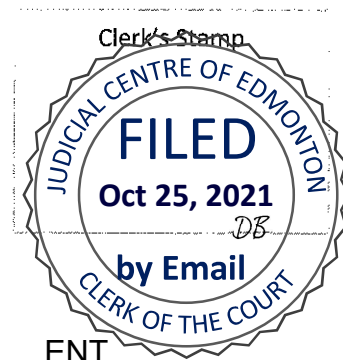


COURT FILE NUMBER	2003-06728
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	EDMONTON
PLAINTIFFS (DEFENDANTS BY COUNTERCLAIM)	ROMSPEN MORTGAGE LIMITED PARTNERSHIP AND ROMSPEN INVESTMENT CORPORATION
DEFENDANTS (PLAINTIFFS BY COUNTERCLAIM)	3443 ZEN GARDEN LIMITED PARTNERSHIP, LOT 11 GP LTD., LOT 11 LIMITED PARTNERSHIP, ECO-INDUSTRIAL BUSINESS PARK INC., ABSOLUTE ENERGY RESOURCES INC., ABSOLUTE ENVIRONMENTAL WASTE MANAGEMENT INC. AND DANIEL ALEXANDER WHITE
PLAINTIFFS BY COUNTERCLAIM	3443 ZEN GARDEN LIMITED PARTNERSHIP, LOT 11 GP LTD, LOT 11 LIMITED PARTNERSHIP, ECO-INDUSTRIAL BUSINESS PARK INC, ABSOLUTE ENERGY RESOURCES INC, ABSOLUTE ENVIRONMENTAL WASTE MANAGEMENT INC and DANIEL ALEXANDER WHITE
DEFENDANTS BY COUNTERCLAIM	ROMSPEN MORTGAGE LIMITED PARTNERSHIP, ROMSPEN INVESTMENT CORPORATION, RICHARD WELDON and WESLEY ROITMAN



COURT FILE NUMBER	1903-21473
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	EDMONTON
APPLICANTS	LOT 11 LIMITED PARTNERSHIP by its general partner LOT 11 GP LTD., ECO-INDUSTRIAL BUSINESS PARK INC., ABSOLUTE ENERGY RESOURCES INC., ABSOLUTE ENVIRONMENTAL WASTE MANAGEMENT INC. AND DANIEL ALEXANDER WHITE.

RESPONDENT (S) **ROMSPEN INVESTMENT CORPORATION**

DOCUMENT **AFFIDAVIT**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

BORDEN LADNER GERVAIS LLP
1900, 520 Third Avenue S.W.
Calgary, Alberta T2P 0R3

Josef Krüger, QC/Kevin E. Barr
Telephone: 403.232.9563/9786
Facsimile: 403.266.1395
Email: jkruger@blg.com/kbarr@blg.com
File Number: 443063-000012

AFFIDAVIT OF WESLEY ROITMAN
Sworn on October 19, 2021

I, WESLEY ROITMAN, of Toronto, Ontario, SWEAR AND SAY THAT:

A. Introduction

1. I am Managing General Partner of Romspen Investment Corporation, the manager and administrative agent for Romspen Mortgage Limited Partnership. As such, I have personal knowledge of the matters and facts hereinafter sworn to, except where stated to be based on information and belief, and where so stated, I verily believe the same to be true.
2. I have sworn prior affidavits in these proceedings, including the following:
 - (a) Affidavit filed March 31, 2020 (sworn on March 30, 2020);
 - (b) Supplemental Affidavit sworn and filed April 1, 2020;
 - (c) Affidavit filed April 20, 2020 (sworn on April 17, 2020);
 - (d) Affidavit filed April 22, 2020 (sworn on April 17, 2020);
 - (e) Affidavit filed April 28, 2020 (sworn on April 24, 2020);
 - (f) Affidavit sworn and filed June 15, 2020;

- (g) Affidavit sworn and filed November 16, 2020;
- (h) Affidavit filed November 19, 2020 (sworn November 18, 2020); and
- (i) Affidavit filed December 21, 2020 (sworn on December 18, 2020),

(the “**Prior Affidavits**”).

- 3. This Affidavit is made as a supplement to, and is to be read with the Prior Affidavits. Capitalized terms not defined herein shall have the same meaning as those terms that have been expressly defined in my Prior Affidavits.
- 4. I make this affidavit, and rely on the Prior Affidavits, in support of an order appointing a receiver and manager over the business, property and undertakings of Lot 11 GP Ltd. (“**GP**”), Lot 11 Limited Partnership (“**LP**”), Eco-Industrial Business Park Inc. (“**Eco-Industrial**”), Absolute Energy Resources Inc. (“**Absolute Energy**”) and Absolute Environmental Waste Management Inc. (“**Absolute Environmental**”) (together, the “**Debtors**”) and for no other purpose.
- 5. As at October 19, 2021, there remains \$81,693,163.27 due and owing by the Debtors to Romspen, together with interest, fees and costs continuing to accrue.

B. Report by Interim Monitor

- 6. Pursuant to the Interim Monitor Order dated April 2, 2020, Romspen was authorized to engage an interim monitor to monitor the financial and operational affairs of the Debtors. Shortly thereafter, Romspen engaged MNP Ltd. as interim monitor (the “**Interim Monitor**”) pursuant to the court order. The Interim Monitor Order provides, among other things, that:
 - (a) management of the Debtors shall cooperate and provide information to the Interim Monitor;
 - (b) the Interim Monitor shall have full transparency of all of the Debtors’ business operations and assets;
 - (c) the Interim Monitor shall have access to all of the business records of the Debtors; and
 - (d) the Interim Monitor shall be entitled to be physically present at the business premises of the Debtors.

7. The Interim Monitor has prepared its Third Report dated October 12, 2021 (the “**Third Report**”) pursuant to its engagement. Attached hereto and marked as **Exhibit “A”** to this my Affidavit is a copy of the Third Report.
8. The Third Report addresses three areas which are very concerning to Romspen and which demonstrate the Debtors’ continued flagrant disregard for the Interim Monitor Order, including:
 - (a) The failure or refusal by the Debtors to produce basic financial information requested by the Interim Monitor to permit it to properly monitor the financials affairs of the Debtors, including but not limited to confirmation of the status of the Debtors’ accounts with CRA for G.S.T. and source deductions;
 - (b) The recent discovery of the shut down of the business operations of Absolute Environmental; and
 - (c) The apparent overpayment of management fees by the Debtors or certain of them to Symmetry Asset Management Inc. (“**Symmetry**”), the sole director and shareholder of which is Mr. White, and the failure of the Debtors to justify the quantum of these payments based on the formula provided in the unsigned management agreement between Symmetry and Absolute Environmental.
9. The Interim Monitor notes the following, among other things, in its Third Report:
 - (a) Over the course of the last 12 to 15 months, the Interim Monitor has had many communications with the representative of the Debtors and has sent numerous requests for information necessary for the Interim Monitor to fulfill its responsibilities in accordance with its mandate. The representative of the Debtors has not provided the Interim Monitor with the requested information in a timely or consistent manner (page 3 of Third Report).
 - (b) The following information, some of which was requested on March 5, 2021, has not been provided to date (page 4 of Third Report):
 - (i) Monthly detailed Symmetry reports which include amounts paid by Symmetry on behalf of Absolute Environmental and Eco-Industrial;
 - (ii) Detailed monthly invoices relating to the calculation of the Symmetry management fees;

- (iii) An executed version of the Symmetry management agreement;
 - (iv) Confirmation as to whether Absolute Environmental continues to use the older CIBC accounts for either of itself or Eco-Industrial (together with copies of bank statements);
 - (v) Bank statements for all relevant entities from July 2021 to present;
 - (vi) Updates on AR collections from aged AR and any settlements/collections; and
 - (vii) CRA statements showing balances for payroll and GST remittances for each of Absolute Environmental and Eco-Industrial.
- (c) When asked about the alleged shut down of the operations on site, the Debtors' representative confirmed that operations ceased in July of 2021 and that repairs and maintenance were required for the wells, however, the responses were vague and did not include any of the requested supporting documentation (invoices, engineering or maintenance reports, etc.) (page 5 of Third Report).
- (d) On October 6, 2021, representatives from the Interim Monitor's office attended on the site of Absolute Environmental's operations. Upon arriving on site, the Interim Monitor noted that:
- (i) There was no one on site and it appeared as though there had been minimal activity in recent days;
 - (ii) The site had not been secured and was open and accessible to the public; and
 - (iii) As previously reported, the buildings on site continued to be dilapidated and uninhabitable (page 5-6 of Third Report).
- (e) Absolute Environmental has consistently maintained nominal sums of money in its bank accounts as most of the revenue from operations has been and continues to be transferred to a related entity (Symmetry) on a regular basis. The Debtors' representative has advised that Symmetry is overseeing the repairs/maintenance to the Wells. However, the Interim Monitor has no detail on or insight into the financial wherewithal of Symmetry to satisfy the cost of maintenance/repairs required on the wells (page 5 of Third Report).
10. It is extremely concerning to Romspen that the Debtors have failed or refused to provide basic financial information necessary to allow the Interim Monitor to fulfill its mandate and provide

Romspen with a clear financial picture of the Debtors and their operations. Adding to this concern is the following:

- (a) Based on a review of the email correspondence from the Debtors' representative to the Interim Monitor on October 6, 2021 at 11:16 AM (attached as Schedule 4 to the Third Report), I understand that Absolute Environmental's business operations shut down in early July;
 - (b) Based on a review of the email correspondence from the Debtors' representative to the Interim Monitor on March 12, 2021 at 6:06 PM (attached as Schedule "B" to Schedule 3 of the Third Report), I understand that the Debtors' business is cyclical with revenues falling off when the ground is frozen. As a result, according to the Debtors' representative, the business ceased operations during what is typically its higher revenue period; and
 - (c) As per page 5 of the Third Report, I understand that the Debtors have very little to no cash flow necessary to complete maintenance and repairs necessary to recommence operations.
11. The Debtors did not advise Romspen that operations had ceased, which only adds to Romspen's significant concerns about leaving management in control of the Debtors' business.
12. Further compounding these concerns is the fact that the Debtors cannot provide an accounting detailing their status with the CRA in relation to their GST and payroll remittances. If there are amounts outstanding to the CRA in relation to GST and payroll remittances, I understand these could take priority over Romspen's security position.

C. Unpaid Property Taxes

13. In my Affidavit filed March 31, 2020, I indicated that at the time, GP and Eco-Industrial were independently in breach of the Alberta Mortgages as they had failed to pay outstanding property taxes totalling approximately CDN \$800,000.
14. Since swearing this affidavit, I understand based on a review of property tax searches, that the property taxes on the property secured by the Alberta Mortgages has increased to over CDN \$2,000,000. I further understand that the property is scheduled to be advertised for sale on November 25, 2021 at a public auction for unpaid property taxes. Attached hereto and marked as

Exhibit “B” to this my Affidavit are copies of property tax searches and Notices of Public Auction issued in relation to the mortgaged property.

15. As a result of the Debtors’ failure to pay property taxes due and owing in the amount of over CDN \$2,000,000, which constitutes a breach of the Alberta Mortgages, the Debtors have further eroded Romspen’s security position and have placed the security at risk of being sold free and clear to a buyer at auction.
16. The appointment of a receiver is necessary in the circumstances to stay the tax auction.

D. U.S. Bankruptcy Proceedings

17. In my Affidavit sworn April 20, 2020, I exhibited a true copy of the “Order Requiring Appointment of a Chapter 11 Trustee” in respect of Zen Garden, granted by United States Bankruptcy Court Judge H. Christopher Mott.
18. Earlier on in these proceedings, the Debtors have taken the position that the Loan Agreement (attached as Exhibit “B” to my Affidavit sworn March 31, 2020), together with the Texas Security and the Alberta Security are invalid. In support of this position, the Debtors have advised this Court of the Chapter 11 proceedings in Texas and the challenge to the Loan Agreement and the various security in those proceedings.
19. Attached hereto and marked as **Exhibit “C”** to this my Affidavit is a filed copy of an order of United States Bankruptcy Judge H. Christopher Mott dated June 19, 2020 (the “**June Mott Order**”). Paragraph four of the June Mott Order states:

“Subject to paragraph 18 below, in connection with the Credit Agreement, the other Loan Documents and this Final Order, the following stipulations regarding the Lender’s pre-petition indebtedness to the Debtor shall be binding on and carry preclusive effect against all parties in interest having due process notice and an opportunity to participate in this proceeding in this Case:

- a) Lender is the due and lawful owner and holder of an allowed claim under the Loan Documents against the Debtor in the amount not less than \$96,495,021.72, as of the Petition Date, plus all other costs, fees and obligations owing, including, without limitation, all costs and expenses of administration, collection and enforcement incurred by Lender prior to the Petition Date (the “Pre-Petition Indebtedness”). To the extent permitted under

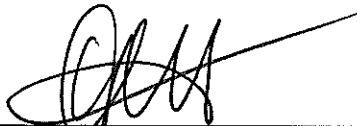
§ 506(b) of the Bankruptcy Code, Lender is also entitled to interest accruing at the default rate on and after the Petition Date, together with and in addition to the reasonable fees (including legal fees), costs and charges referred to in § 506(b) and expressly permitted by the terms of the Loan Documents.

b) The Pre-Petition Indebtedness is evidenced by, without limitation: (i) the Credit Agreement; (ii) a Promissory Note in the original principal amount of \$125,000,000.00, dated April 27, 2018; (iii) a Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated as of April 27, 2018, and recorded in the Travis County, Texas real property records on April 27, 2018, at Document Number 2018064160; and (iv) certain other documents relating to the foregoing (collectively, the “Loan Documents” – as such defined term herein is intended to, and is hereby deemed to, work in conjunction with, match and be incorporated with, as meaning one in the same, the defined term of “Loan Documents” set forth in the Credit Agreement).

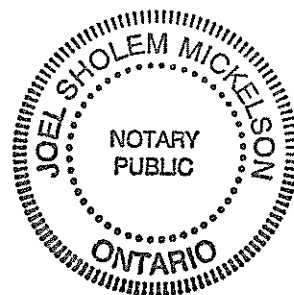
c) Payment of the Pre-Petition Indebtedness is fully matured (by acceleration duly noticed by Lender prior to the Petition Date), absolutely and unconditionally due and payable to Lender, without defense, offset or counterclaim, and the Lender is hereby released from (i) any and all objections to the allowance of, and any defense with respect to, the Pre-Petition Indebtedness, and (ii) and right to contest the priority, perfection or validity the liens, mortgages and/or security interests granted and/or pledged to or in favor of Lender security such Pre-Petition Indebtedness.

d) Pursuant to section 552(b) of the Bankruptcy Code and the Loan Documents, including, without limitation, the Credit Agreement, the Pre-Petition Indebtedness is secured by a security interest and lien in substantially all of the Debtor’s assets, real property, fixtures and personal property, whether now owner or hereafter acquired, including, without limitation, all accounts, chattel paper and electronic chattel paper, deposit accounts, documents, equipment, general intangibles, goods, instruments, investment property, intellectual property rights, inventory, letter-of-credit rights, letters of credit, together with all substitutions and replacements for and products of any of the foregoing, the proceeds of any and all of the foregoing and all proceeds and products of such collateral security acquired by the Estate after the Petition Date (such collateral security assets are more particularly and specifically described in the Loan Documents, together with all product and proceeds thereof, herein called the “Pre-Petition Collateral”).”

This is **Exhibit "A"** referred to
in the Affidavit of Wesley Roitman
Sworn before me this 19th day of October, 2021



A Notary Public in and for
the Province of Ontario





**Absolute Environmental Waste
Management et al.**
Third Report of Interim Monitor – October 12, 2021

PREPARED BY: MNP LTD
Suite 1500, 640 – 5th Avenue SW
Calgary, AB T2P 3G4

MNP CONTACT: Victor Kroeger/ Karen Aylward
Senior Vice President/ Vice President

PHONE: 403-298-8479/ 780-969-1400

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SCHEDULES

SCHEDULE 1: March 4, 2021 Financial Update (for period of September 1, 2020 to February 15, 2021)

SCHEDULE 2: March 5, 2021 Letter to Gamage

SCHEDULE 3: August 12, 2021 Letter to Romspen

SCHEDULE 4: October 6, 2021 Email Response from Gamage

SCHEDULE 5: Site Photographs as of October 6, 2021

GENERAL RESTRICTIONS AND LIMITATIONS

This report has been prepared for and only for Romspen Mortgage Limited Partnership and Romspen Investment Corporation (collectively referred to as "**Romspen**") in accordance with our Engagement Letter dated April 7, 2020 and for no other purpose. Romspen engaged MNP Ltd., as Interim Monitor (the "**Interim Monitor**") of the financial and operational affairs of Lot 11 GP Ltd., Lot 11 Limited Partnership, Eco-Industrial Business Park Inc. ("**Eco**"), Absolute Energy Resources Inc., ("**Absolute Energy**") and Absolute Environmental Waste Management Inc. ("**AEWM**") (Eco, Absolute Energy and AEWM being collectively referred to hereinafter as the "**Companies**"). The contents of this report may not be reproduced, quoted, referred to or disclosed to others without our prior written consent in each specific instance. We will not assume any responsibility or liability for losses incurred as a result of the use of our report contrary to these provisions.

We make no representations regarding the sufficiency of the procedures we were requested to perform. In completing this report, we relied on representations of management, management prepared assumptions, unaudited financial documents and other information. We did not carry out an audit of the Companies financial reports or of the information management provided to us, nor did we verify any of the information contained in this report and, accordingly, we express no opinion thereon.

Our comments and conclusions are based on information that has been made available to us. We reserve the right to review all calculations and conclusions included or referred to in this report and, if we consider it necessary, to revise our calculations in light of information existing at the date of this report.

We do not provide any assurance as to any matters relating to the Companies' ability to pay the debt due to Romspen and Romspen is solely responsible for actions taken by it as a result of the findings described in this report.

BACKGROUND

This is the Third Report of the Interim Monitor (the "**Third Report**") and it should be read in conjunction with the First Report of the Interim Monitor provided to Romspen on June 5, 2020 (the "**First Report**") and the Second Report of the Interim Monitor provided to Romspen on August 5, 2020 (the "**Second Report**").

Capitalized terms not defined in the Third Report are as defined in the First Report and the Second Report.

The purpose of the Third Report is to update Romspen on the monitoring activities of the Interim Monitor, the status of the financial affairs of the Companies and an update on operations specifically as it relates to AEWM since the Second Report.

