-type: none"> • Any surface preparation work. • Any supports required, including fence posts and/or truss rods or brace rails and/or anchoring systems and/or foundation systems. • All required excavations, backfilling, concrete and compaction. • Any measurements and cutting. |
| 00.50.002 | FENCING GATES |
| Specific Requirements | Fencing gates as per construction drawings and specifications. Typical fencing gates, includes but not limited to following: <ul style="list-style-type: none"> • Double Swing Gates (motorized / non-motorized). • Cantilever Sliding Gates (motorized / non-motorized). • Overhead Sliding Gates (motorized / non-motorized). • Personnel Gates (motorized / non-motorized). |
| Unit of measurement | Each (EA) |
| Basis of Measurement | Generally per 00.01 above, and including, but not limited to: <ul style="list-style-type: none"> • Per unit of fencing gates in accordance with specified size and type of material as defined on Issue for Construction (IFC) drawings. |
| Unmeasured items | Generally per 00.00 above, and including, but not limited to: <ul style="list-style-type: none"> • All required gate posts. • All hardware and accessories. • Any supports required. • All markings or directional arrows, as required. • All labeling as required. • All required excavations, backfilling, concrete and compaction. • Any temporary supports required. • Loading and unloading, including transportation. |
| 00.50.003 | BOLLARDS |

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| 00.50.003 | BOLLARDS |
| Specific Requirements | Bollards as per construction drawings and specifications. Typical bollard applications/locations, includes but not limited to following: <ul style="list-style-type: none"> • Fire hydrants. • Mechanical Equipment. • Electrical Equipment. |
| Unit of measurement | Each (EA) |
| Basis of Measurement | Generally per 00.01 above, and including, but not limited to: <ul style="list-style-type: none"> • Per unit of bollard as defined on Issue for Construction (IFC) drawings. |
| Unmeasured items | Generally per 00.00 above, and including, but not limited to: <ul style="list-style-type: none"> • All painting, if required • All markings or directional arrows, as required. • All labeling as required. • All required excavations, backfilling, concrete and compaction. • Any temporary supports required. • Loading and unloading, including transportation. |

Sketch 00.014 Typical Bollard



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| 00.55 | PILING |
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| 00.55.001 | BORED PILES / AUGER CAST IN-SITU PILES |
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|-----------------------|---|
| 00.55.001 | BORED PILES / AUGER CAST IN-SITU PILES |
| Specific Requirements | <p>Piles, including drilling as per piling specification. Concrete cast in-situ piles exclude reinforcement (see below).</p> <p>The following types of piles are typical, but not limited to, the work included in this item and covers all material types and pile sizes:</p> <ul style="list-style-type: none"> • End/Point Bearing Piles, • Friction Piles, • Friction cum end bearing plies, <p>The following material types of piles are typical, but not limited to, and included:</p> <ul style="list-style-type: none"> • Timber Piles, • Steel Piles (Permanent Steel Casings / Retracted Steel Casings), • Concrete Piles, • Composite Piles |
| Unit of measurement | Each (ea) |
| Basis of Measurement | <p>Generally per 00.01 above, and including, but not limited to:</p> <ul style="list-style-type: none"> • Per type, diameter and length as defined on Issue for Construction (IFC) drawings. |
| Unmeasured items | <p>Generally per 00.00 above, and including, but not limited to:</p> <ul style="list-style-type: none"> • All movement of piling rigs, drilling technique as per specification. • Use and disposal of water utilized for pile installation. • Pile rig mats, as required. • Replacements of Pile Cushions or Hammer Cushion Pads, and associated material(s) as required. • Preparation of ground for piling work, as required. • Preboring, pile installation and bore hole stabilization work. • Grouting along the bored hole after pile installation work, as specified. • Drilling/auguring for in-situ piles and removal of excavated material and debris. • Removal of excess and/or scrap pile material to the allocated project disposal area. • Bulbous pile base. • Preparation and placement of concrete, placement, vibrating & packing around reinforcement and curing on all bored piles and/or auger cast in-situ piles. |
| 00.55.002 | PREFABRICATED / DRIVEN PILES |

| 00.55.002 | PREFABRICATED / DRIVEN PILES |
|-----------------------|---|
| Specific Requirements | <p>Prefab piles, including piling as per piling specification.</p> <p>The following types of piles are typical, but not limited to, the work included in this item and covers all material types and pile sizes:</p> <ul style="list-style-type: none"> • End/Point Bearing Piles, • Friction Piles, • Friction cum end bearing plies, <p>The following material types of piles are typical, but not limited to, and included:</p> <ul style="list-style-type: none"> • Steel Piles, • Pre-cast Concrete Piles, • Composite Piles, • Spun Piles |
| Unit of measurement | Each (ea) |
| Basis of Measurement | <p>Generally per 00.01 above, and including, but not limited to:</p> <ul style="list-style-type: none"> • Per type, diameter and length as defined on Issue for Construction (IFC) drawings. |
| Unmeasured items | <p>Generally per 00.00 above, and including, but not limited to:</p> <ul style="list-style-type: none"> • All movement of piling rigs, drilling technique as per specification. • Use and disposal of water utilized for pile installation. • Pile rig mats, as required. • Surplus and Compensation Piles. • Removal of excess and/or scrap pile material to the allocated project disposal area. • Preparation, placement and piling of prefabricated piles, including handling, transportation, loading / unloading, and storing of piles at the project site and / or designated storage yard. • Preparation of ground for piling work, as required. |
| 00.55.003 | SHEET PILES |
| Specific Requirements | <p>Sheet piles, including piling as per piling specification.</p> <p>The following types of piles are typical, but not limited to, the work included in this item and covers all material types and pile sizes:</p> <ul style="list-style-type: none"> • Temporary Sheet Piles, • Permanent Sheet Piles. |
| Unit of measurement | Square meter (m ²) / Square Feet (SF) or (ft ²) |
| Basis of Measurement | <p>Generally per 00.01 above, and including, but not limited to:</p> <ul style="list-style-type: none"> • Net area based on the type of sheet pile as defined on Issue for Construction (IFC) drawings. • Note: Any sheet piling used for shoring activities in excavations will be included as unmeasured items under 00.25 Excavation and will not be covered under this section. |

| 00.55.003 | SHEET PILES |
|------------------|---|
| Unmeasured items | Generally per 00.00 above, and including, but not limited to: <ul style="list-style-type: none">• All movement of rigs and equipment required to perform the work.• Use and disposal of water utilized for pile installation.• Pile rig mats, as required.• Removal of any temporary sheet piling.• Removal of excess and/or scrap pile material to the allocated project disposal area.• Surplus and Compensation Piles.• Preparation of ground for piling work, as required.• Any walers, bracing, tie rods, bumpers, and anchors. |

For pricing refer to Schedule B – Pricing Tables

END OF COMMERCIAL SCHEDULE – B

00 – EARTHWORK AND CIVIL

From: Mike Taylor <mike.taylor@teigp.com>
Sent: November 11, 2020 12:23 PM
To: scott.henderson@kettlerivercontracting.com
Cc: patrick.shannon@kettlerivercontracting.com; Dean Kato <Dean.Kato@teigp.com>; Jamie Markotjohn <Jamie.Markotjohn@teigp.com>; Cori-Ann Mogan <Cori-Ann.Mogan@teigp.com>; Craig Boudreau <Craig.Boudreau@teigp.com>
Subject: RE: LTR-TDM-SUB-K103-020 Reconciliation-Final

Hi Scott,
Firstly, thank you for your response.

All data provided to Kettle River within Tradesmen's last three letters (LTR-TDM-SUB-K103-020 Reconciliation-Final, LTR-TDM-SUB-K103-017 Pending Change Order Discussion, LTR-TDM-SUB-K103-015 KRC Reconciliation) has been vetted true by both Tradesmen and the client for work completed within the terms and conditions of the contract.

If Kettle River has other supporting documents proving discrepancies that are supported by the terms and conditions of the contract, please forward to Tradesmen for verification. Current Kettle River quantities provided are not based on neat line volumes. Which does not align with the contracts terms and conditions. All change order request rejections have been justified both during time of rejection to Kettle River project management and within the recent LTR-TDM-SUB-K103-020 Reconciliation-Final (highlighted yellow).

Unless Kettle River can provide valid documentation that supports otherwise, based on terms and conditions of the contract Tradesmen sees this reconciliation as final with the amount of \$158,899.29 owing to Tradesmen.

Thank you,
Mike

From: scott.henderson@kettlerivercontracting.com <scott.henderson@kettlerivercontracting.com>
Sent: Tuesday, November 10, 2020 12:35 PM
To: Mike Taylor <mike.taylor@teigp.com>
Cc: patrick.shannon@kettlerivercontracting.com; Dean Kato <Dean.Kato@teigp.com>; Jamie Markotjohn <Jamie.Markotjohn@teigp.com>; Cori-Ann Mogan <Cori-Ann.Mogan@teigp.com>; Craig Boudreau <Craig.Boudreau@teigp.com>
Subject: RE: LTR-TDM-SUB-K103-020 Reconciliation-Final

Hi Mike,

Kettle River disagrees with the project reconciliation and TME conclusions with regards to unit rate discrepancies, T&M discrepancies, and COR discrepancies. We have gathered project documents and data which contradict the values proposed by TME in each of these respective categories. Also, TME has never provided any justification for the rejection of many of the KRC COR's submitted.

Scott Henderson

403-312-6266

From: Mike Taylor <mike.taylor@teigp.com>

Sent: Tuesday, November 10, 2020 9:18 AM

To: scott.henderson@kettlerivercontracting.com

Cc: patrick.shannon@kettlerivercontracting.com; Dean Kato <Dean.Kato@teigp.com>; Jamie Markotjohn <Jamie.Markotjohn@teigp.com>; Cori-Ann Mogan <Cori-Ann.Mogan@teigp.com>; Craig Boudreau <Craig.Boudreau@teigp.com>

Subject: LTR-TDM-SUB-K103-020 Reconciliation-Final

Hi Scott,

Please find attached for your review.

Thank you,
Mike



Mike Taylor

General Manager Civil & Earthworks

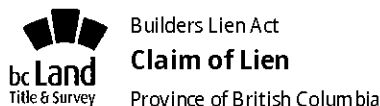
#730, 440 – 2 Avenue S.W., Calgary, AB T2P 5E9

p: 403.988.3581

mike.taylor@teigp.com

www.tradesmenenterprises.com

Appendix “I”



KAMLOOPS LAND TITLE OFFICE
 MAR 30 2021 14:27:56.001
CA8881343

Application

MILES, ZIMMER & ASSOCIATES, File No.: 210106/KVW
BARRISTERS & SOLICITORS
#45 - 8TH AVENUE SOUTH
CRANBROOK BC V1C 2K4
2504893350

I, Fred Hargrave, Director of 7825 Mission Road, CRANBROOK BC V1C 7E5, agent of the lien claimant state that:

- 1. Kettle River Contracting LP by its Gen. Partner Kettle River GP LTD. , Inc No BC1213754 of 7825 Mission Road, CRANBROOK BC V1C 7E5 claims a lien against the following land:**

| PID/Plan Number | Legal Description |
|--------------------|--|
| 016-438-329 | THAT PART OF DISTRICT LOT 6688 KOOTENAY DISTRICT INCLUDED IN RW PLAN 8566, AS TO THE REGISTERED INTEREST OF COLUMBIA NATURAL GAS LIMITED PURSUANT TO STATUTORY RIGHT OF WAY #P469 |

- A general description of the work done or material supplied, or to be done or supplied, or both, is as follows:
Supply and delivery of labour, supervision, tools, equipment, and civic construction services and ancillary activity in support of civil construction services for the Fording River Operations (FRO) and Active Water Treatment Facility - South (AWTF-S) Project.
- The person who engaged the lien claimant, or to whom the lien claimant supplied material, and who is or will become indebted to the lien claimant is:
Tradesman Enterprises Limited Partnership and Tradesmen Enterprises Inc.
- The sum of **\$1,132,738.41** is or will become due and owing to **Kettle River Contracting LP by its Gen. Partner Kettle River GP LTD.** on **2021-03-18**
- The lien claimant's address for service is:
c/o MZA Law #45 - 8TH AVENUE SOUTH, CRANBROOK BC V1C 2K4

Signature

X

Date (YYYY-MM-DD)

2021-03-19

Note: Section 45 of the *Builders Lien Act* provides as follows:

- 45 (1) A person who knowingly files or causes an agent to file claim of lien containing a false statement commits an offence.
- (2) A person who commits an offence under subsection (1) is liable to a fine not exceeding the greater of \$2,000 and the amount by which the stated claim exceeds the actual claim.

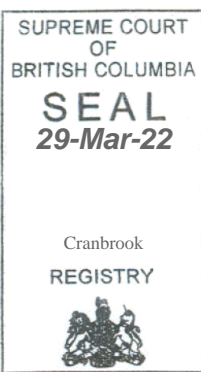
Electronic Signature

Your electronic signature is a representation that you are a designate authorized to certify this document under section 168.4 of the *Land Title Act*, RSBC 1996 c.250, that you certify this document under section 168.41(4) of the act, and that an execution copy, or a true copy of that execution copy, is in your possession.

