Court File No. N/M/17/10

IN THE COURT OF QUEEN'S BENCH OF NEW BRUNSWICK
IN BANKRUPTCY AND INSOLVENCY
JUDICIAL DISTRICT OF MIRAMICHI

IN THE MATTER OF THE RECEIVERSHIP OF:

ATCON GROUP INC., ATCON HOLDINGS INC., ATCON PROPERTY HOLDINGS INC., ATCON VENEER PRODUCTS INC., ATCON LOGISTICS INC., ATCON CONSTRUCTION INC., ATCON MANAGEMENT SERVICES INC., ATCON CIVIL LTD., DYCON CONSTRUCTION LTD., ATCON STRUCTURES INC. AND ENVIREM TECHNOLOGIES INC.

PURSUANT TO Section 33 of The *Judicature Act,* R.S.N.B. 1973, Ch. J-2, Rule 41, Rules of Court, New Brunswick and Section 243 of the *Bankruptcy and Insolvency Act,* R.S.C. 1985, c. B-3

BETWEEN:

THE BANK OF NOVA SCOTIA, a Canadian chartered bank with a registered office in the City of Saint John, Province of New Brunswick

APPLICANT

- and –

ATCON GROUP INC., ATCON HOLDINGS INC., ATCON PROPERTY HOLDINGS INC., ATCON VENEER PRODUCTS INC, ATCON LOGISTICS INC., ATCON CONSTRUCTION INC., ATCON MANAGEMENT SERVICES INC., ATCON CIVIL LTD., DYCON CONSTRUCTION LTD., ATCON STRUCTURES INC. AND ENVIREM TECHNOLOGIES INC., all of which are carrying on business in the Province of New Brunswick

RESPONDENTS

TWENTY-NINTH REPORT OF THE RECEIVER
(Approval of Sale of Brun-Way Shares and Fifth Interim Distribution Motion)
4 June 2015

INTRODUCTION AND PURPOSE

1. In connection with the applications of The Bank of Nova Scotia (the "**Bank**") pursuant to section 33 of the *Judicature Act* (New Brunswick), Rule 41 of the Rules of Court of New Brunswick, and section 243 of the *Bankruptcy and Insolvency Act* (Canada) that were heard by The Honourable Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick on 1 March 2010 and 30 March 2010 (the "**Receivership Date**"), Ernst & Young Inc. was appointed as receiver and receiver manager (the "**Receiver**") of the property, assets and undertakings of:

   (a) Atcon Group Inc., Atcon Holdings Inc., Atcon Property Holdings Inc., Atcon Veneer Products Inc. and Atcon Logistics Inc. pursuant to an Order dated 2 March 2010 (the "**March 2 Order**"); and

   (b) Atcon Construction Inc. ("**Atcon Construction**"), Atcon Management Services Inc., Atcon Civil Ltd., Dycon Construction Ltd., Atcon Structures Inc. and Envirem Technologies Inc. pursuant to an Order dated 30 March 2010 (together with the March 2 Order, the "**Receivership Order**").

2. The Receivership Order authorizes the Receiver to, among other things:

   (a) take possession and control of the Property (as defined in the Receivership Order) and any and all proceeds, receipts and disbursements arising out of or from the Property;

   (b) receive, preserve and protect the Property, or any parts thereof;

   (c) receive and collect all monies and accounts now owed or thereafter owing to the Respondents and exercise all remedies of the Respondents in collecting such monies;

   (d) to settle, extend or compromise any indebtedness owing to the Respondent;

   (e) market any or all of 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;

   (f) sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business with the approval of this Court in respect of any transaction in which the purchase price exceeds $100,000 or the aggregate purchase price of all transactions less than $100,000 exceeds $1,000,000;

(g) apply for any vesting order or other 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;

(h) meet with such affected Persons as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms of confidentiality as the Receiver deems advisable;

(i) 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 any of the Respondents, for any purpose pursuant to the Receivership Order;

(j) exercise any shareholder rights which any of the Respondents may have;

(k) take any steps reasonably incidental to the exercise of its powers or the performance of any obligations; and

(l) apply to the Court for advice and directions in the discharge of its powers and duties under the Receivership Order.

3. The purpose of this Twenty-Ninth Report is to:

(a) report to this Honourable Court on the status of matters relating to the Receiver's conduct and activities with respect to its efforts to sell the Brun-Way Shares (as defined below);

(b) approving the sale transaction entered into between the Receiver and SNC-Lavalin Inc. for the sale of the Brun-Way Shares (the "**Sale Transaction**");

(c) authorizing and directing the Receiver to take such steps and execute such additional documents as may be necessary or desirable for the completion of the Sale Transaction;

(d) report to this Honourable Court on the status of the funds recoverable from the Atcon Industrial Services Inc. ("**AIS**") estate pursuant to the Order of Justice Riordin dated 20 February 2015;

(e) seek the approval of this Honourable Court of an interim distribution to the Secured Creditors (as defined below) that has been agreed to and accepted by the Secured Creditors; and

(f) seek the approval of this Honourable Court of the conduct, actions and activities of the Receiver set out in the Twenty-Ninth Report of the Receiver.

TERMS OF REFERENCE

4. In preparing this Twenty-Ninth Report, the Receiver has been provided with and has relied upon unaudited historical financial statements, other unaudited financial information and projections prepared by the Respondents, the books and records of the Respondents, discussions with the management and employees of the Respondents, and other information from various sources. The Receiver has assumed that the information it has been provided is accurate and complete. Except as noted in the body of this Twenty-Ninth Report, the Receiver did not audit, review or otherwise attempt to verify the accuracy or completeness of the information. Accordingly, the Receiver expresses no opinion or other form of assurance with respect to the information provided to the Receiver and presented in the Twenty-Ninth Report or relied upon by the Receiver in preparing the Twenty-Ninth Report. Further, the nature of the Receiver's work completed in these proceedings will not necessarily disclose errors, misstatements, irregularities or illegal acts, if such exist, on the part of the Respondents, or its officers or employees or in the information.

5. All references to monetary amounts in this Twenty-Ninth Report are in Canadian dollars unless otherwise noted.

6. Capitalized terms not defined in this Twenty-Ninth Report are as defined in the Receivership Order.

7. Copies of Court materials in these proceedings may be obtained from the Receiver's website established in connection with the Respondents (www.ey.com/ca/atcon).

BRUN-WAY HIGHWAY OPERATIONS INC.

<u>Background</u>

8. As previously reported to this Court, Atcon Construction is the owner of a thirty percent (30%) minority shareholder interest (the "**Brun-Way Shares**") in Brun-Way Highway Operations Inc. ("**Brun-Way**"). The remaining 70% of the common shares of Brun-Way are held by SNC-Lavalin Inc. ("**SNC**" and the "**SNC Majority Interest**"). Brun-Way's business is focussed solely on the operation, maintenance and rehabilitation of 275 kilometres of highway that runs from the Quebec Border to west of Fredericton, New Brunswick and between Woodstock, New Brunswick and the U.S. border pursuant to a contract with the Province. Brun-Way's contract with the Province (the "**Brun-Way Contract**") extends through 2033.

9. Atcon Construction and SNC entered into a Unanimous Shareholders' Agreement dated 18 July 2007 (the "**USA**") which sets out the terms by which the parties agreed to enter into the Brun-Way

venture. Shortly after the Receivership Date, the Receiver and its legal counsel reviewed the terms and conditions of the USA for the purpose of determining a course of action to realize the value of the Brun-Way Shares for the benefit of the creditors of the estate.

10. The USA contained, *inter alia*, a provision whereby SNC, in the event Atcon Construction went into receivership, could elect to take an assignment of the Brun-Way Shares "in consideration of a price equal to the fair market value of such shares, as determined by a third party professional independent appraiser" (the "**Election Provision**").

11. SNC declined the Receiver's requests to acquire the Brun-Way Shares pursuant to the Election Provision. As such, an independent valuation of the Brun-Way Shares was not commissioned.

12. The USA also contained a provision that enabled Atcon Construction (and therefore the Receiver) to sell the Brun-Way Shares to a third party on certain terms and conditions (the "**Third Party Sale Option**"). However, the USA provided SNC with a right of first refusal (the "**Right of First Refusal**") in relation to any proposed sale of the Brun-Way Shares to a third party purchaser. The Receiver believes the Right of First Refusal provision would have a materially negative impact on the level of third party interest in the Brun-Way Shares, as any prospective purchaser considering a transaction would be required to spend time and money to complete the necessary due diligence and other transaction related activities but have no certainty that its offer would not be nullified if SNC exercised its Right of First Refusal.

13. The Receiver was also concerned that third parties looking to acquire the Brun-Way Shares and partner with SNC for the remainder of the Brun-Way Contract may be influenced by their future partnership arrangements, such that their offer to the Receiver could be adversely impacted.

14. SNC was concerned that if the Receiver attempted to sell the Brun-Way Shares to a third party purchaser, including one of SNC's competitors, such party might gain confidential insights into SNC's business practices and operations through a review of any marketing or due diligence materials. Consequently, SNC exercising its SNC Majority Interest rights would only provide the Receiver with access to Brun-Way's detailed financial records if the Receiver executed a confidentiality agreement which effectively barred the Receiver from using such information for the purpose of exercising the Third Party Sale Option. The Receiver, in consultation with its legal counsel, determined that it was not in the Estate's interest to execute the confidentiality agreement requested by SNC.

15. As a result of the Receiver's discussions and negotiations with SNC described above, the Receiver in consultation with its legal counsel, determined that the most appropriate manner to realize upon the Brun-Way Shares given the terms of the USA and the rights being asserted by

SNC by virtue of the SNC Majority Interest was to negotiate an agreement directly with SNC (the "**SNC Negotiations**") rather than with a third party.

SNC Negotiations

16. As previously indicated to this Court, the Receiver expected that it might take a significant period of time to realize a fair value for the Brun-Way Shares. In the view of the Receiver, this is not an unusual expectation when selling illiquid shares of a private company that are subject to an USA containing restrictions on the sale of such shares.

17. The SNC Negotiations commenced shortly after the Receivership Date and continued into February 2015. The Receiver has been engaged in ongoing oral and written communications with SNC, often on a "Without Prejudice" basis, regarding potential realization options for the Brun-Way Shares. Over that time there have been numerous offers and counter-offers exchanged between the parties.

18. Atcon Construction's files in relation to the Brun-Way Shares contained financial information up to December 2009. The revenue streams emanating from the Brun-Way Contract are defined therein with certainty. However, the costs to operate, maintain and rehabilitate the highway sections subject to the Brun-Way Contract through 2033 are by necessity subject to constant revision. For example, Atcon Construction had agreed to provide preferential asphalt pricing to Brun-Way pursuant to the terms of the USA because it could avail itself of volume discounts from asphalt suppliers. As a result of the Atcon Construction receivership, Brun-Way was forced to re-source this asphalt from the open market without the benefit of the Atcon discounts.