MONITORING ACTIVITIES

The Interim Monitor has attempted to continue to monitor the financial activities of the Companies on a monthly basis. The point of contact for the Companies is Mr. David Gamage ("**Gamage**"). Over the course of the past 12 to 15 months the Interim Monitor has had many communications Gamage through email and has sent numerous requests for information which necessary for the Interim Monitor to fulfill its responsibilities in accordance with its mandate. Gamage has not provided the Interim Monitor with the requested information in a timely or consistent manner.

As noted in previous reports, the monthly monitoring reporting package consisted primarily of the following reports which was supplemented by follow up requests for additional information as required and identified upon review of the monitoring information once (and if) received.

- Bank statements for the period for each account(s);
- General Ledger;
- Summary and detailed accounts receivable ("**AR**") reports;

- Accounts payable (“AP”) reports; and,
- Income statement for the associated period.

The Interim Monitor last prepared a financial update based on a review of the Companies’ affairs and provided that update to Romspen on March 4, 2021. A copy of the March 4, 2021 financial update is attached as **Schedule 1** and covers the operations for the period of September 1, 2020 to February 15, 2021.

On March 5, 2021, the Interim Monitor wrote to Gamage to detail the list of requested information that remained outstanding. A copy of the March 5, 2021 letter to Gamage is attached as **Schedule 2**.

On August 12, 2021, the Interim Monitor wrote to Romspen’s counsel to provide a summary of the responses received from Gamage to the March 5, 2021 letter as well as a general update on the status of the financial information. A copy of the August 12, 2021 Letter to Romspen is attached as **Schedule 3**.

Since the August 12, 2021 Letter to Romspen, the Interim Monitor has received partial monitoring information for the period of July 1, 2021 through August 31, 2021. The partial information was received on September 27, 2021, however, the bank statements relating to this period have yet to be provided.

STATUS OF INFORMATION REQUESTS

As noted above, the Interim Monitor has made and continues to make consistent requests for information related to the Companies through Gamage. The list below outlines the financial information that has been previously requested by the Interim Monitor but which has not been provided and remains outstanding as of October 10, 2021:

- Monthly detailed Symmetry reports which include amounts paid by Symmetry on behalf of AEWM and ECO;
- Detailed monthly invoices relating to the calculation of Symmetry Management fees;
- An executed version of the Symmetry Management Agreement;
- Confirmation as to whether AEWM continues to use the older CIBC accounts for either of ECO or AEWM (and copies of the applicable bank statements from March to present day so that the Interim Monitor can verify independently);
- Bank statements for all relevant entities from July 2021 to current;
- Update on AR collections from aged AR and whether there has been any settlement or collections; and,
- CRA statements showing balances for payroll and GST for each of AEWM and ECO.

WELLSITE ISSUES AND CEASING OF OPERATIONS

On September 28, 2021 the Interim Monitor was advised by Romspen that two of the disposal wells (the “**Wells**”), being the main components of the operations of AEWM, had been shut down for maintenance and that operations at the site had ceased. Gamage, on behalf of AEWM, had not informed the Interim Monitor that there were any issues at the site, and without timely receipt of the requested financial information, the Interim Monitor had been unable to determine that there were any issues with the Companies’ operations. The Interim Monitor wrote to Gamage via email on September 29, 2021 requesting the following as it related specifically to the wellsite operations:

- When were the Wells originally shut down;
- Whether it was for regular maintenance or whether there was a broader issue with the Wells;
- Whether engineering or other professional reports available which would show the scope of the maintenance work needed;

- Whether quotes had been obtained to complete the maintenance work and if so, requested that copies be provided;
- Details as to how the maintenance work was being paid for;
- Whether any work had been completed to date and if so, that copies of the invoices for the completed work be provided along with confirmation that the suppliers/trades have been paid for the maintenance work;
- What the anticipated completion date for the maintenance was;
- Confirmation as to when operations would resume;
- What AEWM customers were doing in the interim, and whether they were waiting for the facility to be up and running again and the likelihood they would return to AEWM;
- Whether AEWM was maintaining any level of staff through the shut down;
- If staff was being maintained, whether the staff had been paid and whether payroll remittances were being made;
- Detail on concerns around environmental impacts anticipated from the shut down; and,
- Whether regulatory bodies were involved and, if so, whether regulatory inspections had taken place or regulatory orders been issued.

The Interim Monitor also informed Gamage that it was looking to schedule an inspection of the site and requested a point of contact in relation to same.

On October 6, 2021, the Interim Monitor received a response from Gamage with partial answers with respect to the operational concerns outlined above. A copy of the response from Gamage is attached hereto as **Schedule 4**.

As evidenced by Schedule 4, the responses from Gamage confirmed the shut down of the operations. However, the responses proved to be vague and did not include any of the requested support (e.g., invoices, engineering or maintenance reports, etc.).

As to the question of when operations were expected to resume, Gamage responded "ASAP" (which the Interim Monitor interprets as meaning "as soon as possible") which provides little to no expectation for an actual timeline as to when, or if, the repairs can be made to allow the Companies' operations to resume.

It is worth noting that AEWM (as detailed in prior reports and in Schedule 1) has consistently maintained nominal sums of money in its bank accounts as most of the revenue from operations has been and continues to be transferred to a related entity (Symmetry) on a regular basis. Gamage advised that Symmetry is overseeing the repairs/maintenance to the Wells. However, the Interim Monitor has no detail or insight on the financial wherewithal of Symmetry insofar as it relates to Symmetry's ability to pay for the costs of the maintenance/repairs associated with the Wells.

Further, given that all operations have ceased, AEWM's revenue will have presumably dropped to zero which likely further impedes its ability to repay Symmetry for the required maintenance and repairs.

On October 6, 2021 representatives from the Interim Monitor's office physically attended the location of the AEWM operations to conduct an inspection. Upon arrival, the Interim Monitor noted the following:

- There was no one on site and it appeared like there had been minimal activity in recent days;
- The site was open and accessible (i.e., no security measures taken or gate closures to protect from public trespassing, etc.); and,

- The majority (if not all) of the buildings on site were dilapidated and uninhabitable (and likely condemned) due to significant damage to the buildings. This observation, however, does not significantly differ from the Interim Monitor's prior inspection of the site in 2020 and so an inference should not be drawn that the damage to the real property is recent.

The Interim Monitor took numerous photographs of the site, a copy of which is attached as **Schedule 5**.

CONCLUSION AND RECOMMENDATIONS

1. The provision of the monitoring information requested by and being provided to the Interim Monitor has been, and continues to be, incomplete and delinquent;
2. Without the timely provision of financial monitoring information, the Interim Monitor is unable to determine if the Companies have the financial resources to pay the costs associated with the repair/maintenance of the Wells in order to resume operations; and
3. Romspen should consider engaging a qualified firm or individual to undertake an independent inspection of the Wells in order to verify the scope of necessary repairs (including costs and timing of same) and the impact of necessary repair work on its security. It is the Interim Monitor's view that such inspection would be appropriate in the circumstances in absence of such information being shared by the Companies.



SCHEDULE 1

Karen Aylward

From: Karen Aylward
Sent: March 4, 2021 2:38 PM
To: Barr, Kevin
Cc: Victor Kroeger; Randal Van de Mosselaer -
Subject: Absolute Environmental Waste Management et al - Financial Update from Monitor
Attachments: Ledger Symm - AEW 2020.pdf; Asset Info provided Jan 5, 2021.pdf; Fwd: Absolute Assets; Challenger OWNERSHIP MAP-11x17 (2014).pdf; Summary of Symmetry Fees - as at Jan 31, 2021.pdf

Hi Kevin,

We recently received further financial information from David Gamage (“Gamage”) in respect of the monitoring of the affairs of Lot 11 GP Ltd., Lot 11 Limited Partnership, Eco-Industrial Business Park Inc. (“Eco”), Absolute Energy Resources Inc., (“Absolute Energy”) and Absolute Environmental Waste Management Inc. (“AEWM”) (collectively referred to as the “Companies”). We are providing a brief update on the financial status of the Companies based on the information we received. This update considers the financial information received following our previous review which included financial data to August 31, 2020.

We have received a majority of the outstanding financial information, however I do note that the following has not yet been provided and has been requested from Gamage:

- Bank Statements (acct 4112) for AEWN for period January and February 2021;
- General Ledger – December 16 through December 31;
- Scotiabank and TD Bank Statements for all periods; and,
- CRA Statements and account balances for all applicable entities.

The update provided below relates to a review of the financial information (bank statements, general ledger (“GL”), accounts receivable (“AR”) reports, accounts payable (“AP”) reports and income statements (“IS”)) for the period of September 1, 2020 through February 15, 2021 (the “Review Period”).

Bank Statements and General Ledger (“GL”) for AEW

1. Based on the Bank Statements for AEW, a total sum of \$493,132 in AR was collected over the Review Period;
2. Based on the Bank Statements, a total sum of \$334,600 was transferred to Symmetry over the Review Period;
3. Based on the Bank statements, a total sum of \$8,050 was transferred from Symmetry to AEW over the Review Period; and,
4. The ending bank balance on February 26, 2021 (most recent transaction on the bank statement provided for the AEW CIBC Account) was \$44,215.

Bank Statements and General Ledger (“GL”) for Eco

1. Minimal transactions run through this bank account. The deposits consist of rent revenues from third parties. Based on the statements, rent appears to be collected on a regular basis from one company, Aevitas Inc. We’ve sought clarity from Gamage on which tenants remain but have not yet received that information;
2. A CEBA loan totalling \$20,000 was received in December 2020 and transferred to the AEW account;
3. The bank balance as at February 16, 2021 (most recent transaction on the bank statement for the Eco CIBC account) totalled \$7,630.84; and,
4. The bookkeeping transactions recorded within general ledgers do not appear to be up to date.

Accounts Receivable (“AR”) for AEW

1. Based on a summary AR report, the AR has decreased by approximately \$104,890 from \$200,825 to \$95,935 from August 31, 2020 to end the Review Period. This AR balance excludes three accounts which are excessively aged totalling \$211,541. These accounts have been outstanding for a significant period of time and should likely be written off. We have inquired with Gamage as to the plan to deal with this aged AR. This appears to coincide with the decline in revenues over the Review Period as shown in the attached document detailing the Summary of Symmetry fees (discussed further below).

Accounts Payable ("AP") for AEWM

1. Based on a detailed AP report, the total outstanding AP is \$93,537 (excluding Encanex AP of \$263,777 which is in dispute and \$168,000 in relation to AP owed to Rio Ventures (Gary Vandepoll)) at the end of the Review Period. This is an increase of approximately \$40,000 in AP from August 31, 2020 to the end of the Review Period;
2. The majority (96%) of AP is aged beyond 90 days and is a mix of supplier and professional services (e.g. legal) invoices;
3. Based on the GL reports (where available) and Bank Statements, a sum of approximately \$27,000 was paid to suppliers over the Review Period; and,
4. Given that there is sufficient AR collections being made to pay the suppliers on an ongoing basis, we have sought clarification from the Gamage as to why the suppliers are not being paid on a regular basis.

Employees and/or Contractors and Related Deductions

1. Based on the available GL Reports a sum of \$62,273.89 was paid to employees and/or contractors over the Review Period;
2. The GL for January 2021 references a source deduction payment remitted to CRA of \$5,451.14, however, we have not seen a CRA statement to confirm it; and,
3. In addition the transaction noted above, included in the AP payments is a sum of \$6,376.51 paid to CRA. We are uncertain as to what this represents (i.e. GST, tax, payroll source deductions). We have sought but have not yet received detailed reports on the status of the CRA accounts including the status of employee remittances.

Payments to Symmetry

Based on the agreement previously provided, Symmetry fees are to be calculated as follows:

- a. A 6% property management calculated based on annual gross revenues of AEWM as reported in its annual financial statements;
- b. Sale commission fee of 5% of the gross selling price of any property sold by AEWN as reported in its annual financial statements; and,
- c. A consultant fee equal to 30.5% of the gross profit (if any) of AEWM as reported in its annual financial statements.

Based on the attached ledger (titled Ledger Symm), it appears that Symmetry is incorrectly calculating its 30.5% consulting fee monthly based on total monthly gross revenue rather than annual gross profit. For example, the total consulting fee for November 2020 was billed as \$19,944.10 (see attached ledger) which appears to be based on 30.5% of the gross revenue for November (which is recorded as \$65,390.50).

Using the information contained within the Income Statements provided for AEWM (where available) we have calculated the amounts owed to Symmetry over the Review Period in accordance with the fee structure outlined above (see Summary of Symmetry Fees as at January 31, 2021). In reference to this document we note the following:

1. The company appears to be calculating the 30.5% expertise fee based on gross revenue which appears incorrect;
2. We've re-calculated the 30.5% expertise fee based on net income;
3. It does not appear that the Income Statements are complete; very little expense information has been entered which may further affect (decrease) the fees owed to Symmetry;

4. We do not have the Company's Symmetry fee calculations for December or January but have assumed these based on the method of calculation the Company consistently uses;
5. As a result of the re-calculations, there is a discrepancy as between the amounts calculated by the monitor and the amounts calculated by the company whereby the company's calculations resulted in an increase of \$49,435 (\$108,816 - \$158,252) of fees owed;
6. **Over the Review Period, a sum of \$334,600 was transferred to Symmetry which is \$225,784 more than determined to be owed under the Symmetry Agreement during the Review Period;** and,
7. We have sought clarity from Gamage with respect to these calculations.

Based on the "Ledger Symm" schedule, there is a recorded balance owed by AEWM to Symmetry as of November 30, 2020 in the sum of \$399,563. Other than the ledger itself, no additional support has been provided for amounts owed (e.g. copies of invoices to support expenses paid by Symmetry on behalf of AEWM). We previously requested the support several times but have not received it.

It appears that all available cash flow is consistently transferred from AEWM to Symmetry as it becomes available. On this point we note that the amounts calculated as owed to Symmetry are in question and, further, the amounts being paid to Symmetry relate to intercompany debts that appear to be subordinate to Romspen's security.

Asset Information

I am attaching emails from Gamage dated January 5, 2021 and January 27, 2021 which provides additional detail on the assets of AEWM/Eco that we have been seeking. Since we have not received any other previous asset lists, we are unable to comment as to whether this constitutes the entire list of assets owned. One email from Gamage advises that Absolute does not own any assets, however, the January 27th email provides contradictory information. We have sought clarity around this.

Please let me know if you have any questions with respect to the information outlined above (including whether you would like copies of any of the source documents). We will continue to monitor the financial information as it becomes available and provide updates with respect to same.

Regards,

Karen Aylward, CIRP, LIT
VICE PRESIDENT

DIRECT 780.969.1400
PH. 780.455.1155
FAX 780.409.5415
TOLL FREE 1.866.465.1155
10235 101St N.W.
Suite 1300
Edmonton, AB
T5J 3G1
mnpdebt.ca



Please be advised that our **MNP office is open to the public** under safety protocols. Due to the City of Edmonton bylaw, effective August 1, 2020, **masks are required** on our floor that is open to the public, and during in-person meetings at the MNP office. We have taken social distancing measures to ensure the health and safety of our team members and our clients. Many on our team are continuing to work remotely. We continue to accept electronic delivery of files and documents via the Client Upload or Client Portal links on our website. Please contact your MNP advisor for assistance if

required.

For relevant and up-to-date information, visit our [COVID-19 Business Advice Centre](#) on our website. You will find timely updates on Government regulations, tax information, advice for employers and our continued response to this evolving circumstance.

SCHEDULE 2

March 5, 2021

VIA EMAIL: david@gamages.ca

Absolute Environmental Waste Management Inc

Attention: David Gamage

Dear Mr. Gamage:

RE: Lot 11 GP Ltd., Lot 11 Limited Partnership, Eco-Industrial Business Park Inc. ("Eco"), Absolute Energy Resources Inc., ("Absolute Energy") and Absolute Environmental Waste Management Inc. ("AEWM") (collectively referred to as the "Companies").

We confirm receipt of the financial information you recently provided in respect of the financial affairs of the Companies. Based on our review of the information, we require further clarification and/or information.

We require clarification around the calculation and payment of fees to Symmetry Asset Management Inc. ("**Symmetry**") pursuant to the management agreement between Symmetry and AEWM which was entered into in or around January 2011 (the "**Management Agreement**").

Based on the terms of the Management Agreement, consulting fees payable to Symmetry are to be calculated on the following basis:

- a. A 6% property management fee calculated based on annual gross revenues of AEWM as reported in its annual financial statements;
- b. A sale commission fee of 5% of the gross selling price of any property sold by AEWN as reported in its annual financial statements; and,
- c. A consultant fee equal to 30.5% of the gross profit (if any) of AEWM as reported in its annual financial statements (the "Consultant Fees").

We have not been provided with AEWM's annual financial statements for 2020 but based on the transaction ledger in respect of the amounts due by AEWM to Symmetry (a copy of which is attached as Schedule A), and the income statements for the months of August through January, 2021 (the "**Period**") that you provided, we have re-calculated the amounts owed to Symmetry as follows:

Note 1

	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Total
Gross Monthly Revenue	111,376.30	82,980.08	96,965.22	65,390.50	25,604.43	51,251.25	433,567.78
Expenses	46,969.64	49,661.31	13,864.07	19,985.01	9,096.82	22,506.09	162,082.94
Net Income	64,406.66	33,318.77	83,101.15	45,405.49	16,507.61	28,745.16	271,484.84

Calculated Amounts Due (Monitor's Calculations):

Symmetry Consultant Fee (30.5%) (Note 2)	19,644.03	10,162.22	25,345.85	13,848.67	5,034.82	8,767.27	82,802.88
Management Fee (Note 3)	6,682.58	4,978.80	5,817.91	3,923.43	1,536.27	3,075.08	26,014.07
Subtotal	26,326.61	15,141.03	31,163.76	17,772.10	6,571.09	11,842.35	108,816.94

Note 1 – the income statement for the Dec 16 - Dec 31, 2020 period has not yet provided so amounts only represent partial month.

Note 2 - Calculated as 30.5% of the Net Income.

Note 3 - Calculated as 6% of the Gross Revenue.

Based the information we have been provided, we calculated the fees owed to Symmetry over the Period to be \$108,816.

AEWM and/or Symmetry, via the Symmetry transaction ledger provided, has calculated the amounts owed to Symmetry over the same Period as follows:

Company Calculations					Note 5	Note 5	Note 6
Symmetry Consultant Fee (30.5%) (Note 4)	33,969.77	25,308.92	29,574.39	19,944.10	7,809.35	15,631.63	132,238.16
Management Fee (Note 4)	6,682.58	4,978.80	5,817.91	3,923.43	1,536.27	3,075.08	26,014.06
Subtotal	40,652.35	30,287.72	35,392.30	23,867.53	9,345.62	18,706.71	158,252.22

Note 4 - Based on Symmetry Ledger document provided by Company.