Jacobus Hendrik
Van Wyk 9XJHYG

Digitally signed by
 Jacobus Hendrik Van Wyk
 9XJHYG
 Date: 2021-03-30
 14:23:36 -07:00

Appendix “J”



No. Court File No. **CLB-S-S-31233**
CRANBROOK REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

KETTLE RIVER CONTRACTING LIMITED PARTNERSHIP
by its general partner, KETTLE RIVER GP LTD.

PLAINTIFFS

AND:

TRADESMEN ENTERPRISES LIMITED PARTNERSHIP,
TRADESMEN ENTERPRISES INC., TECK COAL LIMITED,
and HER MAJESTY THE QUEEN IN RIGHT OF THE
PROVINCE OF BRITISH COLUMBIA

DEFENDANTS

NOTICE OF CIVIL CLAIM

This action has been started by the plaintiff for the relief set out in Part 2 below.

If you intend to respond to this action, you or your lawyer must

- (a) file a response to civil claim in Form 2 in the above-named registry of this court within the time for response to civil claim described below, and
- (b) serve a copy of the filed response to civil claim on the plaintiff.

If you intend to make a counterclaim, you or your lawyer must

- (a) file a response to civil claim in Form 2 and a counterclaim in Form 3 in the above-named registry of this court within the time for response to civil claim described below, and
- (b) serve a copy of the filed response to civil claim and counterclaim on the plaintiff and on any new parties named in the counterclaim.

JUDGMENT MAY BE PRONOUNCED AGAINST YOU IF YOU FAIL to file the response to civil claim within the time for response to civil claim described below.

Time for response to civil claim

A response to civil claim must be filed and served on the plaintiffs,

- (a) if you reside anywhere in Canada, within 21 days after the date on which a copy of the filed notice of civil claim was served on you,

- (b) if you reside in the United States of America, within 35 days after the date on which a copy of the filed notice of civil claim was served on you,
- (c) if you reside elsewhere, within 49 days after the date on which a copy of the filed notice of civil claim was served on you, or
- (d) if the time for response to civil claim has been set by order of the court, within that time.

CLAIM OF THE PLAINTIFF

PART 1 STATEMENT OF FACTS

Background

1. The plaintiff, Kettle River Contracting Limited Partnership, is a limited partnership duly registered in British Columbia, with a registered and records office located at 7825 Mission Road, Cranbrook, BC, and extra provincially registered in Alberta.
2. The plaintiff, Kettle River GP Ltd., is a company duly registered in British Columbia, with a registered and records office located at #45-8th Avenue S, Cranbrook, BC, and extra provincially registered in Alberta. Kettle River GP Ltd. is the general partner of the plaintiff Kettle River Contracting Limited Partnership.
3. Kettle River Contracting Limited Partnership and Kettle River GP Ltd. are collectively referred to as "**Kettle River**".
4. The defendant, Tradesmen Enterprises Limited Partnership is a limited partnership registered under the laws of Alberta and extra provincially registered in British Columbia with an attorney located at Lawdell Corporate Services Limited, 1600 – 925 West Georgia Street, Vancouver, BC V6C 3L2.
5. The defendant, Tradesmen Enterprises Inc. is a company incorporated under the laws of Alberta and extra provincially registered in BC with an attorney located at Lawdell Corporate Services Limited, 1600 – 925 West Georgia Street, Vancouver, BC V6C 3L2. Tradesmen Enterprises Inc. is the general partner of the defendant Tradesmen Enterprises Limited Partnership.
6. Tradesmen Enterprises Limited Partnership and Tradesmen Enterprises Inc. are collectively referred to as "**Tradesmen**".
7. The defendant, Teck Coal Limited ("**Teck**"), is a federal company incorporated under the laws of Canada with a head office located at 3300 – 550 Burrard Street, Vancouver, BC V6C 0B3.
8. The Defendant, Her Majesty the Queen in Right of the Province of British Columbia (the "**Province**"), is the legal name of the Provincial Government of British Columbia having an address for service located at the Ministry of the Attorney General, PO Box 9290, Stn Provincial Government, Victoria, BC V8W 9J7.

9. The Province is the registered owner of property located near Elkford, BC and legally described as follows:

PID: 016-438-329

That Part of District Lot 6688 Kootenay District Included in RW Plan 8566
(the "**Lands**")

10. Teck is constructing a water treatment facility known as the Fording River Operations Active Water Treatment Facility South Project (the "**Project**") situated on the Lands.

The Head Contract

11. On May 28, 2019, Teck and Tradesmen entered into a contract for Tradesmen to act as the general contractor for the construction of the Project (the "**Head Contract**"). The Project was scheduled to complete in 2021.
12. On January 11, 2021, Tradesmen provided a notice of default to Teck's counsel. The same day, Teck terminated the Head Contract (the "**Termination**").

The Subcontract

13. In or about August 2, 2019, Tradesmen entered into a sales order contract with Kettle River (the "**Subcontract**") for a portion of the work on the Project Lands (the "**Subcontract Work**"). The Subcontract Work was scheduled to take 81 days, with a start date of August 6, 2019, and an end date of December 1, 2019.
14. Section 4.2 of the Subcontract provides that interest shall attach to outstanding sums at 2% per month (26.8% per annum) on overdue accounts commencing on the due date (the "**Interest**").
15. The start date for the Subcontract Work was significantly delayed due to circumstances outside of Kettle River's control, including but not limited to Tradesmen's completion of water control measures and rock breaking.
16. On August 9, 2019, Kettle River began the Subcontract Work on the Lands in good faith pursuant to the Subcontract.
17. On October 15, 2019, Tradesmen directed Kettle River to perform additional work on a diversion channel (the "**Additional Work**"), and Kettle River agreed.
18. Kettle River's ability to complete the Subcontract Work in a timely manner was negatively impacted by delays outside of Kettle River's control, including the lack of available work fronts, and delays in the work required to be completed by other contractors before Kettle River could perform the Subcontract Work and Additional Work.
19. Kettle River incurred significant costs due to the schedule delays, including approximately 5,500 of additional man hours to support the Subcontract Work and Additional Work.
20. On October 28, 2019, Kettle River issued a change order for \$997,929.83 to Tradesmen (the "**Change Order**"), broken down as follows:

- (a) \$333,055.40 for the Additional Work; and
 - (b) \$664,874.43 for increased costs resulting from delays in the project duration.
21. Between October 2019 and April 2020, Kettle River followed up with Tradesmen multiple times regarding the status of the Change Order, and Tradesmen assured Kettle River that the Change Order would be approved.
 22. After March 26, 2020, Kettle River was no longer able to continue the Subcontract Work or the Additional Work due to a lack of available work fronts.
 23. On April 4, 2020, Tradesmen informed Kettle River that Fluor Corporation, the engineering consultant Teck retained on the Project, had rejected the Change Order. By this time, Kettle River's subcontract had been managed by more than 5 different Tradesmen project managers. Kettle River followed up with both Tradesmen and Teck disputing the rejection.
 24. In the course of the Subcontract Work and Additional Work, and in accordance with the terms of the Subcontract and Change Order, and with the knowledge and consent of the defendants, Kettle River made improvements to the Lands, including but not limited to backfill, excavation, surveying, road construction, site preparation, and pipeline work (the "**Improvements**").
 25. At all material times, Kettle River carried out the Subcontract Work and Additional Work diligently and to the standard expected of a contractor performing similar work at the material time.
 26. In breach of the Subcontract, despite several demands, Tradesmen has refused, failed, or neglected to pay Kettle River the amount of \$1,132,738.41 (the "**Monies Owed**") for:
 - (a) the Subcontract Work, invoiced by Kettle River as follows:

| Invoice Date | Invoice Number | Amount Owed (inclusive of GST) |
|---------------------|-----------------------|---|
| March 6, 2020 | 2016 | \$113,514.78 |
| April 16, 2020 | 2021 | \$210,967.97 |
| April 24, 2020 | 2025 | \$343,984.14 |
| | Total Invoiced | \$668,466.89 |

- (b) the Additional Work and increased costs due to delays pursuant to the Change Order, totalling \$464,271.52.
27. Further, in breach of the implied term of good faith performance of the Subcontract and the duty to act honestly in the performance of the Subcontract, Tradesmen actively

deceived, knowingly misled and made false representations to Kettle River including, but not limited to:

- (a) applying incorrect unit rates to the Subcontract Work, including retroactively;
 - (b) failing to provide the Change Order to Teck in a timely manner or at all;
 - (c) requesting credits for work which was previously directed, approved, and paid for by Tradesmen without substantiating the request;
 - (d) accusing Kettle River of charging twice for the same work without substantiating the accusation, which Kettle River subsequently disproved; and
 - (e) classifying Kettle River work as “not performed” when the completed work was clearly visible on the work site.
28. On August 26, 2020, Kettle River communicated with Teck directly regarding the Monies Owed as it was unable to reach a resolution with Tradesmen.
29. In early 2021, Kettle River discovered that Teck had terminated the Head Contract and Tradesmen would not be proceeding with the Subcontract.

Claim of Lien

30. The Improvements, materials and equipment supplied by Kettle River to the Lands in connection with the Project increased the value of the Lands.
31. At all material times, each of Teck and the Crown were “owners” of the Lands as defined in the *Builders Lien Act*, SBC 1997 c 45 (the "*Builders Lien Act*") and the Improvement was done with their prior knowledge. Tradesmen was also a “contractor” as defined in the *Builders Lien Act*.
32. On March 30, 2021, Kettle River made a claim of lien pursuant to the *Builders Lien Act* alleging the amount of \$1,132,738.41 is due and owing, by causing the claim of lien to be filed against the Project Lands in the Kamloops Land Title Office under number CA8881343.

The Holdback

33. Pursuant to section 4 of the *Builders Lien Act*, or the Head Contract, Teck and Tradesmen were each obligated to retain a holdback equal to 10% of the greater of the value of the work or materials provided under each of the Head Contract and the Subcontract (the “**Holdback**”).
34. Kettle River is a person engaged in connection with the Improvement by or under Tradesmen. Accordingly, the Holdback is charged with payment of the Monies Owing to Kettle River pursuant to section 4(9) of the *Builders Lien Act*.

Bankruptcy Proceedings

35. On February 1, 2021, Tradesmen filed Notices of Intention to Make a Proposal under s. 50.4(1) of the *Bankruptcy and Insolvency Act*, which stayed all proceedings against Tradesmen.
36. On April 15, 2021, the Court of Queen's Bench of Alberta appointed KSV Restructuring Inc. as receiver for Tradesmen (the "**Receivership Order**"), which included a stay of all current and future proceedings against Tradesmen. Paragraph 11 of the Receivership Order allows for a proceeding to be commenced where it would otherwise be statute-barred if not filed.
37. On April 17, 2021, Tradesmen was deemed to have made an assignment into bankruptcy.
38. Kettle River is relying on the exception in paragraph 11 of the Receivership Order to file this Notice of Civil Claim, as required by the *Builder's Lien Act*, s. 33(5).

PART 2 RELIEF SOUGHT

1. A Certificate of Pending Litigation against the Lands.
2. A declaration that Kettle River is entitled to a lien pursuant to the *Builder's Lien Act* in the amount of \$1,132,738.41 against:
 - (a) the Lands;
 - (b) the Improvements and the interest of the defendants in the Improvements;
 - (c) the material delivered to or placed in, on or under the Lands;
 - (d) any security posted or funds paid into court in substitution for the Lands; and
 - (e) the Holdback retained or required to be retained by the defendants.in preference or priority to all of the rights, title and interest of the defendants.
3. An order that the Lands, Improvements, material, or interest of the defendants charged by the lien in the Lands be sold for the purpose of realizing the amount of Kettle River's lien and costs pursuant to the *Builders Lien Act*.
4. An order that all the proper and necessary directions, accounts, inquiries and references be taken.
5. For judgment against Tradesmen for debt and breach of contract in the amount of \$1,132,738.41.
6. In the alternative, judgment against Teck in *quantum meruit* for the value of the work performed and services provided to the Improvement, costs, and other sums as may be determined at trial.

7. For Interest pursuant to the Subcontract at 2% per month (26.8% per annum), and in addition or in the alternative, interest pursuant to the *Court Order Interest Act*.
8. Costs of this action, including costs of and incidental to filing and enforcing the claim of lien.

PART 3 LEGAL BASIS

1. Kettle River is entitled to judgment for the Monies Owed under the Subcontract and Change Order, and to a lien under the *Builders Lien Act*.
2. Kettle River pleads and relies on the *Builders Lien Act*, the *Court Order Interest Act*, the *Bankruptcy and Insolvency Act*, and the Supreme Court Civil Rules.
3. Kettle River pleads and relies on the common law of debt, contract and costs.

Breach of Agreement

4. The Subcontract is a valid and binding contract. In addition, Tradesmen gave express or implied instructions, or otherwise authorized Kettle River to incur all costs associated with the Additional Work, either verbally, in writing, or via the language of the Subcontract.
5. Kettle River performed the Subcontract Work and the Additional Work in relation to the Improvement and invoiced Tradesmen pursuant to the terms of the Subcontract.
6. By refusing to make payment in accordance with the Subcontract, Tradesmen breached the Subcontract and is indebted to Kettle River for the Monies Owed.
7. As a result of Tradesmen's breach of the terms of the Subcontract, Kettle River has suffered loss, damage, and expense.