19. Brun-Way's primary risk, and the most significant factor that can influence the value for the Brun-Way Shares, is the possibility that the projected Brun-Way Contract cost assumptions are understated and / or unexpected issues materialize over the life of the contract through 2033 that were not forecast, which if experienced would have negative implications on the value of the Brun-Way Shares.

20. The Receiver periodically sought updated financial projections from SNC incorporating the current financial status of Brun-Way and any future-oriented costing adjustments that could be reasonably supported: however, such information was either not provided or was presented so conservatively that the Receiver could not rely upon it. These issues and uncertainties have caused the SNC Negotiations to be complicated and protracted.

21. The Receiver was provided with copies of Brun-Way's internally prepared annual income statements and balance sheets (the "**Internal Financial Statements**") at each fiscal year end. Over time the Receiver obtained the Internal Financial Statements for fiscal years ending 31

December 2009 through 2013 and the 11 month period ending 30 November 2014 (the "**Reported Period**").

22. The Internal Financial Statements show that Brun-Way has been a profitable enterprise having generated consistent revenues, margins and net income over the Reported Period. The Internal Financial Statements do not however provide insights into forecasted future capital expenditure requirements that may materialize which could impact the value of the Brun-Way Shares. The value of the Brun-Way Shares at any point in time is subject to changes in the projected costs associated with operating, maintaining and rehabilitating sections of the highway subject to the Brun-Way Contract over the next 18 years.

Estimated Value of the Brun-Way Shares

23. The Receiver developed a financial model to estimate the value of the Brun-Way Shares using the Brun-Way Contract information sourced from Atcon Construction's files, the Internal Financial Statements and other information provided by SNC during the SNC Negotiations. The Receiver updated its valuation model on several occasions to reflect actual results of operations for the preceding fiscal year as disclosed in the Internal Financial Statements periodically delivered to the Receiver by SNC.

24. Copies of the Receivers valuation models, as updated from time to time, have been shared with SNC as the Receiver attempted to advance the SNC Negotiations. SNC and the Receiver were unable for an extended period of time to bridge their respective assessments of value, primarily due to each party's differing assessment of future cost uncertainties and risk provisions associated with the Brun-Way Contract.

25. The Receiver last updated its financial model to incorporate actual results as reported in the Internal Financial Statements for the 11 month period ending 30 November 2014. The Receivers updated analysis estimates the value of the Brun-Way Shares to be between \$10.5 million and \$12.3 million (the "**Receiver's Value Range**") based upon all information accessible to the Receiver to date and certain assumptions made by the Receiver.

26. The Receiver, after consulting with representatives from the Bank and the Province, extended an offer to sell its interest in the Brun-Way Shares to SNC for \$10.5 million.

27. On 23 January 2015, SNC responded to the Receivers offer and advised that it had re-examined its valuation model and incorporated a number of changes to remove certain conservative expense estimates. However, SNC advised that it had also incorporated a new expense within its valuation model being an annual management fee payable to SNC in the amount of \$1.2

million per year through 2033, the final year of the contract (the “**Management Fee**”). SNC has not previously charged a management fee to the Brun-Way operation.

28. Although SNC did not share its amended valuation model with the Receiver it did provide the Receiver with a summary of its assessment of the value of the Brun-Way Shares which was $7.9 million to $8.85 million. It was based upon this analysis that SNC extended its latest and what it indicated would be its final offer to purchase the Brun-Way Shares for $9.0 million (the “**SNC Offer**”).

29. SNC indicated that if the SNC Offer proved unacceptable to the Receiver then it would terminate negotiations and focus on operating Brun-Way through 2033 and share the residual profits, if any, with the Receiver at that later date.

30. The Receiver’s legal counsel reviewed the USA and confirmed that there is no provision in the USA that specifically entitles SNC to charge a Management Fee. Nevertheless, since the Receivership Date SNC has been performing 100% of the shareholder oversight functions in relation to the Brun-Way Contract without any assistance from Atcon Construction or the Receiver.

31. As noted above, the value of the Brun-Way Shares at any point in time will be significantly sensitive to changes in future operating costs. For example, a 10% increase in future operating costs over the remaining 18 years of the Brun-Way Contract would reduce the Receiver’s Value Range by approximately $3.0 million, i.e., from the Receiver’s Value Range to a range of $7.5 million to $9.3 million.

32. The Receiver has considered the implications of the proposed Management Fee of $1.2 million or some smaller amount and the future cost uncertainties associated with the remaining 18 year term of the Brun-Way Contract that could narrow the gap between the latest valuation positions advanced by the parties.

33. The Receiver discussed the SNC Offer, the valuation uncertainties associated with the Brun-Way Shares and the potential timing differential associated with securing a transaction now versus recovering value from the Brun-Way Shares in 2033 with the Province and the Bank, being the only two secured creditors with a beneficial security interest in the Brun-Way Shares. The Bank and the Province both confirmed that they were supportive of the Receiver accepting the SNC Offer.

34. On 20 February 2015, the Receiver and SNC reached an agreement, subject to the approval of this Honourable Court, for the Receiver to sell, and for SNC to buy, the Brun-Way Shares (the “**Sale Transaction**”) for $9.0 million (the “**Brun-Way Proceeds**”). On 3 June 2015, the parties

executed a formal share purchase agreement (the "**SPA**") reflecting the terms of the Sale Transaction, a copy of which is attached hereto as **Appendix "A".**

35. The Receiver is of the view that the Sale Transaction, if approved by this Honourable Court, will result in consideration for the Brun-Way Shares that is fair and reasonable in the circumstances. The Receiver, as authorized by the Receivership Order, has conducted a sales process that is reasonable in the circumstance and has made sufficient effort to obtain the best price for the Brun-Way Shares. The Receiver has acted in good faith and has kept the Bank and the Province fully apprised of its efforts to realize on the Brun-Way Shares throughout these proceedings. The Bank and the Province, being the only parties with a beneficial security interest in the Brun-Way Shares, are supportive of the Sale Transaction.

36. For the foregoing reasons, the Receiver recommends the approval by this Honourable Court of the Sale Transaction as contemplated by the SPA.

ATCON INDUSTRIAL SERVICES INC.

37. PricewaterhouseCoopers Inc., acting in its capacity as Court-appointed receiver and receiver manager of the property, assets and undertakings of AIS (the "**AIS Receiver**") brought a distribution motion before this Honourable Court which was heard on 20 February 2015. In support of the distribution motion the AIS Receiver filed the Fifth Report of the Receiver dated 13 February 2015 (the "**AIS Fifth Report**").

38. At paragraph 15 of the AIS Fifth Report, the AIS Receiver requested that certain payments be approved to two secured creditors of the AIS Estate, after the payment to Ernst & Young Inc., as Court Appointed Receiver of Atcon Construction of amounts due to the estate of Atcon Construction. Appendix C of the AIS Fifth Report indicated that the amount payable to Atcon Construction as a "DIP Allocation" payment was $636,494 (the "**DIP Allocation**").

39. By order dated 20 February 2015, this Honourable Court approved the AIS Receivers distribution order and on 25 February 2015 the Receiver received and deposited into its trust account a cheque from the AIS Receiver in the amount of $636,494.

40. The DIP Allocation pertains to funds expended in the early days of the CCAA and Receivership proceedings by the Atcon Group and the Receiver respectively to preserve, protect and sustain the AIS operation and assets. The ability of the Atcon Group during the CCAA period, and of the Receiver since its appointment, to fund the AIS obligations, arose from the collection of accounts receivable from various significant customers of Atcon Construction which were subject to security interests of the Bank. The use of such proceeds for the benefit of the AIS estate and its secured creditors effectively amounted to the Bank providing a DIP loan to the AIS estate from

proceeds to which it was entitled. Consequently, the Receiver proposes to allocate and distribute the DIP Allocation in the amount of $636,494 to the Bank on the basis of its security interest in the asset recoveries used to fund the AIS operation.

PROPOSED DISTRIBUTIONS

41. Subject to this Honourable Court approving, and the Receiver successfully concluding the Sale Transaction, the Receiver proposes to make a fifth interim distribution (the "**Fifth Interim Distribution**") to the Secured Creditors on account of their respective security interests over the property of the Respondents and specifically the Brun-Way Proceeds and the DIP Allocation.

42. As reported in the Receiver's Twenty-Third, Twenty-Sixth, Twenty-Seventh and Twenty-Eighth Reports, a distribution methodology was negotiated and agreed amongst the primary secured creditors of the Estate (the "**Distribution Methodology**") and interim distributions calculated using the Distribution Methodology were approved by Orders of this Honourable Court dated 31 July 2012, 8 April 2013, 25 June 2014 and 22 October 2014 (the "**Interim Distributions**").

43. The Bank and the Province are parties to a priorities agreement in relation to various assets including the Brun-Way Shares. The Receiver in consultation with the Bank and the Province has calculated the allocation of the Brun-Way Proceeds pursuant to the terms of the above noted priorities agreement, if the Sale Transaction is approved by this Honourable Court and concluded by the Receiver, to be as follows:

(a)	Allocation of Brun-Way Proceeds to the Bank	$5,948,470
(b)	Allocation of Brun-Way Proceeds to the Province	3,051,530
		$9,000,000

44. The Bank and the Province in consultation with the Receiver have also negotiated a mutually agreeable cost allocation arrangement whereby the Province's recovery from the Sale Transaction will be reduced by $57,000, representing the Province's reasonable share of professional costs expended to negotiate and conclude the Sale Transaction.

45. Attached hereto as **Appendix "B"** is the Receiver's Statement of Receipts and Disbursements for the period ending 15 April 2015 which summarizes all receivership transactions to that date and, for illustrative purposes, includes a forecasted receipt of the Brun-Way Proceeds of $9,000,000. Attached hereto as **Appendix "C"** is a Proceed Allocation summary allocating all receipts (including the forecasted Brun-Way Proceeds) amongst beneficial security holders.

46. The Distribution Methodology applied to all previous Interim Distributions provided for a pro rata allocation of CRA's deemed trust claim (the **"Deemed Trust Claim"**) amongst the Secured Creditors of the estate of Atcon Construction whose security was subject to the Deemed Trust Claim. The Brun-Way Proceeds, if the Sale Transaction is approved by this Honourable Court and received by the Receiver, would also be subject to the Deemed Trust Claim. Consequently, Aviva Insurance Company of Canada and its affiliated entities (**"Aviva"**), and GE Canada Equipment Financing G.P. and its affiliated entities (**"G.E."**, and together with the Bank, the Province and Aviva, the **"Secured Creditors"**) will be affected by the Sale Transaction to the extent that their pro rata allocation of the Deemed Trust Claim is adjusted.

