

IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF EDMONTON

BETWEEN:

CANADIAN WESTERN BANK

Plaintiff
(Applicant)

-and-

702348 ALBERTA LTD. and GUILD DEVELOPMENTS INC.

Defendants
(Respondents)

BEFORE THE HONOURABLE)
MR. JUSTICE K.D. YAMAUCHI)
IN CHAMBERS)
LAW COURTS, EDMONTON)

ON TUESDAY, THE 27th DAY
OF APRIL, 2010

ORDER


UPON the application of Meyers Norris Penny Limited (the "Receiver") in its capacity as Receiver and Manager of 702348 Alberta Ltd. ("702348") and Guild Developments Inc. ("Guild") (collectively the "Debtors"); AND UPON hearing the submissions of counsel for the Receiver, counsel for RIC New Brunswick Inc. ("Romspen"); AND UPON hearing the submissions of counsel for other creditors and claimants including counsel for each of Extreme Trenching Ltd. ("Extreme") and Rock Solid Drilling Ltd. ("Rock Solid"); AND UPON it appearing that Romspen is the next creditor in line with valid and enforceable security against the assets of 702348 and Guild subject to possible priority claims of each of Canada Revenue Agency ("CRA"), Service Canada, Employment Standards for the Province of Alberta and Workers' Compensation Board (collectively the "Priority Claimants"); AND UPON noting that the Receiver is making holdbacks, on a without prejudice basis, to address the claims of the Priority Claimants; AND UPON it appearing appropriate to make the Order sought; IT IS HEREBY ORDERED THAT:

- 1) Service of notice of this application is deemed good and sufficient and the motion is properly returnable today.
- 2) The Receiver is hereby directed to remit to CRA from the proceeds of the sale of the fixed assets of Guild the sum of \$47,550.00 as partial payment of CRA's deemed trust claim.
- 3) It is hereby declared that Romspen otherwise has priority to the proceeds of the sale of the assets of 702348 and the Receiver is directed to remit to Romspen the sum of \$457,029.92 arising from the sale of the lands and buildings.

- 4) The Receiver is authorized to receive funds from Miller Thomson LLP arising from the settlement of the flood claim (the "Insurance Proceeds") and to make a holdback in the amount of \$504,677.21 representing the balance of the Priority Claims (the "Priority Claims Holdback").
- 5) After establishing the Priority Claims Holdback, the Receiver is authorized to remit to Romspen the sum of \$695,322.79 from the Insurance Proceeds.
- 6) Neither the establishment of the Priority Claims Holdback nor the distribution of certain portions of the Insurance Proceeds to Romspen shall be considered as prejudicial to the respective positions of any of the parties making claim to the Insurance Proceeds including, without restriction, whether the proceeds are properly the property of Guild or 702348 or are otherwise subject to the loss payee endorsement and assignment of insurance proceeds held by Romspen.
- 7) This Court further directs that there shall be a hearing, on a date to be established upon mutual agreement of counsel and the Court, to determine the following issues:
 - a) With respect to the Insurance Proceeds, which company are they properly the property of, Guild or 702348? In any event, are the Insurance Proceeds subject to payment to Romspen pursuant to the loss payee endorsement?
 - b) With respect to the funds paid into Court in the following actions, 0703 14862, 0703 12630, 0703 10821, 0703 15369 and 0701 13408, whether:
 - i) Those funds are subject only to the claims of Extreme Trenching Ltd. and Rock Solid Drilling Ltd.; or
 - ii) Whether those funds may be utilized to establish a lien fund for the benefit of all lien claimants; and
 - iii) Whether CRA, has priority to any portion of the lien claimed funds;
 - iv) Whether CRA, has priority to the CAT assets.
- 8) Each of the Priority Claimants and any party who had a registered lien against the lands sold in this action, including Extreme and Rock Solid (collectively the "Lien Claimants") served with a copy of this Order shall, no later than June 15, 2010:
 - a) With respect to the Priority Claimants, advise counsel for the Receiver, namely Mr. Darren R. Bieganek of Duncan & Craig LLP at 2800, 10060 Jasper Avenue, Edmonton, Alberta, T5J 3V9, Phone: 780-441-4386, Fax: 780-969-6381, E-mail: dbieganek@dcllp.com, of their claim amount and their positions respecting the issues noted in paragraph 6 hereof and their claim to priority entitlement in respect thereof;
 - b) With respect to the Lien Claimants, shall provide proof, in affidavit form, to counsel for the Receiver of their lien claim.
- 9) This matter shall be returnable on a date subsequent to June 15th before Justice Yamauchi to determine whether any of the claimants who have failed to provide either a position or a proof of their claim should be barred from claiming further entitlement to any of the proceeds in this estate.
- 10) The Clerk of the Court of Queen's Bench is hereby directed to forward all funds standing in the credit of Court of Queen's Bench Action Number 0803 01731 to Duncan & Craig LLP, Attention: Darren R. Bieganek in trust for Meyers Norris Penny Limited in its capacity as