Note 5 - Symmetry Ledger not provided for this period but calculated using Company's method.

Note 6 – AEWM and/or Symmetry has not claimed commissions related to the sale of property over the Period.

Based on the information provided it appears that AEWM and/or Symmetry is calculating the Consultant Fee based on gross revenue rather than gross profit as stipulated in the Management Agreement.

In addition to the above, we note that during the Period, a sum of \$334,500 has been transferred from AEWM to Symmetry. This is far in excess of the calculated fees owing under either scenario outlined above.

Please provide your further comments and detail on the following:

- Clarification as to why fees are being calculated based on gross revenue rather than on annual gross profit as stipulated in the Management Agreement;
- Confirmation that the Income Statements which were provided to us for AEWN are correct as they show very little expense transaction detail;
- Support for the amount that Symmetry claims it is owed by AEWN. We have, on numerous occasions, made requests for copies of all invoices supporting the debt which Symmetry claims to be owed by AEWM. As of the date of this letter we have not been provided with those invoices. The Management Agreement requires Symmetry to provide the invoice detail to AEWM as support for the amounts outstanding. Accordingly, we must insist upon being provided with copies of all such invoices, or an explanation as to why such invoices have not been provided and why amounts have been paid by AEWN to Symmetry in the absence of such invoices having been provided.

In addition to the issues described with respect to the calculation of the Symmetry fees, there remains certain information requests which we have previously made of the Companies which, as of the date of this letter, remain outstanding. These outstanding information requests are summarized as follows:

- Confirmation as to whether the Companies have provided us with a fulsome asset listing in respect of the Companies' assets;
- Details and explanations as to why the accounts payable listing for AEWM continues to grow, with a majority of accounts aged beyond 90 days, while at the same time revenues are declining;

- Copies of bank statements for TD and Scotiabank. We understand that you may not have direct access to these accounts but as the Companies' representative it is your responsibility to retrieve these records from the appropriate party and provide to us;
- A list of tenants currently renting land at the Eco Lands together with details and records related to the leases;
- Details as to how aged accounts receivable are to be handled. Specifically, with respect to First Call Energy, Oil City Energy and Sunshine Oilsands, have further collection efforts been undertaken or is there any intention to write the aged accounts receivable off as bad debt?
- Confirmation as to the list of current employees and whether each of these individuals is an employee or a contractor; and,
- Recent statements of account for Canada Revenue Agency for those Companies that are CRA registrants (including GST, payroll and corporate tax accounts).

Lastly, please provide confirmation that the T4's for 2020 have been prepared and provided to the employees of AEWM. As confirmation, please provide us with copies of the T4's and the associated T4 Summary.

Given the quantum of funds that have been transferred to Symmetry and the length of time that the information above has been outstanding, we require a response to the contents of this letter by no later than 12:00 PM on Wednesday, March 10, 2021.

Yours truly,

MNP Ltd.

In its capacity as Interim Monitor of the affairs of

Lot 11 GP Ltd., Lot 11 Limited Partnership, Eco-Industrial Business Park Inc., Absolute Energy Resources Inc., and Absolute Environmental Waste Management Inc.

And not in its personal capacity



Per: Karen Aylward, CIRP, LIT
Vice President

SCHEDULE "A"

Date	Comment	Source #	JE#	Debits	Credits	Balance
200095	Due to/fr Absolute Environmental					
Jan 10, 2020	Telus	743-01.10.2020	J34	68.25	-	250,485.04
Jan 18, 2020	Rogers	01.18.2020	J38	60.31	-	250,545.35
31-Jan-20	Management Fee	6%		2,205.92	-	252,751.27
31-Jan-20	Sales Fee	5%		-	-	252,751.27
31-Jan-20	Expertise Fee	30.50%		11,213.44	-	263,964.71
Feb 18, 2020	Rogers	02.18.2020	J39	60.31	-	264,025.02
Feb 19, 2020	Fund Transfer from Absolute USD ac...	Bk Stmt	J45	-	49.19	263,975.83
Jan 31, 2020	Fund Transfer to Absolute	Fund Transfer	J78	10,000.00	-	273,975.83
Feb 04, 2020	Fund Transfer to Absolute	Fund Transfer	J109	2,500.00	-	276,475.83
Feb 27, 2020	Fund Transfer to Absolute	Fund Transfer	J110	2,500.00	-	278,975.83
Feb 27, 2020	Fund Transfer to Absolute	Fund Transfer	J111	14,000.00	-	292,975.83
29-Feb-20	Management Fee	6%		2,859.85	-	295,835.68
29-Feb-20	Sales Fee	5%		-	-	295,835.68
29-Feb-20	Expertise Fee	30.50%		14,537.58	-	310,373.26
Mar 06, 2020	Fund Trnsfer from Absolute	Fund Transfer	J112	-	1,200.00	309,173.26
Feb 03, 2020	SAM paid Blue Cross	Blue Cross	J119	3,067.67	-	312,240.93
Feb 28, 2020	SAM paid Telus	Paid by SAM	J135	195.83	-	312,436.76
Mar 02, 2020	SAM paid Blue Cross	Blue Cross	J138	3,476.22	-	315,912.98
Feb 09, 2020	Absolute Visa charges paid by SAM/...	CIBC Visa	J161	1,225.09	-	317,138.07
Mar 12, 2020	Fund Transfer to Absolute	Fund Transfer	J163	9,000.00	-	326,138.07
Mar 19, 2020	Fund Transfer from SAM to Absolute	Fund Transfer	J185	3,541.05	-	329,679.12
Mar 18, 2020	Rogers	03.18.2020	J188	60.31	-	329,739.43
31-Mar-20	Management Fee	6%		5,803.94	-	335,543.37
31-Mar-20	Sales Fee	5%		-	-	335,543.37
31-Mar-20	Expertise Fee	30.50%		29,503.35	-	365,046.72
Apr 18, 2020	Rogers	04.18.2020	J204	60.31	-	365,107.03
Mar 31, 2020	Symmetry paid Absolute office internet	Telus	J206	152.25	-	365,259.28
Mar 31, 2020	Fund Transfer from Absolute to Sym...	Fund Transfer	J222	-	250.00	365,009.28
May 04, 20...	Transfer with Bearfoot and Absolute...	Transfer	J238	-	35,000.00	330,009.28
May 01, 20...	Symm paid Blue Cross	Blue Cross	J245	1,405.35	-	331,414.63
May 01, 20...	Fund Transfer from Sym to Abs	Fund Transfer	J246	15,000.00	-	346,414.63
Apr 28, 2020	Symmetry paid Telus for Absolute	Telus	J252	126.00	-	346,540.63
Apr 13, 2020	Fund Transfer from Abs to Sym	Fund Transfer	J265	-	500.00	346,040.63
Apr 01, 2020	Symmetry paid for Absolute Blue Cro...	Blue Cross	J269	1,497.60	-	347,538.23
30-Apr-20	Management Fee	6%		4,915.17	-	352,453.40
30-Apr-20	Sales Fee	5%		-	-	352,453.40
30-Apr-20	Expertise Fee	30.50%		24,985.47	-	377,438.87
May 06, 20...	Fund transfer from Abs to Symm	Fund Transfer	J301	-	5,000.00	372,438.87
Feb 21, 2020	Symmetry damage deposit in Abs ac...	Rent Deposit	J303	-	12,355.00	360,083.87
Feb 24, 2020	Symmetry damage deposit in Abs ac...	Damage deposit R...	J304	12,355.00	-	372,438.87
Jan 31, 2020	Management Rio January Absolute	Rio Fee	J310	9,446.00	-	381,884.87
Feb 29, 2020	Management Rio February Absolute	Rio Fee	J311	9,446.00	-	391,330.87
Mar 31, 2020	Management Rio March Absolute	Rio Fee	J312	9,446.00	-	400,776.87
Apr 30, 2020	Management Rio April Absolute	Rio Fee	J313	9,446.00	-	410,222.87
May 22, 20...	Transfer owed by Rio in Absolute to ...	Rio to Symmetry	J316	-	25,223.80	384,999.07
May 18, 20...	Rogers	05.18.2020	J334	84.52	-	385,083.59
May 31, 20...	Management Rio May Absolute	Rio Fee	J338	9,100.00	-	394,183.59
May 31, 20...	Management Fee	6%		4,245.84	-	398,429.43
May 31, 20...	Sales Fee	5%		-	-	398,429.43
May 31, 20...	Expertise Fee	30.50%		21,583.00	-	420,012.43
Jun 12, 2020	Rio in Abs transfer to Symmetry	To Rio	J342	-	14,000.00	406,012.43
Jun 18, 2020	Rio in Abs to Symmetry	To Rio	J343	-	19,000.00	387,012.43
Jun 18, 2020	Rogers	06.18.2020	J346	76.06	-	387,088.49
May 27, 20...	Fund transfer from Absolute	Fund Transfer	J352	-	1,650.00	385,438.49
May 28, 20...	Symmetry paid for Absolute telus	Telus	J354	126.00	-	385,564.49
Jun 15, 2020	Cheque for total amount from Absolu...	Cheque Deposit	J364	-	20,328.45	365,236.04
Jun 29, 2020	Symmetry paid for Absolute internet	Telus	J371	126.00	-	365,362.04
Jun 15, 2020	Fund transfer from Symmetry to Abs...	Fund Transfer	J375	20,328.45	-	385,690.49
Jun 01, 2020	Symmetry paid for Blue Cross	Blue Cross	J379	1,053.12	-	386,743.61
30-Jun-20	Management Fee	6%		6,205.62	-	392,949.23
30-Jun-20	Sales Fee	5%		-	-	392,949.23

30-Jun-20	Expertise Fee	30.50%		31,545.24	-	424,494.47
Jul 02, 2020	Symmetry paid Absolute blue cross	Blue Cross	J381	2,240.22	-	426,734.69
Jul 18, 2020	Rogers	07.18.2020	J392	80.52	-	426,815.21
Jul 29, 2020	Fund transfer from Absolute	Fund Transfer	J420	-	2,246.00	424,569.21
Jul 28, 2020	Symmetry paid Absolute telus	Absolute Telus	J421	126.00	-	424,695.21
Jul 28, 2020	Fund transfer from Absolute	Fund Transfer	J422	-	23,800.00	400,895.21
Jul 17, 2020	Fund transfer to Absolute	Fund Transfer	J424	13,800.00	-	414,695.21
Jul 16, 2020	Fund transfer to Absolute	Fund Transfer	J425	10,000.00	-	424,695.21
Jul 02, 2020	Absolute paid Leticia's expense	Leticia Matinez	J440	-	214.20	424,481.01
Jun 22, 2020	Absolute paid for removal of Symmet...	City Neon	J441	-	1,023.75	423,457.26
May 17, 20...	Absolute paid portion of visa, panam...	Panama Wifi	J442	-	65.03	423,392.23
Apr 22, 2020	Absolute paid for Symmetry connect ...	Connect Energy	J443	-	1,057.46	422,334.77
31-Jul-20	Management Fee	6%		6,850.30	-	429,185.07
31-Jul-20	Sales Fee	5%		-	-	429,185.07
31-Jul-20	Expertise Fee	30.50%		34,822.37	-	464,007.44
Aug 01, 2020	Rio in abs to Symmetry	To Rio	J445	-	12,772.77	451,234.67
Aug 31, 2020	Absolute Environmental Waste Mana...	1093	J446	3,033.77	-	454,268.44
Aug 19, 2020	transfer from symmetry	fund transfer	J479	-	31,000.00	423,268.44
31-Aug-20	Management Fee	6%		6,682.58	-	429,951.02
31-Aug-20	Sales Fee	5%		-	-	429,951.02
31-Aug-20	Expertise Fee	30.50%		33,969.77	-	463,920.79
Sep 03, 2020	transfer from Abs to symmetry	banking tranfer	J509	-	4,600.00	459,320.79
Sep 25, 2020	Transfer from absolute/ Eco to Sym...	banking	J517	-	6,000.00	453,320.79
Sep 30, 2020	transfer from Absolute to SAM	banking #	J528	4,400.00	-	457,720.79
Sep 30, 2020	Management Fee	6%		4,978.80	-	462,699.59
Sep 30, 2020	Sales Fee	5%		-	-	462,699.59
Sep 30, 2020	Expertise Fee	30.50%		25,308.92	-	488,008.51
Oct 08, 2020	transfer from absolute to symmetry	banking#	J557	-	85,000.00	403,008.51
Oct 06, 2020	transfer from absolute to symmetry	banking#	J559	-	5,000.00	398,008.51
Oct 06, 2020	paid by symmetry for Absolute	inter co. exp	J619	940.95	-	398,949.46
Oct 08, 2020	paid to Fibernatics for Absolute	inter co expense	J637	580.92	-	399,530.38
31-Oct-20	Management Fee	6%		5,817.91	-	405,348.29
31-Oct-20	Sales Fee	5%		-	-	405,348.29
31-Oct-20	Expertise Fee	30.50%		29,574.39	-	434,922.68
Nov 06, 2020	transfer from Absolute to Symmetry	inter co transfer	J697	-	30,000.00	404,922.68
Nov 03, 2020	transfer from absolute to symmetry	inter co transfer	J699	-	5,000.00	399,922.68
Nov 23, 2020	Transfer from Absolute to symmetry	Inter co transfer	J712	-	10,000.00	389,922.68
Nov 25, 2020	transfer from Absolute to Symmetry	inter co transfer	J719	-	15,000.00	374,922.68
Nov 10, 2020	paid for whiterock for absolute	inter co expenses	J735	772.91	-	375,695.59
30-Nov-20	Management Fee	6%		3,923.43	-	379,619.02
30-Nov-20	Sales Fee	5%		-	-	379,619.02
30-Nov-20	Expertise Fee	30.50%		19,944.10	-	399,563.12

SCHEDULE 3

2. Detailed monthly invoices (with support) generated by Symmetry setting out the various expenses paid on behalf of the Companies;
3. Updated information with respect to aged accounts receivable collections including those matters where third parties have been engaged to take further collection steps; and,
4. Statements from Canada Revenue Agency detailing the current status of the accounts of the Companies for each of Goods and Services Taxes ("GST") and Payroll Source Deductions.

In addition to the information set out in the March 5, 2021 Letter, the Companies, vis-à-vis Mr. Gamage, have been delinquent in the provision of the required monthly monitoring information. The Interim Monitor made attempts via email to contact Mr. Gamage on June 1, June 10, June 15, and July 6, 2021 requesting copies of the information and confirmation that Mr. Gamage remained the point of contact of the Companies. The outstanding monitoring information related to the period of April 16, 2021 through June 30, 2021 and consisted of the following:

1. General Ledgers for Eco and AEWM;
2. Bank Statements for Eco and AEWM;
3. Monthly Income Statements for Eco and AEWM; and,
4. Accounts payable and Accounts Receivable reports for Eco and AEWM.

The Interim Monitor's email requests are attached as *Schedule C*.

On July 6, 2021 Mr. Gamage responded to the Interim Monitor's request and provided a majority of the financial information noted directly above which was further supplemented by the provision of the remaining information on July 7, 2021.

The following information also remains outstanding as of the date of this letter:

1. Monthly monitoring information covering the period of July 1 through July 30th.

Requests related to the above were made on August 7 and August 11, 2021 as noted in emails attached as *Schedule D* from the Interim Monitor to Mr. Gamage.

Should you require any further detail, please contact the undersigned.

MNP Ltd.

In its capacity as Interim Monitor of the affairs of

Lot 11 GP Ltd., Lot 11 Limited Partnership, Eco-Industrial Business Park Inc., Absolute Energy Resources Inc., and Absolute Environmental Waste Management Inc.

And not in its personal capacity

Per:  Karen Aylward, CIRP, LIT
Vice President



Writer's Direct Line: (780) 969-1400
 Writer's Email: karen.aylward@mnp.ca

March 5, 2021

VIA EMAIL: david@gamages.ca

Absolute Environmental Waste Management Inc

Attention: David Gamage

Dear Mr. Gamage:

RE: Lot 11 GP Ltd., Lot 11 Limited Partnership, Eco-Industrial Business Park Inc. ("Eco"), Absolute Energy Resources Inc., ("Absolute Energy") and Absolute Environmental Waste Management Inc. ("AEWM") (collectively referred to as the "Companies").

We confirm receipt of the financial information you recently provided in respect of the financial affairs of the Companies. Based on our review of the information, we require further clarification and/or information.

We require clarification around the calculation and payment of fees to Symmetry Asset Management Inc. ("**Symmetry**") pursuant to the management agreement between Symmetry and AEWM which was entered into in or around January 2011 (the "**Management Agreement**").

Based on the terms of the Management Agreement, consulting fees payable to Symmetry are to be calculated on the following basis:

- a. A 6% property management fee calculated based on annual gross revenues of AEWM as reported in its annual financial statements;
- b. A sale commission fee of 5% of the gross selling price of any property sold by AEWM as reported in its annual financial statements; and,
- c. A consultant fee equal to 30.5% of the gross profit (if any) of AEWM as reported in its annual financial statements (the "Consultant Fees").

We have not been provided with AEWM's annual financial statements for 2020 but based on the transaction ledger in respect of the amounts due by AEWM to Symmetry (a copy of which is attached as Schedule A), and the income statements for the months of August through January, 2021 (the "**Period**") that you provided, we have re-calculated the amounts owed to Symmetry as follows:

	Note 1						
	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Total
Gross Monthly Revenue	111,376.30	82,980.08	96,965.22	65,390.50	25,604.43	51,251.25	433,567.78
Expenses	46,969.64	49,661.31	13,864.07	19,985.01	9,096.82	22,506.09	162,082.94
Net Income	64,406.66	33,318.77	83,101.15	45,405.49	16,507.61	28,745.16	271,484.84

Calculated Amounts Due (Monitor's Calculations):

Symmetry Consultant Fee (30.5%) (Note 2)	19,644.03	10,162.22	25,345.85	13,848.67	5,034.82	8,767.27	82,802.88
Management Fee (Note 3)	6,682.58	4,978.80	5,817.91	3,923.43	1,536.27	3,075.08	26,014.07
Subtotal	26,326.61	15,141.03	31,163.76	17,772.10	6,571.09	11,842.35	108,816.94



Note 1 – the income statement for the Dec 16 - Dec 31, 2020 period has not yet provided so amounts only represent partial month.

Note 2 - Calculated as 30.5% of the Net Income.