47. Attached as **Appendix "D"** is a Net Proceed Allocation Summary which allocates all receipts (including the forecasted Brun-Way Proceeds) and calculates each beneficial security holder's pro rata share of the Deemed Trust Claim based upon the amended calculations.

48. The Receiver has discussed the Fifth Interim Distribution with representatives of the Secured Creditors. The Fifth Interim Distribution has been agreed to by the Secured Creditors and is subject to this Honourable Court approving the Fifth Interim Distribution, the Sale Transaction and the Receiver obtaining the Brun-Way Proceeds of $9.0 million. Subject to the foregoing, the Fifth Interim Distribution will be allocated as follows:

    (a) the sum of $6,800,000.00 to the Bank;

    (b) the sum of $2,724,415.58 to the Province;

    (c) the sum of $39,806.64 to G.E.; and

    (d) the sum of $16,654.21 to Aviva.

RELIEF SOUGHT BY THE RECEIVER

49. The Receiver respectfully requests that this Honourable Court grant an Order in the form submitted by the Receiver:

    (a) approving the Share Transaction;

    (b) authorizing and empowering the Receiver to disburse the Fifth Interim Distribution to the Bank, the Province, G.E. and Aviva in the amounts indicated above once the Receiver has received the Brun-Way Proceeds; and

    (c) approving the conduct, actions and activities of the Receiver in administering these receivership proceedings as described in this Twenty-Ninth Report.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 4th day of June 2015.

ERNST & YOUNG INC.
in its capacity as the Court-appointed
Receiver of the Respondents and not in its
personal or corporate capacity

By:

George Kinsman, CA, CIRP
Senior Vice President

Appendices

Appendix A

EXECUTION VERSION

SHARE PURCHASE AGREEMENT

as between

SNC-Lavalin Inc., a corporation incorporated under the laws of Canada

As Buyer

\- and -

Ernst & Young Inc., in its capacity as Court-appointed receiver and receiver manager of the property, assets and undertakings of **Atcon Construction Inc.**, and not in its personal or corporate capacity

As Seller

June 3, 2015

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EXHIBITS

Exhibit A – Form of Approval and Vesting Order

SCHEDULES

Schedule 10.3(c)	– Certificate of the Seller
Schedule 11.3(c)	– Certificate of the Buyer

SHARE PURCHASE AGREEMENT

THIS AGREEMENT made as of the 3rd day of June, 2015,

BETWEEN:

SNC-LAVALIN INC.
a corporation incorporated under the laws of Canada

(the "**Buyer**")

– and –

ERNST & YOUNG INC., in its capacity as Court-appointed receiver and receiver manager of the property, assets and undertakings of Atcon Construction Inc. ("**Atcon**"), and not in its personal or corporate capacity

(the "**Seller**")

WHEREAS Atcon owns 30 common shares in the capital of Brun-Way Highways Operations Inc. ("**Brun-Way**"), representing thirty percent (30%) of the issued and outstanding shares in the capital of Brun-Way (the "**ACI Shares**");

AND WHEREAS Brun-Way, Atcon and the Buyer are parties to a unanimous shareholder agreement dated 18 July 2007 and made effective as of 4 February 2005 (the "**USA**");

AND WHEREAS by order of The Court of Queen's Bench of New Brunswick made 30 March 2010, Atcon was placed into receivership pursuant to Section 33 of the *Judicature Act* (New Brunswick), Rule 41 of the Rules of Court of New Brunswick and Section 243(1) of the *Bankruptcy and Insolvency Act* (Canada) and Ernst & Young Inc. was appointed as receiver and receiver manager of Atcon's current and future assets, undertakings and properties of every nature and kind whatsoever, including, without limitation, the shares in any corporation or joint ventures (the "**Receivership Proceedings**");

AND WHEREAS the Seller desires to sell or otherwise transfer to the Buyer and the Buyer desires to purchase from the Seller the ACI Shares on the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the premises and the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties intending to be legally bound agree as follows:

ARTICLE 1
DEFINITIONS

1.1 Certain Defined Terms

As used in this Agreement, the following terms shall have the following meanings and grammatical variations of such terms shall have corresponding meanings:

"**Agreement**" or "**this Agreement**" means this share purchase agreement between the Seller and the Buyer, including all exhibits and schedules attached hereto, as it may be supplemented, amended, restated or replaced from time to time by written agreement between the Parties;

"**Applicable Law**" means, at any time, with respect to any Person, property, transaction or event, all applicable laws, statutes, regulations, treaties, judgments and decrees and (whether or not having the force of law) all applicable official directives, rules, consents, approvals, by-laws, Permits, authorizations, guidelines, order and policies of any Governmental Authority having authority over the Person, property, transaction or event;

"**Approval and Vesting Order**" means an Order of the Court, substantially in the form attached as Exhibit "**A**" hereto or otherwise in form and substance satisfactory to the Buyer acting reasonably, approving the Transaction and ordering that the interests of Atcon in the ACI Shares be vested in the Buyer after satisfaction by the Buyer of its obligations under this Agreement, free and clear of all Encumbrances;

"**Atcon**" means Atcon Construction Inc.;

"**Authorization**" means, with respect to any Person, any order, Permit, approval, consent, waiver, licence or similar authorization of any Governmental Authority having jurisdiction over the Person;

"**BIA**" means *Bankruptcy and Insolvency Act* (Canada), as amended;

"**Brun-Way**" has the meaning given in the recitals to this Agreement;

"**Business**" means the business carried on currently and prior to the date of this Agreement by Brun-Way, including its rights under the Operation, Maintenance and Rehabilitation Agreement dated as of 4 February 2005 ("**OMR Agreement**");

"**Business Day**" means any day, other than a Saturday, Sunday or statutory holiday in the Province of New Brunswick, and also excluding any day on which the principal chartered banks located in the City of Saint John are not open for business during normal banking hours;

"**Claims**", in respect of any matter, means all losses, claims, demands, proceedings, damages, liabilities, deficiencies, costs and expenses (including all legal and other professional fees and disbursements, interest, penalties and amounts paid in settlement) arising directly or indirectly as a consequence of such matter;

"**Closing**" means the successful completion of the Transaction;

"**Closing Date**" means the second Business Day following the date on which the Approval and Vesting Order is granted, or such later dated as agreed upon by the Parties in writing;

"**Closing Time**" means 10:00 a.m. (Toronto time) on the Closing Date, or such other time on the Closing Date as the Seller and the Buyer may mutually agree upon in writing;

"**Court**" means The Court of Queen's Bench of New Brunswick;

"**Documents**" has the meaning specified in Section 14.4 hereof;

"**Encumbrance**" means any encumbrance, lien, charge, hypothec, pledge, mortgage, title retention agreement, security interest of any nature, adverse claim, exception, reservation, easement, right of occupation, option, right of pre-emption, privilege or any matter affecting title, whether or not capable of registration, or any contract or agreement to create any of the foregoing, including, without limitation, any encumbrances or charges created by Order of the Court in the Receivership Proceedings;

"**Governmental Authority**" means any federal, provincial, state, local, municipal, regional, territorial, aboriginal, or other government, governmental or public department, branch, ministry, or court, domestic or foreign, including any district, agency, commission, board, arbitration panel or authority and any subdivision of the foregoing exercising or entitled or purporting to exercise any administrative, executive, judicial, ministerial, prerogative, legislative, regulatory or taxing authority or power of any nature; or any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

"**Parties**" means the Seller and the Buyer;

"**Permit**" means franchises, licences, qualifications, authorizations, consents, certificates, registrations, exemptions, waivers, filings, grants, notifications, privileges, rights, orders, judgments, rulings, directives, permits and other approvals, obtained from or required by a Governmental Authority;

"**Person**" means any individual, partnership, firm, corporation, association, trust, unincorporated organization or other entity;

"**Purchase Price**" has the meaning specified in Section 2.2 hereof;

"**Receiver**" means Ernst & Young Inc., solely in its capacity as Court-appointed receiver and receiver manager of Atcon pursuant to the Receivership Order, and not in its personal or corporate capacity;

"**Receivership Order**" means the order of the Honourable Justice Riordan dated the 30th day of March, 2010, whereby the Seller was appointed receiver and receiver manager of all of the properties, assets and undertakings of Atcon;

"**Tax**" means any and all taxes, fees, premiums, levies, duties, tariffs, imposts, and other charges of any kind (together with any and all interest, penalties, additions to tax and additional amounts imposed with respect thereto) imposed by any Governmental Authority or taxing authority, in respect of the Buyer's purchase of the ACI Shares but not including any taxes or other charges on or with respect to the Seller's or Atcon's income, franchises, windfall or other profits, gross receipts, capital, transfer, land transfer, business, franchising, property, sales, use, capital stock, payroll, employment, social services, education, social security, workers' compensation, unemployment compensation, employment insurance, health insurance and other government pension plan premiums or contributions, or net worth;

"**Transaction**" means the transaction of purchase and sale contemplated by this Agreement; and

"**USA**" has the meaning given in the recitals to this Agreement.

1.2 Certain Rules of Interpretation

In this Agreement:

(a) Consent – Whenever a provision of this Agreement requires an approval or consent and such approval or consent is not delivered within the applicable time limit, then, unless otherwise specified, the Party whose consent or approval is required shall be conclusively deemed to have withheld its approval or consent.

(b) Currency – Unless otherwise specified, all references to money amounts are to lawful currency of Canada.

(c) Number and Gender – Unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.

(d) Statutory References – A reference to a statute includes all regulations made pursuant to such statute and, unless otherwise specified, the provisions of any statute or regulation which amends, supplements or supersedes any such statute or any such regulation.

(e) References to "Include" – Reference to the words "include", "includes" and "including" means "include", "includes" or "including", in each case, "without limitation".

(f) Time – Time is of the essence in the performance of the Parties' respective obligations.

(g) Time Periods – Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of the period is not a Business Day.

ARTICLE 2
PURCHASE AND SALE OF ACI

2.1 Agreement to Purchase and Sell

Subject to the terms and conditions of this Agreement, at the Closing Time the Seller shall sell to the Buyer and the Buyer shall purchase from the Seller, all of the ACI Shares, free and clear of all Encumbrances.

2.2 Purchase Price

Subject to the terms and conditions of this Agreement, including Section 2.6, the aggregate purchase price (the "**Purchase Price**") to be paid by the Buyer to the Seller for the ACI Shares shall be **$9,000,000.00**.

2.3 Mechanics of Closing

The ACI Shares shall be transferred to the Buyer pursuant to the terms of the Approval and Vesting Order.

