

COURT FILE NUMBER

2301 – 07899

COURT

COURT OF KING’S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

APPLICANT

SAGE PROPERTY DEVELOPMENT

RESPONDENT

MERMAC CONSTRUCTION LTD.

DOCUMENT

**SECOND REPORT OF THE TRUSTEE OF
MERMAC CONSTRUCTION LTD.**

DATED OCTOBER 20, 2023

**PREPARED BY HUDSON & COMPANY
INSOLVENCY TRUSTEES INC.**

**ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT**

TRUSTEE:
Hudson & Company Insolvency Trustees Inc.
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Calgary, Alberta T2R 0E1
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Calgary, Alberta T2P 0R8
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INTRODUCTION AND BACKGROUND

Introduction

1. Mermac Construction Ltd. (hereinafter referred to as “**Mermac**” or the “**Company**”) filed a voluntary assignment into bankruptcy pursuant to Section 49(1) of the *Bankruptcy and Insolvency Act* (the “**BIA**”) on June 14, 2023 (the “**Date of Bankruptcy**”) with Hudson & Company Insolvency Trustees Inc. (“**Hudson**”) appointed as Licensed Insolvency Trustee (“**Trustee**”).
2. Mermac was in the construction industry and last operated from leased premises located at 4799 – 68 Avenue SW, in Calgary Alberta.
3. The first meeting of creditors was held by teleconference on June 27, 2023 at 2PM. At this meeting, Trevor Bauer from the BMO Bank of Montreal was appointed as estate inspector. With the approval of the estate inspector, Dentons Canada LLP (“**Dentons**”) was retained by the Trustee as its independent legal counsel.
4. The purpose of this Second Report of the Trustee is to provide further information in response to the application filed and served by Sage Property Development Inc. (“**Sage**”), initially scheduled to be heard on September 8, 2023, adjourned once to September 19, 2023, then partially adjourned to October 24, 2023. The Trustee submitted its “**First Report**” in preparation for the September 19, 2023 application.

5. Following the application being heard on September 19, 2023, Applications Judge Park ordered that Sage may post security in the amount of \$2,775,838.18 plus 10% for interest and costs, for a total of \$3,053,422 (defined as the “**Security**”). These amounts were calculated as summarized in the table below:

Mermac - First Lien	\$	1,055,610.31
Mermac - Second Lien		997,320.29
Holdback		791,416.70
Subtotal		<u>2,844,347.30</u>
Add:		
Liens #1 to #9		875,528.52
Metro Glass Lien		132,838.00
AAA Steel Lien		196,930.82
Subtotal		<u>4,049,644.64</u>
Less:		
Metro Glass Lien		(132,838.00)
AAA Steel Lien		(196,930.82)
Subsumed Liens #1 to 7, #9		<u>(812,150.52)</u>
		2,907,725.30
Less:		
Holdbacks (Inv. 4676, 4733)		(210,144.57)
Invoice 4567 - Roadwork		<u>(135,943.03)</u>
		2,561,637.70
Add:		
Metro Glass - lien		<u>212,624.57</u>
Total		2,774,262.27
Plus Costs / Interest (10%)		<u>277,426.23</u>
Total	\$	<u>3,051,688.50</u>

The amount shown above is slightly different than the amount provided as Security due to rounding.

6. As noted in the First Report, based on Mermac’s records, the Trustee understands that Mermac is owed \$2,498,259.70 (“**Mermac Aggregate Claim**”) by Sage for lienable work. The Trustee is also aware that various subtrades of Mermac have filed liens and that certain of those liens may be subsumed in the Mermac Aggregate Claim, thereby reducing the overall amount due to Mermac from Sage.