Note 3 - Calculated as 6% of the Gross Revenue.

Based the information we have been provided, we calculated the fees owed to Symmetry over the Period to be \$108,816.

AEWM and/or Symmetry, via the Symmetry transaction ledger provided, has calculated the amounts owed to Symmetry over the same Period as follows:

Company Calculations					Note 5	Note 5	Note 6
Symmetry Consultant Fee (30.5%) (Note 4)	33,969.77	25,308.92	29,574.39	19,944.10	7,809.35	15,631.63	132,238.16
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Subtotal	40,652.35	30,287.72	35,392.30	23,867.53	9,345.62	18,706.71	158,252.22

Note 4 - Based on Symmetry Ledger document provided by Company.

Note 5 - Symmetry Ledger not provided for this period but calculated using Company's method.

Note 6 – AEWM and/or Symmetry has not claimed commissions related to the sale of property over the Period.

Based on the information provided it appears that AEWM and/or Symmetry is calculating the Consultant Fee based on gross revenue rather than gross profit as stipulated in the Management Agreement.

In addition to the above, we note that during the Period, a sum of \$334,500 has been transferred from AEWM to Symmetry. This is far in excess of the calculated fees owing under either scenario outlined above.

Please provide your further comments and detail on the following:

- Clarification as to why fees are being calculated based on gross revenue rather than on annual gross profit as stipulated in the Management Agreement;
- Confirmation that the Income Statements which were provided to us for AEWN are correct as they show very little expense transaction detail;
- Support for the amount that Symmetry claims it is owed by AEWN. We have, on numerous occasions, made requests for copies of all invoices supporting the debt which Symmetry claims to be owed by AEWM. As of the date of this letter we have not been provided with those invoices. The Management Agreement requires Symmetry to provide the invoice detail to AEWM as support for the amounts outstanding. Accordingly, we must insist upon being provided with copies of all such invoices, or an explanation as to why such invoices have not been provided and why amounts have been paid by AEWN to Symmetry in the absence of such invoices having been provided.

In addition to the issues described with respect to the calculation of the Symmetry fees, there remains certain information requests which we have previously made of the Companies which, as of the date of this letter, remain outstanding. These outstanding information requests are summarized as follows:

- Confirmation as to whether the Companies have provided us with a fulsome asset listing in respect of the Companies' assets;
- Details and explanations as to why the accounts payable listing for AEWM continues to grow, with a majority of accounts aged beyond 90 days, while at the same time revenues are declining;

- Copies of bank statements for TD and Scotiabank. We understand that you may not have direct access to these accounts but as the Companies' representative it is your responsibility to retrieve these records from the appropriate party and provide to us;
- A list of tenants currently renting land at the Eco Lands together with details and records related to the leases;
- Details as to how aged accounts receivable are to be handled. Specifically, with respect to First Call Energy, Oil City Energy and Sunshine Oilsands, have further collection efforts been undertaken or is there any intention to write the aged accounts receivable off as bed debt?
- Confirmation as to the list of current employees and whether each of these individuals is an employee or a contractor; and,
- Recent statements of account for Canada Revenue Agency for those Companies that are CRA registrants (including GST, payroll and corporate tax accounts).

Lastly, please provide confirmation that the T4's for 2020 have been prepared and provided to the employees of AEWM. As confirmation, please provide us with copies of the T4's and the associated T4 Summary.

Given the quantum of funds that have been transferred to Symmetry and the length of time that the information above has been outstanding, we require a response to the contents of this letter by no later than 12:00 PM on Wednesday, March 10, 2021.

Yours truly,

MNP Ltd.

In its capacity as Interim Monitor of the affairs of

Lot 11 GP Ltd., Lot 11 Limited Partnership, Eco-Industrial Business Park Inc., Absolute Energy Resources Inc., and Absolute Environmental Waste Management Inc.

And not in its personal capacity



Per: Karen Aylward, CIRP, LIT
Vice President

SCHEDULE "A"

Date	Comment	Source #	JE#	Debits	Credits	Balance
200095	Due to/fr Absolute Environmental					
Jan 10, 2020	Telus	743-01.10.2020	J34	68.25	-	250,485.04
Jan 18, 2020	Rogers	01.18.2020	J38	60.31	-	250,545.35
31-Jan-20	Management Fee	6%		2,205.92	-	252,751.27
31-Jan-20	Sales Fee	5%		-	-	252,751.27
31-Jan-20	Expertise Fee	30.50%		11,213.44	-	263,964.71
Feb 18, 2020	Rogers	02.18.2020	J39	60.31	-	264,025.02
Feb 19, 2020	Fund Transfer from Absolute USD ac...	Bk Stmt	J45	-	49.19	263,975.83
Jan 31, 2020	Fund Transfer to Absolute	Fund Tranfer	J78	10,000.00	-	273,975.83
Feb 04, 2020	Fund Transfer to Absolute	Fund Transfer	J109	2,500.00	-	276,475.83
Feb 27, 2020	Fund Transfer to Absolute	Fund Transfer	J110	2,500.00	-	278,975.83
Feb 27, 2020	Fund Transfer to Absolute	Fund Transfer	J111	14,000.00	-	292,975.83
29-Feb-20	Management Fee	6%		2,859.85	-	295,835.68
29-Feb-20	Sales Fee	5%		-	-	295,835.68
29-Feb-20	Expertise Fee	30.50%		14,537.58	-	310,373.26
Mar 06, 2020	Fund Transfer from Absolute	Fund Transfer	J112	-	1,200.00	309,173.26
Feb 03, 2020	SAM paid Blue Cross	Blue Cross	J119	3,067.67	-	312,240.93
Feb 28, 2020	SAM paid Telus	Paid by SAM	J135	195.83	-	312,436.76
Mar 02, 2020	SAM paid Blue Cross	Blue Cross	J138	3,476.22	-	315,912.98
Feb 09, 2020	Absolute Visa charges paid by SAM/...	CIBC Visa	J161	1,225.09	-	317,138.07
Mar 12, 2020	Fund Transfer to Absolute	Fund Transfer	J163	9,000.00	-	326,138.07
Mar 19, 2020	Fund Transfer from SAM to Absolute	Fund Transfer	J185	3,541.05	-	329,679.12
Mar 18, 2020	Rogers	03.18.2020	J188	60.31	-	329,739.43
31-Mar-20	Management Fee	6%		5,803.94	-	335,543.37
31-Mar-20	Sales Fee	5%		-	-	335,543.37
31-Mar-20	Expertise Fee	30.50%		29,503.35	-	365,046.72
Apr 18, 2020	Rogers	04.18.2020	J204	60.31	-	365,107.03
Mar 31, 2020	Symmetry paid Absolute office internet	Telus	J206	152.25	-	365,259.28
Mar 31, 2020	Fund Transfer from Absolute to Sym...	Fund Transfer	J222	-	250.00	365,009.28
May 04, 20...	Transfer with Bearfoot and Absolute...	Transfer	J238	-	35,000.00	330,009.28
May 01, 20...	Symm paid Blue Cross	Blue Cross	J245	1,405.35	-	331,414.63
May 01, 20...	Fund Transfer from Sym to Abs	Fund Transfer	J246	15,000.00	-	346,414.63
Apr 28, 2020	Symmetry paid Telus for Absolute	Telus	J252	126.00	-	346,540.63
Apr 13, 2020	Fund Transfer from Abs to Sym	Fund Transfer	J265	-	500.00	346,040.63
Apr 01, 2020	Symmetry paid for Absolute Blue Cro...	Blue Cross	J269	1,497.60	-	347,538.23
30-Apr-20	Management Fee	6%		4,915.17	-	352,453.40
30-Apr-20	Sales Fee	5%		-	-	352,453.40
30-Apr-20	Expertise Fee	30.50%		24,985.47	-	377,438.87
May 06, 20...	Fund transfer from Abs to Symm	Fund Transfer	J301	-	5,000.00	372,438.87
Feb 21, 2020	Symmetry damage deposit in Abs ac...	Rent Deposit	J303	-	12,355.00	360,083.87
Feb 24, 2020	Symmetry damage deposit in Abs ac...	Damage deposit R...	J304	12,355.00	-	372,438.87
Jan 31, 2020	Management Rio January Absolute	Rio Fee	J310	9,446.00	-	381,884.87
Feb 29, 2020	Management Rio February Absolute	Rio Fee	J311	9,446.00	-	391,330.87
Mar 31, 2020	Management Rio March Absolute	Rio Fee	J312	9,446.00	-	400,776.87
Apr 30, 2020	Management Rio April Absolute	Rio Fee	J313	9,446.00	-	410,222.87
May 22, 20...	Transfer owed by Rio in Absolute to ...	Rio to Symmetry	J316	-	25,223.80	384,999.07
May 18, 20...	Rogers	05.18.2020	J334	84.52	-	385,083.59
May 31, 20...	Management Rio May Absolute	Rio Fee	J338	9,100.00	-	394,183.59
May 31, 20...	Management Fee	6%		4,245.84	-	398,429.43
May 31, 20...	Sales Fee	5%		-	-	398,429.43
May 31, 20...	Expertise Fee	30.50%		21,583.00	-	420,012.43
Jun 12, 2020	Rio in Abs transfer to Symmetry	To Rio	J342	-	14,000.00	406,012.43
Jun 18, 2020	Rio in Abs to Symmetry	To Rio	J343	-	19,000.00	387,012.43
Jun 18, 2020	Rogers	06.18.2020	J346	76.06	-	387,088.49
May 27, 20...	Fund transfer from Absolute	Fund Transfer	J352	-	1,650.00	385,438.49
May 28, 20...	Symmetry paid for Absolute telus	Telus	J354	126.00	-	385,564.49
Jun 15, 2020	Cheque for total amount from Absolu...	Cheque Deposit	J364	-	20,328.45	365,236.04
Jun 29, 2020	Symmetry paid for Absolute internet	Telus	J371	126.00	-	365,362.04
Jun 15, 2020	Fund transfer from Symmetry to Abs...	Fund Transfer	J375	20,328.45	-	385,690.49
Jun 01, 2020	Symmetry paid for Blue Cross	Blue Cross	J379	1,053.12	-	386,743.61
30-Jun-20	Management Fee	6%		6,205.62	-	392,949.23
30-Jun-20	Sales Fee	5%		-	-	392,949.23

30-Jun-20	Expertise Fee	30.50%		31,545.24	-	424,494.47
Jul 02, 2020	Symmetry paid Absolute blue cross	Blue Cross	J381	2,240.22	-	426,734.69
Jul 18, 2020	Rogers	07.18.2020	J392	80.52	-	426,815.21
Jul 29, 2020	Fund transfer from Absolute	Fund Transfer	J420	-	2,246.00	424,569.21
Jul 28, 2020	Symmetry paid Absolute telus	Absolute Telus	J421	126.00	-	424,695.21
Jul 28, 2020	Fund transfer from Absolute	Fund Transfer	J422	-	23,800.00	400,895.21
Jul 17, 2020	Fund transfer to Absolute	Fund Transfer	J424	13,800.00	-	414,695.21
Jul 16, 2020	Fund transfer to Absolute	Fund Transfer	J425	10,000.00	-	424,695.21
Jul 02, 2020	Absolute paid Leticia's expense	Leticia Matinez	J440	-	214.20	424,481.01
Jun 22, 2020	Absolute paid for removal of Symmet...	City Neon	J441	-	1,023.75	423,457.26
May 17, 20...	Absolute paid portion of visa, panam...	Panama Wifi	J442	-	65.03	423,392.23
Apr 22, 2020	Absolute paid for Symmetry connect ...	Connect Energy	J443	-	1,057.46	422,334.77
31-Jul-20	Management Fee	6%		6,850.30	-	429,185.07
31-Jul-20	Sales Fee	5%		-	-	429,185.07
31-Jul-20	Expertise Fee	30.50%		34,822.37	-	464,007.44
Aug 01, 2020	Rio in abs to Symmetry	To Rio	J445	-	12,772.77	451,234.67
Aug 31, 2020	Absolute Environmental Waste Mana...	1093	J446	3,033.77	-	454,268.44
Aug 19, 2020	transfer from symmetry	fund transfer	J479	-	31,000.00	423,268.44
31-Aug-20	Management Fee	6%		6,682.58	-	429,951.02
31-Aug-20	Sales Fee	5%		-	-	429,951.02
31-Aug-20	Expertise Fee	30.50%		33,969.77	-	463,920.79
Sep 03, 2020	transfer from Abs to symmetry	banking tranfer	J509	-	4,600.00	459,320.79
Sep 25, 2020	Transfer from absolute/ Eco to Sym...	banking	J517	-	6,000.00	453,320.79
Sep 30, 2020	transfer from Absolute to SAM	banking #	J528	4,400.00	-	457,720.79
Sep 30, 2020	Management Fee	6%		4,978.80	-	462,699.59
Sep 30, 2020	Sales Fee	5%		-	-	462,699.59
Sep 30, 2020	Expertise Fee	30.50%		25,308.92	-	488,008.51
Oct 08, 2020	transfer from absolute to symmetry	banking#	J557	-	85,000.00	403,008.51
Oct 06, 2020	transfer from absolute to symmetry	banking#	J559	-	5,000.00	398,008.51
Oct 06, 2020	paid by symmetry for Absolute	inter co. exp	J619	940.95	-	398,949.46
Oct 08, 2020	paid to Fibernatics for Absolute	inter co expenese	J637	580.92	-	399,530.38
31-Oct-20	Management Fee	6%		5,817.91	-	405,348.29
31-Oct-20	Sales Fee	5%		-	-	405,348.29
31-Oct-20	Expertise Fee	30.50%		29,574.39	-	434,922.68
Nov 06, 2020	transfer from Absolute to Symmetry	inter co transfer	J697	-	30,000.00	404,922.68
Nov 03, 2020	transfer from absolute to symmetry	inter co transfer	J699	-	5,000.00	399,922.68
Nov 23, 2020	Transfer from Absolute to symmetry	Inter co transfer	J712	-	10,000.00	389,922.68
Nov 25, 2020	transfer from Absolute to Symmetry	inter co transfer	J719	-	15,000.00	374,922.68
Nov 10, 2020	paid for whiterock for absolute	inter co expenses	J735	772.91	-	375,695.59
30-Nov-20	Management Fee	6%		3,923.43	-	379,619.02
30-Nov-20	Sales Fee	5%		-	-	379,619.02
30-Nov-20	Expertise Fee	30.50%		19,944.10	-	399,563.12

Karen Aylward

From: David Gamage <dgamage@symmetryinc.com>
Sent: March 12, 2021 6:06 PM
To: Karen Aylward; Victor Kroeger
Cc: Dentons Canada LLP
Subject: Response to your letter of March 5, 2021
Attachments: MANAGEMENT FEE AGREEMENT. January 1, 2011.pdf; SUMMARY.pdf; PastedGraphic-1.tiff

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Karen,

Thank you for your letter of March 5, 2021. I will follow your letter to answer the questions the best I can. I am quite frustrated pushing to get this information accumulated and presented. Symmetry's admin staff (all three) are down with the flue. I guess there is one bright side to self isolating for most of a year now.

Clarification as to why fees are being calculated based on the gross revenue rather than on annual gross profits as stipulated in the Management Agreement.

- I have said the company would be able to produce a signed copy of the agreement. To date we have not been able to find it. Dan is convinced that either Adam or Karin removed the document as part of the part of the documents stolen from the company and supplied illegally to Romspen when Adam was trying to bury the company. Dan is willing to attest to the correct document if necessary. I have attached a copy of that agreement dated September 1, 2011.
-
-

Confirmation that the income statements which were provided to us for AEWM are correct as they show very little expense transaction details.

- The statements provided to date are interim monthly statements for the transactions paid directly by Absolute. There are many more expenses paid by Symmetry as asset manager for Absolute. Those expenses are being sorted now between Symmetry, Absolute and Eco. We will be providing detailed monthly invoices from Symmetry to the two companies in the next few days.
- An Accountant will never say the financial statements are correct. Rather they will be a reasonable representation of the companies financial position.

Support for the amount that Symmetry claims it is owed by AEWM. We have, on numerous occasions, made requests for copies of all invoices supporting the debt which Symmetry claims to be owned by AEWM. As of the date of this letter we have not been provided with those invoices. The Management Agreement requires Symmetry to provide the invoice details to AEWM as support for the amounts outstanding. Accordingly, we must insist upon being provided with copies of all such invoices, or an explanation as to why such invoices hav not been provided and why amounts have been paid by AEWM to Symmetry in the absence of such invoices having been provided.

- Please see the answer provided above. Detailed invoices from Symmetry to Absolute and Eco will be provided and booked in the next few days.
- As written in previous emails, historically the relationship between the two companies have been far more casual, fees were charged more according to a tax minimization plan rather than an arms length asset management arrangement. In light of the current situation, you are correct, the invoices must be created and charged on a more arms length type of arrangement.
- Dan has urged me to attach the Romspen management agreements applied to the Austin Project back in the day as a comparison to show how reasonable the Symmetry agreement is. That would only be inflammatory and unnecessary at this time.
- Back up to the Symmetry draws was to have been provided by now. I can assure you the skeletal management team is doing its best in the circumstances. When Dan interested management to Adam this was a thriving business with millions in annual revenue. Adam proceeded to get rid of the companies core team including well management, business development, accounting and engineering for the company and thereby proceeded to crucify a business that took years to build all within a matter of months. Dan has had to adapt the business to withstand the current downturn and again set to work building the business back again. At the same time the companies have to deal with a monitor installed by Romspen. Dan is strongly of the opinion that Adam with his right hand Karin Dumler set about to bring the company to its knees in concert with Romspen in a global plan to take all of Dan's assets. Dan is a fighter, and although a little chaotic at points, the business will be rebuilt, debts settled and stability reinstated to Dan's benefit.

Confirmation as to whether the Companies have provided a fulsome asset listing in respect of the Companies assets.

- Firstly I can confirm the assets of land and building along with the wells are the property of Eco Industrial. Some of the well makeovers were historically booked in Absolute as a tenant improvement but on the direction of Adam Zarahshani those assets were moved to Eco as the well owner. For clarity the wells themselves were never owned by Absolute, always Eco. Symmetry owns its administrative equipment required for asset management.
- I have asked James, the well operator to please supply me with more pictures of the well heads, tanks and shakes. I did expect to have them for this submission. These are fixed in place fixtures. The expensive well casing is of course not photographic in that it is underground going to the formation some 1600 meters down.
- I have supplied you with the cities tax drawings delineating the various parcels of land owned by Eco at the park. Some of these parcels have buildings on them, however, I do not consider them to be assets, rather liabilities. I now understand Dan has finally plans to remove those buildings so the land can be properly presented for lease or sale.
- I have supplied you with pictures of the few movable assets of Eco including the safety truck, a generator with light stand etc. Those pictures are supplemented with pictures of the cereal numbers or in the case of the truck, the vin number.