2.4 Payment of Purchase Price

The Purchase Price payable by the Buyer to the Seller for the ACI Shares will be satisfied on Closing by payment of the Purchase Price on the Closing Date by cheque certified by, or bank draft of, a major Canadian bank listed in Schedule I to the *Bank Act* (Canada) or by wire transfer in accordance with wire transfer instructions provided by the Seller in writing or as the Seller may otherwise direct in writing.

2.5 Closing

The completion of the Transaction will take place at the offices in Toronto, Ontario of Borden Ladner Gervais LLP, on the Closing Date at the Closing Time or as otherwise determined by mutual agreement of the Parties in writing.

2.6 Taxes

The Buyer will pay upon Closing, in addition to the Purchase Price, all applicable Taxes exigible in connection with the purchase and sale of the ACI Shares, if any, and shall provide the Seller with proof of payment of such Taxes. Alternatively, where applicable, the Buyer will have the option to furnish the Seller with appropriate exemption certificates.

The Buyer agrees to indemnify and save the Seller harmless from and against all claims and demands for payment of all applicable Taxes exigible in connection with the Transaction, including penalties and interest and any liability or costs incurred as a result of any failure to pay those Taxes when due.

2.7 As is, Where is

The Buyer acknowledges that the Seller is selling and the Buyer is purchasing the ACI Shares on an "*as is, where is*" basis as they exist immediately after the delivery of the Receiver's Certificate at the Closing Time, and that as of the time of that delivery, the Seller will have no further liability to the Buyer, other than those specifically set forth herein. The Buyer further acknowledges that it has entered into this Agreement on the basis that the Seller does not guarantee title to the ACI Shares and that the Buyer has conducted such inspections of the condition of and title to the ACI Shares that it deemed appropriate, and has satisfied itself with regard to these matters. No representation, warranty or condition is expressed or can be implied as to title, encumbrances, description, condition, quantity or quality, assignability or in respect of any other matter or thing concerning the ACI Shares or the right of the Seller to sell or assign them, save as expressly represented or warranted in this Agreement. The description of the ACI Shares referred to herein is for purposes of identification only. No representation, warranty or condition has or will be given by the Seller concerning the completeness or accuracy of such description.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES OF THE SELLER

The Seller hereby represents and warrants as follows to the Buyer and acknowledges and agrees that the Buyer is relying upon these representations and warranties in connection with its purchase of the ACI Shares:

3.1 Authority to Sell

The Seller has been appointed by the Receivership Order as receiver and receiver manager of all of Atcon's properties, assets and undertakings and has full right, power and authority, subject to obtaining the Approval and Vesting Order prior to Closing, to sell, convey, transfer, or assign the ACI Shares, in accordance with and subject to the terms and conditions of this Agreement, the Receivership Order and the Approval and Vesting Order. The Seller makes no representation with respect to the conformity to the USA of this Agreement or the Transaction.

3.2 Encumbrances

The Seller has created no Encumbrance against the ACI Shares other than Encumbrances that will be expunged by the Approval and Vesting Order. To the best of the knowledge of the Seller, and without independent investigation, there is no Encumbrance against the ACI Shares other than Encumbrances that will be expunged by the Approval and Vesting Order.

3.3 Non-Residency

Neither the Seller nor Atcon are a non-resident of Canada within the meaning of that term as used in the *Income Tax Act* (Canada).

3.4 Enforceability

This Agreement, and each of the other agreements, documents and instruments to be executed by the Seller on or before Closing, have been or will be duly executed and delivered by the Seller and, subject to obtaining the Approval and Vesting Order, will constitute valid and binding obligations of the Seller, enforceable against the Seller in accordance with their terms, subject only to any limitation under applicable laws relating to (i) bankruptcy, winding-up, insolvency, arrangement, fraudulent preference and conveyance, assignment and preference and other similar laws of general application affecting creditors' rights, and (ii) the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF BUYER

The Buyer represents and warrants to the Seller as follows and acknowledges and agrees that the Seller is relying on such representations and warranties in connection with the sale of the ACI Shares:

4.1 Organization

The Buyer is duly incorporated, validly existing and in good standing under the laws of Canada.

4.2 Authorization

The Buyer has the corporate power and authority to execute and deliver this Agreement and the other documents and instruments contemplated herein or therein to which it is or will be a Party and to perform its obligations hereunder and thereunder. The execution, delivery and performance of this Agreement and the documents contemplated hereby and the consummation of the Transaction contemplated hereby and thereby have been duly authorized and approved by the Buyer.

4.3 Enforceability

This Agreement, and each of the other agreements, documents and instruments to be executed and delivered by the Buyer on or before Closing, have been or will be duly executed and delivered by, and constitute the valid and binding obligations of the Buyer, enforceable against the Buyer in accordance with their terms.

4.4 Validity, Etc.

Neither the execution and delivery of this Agreement and the other documents and instruments contemplated hereby, the consummation of the Transaction contemplated hereby or thereby, nor the performance of this Agreement and such other agreements in compliance with the terms and conditions hereof and thereof will (a) conflict with or result in any breach of the articles or by-laws of the Buyer or any shareholders agreement in respect of the Buyer or resolution of shareholders or directors of the Buyer or any law applicable to the Buyer,

(b) require any consent, approval, authorization or Permit of, or filing with or notification to, any Governmental Authority (other than such consents, approvals, authorizations or Permits, filings or notifications that have been obtained or made as at the date hereof or in accordance with Section 8.1 hereof), (c) result in a breach of or default (or give rise to any right of termination, cancellation or acceleration) under any law, Permit, license or order or any of the terms, conditions or provisions of any mortgage, indenture, note, license, agreement or other instrument by which the Buyer is bound, or (d) violate any order, writ, injunction, decree, statute, rule or regulation applicable to the Buyer. For greater certainty, the Buyer makes no representation with respect to the conformity to the USA of this Agreement or the Transaction.

4.5 Consents

The Buyer acknowledges that the Seller shall have no obligation to obtain any consent that may be required to complete the Transaction other than the Approval and Vesting Order, and that it shall be the sole responsibility of the Buyer, at the Buyer's sole expense, to obtain any necessary consent and to make any necessary payments in relation thereto. Except as explicitly stated otherwise in this Agreement, the obtaining of such consents shall not, in any manner, be a precondition to the completion of or affect or limit the Buyer's obligations to complete the within Transaction. The Seller will take commercially reasonable steps to assist the Buyer in these efforts, provided that all costs reasonably incurred by the Seller in doing so shall be paid by the Buyer.

4.6 Financing

The Buyer has available, and will have available on the Closing Date, funds sufficient to pay the Purchase Price and otherwise consummate the Transaction (including payment of all related fees and expenses that are the responsibility of the Buyer under this Agreement).

ARTICLE 5
SELLER'S DISCLOSURE

5.1 Due Diligence Investigation

The Buyer acknowledges and hereby confirms that, with the help of its professional advisors, it has performed an investigation with respect to the Business of Brun-Way and its assets and liabilities, the outcome of which was to the Buyer's satisfaction.

ARTICLE 6
COVENANTS OF THE SELLERS

6.1 Satisfaction of Conditions

The Seller shall take such commercially reasonable actions in good faith which are within its power to control to cause the conditions set forth in Article 9 and Article 10 to be satisfied and, further, shall use commercially reasonable efforts to cooperate with the Buyer (and shall not hinder or delay the Buyer) in the Buyer's efforts to cause the satisfaction of the conditions enumerated in Article 11 within such period.

ARTICLE 7
COVENANTS OF THE BUYER

7.1 Satisfaction of Conditions

The Buyer shall take such commercially reasonable actions in good faith which are within its power to control to cause the conditions set forth in Article 9 and Article 11 to be satisfied and, further, shall use commercially reasonable efforts to cooperate with the Seller (and shall not hinder or delay the Seller) in the Seller's efforts to cause the satisfaction of the conditions enumerated in Article 10 within such period.

ARTICLE 8
COVENANTS OF BOTH PARTIES

8.1 Filings and Authorizations

Each of the Parties, as promptly as practicable after the execution of this Agreement, will (a) make, or cause to be made, all filings and submissions under all Canadian Laws applicable to it, that are required for it to consummate the Transaction in accordance with the terms of this Agreement, (b) use its commercially reasonable efforts to obtain, or cause to be obtained, all Authorizations necessary or advisable to be obtained by it in order to consummate such Transaction, and (c) use its commercially reasonable efforts to take, or cause to be taken, all other actions which are necessary or advisable in order for it to fulfill its obligations under this Agreement. The Parties will coordinate and cooperate in exchanging information and supplying assistance that is reasonably requested in connection with this Section providing each other with all notices and information supplied to or filed with any Governmental Authority (including notices and information which the Seller or the Buyer, in each case acting reasonably, considers highly confidential and sensitive which may be provided on a confidential and privileged basis to outside counsel of the other Party), and all notices and correspondence received from any Governmental Authority. Despite the above, the Buyer is under no obligation to take any steps or action that would, in the sole discretion of the Buyer, affect the Buyer's right to own, use or exploit either the ACI Shares or any of the Buyer's assets.

8.2 Notice of Untrue Representation or Warranty

Each of the Seller and the Buyer shall promptly notify the Parties hereto upon any representation or warranty made by it contained in this Agreement or any ancillary agreement becoming untrue or incorrect prior to the Closing. Any such notification shall set out particulars of the untrue or incorrect representation or warranty and details of any actions being taken by the Seller or the Buyer, as the case may be, to rectify that state of affairs.

8.3 Mutual Releases under the USA and OMR Agreement

The Buyer on the one hand and the Seller and Atcon on the other hereby acknowledge and agree that each shall be forever discharged and released from any and all obligations under the USA, if any, and the OMR Agreement, if any. The Buyer hereby agrees to indemnify the Seller and Atcon from any and all obligations arising in connection with the USA and/or the OMR Agreement after the Closing Date.

The Buyer agrees to take all necessary steps on the Closing Date to direct the corporate secretary of Brun-Way to record this Transaction at the Closing Time in the books and records of Brun-Way, including, updating the Brun-Way shareholder ledger.

ARTICLE 9
CONDITIONS TO THE OBLIGATIONS OF BOTH PARTIES

The obligations of the Parties to perform their respective obligations under this Agreement and to consummate the Transaction contemplated hereby are subject to the satisfaction, on or before the Closing Date, of the following conditions:

9.1 Court Approval

The Approval and Vesting Order shall have been duly granted, and the operation and effect of such order(s) shall not have been stayed, amended, modified, reversed or dismissed at the Closing Time.