Builder's Lien

8. At all material times, Kettle River was a subcontractor as defined in section 1 of the *Builders Lien Act*.
9. At all material times, Kettle River performed work and supplied material in relation to the Improvement pursuant to the terms of the Subcontract and Change Order.
10. Under section 2 and 3 of the *Builders Lien Act*, Kettle River is entitled to a lien for the price of the work and material, to the extent that the price remains unpaid, on all of the following:
 - (a) the Lands;
 - (b) the Improvements and the interest of the defendants in the Improvements;
 - (c) the material delivered to or placed in, on or under the Lands;
 - (d) any security posted or funds paid into court in substitution for the Lands; and

- (e) the Holdback retained or required to be retained by the defendants.
- 11. Pursuant to section 4 and 5 of the *Builders Lien Act*, both Tradesmen and Teck were required to retain the Holdback and deposit it into a holdback trust account, Kettle River is entitled to a lien against the Holdback, and the Holdback is charged pursuant to section 4(9) of the *Builders Lien Act* with the payment of all amounts owing to Kettle River in relation to the Improvement.
- 12. Pursuant to section 33 of the *Builders Lien Act*, Kettle River is entitled to a certificate of pending litigation against the Lands.
- 13. Pursuant to section 38 of the *Builders Lien Act*, Kettle River is entitled to costs of and incidental to the proceedings of filing and enforcing its claim of lien.

Unjust Enrichment

- 14. Further and alternatively, the defendants have been unjustly enriched. The defendants have received the benefit of the Improvements provided by Kettle River, Kettle River has suffered a corresponding deprivation and there is no juristic reason for said enrichment.
- 15. The defendants were aware of the Improvements and explicitly or implicitly requested that the Improvements be completed by Kettle River.
- 16. Under section 10 of the *Builders Lien Act*:
 - (a) money received by a contractor on account of the price of a contract constitutes a trust fund for the benefit of subcontractors and others engaged in connection with the improvement in question by the contractor, and
 - (b) the contractor is the trustee of the funds. Until all the beneficiaries of the fund are paid, the contractor must not appropriate any part of the fund to that person's own use or to the use not authorized by the trust.
- 17. Individuals who direct or participate in a breach of the *Builders Lien Act* trust are personally liable to unpaid beneficiaries of the trust.
- 18. Money received by Tradesmen on account of the Head Contract constituted a trust at law and in equity as it met the requirements of certainty of intention, subject matter, and object.
- 19. In breach of trust, Tradesmen appropriated all or part of the trust fund for their own uses or uses not authorized by that trust, which has caused damage, loss or expense to Kettle River.
- 20. Kettle River is entitled to a remedial constructive trust on account of the unpaid Invoices, Change Order, and Interest for the Monies Owed.
- 21. Pursuant to section 67 of the *Bankruptcy and Insolvency Act*, the property held by a bankrupt divisible among its creditors shall not comprise property held by the bankrupt in trust for any other person.

22. Pursuant to section 178 of the *Bankruptcy and Insolvency Act*, a judgment for breach of trust will survive discharge from bankruptcy where the breach was knowingly committed.

Plaintiffs' address for service:

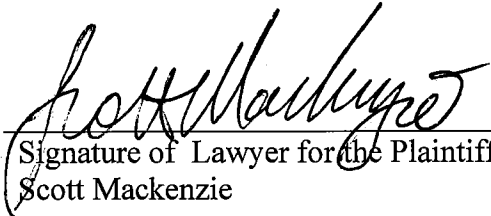
Scott MacKenzie
Boughton Law
700-595 Burrard Street
Vancouver, BC V7X 1S8

Fax number address for service (if any): 604-683-5317

Place of trial: Cranbrook

The address of the registry is: 102 11 Ave S, Cranbrook, BC V1C 2P4

Dated: March 29, 2022



Signature of Lawyer for the Plaintiffs
Scott Mackenzie

Rule 7-1(1) of the Supreme Court Civil Rules states:

- (1) Unless all parties of record consent or the court otherwise orders, each party of record to an action must, within 35 days after the end of the pleading period,
 - (a) prepare a list of documents in Form 22 that lists
 - (i) all documents that are or have been in the party's possession or control and that could, if available, be used by any party at trial to prove or disprove a material fact, and
 - (ii) all other documents to which the party intends to refer at trial, and
 - (b) serve the list on all parties of record.

APPENDIX

PART 1 CONCISE SUMMARY OF NATURE OF CLAIM:

Damages arising from a breach of contract, or, in the alternative, an unjust enrichment.

PART 2 THIS CLAIM ARISES FROM THE FOLLOWING:

- x the provision of goods or services or other general commercial matters

PART 3 THIS CLAIM INVOLVES:

- none of the above

PART 4

The Plaintiffs will rely on the following enactments:

Builders Lien Act, SBC 1994, c 45

Court Order Interest Act, RSBC 1996, c 79.

Bankruptcy and Insolvency Act, RSC 1985, c B-3

Appendix “K”



Bennett Jones

Bennett Jones LLP

3400 One First Canadian Place, PO Box 130

Toronto, Ontario, Canada M5X 1A4

Tel: 416.863.1200 Fax: 416.863.1716

Joshua Foster
Associate
Direct Line: 416.777.7906
e-mail: fosterj@bennettjones.com

May 10, 2022

Delivered via E-mail

Kettle River Contracting Limited Partnership
c/o Boughton Law
700 – 595 Burrard Street
Vancouver, B.C.
V7X 1S8

Attention: Scott M. MacKenzie

Dear Sirs/Mesdames:

Re: Bank of Montreal v. Tradesmen Enterprises Limited Partnership and Tradesmen Enterprises Inc. – Court File No. 2101-04670

On February 1, 2021, Tradesmen Enterprises Limited Partnership and Tradesmen Enterprises Inc. (together, "**Tradesmen**") filed Notices of Intention to Make a Proposal (together, the "**NOIs**") pursuant to section 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "**BIA**" and the proceedings thereunder, the "**NOI Proceedings**"). KSV Restructuring Inc. ("**KSV**") was appointed as proposal trustee of Tradesmen under the NOIs. Pursuant to an order (the "**Stay Extension Order**") of the Alberta Court of Queen's Bench (the "**Court**") dated March 2, 2021, the time within which Tradesmen was required to file a proposal under section 50.4 of the BIA and the corresponding stay of proceedings under section 69 of the BIA was extended until and including April 16, 2021.

On April 15, 2021, the Court granted an order (the "**Receivership Order**") pursuant to subsections 243(1) of the BIA and 13(2) of the *Judicature Act*, R.S.A. 2000, c.J-2, *inter alia*, appointing KSV as receiver (in such capacity, the "**Receiver**"), without security, of all of Tradesmen's current and future assets, undertakings and property of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (collectively, the "**Property**"). Bennett Jones LLP ("**Bennett Jones**") is counsel to the Receiver in the receivership proceedings (the "**Receivership Proceedings**").

As a result of a proposal not having been filed on or prior to April 16, 2021 in the NOI Proceedings, Tradesmen was deemed to have filed an assignment in bankruptcy on April 17, 2021 (the "**Bankruptcy Proceedings**"). KSV is the Licensed Insolvency Trustee (the "**Trustee**") of Tradesmen's estate and Bennett Jones is counsel to the Trustee in the Bankruptcy Proceedings.



May 10, 2022

Page 2

The Stay Extension Order, the Receivership Order and additional information in respect of the NOI Proceedings, the Receivership Proceedings and the Bankruptcy Proceedings, including information required to file a proof of claim, are available on the Receiver's website at the following link: <https://www.ksvadvisory.com/experience/case/tradesmen-enterprises-limited-partnership-and-tradesmen-enterprises-inc->.

Among other things, the Receivership Order provides that:

- (a) no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") against or in respect of Tradesmen or the Property shall be commenced or continued except with the written consent of the Receiver or leave of the Court and any and all Proceedings currently underway against or in respect of Tradesmen or the Property are stayed and suspended pending further order of the Court; and
- (b) all rights and remedies of any person, whether judicial or extra-judicial, statutory or non-statutory (including, without limitation, set-off rights) against or in respect of Tradesmen or the Receiver or affecting the Property are stayed and suspended and shall not be commenced, proceeded with or continued except with leave of the Court.

We note that the terms of the Receivership Order apply to the Notice of Civil Claim (the "**Claim**") filed by Kettle River Contracting Limited Partnership ("**Kettle River**") by its general partner, Kettle River GP Ltd., with the Supreme Court of British Columbia bearing Court File No.: CLB-S-S-31233. Namely, any attempt to continue the Claim or enforce any rights or remedies that Kettle River may have against Tradesmen or the Property in respect thereof. We trust that no further steps will be taken by Kettle River in contravention of the Receivership Order.

Should you have any questions or concerns in respect of this letter, please feel free to reach out to the undersigned or the Receiver (who is copied on this letter).

Yours truly,

BENNETT JONES LLP

Joshua Foster

Joshua Foster

c: Sean Zweig and Chris Simard – Bennett Jones LLP
Bobby Kofman and David Sieradzki – KSV Restructuring Inc.

Appendix “L”



**Second Report to Court of
KSV Restructuring Inc. as
Receiver and Manager of
Tradesmen Enterprises Limited Partnership
and Tradesmen Enterprises Inc.**

February 7, 2022

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| 2.0 | Background | 2 |
| 2.1 | The Arbitration | 4 |
| 3.0 | Funding of these Proceedings | 5 |
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Appendices

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| Receivership Order | A |
| Proposal Trustee’s First Report to Court dated February 2, 2021 (without appendices) . | B |
| Court Order dated July 15, 2021 | C |

COURT FILE NUMBER: 2101-04670

COURT OF QUEEN'S BENCH OF ALBERTA

IN THE MATTER OF THE RECEIVERSHIP OF
TRADESMEN ENTERPRISES LIMITED PARTNERSHIP
AND TRADESMEN ENTERPRISES INC.
OF THE CITY OF CALGARY,
IN THE PROVINCE OF ALBERTA

SECOND REPORT OF KSV RESTRUCTURING INC.
AS RECEIVER AND MANAGER OF
TRADESMEN ENTERPRISES LIMITED PARTNERSHIP AND
TRADESMEN ENTERPRISES INC.

FEBRUARY 7, 2022

1.0 Introduction

1. This report (the "Report") is filed by KSV Restructuring Inc. ("KSV") in its capacity as receiver and manager ("Receiver") of Tradesmen Enterprises Limited Partnership ("TELP") and Tradesmen Enterprises Inc. ("TEI", and together with TELP, the "Companies"). KSV was appointed Receiver pursuant to an order of the Court of Queen's Bench of Alberta (the "Court") issued on April 15, 2021 (the "Receivership Order"). A copy of the Receivership Order is attached as Appendix "A".
2. KSV was formerly the proposal trustee (the "Proposal Trustee") in connection with Notices of Intention to Make a Proposal filed by the Companies on February 1, 2021 pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") (the "NOI Proceedings").
3. The principal purposes of the NOI Proceedings were for the Companies to:
 - a) obtain a stay of proceedings to afford the Companies breathing space to advance litigation against Teck Coal Limited ("Teck"), Fluor Canada Ltd. ("Fluor"), Canadian Pacific Limited, the Province of British Columbia and FortisBC Energy, which litigation is now subject to arbitration proceedings (the "Arbitration") before Stuart Hankinson, as arbitrator (the "Arbitrator"); and
 - b) access funding under an interim financing credit facility dated February 1, 2021 (the "Interim Financing Agreement") between the Companies and Bank of Montreal ("BMO"), as interim lender, which was approved pursuant to a Court order dated February 3, 2021, as amended and restated pursuant to a Court order dated March 2, 2021.
4. As it became apparent that the Teck litigation would not be resolved prior to August 1, 2021, being the six-month anniversary of the commencement of the NOI Proceedings and the date by which the Companies were required to file a proposal pursuant to subsection 50.4(9) of the BIA, the Companies did not seek to extend the NOI Proceedings beyond April 17, 2021. As a result, the Companies were deemed to have made assignments in bankruptcy pursuant to subsection 50.4(8) of the BIA on April 17, 2021. KSV is the licensed insolvency trustee administering the Companies' bankruptcy proceedings.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information about the Companies and these proceedings, including the status of the Arbitration; and
 - b) notify the Service List of the need to increase the quantum of the Receiver's borrowings and the Receiver's Borrowings Charge (as defined in the Receivership Order) from \$3 million to \$4 million in accordance with paragraph 27 of the Receivership Order.