Details and explanations as to why the accounts payable listing for AEWM continues to grow, with the majority of the accounts aged beyond 90 days, while at the same time the revenues are declining.

- Firstly the accounts payable are declining. There were some aged AP going back to Adam and Gary's tenure. Many of these costs were not warranted and needed to be negotiated. Symmetry has been working with the suppliers to correct and pay the billings and thereby correct the AP listing. That list will be supplied next week.
- Revenues for Absolute are cyclical. Revenues will traditionally fall off the winter when the ground is frozen. Remember, AEWM business is to dispose of contaminated water, mostly from the oil patch. That water is frozen over the cold months therefore reducing revenues. Once the thaw happens in Northern Alberta the revenues pick up again.

Copies of bank statements for TD and Scotiabank. We understand that you may not have direct access to these accounts but as the companies representative it is your responsibility to retrieve these records from the appropriate party and provide to us.

- The tone of this question is combative and not appreciated. I am acting as support for the companies to help through these challenging times, Dentons are the representative. I have checked by bag of tricks and unfortunately I do not possess a magic wand. When Dan appointed Adam and Gary to run these companies he handed over signing authority to the accounts to these gentlemen. Since, he has personally attended the banks asking for access and copies of the requested bank accounts. The banks have told him that he is not a signatory and therefore is not entitled to the statements.
- Amerdeep and Leticia continue to look for these documents. To properly understand the grief the employees are going through trying to retrieve this information, firstly, Symmetry did religiously keep all records from operations of the various companies going back to 1998. Then, Adam Zarafshani had a crew come into the building where all records were kept, and clean out the buildings. Not just old files, but everything. Files, filing cabinets, flooring, ceilings, lights and light switches, everything. When questioned about it, he said his workers had not properly understood his instructions and obviously gone too far. Subsequent to that, Adams assistant Karin Dumler has been caught removing documents from the company. Even more surprising is that she then supplied those stolen documents to Romspen. That whole story stinks. Then Dan brought in Gary Vanderpol, an old friend to help straighten things out. Gary continued with the "clean up". This time he sold off a sizeable amount of scrap at the Park. Scrap has a value. Unfortunately the value did not go to the companies. Because we do not have records of these transactions, only patches of dirt where the scarp used to be, we can not say if others profited from the scrap removal or if they did, how much.
- If you have a magic wand, may I borrow it. Otherwise, we are doing our best. I am aware of responsibilities and fiduciary duties and continue to conduct myself accordingly.

A list of tenants currently renting land at the Eco Lands together with details and records related to the leases.

- Documents to follow next week with the staff is back.

Details of how aged accounts receivable are to be handled. Specifically, with respect to First Call Energy, Oil City Energy and Sunshine Oilsands, have further collectors efforts been undertaken or is there any intention to write the aged accounts receivable off as bad debts.

- All of the above files are currently with James Diebert at Hustwick Payne and collection efforts are underway. James's last email was:
 - *Good morning Leticia*

Sorry for the late response – I have been out of the office.

There are no updates on any of the matters. Courts are just reopening today so hopefully there is some movement soon on the Court's getting us our upcoming dates on all of the matters

- This message is from a couple weeks ago. I will follow up to see where the files are.

Confirmation as to the list of current employees and whether each of these individuals is an employee or contractor.

- James Irving - employee
- Pat Troywalchuck - employee

Recent statements of accounts for Canada Revenue Agency for those Companies that are CRA registrants (including GST, payroll, and corporate tax accounts.)

- T4 summary
 -
 -
 - This is still being analyzed but it is filed. There were payments that Gary reported as make but Amardeep can not identify them yet. All filings during the current administration were made in full and on time.
 - GST report to follow next week when the administration staff are back.

Lastly, please provide confirmation that the T4's for 2020 have been prepared and provided to the employees of AEWM. As confirmation, please provide us with copies of the T4's and the associated T4 Summary.

- I can confirm the T4's have been completed and supplied to the employees. The T4 Summary is attached to the previous questions information. I will check with the corporate lawyers but I do not believe I can produce copies of the T4s to you. They are confidential information and protected by PIPEDA.

Sincerely,

David Gamage, CPA, CGA
C. 780-901-1518 E. dgamage@symmetryinc.com

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Karen Aylward

From: Karen Aylward
Sent: July 6, 2021 1:54 PM
To: David Gamage
Cc: Victor Kroeger
Subject: RE: Absolute et al - Monitoring info

Hello David,

I am circling back again regarding the overdue financial information. I would appreciate the courtesy of a reply to my email. At a minimum, please confirm whether the contact for Absolute has changed and if I should be reaching out to someone else.

Thanks.

Karen Aylward, CIRP, LIT
VICE PRESIDENT

DIRECT 780.969.1400
PH. 780.455.1155
FAX 780.409.5415
TOLL FREE 1.866.465.1155
10235 101St N.W.
Suite 1300
Edmonton, AB
T5J 3G1
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Member of Praxity, AISEL
Global Alliance of Independent Firms

Please be advised that our **MNP office is open to the public** under safety protocols. Due to the City of Edmonton bylaw, effective August 1, 2020, **masks are required** on our floor that is open to the public, and during in-person meetings at the MNP office. We have taken social distancing measures to ensure the health and safety of our team members and our clients. Many on our team are continuing to work remotely. We continue to accept electronic delivery of files and documents via the Client Upload or Client Portal links on our website. Please contact your MNP advisor for assistance if required.

For relevant and up-to-date information, visit our [COVID-19 Business Advice Centre](#) on our website. You will find timely updates on Government regulations, tax information, advice for employers and our continued response to this evolving circumstance.

From: Karen Aylward
Sent: June 15, 2021 10:56 AM
To: David Gamage <dgamage@symmetryinc.com>
Cc: Victor Kroeger <Victor.Kroeger@mnp.ca>
Subject: RE: Absolute et al - Monitoring info

Hello David,

Can you please confirm whether or not you are still the point of contact for us to receive financial information on this matter? If not, can you point me to whom I should be contacting and, if so, please confirm when I should expect receipt of the requested information.

Thank you.

Karen Aylward, CIRP, LIT
VICE PRESIDENT

DIRECT 780.969.1400

PH. 780.455.1155

FAX 780.409.5415

TOLL FREE 1.866.465.1155

10235 101st N.W.

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From: Karen Aylward

Sent: June 10, 2021 11:10 AM

To: David Gamage <dgame@symmetryinc.com>

Cc: Victor Kroeger <Victor.Kroeger@mnp.ca>

Subject: RE: Absolute et al - Monitoring info

Hi David,

I am following up on this again. Can you please forward all the outstanding monitoring information to my office.

Thanks,

Karen Aylward, CIRP, LIT
VICE PRESIDENT



Member of Praxity, a.s.e.
Global Alliance of Independent Firms

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From: Karen Aylward
Sent: June 1, 2021 2:33 PM
To: David Gamage <dgamage@symmetryinc.com>
Subject: Absolute et al - Monitoring info

Hi David,

Could you please send me the financial reports from April 15 through May 31 ASAP?

Thanks,

Karen Aylward, CIRP, LIT
VICE PRESIDENT

DIRECT 780.969.1400
PH. 780.455.1155
FAX 780.409.5415
TOLL FREE 1.866.465.1155
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T5J 3G1
mnpdebt.ca



Member of Praxity, a.s.e.
Global Alliance of Independent Firms

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Karen Aylward

From: Karen Aylward
Sent: August 11, 2021 2:25 PM
To: David Gamage
Cc: Victor Kroeger
Subject: RE: Absolute et al - Monitoring info

Hi David,

I wanted to follow up on the July information as well as a few other items that remain outstanding from prior correspondence:

1. Monthly detailed Symmetry reports which include amounts paid by Symmetry on behalf of AEW and ECO;
2. Detailed monthly invoices for Symmetry Management fees;
3. updated AP listing (per your recent comments);
4. Update on AR collections from aged AR – has there been any settlement or collections?
5. CRA statements showing balances for payroll and GST for each of AEW and ECO.

Could you also confirm whether you are no longer using the older CIBC accounts for either of ECO or AEW? It would be best if you could forward the applicable bank statements from March through now so we can verify that independently.

Thanks,

Karen Aylward, CIRP, LIT
VICE PRESIDENT

DIRECT 780.969.1400
PH. 780.455.1155
FAX 780.409.5415
TOLL FREE 1.866.465.1155
10235 101st N.W.
Suite 1300
Edmonton, AB
T5J 3G1
mnpdebt.ca



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From: Karen Aylward
Sent: August 5, 2021 12:55 PM
To: David Gamage <dgamage@symmetryinc.com>
Subject: RE: Absolute et al - Monitoring info

Hi David,

I am going through this data - could you also please send me July's information so I can review that as well?

You also advised that there was some clean up needed on the AP – has this been done and if so, could you send the updated list?

Thanks,

Karen Aylward, CIRP, LIT
VICE PRESIDENT

DIRECT 780.969.1400
PH. 780.455.1155
FAX 780.409.5415
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From: David Gamage <dgamage@symmetryinc.com>
Sent: July 6, 2021 7:22 PM
To: Karen Aylward <Karen.Aylward@mnp.ca>
Subject: Re: Absolute et al - Monitoring info

CAUTION: This email originated from outside of the MNP network. Be cautious of any embedded links and/or attachments.
MISE EN GARDE: Ce courriel ne provient pas du réseau de MNP. Méfiez-vous des liens ou pièces jointes qu'il pourrait contenir.

SCHEDULE 4

Karen Aylward

From: David Gamage <dgamage@symmetryinc.com>
Sent: October 6, 2021 11:16 AM
To: Karen Aylward
Subject: Re: Absolute et al - Additional Information Required

CAUTION: This email originated from outside of the MNP network. Be cautious of any embedded links and/or attachments.
MISE EN GARDE: Ce courriel ne provient pas du réseau de MNP. Méfiez-vous des liens ou pièces jointes qu'il pourrait contenir.

Please see below.

On Oct 6, 2021, at 9:49 AM, Karen Aylward <Karen.Aylward@mnp.ca> wrote:

Hello David,

I have not received a reply to my email below. Could you tell me when the requested information will be provided?

Also, I am going to be attending the site today. Is there anything I should be aware of in advance of that visit? Is there a person on site I can speak with?

I don't think there will be anyone there today. I will ask Dan when someone from Symmetry will be there.

Thanks.

Karen Aylward, CIRP, LIT <image006.jpg>
VICE PRESIDENT

DIRECT 780.969.1400
PH. 780.455.1155
FAX 780.409.5415
TOLL FREE 1.866.465.1155
10235 101St N.W.
Suite 1300
Edmonton, AB
T5J 3G1
mnpdebt.ca

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From: Karen Aylward
Sent: September 29, 2021 9:13 AM
To: David Gamage <[dgame@symmetryinc.com](mailto:damage@symmetryinc.com)>
Cc: Victor Kroeger <Victor.Kroeger@mnp.ca>
Subject: Absolute et al - Additional Information Required

Hi David,

In light of your email from September 27, I wanted to send a follow up email for additional information on the shut down that you've referenced.

- When did the wells originally shut down?

The beginning of July.

-
- Is this for regular maintenance or is there a broader issue with the wells?

This issue has happened every few years. The formation which the liquid is disposed of closes off slowing the wells ability to accept disposal fluid

-
- Do you have engineering or other reports to provide to us that show the scope of the maintenance work?

The first frak was done, but another is required, with a stronger acid.

-
- Have you obtained quotes to complete the maintenance work and if so, please provide copies;

Waiting for the next quotes to come in.

-
- How is the maintenance work being paid for?

The well has no income at this point. Payments will have to be made by others until the wells are cash flowing again.

-
- Has any of the work been completed and if so, can you please provide copies of the invoices for the completed work and confirmation that the suppliers/trades have been paid for the maintenance work?

As stated, the first frak as been done, another more aggressive one needs to be done. We are waiting for quotes for the next stage. The first frak has not been paid for yet.

-
- Is there an anticipated completion date for the maintenance and if so, when?

ASAP

-
- When will operations resume?

ASAP

-
- What are past customers doing in the interim? Are they waiting for the facility to be up and running again? Will they return to Absolute?

They are going elsewhere at this point. Customers have historically returned. Absolute has class 1A wells and they are close to many sources of disposal needs

-
- Is Absolute maintaining any level of staff through the shut down?

No, all Absolute staff are off site at this point. The maintenance will be managed by Symmetry

-
- If so, has the staff been paid and are payroll remittances being maintained?

See above

-
- Are there concerns or environmental impacts anticipated from the shut down?

No. The formation is just running too slow for financial viability at this point. The formation is more than a kilometre underground and is still under vacuum.

-
- Are regulatory bodies involved and if so, have any regulatory inspections taken place or regulatory orders been issued?

The regulators have been informed as is required. There have not been any inspections or orders that I am aware of.

-

We would like to also visit the site for an inspection since it has been about a year since our previous visit. Who should I contact at the site to schedule this?

Additionally, we also still require answers to our prior requests, being: To follow.

1. Monthly detailed Symmetry reports which include amounts paid by Symmetry on behalf of AEW and ECO;
2. Detailed monthly invoices for Symmetry Management fees;
3. Confirmation as to whether absolute continues to use the older CIBC accounts for either of ECO or AEW (and copies of the applicable bank statements from March through now so we can verify that independently).
4. Bank statements for all relevant entities from July 2021 to current;
4. Update on AR collections from aged AR and whether there has been any settlement or collections; and,
5. CRA statements showing balances for payroll and GST for each of AEW and ECO.

I look forward to a reply by October 5, 2021.

Karen Aylward, CIRP, <image006.jpg>
LIT

VICE PRESIDENT

DIRECT 780.969.1400

PH. 780.455.1155
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<image010.jpg>

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SCHEDULE 5





BARION





GAS REDUCING STATION





GAS RECEIVING STATION
LIN-1977





Hi

ALL





Fuck

Red and green graffiti tag



Hi
OR





WARNING
NO SMOKING
ALLIAGES
BODIE WATERS

WARNING
NO DRIVERS
ALLOWED
INSIDE WAREHOUSE

UNAUTHORIZED
PERSONNEL
PROHIBITED
BY
THIS POINT













METHANOL
SYNTHESIS
UNIT







METHANOL
MAINTENANCE
BUILDING











ATCO



ABSOLUTE
ENVIRONMENTAL
WASTE MANAGEMENT
ABSOLUTE ENVIRONMENTAL WASTE MANAGEMENT INC.
HOURS OF OPERATION: 7:00 AM - 5:00 PM
WEEKS: 1. Mon-Fri 7:00 AM - 5:00 PM
2. All Loads Must be Released Within One Hour After
PHONE: 781-451-1000
12577 PINE



ATCO

ABSOLUTE ENVIRONMENTAL WASTE MANAGEMENT
ABSOLUTE ENVIRONMENTAL WASTE MANAGEMENT INC.
1000 Highway 104 East
Edmonton AB T5C 1A3
TEL: 780-477-8894
F: 780-423-7887
E: info@absolute-waste.com
W: absolute-waste.com

HOURS OF OPERATION: 9:00 AM - 5:00 PM
NOTES: 1. Allow House Cleanup 7:00 AM - 6:00 PM
2. All Loads Must Be Banded When on Chute Floor Ahead
PHONE: Matt Cameron: 780-345-6721
Diane: 780-784-7888
2020/09/08

NO SMOKING
EYE WASH







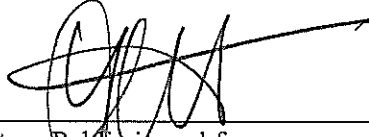




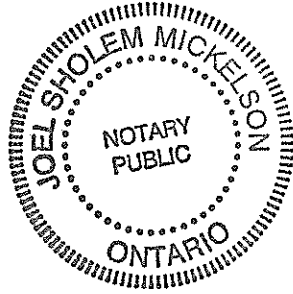




This is **Exhibit "B"** referred to
in the Affidavit of Wesley Roitman
Sworn before me this 19th day of October, 2021



A Notary Public in and for
the Province of Ontario





Property Tax Search

Date: October 18, 2021

Account: 1340637

The information displayed below is the most recent information for the tax year indicated at the time of this request.

Property Address: 550 HAYTER ROAD NW EDMONTON AB

Legal Description: Plan: 8323217 Lot: 3

Assessed Parcel Description:

Mortgage Company Billed: No Monthly Payment Plan:

Valuation Group: SPECIAL PURPOSE

Community Revitalization Levy Area:

Owner Name:

Owners Address:

Remarks:

Assessment Year: 2021 Assessment: 2,699,000 Year Built: 1981

Land Use Description	Tax Class	Taxable Status
350 Manufacturing plant	COMMERCIAL	350: (100%): FULLY TAXABLE JAN-2021 TO DEC-2021

Property Tax		Account Status	
Prior Year:	2020		
Taxes:	\$66,596.64	Tax Arrears:	\$124,629.51
Annual Local Improvements:	\$21,461.38	Penalty:	\$15,578.70
Total Prior Year Taxes:	\$88,058.02	Arrears Sub-Total:	\$140,208.21
Tax Year:	2021	Current Taxes:	\$86,638.99
Taxes:	\$65,177.61	Penalty:	\$8,663.90
Annual Local Improvements:**	\$21,461.38	Current Sub-Total:	\$95,302.89
Total Current Year Taxes:	\$86,638.99	Other Charges:	\$100.00
		Penalty:	\$6.25
		Other Charges Sub-Total:	\$106.25
		Total Balance Owing on October 18, 2021	\$235,617.35

Disclaimer: The balance on this report is conditional upon all payments clearing the City's and the payer's bank. In the event that any such payment is rejected or is not completed, or additional charges are incurred in the clearing of a payment, the amount of the payment and any additional charges incurred will be added to the account without further notice. The City of Edmonton accepts no liability from the reliance of any party on the contents of this report. Individuals who require certification of the current amount of taxes imposed, or the total amount of taxes owing should request a Tax Certificate from the City of Edmonton. (Errors and Omissions excepted).

** For information on newly constructed or proposed local improvements that may affect the property, contact 311 (780-442-5311 if outside Edmonton).



Property Tax Search

Date: October 18, 2021

Account: 10150274

The information displayed below is the most recent information for the tax year indicated at the time of this request.