ARTICLE 10
CONDITIONS TO THE BUYER'S OBLIGATIONS

The obligation of the Buyer to pay the Purchase Price on the Closing Date, to perform its obligations under this Agreement and to consummate the Transaction contemplated hereby are subject to the satisfaction, on or before the Closing Date, of the following conditions each of which may be waived by the Buyer in its sole discretion:

10.1 Representations and Warranties

The representations and warranties of the Seller contained in Article 3 shall be true, correct and complete in all material respects (except such materiality limitation shall not apply to the extent that a representation or warranty is, by its express terms, already limited by a materiality standard) at the Closing Time with the same force and effect as if such representations and warranties were made at and as of such time. At the Closing, the Seller shall have executed and delivered to the Buyer a certificate signed by an authorized signatory, in form and substance satisfactory to the Buyer and its counsel, to such effect.

10.2 Performance

The Seller shall have performed and complied with all covenants and agreements contained herein required to be performed or complied with by it prior to or at the Closing Date. The Seller shall have executed and delivered a certificate, in form and substance satisfactory to the Buyer and its counsel, to such effect.

10.3 Closing Documents

The Seller shall have delivered to the Buyer the following documents in form and substance satisfactory to the Parties, acting reasonably:

(a) written direction from the Seller directing the corporate secretary of Brun-Way to record the Transaction and the transfer of the ACI Shares to the Buyer, and such other assurances, consents and other documents, including the share certificate representing the ACI Shares endorsed in blank for transfer, as the Buyer may reasonably request to effectively transfer to the Buyer title to the ACI Shares free and clear of all Encumbrances;

(b) any share registers, share transfer ledgers, minute books and corporate seals (if any) of Brun-Way, in the Seller's possession;

(c) a certificate of the Seller in respect of its representations and warranties set out in Article 3 and in respect of its covenants and other obligations set out in this Agreement substantially in the form of Schedule 10.3(c); and

(d) a full and final release in favour of Brun-Way from the Seller, and the resignations of all representatives of the Seller as officers and directors of Brun-Way.

10.4 Proceedings

All proceedings to be taken in connection with the Transaction contemplated by this Agreement and any ancillary agreement shall be reasonably satisfactory in form and substance to the Buyer, acting reasonably, and the Buyer shall have received copies of all instruments and other evidence as it may reasonably request in order to establish the consummation of the Transaction and the taking of all necessary proceedings in connection therewith.

10.5 No Legal Action

No action or proceeding shall be pending in writing by any Person (other than the Receivership Proceedings) in any jurisdiction, to enjoin, restrict or prohibit the Transaction, or any part thereof, contemplated by this Agreement.

ARTICLE 11
CONDITIONS TO THE SELLER'S OBLIGATIONS

The obligation of the Seller to perform its obligations under this Agreement and to consummate the Transaction contemplated hereby is subject to the satisfaction, on or before the Closing Date, of the following conditions, each of which may be waived by the Seller in its sole discretion:

11.1 Representations and Warranties

The representations and warranties contained in Article 4 shall be true, complete and correct in all material respects (except such materiality limitation shall not apply to the extent that a representation or warranty is, by its express terms, already limited by a materiality standard) at the Closing Time with the same force and effect as if such representations and warranties were made at and as of such time. At the Closing, the Buyer shall have executed and delivered to the Seller a certificate signed by one senior officer of the Buyer, in form and substance satisfactory to the Seller and their counsel, to such effect.

11.2 Performance

The Buyer shall have performed and complied with all covenants and agreements contained herein required to be performed or complied with by it prior to or at the Closing Date. The Buyer shall have executed and delivered a certificate, in form and substance satisfactory to the Seller and their counsel, to such effect.

11.3 Closing Documents

The Buyer shall have delivered to the Seller the following documents in form and substance satisfactory to the Parties, acting reasonably:

(a) payment of the Purchase Price in full in accordance with Section 2.4 hereof;

(b) evidence in writing confirming the payment of any and all applicable Taxes (if any) in accordance with Section 2.6 hereof;

(c) a certificate of the Buyer in respect of its representations and warranties set out in Article 4 and in respect of its covenants and other obligations set out in this Agreement substantially in the form of Schedule 11.3(c); and

(d) a full and final release in favour of Atcon from Brun-Way.

ARTICLE 12
SURVIVAL

12.1 Survival of Representations and Warranties

All representations and warranties in Article 3 and Article 4, as given at the date hereof and restated at the Closing as provided for in Sections 10.1 and 11.1, or in any instrument or document furnished in connection with this Agreement or the Transaction contemplated hereby, shall survive until the earlier of (i) the date that is eighteen (18) months after the Closing Date and (ii) the date of the Receiver's discharge. Notwithstanding the expiration dates set out above, all claims asserted in writing in accordance with this Agreement prior to the applicable expiration date shall survive until finally resolved and satisfied in full. All covenants and agreements contained herein shall survive until fully performed in accordance with their terms.

ARTICLE 13
TERMINATION

13.1 Termination

This Agreement may be terminated and the Transaction contemplated hereby may be abandoned at any time prior to the Closing:

(a) by the Buyer or the Seller if any court of competent jurisdiction or Governmental Authority shall have issued an order, decree or ruling, or taken any other action restraining, enjoining or otherwise prohibiting the Transaction contemplated hereby, which order, decree, ruling or other action is not stayed or dismissed prior to Closing;

(b) by the Buyer in the event that any condition in Article 9 or Article 10 has not been satisfied or waived;

(c) by the Buyer or the Seller if the Closing shall not have occurred on or before the Closing Date or such later date agreed between the Buyer and the Seller, in writing;

(d) by the Seller in the event that any condition in Article 9 or Article 11 has not been satisfied or waived.

13.2 Effect of Termination

Nothing in this Article 13 shall relieve any Party to this Agreement of liability for breach of this Agreement. Each Party's right of termination under this Article is in addition to any other rights it may have under this Agreement or otherwise, and the exercise of a right of termination will not be an election of remedies. Nothing in this Article limits or affects any other rights or causes of action any Party hereto may have with respect to the representations, warranties, covenants and indemnities in its favour contained in this Agreement. If a Party waives compliance with any of the conditions, obligations or covenants contained in this Agreement, the waiver will be without prejudice to any of its rights of termination in the event of non-fulfilment, non-observance or non-performance of any other condition, obligation or covenant in whole or in part.

ARTICLE 14
MISCELLANEOUS

14.1 Notices

All notices, requests, consents and other communications hereunder shall be in writing, shall be addressed to the receiving Party's address set forth below or to such other address as such Party may designate by notice hereunder, and shall be (a) personally delivered, (b) made by facsimile, email or functionally equivalent electronic means of communication, charges (if any) prepaid, (c) sent by recognized overnight courier, or (d) sent by registered or certified mail, return receipt requested, postage prepaid.

If to the Buyer:

SNC-Lavalin Inc.
455, Rene-Levesque Blvd. West
Montreal, QC, Canada
H2Z 1Z3

Attention: Senior Vice-President, Law
Facsimile No.: 514.866.5057

With a copy to:

SNC-Lavalin Operations and Maintenance Inc.
304, The East Mall
Etobicoke (Ontario)
M9B 6E2

Attention: Vice-President, Legal Affairs
Facsimile No.: 514.830.8385

If to the Seller:

Ernst & Young Inc.
RBC Watersode Centre
1871 Hollis St., Suite 500
Halifax, NS B3J 0C3

Attention: George Kinsman
Email: george.c.kinsman@ca.ey.com
Facsimile No.: 902.420.0503

With a copy to:

Borden Ladner Gervais LLP
Scotia Plaza
40 King Street West
Toronto, ON M5H 3Y4

Attention: Craig Hill
Email: chill@blg.com
Facsimile No.: 416.361.7301

All notices, requests, consents and other communications hereunder shall be deemed to have been given (i) if by hand, at the time of the delivery thereof to the receiving Party at the address of such Party in accordance with this Section 14.1, (ii) if made by telecopy or facsimile transmission, at the time that receipt thereof has been acknowledged by electronic confirmation or otherwise, (iii) if sent by overnight courier, on the next Business Day following the day such notice is delivered to the courier service, or (iv) if sent by registered or certified mail, on the fifth Business Day following the day such mailing is made.

14.2 Seller's Capacity

It is acknowledged by the Buyer that the Seller is entering into this Agreement solely in its capacity as Receiver of the properties, assets and undertakings of Atcon and that the Seller shall have no personal or corporate liability.

14.3 Further Assurances

At any time and from time to time after the date hereof each of the Parties hereto, at the reasonable request of any other party hereto and without further consideration, will execute and deliver such other instruments of sale, transfer, conveyance, assignment, confirmation and other instruments as may be reasonably requested in order to more effectively transfer, convey and assign to the Buyer and to confirm the Buyer's title to the ACI Shares and to effectuate the Transaction contemplated herein.

14.4 Entire Agreement

This Agreement together with the Exhibits and Schedules hereto and the other documents executed and/or delivered by one Party to the other in connection herewith (together, the "**Documents**") embody the entire agreement and understanding between the Parties with respect to the subject matter hereof and supersede all prior oral or written agreements and understandings relating to the subject matter hereof. No statement, representation, warranty, covenant or agreement of any kind not expressly set forth in the Documents shall affect, or be used to interpret, change or restrict, the express terms and provisions of the Documents.

14.5 Modifications and Amendments

The terms and provisions of this Agreement may be modified or amended only by written agreement executed by the Parties.

14.6 Waivers and Consents

No failure or delay by a Party in exercising any right, power or remedy under this Agreement, and no course of dealing between the parties hereto, shall operate as a waiver of any such right, power or remedy of the Party. No single or partial exercise of any right, power or remedy under this Agreement by a Party, nor any abandonment or discontinuance of steps to enforce any such right, power or remedy, shall preclude such party from any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. The election of any remedy by a Party shall not constitute a waiver of the right of such Party to pursue other available remedies. No notice to or demand on a Party not expressly required under this Agreement shall entitle the Party receiving such notice or demand to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the Party giving such notice or demand to any other or further action in any circumstances without such notice or demand. The terms and provisions of this Agreement may be waived, or consent for the departure therefrom granted, only by written document executed by the Party entitled to the benefits of such terms or provisions. No such waiver or consent shall be deemed to be or shall constitute a waiver or consent with respect to any other terms or provisions of this Agreement, whether or not similar. Each such waiver or consent shall be effective only in the specific instance and for the purpose for which it was given, and shall not constitute a continuing waiver or consent.

14.7 Binding Agreement

All of the terms and provisions in this Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective successors and permitted assigns.

14.8 Assignment

This Agreement and the rights created hereunder may not be assigned or otherwise transferred by either Party without the prior written consent of the other Party.

14.9 Governing Law

This Agreement and the rights and obligations of the Parties hereunder shall be construed in accordance with and governed by the laws of the Province of New Brunswick and the federal laws of Canada applicable therein, without giving effect to the conflict of law principles thereof.