Invoicing Procedure

- 7. The Trustee has reviewed the various progress invoices and change-order invoices used to quantify the First Lien and Second Lien, as defined in the First Report.
- 8. As noted in the First Report, in discussing the Mermac invoicing process with former Mermac employees, the Trustee understands that Mermac would receive and review invoices from sub-trades, and such invoices, with applicable gross-ups to account for Mermac’s general contractor work, would form the basis of Mermac’s monthly progress and change-order billings to Sage. Draft billings would then be sent from Mermac to the project lender’s cost consultant (Turner & Townsend) and to the project owner, and after adjustments were agreed to, Mermac would raise its progress and change-order invoices.
- 9. The Trustee has reviewed a sample of invoices submitted by subtrades of Mermac and was able to reconcile those amounts with the Mermac progress invoice subsequently submitted to Sage for payment. An example is provided below with corresponding invoices herein attached as

Appendix A.

King Electric Invoice	Mermac Progress	
	Invoice #4754 - detail	Building
Invoice #1932 - \$5,788.80	\$6,109.52	A
Invoice #1933 - \$9,357.78	\$9,747.71	B
Invoice #1934 - \$3,931.82	\$4,436.37	G
Invoice #1935 - \$5,876.62	\$6,999.86	H
Invoice #1936 - \$8,254.82	\$9,178.05	J

- 10. Mike Robinson, former executive and Director of Mermac, has sworn an affidavit in support of the Mermac invoicing process described above, and a copy of his affidavit has been filed with this Honourable Court.
- 11. It has been brought to the attention of the Trustee that various sub trades of Mermac were either instructed not to claim or lien against the project or in the bankruptcy as they would be paid directly by Sage, as referenced in the Affidavit of Mei Whyte sworn September 21, 2023, or

have chosen not to lien or claim. In addition, the Trustee has received written correspondence from MQR Precast Ltd. (“MQR”), a subtrade of Mermac’s, that they will not be involved in the bankruptcy or lien proceedings in any capacity, as they are working directly with Sage.

12. This raises two considerations. Firstly, assertion by Sage that Mermac has overbilled, because the subcontractors’ liens don’t reflect proportionate amounts, would be inaccurate. If subcontractors chose not to lien for any reason, this does not detract from the liability of Sage to Mermac for its invoices duly rendered. Secondly, the inherent acknowledgment and/or direct payment by Sage to subtrades for work completed further validates the Mermac invoicing.
13. Furthermore, Sage has paid each of the first 17 progress invoices and several of the change-order invoices that have been submitted by Mermac for payment.

Sub Trade Claims

14. As discussed in the First Report the Trustee is aware of other builders liens and construction liens registered on the Sage property, several of which are known to be Mermac’s subtrades. As of October 19, 2023, the total value of these other liens is understood to be approximately \$1,630,248.91, summarized in the table below:

#	Lienholder Name	Amount	Lien Registration Date
1	Kerrige Concrete Ltd.	\$ 1,171.28	June 13, 2023
2	King Electrical Services Ltd.	96,624.88	June 21, 2023
3	Grayframe Ltd.	21,925.59	June 23, 2023
4	Triumph Inc.	202,291.43	June 28, 2023
5	Dragon Excavating Ltd.	39,965.21	July 21, 2023
6	1400188 Alberta Ltd. o/a D&T Plumbing	219,539.53	July 26, 2023
7	Southway Equipment Rentals Ltd.	36,452.60	July 27, 2023
8	Shaw Steel Services Ltd.	63,378.00	August 21, 2023
9	Paragon Ventilation (Calgary) Ltd.	194,180.00	August 21, 2023
10	Metro Glass Products Ltd.	212,624.57	September 1, 2023
11	AAA Steel Ltd.	196,930.82	Septemebr 1, 2023
12	Metro Glass Products Ltd.	131,000.00	September 7, 2023
13	AAA Steel Ltd.	214,201.00	September 21, 2023
14	Black Diamond	Unknown	September 22, 2023
		<u>\$ 1,630,284.91</u>	