Property Address: 590 HAYTER ROAD NW EDMONTON AB

Legal Description: Plan: 8323217 Lot: 2

Assessed Parcel Description:

Mortgage Company Billed: No

Monthly Payment Plan:

Valuation Group: LAND

Community Revitalization Levy Area:

Owner Name:

Owners Address:

Remarks:

Assessment Year: 2021

Assessment: 536,500

Year Built:

Land Use Description

Tax Class

Taxable Status

900 Undeveloped non-residential land

COMMERCIAL

100 %

900: (100%): FULLY TAXABLE JAN-2021 TO DEC-2021

Property Tax		Account Status	
Prior Year:	2020		
Taxes:	\$11,541.93	Tax Arrears:	\$28,385.92
Annual Local Improvements:	\$646.49	Penalty:	\$3,548.20
Total Prior Year Taxes:	\$12,188.42	Arrears Sub-Total:	\$31,934.12
Tax Year:	2021	Current Taxes:	\$13,602.31
Taxes:	\$12,955.82	Penalty:	\$1,360.24
Annual Local Improvements:**	\$646.49	Current Sub-Total:	\$14,962.55
Total Current Year Taxes:	\$13,602.31	Other Charges:	\$.00
		Penalty:	\$.00
		Other Charges Sub-Total:	\$.00
		Total Balance Owing on October 18, 2021	\$46,896.67

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QUESTIONS? Visit edmonton.ca/taxes e-mail taxes@edmonton.ca call 311 (780-442-5311)

Edmonton Service Centre, Edmonton Tower, 2nd Floor 10111 - 104 Ave NW, Edmonton AB T5J 0J4



Property Tax Search

Date: October 18, 2021

Account: 10150275

The information displayed below is the most recent information for the tax year indicated at the time of this request.

Property Address: 630 HAYTER ROAD NW EDMONTON AB

Legal Description: NE 17-53-23-4

Assessed Parcel Description:

Mortgage Company Billed: No

Monthly Payment Plan:

Valuation Group: LAND

Community Revitalization Levy Area:

Owner Name:

Owners Address:

Remarks:

Assessment Year: 2021

Assessment: 1,046,000

Year Built:

Land Use Description

Tax Class

Taxable Status

900 Undeveloped non-residential land

COMMERCIAL

100 %

900: (100%): FULLY TAXABLE JAN-2021 TO DEC-2021

Property Tax		Account Status	
Prior Year:	2020		
Taxes:	\$23,794.82	Tax Arrears:	\$84,157.41
Annual Local Improvements:	\$12,896.99	Penalty:	\$10,519.70
Total Prior Year Taxes:	\$36,691.81	Arrears Sub-Total:	\$94,677.11
Tax Year:	2021	Current Taxes:	\$38,156.62
Taxes:	\$25,259.63	Penalty:	\$3,815.66
Annual Local Improvements:**	\$12,896.99	Current Sub-Total:	\$41,972.28
Total Current Year Taxes:	\$38,156.62	Other Charges:	\$.00
		Penalty:	\$.00
		Other Charges Sub-Total:	\$.00
		Total Balance Owing on October 18, 2021	\$136,649.39

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Edmonton Service Centre, Edmonton Tower, 2nd Floor 10111 - 104 Ave NW, Edmonton AB T5J 0J4



Property Tax Search

Date: October 18, 2021

Account: 10274073

The information displayed below is the most recent information for the tax year indicated at the time of this request.

Property Address: 1050 HAYTER ROAD NW EDMONTON AB T6S 1A2

Legal Description: SW 17-53-23-4

Assessed Parcel Description:

Mortgage Company Billed: No

Monthly Payment Plan:

Valuation Group: INDUSTRIAL

Community Revitalization Levy Area:

Owner Name:

Owners Address:

Remarks:

Assessment Year: 2021

Assessment: 5,608,000

Year Built: 1953

Land Use Description

Tax Class

Taxable Status

251 Small warehouse

COMMERCIAL

100 %

251: (100%): FULLY TAXABLE JAN-2021 TO DEC-2021

Property Tax		Account Status	
Prior Year:	2020		
Taxes:	\$139,303.08	Tax Arrears:	\$583,492.65
Annual Local Improvements:	\$31,566.87	Penalty:	\$72,936.60
Total Prior Year Taxes:	\$170,869.95	Arrears Sub-Total:	\$656,429.25
Tax Year:	2021	Current Taxes:	\$166,993.32
Taxes:	\$135,426.45	Penalty:	\$16,699.34
Annual Local Improvements:**	\$31,566.87	Current Sub-Total:	\$183,692.66
Total Current Year Taxes:	\$166,993.32	Other Charges:	\$769.26
		Penalty:	\$.00
		Other Charges Sub-Total:	\$769.26
		Total Balance Owing on October 18, 2021	\$840,891.17

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Edmonton Service Centre, Edmonton Tower, 2nd Floor 10111 - 104 Ave NW, Edmonton AB T5J 0J4



Property Tax Search

Date: October 18, 2021

Account: 10274072

The information displayed below is the most recent information for the tax year indicated at the time of this request.

Property Address: 12225 17 STREET NW EDMONTON AB

Legal Description: NW 17-53-23-4

Assessed Parcel Description:

Mortgage Company Billed: No

Monthly Payment Plan:

Valuation Group: LAND

Community Revitalization Levy Area:

Owner Name:

Owners Address:

Remarks:

Assessment Year: 2021

Assessment: 4,015,500

Year Built:

Land Use Description

Tax Class

Taxable Status

900 Undeveloped non-residential land

COMMERCIAL

100 %

900: (100%): FULLY TAXABLE JAN-2021 TO DEC-2021

Property Tax		Account Status	
Prior Year:	2020		
Taxes:	\$89,336.15	Tax Arrears:	\$576,554.11
Annual Local Improvements:	\$67,758.46	Penalty:	\$72,069.30
Total Prior Year Taxes:	\$157,094.61	Arrears Sub-Total:	\$648,623.41
Tax Year:	2021	Current Taxes:	\$164,727.95
Taxes:	\$96,969.49	Penalty:	\$16,472.80
Annual Local Improvements:**	\$67,758.46	Current Sub-Total:	\$181,200.75
Total Current Year Taxes:	\$164,727.95	Other Charges:	\$.00
		Penalty:	\$.00
		Other Charges Sub-Total:	\$.00
		Total Balance Owing on October 18, 2021	\$829,824.16

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Edmonton Service Centre, Edmonton Tower, 2nd Floor 10111 - 104 Ave NW, Edmonton AB T5J 0J4



October 5, 2021

ROMSPEN INVESTMENT CORPORATION
300 162 CUMBERLAND STREET
TORONTO ON M5R 3N5

REGISTERED OWNERS
ECO-INDUSTRIAL BUSINESS PARK INC

NOTIFICATION OF PUBLIC AUCTION

Account: 10150274
Legal Description: Plan: 8323217 Lot: 2 /
Address: 590 HAYTER ROAD NW EDMONTON AB (the "Property")

As required by s.421 of the *Municipal Government Act*, RSA 2000, c. M-26, this document serves as notice to the registered owner(s) and to all persons having an interest in the Property evidenced by a registered caveat and to each encumbrancee shown on the certificate of title, that:

1. The Property indicates an outstanding balance of **\$46,896.67** as of October 5, 2021, including prior year **tax arrears** of \$31,934.12.
2. The City of Edmonton will offer the Property for sale at the Public Auction on November 25, 2021, to be held at 10:00 a.m. in City Council Chambers, City Hall, unless the **tax arrears** are paid prior to the date of the auction.
3. To avoid additional costs and advertisement of the Property in the local newspapers, full payment must be received by the City of Edmonton by October 13, 2021. Payments must be in the form of a bank draft or money order.
4. If the Property is not sold at the Public Auction, the City of Edmonton may become the owner of the Property.

All properties eligible for the Public Auction and the Terms and Conditions of the tax sale have been advertised in the Alberta Gazette on September 15, 2021. This publication can be viewed online at

http://www.qp.alberta.ca/documents/gazette/2021/pdf/17_Sep15_Part1.pdf

Please note that penalty will accrue on the unpaid tax arrears at the rate of 1.25% on the 1st day of each month. Unpaid current property taxes will incur a penalty of 5% on November 1, 2021. You may contact a property tax collector at 780-975-6530 or 780-913-9108 for additional information on this account.

Taxation Operations
Assessment and Taxation Branch

txr5221



October 5, 2021

ROMSPEN INVESTMENT CORPORATION
300 162 CUMBERLAND STREET
TORONTO ON M5R 3N5

REGISTERED OWNERS
ECO-INDUSTRIAL BUSINESS PARK INC.

NOTIFICATION OF PUBLIC AUCTION

Account: 10150275

Legal Description: NE 17-53-23-4 /

Address: 630 HAYTER ROAD NW EDMONTON AB (the "Property")

As required by s.421 of the *Municipal Government Act*, RSA 2000, c. M-26, this document serves as notice to the registered owner(s) and to all persons having an interest in the Property evidenced by a registered caveat and to each encumbrancee shown on the certificate of title, that:

1. The Property indicates an outstanding balance of **\$136,649.39** as of October 5, 2021, including prior year **tax arrears** of \$94,677.11.
2. The City of Edmonton will offer the Property for sale at the Public Auction on November 25, 2021, to be held at 10:00 a.m. in City Council Chambers, City Hall, unless the **tax arrears** are paid prior to the date of the auction.
3. To avoid additional costs and advertisement of the Property in the local newspapers, full payment must be received by the City of Edmonton by October 13, 2021. Payments must be in the form of a bank draft or money order.
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All properties eligible for the Public Auction and the Terms and Conditions of the tax sale have been advertised in the Alberta Gazette on September 15, 2021. This publication can be viewed online at

http://www.qp.alberta.ca/documents/gazette/2021/pdf/17_Sep15_Part1.pdf

Please note that penalty will accrue on the unpaid tax arrears at the rate of 1.25% on the 1st day of each month. Unpaid current property taxes will incur a penalty of 5% on November 1, 2021. You may contact a property tax collector at 780-975-6530 or 780-913-9108 for additional information on this account.

Taxation Operations
Assessment and Taxation Branch

txr5221



October 5, 2021

ROMSPEN INVESTMENT CORPORATION
300 162 CUMBERLAND STREET
TORONTO ON M5R 3N5

REGISTERED OWNERS
LOT 11 GP LTD

NOTIFICATION OF PUBLIC AUCTION

Account: 10274072
Legal Description: NW 17-53-23-4 /
Address: 12225 17 STREET NW EDMONTON AB (the "Property")

As required by s.421 of the *Municipal Government Act*, RSA 2000, c. M-26, this document serves as notice to the registered owner(s) and to all persons having an interest in the Property evidenced by a registered caveat and to each encumbrancee shown on the certificate of title, that:

1. The Property indicates an outstanding balance of **\$829,824.16** as of October 5, 2021, including prior year **tax arrears** of \$648,623.41.
2. The City of Edmonton will offer the Property for sale at the Public Auction on November 25, 2021, to be held at 10:00 a.m. in City Council Chambers, City Hall, unless the **tax arrears** are paid prior to the date of the auction.
3. To avoid additional costs and advertisement of the Property in the local newspapers, full payment must be received by the City of Edmonton by October 13, 2021. Payments must be in the form of a bank draft or money order.
4. If the Property is not sold at the Public Auction, the City of Edmonton may become the owner of the Property.

All properties eligible for the Public Auction and the Terms and Conditions of the tax sale have been advertised in the Alberta Gazette on September 15, 2021. This publication can be viewed online at

http://www.qp.alberta.ca/documents/gazette/2021/pdf/17_Sep15_Part1.pdf

Please note that penalty will accrue on the unpaid tax arrears at the rate of 1.25% on the 1st day of each month. Unpaid current property taxes will incur a penalty of 5% on November 1, 2021. You may contact a property tax collector at 780-975-6530 or 780-913-9108 for additional information on this account.

Taxation Operations
Assessment and Taxation Branch

txr5221



October 5, 2021

ROMSPEN INVESTMENT CORPORATION
300 162 CUMBERLAND STREET
TORONTO ON M5R 3N5

REGISTERED OWNERS
ECO-INDUSTRIAL BUSINESS PARK INC

NOTIFICATION OF PUBLIC AUCTION

Account: 10274073

Legal Description: SW 17-53-23-4 /

Address: 1050 HAYTER ROAD NW EDMONTON AB (the "Property")

As required by s.421 of the *Municipal Government Act*, RSA 2000, c. M-26, this document serves as notice to the registered owner(s) and to all persons having an interest in the Property evidenced by a registered caveat and to each encumbrancee shown on the certificate of title, that:

1. The Property indicates an outstanding balance of **\$840,891.17** as of October 5, 2021, including prior year **tax arrears** of \$656,429.25.
2. The City of Edmonton will offer the Property for sale at the Public Auction on November 25, 2021, to be held at 10:00 a.m. in City Council Chambers, City Hall, unless the **tax arrears** are paid prior to the date of the auction.
3. To avoid additional costs and advertisement of the Property in the local newspapers, full payment must be received by the City of Edmonton by October 13, 2021. Payments must be in the form of a bank draft or money order.
4. If the Property is not sold at the Public Auction, the City of Edmonton may become the owner of the Property.

All properties eligible for the Public Auction and the Terms and Conditions of the tax sale have been advertised in the Alberta Gazette on September 15, 2021. This publication can be viewed online at

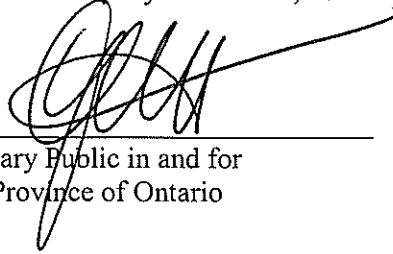
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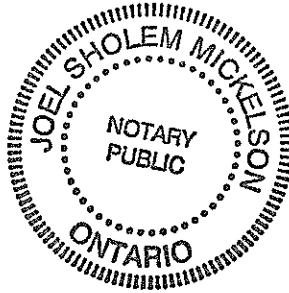
Taxation Operations
Assessment and Taxation Branch

txr5221

This is **Exhibit "C"** referred to
in the Affidavit of Wesley Roitman
Sworn before me this 19th day of October, 2021



A Notary Public in and for
the Province of Ontario





IT IS HEREBY ADJUDGED and DECREED that the below described is SO ORDERED.

Dated: June 19, 2020.

**H. CHRISTOPHER MOTT
UNITED STATES BANKRUPTCY JUDGE**

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION**

**IN RE: §
3443 ZEN GARDEN, L.P., § CASE NO. 20-10410-HCM
DEBTOR. § Chapter 11**

**FINAL ORDER GRANTING CHAPTER 11 TRUSTEE’S
MOTION TO OBTAIN SECURED CREDIT ON AN INTERIM AND FINAL BASIS**

This matter came before the Court on June 18, 2020, upon the motion (the “**Motion**”), dated May 18, 2020, filed by Gregory S. Milligan, the Chapter 11 Trustee (“**Trustee**”) over the bankruptcy estate (“**Estate**”) of 3443 Zen Garden, L.P. (the “**Debtor**”), the chapter 11 debtor in the above-captioned chapter 11 case (the “**Case**”), pursuant to sections 105, 361, 362, 363, 364 and 507 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et. seq.* (as amended, the “**Bankruptcy Code**”), and Rules 2002, 4001, 6004 and 9014 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), requesting, among other things entry of this final order (this “**Final Order**”):

- i. authorizing the Trustee and the Estate to obtain secured post-petition financing on a super-priority basis;

ii. authorizing the Trustee and the Estate to receive credit and funding from Romspen Mortgage Limited Partnership (“**Lender**”) under and pursuant to the terms of that certain Loan Agreement¹ dated as of April 27, 2018 between the Debtor and Lender (together with this Final Order, the “**Credit Agreement**”) (a copy of which is attached hereto as “**Exhibit B**”), to provide for post-petition credit in conformity with the terms of the Credit Agreement (the “**Credit Facility**”), and to perform such other and further acts as may be required in connection with the Credit Agreement and the Loan Documents (as defined in the Credit Agreement);

iii. granting super-priority administrative expense claims to Lender for all post-petition financing provided by Lender under the Credit Facility, payable from, and having recourse to, all of the pre-petition and post-petition property of the Estate, and all proceeds thereof, subject only to the Carve Out (defined herein), the Trustee and Professional Fee Escrow (defined herein), and the Permitted Liens (defined herein), and granting liens for the post-petition financing to Lender in all Post-Petition Collateral (defined herein) in accordance with the Credit Agreement, the Loan Documents and this Final Order;

iv. a final hearing (the “**Final Hearing**”) on the Motion having been held before the Court on June 18, 2020, to consider entry of this Final Order, appearances being noted on the record, the Trustee and Lender having agreed to the entry of this Final Order, all objections to the Final Order being resolved, overruled or withdrawn, and after due deliberation and consideration and sufficient cause appearing therefor:

IT IS FOUND, DETERMINED, ORDERED AND ADJUDGED, THAT:

1. Jurisdiction; Petition Date; Procedural Posture.

a) This Court has jurisdiction to hear the Motion pursuant to 28 U.S.C. §§ 157

¹ The Loan Agreement refers to that certain Promissory Note (the “**Note**”) issued by the Debtor to the Lender and dated April 27, 2018. A copy of the Note is attached hereto as **Exhibit C**.

and 1334. This is a core proceeding under 28 U.S.C. § 157(b)(2)(D), (K), (M), and (O).

b) On March 22, 2020 (the “**Petition Date**”), an involuntary petition under chapter 11 was filed against the Debtor. On April 8, 2020, the Court entered an order for relief under chapter 11 against the Debtor in this Case [Dkt. 11].

c) On April 22, 2020, the Court entered its order granting the appointment of the Trustee as the Chapter 11 Trustee over the Estate [Dkt. 36].

d) There is no committee formed in this Case.

2. Disposition. The Motion is hereby granted on a final basis on the terms set forth herein. Any objections to the Motion or to the final relief sought in the Motion have been resolved, withdrawn or are hereby overruled on a final basis on the merits. This Final Order shall be valid and binding on all parties in interest and fully effective on a final basis upon entry by the Court.

3. Notice. The Final Hearing and earlier interim hearing with respect to the Motion were held pursuant to Bankruptcy Rule 4001(c)(2). Notice was served on the parties listed on the certificate of service filed in respect of the Motion.