14.10 Jurisdiction and Service of Process

Any legal action or proceeding with respect to this Agreement may be brought in the Courts of the Province of New Brunswick. By execution and delivery of this Agreement, each of the parties hereto attorns to the exclusive jurisdiction of the Courts of the Province of New Brunswick. Each of the Parties irrevocably consents, to the extent permitted by the laws of the Province of New Brunswick to the service of process of the Courts of the Province of New Brunswick in any such action or proceeding by the mailing of copies thereof by registered mail, postage prepaid, to the party at its address in accordance with Section 14.1 hereof and irrevocably waives any objection or defence that it may now or hereafter have to the sufficiency of any such service of process in any such action. Nothing in this Section shall affect the rights of the Parties to commence any such action in any other forum or to serve process in any such action in any other manner permitted by law.

14.11 Severability

In the event that any court of competent jurisdiction shall finally determine that any provision, or any portion thereof, contained in this Agreement shall be void or unenforceable in any respect, then such provision shall be deemed limited to the extent that such court determines it enforceable, and as so limited shall remain in full force and effect. In the event that such court shall determine any such provision, or portion thereof, wholly unenforceable, the remaining provisions of this Agreement shall nevertheless remain in full force and effect.

14.12 Interpretation

The Parties acknowledge and agree that: (a) each Party and its counsel reviewed and negotiated the terms and provisions of this Agreement and the Documents and have contributed to their revision; (b) the rule of construction to the effect that any ambiguities are resolved against the drafting party shall not be employed in the interpretation of this Agreement; and (c) the terms and provisions of this Agreement shall be construed fairly as to the Parties and not in favour of or against any Party, regardless of which Party was generally responsible for the preparation of this Agreement.

14.13 Headings and Captions

The headings and captions of the various subdivisions of this Agreement are for convenience of reference only and shall in no way modify, or affect, or be considered in construing or interpreting the meaning or construction of any of the terms or provisions hereof.

14.14 Enforcement

Each of the Parties acknowledges and agrees that the rights acquired by each Party hereunder are unique and that irreparable damage would occur in the event that any of the provisions of this Agreement to be performed by the other Party were not performed in accordance with their specific terms or were otherwise breached. Accordingly, in addition to any other remedy to which the Parties are entitled at law or in equity, each Party hereto shall be entitled to an injunction or injunctions to prevent breaches of this Agreement by the other Party and to enforce specifically the terms and provisions hereof in any court to whose jurisdiction the Parties have agreed hereunder to submit.

14.15 Expenses

Each of the Parties shall pay its own fees and expenses (including the fees of any legal advisors, financial advisors, accountants, appraisers or others engaged by such party) in connection with this Agreement and the Transaction contemplated hereby whether or not the Transaction contemplated hereby is consummated.

14.16 No Broker or Finder

Each of the Parties represents and warrants to the other Party that no broker, finder or other financial consultant has acted on its behalf in connection with this Agreement or the Transaction contemplated hereby in such a way as to create any liability on the other. Each of the Parties agrees to indemnify and save the other harmless from any claim or demand for commission or other compensation by any broker, finder, financial consultant or similar agent claiming to have been employed by or on behalf of such Party and to bear the cost of legal expenses incurred in defending against any such claim.

14.17 Counterparts

This Agreement may be executed in one or more counterparts, and by different Parties on separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Execution and delivery of this Agreement may be made and evidenced by facsimile or other electronic transmission.

[SIGNATURE PAGE TO IMMEDIATELY FOLLOW]

IN WITNESS WHEREOF, the Buyer and the Seller have executed this Agreement as of the day and year first above written.

SNC-LAVALIN INC.

By: ______________________________
Name: Narsaih Jaipersaud
Title: SVP, Finance
I/we have authority to bind the Corporation

ERNST & YOUNG INC., in its capacity as Court-appointed receiver and receiver manager of the property, assets and undertakings of **Atcon Construction Inc.**, and not in its personal or corporate capacity

By: ______________________________
Name: George Kinsman
Title: Senior Vice President
I have authority to bind the Corporation

EXHIBIT A

Form of Approval and Vesting Order

See attached

Court File No. N/M/17/10

IN THE COURT OF QUEEN'S BENCH OF NEW BRUNSWICK
IN BANKRUPTCY AND INSOLVENCY
JUDICIAL DISTRICT OF MIRAMICHI

IN THE MATTER OF THE RECEIVERSHIP OF:

ATCON GROUP INC., ATCON HOLDINGS INC., ATCON PROPERTY HOLDINGS INC., ATCON VENEER PRODUCTS INC., ATCON LOGISTICS INC., ATCON CONSTRUCTION INC., ATCON MANAGEMENT SERVICES INC., ATCON CIVIL LTD., DYCON CONSTRUCTION LTD., ATCON STRUCTURES INC. AND ENVIREM TECHNOLOGIES INC.

PURSUANT TO Section 33 of the *Judicature Act,* R.S.N.B. 1973, Ch. J-2, Rule 41, Rules of Court, New Brunswick and Section 243 of the *Bankruptcy and Insolvency Act,* R.S.C. 1985, c. B-3

BETWEEN:

THE BANK OF NOVA SCOTIA, a Canadian chartered bank with a registered office in the City of Saint John, Province of New Brunswick

APPLICANT

- and –

ATCON GROUP INC., ATCON HOLDINGS INC., ATCON PROPERTY HOLDINGS INC., ATCON VENEER PRODUCTS INC., ATCON LOGISTICS INC., ATCON CONSTRUCTION INC., ATCON MANAGEMENT SERVICES INC., ATCON CIVIL LTD., DYCON CONSTRUCTION LTD., ATCON STRUCTURES INC. AND ENVIREM TECHNOLOGIES INC., all of which are carrying on business in the Province of New Brunswick

RESPONDENTS

APPROVAL AND VESTING ORDER

THIS MOTION, made by **Ernst & Young Inc.**, in its capacity as the Court-appointed receiver and receiver manager (the "**Receiver**") of the undertaking, property and assets of **Atcon Construction Inc.** (the "**Debtor**") for an order approving, among other things, the sale transaction (the "**Transaction**") contemplated by a share purchase agreement (the "**Sale**

Agreement") between the Receiver and SNC-Lavalin Inc. (the "**Purchaser**") dated 3 June 2015 and appended to the Twenty-Ninth Report of the Receiver dated **[•]** June 2015 (the "**Twenty-Ninth Report**"), and vesting in the Purchaser the Debtor's right, title and interest in and to the shares described in the Sale Agreement (the "**ACI Shares**"), was heard by conference call this day at 673 King George Highway, Miramichi, New Brunswick.

ON READING the Receiver's Notice of Motion dated [•] June 2015, the Twenty-Ninth Report, and on hearing the submissions of counsel for the Receiver, counsel for the Purchaser and such other counsel in attendance, and on reading the affidavit of service of Kyle B. Plunkett sworn [•] June 2015, and on being advised by the Receiver of the consent of each of The Bank of Nova Scotia (the "**Bank**"), the Province of New Brunswick (the "**Province**"), Aviva Insurance Company of Canada and its affiliated entities (collectively, "**Aviva**") and GE Canada Equipment Financing G.P. and its affiliated entities (collectively, "**G.E.**", and collectively with the Bank, the Province and Aviva, the "**Secured Creditors**") to this Order.

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Receiver's Notice of Motion, the Twenty-Ninth Report and the Record on Motion shall be and is hereby abridged and validated so that the motion is properly returnable today, and that any further service thereof is hereby dispensed with.

APPROVAL OF TRANSACTION

2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the ACI Shares to the Purchaser.

3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as **Schedule "A"** hereto (the "**Receiver's Certificate**"), all of the Debtor's right, title and interest in and to the ACI Shares shall vest absolutely in the Purchaser, free and clear of and from any and all security interests

(whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by Order of The Honourable Mr. Justice Riordon granted in these proceedings; and (ii) all charges, security interests or claims whether or not evidenced by registrations pursuant to the *Personal Property Security Act* (New Brunswick) or any other registry system (all of which are collectively referred to as the "**Encumbrances**") and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the ACI Shares are hereby expunged and discharged as against the ACI Shares.

4. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the ACI Shares shall stand in the place and stead of the ACI Shares, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the ACI Shares with the same priority as they had with respect to the ACI Shares immediately prior to the sale, as if the ACI Shares had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

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

(a) the pendency of these proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and

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

the vesting of the ACI Shares in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

RECEIVER'S ACTIVITIES

7. **THIS COURT ORDERS** that the conduct, action and activities of the Receiver in administering this receivership proceeding as set out in the Twenty-Ninth Report, be and are hereby approved.

DISTRIBUTION OF THE BRUN-WAY PROCEEDS

8. **THIS COURT ORDERS** that the Receiver is authorized and empowered to utilize the Brun-Way Proceeds (as defined in the Twenty-Ninth Report) for the purpose of making payments required or permitted by the Receivership Order (as defined in the Twenty-Ninth Report).

9. **THIS COURT ORDERS** that the Receiver is authorized, empowered and directed to pay the Brun-Way Proceeds as follows:

(a) the sum of $6,800,000.00 to the Bank;

(b) the sum of $2,724,415.58 to the Province;

(c) the sum of $39,806.64 to G.E.; and

(d) the sum of $16,654.21 to Aviva.

Dated at Miramichi, New Brunswick, this _____ day of June, 2015.

Thomas W. Riordon
Judge of The Court of Queen's Bench of
New Brunswick

Schedule A – Form of Receiver's Certificate

Court File No. N/M/17/10

IN THE COURT OF QUEEN'S BENCH OF NEW BRUNSWICK
IN BANKRUPTCY AND INSOLVENCY
JUDICIAL DISTRICT OF MIRAMICHI

IN THE MATTER OF THE RECEIVERSHIP OF:

ATCON GROUP INC., ATCON HOLDINGS INC., ATCON PROPERTY HOLDINGS INC., ATCON VENEER PRODUCTS INC., ATCON LOGISTICS INC., ATCON CONSTRUCTION INC., ATCON MANAGEMENT SERVICES INC., ATCON CIVIL LTD., DYCON CONSTRUCTION LTD., ATCON STRUCTURES INC. AND ENVIREM TECHNOLOGIES INC.

PURSUANT TO Section 33 of the *Judicature Act,* R.S.N.B. 1973, Ch. J-2, Rule 41, Rules of Court, New Brunswick and Section 243 of the *Bankruptcy and Insolvency Act,* R.S.C. 1985, c. B-3

BETWEEN:

THE BANK OF NOVA SCOTIA, a Canadian chartered bank with a registered office in the City of Saint John, Province of New Brunswick

APPLICANT

- and –

ATCON GROUP INC., ATCON HOLDINGS INC., ATCON PROPERTY HOLDINGS INC., ATCON VENEER PRODUCTS INC., ATCON LOGISTICS INC., ATCON CONSTRUCTION INC., ATCON MANAGEMENT SERVICES INC., ATCON CIVIL LTD., DYCON CONSTRUCTION LTD., ATCON STRUCTURES INC. AND ENVIREM TECHNOLOGIES INC., all of which are carrying on business in the Province of New Brunswick

RESPONDENTS

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Mr. Justice Riordan of The Court of Queen's Bench of New Brunswick (the "**Court**") dated 30 March 2010, Ernst & Young Inc. was appointed as the receiver and receiver manager (the "**Receiver**") of the undertaking, property and assets of Atcon Construction Inc. (the "**Debtor**").