15. The Trustee has reviewed the underlying detail of liens #1 to #7, and #9.
16. As noted in the First Report, the Trustee understands that a significant portion of the lien claim of Paragon Ventilation (Calgary) Ltd. (shown as #9 in the above table) is subsumed within the lien claimed by 1400188 Alberta Ltd., as Paragon Ventilation (Calgary) Ltd. was a sub-trade retained by 1400188 Alberta Ltd. It is the position of the Trustee there is likely a redundancy in those amounts and they should not be double counted when determining the overall amount payable to Mermac and/or its subtrades.
17. The Trustee has been in communication with legal counsel representing Shaw Steel Services Ltd. and requested details of the lien #8. It is understood that Shaw Steel Services Ltd. was supplying materials to MQR, a known subtrade of Mermac. MQR has not filed a lien against Sage nor have they filed a claim in the Mermac bankruptcy administration, even though they are understood to be owed over \$200,000 by Mermac.
18. More importantly, the Shaw Steel Services Ltd. lien of \$63,378.00 was registered 68 days after the Date of Bankruptcy. It is the position of the Trustee that this lien was not registered in time and accordingly, the Shaw Steel Services Ltd. lien of \$63,378.00 should be dismissed.
19. Around the time of the preparation of the First Report, the Trustee became aware of liens #10 to #14, all registered on or after September 1, 2023, 79 days after the Date of Bankruptcy. The Trustee's view is that these liens were filed out of time and should be dismissed.
20. On balance, the Trustee believes Liens #1 to #7 are valid and fall under Mermac's engagement, so therefore are subsumed within the Mermac liens. Lien #8 was filed out of time and therefore does not fall under the Mermac liens – so long as that lien is discharged and does not reduce Mermac's entitlement under the lien security. For so long as that lien is not discharged, then security must continue to be posted for it separately, as any liability under Mermac's contract would have terminated concurrently with its bankruptcy. It is believed that Lien #9 (Paragon) is subsumed within Lien #6 (1400188 Alberta Ltd.), so also falls away and does not accrete to the lien security total. Liens #10 to #14 are all out of time, so must either be disregarded or

continue to have separate lien security posted for those liens (on basis the only possible validity of those liens would be under a separate agreement with Sage).

21. Considering the above, the Trustee’s view is that the valid Mermac subtrade lien claims total \$617,970.52 (total of liens #1 to #7, as listed in the First Report). The remainder of liens were registered out of time, or such party may have a claim directly against Sage based on representations made directly to them from Sage.
22. The Trustee has reviewed the software platform used by Mermac, Procure, and can reconcile the amounts claimed in lien #1-#7.
23. The result is that Mermac is owed \$2,498,259.70 by Sage for lienable work, composed of the below noted work invoices and holdbacks:

Mermac First Lien	1,055,610.31
Mermac Second Lien	997,320.29
	2,052,930.60
Holdback - Mermac	791,416.70
Subtotal	2,844,347.30
Less: Holdbacks (Inv. 4676, 4733)	(210,144.57)
Less: Invoice 4567 - Roadwork	(135,943.03)
Net	2,498,259.70

24. The net total for lienable work (\$2,498,259.70) is less than the total amount presently paid into trust or posted as bond for security. As the valid lien claims of Mermac subtrades are subsumed within the Mermac contract, the net total for lienable work does not need to be increased to cover those amounts.
25. To the extent the amounts currently held or posted as bond security for liens is to be reduced, the Trustee submits the bond must be reduced first, before the available cash is withdrawn.
26. That said, the Trustee does not seek an order reducing the lien security. The Trustee seeks an Order:
 - a. declaring the Mermac Liens to be valid and enforceable;
 - b. declaring Liens #1 to #7 to be valid and enforceable;

- c. directing payment out of trust, in cash and by the relevant bond company, to the Trustee, in the amount of \$2,498,259.70, plus 10% for costs and interest, for a total of \$2,748,085.67, in satisfaction of Mermac's and Mermac's sub-trades' claims against Sage, under the registered liens;
 - d. directing the Trustee to remit \$617,970.52, plus 10% for costs and interest, for a total of \$679,767.57, to the respective lien creditors described under Liens #1 to #7;
 - e. releasing from trust any additional lien security held by or for Sage, in excess of the amount of \$2,748,085.67 paid.
27. Creditors claiming amounts owing under Liens #8 and #10 - #14 would be entitled to submit proofs of claim, as applicable, in the Mermac estate for any amounts owing but for which their liens are not valid.
28. The Trustee reserves all rights in respect of other amounts that may be owed to Mermac by Sage, including Invoice 4567 in the amount of \$135,943.03, which remains outstanding for road work completed on the Sage site.