4. Stipulations Regarding Pre-Petition Indebtedness. Subject to paragraph 18 below, in connection with the Credit Agreement, the other Loan Documents and this Final Order, the following stipulations regarding the Lender’s pre-petition indebtedness to the Debtor shall be binding on and carry preclusive effect against all parties in interest having due process notice and an opportunity to participate in this proceeding in this Case:

a) Lender is the due and lawful owner and holder of an allowed claim under the Loan Documents against the Debtor in the amount not less than \$96,495,021.72, as of the Petition Date, plus all other costs, fees and obligations owing, including, without limitation, all costs and expenses of administration, collection and enforcement incurred by Lender prior to the

Petition Date (the “**Pre-Petition Indebtedness**”). To the extent permitted under § 506(b) of the Bankruptcy Code, Lender is also entitled to interest accruing at the default rate on and after the Petition Date, together with and in addition to the reasonable fees (including legal fees), costs and charges referred to in § 506(b) and expressly permitted by the terms of the Loan Documents.

b) The Pre-Petition Indebtedness is evidenced by, without limitation: (i) the Credit Agreement; (ii) a Promissory Note in the original principal amount of \$125,000,000.00, dated April 27, 2018; (iii) a Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated as of April 27, 2018, and recorded in the Travis County, Texas real property records on April 27, 2018, at Document Number 2018064160; and (iv) certain other documents relating to the foregoing (collectively, the “**Loan Documents**” – as such defined term herein is intended to, and is hereby deemed to, work in conjunction with, match and be incorporated with, as meaning one in the same, the defined term of “**Loan Documents**” set forth in the Credit Agreement).

c) Payment of the Pre-Petition Indebtedness is fully matured (by acceleration duly noticed by Lender prior to the Petition Date), absolutely and unconditionally due and payable to Lender, without defense, offset or counterclaim, and the Lender is hereby released from (i) any and all objections to the allowance of, and any defense with respect to, the Pre-Petition Indebtedness, and (ii) any right to contest the priority, perfection or validity the liens, mortgages and/or security interests granted and/or pledged to or in favor of Lender securing such Pre-Petition Indebtedness.

d) Pursuant to section 552(b) of the Bankruptcy Code and the Loan Documents, including, without limitation, the Credit Agreement, the Pre-Petition Indebtedness is secured by a security interest and lien in substantially all of the Debtor’s assets, real property, fixtures, and personal

property, whether now owned or hereafter acquired, including, without limitation, all accounts, chattel paper and electronic chattel paper, deposit accounts, documents, equipment, general intangibles, goods, instruments, investment property, intellectual property rights, inventory intellectual property rights, inventory, letter-of-credit rights, letters of credit, together with all substitutions and replacements for and products of any of the foregoing, the proceeds of any and all of the foregoing and all proceeds and products of such collateral security acquired by the Estate after the Petition Date (such collateral security assets are more particularly and specifically described in the Loan Documents, together with all product and proceeds thereof, herein called the “**Pre-Petition Collateral**”).

5. Findings Regarding the Credit Facility Based on the Record at the Final Hearing.

a) It is necessary for the Debtor and the Estate to obtain post-petition financing for a period of time, and in an amount, which would allow the Estate to continue to maintain its real property development, to pay vendors, and to preserve the value of its assets. An immediate need exists for the Debtor and the Estate to obtain further credit from Lender. Without such funds, the Debtor and the Estate will not be able to continue the maintenance of its property and to pay its vendors, which are required to preserve the value of the Estate’s assets.

b) Lender has indicated a willingness to extend post-petition secured credit under the terms and conditions of this Final Order, the Credit Agreement and the Loan Documents. The Estate is unable to obtain financing on terms more favorable than terms offered by Lender under the Credit Agreement and the Loan Documents and is unable to obtain adequate unsecured credit allowable under section 503(b)(1) of the Bankruptcy Code as an administrative expense. The Estate is also unable to obtain secured credit under section 364(c) and (d) of the Bankruptcy Code on terms more favorable than those set forth in the Credit Agreement and Loan Documents.

c) The terms of the credit advanced under this Final Order are fair and

reasonable, were negotiated by the parties at arm's length and in good faith and are the best available to the Debtor and the Estate under present market conditions and the Debtor's and the Estate's financial circumstances. Based on the foregoing, any credit (post-petition) extended under the Credit Agreement, this Final Order and the other Loan Documents by Lender is extended in good faith, as that term is used in section 364(e) of the Bankruptcy Code.

d) The Debtor and the Estate, in order to satisfy the need for post-petition financing, as determined in the exercise of the Trustee's sound business judgment, desires the Court to enter this Final Order. Entry of this Final Order is necessary to prevent irreparable harm to the Debtor, the Estate, and the Estate's stakeholders, including the harm that would result from the disruption of efforts to maintain the Debtor's assets, will increase the possibilities for a successful sale of the Estate's assets as an ongoing development and for the highest possible preserved value, and is in the best interest of the Estate and its stakeholders. Absent entry of this Final Order, the Estate will be immediately and irreparably harmed. Consummation of the Credit Facility is in the best interest of the Estate.

6. Authorization of the Credit Facility.

a) The Trustee, on behalf of the Debtor and the Estate, is authorized to enter into the Credit Facility and to incur post-petition debt under the Credit Facility pursuant to the terms of the Credit Agreement, the Loan Documents, and this Final Order. To the extent of any conflict between this Final Order or any other Loan Documents, this Final Order shall govern.

b) In accordance with the terms of this Final Order and the Budget, the Credit Facility shall be used to (i) fund the working capital requirements and other financing needs of the Estate during the pendency of the Case, and (ii) pay certain transaction fees and other costs and expenses of the administration of the Case. Use of the post-petition funds provided by Lender

under the Credit Facility shall further be consistent with the Budget (“**Budget**”) attached hereto as “**Exhibit A**”, which may be amended from time to time by delivery of a revised and updated Budget by the Trustee upon reasonable consultation with Lender. Any amended Budget shall be filed of record on or before 5:00 p.m. (prevailing central time) the Monday preceding the Thursday for the Lender’s required funding under that amended Budget and any party with standing shall have until 5:00 p.m. (prevailing central time) that Wednesday to file a written objection to any portion of the Budget with a corresponding motion and uploaded proposed order requesting an expedited hearing on the objection in conformance with Local Rule 9014(e) and Judge Mott’s special procedures regarding expedited hearings,² and such objection shall be resolved, whether by agreement or order of the Court, subject to the Court’s availability, within four (4) days after the filing of the Budget. If any objection to the Budget remains unresolved for any reason longer than four (4) days after the filing of the Budget, the Lender and the Trustee may continue funding pursuant to the terms of the proposed amended budget without any recourse during the pendency of the resolution of the objection. Absent any timely objection, the amended budget shall be effective and become the Budget referred to herein. No later than the Thursday of each week prior to the occurrence of an Event of Default, the Lender shall advance to the Trustee sufficient funds by wire transfer of U.S. Dollars to pay all amounts included in the Budget for the next following week.

c) Except for the Investigation Carve Out (defined below), the post-petition funds provided by the Lender under the Credit Facility shall **not** be used to fund in any way or otherwise pay any fees or expenses incurred at any time in connection with any investigation, filing or prosecution of any action which seeks to invalidate, challenge, dispute, avoid, subordinate or

² Available at <https://www.txwb.uscourts.gov/procedures-judge-h-christopher-mott#motion-expedite>.

otherwise impair the claims or liens of Lender under the Loan Documents or in connection with the Credit Facility, or any liens or priorities created under either the Loan Documents or the Credit Facility, or which seeks to recover on any claims against or transfers made to Lender; provided, however, that the Trustee may investigate the liens, security interests, and claims of Lender under the Loan Documents or the Credit Facility during the Challenge Period.

d) Any and all post-petition fees and expenses paid or required to be paid to the Lender in its role as a post-petition lender under this Final Order in connection with the Credit Agreement as specifically identified in the Budget on a separate line item entitled “Lender’s Fees and Expenses” shall be paid to Lender and constitute “moneys disbursed or turned over in the case” by the Trustee “to parties in interest” for purposes of Bankruptcy Code section 326(a), subject to in all respects complete and full compliance with the limits set forth in the Budget.

e) In furtherance of the foregoing and without further approval of the Court, the Trustee, the Estate and the Debtor, as applicable, are each authorized and directed on a final basis to perform all acts, to make, execute and deliver all instruments and documents (including the execution or recordation of security agreements, mortgages and financing statements) that may be required, necessary (including necessary by reason of request by Lender) for the Estate’s performance under the Credit Agreement, the Loan Documents or this Final Order.

f) Upon the entry of this Final Order, subject to paragraph 18 below, obligations, agreements and covenants of the Debtor under the Credit Agreement and the Loan Documents shall be valid and binding and enforceable against the Debtor and the Estate under the terms of the Credit Agreement, the Loan Documents and this Final Order. Subject to paragraph 18 below, no payment, advance, financial accommodation, transfer or grant of security under the Credit Agreement, the Loan Documents or this Final Order shall be voidable or recoverable under

the Bankruptcy Code or under any applicable law (including section 502(d) of the Bankruptcy Code), or subject to any defense, reduction, setoff, recoupment or counterclaim.

g) Any and all funds advanced by Lender on or after the Petition Date under the Credit Facility (including, without limitation, the Post-Petition Indebtedness (defined below)) may be added to and included in the balance of the indebtedness due and owing to Lender (in addition to the Pre-Petition Indebtedness) under the Loan Documents for the purpose of calculating the amount of Lender's credit bid on the sale of any of the Debtor's and/or the Estate's assets.

h) Without further order of the Court, the Trustee is hereby authorized to pay the Estate's insurance premiums, including any and all prepetition amounts, as provided for in the Budget.

7. Credit Facility Advances; Effective Date.

a) Advances made and the letters of credit issued (or renewed) under the Credit Facility from and after the Credit Facility Effective Date (defined herein) until the Credit Facility Termination Date (defined herein) shall be governed by the terms and conditions of the Credit Agreement, the Loan Documents and this Final Order, including, without limitation, the terms and conditions governing the applicable interest rates. The "**Credit Facility Termination Date**" shall mean the earliest of (i) the closing of a sale of all or substantially all of the assets of the Debtor pursuant to section 363 of the Bankruptcy Code, (ii) the date on which the Trustee's plan of reorganization becomes effective, (iii) the conversion or dismissal of this Case, or (iv) the occurrence of an Event of Default (as such term is defined in this Final Order). The "**Post-Petition Indebtedness**" shall be all Indebtedness (as such term is defined in the Credit Agreement) arising subsequent to the Petition Date, including post-petition interest. The "**Credit Facility Effective Date**" shall be the date upon which the Court enters this Final Order. For the sake of clarity, the Post-Petition Indebtedness extended

under the Credit Facility pursuant to the terms of this Final Order, although also governed by the terms of the Credit Agreement and Loan Documents, shall be deemed to be a separate and distinct loan and credit facility apart from the Pre-Petition Indebtedness.

b) Lender shall not be required to extend credit under the Credit Facility unless and until Lender and its legal counsel are reasonably satisfied that: (i) the conditions precedent for such advances set forth in this Final Order have been met; and (ii) no Event of Default under this Final Order has occurred. Any dispute regarding this paragraph 7(b) shall be subject to the determination of the Court.

8. Post-Petition Indebtedness; Liens and Priority.

a) The Post-Petition Indebtedness shall be:

i. allowable under § 503(b)(1) of the Code as an administrative expense with priority pursuant to the provisions of § 364(c)(1) of the Code over all other administrative expenses of the kind specified in § 503(b) or § 507(b) of the Code and all other expenses and claims, subject only to the Carve Out and the Trustee and Professional Fee Escrow. For the sake of clarity, notwithstanding any other provisions contained in this Final Order, whether through a credit bid or cash proceeds from a third party or otherwise, in regards to repayment of the Indebtedness due and owing to Lender under the Loan Documents, Lender shall recoup and be repaid first the entire portion of the Post-Petition Indebtedness in full before any credits, offsets, reductions or payments may be applied against the balance of the Pre-Petition Indebtedness. Only after the entire balance of Post-Petition Indebtedness is satisfied in full (whether through a credit bid, cash proceeds, or otherwise), then and only then, may any valid and applicable credits,

offsets, reductions or payments be applied against the balance of the Pre-Petition Indebtedness; and

ii. secured by (and Lender, is hereby granted) a security interest in and lien on all present and future property of the Estate, including both real and personal property, whether now held or hereafter acquired by the Estate, and including specifically and without limitation (excepting commercial tort claims, avoidance actions and the proceeds thereof under sections 544, 547, 548, 549 and 553 of the Bankruptcy Code, and all other causes of action, except as released in this Final Order (the “**Excluded Collateral**”) (A) all of the Estate’s now owned or hereafter acquired real property, fixtures, accounts, chattel paper and electronic chattel paper, deposit accounts, documents, equipment, general intangibles, goods, instruments, investment property, intellectual property rights, inventory intellectual property rights, inventory, letter-of-credit rights, letters of credit, and any items in any lockbox account; together with (i) all substitutions and replacements for and products of any of the foregoing; (ii) in the case of all goods, all accessions; (iii) all accessories, attachments, parts, and repairs now or hereafter attached or affixed to or used in connection with any goods; (iv) all warehouse receipts, bills of lading and other documents of title now or hereafter covering any of the foregoing; (v) all collateral subject to the lien of any security document in favor of Lender; (vi) any money, or other assets of the Debtor that may or hereafter come into possession, custody or control of Lender; (vii) proceeds of any and all of the foregoing; (viii) all of the foregoing, whether now owned or existing or hereafter acquired or arising or in which the Debtor now has or hereafter acquires any rights; and (ix) all

proceeds and products of such collateral security acquired by the Estate, (B) the Pre-Petition Collateral, (C) all real estate owned by the Estate, and (D) all proceeds, products, rents, issues and profits of all of the foregoing (all herein referred to as the “**Post-Petition Collateral**” and collectively with the Pre-Petition Collateral, the “**Collateral**”), which liens and security interests shall be senior to and have priority over all other liens, claims, mortgages, security interests and expenses of any person, individual, entity, party or party in interest, except with respect to the (i) Carve Out; (ii) the Trustee and Professional Fee Escrow; and (iii) the statutory liens in favor of taxing authorities for ad valorem property taxes (“**Permitted Liens**”); and the rights reserved in paragraph 23 below of the alleged M&M Lien Claimants (as defined in paragraph 23 below) as to alleged pre-petition “removables.” The liens and security interests granted above to secure payment of the Post-Petition Indebtedness shall be valid and enforceable regardless of whether the Court determines that some or all of the security interests and liens held by Lender in the Pre-Petition Collateral are unenforceable for any reason.

9. Perfection of Lender Liens; Termination. Entry of this Final Order automatically perfects the liens granted by paragraph 8 of this Final Order.

10. Use of Collateral; Adequate Protection; Application of Funds.

a) Any cash collateral of Lender used by the Debtor or the Estate since the commencement of the Case shall constitute Post-Petition Indebtedness under the Credit Facility. Notwithstanding the foregoing, the Estate is authorized to use Lender’s cash collateral (other than to the extent advances under the Credit Facility constitute cash collateral).

b) Not later than the fourth Friday of each month, the Estate shall provide to

Lender a reconciliation report showing the dollar-for-dollar variances for each line item and column entry to show the difference between the amounts set forth in the Budget and the actual amount incurred and expended by the Estate (“**Budget Variance**”) during the period beginning on the first day after the end of the period covered by the previous reconciliation report the Estate provided and continuing through the Friday prior to the date of the new reconciliation report. At the same time as the Budget Variance is reported to Lender, the Estate shall also provide Lender with an accounting of all cash proceeds (and cash equivalents) of Collateral for calculation of the Post-Petition Indebtedness in a form acceptable to the Lender and the Trustee. Notwithstanding the Budget’s allocation of specific amounts for each line item and column entry, the Trustee is permitted, in the exercise of his business judgment, to use surplus funds from any line items and column entries to supplement funding as needed for other line items and column entries, provided the Trustee does not exceed the Budget’s overall cumulative funding total for all entries.

11. Events of Default and Milestones. Events of Default include, but are not limited to the Estate’s failure to satisfy the following milestones in the Case (the “**Events of Default**”), which milestones assume that on or before July 1, 2020, the Trustee has employed a broker that has formally initiated the marketing of the Estate’s primary assets (the “**Marketing Effort**”), and may be extended only upon (i) written agreement of the Lender and Trustee or (ii) solely in the event and on the basis, the Trustee and the Trustee’s broker are unable to initiate the Marketing Effort by July 1, 2020, by the Court after notice and hearing:

a) By no later than **July 1, 2020**, the Trustee shall file a proposed chapter 11 plan (“**Chapter 11 Plan**”) and disclosure statement (“**Disclosure Statement**”) with the Bankruptcy Court seeking a final disposition of the Collateral (“**Disposition Transaction**”), which may include, without limitation, the authorization to sell substantially all of the Estate’s assets and

seeking approval of bidding and sale procedures therefor (which Disclosure Statement, Chapter 11 Plan, and accompanying order confirming the Chapter 11 Plan (“**Confirmation Order**”) shall be in form and substance satisfactory to Lender in its reasonable discretion);

b) By no later than **August 17, 2020**, the Bankruptcy Court shall have entered the Confirmation Order confirming the Trustee’s Chapter 11 Plan;

c) In the event any challenges, objections, adversary proceedings, contested matters, claims objections or any other proceedings of any kind that are brought by any party that in any way seek to impact, impede or affect Lender’s credit bid rights (whatever they may or may not be) (together, a “**Credit Bid Challenge**”), then such proceedings must be completely concluded and fully resolved on a final basis, whether by agreement or final and non-appealable order of a court of competent jurisdiction, by not later than **August 30, 2020**. The Lender consents to adjudication of all Credit Bid Challenges through a contested motion practice on such expedited schedule a necessary to effectuate compliance with this provision.

d) By no later than **September 30, 2020**, in the event the terms of the Confirmation Order and Chapter 11 Plan contemplate the sale of the Collateral to a third party, then the Trustee shall have entered into definitive transaction documents with a prospective purchaser in form and substance satisfactory Lender;

e) By no later than **October 12, 2020**, the Disposition Transaction shall have been completely performed and entirely consummated; and

f) Engagement and retention of a broker (the “**Broker**”) in this Case; provided, however, that at all times any potential purchaser in this Case is touring or physically inspecting the Estate’s real property and improvement assets, a representative of either the Trustee or the Broker will accompany the potential purchaser.