1.2 Restrictions

1. In preparing this Report, the Receiver has relied upon unaudited financial information prepared by the Companies, the Companies' books and records and discussions with the Companies' management, legal counsel and majority owner, Fulcrum Capital Partners Inc. ("Fulcrum"). The Receiver has not audited, reviewed or otherwise verified the accuracy or completeness of the information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants of Canada Handbook*.
2. The Receiver expresses no opinion or other level of assurance with respect to the financial information presented in this Report or relied upon by the Receiver in preparing this Report. Any party wishing to place reliance on the Companies' financial information should perform its own due diligence and any reliance placed by any party on the information presented herein shall not be considered sufficient for any purpose whatsoever.

2.0 Background

1. Prior to the commencement of the NOI Proceedings, TELP carried on a mechanical contracting business specializing in facility and pipeline construction, piping and structure fabrication, module assembly and maintenance projects. TELP operated from two leased premises in Alberta, both of which were vacated on or around April 30, 2021. Its head office was located in Calgary and its fabrication facility in Grande Prairie. TEI is an inactive holding company with no business activity or operations.
2. Pursuant to an agreement dated May 28, 2019 (the "Teck Contract"), Teck retained TELP to act as the mechanical and piping general contractor on a project to construct the Fording River Operations Active Water Treatment Facility (South Project) located near Elkford, British Columbia (the "Project").
3. The Project is substantially over budget – TELP takes the position that the Teck Contract originally had a contractual scope of approximately \$52 million. The Project is now projected to have a total cost of at least \$150 million. TELP's position is that due to the increased scope of, and the extraordinary number of changes on, the Project, TELP issued approximately 900 change order requests and 1,700 requests for information to Teck. By letter dated January 11, 2021, Teck terminated the Teck Contract. TELP's position is that the grounds relied upon by Teck to terminate the contract are improper.

4. The termination of the Teck Contract caused the Companies to commence the NOI Proceedings. On or around the commencement date of the NOI Proceedings, TELP reduced its employee headcount from approximately 614 to seven. During the NOI Proceedings, TELP entered into contracts with its remaining employees concerning their future terms of employment with TELP (the "Employment Agreements").
5. TELP's remaining employees are critical to the Arbitration given their familiarity with the Teck Contract and/or their involvement with the Project. Accordingly, the Receiver retained each of these employees on the terms of their Employment Agreements, subject to each employee confirming that the Receiver is not a successor-employer of TELP and that the Receiver shall have no personal liability for any of TELP's employment-related obligations.
6. Each of the Employment Agreements provides the respective employee with an entitlement to participate in a key employee retention plan (the "KERP"). Pursuant to a Court order dated March 2, 2021 obtained in the NOI Proceedings, a charge was granted over the Companies' property, assets and undertakings (collectively, the "Property") to secure the payments contemplated by the KERP (the "KERP Charge"). The Receivership Order recognizes the KERP Charge and preserves the priority thereof.
7. Bank of Montreal ("BMO") is the Companies' principal secured creditor and the applicant in these proceedings. The Companies' other significant creditors are:
 - a) sub-contractors who may be owed approximately \$18 million according to TELP's books and records. As at the date of this Report, 15 of these sub-contractors (collectively, the "Lien Claimants") have filed liens against lands associated with the Project totalling approximately \$18.9 million for their unpaid work performed on the Project. There may be additional lien claims filed in due course. The Receiver has not reviewed any of the lien claims and no claims process has been commenced in the receivership proceedings;
 - b) Fulcrum was owed approximately \$1.8 million at the commencement of the NOI Proceedings and since that time has funded a partial guarantee it provided in respect of the BMO debt; and
 - c) Teck also claims to be a creditor of TELP, which TELP disputes. As set out in Section 2.1 below, Teck has filed a counterclaim against TELP in the Arbitration.
8. A summary of the Companies' financial position at the commencement of the NOI Proceedings was provided in the Proposal Trustee's First Report to Court dated February 2, 2021 (the "First Report") and, accordingly, is not repeated in this Report. A copy of the First Report is provided in Appendix "B", without attachments.
9. Court materials filed in the Companies' receivership, NOI and bankruptcy proceedings are available on KSV's website at <https://www.ksvadvisory.com/insolvency-cases/case/tradesmen-enterprises>.

2.1 The Arbitration

1. Shortly following the termination of the Teck Contract, TELP registered builders' liens in the amount of approximately \$52.8 million against lands associated with the Project, including real property owned by Canadian Pacific Limited and the Province of British Columbia, and a statutory right of way registered in favour of FortisBC Energy Inc.
2. On February 24, 2021, TELP commenced litigation against Teck, Fluor, Canadian Pacific Limited, the Province of British Columbia and FortisBC Energy Inc. by filing a Notice of Civil Claim in the Supreme Court of British Columbia.
3. Material developments since the commencement of the litigation include the following:
 - a) in April, 2021, TELP and Teck agreed to arbitrate the litigation. Mr. Hankinson was jointly engaged by Teck and TELP as the Arbitrator;
 - b) TELP sought to have Fluor¹ added as a party to the Arbitration. The application was heard by the Arbitrator on August 6, 2021. On September 15, 2021, the Arbitrator ruled that Fluor would not be added as a party to the Arbitration;
 - c) on May 26, 2021, representatives of TELP, Teck and the Receiver convened a "senior executive" meeting via videoconference. The senior executive meeting was required under the dispute resolution provisions of the Teck Contract to see if the dispute between TELP and Teck could be settled prior to the commencement of the Arbitration. The dispute has not been resolved;
 - d) on June 3, 2021, TELP's Notice to Arbitrate was served;
 - e) on June 23, 2021, Teck served its counterclaim;
 - f) on November 19, 2021, the Arbitrator issued Procedural Order #1, which sets out the conduct of the Arbitration and its procedural timetable. Pursuant to Procedural Order #1, the dispute is scheduled for a 20-day hearing commencing June 19, 2023;
 - g) on December 15, 2021, Teck's application for security for costs was heard by the Arbitrator. Teck sought to have approximately \$3.035 million posted as security for costs. Teck's application was opposed by TELP;
 - h) on January 17, 2022, the Arbitrator ruled that \$1.5 million in security for costs must be posted by TELP, in three \$500,000 installments payable on February 28, 2022, July 31, 2022 and January 31, 2023; and
 - i) on January 31, 2022, TELP's response to Teck's counterclaim was served.
4. The substantive steps in the Arbitration are document production (January 14, 2022 to April 15, 2022), witness statements (May 16, 2022 to November 11, 2022), delivery of expert reports (November 25, 2022 to March 31, 2023) and hearing of the Arbitration (commencing June 19, 2023).

¹ Fluor was the design engineering firm retained by Teck for the Project.

3.0 Funding of these Proceedings

1. BMO has funded the NOI and receivership proceedings. BMO's pre-filing and post-filing indebtedness is summarized below.
 - a) BMO's pre-filing debt totals approximately \$22.5 million², plus interest and costs which continue to accrue. Fulcrum guaranteed a portion of this debt, which it has funded;
 - b) during the NOI Proceedings, the \$2.8 million Interim Financing Agreement was fully drawn. Pursuant to the Receivership Order, advances under the Interim Financing Agreement are secured by a charge on the Property (the "Interim Financing Charge"); and
 - c) as at the date of this Report, BMO has funded \$2.955 million pursuant to receiver's certificates (the "Receiver's Certificates") in accordance with the Receivership Order. Pursuant to the Receivership Order, such advances are secured by the Receiver's Borrowings Charge. Pursuant to a Court order dated July 15, 2021 (the "July 15th Order"), the maximum amount secured by the Receiver's Borrowings Charge was increased from \$2.5 million to \$3 million. A copy of the July 15th Order is attached as Appendix "C".

2. The status of each Court-ordered charge is provided in the table below.

| Charge | Amount (\$000s) | Status |
|------------------------------|-----------------|---|
| Receiver's Charge | 1,000 | All fees and disbursements of the Receiver and its counsel are current up to December 31, 2021. These fees are contemplated to be paid in the cash flow pursuant to which BMO is advancing funds under the Receiver's Certificates. |
| Administration Charge | 300 | The Administration Charge covers the professional fees incurred during the NOI Proceedings, all of which have been paid through to the termination of the NOI Proceedings on April 17, 2021. |
| Receiver's Borrowings Charge | 3,000 | The Receiver has borrowed \$2.955 million as at the date of this Report. |
| Interim Financing Charge | 2,800 | The \$2.8 million Interim Financing Agreement was fully drawn upon during the NOI Proceedings. |
| KERP Charge | 202.5 | All amounts payable under the KERP have been funded to-date, including the quarterly bonuses payable thereunder. Projected KERP payments are included in the Companies' cash flow, with funding made pursuant to the Receiver's Certificates. |

² Net of a \$2.6 million distribution paid by the Receiver pursuant to the July 15th Order, which represented the net proceeds generated from the liquidation of TELP's fixed assets.

3.1 Receiver's Borrowings Charge

1. In order to fund these proceedings, the Receivership Order created the Receiver's Borrowings Charge in the amount of \$2.5 million, being a priority charge over the Property subordinate only to the Receiver's Charge and the Administration Charge.³ The July 15th Order increased the Receiver's Borrowings Charge from \$2.5 million to \$3 million. As at the date of this Report, BMO has advanced \$2.955 million under Receiver's Certificates, which advances are secured by the Receivers' Borrowings Charge.
2. In order to minimize the number of Court attendances in these proceedings, paragraph 27 of the Receivership Order authorizes the Receiver to increase the Receiver's Borrowings Charge in increments of \$500,000 by serving a report on the Service List, which describes the need for the increased borrowings, or by further order of the Court. Any such increases are to be secured by the Receiver's Borrowings Charge.
3. If the Receiver serves a report on the Service List and a party files a Notice of Objection, the proposed increase in the Receiver's Borrowings Charge would require a further Court order. If no Notice of Objection is received within 10 days of serving such report, a further order of the Court is not required.
4. The Receiver is serving this Report on the Service List for the purpose of increasing the Receiver's Borrowings Charge in two increments of \$500,000, from \$3 million to \$4 million. The proposed increase is principally to fund:
 - a) professional fees incurred and to be incurred in connection with the Arbitration;
 - b) the first \$500,000 instalment required to be posted for security for costs in accordance with the Arbitrator's decision dated January 17, 2022, which must be posted by the end of February 2022;
 - c) employee costs secured by the KERP Charge; and
 - d) costs to store and maintain TELP's data, which is required for the Arbitration.
5. Paragraph 27 of the Receivership Order is debatably ambiguous as to whether a separate report is required for each increase of \$500,000 in the Receiver's Borrowings Charge or whether more than one \$500,000 increase can be sought at a time. The Receiver is of the view that a separate report is not required for each \$500,000 increase and that there is no prejudice to stakeholders if more than one \$500,000 increase is requested at a time. Given the immediate need for \$1 million, the alternative in the current situation is to file two separate reports seeking increases in the borrowing limit of \$500,000, for which there is no substantive difference, except for additional professional cost. Accordingly, the Receiver has served notice on stakeholders of the required increase on the basis set out in this Report.

³ The Administration Charge secured the professional fees incurred in the NOI Proceedings, which were continued under the Receivership Order.

6. The Receiver is of the view that the funding sought herein is required to continue the arbitration with Teck and to fund the security for cost award, which must be posted by February 28, 2022. In the event that increased funding is not available, the arbitration will be discontinued and there will be no recoveries for the Company's creditors from the arbitration.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.
SOLELY IN ITS CAPACITY AS RECEIVER AND MANAGER OF
TRADESMEN ENTERPRISES LIMITED PARTNERSHIP AND
TRADESMEN ENTERPRISES INC.
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “M”



**Third Report to Court of
KSV Restructuring Inc. as
Receiver and Manager of
Tradesmen Enterprises Limited Partnership
and Tradesmen Enterprises Inc.**

April 5, 2022

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COURT FILE NUMBER: 2101-04670

COURT OF QUEEN'S BENCH OF ALBERTA

IN THE MATTER OF THE RECEIVERSHIP OF
TRADESMEN ENTERPRISES LIMITED PARTNERSHIP
AND TRADESMEN ENTERPRISES INC.
OF THE CITY OF CALGARY,
IN THE PROVINCE OF ALBERTA

THIRD REPORT OF KSV RESTRUCTURING INC.
AS RECEIVER AND MANAGER OF
TRADESMEN ENTERPRISES LIMITED PARTNERSHIP AND
TRADESMEN ENTERPRISES INC.