Further Note Concerning Sage Arrangements with Contractors

29. Regarding MQR, the Trustee is not aware of any lien having been filed by MQR on the Sage construction site. However, the Trustee was contacted by a representative of MQR informing the Trustee that Sage was making arrangements to pay MQR directly for funds owed to them and upon Sage making this payment, MQR was to notify the Trustee to “*remove our invoice amount from Mermac's claim against Sage Hill Development Inc.*” A copy of the email from MQR evidencing this position is shown in **Appendix B**. The Trustee did not respond to the email received from MQR.
30. The Trustee's view is that while Sage is able to make any payment arrangements they wish with trades or sub-trades, any such payment arrangements wherein Sage pays or promises to

pay Mermac sub-trades, for amounts that are owing to Mermac as Sage's general contractor, do not reduce the balance owing from Sage to Mermac. The Trustee's reasons for this include:

- a. The Trustee has not authorized these payments.
- b. The Trustee has no ability, nor funds set aside, to vet and confirm the proposed deductions based on third-party transactions. The Trustee has no visibility of third-party arrangements, discounts, flow of funds, refunds, etc.
- c. There is no legal or equitable set off for third-party payments made voluntarily by Sage, as there is no covenant from Mermac and no mutuality.
- d. Sage has undertaken any new contracts, side arrangements or other dealings solely and entirely at its own risk.
- e. If Sage has paid Mermac sub-trades directly, and believes it has a claim against Mermac for those amounts, Sage should file a proof of claim with the Trustee. All proofs will be assessed and Sage will be entitled to prove its position under the applicable legislation, if there is any dispute.

31. The Trustee is further concerned that giving effect to a potential end-run around Mermac's creditors' rights in bankruptcy will bring disrepute to the administration.

SUMMARY

32. The Trustee analysis has been thorough and purposeful, with a view to distilling what has otherwise been a fairly complex net of intertwined claims.

33. On the basis of the Trustee's analysis, it appears evident the lien security can be paid out at this time and subordinate creditors with lien security can be paid.

34. The balance of funds will be committed to the Mermac estate for payment of accrued fees and ultimate distribution to creditors.

35. Any party with questions with respect to the foregoing is invited to contact the Trustee or its counsel in writing, at the information provided on the covering page.

HUDSON & COMPANY INSOLVENCY TRUSTEES INC.

In its capacity as Licensed Insolvency Trustee of
the bankruptcy estate of Mermac Construction Ltd.
and not in its personal capacity



Breanna Burkard-Smith, CIRP, LIT

Appendix A



King Electrical Services Ltd
 6036 5 st SE
 Calgary AB T2H 1L4
 403-852-4807
 info@kingelectricalservices.com
 GST Registration No.: 815945449RT0001

Invoice

BILL TO
mermac

INVOICE #	DATE	TOTAL DUE	DUE DATE	TERMS	ENCLOSED
1932	25/05/2023	\$6,078.24	24/06/2023	Net 30	

P.O. NUMBER
 sage hill A

ACTIVITY	QTY	TAX	RATE	AMOUNT
Services undergrounds material purchase to be installed	1	G	6,432.00	6,432.00
Hold Back 10%	1	G	-643.20	-643.20

Any late Payments will trigger a fee of 2.00% per month on the amount owing.

SUBTOTAL	5,788.80
GST @ 5%	289.44
TOTAL	6,078.24
BALANCE DUE	\$6,078.24

TAX SUMMARY

	RATE	TAX	NET
GST @ 5%		289.44	5,788.80



King Electrical Services Ltd
 6036 5 st SE
 Calgary AB T2H 1L4
 403-852-4807
 info@kingelectricalservices.com
 GST Registration No.: 815945449RT0001

Invoice

BILL TO
mermac

INVOICE #	DATE	TOTAL DUE	DUE DATE	TERMS	ENCLOSED
1933	25/05/2023	\$9,825.67	24/06/2023	Net 30	

P.O. NUMBER
 sage hill B

ACTIVITY	QTY	TAX	RATE	AMOUNT
Services	1	G	10,397.53	10,397.53
Underground material ready to install				
Hold Back	1	G	-1,039.75	-1,039.75
10%				

Any late Payments will trigger a fee of 2.00% per month on the amount owing.