Receiver for Guild Developments Inc. and 702348 Alberta Ltd. A copy of this Order may be filed in Action Number 0803 01731 to complete the record.

11) This Order to be approved by counsel for Romspen, counsel for the Receiver, counsel for Extreme Trenching Ltd., and counsel for Rock Solid Drilling Ltd. It is otherwise dispensed with in relation to all other parties. This Order may be approved in counterpart and by electronic or facsimile transmission.




J.C.Q.B.A.

APPROVED BY:

DUNCAN & CRAIG LLP

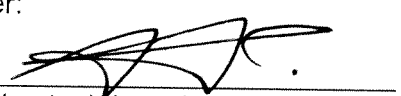
Per:



Darren R. Biganek
Counsel for the Receiver

WITTEN LLP

Per:



Schuyler Wensel, Q.C.
Counsel for Romspen

SMITH MACK LAMARSH

Per:

Karen D. Jacobson
Counsel for Rock Solid Drilling Ltd.

RONALD J. YOUNG PROFESSIONAL CORPORATION

Per:

Ronald J. Young
Counsel for Extreme Trenching Ltd.

ENTERED THIS 14 DAY OF
MAY, 2010.



CLERK OF THE COURT



June

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J.C.Q.B.A.

APPROVED BY:


DUNCAN & CRAIG LLP
Per:

Darren R. Bieganek
Counsel for the Receiver

WITTEN LLP
Per:

Schuyler Wensel, Q.C.
Counsel for Romspen

SMITH MACK LAMARSH
Per:



Karen D. Jacobson
Counsel for Rock Solid Drilling Ltd.

RONALD J. YOUNG PROFESSIONAL
CORPORATION
Per:

Ronald J. Young
Counsel for Extreme Trenching Ltd.

ENTERED THIS ____ DAY OF
MAY, 2010.

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J.C.Q.B.A.

APPROVED BY:

DUNCAN & CRAIG LLP
Per:

Darren R. Bieganek
Counsel for the Receiver

WITTEN LLP
Per:

Schuyler Wensel, Q.C.
Counsel for Romspen

SMITH MACK LAMARSH
Per:

Karen D. Jacobson
Counsel for Rock Solid Drilling Ltd.

RONALD J. YOUNG PROFESSIONAL
CORPORATION

Per:

Ronald J. Young
Counsel for Extreme Trenching Ltd.

ENTERED THIS ____ DAY OF
MAY, 2010.

CLERK OF THE COURT

Action No. 0803 16256 2010

IN THE COURT OF QUEEN'S BENCH OF
ALBERTA

JUDICIAL DISTRICT OF EDMONTON

BETWEEN:

CANADIAN WESTERN BANK

Plaintiff

- and -

702348 ALBERTA LTD. and GUILD
DEVELOPMENTS INC.

Defendants

ORDER

DARREN R. BIEGANEK
Barrister & Solicitor
(780) 428-6036

File #204-163012

DUNCAN & CRAIG LLP

LAWYERS & MEDIATORS

2800 Scotia Place, 10060 Jasper Avenue
Edmonton, Alberta, Canada, T5J 3V9