APRIL 5, 2022

1.0 Introduction

1. This report (the "Report") is filed by KSV Restructuring Inc. ("KSV") in its capacity as receiver and manager ("Receiver") of Tradesmen Enterprises Limited Partnership ("TELP") and Tradesmen Enterprises Inc. ("TEI", and together with TELP, the "Companies"). KSV was appointed Receiver pursuant to an order of the Court of Queen's Bench of Alberta (the "Court") issued on April 15, 2021 (the "Receivership Order"). A copy of the Receivership Order is attached as Appendix "A".
2. KSV was formerly the proposal trustee (the "Proposal Trustee") in connection with Notices of Intention to Make a Proposal filed by the Companies on February 1, 2021 pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") (the "NOI Proceedings").
3. The principal purposes of the NOI Proceedings were for the Companies to:
 - a) obtain a stay of proceedings to afford the Companies breathing space to advance litigation against Teck Coal Limited ("Teck"), Fluor Canada Ltd. ("Fluor"), Canadian Pacific Limited, the Province of British Columbia and FortisBC Energy, which litigation is now subject to arbitration proceedings (the "Arbitration") before Stuart Hankinson, as arbitrator (the "Arbitrator"); and
 - b) access funding under an interim financing credit facility dated February 1, 2021 (the "Interim Financing Agreement") between the Companies and Bank of Montreal ("BMO"), as interim lender, which was approved pursuant to a Court order dated February 3, 2021, as amended and restated pursuant to a Court order dated March 2, 2021.
4. As it became apparent that the Teck litigation would not be resolved prior to August 1, 2021, being the six-month anniversary of the commencement of the NOI Proceedings and the date by which the Companies were required to file a proposal pursuant to subsection 50.4(9) of the BIA, the Companies did not seek to extend the NOI Proceedings beyond April 17, 2021. As a result, the Companies were deemed to have made assignments in bankruptcy pursuant to subsection 50.4(8) of the BIA on April 17, 2021. KSV is the licensed insolvency trustee administering the Companies' bankruptcy proceedings.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information about the Companies and these proceedings, including the status of the Arbitration; and
 - b) notify the Service List of the need to increase the quantum of the Receiver's borrowings and the Receiver's Borrowings Charge (as defined in the Receivership Order) from \$4 million to \$4.5 million in accordance with paragraph 27 of the Receivership Order.

1.2 Restrictions

1. In preparing this Report, the Receiver has relied upon unaudited financial information prepared by the Companies, the Companies' books and records and discussions with the Companies' management, legal counsel and majority owner, Fulcrum Capital Partners Inc. ("Fulcrum"). The Receiver has not audited, reviewed or otherwise verified the accuracy or completeness of the information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants of Canada Handbook*.
2. The Receiver expresses no opinion or other level of assurance with respect to the financial information presented in this Report or relied upon by the Receiver in preparing this Report. Any party wishing to place reliance on the Companies' financial information should perform its own due diligence and any reliance placed by any party on the information presented herein shall not be considered sufficient for any purpose whatsoever.

2.0 Background

1. Prior to the commencement of the NOI Proceedings, TELP carried on a mechanical contracting business specializing in facility and pipeline construction, piping and structure fabrication, module assembly and maintenance projects. TELP operated from two leased premises in Alberta, both of which were vacated on or around April 30, 2021. Its head office was located in Calgary and its fabrication facility in Grande Prairie. TEI is an inactive holding company with no business activity or operations.
2. Pursuant to an agreement dated May 28, 2019 (the "Teck Contract"), Teck retained TELP to act as the mechanical and piping general contractor on a project to construct the Fording River Operations Active Water Treatment Facility (South Project) located near Elkford, British Columbia (the "Project").
3. The Project is substantially over budget – TELP takes the position that the Teck Contract originally had a contractual scope of approximately \$52 million. The Project is now projected to have a total cost of at least \$150 million. TELP's position is that due to the increased scope of, and the extraordinary number of changes on, the Project, TELP issued approximately 900 change order requests and 1,700 requests for information to Teck. By letter dated January 11, 2021, Teck terminated the Teck Contract. TELP's position is that the grounds relied upon by Teck to terminate the contract are improper.

4. The termination of the Teck Contract caused the Companies to commence the NOI Proceedings. On or around the commencement date of the NOI Proceedings, TELP reduced its employee headcount from approximately 614 to seven. During the NOI Proceedings, TELP entered into contracts with its remaining employees concerning their future terms of employment with TELP (the “Employment Agreements”).
5. TELP’s remaining employees are critical to the Arbitration given their familiarity with the Teck Contract and/or their involvement with the Project. Accordingly, the Receiver retained each of these employees on the terms of their Employment Agreements, subject to each employee confirming that the Receiver is not a successor-employer of TELP and that the Receiver shall have no personal liability for any of TELP’s employment-related obligations.
6. Each of the Employment Agreements provides the respective employee with an entitlement to participate in a key employee retention plan (the “KERP”). Pursuant to a Court order dated March 2, 2021 obtained in the NOI Proceedings, a charge was granted over the Companies’ property, assets and undertakings (collectively, the “Property”) to secure the payments contemplated by the KERP (the “KERP Charge”). The Receivership Order recognizes the KERP Charge and preserves the priority thereof.
7. Bank of Montreal (“BMO”) is the Companies’ principal secured creditor and the applicant in these proceedings. The Companies’ other significant creditors are:
 - a) sub-contractors who may be owed approximately \$17.5 million according to TELP’s books and records. As at the date of this Report, 19 of these sub-contractors (collectively, the “Lien Claimants”) have filed liens against lands associated with the Project totalling approximately \$20.3 million for their unpaid work performed on the Project. There may be additional lien claims filed in due course. The Receiver has not reviewed any of the lien claims and no claims process has been commenced in the receivership proceedings;
 - b) Fulcrum was owed approximately \$1.8 million at the commencement of the NOI Proceedings and since that time has funded a partial guarantee it provided in respect of the BMO debt; and
 - c) Teck also claims to be a creditor of TELP, which TELP disputes. As set out in Section 2.1 below, Teck has filed a counterclaim against TELP in the Arbitration.
8. A summary of the Companies’ financial position at the commencement of the NOI Proceedings was provided in the Proposal Trustee’s First Report to Court dated February 2, 2021 (the “First Report”) and, accordingly, is not repeated in this Report. A copy of the First Report is provided in Appendix “B”, without attachments.
9. Court materials filed in the Companies’ receivership, NOI and bankruptcy proceedings are available on KSV’s website at <https://www.ksvadvisory.com/insolvency-cases/case/tradesmen-enterprises>.

2.1 The Arbitration

1. Shortly following the termination of the Teck Contract, TELP registered builders’ liens in the amount of approximately \$52.8 million against lands associated with the Project, including real property owned by Canadian Pacific Limited and the Province of British Columbia, and a statutory right of way registered in favour of FortisBC Energy Inc.

2. On February 24, 2021, TELP commenced litigation against Teck, Fluor, Canadian Pacific Limited, the Province of British Columbia and FortisBC Energy Inc. by filing a Notice of Civil Claim in the Supreme Court of British Columbia.
3. Material developments since the commencement of the litigation include the following:
 - a) in April, 2021, TELP and Teck agreed to arbitrate the litigation. Mr. Hankinson was jointly engaged by Teck and TELP as the Arbitrator;
 - b) TELP sought to have Fluor¹ added as a party to the Arbitration. The application was heard by the Arbitrator on August 6, 2021. On September 15, 2021, the Arbitrator ruled that Fluor would not be added as a party to the Arbitration;
 - c) on May 26, 2021, representatives of TELP, Teck and the Receiver convened a “senior executive” meeting via videoconference. The senior executive meeting was required under the dispute resolution provisions of the Teck Contract to see if the dispute between TELP and Teck could be settled prior to the commencement of the Arbitration. The dispute has not been resolved;
 - d) on June 3, 2021, TELP’s Notice to Arbitrate was served;
 - e) on June 23, 2021, Teck served its counterclaim;
 - f) on November 19, 2021, the Arbitrator issued Procedural Order #1, which sets out the conduct of the Arbitration and its procedural timetable. Pursuant to Procedural Order #1, the dispute is scheduled for a 20-day hearing commencing June 19, 2023;
 - g) on December 15, 2021, Teck’s application for security for costs was heard by the Arbitrator. Teck sought to have approximately \$3.035 million posted as security for costs. Teck’s application was opposed by TELP;
 - h) on January 17, 2022, the Arbitrator ruled that \$1.5 million in security for costs must be posted by TELP, in three \$500,000 installments payable on February 28, 2022, July 31, 2022 and January 31, 2023. The first \$500,000 installment was funded prior to February 28, 2022 and remains on deposit in the Receiver’s trust account; and
 - i) on January 31, 2022, TELP’s response to Teck’s counterclaim was served.
4. The substantive steps in the Arbitration are document production (January 14, 2022 to April 15, 2022), witness statements (May 16, 2022 to November 11, 2022), delivery of expert reports (November 25, 2022 to March 31, 2023) and hearing of the Arbitration (commencing June 19, 2023).

¹ Fluor was the design engineering firm retained by Teck for the Project.

3.0 Funding of these Proceedings

1. BMO has funded the NOI and receivership proceedings. BMO's pre-filing and post-filing indebtedness is summarized below.
 - a) BMO's pre-filing debt as at February 28, 2022² totals approximately \$23.5 million³, plus interest which continues to accrue since February 28, 2022. Fulcrum guaranteed a portion of this debt, which it has funded;
 - b) during the NOI Proceedings, the \$2.8 million Interim Financing Agreement was fully drawn. Pursuant to the Receivership Order, advances under the Interim Financing Agreement are secured by a charge on the Property (the "Interim Financing Charge"); and
2. as at the date of this Report, BMO has funded \$3.815 million pursuant to receiver's certificates (the "Receiver's Certificates") in accordance with the Receivership Order. Pursuant to the Receivership Order, such advances are secured by the Receiver's Borrowings Charge. The status of each Court-ordered charge is provided in the table below.

| Charge | Amount (\$000s) | Status |
|------------------------------|-----------------|---|
| Receiver's Charge | 1,000 | All fees and disbursements of the Receiver and its counsel are current up to December 31, 2021. These fees are contemplated to be paid in the cash flow pursuant to which BMO is advancing funds under the Receiver's Certificates. |
| Administration Charge | 300 | The Administration Charge covers the professional fees incurred during the NOI Proceedings, all of which have been paid through to the termination of the NOI Proceedings on April 17, 2021. |
| Receiver's Borrowings Charge | 4,000 | As discussed in Section 3.1 of this Report, the Receiver has borrowed \$3.815 million as at the date of this Report. |
| Interim Financing Charge | 2,800 | The \$2.8 million Interim Financing Agreement was fully drawn upon during the NOI Proceedings. |
| KERP Charge | 202.5 | All amounts payable under the KERP have been funded to-date, including the quarterly bonuses payable thereunder. Projected KERP payments are included in the Companies' cash flow, with funding made pursuant to the Receiver's Certificates. |

3.1 Receiver's Borrowings Charge

1. In order to fund these proceedings, the Receivership Order created the Receiver's Borrowings Charge in the amount of \$2.5 million, being a priority charge over the Property subordinate only to the Receiver's Charge and the Administration Charge.⁴
2. Pursuant to a Court order dated July 15, 2021 (the "July 15th Order"), the maximum amount secured by the Receiver's Borrowings Charge was increased from \$2.5 million to \$3 million. A copy of the July 15th Order is attached as Appendix "C".

² Following the issuance of the Receiver's Second Report to Court, BMO provided an updated pre-filing debt amount which included accrued interest to February 28, 2022. This explains the difference between the pre-filing debt amounts included in the previous report and in this Report.

³ Net of a \$2.6 million distribution paid by the Receiver pursuant to the July 15th Order, which represented the net proceeds generated from the liquidation of TELP's fixed assets.

⁴ The Administration Charge secured the professional fees incurred in the NOI Proceedings, which were continued under the Receivership Order.

3. In order to minimize the number of Court attendances in these proceedings, paragraph 27 of the Receivership Order authorizes the Receiver to increase the Receiver's Borrowings Charge in increments of \$500,000 by serving a report on the Service List, which describes the need for the increased borrowings, or by further order of the Court. Any such increases are to be secured by the Receiver's Borrowings Charge.
4. If the Receiver serves a report on the Service List and a party files a Notice of Objection, the proposed increase in the Receiver's Borrowings Charge would require a further Court order. If no Notice of Objection is received within 10 days of serving such report, a further order of the Court is not required.
5. On February 7, 2022, the Receiver served its Second Report to Court (the "Second Report") on the Service List, the purpose of which was to increase the Receiver's Borrowings Charge to \$4 million. As no party on the Service List filed a Notice of Objection, the Receiver's Borrowings Charge was increased to \$4 million effective February 21, 2022. A copy of the Second Report is attached as Appendix "D", without attachments.
6. The Receiver is now serving this Report on the Service List for the purpose of increasing the Receiver's Borrowings Charge by a further \$500,000, from \$4 million to \$4.5 million. The proposed increase is principally to fund:
 - a) professional fees incurred and to be incurred in connection with the Arbitration;
 - b) employee costs, including those secured by the KERP Charge; and
 - c) costs to store and maintain TELP's data, which is required for the Arbitration.
5. The Receiver is of the view that the funding sought herein is required to continue the Arbitration with Teck. In the event that increased funding is not available, the Arbitration will be discontinued and there will be no recoveries for the Companies' creditors from the Arbitration.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.
SOLELY IN ITS CAPACITY AS RECEIVER AND MANAGER OF
TRADESMEN ENTERPRISES LIMITED PARTNERSHIP AND
TRADESMEN ENTERPRISES INC.
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “N”



**Fourth Report to Court of
KSV Restructuring Inc. as
Receiver and Manager of
Tradesmen Enterprises Limited Partnership
and Tradesmen Enterprises Inc.**

June 15, 2022

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COURT FILE NUMBER: 2101-04670

COURT OF QUEEN'S BENCH OF ALBERTA

IN THE MATTER OF THE RECEIVERSHIP OF
TRADESMEN ENTERPRISES LIMITED PARTNERSHIP
AND TRADESMEN ENTERPRISES INC.
OF THE CITY OF CALGARY,
IN THE PROVINCE OF ALBERTA

FOURTH REPORT OF KSV RESTRUCTURING INC.
AS RECEIVER AND MANAGER OF
TRADESMEN ENTERPRISES LIMITED PARTNERSHIP AND
TRADESMEN ENTERPRISES INC.