B. Pursuant to an Order of the Court dated [•] June 2015, the Court approved the share purchase agreement made as of 3 June 2015 (the "**Sale Agreement**") between the Receiver and SNC-Lavalin Inc. (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the ACI Shares, which vesting is to be effective with respect to the ACI Shares upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the ACI Shares; (ii) that the conditions to Closing as set out in Articles 9, 10 and 11 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the ACI Shares payable on the Closing Date pursuant to the Sale Agreement;

2. The conditions to Closing as set out in Articles 9, 10 and 11 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and

3. The Transaction has been completed to the satisfaction of the Receiver.

4. This Certificate was delivered by the Receiver at ________ [TIME] on _______ June 2015.

ERNST & YOUNG INC., in its capacity as receiver and receiver manager of the undertaking, property and assets of **ATCON CONSTRUCTION INC.**, and not in its personal capacity

Per: ______________________________

Name:

Title:

SCHEDULE 10.3(c)

Certificate of the Seller

See attached.

BRINGDOWN CERTIFICATE

TO: **SNC-LAVALIN INC.** (the "**Buyer**")

DATED: June ___, 2015

This certificate is delivered pursuant to Section 10.3 of the share purchase agreement dated June 3, 2015 (the "**Share Purchase Agreement**") between Ernst & Young Inc., solely in its capacity as Court-appointed receiver and receiver manager of the property, assets and undertakings of Atcon Construction Inc. (the "**Seller**"), and the Buyer. Capitalized terms used and not otherwise defined in this certificate have the meanings given to them in the Share Purchase Agreement.

The undersigned certifies to you that:

1. all of the representations and warranties of the Seller made pursuant to Article 3 of the Share Purchase Agreement are true and correct as at Closing Date with the same effect as if made at and as of the Closing Date (except as those representations and warranties may be affected by events or transactions (i) resulting from the entering into of the Share Purchase Agreement that do not have a material adverse effect and arise in the ordinary course of Business, or (ii) approved in writing by the Buyer; and

2. the Seller has complied with and performed all of the terms, obligations, covenants, conditions and agreements under the Share Purchase Agreement to be complied with or performed by the Seller on or before the Closing Date.

ERNST & YOUNG INC., in its capacity as Court-appointed receiver and receiver manager of the property, assets and undertakings of Atcon Construction Inc., and not in its personal or corporate capacity

By: ______________________________

Name:
Title:

SCHEDULE 11.3(c)

Certificate of the Buyer

See attached

BRINGDOWN CERTIFICATE

TO: **ERNST & YOUNG INC.,** in its capacity as Court-appointed receiver and receiver manager of the property, assets and undertakings of Atcon Construction Inc. (the "**Seller**")

DATED: June ___, 2015

This certificate is delivered pursuant to Section 11.3 of the share purchase agreement dated June 3, 2015 (the "**Share Purchase Agreement**") between SNC-Lavalin Inc. and the Seller. Capitalized terms used and not otherwise defined in this certificate have the meanings given to them in the Share Purchase Agreement.

The undersigned certifies to you that:

1. all of the representations and warranties of the Seller made pursuant to Article 4 of the Share Purchase Agreement are true and correct as at Closing Date with the same effect as if made at and as of the Closing Date (except as those representations and warranties may be affected by events or transactions (i) resulting from the entering into of the Share Purchase Agreement that do not have a material adverse effect and arise in the ordinary course of business, or (ii) approved in writing by the Seller; and

2. the Buyer has complied with and performed all of the terms, obligations, covenants, conditions and agreements under the Share Purchase Agreement to be complied with or performed by the Buyer on or before the Closing Date.

SNC-LAVALIN INC.

By: ____________________________
Name:
Title:

Appendix B

District of New Brunswick
Division No. 51
Court No.
Estate No.

Appendix B

IN THE MATTER OF THE RECEIVERSHIP OF
THE ATCON GROUP OF COMPANIES (as defined in Note 1)
RECEIVER'S CONSOLIDATED STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD 01 MARCH 2010 TO 15 APRIL 2015

RECEIPTS			**GENERAL ACCOUNT**		**SEGREGATED ACCOUNTS**		**TOTAL**
1. Cash on hand		9,863.13					
Transfer from BNS re:CCAA accounts	**Note 2**	2,226,504.00					
Recovery from Atcon Industrial Services estate		636,494.00					
Proceeds of Receiver certificate borrowings		1,200,000.00	4,072,861.13				
2. Realization of assets							
Eastern Canadian tender sale proceeds		3,443,442.49					
Western Canadian tender sale proceeds		541,606.12					
Shell accounts receivable	**Note 3**	924,314.94					
Pennecon Settlement	**Note 4**	3,139,859.53					
Suncor Settlement		2,500,000.00					
CNRL Settlement		86,212.86					
Deh Cho Settlement		1,300,000.00					
Sale proceeds - 67-69 General Manson Way	**Note 5**	696,072.82					
058545 NB Inc. sale proceeds - Trust 1	**Note 6**	4,235,238.93					
058545 NB Inc. sale proceeds - Trust 2	**Note 6**	26,923.05					
Funding received from Envirem Organics to fund obligations		140,876.99					
OPI AB / Vanerply AB		6,399,508.97					
Shell accounts receivable - CRA deemed trust holdback	**Note 3 & 7**	3,908,430.64					
Shell accounts receivable - CRA non-deemed trust holdback	**Note 3 & 7**	1,028,886.71					
Brun-Way		9,000,000.00					
Miscellaneous accounts receivable		898,647.39					
Miscellaneous asset sales		1,222,840.50	39,492,861.94				
3. Miscellaneous							
HST collected		359,880.67					
HST refund		574,994.42					
Interest		156,531.14	1,091,406.23				
4. Funds held in trust							
Shell accounts receivable - Builder's lien holdback				**Note 3**	4,012,477.26	4,012,477.26	
TOTAL RECEIPTS			**44,657,129.30**			**4,012,477.26**	**48,669,606.56**
DISBURSEMENTS							
1. Fees paid							
Fees paid to official receiver			770.00				
2. Operational disbursements							
Utilities		93,190.02					
Rent		102,086.03					
Security		3,777.50					
Equipment leasing		909,368.41					
Repairs and maintenance		71,518.98					
Wages and benefits		1,646,271.43					
Insurance		271,831.04					
Telephone		62,162.48					
Other expenses		90,541.72	3,250,747.61				
3. Miscellaneous							
HST input tax credit		949,248.27					
HST remitted		116,648.12					
CCAA period HST		551,747.15					
CRA - HST requirement to pay	**Note 8**	268,223.77					
Bank charges and interest		87,517.57	1,973,384.88				
4. Receiver's Remuneration							
Receiver fees and costs			3,275,425.95				
5. Legal fees and costs			2,926,030.21				
6. Other professional fees			435,132.83				
7. Distribution to Deemed Trust Claimants and Secured Creditors							
Deemed Trust Claim - Revenu Quebec			6,205.20				
Deemed Trust Claim and Non-Deemed Trust Claim - Canada Revenue Agency			2,035,846.00				
Repayment of Receivers Certificate			1,200,000.00				
WEPPA Payment			26,494.85				
Bank of Nova Scotia			17,357,918.91	**Note 9**	2,576,577.04		
Caterpillar Financial Services Limited			921,731.24	**Note 9**	1,200,000.00		
GE			561,391.22				
Province of New Brunswick			354,877.71				
Aviva			234,873.53				
Emeco Canada			-	**Note 9**	235,900.22	4,012,477.26	
TOTAL DISBURSEMENTS			**34,560,830.14**			**4,012,477.26**	**38,573,307.40**
Excess of receipts over disbursements			**10,096,299.16**			**-**	**10,096,299.16**

Note 1 - Refer to the 246(2) report for list of companies included in this consolidated statement of receipts & disbursements.
Note 2 - See Court Order dated 23 April 2010.
Note 3 - See Court Order dated 18 June 2010.
Note 4 - See Court Order dated 30 June 2010.
Note 5 - See Court Order dated 28 July 2010.
Note 6 - See Court Order dated 22 March 2010.
Note 7 - Distribution of funds held in trust related to Shell accounts receivable - CRA deemed trust and CRA non-deemed trust. See Court Orders dated 22 October 2014 and 18 November 2014.
Note 8 - Distribution of proceeds received from Pennecon settlement to CRA relating to HST Requirement to Pay. See Court Order dated 30 June 2010.
Note 9 - Distribution of funds held in trust related to Shell accounts receivable - Builder's lien holdback. See Court Order dated 28 October 2010.