12. Lender's Remedies. Upon the occurrence of an Event of Default, unless otherwise waived by Lender in its sole and absolute discretion:

a) Lender may refuse to make advances of funds or extend any further credit;
and

b) Lender may file an affidavit (the "**Affidavit**") with the Bankruptcy Court certifying the occurrence of the Event of Default and seeking relief from the automatic stay to exercise any and all of its rights and remedies under the Credit Agreement and the other Loan Documents and/or under applicable law. Lender shall, contemporaneously with the filing of such Affidavit with the Bankruptcy Court, serve a copy of the Affidavit on counsel for the Debtor, the Trustee, counsel for the Trustee, the U.S. Trustee, counsel for Adam Zarafshani, counsel for the Petitioning Creditors (as listed on the docket) and counsel for Daniel White via e-mail. If any party in interest fails to file a response with the Bankruptcy Court, within five (5) days of the filing of such Affidavit, the Bankruptcy Court may enter an order granting Lender relief from the automatic stay and permitting Lender to enforce its rights and remedies. In the event a timely response is filed, Lender shall be entitled to an expedited hearing on its motion for relief from the stay, such hearing to occur within ten (10) days of the filing of such response, subject to Court availability or agreement of the parties.

13. Allowance for Improvements made by the Estate. Subject to the rights reserved during the Challenge Period, in consideration of the Estate's use of the Collateral in accordance with the Final Order, and in view of the effect of such use, (i) the Collateral shall not be subject to any surcharge under Section 506(c) of the Bankruptcy Code and (ii) the "equities of the case" exception in Section 522 shall not apply with respect to the Collateral.

14. Successors and Assigns. Except as otherwise stated herein, the provisions of this

Final Order shall be binding upon all persons and entities and shall inure to the benefit of Lender, the Debtor, the Trustee and their respective successors and assigns, including, without limitation, any subsequent chapter 7 trustee.

15. Carve Out for United States Trustee Fees and Professional Fees. Subject to the terms and conditions contained in this paragraph 15, all pre-petition and post-petition claims (whether secured or unsecured) of Lender, including Lender's super-priority administrative expense claim, are subject and subordinate only to a carve out (the "**Carve Out**") for:

a) amounts payable to the United States Trustee pursuant to 28 U.S.C. § 1930(a) and any fees payable to the Clerk of the Bankruptcy Court (the "**Statutory Fees**"), subject to in all respects complete and full compliance with the limits set forth in the Budget;

b) amounts allowed and payable pursuant to the Application of Petitioning Creditors for Allowance and Payment of Administrative Claim under Bankruptcy Code section 503(b)(3)(A),(E) and (4) at docket number 83, not to exceed the total aggregate amount of \$15,000 for all such claimants, only pursuant to the terms of the Court's order approving such amounts and subject to in all respects complete and full compliance with the limits set forth in the Budget;

c) amounts payable to the Trustee as compensation and expenses under Bankruptcy Code section 330 (the "**Trustee Fees and Expenses**"), with all Post-Petition Indebtedness and Collateral constituting "moneys disbursed or turned over in the case" by the Trustee "to parties in interest" for purposes of Bankruptcy Code section 326(a), subject to in all respects complete and full compliance with the limits set forth in the Budget;

d) the payment pursuant to orders of the Court of allowed unpaid professional fees, costs and expenses (the "**Professional Fees and Expenses**") of attorneys, financial advisors, accountants, appraisers, auctioneers, brokers and other professional persons

retained by the Trustee or the Estate (together, the “**Trustee Professionals**”), or allowed pursuant to Bankruptcy Code section 503(b)(3)(A),(E) and (4), only to the extent that such Professional Fees and Expenses: (i) comply with the Budget in all aspects or are within the cap in section 15(b) above; (ii) except as permitted under the Investigation Carve Out (defined below), were not incurred in the investigation, prosecution or assertion of claims, causes of action, actions or proceedings against Lender in respect of the Pre-Petition Indebtedness or otherwise or challenging or raising any defense to the Pre-Petition Indebtedness or Liens of the Lender, or against the Lender in respect of the Credit Facility or otherwise (the “**Excluded Actions**”); (iii) were incurred or accrued prior to the earlier of (A) the date on which the Chapter 11 Plan becomes effective, or (B) with the exception of an aggregate amount not to exceed \$25,000 for Professional Fees and Expenses of the Trustee Professionals to be used to pay fees earned and expenses incurred subsequent to the occurrence of an Event of Default (the “**Default Carve Out**”), receipt by the Estate of notice of an Event of Default; and (iv) do not exceed any amounts for such professionals contained in the Budget, which amounts are not otherwise payable from funds which are not the Collateral of the Lender or proceeds therefrom such as retainers held by Estate’s professionals; provided however, that in no event shall any retainer or the Carve Out be used to pay any fees or expenses arising after the conversion of this Case to a case under Chapter 7 of the Bankruptcy Code. Nothing herein shall be construed as consent to the allowance of any fees and expenses of a retained professional, or shall affect any party’s rights to object to the allowance and payment of such fees and expense, all such rights being expressly preserved. The Debtor’s former receiver, Mr. Rob Roy Parnell, and his counsel have placed the Trustee and parties in interest on notice of their intent to file applications of allowance and payment of custodian claims, fees, and expenses.

e) Amounts set forth in the Budget for engineers, planners, diagnosticians, hydrologists, landscape architects, and surveyors assisting the Estate with seeking approval of the PDA and a settlement with TxDOT/CTRMA (the “**PDA/TxDOT Specialists**”), for periods prior to the occurrence of an Event of Default shall be advanced by the Lender pursuant to paragraph 6(b) above and paid as such expenses are due. Each PDA/TxDOT Specialist shall be entitled to carry forward or carry back any unused portion of any amount set forth in the Budget for that PDA/TxDOT Specialist to be available for past or future Budget periods in which the PDA/TxDOT Specialist exceeds the amount set forth in the Budget for that PDA/TxDOT Specialist. After giving effect to all carry forwards and carry backs, if a PDA/TxDOT Specialist has incurred fees and expenses greater than what is set forth in the Budget, and there are additional funds available in the budget for other PDA/TxDOT Specialists not otherwise necessary to pay the other claims of the PDA/TxDOT Specialists in full, the Trustee is authorized to pay such additional expenses of PDA/TxDOT Specialists with such unused funds. To the extent funds budgeted to be paid to PDA/TxDOT Specialists are not used for such purposes, such amount of unused funds, after application of any carried forward or carried back budgeted amounts, or budgeted amounts re-purposed in accordance with this paragraph, shall be paid to the Lender, for application to the Post-Petition Indebtedness as determined by the Lender.

f) Amounts set forth in the Budget for Trustee Fees and Expenses and Professional Fees and Expenses, and in paragraph 15(b) above, for periods prior to the occurrence of an Event of Default plus the Default Carve Out shall be advanced by the Lender pursuant to paragraph 6(b) above and set aside weekly and held by the Trustee in a separate segregated account for the Trustee and the Trustee Professionals (the “**Trustee and Professional Fee Escrow**”) for the sole purpose of funding the Trustee’s allowed Trustee Fees and Expenses, the Trustee

Professionals' allowed Professional Fees and Expenses, and any amounts allowed pursuant to paragraph 15(b) above. Each Trustee Professional shall be entitled to carry forward or carry back any unused portion of any amount set forth in the Budget for that Trustee Professional to be available for past or future Budget periods in which the Trustee Professional exceeds the amount set forth in the Budget for that Trustee Professional. The Trustee shall be entitled to carry forward or carry back any unused portion of any amount set forth in the Budget for the Trustee Fees and Expenses to be available for past or future Budget periods in which the Trustee exceeds the amount set forth in the Budget for the Trustee Fees and Expenses. After giving effect to all carry forwards and carry backs, and notwithstanding section 15(d)(iv), if the Trustee or any Trustee Professional is allowed fees and expenses greater than what is set forth in the Budget for that specific party, and there are funds available in the Trustee and Professional Fee Escrow not otherwise necessary to pay all budgeted allowed claims of the Trustee and all other Trustee Professionals in full, the Trustee is authorized to pay such additional allowed Trustee Fees and Expenses and Trustee Professional Fees and Expenses with such unused surplus Trustee and Professional Fee Escrow funds. To the extent funds in the Trustee and Professional Fee Escrow are not used for such purposes, such amount of unused funds, after application of any carried forward or carried back budgeted amounts or budgeted amounts re-purposed in accordance with this paragraph, shall be paid to the Lender, for application to the Post-Petition Indebtedness as determined by the Lender. Any amounts payable to the Trustee, to each Trustee Professional, and amounts allowed pursuant to paragraph 15(b) above, shall be paid upon allowance or authorization by the Court from funds on deposit in the Trustee and Professional Fee Escrow attributable to the Trustee, specific Trustee Professional, or claimant pursuant to paragraph 15(b) above.

g) Any Carve Out paid by the Lender shall constitute additional Post-Petition

Indebtedness owed to the Lender under this Order. Notwithstanding anything herein to the contrary, except as permitted under the Investigation Carve Out, no portion of the Carve Out, Credit Facility proceeds or retainers may be used to investigate, prosecute, object to or contest in any manner, or raise any defenses to the amount, validity, perfection, priority, extent or enforceability of the Pre-Petition Indebtedness or Post-Petition Indebtedness, the Liens securing the Pre-Petition Indebtedness or Post-Petition Indebtedness, or any claims or causes of action against Lender.

16. Stay; Modification. Having been found to be extending credit and making loans to the Debtor in good faith, the Lender shall be entitled to the full protection of § 364(e) with respect to the Credit Facility in the event that this Final Order, or any authorization contained herein is stayed, vacated, reversed or modified on appeal. No subsequent stay, modification, termination, failure to extend the term or vacation of this Final Order shall affect, limit or modify the validity, priority (subject to the reservation of the alleged M&M Lien Claimants in paragraph 23 below), or enforceability of any liability of the Debtor under the Credit Agreement or the other Loan Documents, or any lien or security interest granted to Lender under the such documents. All credit extended under the Credit Agreement and the other Loan Documents is made in reliance on this Final Order, and, except as set forth below, the obligations the Debtor incurs to Lender under the Credit Agreement and the other Loan Documents cannot be subordinated, lose superpriority status, or be deprived of the benefit of the senior liens granted to Lender, by any subsequent order in the Case or a converted chapter 7 case. Subject to the rights reserved during the Challenge Period, the provisions of this Final Order dealing with the liability of the Debtor under the Credit Agreement and the other Loan Documents shall not be modified or superseded by any order confirming a plan of reorganization (including the use of the cram-down provisions of section 1129(b) of the Code)

in the Case.

17. Preservation of Rights Under This Final Order. The provisions of this Final Order and any actions taken pursuant hereto shall survive entry of any order which may be entered (a) converting the Case to a chapter 7 case, (b) confirming or consummating any plan of reorganization of the Debtor, or (c) dismissing the Case or any subsequent chapter 7 case pursuant to sections 303, 305 or 1112 of the Bankruptcy Code, and the terms and provisions of this Final Order as well as the priorities in payment, liens and security interests granted pursuant to this Final Order, the Credit Agreement and the other Loan Documents shall continue in this or any superseding case under the Bankruptcy Code, and such priorities in payment, liens and security interests shall maintain their priority as provided by this Final Order until all Indebtedness is indefeasibly paid and satisfied.

18. Challenge of Claim or Lien. The acknowledgements and releases in favor of Lender set forth in paragraph 4 of this Final Order shall be binding on the Debtor, the Trustee, the Estate, and all parties in interest having due process notice and an opportunity to participate in this proceeding, including, without limitation, any Committee, unless the Trustee or such other party in interest with standing, including any party granted standing by the Court pursuant to the rationale set forth in *Louisiana World Exposition*, has filed an adversary proceeding or contested matter challenging any of the acknowledgements or admissions in favor of Lender set forth in paragraph 4 of this Final Order no later than July 20, 2020 (the “**Challenge Period**”). If no such adversary proceeding or contested matter is timely commenced as of such date, (i) the Pre-Petition Indebtedness of Lender shall constitute allowed secured claims, not subject to objection or subordination and otherwise unavoidable, (ii) the pre-petition liens of Lender on the Pre-Petition Collateral shall be deemed legal, valid, binding, perfected, not subject to defense, counterclaim,

offset of any kind or subordination, and otherwise unavoidable, and (iii) the Lender shall be released from and absolved of any and all claims, causes of action, challenges, disputes and liability of any kind or character, whether known or unknown, whether contingent or noncontingent, whether liquidated or unliquidated, in existence as of the effective date of such release arising from, related to or otherwise in connection with the Pre-Petition Indebtedness, the Pre-Petition Collateral, the Loan Documents, the Credit Facility and any and all actions taken by or on behalf of Lender in connection therewith. The Trustee and his professionals engaged on behalf of the Estate (as approved by an order of this Court) are hereby permitted a budget of \$50,000.00, payable from the Credit Facility proceeds advanced by Lender and in accordance with the Budget, to conduct the investigation against the Lender concerning the above-referenced subject matters outlined hereinabove (“**Investigation Carve Out**”). If any party initiates a Credit Bid Challenge, then such proceedings must be completely concluded and fully resolved on a final basis, whether by agreement or final and non-appealable order of a court of competent jurisdiction, by not later than August 30, 2020. The Lender consents to adjudication of all Credit Bid Challenges, through a contested motion practice on such expedited schedule a necessary to effectuate compliance with this provision. For the sake of clarity, nothing in this Paragraph or this Final Order shall be construed or deemed to be a release of any non-debtor party’s causes of action, claims or other property rights existing outside of the Bankruptcy Code or this Bankruptcy Case.

19. Right to Credit Bid. To the extent valid, the right of Lender to credit bid the Indebtedness (Pre-Petition Indebtedness and Post-Petition Indebtedness combined) owed to Lender by the Debtor (pursuant to section 363(k) of the Bankruptcy Code), in whole or in part, in connection with any sale or disposition of assets in the Case (including in connection with a plan of reorganization for which confirmation is sought under section 1129(b)(2)(A)(i)) is hereby

expressly reserved and preserved by this Final Order. For the sake of clarity, notwithstanding the Post-Petition Indebtedness and Pre-Petition Indebtedness as separate and distinct loans and debts due and owing to the Lender by the Debtor, because each of such loans are secured by multiple liens (prepetition liens and post-petition liens) in, to, under and against the same overlapping Collateral pledged in favor of the Lender to secure the payment and performance of each of the Post-Petition Indebtedness and the Pre-Petition Indebtedness, respectively, as set forth in this Final Order, the Credit Agreement and the Loan Documents, in the event of any sale, transfer, foreclosure, or any other form of disposition of any Collateral (whether through one or multiple sales or events of other disposition), the Lender shall be entitled to, and it is equitable to permit the Lender to, combine and join together the balance of the Post-Petition Indebtedness and the balance of the Pre-Petition Indebtedness in the calculation of the total debt due and owing to the Lender by the Debtor and secured by the Collateral, including, without limitation, for the purpose of calculating the Lender's credit bid to dispose of, foreclose, extinguish, terminate or otherwise satisfy the one or more of the liens (prepetition liens and post-petition liens) in, to, under and against the same overlapping Collateral pledged in favor of the Lender to secure the payment and performance of each of the Post-Petition Indebtedness and the Pre-Petition Indebtedness.

20. Guarantor Liability Limited. The personal liability of Daniel Alexander White, Lot 11 GP, Ltd., Lot 11 Limited Partnership, Eco-Industrial Business Park Inc., Absolute Energy Resources, Inc., Absolute Environmental Waste Management, Inc. (collectively, the "**White Affiliates**") and Adam Zarafshani and Eightfold Developments, LLC (collectively, the "**Zarafshani Affiliates**"), respectively, in their capacity as guarantors of the obligations under the Loan Documents, shall be limited to the extent that the White Affiliates and the Zarafshani Affiliates shall not be personally liable and their respective assets shall not be liable for the

repayment of any portion of the Post-Petition Indebtedness. Nothing in this Final Order shall modify, affect, impair, alter, amend or otherwise change in any way the rights, remedies, obligations and other terms existing as of the Petition Date between and among, as applicable, Lender, any one or more of the White Affiliates and/or any one or more of the Zarafshani Affiliates concerning the Pre-Petition Indebtedness and all other matters arising under and/or related to the Loan Documents. Unless otherwise explicitly contained in this Final Order, all rights of all parties concerning or in any way connected to the collection, enforcement, remedies, defenses, and all other matters arising from and/or related to the Loan Documents are expressly reserved and preserved.

21. Amendments and Modifications. The Trustee and Lender may enter into any non-material amendments or modifications to the Credit Agreement and the Loan Documents without notice or a hearing or further order of this Court; provided, however, that any such modifications shall be filed with the Court and shall not be adverse to the Debtor or its Estate.

22. Final Order Governs. Except as otherwise specifically provided in this Final Order, in the event of a conflict between the provisions of this Final Order, the Motion and the Loan Documents, the provisions of this Final Order shall govern.

23. M&M Lien Claimants. All rights are expressly reserved for any claimant asserting lien claims pursuant to Chapter 53 of the Texas Property Code and/or the Texas Constitution (an alleged “**M&M Lien Claimant**”) alleged to be superior in priority to the Pre-Petition Indebtedness with respect to the Pre-Petition Collateral consisting of alleged “removables” that objects to the granting by the Court pursuant to Bankruptcy Code section 364(d) to Lender of superior senior liens and security interests in such alleged “removables” constituting Pre-Petition Collateral to secure payment of the Post-Petition Indebtedness (“**Removables Challenge**”). Any and all alleged

M&M Lien Claimants must assert their Removables Challenge in writing and have filed and served such Removables Challenge on counsel of record to the Trustee and counsel of record to the Lender on or before July 1, 2020, and have had such Removables Challenge proceedings completely concluded and fully resolved on a final basis, whether by agreement or final and non-appealable order of a court of competent jurisdiction, by not later than July 30, 2020. The Lender consents to adjudication of all Removables Challenges through a contested motion practice on such expedited schedule a necessary to effectuate timely compliance with this provision. The validity, priority and extent of the alleged M&M Lien Claimants' respective lien rights concerning the Pre-Petition Collateral consisting of alleged "removables" pursuant to Chapter 53 of the Texas Property Code and/or the Texas Constitution (if any such lien rights exist) are preserved to hold the same validity, priority and extent in existence as of the Petition Date..

24. Interim Order Ratified. On May 21, 2020 at Docket Number 73, the Court entered the First Interim Order Granting Chapter 11 Trustee's Motion to Obtain Secured Credit on an Interim and Final Basis (the "**Interim Order**"). The terms of this Final Order supersede the terms of the Interim Order. However, to the extent applicable, any remaining terms of the Interim Order not superseded by the terms of this Final Order are hereby ratified on a final basis under this Final Order. Accordingly, any terms contained in the Interim Order not otherwise superseded by the terms of this Final Order are approved and shall remain binding on all parties on a final basis.

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