JUNE 15, 2022

1.0 Introduction

1. This report (the "Report") is filed by KSV Restructuring Inc. ("KSV") in its capacity as receiver and manager ("Receiver") of Tradesmen Enterprises Limited Partnership ("TELP") and Tradesmen Enterprises Inc. ("TEI", and together with TELP, the "Companies"). KSV was appointed Receiver pursuant to an order of the Court of Queen's Bench of Alberta (the "Court") issued on April 15, 2021 (the "Receivership Order"). A copy of the Receivership Order is attached as Appendix "A".
2. KSV was formerly the proposal trustee (the "Proposal Trustee") in connection with Notices of Intention to Make a Proposal filed by the Companies on February 1, 2021 pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") (the "NOI Proceedings").
3. The principal purposes of the NOI Proceedings were for the Companies to:
 - a) obtain a stay of proceedings to afford the Companies breathing space to advance litigation against Teck Coal Limited ("Teck"), Fluor Canada Ltd. ("Fluor"), Canadian Pacific Limited, the Province of British Columbia and FortisBC Energy, which litigation against Teck is now subject to arbitration proceedings (the "Arbitration") before Stuart Hankinson, as arbitrator (the "Arbitrator"); and
 - b) access funding under an interim financing credit facility dated February 1, 2021 (the "Interim Financing Agreement") between the Companies and Bank of Montreal ("BMO"), as interim lender, which was approved pursuant to a Court order dated February 3, 2021, as amended and restated pursuant to a Court order dated March 2, 2021.
4. As it became apparent that the Teck litigation would not be resolved prior to August 1, 2021, being the six-month anniversary of the commencement of the NOI Proceedings and the date by which the Companies were required to file a proposal pursuant to subsection 50.4(9) of the BIA, the Companies did not seek to extend the NOI Proceedings beyond April 17, 2021. As a result, the Companies were deemed to have made assignments in bankruptcy pursuant to subsection 50.4(8) of the BIA on April 17, 2021. KSV is the licensed insolvency trustee administering the Companies' bankruptcy proceedings.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information about the Companies and these proceedings, including the status of the Arbitration; and
 - b) notify the Service List of the need to increase the quantum of the Receiver's borrowings and the Receiver's Borrowings Charge (as defined in the Receivership Order) from \$4.5 million to \$5.5 million in accordance with paragraph 27 of the Receivership Order.

1.2 Restrictions

1. In preparing this Report, the Receiver has relied upon unaudited financial information prepared by the Companies, the Companies' books and records and discussions with the Companies' management, legal counsel and majority owner, Fulcrum Capital Partners Inc. ("Fulcrum"). The Receiver has not audited, reviewed or otherwise verified the accuracy or completeness of the information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants of Canada Handbook*.
2. The Receiver expresses no opinion or other level of assurance with respect to the financial information presented in this Report or relied upon by the Receiver in preparing this Report. Any party wishing to place reliance on the Companies' financial information should perform its own due diligence and any reliance placed by any party on the information presented herein shall not be considered sufficient for any purpose whatsoever.

2.0 Background

1. Prior to the commencement of the NOI Proceedings, TELP carried on a mechanical contracting business specializing in facility and pipeline construction, piping and structure fabrication, module assembly and maintenance projects. TELP operated from two leased premises in Alberta, both of which were vacated on or around April 30, 2021. Its head office was located in Calgary and its fabrication facility in Grande Prairie. TEI is an inactive holding company with no business activity or operations.
2. Pursuant to an agreement dated May 28, 2019 (the "Teck Contract"), Teck retained TELP to act as the mechanical and piping general contractor on a project to construct the Fording River Operations Active Water Treatment Facility (South Project) located near Elkford, British Columbia (the "Project").
3. The Project is substantially over budget – TELP takes the position that the Teck Contract originally had a contractual scope of approximately \$52 million. The Project is now projected to have a total cost of at least \$150 million. TELP's position is that due to the increased scope of, and the extraordinary number of changes on, the Project, TELP issued approximately 900 change order requests and 1,700 requests for information to Teck. By letter dated January 11, 2021, Teck terminated the Teck Contract. TELP's position is that the grounds relied upon by Teck to terminate the contract are improper.

4. The termination of the Teck Contract caused the Companies to commence the NOI Proceedings. On or around the commencement date of the NOI Proceedings, TELP reduced its employee headcount from approximately 614 to seven. During the NOI Proceedings, TELP entered into contracts with its remaining employees concerning their future terms of employment with TELP (the “Employment Agreements”).
5. TELP’s remaining employees are critical to the Arbitration given their familiarity with the Teck Contract and/or their involvement with the Project. Accordingly, the Receiver retained each of these employees on the terms of their Employment Agreements, subject to each employee confirming that the Receiver is not a successor-employer of TELP and that the Receiver shall have no personal liability for any of TELP’s employment-related obligations.
6. Each of the Employment Agreements provides the respective employee with an entitlement to participate in a key employee retention plan (the “KERP”). Pursuant to a Court order dated March 2, 2021 obtained in the NOI Proceedings, a charge was granted over the Companies’ property, assets and undertakings (collectively, the “Property”) to secure the payments contemplated by the KERP (the “KERP Charge”). The Receivership Order recognizes the KERP Charge and preserves the priority thereof.
7. Bank of Montreal (“BMO”) is the Companies’ principal secured creditor and the applicant in these proceedings. The Companies’ other significant creditors are:
 - a) sub-contractors who may be owed approximately \$17.5 million according to TELP’s books and records. As at the date of this Report, 20 of these sub-contractors (collectively, the “Lien Claimants”) have filed liens against lands associated with the Project totalling approximately \$20.4 million for their unpaid work performed on the Project. There may be additional lien claims filed in due course. The Receiver has not reviewed any of the lien claims and no claims process has been commenced in the receivership proceedings;
 - b) Fulcrum was owed approximately \$1.8 million at the commencement of the NOI Proceedings and since that time has funded a partial guarantee it provided in respect of the BMO debt; and
 - c) Teck also claims to be a creditor of TELP, which TELP disputes. As set out in Section 2.1 below, Teck has filed a counterclaim against TELP in the Arbitration.
8. A summary of the Companies’ financial position at the commencement of the NOI Proceedings was provided in the Proposal Trustee’s First Report to Court dated February 2, 2021 (the “First Report”) and, accordingly, is not repeated in this Report. A copy of the First Report is provided in Appendix “B”, without attachments.
9. Court materials filed in the Companies’ receivership, NOI and bankruptcy proceedings are available on KSV’s website at <https://www.ksvadvisory.com/insolvency-cases/case/tradesmen-enterprises>.

2.1 The Arbitration

1. Shortly following the termination of the Teck Contract, TELP registered builders' liens in the amount of approximately \$52.8 million against lands associated with the Project, including real property owned by Canadian Pacific Limited and the Province of British Columbia, and a statutory right of way registered in favour of FortisBC Energy Inc.
2. On February 24, 2021, TELP commenced litigation against Teck, Fluor, Canadian Pacific Limited, the Province of British Columbia and FortisBC Energy Inc. by filing a Notice of Civil Claim in the Supreme Court of British Columbia.
3. Material developments since the commencement of the litigation include the following:
 - a) in April, 2021, TELP and Teck agreed to arbitrate the litigation. Mr. Hankinson was jointly engaged by Teck and TELP as the Arbitrator;
 - b) TELP sought to have Fluor¹ added as a party to the Arbitration. The application was heard by the Arbitrator on August 6, 2021. On September 15, 2021, the Arbitrator ruled that Fluor would not be added as a party to the Arbitration;
 - c) on May 26, 2021, representatives of TELP, Teck and the Receiver convened a "senior executive" meeting via videoconference. The senior executive meeting was required under the dispute resolution provisions of the Teck Contract to see if the dispute between TELP and Teck could be settled prior to the commencement of the Arbitration. The dispute has not been resolved;
 - d) on June 3, 2021, TELP's Notice to Arbitrate was served;
 - e) on June 23, 2021, Teck served its counterclaim;
 - f) on November 19, 2021, the Arbitrator issued Procedural Order #1, which sets out the conduct of the Arbitration and its procedural timetable. Pursuant to Procedural Order #1, the dispute is scheduled for a 20-day hearing commencing June 19, 2023;
 - g) on December 15, 2021, Teck's application for security for costs was heard by the Arbitrator. Teck sought to have approximately \$3.035 million posted as security for costs. Teck's application was opposed by TELP;
 - h) on January 17, 2022, the Arbitrator ruled that \$1.5 million in security for costs must be posted by TELP, in three \$500,000 installments payable on February 28, 2022, July 31, 2022 and January 31, 2023. The first \$500,000 installment was funded prior to February 28, 2022 and remains on deposit in the Receiver's trust account. The need for an increase in the Receiver's Borrowing Charge at this time is partially driven by the second \$500,000 instalment payable on July 31, 2022; and
 - i) on January 31, 2022, TELP's response to Teck's counterclaim was served.

¹ Fluor was the design engineering firm retained by Teck for the Project.

4. The following deadlines in the Arbitration have been updated since the filing of the Receiver’s third report to court dated April 5, 2022 (the “Third Report”), as follows:

| Step | Prior Deadline | Revised Deadline |
|---------------------------|--------------------------------------|---------------------------------------|
| Document Production | April 15, 2022 | July 15, 2022 |
| Witness Statements | May 16, 2022 to November 11, 2022 | September 9, 2022 to January 13, 2023 |
| Expert Reports | November 25, 2022 and March 31, 2023 | January 20, 2023 and May 20, 2023 |
| Hearing Commencement Date | No Change (June 19, 2023) | |

3.0 Funding of these Proceedings

1. BMO has funded the NOI and receivership proceedings. BMO’s pre-filing and post-filing indebtedness is summarized below.
 - a) BMO’s pre-filing debt as at February 28, 2022 totals approximately \$23.5 million², plus interest which continues to accrue since February 28, 2022. Fulcrum guaranteed a portion of this debt, which it has funded;
 - b) during the NOI Proceedings, the \$2.8 million Interim Financing Agreement was fully drawn. Pursuant to the Receivership Order, advances under the Interim Financing Agreement are secured by a charge on the Property (the “Interim Financing Charge”); and
 - c) As at the date of this Report, BMO has funded \$4.49 million pursuant to receiver’s certificates (the “Receiver’s Certificates”) in accordance with the Receivership Order. Pursuant to the Receivership Order, such advances are secured by the Receiver’s Borrowings Charge. The status of each Court-ordered charge is provided in the table below.

| Charge | Amount (\$000s) | Status |
|------------------------------|-----------------|--|
| Receiver’s Charge | 1,000 | All fees and disbursements of the Receiver and its counsel are current up to February 28, 2022. These fees are contemplated to be paid in the cash flow pursuant to which BMO is advancing funds under the Receiver’s Certificates. These fees will be brought current once the Receiver’s Borrowings Charge is increased. |
| Administration Charge | 300 | The Administration Charge covers the professional fees incurred during the NOI Proceedings, all of which have been paid through to the termination of the NOI Proceedings on April 17, 2021. |
| Receiver’s Borrowings Charge | 4,500 | As discussed in Section 3.1 of this Report, the Receiver has borrowed \$4.49 million as at the date of this Report. |
| Interim Financing Charge | 2,800 | The \$2.8 million Interim Financing Agreement was fully drawn upon during the NOI Proceedings. |
| KERP Charge | 202.5 | All amounts payable under the KERP have been funded to-date, including the required quarterly bonuses. Projected KERP payments are included in the Companies’ cash flow, with funding made pursuant to the Receiver’s Certificates. |

² Net of a \$2.6 million distribution paid by the Receiver pursuant to the July 15th Order, which represented the net proceeds generated from the liquidation of TELP’s fixed assets.