Appendix C

ATCON GROUP INC ET AL
PROCEED ALLOCATION - RECEIVERSHIP PERIOD (BASED ON COX & PALMER PRIORITIES MEMO)
15 APRIL 2015

Parcel # (if applicable)	Company	Receipt Detail	Buyer (If applicable)	Receipt Amount	BNS	PNB	CAT	GE	Aviva	CRA	Emeco	Envirem Funding (Kiely)	HST	Receiver's Certificate	TOTAL
		Cash on hand													
	ACI	Cash on hand		9,863	9,863										9,863
		Accounts Receivable													
	ACI	Account Receivable - Shell		4,936,792	3,500,892		1,200,000				235,900				4,936,792
	ACI	Account Receivable - Pennecon		3,139,860	3,139,860										3,139,860
	ACI	Account Receivable - Suncor		2,500,000	2,500,000										2,500,000
		Account Receivable - CNRL		86,213	86,213										86,213
		Account Receivable - Deh Cho		1,300,000	1,300,000										1,300,000
	ACI	Account Receivable - Miscellaneous		898,647	898,647										898,647
		Quarry Assets													
Parcel 1.1 A	ACI	Belledune Conveyors	Atlantic Minerals	230,000	230,000			note 1							230,000
Parcel 1.1 D	ACI	Belledune Inventory	Falls Construction Ltd.	26,000	26,000			note 1							26,000
Parcel 1.1 E	ACI	Belledune Lease and Licenses	Falls Construction Ltd.	782,000	782,000										782,000
Parcel 1.2 A	ACI	Woodstock - Luff Conveyor	Northern Construction & Supplies Ltd.	7,000	7,000			note 1							7,000
Parcel 1.2 C	ACI	Woodstock - Ricc & Lake Scale	Northern Construction & Supplies Ltd.	16,200	16,200			note 1							16,200
Parcel 1.2 D	ACI	Woodstock - Tank & Diesel Fuel	Northern Construction & Supplies Ltd.	300	300			note 1							300
Parcel 1.2 E	ACI	Woodstock - Crushed rock inventory	Northern Construction & Supplies Ltd.	19,000	19,000										19,000
Parcel 1.2 F	ACI	Woodstock - Quarry Land PID 10208858	Northern Construction & Supplies Ltd.	162,000					162,000						162,000
Parcel 1.2 G	ACI	Woodstock - Quarry leases, licenses, permits	Northern Construction & Supplies Ltd.	5,000	5,000										5,000
Parcel 1.3 A	ACI	Miramichi Quarry	HBH Paving	156,000	156,000										156,000
	ACI	Rock inventory	HBH Paving	16,497	16,497										16,497
	ACI	Western Aggregate		50,000	50,000										50,000
		Equipment													
Parcel 2.1 B	ACI	Kobelco Crane	Caldwell & Ross Ltd.	177,000	177,000										177,000
	ACI	Eastern Auction Proceeds (Parcels 2, 3, 4 en bloc with exceptions)		1,215,831	1,215,831										1,215,831
	ACI	Western Auction Proceeds		541,606	541,606										541,606
	ACI	Deh Cho assets		89,250	89,250										89,250
	ACI	Ortner Aggregates Washer		17,000	17,000										17,000
	ACI	Fitzpatrick Auctioneering Services		46,919	46,919										46,919
	ACI	NL Equipment		202,000	202,000										202,000
	ACI	Scrap steel		10,000	10,000										10,000
	ACI	Furniture & office equipment from ACI location in Fredericton, NB sold to Envirem		7,500	7,500										7,500
		Real Estate													
Parcel 5.1 A	ACI	626 Newcastle Blvd., Miramichi, New Brunswick	C.M. Dickinson	218,615	218,615										218,615
Parcel 5.1 B	ACI	Office furnishings	C.M. Dickinson	17,900	17,900										17,900
Parcel 5.2 A	APH	114 Whalen Street, Miramichi, New Brunswick		133,061			133,061								133,061
Parcel 5.2 B	ACI	Office furnishings		-	-										-
Parcel 5.3	ACI	115 Whalen Street, Miramichi, New Brunswick		24,353		24,353									24,353
Parcel 5.4 A	APH	3 Chapel Road, Miramichi, New Brunswick		74,640	74,640										74,640
Parcel 5.4 B	ACI	Contents - Equipment & Materials		-	-										-
Parcel 5.5	APH	48 Torbay Rd., Miramichi, New Brunswick		66,457			66,457								66,457
Parcel 5.6	AMSI	Nelson Street, Miramichi, New Brunswick PIDs 40221426, 40219941, 4021434	Terrance Kelly	8,978	8,978										8,978
Parcel 5.7	ACI	Crosby Road, Newcastle Blvd., Miramichi, New Brunswick PIDs 40052912, 40052995, 40328734, 40328742	Goodfellow's Trucking	16,268	16,268										16,268
Parcel 5.8	ACI	Newcastle Blvd., Miramichi, New Brunswick PIDs 40127862, 40177131, 40277873, 40175622, 40277881	C.M. Dickinson	58,812	58,812										58,812
Parcel 5.9	ACI	Napan Road, Centre Napan, New Brunswick PID 40053001	Goodfellow's Trucking	1,000	1,000										1,000
Parcel 5.10	ACI	Mullin Stream Road, Curventon, New Brunswick PID 40125825		6,312	6,312										6,312
Parcel 5.11	ACI	Old Napan Road, Miramichi, New Brunswick PID 40313660		-	-										-
Parcel 5.12	APH	King George Highway, Miramichi, New Brunswick PID 40165656	Goodfellow's Trucking	31,363		31,363									31,363
Parcel 5.13	ACI	1 Whalen Street, Miramichi, New Brunswick PID 40179715		13,094		13,094.20									13,094
Parcel 5.14	AMS	149 St. Patrick's Drive, Miramichi, New Brunswick PID 40217994		6,931	6,931										6,931
Parcel 5.15	ACI	St. Patrick's Drive, Miramichi, New Brunswick PID 40466039 (no net value realized after tax obligation)		-		-									-
Parcel 5.16	ACI	CNR Rail Siding, Miramichi, New Brunswick PID 40218687		-	-										-
Parcel 5.17	AMS	Hubbard Street, Miramichi, New Brunswick PID 40219933	Gary Leroux	402	402										402
Parcel 5.18	ACI	Cross Roads, Miramichi, New Brunswick PID 40276263	Caldwell & Ross	125,654	125,654										125,654
Parcel 5.19	ACI	Exmoor, Miramichi, New Brunswick PID 40335184	Gary Leroux	5,120	5,120										5,120
Parcel 5.20	AMS	Raiche Street, Miramichi, New Brunswick PID40374266	Gary Leroux	998	998										998
Parcel 5.21	APH	Island View Drive PID 40473068, Donaldy Road PID 40473076, Route 126 40095887	Concrete USL	52,690	19,495		33,195								52,690
Parcel 5.22	AMS	Nelson Street, Miramichi, New Brunswick PID 40286668		11,930	11,930										11,930
Parcel 5.23	AMS	Nelson Street, Miramichi, New Brunswick PID 40221459	Gary Leroux	8,293	8,293										8,293
	ACI	67-69 General Manson Way		696,073				696,073							696,073
	APH	Beechwood Real Property		170,670		170,670									170,670
	ALI	Airport Hangar		130,508	130,508										130,508
	APH	170 Walsh St.		246,739		246,739									246,739
															-
		Proceeds from sale of Envirem		4,235,238.93	3,371,631		723,926		138,960	722					4,235,239
		Envirem Funding		26,923								26,923			26,923
		Envirem Funding		140,877								140,877			140,877
		Interest		156,531	156,531										156,531

Parcel # (if applicable)	Company	Receipt Detail	Buyer (If applicable)	Receipt Amount	BNS	PNB	CAT	GE	Aviva	CRA	Emeco	Envirem Funding (Kiely)	HST	Receiver's Certificate	TOTAL
		HST Collected		359,881									359,881		359,881
		Receivers Certificate		1,200,000										1,200,000	1,200,000
		CCAA Transfer - Allocate to BNS (funded via AR collections - subject to BNS security)		2,226,504	2,226,504										2,226,504
		Recovery from Atcon Industrial Services estate		636,494	636,494										636,494
		HST Refund		244,722									244,722		244,722
		HST Refund		330,272									330,272		330,272
		Vanerply		6,399,509	6,399,509										6,399,509
		CRA Deemed Trust		3,908,431	3,908,431										3,908,431
		CRA Non-Deemed Trust		1,028,887	1,028,887										1,028,887
		Brun-Way		9,000,000	5,948,470	3,051,530									9,000,000
				48,669,607	39,438,889	3,537,749	2,156,638	696,073	300,960	722	235,900	167,800	934,875	1,200,000	48,669,607

Appendix D

ATCON GROUP INC. ET AL
NET PROCEED ALLOCATION (ILLUSTRATION ASSUMING BRUN-WAY SHARE SALE CLOSES
15 APRIL 2015

Appendix D

REALIZATIONS TO DATE	BNS	PNB	CAT	GE	Aviva	CRA	Emeco	Envirem	HST	Receivers Certificate	TOTAL
Proceed recovery (prior to cost allocations)	39,438,889.49	3,537,748.66	2,156,638.06	696,072.82	300,960.24	721.95	235,900.22	167,800.04	934,875.09	1,200,000.00	48,669,606.56
Less proceeds which offset costs								(167,800.04)	(934,875.09)	(1,200,000.00)	(2,302,675.13)
Less proceeds generated - Asset determined not to be an estate asset			(1,200,000.00)				(235,900.22)				(1,435,900.22)
Less: cash proceeds Envirem - see Envirem Distribution Schedule (non ACI assets)	(3,371,630.79)		(723,925.96)		-	(721.95)					(4,096,278.69)
Proceeds from asset realization - available for secured creditor distribution (excluding Envirem)	36,067,258.70	3,537,748.66	232,712.10	696,072.82	300,960.24	-	-	-	-	-	40,834,752.52
Less: Realization from assets not subject CRA Claims (non ACI assets)	(7,623,384.45)	(448,771.93)	(232,712.10)	-	-	-	-	-	-	-	(8,304,868.48)
Proceeds From ACI Asset Realizations - Subject to CRA Claims	28,443,874.25	3,088,976.73	-	696,072.82	300,960.24	-	-	-	-	-	32,529,884.04
Net operating disbursements allocated between Secured Creditors - subject to CRA Claims	(9,929,125.17)	(62,617.01)		(34,803.64)	(24,300.00)	-	-	-	-	-	(10,050,845.82)
Net recovery before CRA Claim Provisions, Envirem Allocation and Non ACI Net Realizations	18,514,749.08	3,026,359.72		661,269.18	276,660.24	-	-	-	-	-	22,479,038.21
Deemed Trust Claim Revenue Quebec - Paid	(5,110.88)	(835.41)		(182.54)	(76.37)						(6,205.20)
Deemed Trust Claim CRA - Paid	(1,676,814.53)	(274,086.56)		(59,888.78)	(25,056.13)						(2,035,846.00)
Net balance available for distribution before Envirem and non ACI net proceed realizations	16,832,823.67	2,751,437.75	-	601,197.86	251,527.74	-	-	-	-	-	20,436,987.01
Add back Envirem Distribution (non ACI related)	3,371,630.79	-	723,925.96	-	-	721.95	-	-	-	-	4,096,278.69
Add back: realization from assets not subject to CRA Claims (non ACI assets)	7,623,384.45	448,771.93	232,712.10	-	-	-	-	-	-	-	8,304,868.48
Less costs applicable to assets not subject to CRA Claims (non ACI assets)		(120,916.39)	(34,906.82)								(155,823.20)
	7,623,384.45	327,855.54	197,805.29	-	-	-	-	-	-	-	8,149,045.28
Costs funded by BNS secured receivables - recovered from AIS Estate Creditors	(250,110.52)										(250,110.52)
Costs funded by BNS secured receivables - included in Envirem net distribution	(328,531.65)										(328,531.65)
Less interim distribution previously funded	(19,934,495.95)	(354,877.71)	(921,731.24)	(561,391.22)	(234,873.53)						(22,007,369.65)
Amount Available for Distribution - pending receipt of Brun-way Sale Proceeds	7,314,700.78	2,724,415.58	0.00	39,806.64	16,654.21	721.95	-	-	-	-	10,096,299.16
										Per R&D	10,096,299.16
										Difference	-