3.1 Receiver's Borrowings Charge

1. In order to fund these proceedings, the Receivership Order created the Receiver's Borrowings Charge in the amount of \$2.5 million, being a priority charge over the Property subordinate only to the Receiver's Charge and the Administration Charge.³
2. Pursuant to a Court order dated July 15, 2021 (the "July 15th Order"), the maximum amount secured by the Receiver's Borrowings Charge was increased from \$2.5 million to \$3 million. A copy of the July 15th Order is attached as Appendix "C".
3. In order to minimize the number of Court attendances in these proceedings, paragraph 27 of the Receivership Order authorizes the Receiver to increase the Receiver's Borrowings Charge in increments of \$500,000 by serving a report on the Service List, which describes the need for the increased borrowings, or by further order of the Court. Any such increases are to be secured by the Receiver's Borrowings Charge.
4. If the Receiver serves a report on the Service List and a party files a Notice of Objection, the proposed increase in the Receiver's Borrowings Charge would require a further Court order. If no Notice of Objection is received within 10 days of serving such report, a further order of the Court is not required.
5. On February 7, 2022, the Receiver served its Second Report to Court (the "Second Report") on the Service List, the purpose of which was to increase the Receiver's Borrowings Charge from \$3 million to \$4 million. As no party on the Service List filed a Notice of Objection, the Receiver's Borrowings Charge was increased to \$4 million effective February 21, 2022.
6. On April 5, 2022, the Receiver served its Third Report on the Service List, the purpose of which was to increase the Receiver's Borrowings Charge from \$4 million to \$4.5 million. As no party on the Service List filed a Notice of Objection, the Receiver's Borrowings Charge was increased to \$4.5 million effective April 18, 2022.
7. The Receiver is now serving this Report on the Service List for the purpose of increasing the Receiver's Borrowings Charge by a further \$1 million, from \$4.5 million to \$5.5 million. The proposed increase is principally to fund:
 - a) professional fees incurred and to be incurred in connection with the Arbitration;
 - b) the second \$500,000 security for costs payment, which is due on July 31, 2022;
 - c) employee costs, including those secured by the KERP Charge; and
 - d) costs to store and maintain TELP's data, which is required for the Arbitration.

³ The Administration Charge secured the professional fees incurred in the NOI Proceedings, which were continued under the Receivership Order.

5. Paragraph 27 of the Receivership Order is debatably ambiguous as to whether a separate report is required for each increase of \$500,000 in the Receiver's Borrowings Charge or whether more than one \$500,000 increase can be sought at a time. The Receiver is of the view that a separate report is not required for each \$500,000 increase and that there is no prejudice to stakeholders if more than one \$500,000 increase is requested at a time. Given the immediate need for \$1 million (including for the \$500,000 security for cost payment), the alternative in the current situation is to file two separate reports seeking increases in the borrowing limit of \$500,000, for which there is no substantive difference, except for additional professional costs. Accordingly, the Receiver has served notice on stakeholders of the required increase on the basis set out in this Report. This same methodology was used previously in these proceedings when the charge was increased from \$3 million to \$4 million, as described in the Second Report.

6. The Receiver is of the view that the funding sought herein is required to continue the Arbitration with Teck and to fund the security for cost amount. In the event that increased funding is not available, the Arbitration will be discontinued and there will be no recoveries for the Companies' creditors from the Arbitration.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.
SOLELY IN ITS CAPACITY AS RECEIVER AND MANAGER OF
TRADESMEN ENTERPRISES LIMITED PARTNERSHIP AND
TRADESMEN ENTERPRISES INC.
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “O”



**Fifth Report to Court of
KSV Restructuring Inc. as
Receiver and Manager of
Tradesmen Enterprises Limited Partnership
and Tradesmen Enterprises Inc.**

August 23, 2022

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Appendices

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| Receivership Order | A |
| Proposal Trustee’s First Report to Court dated February 2, 2021 (without appendices) . | B |
| Court Order dated July 15, 2021 | C |



COURT FILE NUMBER: 2101-04670

COURT OF QUEEN'S BENCH OF ALBERTA

IN THE MATTER OF THE RECEIVERSHIP OF
TRADESMEN ENTERPRISES LIMITED PARTNERSHIP
AND TRADESMEN ENTERPRISES INC.
OF THE CITY OF CALGARY,
IN THE PROVINCE OF ALBERTAFIFTH REPORT OF KSV RESTRUCTURING INC.
AS RECEIVER AND MANAGER OF
TRADESMEN ENTERPRISES LIMITED PARTNERSHIP AND
TRADESMEN ENTERPRISES INC.

AUGUST 23, 2022

1.0 Introduction

1. This report (the "Report") is filed by KSV Restructuring Inc. ("KSV") in its capacity as receiver and manager ("Receiver") of Tradesmen Enterprises Limited Partnership ("TELP") and Tradesmen Enterprises Inc. ("TEI", and together with TELP, the "Companies"). KSV was appointed Receiver pursuant to an order of the Court of Queen's Bench of Alberta (the "Court") issued on April 15, 2021 (the "Receivership Order"). A copy of the Receivership Order is attached as Appendix "A".
2. KSV was formerly the proposal trustee (the "Proposal Trustee") in connection with Notices of Intention to Make a Proposal filed by the Companies on February 1, 2021 pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") (the "NOI Proceedings").
3. The principal purposes of the NOI Proceedings were for the Companies to:
 - a) obtain a stay of proceedings to afford the Companies breathing space to advance litigation against Teck Coal Limited ("Teck"), Fluor Canada Ltd. ("Fluor"), Canadian Pacific Limited, the Province of British Columbia and FortisBC Energy, which litigation against Teck is now subject to arbitration proceedings (the "Arbitration") before Stuart Hankinson, as arbitrator (the "Arbitrator"); and
 - b) access funding under an interim financing credit facility dated February 1, 2021 (the "Interim Financing Agreement") between the Companies and Bank of Montreal ("BMO"), as interim lender, which was approved pursuant to a Court order dated February 3, 2021, as amended and restated pursuant to a Court order dated March 2, 2021.
4. As it became apparent that the Teck litigation would not be resolved prior to August 1, 2021, being the six-month anniversary of the commencement of the NOI Proceedings and the date by which the Companies were required to file a proposal pursuant to subsection 50.4(9) of the BIA, the Companies did not seek to extend the NOI Proceedings beyond April 17, 2021. As a result, the Companies were deemed to have made assignments in bankruptcy pursuant to subsection 50.4(8) of the BIA on April 17, 2021. KSV is the licensed insolvency trustee administering the Companies' bankruptcy proceedings.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information about the Companies and these proceedings, including the status of the Arbitration; and
 - b) notify the Service List of the need to increase the quantum of the Receiver's borrowings and the Receiver's Borrowings Charge (as defined in the Receivership Order) from \$5.5 million to \$6 million in accordance with paragraph 27 of the Receivership Order.

1.2 Restrictions

1. In preparing this Report, the Receiver has relied upon unaudited financial information prepared by the Companies, the Companies' books and records and discussions with the Companies' management, legal counsel and majority owner, Fulcrum Capital Partners Inc. ("Fulcrum"). The Receiver has not audited, reviewed or otherwise verified the accuracy or completeness of the information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants of Canada Handbook*.
2. The Receiver expresses no opinion or other level of assurance with respect to the financial information presented in this Report or relied upon by the Receiver in preparing this Report. Any party wishing to place reliance on the Companies' financial information should perform its own due diligence and any reliance placed by any party on the information presented herein shall not be considered sufficient for any purpose whatsoever.

2.0 Background

1. Prior to the commencement of the NOI Proceedings, TELP carried on a mechanical contracting business specializing in facility and pipeline construction, piping and structure fabrication, module assembly and maintenance projects. TELP operated from two leased premises in Alberta, both of which were vacated on or around April 30, 2021. Its head office was located in Calgary and its fabrication facility in Grande Prairie. TEI is an inactive holding company with no business activity or operations.
2. Pursuant to an agreement dated May 28, 2019 (the "Teck Contract"), Teck retained TELP to act as the mechanical and piping general contractor on a project to construct the Fording River Operations Active Water Treatment Facility (South Project) located near Elkford, British Columbia (the "Project").
3. The Project is substantially over budget – TELP takes the position that the Teck Contract originally had a contractual scope of approximately \$52 million. The Project is now projected to have a total cost of at least \$150 million. TELP's position is that due to the increased scope of, and the extraordinary number of changes on, the Project, TELP issued approximately 900 change order requests and 1,700 requests for information to Teck. By letter dated January 11, 2021, Teck terminated the Teck Contract. TELP's position is that the grounds relied upon by Teck to terminate the contract are improper.

4. The termination of the Teck Contract caused the Companies to commence the NOI Proceedings. On or around the commencement date of the NOI Proceedings, TELP reduced its employee headcount from approximately 614 to seven. During the NOI Proceedings, TELP entered into contracts with its remaining employees concerning their future terms of employment with TELP (the “Employment Agreements”).
5. TELP’s remaining employees are critical to the Arbitration given their familiarity with the Teck Contract and/or their involvement with the Project. Accordingly, the Receiver retained each of these employees on the terms of their Employment Agreements, subject to each employee confirming that the Receiver is not a successor-employer of TELP and that the Receiver shall have no personal liability for any of TELP’s employment-related obligations.
6. Each of the Employment Agreements provides the respective employee with an entitlement to participate in a key employee retention plan (the “KERP”). Pursuant to a Court order dated March 2, 2021 obtained in the NOI Proceedings, a charge was granted over the Companies’ property, assets and undertakings (collectively, the “Property”) to secure the payments contemplated by the KERP (the “KERP Charge”). The Receivership Order recognizes the KERP Charge and preserves the priority thereof.
7. Bank of Montreal (“BMO”) is the Companies’ principal secured creditor and the applicant in these proceedings. The Companies’ other significant creditors are:
 - a) sub-contractors who may be owed approximately \$17.5 million according to TELP’s books and records. As at the date of this Report, 20 of these sub-contractors (collectively, the “Lien Claimants”) have filed liens against lands associated with the Project totalling approximately \$20.4 million for their unpaid work performed on the Project. There may be additional lien claims filed in due course. The Receiver has not reviewed any of the lien claims and no claims process has been commenced in the receivership proceedings;
 - b) Fulcrum was owed approximately \$1.8 million at the commencement of the NOI Proceedings and since that time has funded a partial guarantee it provided in respect of the BMO debt; and
 - c) Teck also claims to be a creditor of TELP, which TELP disputes. As set out in Section 2.1 below, Teck has filed a counterclaim against TELP in the Arbitration.
8. A summary of the Companies’ financial position at the commencement of the NOI Proceedings was provided in the Proposal Trustee’s First Report to Court dated February 2, 2021 (the “First Report”) and, accordingly, is not repeated in this Report. A copy of the First Report is provided in Appendix “B”, without attachments.
9. Court materials filed in the Companies’ receivership, NOI and bankruptcy proceedings are available on KSV’s website at <https://www.ksvadvisory.com/insolvency-cases/case/tradesmen-enterprises>.

2.1 The Arbitration

1. Shortly following the termination of the Teck Contract, TELP registered builders' liens in the amount of approximately \$52.8 million against lands associated with the Project, including real property owned by Canadian Pacific Limited and the Province of British Columbia, and a statutory right of way registered in favour of FortisBC Energy Inc.
2. On February 24, 2021, TELP commenced litigation against Teck, Fluor, Canadian Pacific Limited, the Province of British Columbia and FortisBC Energy Inc. by filing a Notice of Civil Claim in the Supreme Court of British Columbia.
3. Material developments since the commencement of the litigation include the following:
 - a) in April, 2021, TELP and Teck agreed to arbitrate the litigation. Mr. Hankinson was jointly engaged by Teck and TELP as the Arbitrator;
 - b) TELP sought to have Fluor¹ added as a party to the Arbitration. The application was heard by the Arbitrator on August 6, 2021. On September 15, 2021, the Arbitrator ruled that Fluor would not be added as a party to the Arbitration;
 - c) on May 26, 2021, representatives of TELP, Teck and the Receiver convened a "senior executive" meeting via videoconference. The senior executive meeting was required under the dispute resolution provisions of the Teck Contract to see if the dispute between TELP and Teck could be settled prior to the commencement of the Arbitration. The dispute has not been resolved;
 - d) on June 3, 2021, TELP's Notice to Arbitrate was served;
 - e) on June 23, 2021, Teck served its counterclaim;
 - f) on November 19, 2021, the Arbitrator issued Procedural Order #1, which sets out the conduct of the Arbitration and its procedural timetable. Pursuant to Procedural Order #1, the dispute is scheduled for a 20-day hearing commencing June 19, 2023;
 - g) on December 15, 2021, Teck's application for security for costs was heard by the Arbitrator. Teck sought to have approximately \$3.035 million posted as security for costs. Teck's application was opposed by TELP;
 - h) on January 17, 2022, the Arbitrator ruled that \$1.5 million in security for costs must be posted by TELP, in three \$500,000 installments payable on February 28, 2022, July 31, 2022 and January 31, 2023. The first two \$500,000 installments were funded prior to February 28, 2022 and July 31, 2022, respectively, and remain on deposit in the Receiver's trust account;
 - i) on January 31, 2022, TELP's response to Teck's counterclaim was served; and
 - j) on or around July 15, 2022, the parties exchanged documents and attended before the Arbitrator on August 16, 2022 to discuss a schedule to resolve certain document production issues. That schedule contemplates a further substantive document production hearing on August 29, 2022, if necessary.

¹ Fluor was the design engineering firm retained by Teck for the Project.

4. The remaining milestones in the Arbitration are as follows:

| Step | Deadline |
|---------------------------|---------------------------------------|
| Witness Statements | September 9, 2022 to January 13, 2023 |
| Expert Reports | January 20, 2023 and May 20, 2023 |
| Hearing Commencement Date | June 19, 2023 |

3.0 Funding of these Proceedings

1. BMO has funded the NOI and receivership proceedings. BMO's pre-filing and post-filing indebtedness is summarized below.
 - a) BMO's pre-filing debt as at July 31, 2022 totals approximately \$23.7 million², plus interest which continues to accrue since July 31, 2022. Fulcrum guaranteed a portion of this debt, which it has funded;
 - b) during the NOI Proceedings, the \$2.8 million Interim Financing Agreement was fully drawn. Pursuant to the Receivership Order, advances under the Interim Financing Agreement are secured by a charge on the Property (the "Interim Financing Charge"); and
 - c) As at the date of this Report, BMO has funded \$5.5 million pursuant to receiver's certificates (the "Receiver's Certificates") in accordance with the Receivership Order. Pursuant to the Receivership Order, such advances are secured by the Receiver's Borrowings Charge. The status of each Court-ordered charge is provided in the table below.

| Charge | Amount (\$000s) | Status |
|------------------------------|-----------------|---|
| Receiver's Charge | 1,000 | All fees and disbursements of the Receiver and its counsel are current up to May 31, 2022. These fees are contemplated to be paid in the cash flow pursuant to which BMO is advancing funds under the Receiver's Certificates. These fees will be brought current once the Receiver's Borrowings Charge is increased. |
| Administration Charge | 300 | The Administration Charge covers the professional fees incurred during the NOI Proceedings, all of which have been paid through to the termination of the NOI Proceedings on April 17, 2021. |
| Receiver's Borrowings Charge | 5,500 | As discussed in Section 3.1 of this Report, the Receiver has borrowed \$5.5 million as at the date of this Report. Of this amount, \$1 million has been funded to date in respect of the security for cost award issued in favour of Teck. This amount is sitting in trust with the Receiver. |
| Interim Financing Charge | 2,800 | The \$2.8 million Interim Financing Agreement was fully drawn upon during the NOI Proceedings. |
| KERP Charge | 202.5 | All amounts payable under the KERP have been funded to-date, including the required quarterly bonuses. Projected KERP payments are included in the Companies' cash flow, with funding made pursuant to the Receiver's Certificates. |

² Net of a \$2.6 million distribution paid by the Receiver pursuant to the July 15th, 2021 Order, which represented the net proceeds generated from the liquidation of TELP's fixed assets.

3.1 Receiver's Borrowings Charge

1. In order to fund these proceedings, the Receivership Order created the Receiver's Borrowings Charge in the amount of \$2.5 million, being a priority charge over the Property subordinate only to the Receiver's Charge and the Administration Charge.³
2. Pursuant to a Court order dated July 15, 2021 (the "July 15th Order"), the maximum amount secured by the Receiver's Borrowings Charge was increased from \$2.5 million to \$3 million. A copy of the July 15th Order is attached as Appendix "C".
3. In order to minimize the number of Court attendances in these proceedings, paragraph 27 of the Receivership Order authorizes the Receiver to increase the Receiver's Borrowings Charge in increments of \$500,000 by serving a report on the Service List, which describes the need for the increased borrowings, or by further order of the Court. Any such increases are to be secured by the Receiver's Borrowings Charge.
4. If the Receiver serves a report on the Service List and a party files a Notice of Objection, the proposed increase in the Receiver's Borrowings Charge would require a further Court order. If no Notice of Objection is received within 10 days of serving such report, a further order of the Court is not required.
5. On February 7, 2022, the Receiver served its Second Report to Court (the "Second Report") on the Service List, the purpose of which was to increase the Receiver's Borrowings Charge from \$3 million to \$4 million. As no party on the Service List filed a Notice of Objection, the Receiver's Borrowings Charge was increased to \$4 million effective February 21, 2022.
6. On April 5, 2022, the Receiver served its Third Report on the Service List, the purpose of which was to increase the Receiver's Borrowings Charge from \$4 million to \$4.5 million. As no party on the Service List filed a Notice of Objection, the Receiver's Borrowings Charge was increased to \$4.5 million effective April 18, 2022.
7. On June 15, 2022, the Receiver served its Fourth Report on the Service List, the purpose of which was to increase the Receiver's Borrowings Charge from \$4.5 million to \$5.5 million. As no party on the Service List filed a Notice of Objection, the Receiver's Borrowings Charge was increased to \$5.5 million effective June 27, 2022.
8. The Receiver is now serving this Report on the Service List for the purpose of increasing the Receiver's Borrowings Charge by a further \$500,000, from \$5.5 million to \$6 million. The proposed increase is principally to fund:
 - a) professional fees incurred and to be incurred in connection with the Arbitration;
 - b) employee costs, including those secured by the KERP Charge; and
 - c) costs to store and maintain TELP's data, which is required for the Arbitration.

³ The Administration Charge secured the professional fees incurred in the NOI Proceedings, which were continued under the Receivership Order.

5. As set out in prior reports dealing with an increase in the Receiver's Borrowing Charge, the Receiver is of the view that the funding sought herein is required to continue the Arbitration with Teck. In the event that increased funding is not available, the Arbitration will be discontinued and there will be no recoveries for the Companies' creditors from the Arbitration.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.
SOLELY IN ITS CAPACITY AS RECEIVER AND MANAGER OF
TRADESMEN ENTERPRISES LIMITED PARTNERSHIP AND
TRADESMEN ENTERPRISES INC.
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “P”

Professional Fees and Disbursements of the Receiver and its Legal Counsel
June 1, 2021 to November 30, 2022
(CAD\$)

KSV Restructuring Inc.

| Invoice # | Invoice Date | Period | Fees | Disbursements | Taxes | Total |
|--------------|--------------------|----------------|-------------------|-----------------|------------------|-------------------|
| 2248 | July 5, 2021 | June 2021 | 33,839.00 | 292.35 | 1,706.57 | 35,837.92 |
| 2273 | August 5, 2021 | July 2021 | 24,016.50 | 209.69 | 1,211.31 | 25,437.50 |
| 2316 | September 10, 2021 | August 2021 | 18,963.75 | 197.16 | 958.05 | 20,118.96 |
| 2356 | October 7, 2021 | September 2021 | 19,852.50 | 46.46 | 994.95 | 20,893.91 |
| 2393 | November 9, 2021 | October 2021 | 23,450.00 | 49.32 | 1,174.97 | 24,674.29 |
| 2415 | December 7, 2021 | November 2021 | 24,995.00 | 61.99 | 1,252.85 | 26,309.84 |
| 2473 | January 10, 2022 | December 2021 | 19,077.50 | 4.50 | 954.10 | 20,036.10 |
| 2512 | February 11, 2022 | January 2022 | 31,217.25 | 43.42 | 1,563.03 | 32,823.70 |
| 2543 | March 10, 2022 | February 2022 | 19,072.25 | 46.78 | 955.95 | 20,074.98 |
| 2587 | April 12, 2022 | March 2022 | 12,917.25 | 3.68 | 645.05 | 13,565.98 |
| 2623 | May 10, 2022 | April 2022 | 12,004.75 | 3.68 | 600.42 | 12,608.85 |
| 2667 | June 9, 2022 | May 2022 | 10,602.75 | | 530.14 | 11,132.89 |
| 2689 | July 12, 2022 | June 2022 | 12,504.00 | 4.60 | 625.43 | 13,134.03 |
| 2727 | August 8, 2022 | July 2022 | 18,348.50 | 2.76 | 917.56 | 19,268.82 |
| 2755 | September 8, 2022 | August 2022 | 19,225.00 | 2.76 | 961.39 | 20,189.15 |
| 2793 | October 11, 2022 | September 2022 | 17,616.50 | 2.76 | 880.96 | 18,500.22 |
| 2823 | November 10, 2022 | October 2022 | 27,696.50 | 1,852.26 | 1,477.44 | 31,026.20 |
| 2883 | December 16, 2022 | November 2022 | 46,510.50 | 7,043.20 | 2,677.69 | 56,231.39 |
| Total | | | 391,909.50 | 9,867.37 | 20,087.86 | 421,864.73 |

Lawson Lundell LLP

| Invoice # | Invoice Date | Period | Fees | Disbursements | Taxes | Total |
|--------------|--------------------|---------------------------|---------------------|-------------------|-------------------|---------------------|
| 717976 | July 6, 2021 | June 2021 | 95,235.00 | 41,022.38 | 13,392.88 | 149,650.26 |
| 720542 | July 31, 2021 | July 2021 | 84,178.50 | 17,668.85 | 10,944.08 | 112,791.43 |
| 723054 | September 3, 2021 | August 2021 | 57,200.50 | 12,406.86 | 7,436.76 | 77,044.12 |
| 725192 | October 31, 2021 | September 2021 | 71,330.00 | 11,038.10 | 9,075.67 | 91,443.77 |
| 728539 | November 8, 2021 | October 2021 | 82,855.00 | 12,744.44 | 10,540.55 | 106,139.99 |
| 730632 | December 31, 2021 | November 2021 | 94,995.00 | 12,311.34 | 11,978.13 | 119,284.47 |
| 734075 | December 31, 2021 | December 2021 | 86,370.00 | 12,773.80 | 10,959.16 | 110,102.96 |
| 736161 | February 10, 2022 | January 2022 | 198,084.00 | 86.10 | 23,774.39 | 221,944.49 |
| 738748 | March 7, 2022 | February 2022 | 104,745.50 | 23,169.16 | 13,653.14 | 141,567.80 |
| 741428 | April 6, 2022 | March 2022 | 138,855.50 | 185.36 | 16,671.94 | 155,712.80 |
| 744260 | May 31, 2022 | April 2022 | 159,865.50 | 18,678.78 | 20,058.58 | 198,602.86 |
| 746988 | June 15, 2022 | May 2022 | 20,169.50 | 12,638.72 | 3,013.17 | 35,821.39 |
| 750388 | July 15, 2022 | June 2022 | 46,538.50 | 29,089.70 | 6,944.92 | 82,573.12 |
| 753627 | August 31, 2022 | July 2022 | 176,790.50 | 4,593.60 | 21,444.55 | 202,828.65 |
| 756512 | September 29, 2022 | August 2022 | 361,393.50 | 33,212.34 | 44,931.21 | 439,537.05 |
| 1205615 | November 17, 2022 | September to October 2022 | 469,868.00 | 25,763.50 | 57,495.66 | 553,127.16 |
| 1210198 | December 31, 2022 | November 2022 | 58,693.50 | 42,164.36 | 8,987.02 | 109,844.88 |
| Total | | | 2,307,168.00 | 309,547.39 | 291,301.81 | 2,908,017.20 |

Professional Fees and Disbursements of the Receiver and its Legal Counsel
June 1, 2021 to November 30, 2022
(CAD\$)

Bennett Jones LLP

| Invoice # | Invoice Date | Period | Fees | Disbursements | Taxes | Total |
|------------------|---------------------|----------------|-------------------|----------------------|------------------|-------------------|
| 1401201 | July 5, 2021 | June 2021 | 23,769.00 | 169.75 | 1,195.69 | 25,134.44 |
| 1406634 | August 6, 2021 | July 2021 | 17,187.50 | 433.51 | 880.55 | 18,501.56 |
| 1410882 | September 3, 2021 | August 2021 | 12,626.50 | 2.50 | 631.45 | 13,260.45 |
| 1414991 | October 5, 2021 | September 2021 | 8,299.00 | 2,742.50 | 547.63 | 11,589.13 |
| 1419858 | November 4, 2021 | October 2021 | 7,475.00 | 6.00 | 374.05 | 7,855.05 |
| 1425257 | December 7, 2021 | November 2021 | 10,599.50 | | 529.98 | 11,129.48 |
| 1432268 | December 31, 2021 | December 2021 | 28,832.00 | 672.00 | 1,475.20 | 30,979.20 |
| 1437292 | February 4, 2022 | January 2022 | 77,745.00 | 137.00 | 3,894.10 | 81,776.10 |
| 1441451 | March 4, 2022 | February 2022 | 33,680.00 | 55.35 | 1,686.77 | 35,422.12 |
| 1445453 | April 5, 2022 | March 2022 | 13,837.00 | 466.75 | 715.19 | 15,018.94 |
| 1450840 | May 6, 2022 | April 2022 | 10,654.00 | 52.00 | 534.30 | 11,240.30 |
| 1455512 | June 3, 2022 | May 2022 | 2,044.00 | 34.00 | 102.20 | 2,180.20 |
| 1463389 | July 15, 2022 | June 2022 | 5,882.50 | 36.00 | 294.93 | 6,213.43 |
| 1466457 | August 5, 2022 | July 2022 | 5,536.50 | | 276.83 | 5,813.33 |
| 1471067 | September 9, 2022 | August 2022 | 6,365.50 | 42.74 | 320.41 | 6,728.65 |
| 1475935 | October 11, 2022 | September 2022 | 4,581.50 | | 229.08 | 4,810.58 |
| 1480409 | November 4, 2022 | October 2022 | 15,422.00 | 5.00 | 771.35 | 16,198.35 |
| 1485899 | December 8, 2022 | November 2022 | 19,263.50 | 1,089.73 | 1,016.66 | 21,369.89 |
| Total | | | 303,800.00 | 5,944.83 | 15,476.37 | 325,221.20 |