SUBTOTAL	9,357.78
GST @ 5%	467.89
TOTAL	9,825.67
BALANCE DUE	\$9,825.67

TAX SUMMARY

RATE	TAX	NET
GST @ 5%	467.89	9,357.78



King Electrical Services Ltd
 6036 5 st SE
 Calgary AB T2H 1L4
 403-852-4807
 info@kingelectricalservices.com
 GST Registration No.: 815945449RT0001

Invoice

BILL TO
mermac

INVOICE #	DATE	TOTAL DUE	DUE DATE	TERMS	ENCLOSED
1934	25/05/2023	\$4,128.41	24/06/2023	Net 30	

P.O. NUMBER
 Sage Hill G

ACTIVITY	QTY	TAX	RATE	AMOUNT
Services Underground material ready to install	1	G	4,368.69	4,368.69
Hold Back 10%	1	G	-436.87	-436.87

Any late Payments will trigger a fee of 2.00% per month on the amount owing.

SUBTOTAL	3,931.82
GST @ 5%	196.59
TOTAL	4,128.41
BALANCE DUE	\$4,128.41

TAX SUMMARY

RATE	TAX	NET
GST @ 5%	196.59	3,931.82



King Electrical Services Ltd
 6036 5 st SE
 Calgary AB T2H 1L4
 403-852-4807
 info@kingelectricalservices.com
 GST Registration No.: 815945449RT0001

Invoice

BILL TO
mermac

INVOICE #	DATE	TOTAL DUE	DUE DATE	TERMS	ENCLOSED
1935	25/05/2023	\$6,170.45	24/06/2023	Net 30	

P.O. NUMBER

Sage Hill H

ACTIVITY	QTY	TAX	RATE	AMOUNT
Services Underground material ready for install	1	G	6,529.58	6,529.58
Hold Back 10%	1	G	-652.96	-652.96

Any late Payments will trigger a fee of 2.00% per month on the amount owing.

SUBTOTAL	5,876.62
GST @ 5%	293.83
TOTAL	6,170.45
BALANCE DUE	\$6,170.45

TAX SUMMARY

RATE	TAX	NET
GST @ 5%	293.83	5,876.62



King Electrical Services Ltd
 6036 5 st SE
 Calgary AB T2H 1L4
 403-852-4807
 info@kingelectricalservices.com
 GST Registration No.: 815945449RT0001

Invoice

BILL TO
mermac

INVOICE #	DATE	TOTAL DUE	DUE DATE	TERMS	ENCLOSED
1936	25/05/2023	\$8,667.56	24/06/2023	Net 30	

P.O. NUMBER
 Sage Hill J

ACTIVITY	QTY	TAX	RATE	AMOUNT
Services Underground material ready for install	1	G	9,172.02	9,172.02
Hold Back 10%	1	G	-917.20	-917.20

Any late Payments will trigger a fee of 2.00% per month on the amount owing.

SUBTOTAL	8,254.82
GST @ 5%	412.74
TOTAL	8,667.56
BALANCE DUE	\$8,667.56

TAX SUMMARY

RATE	TAX	NET
GST @ 5%	412.74	8,254.82

MERMAC Construction Ltd.

4799 - 68 Avenue S.E.
 Calgary, Alberta T2C 5C1
 Canada

INVOICE

Invoice No.: 4754
 Date: 05/31/2023
 Ship Date:
 Page: 1
 Re: Order No.

Sold to:

Sage Property Development Inc. (ONSITE)
 594 Saddlecreek Way N.E.
 Calgary, AB T3J 4A4
 Canada

Ship to:

Sage Property Development Inc. (ONSITE)
 Onsite
 3650 Sage Hill Drive N.W.
 Calgary, AB
 Canada

Business No.: 10364 2872 RT0001

Quantity	Description	Tax	Unit Price	Amount
	Progress to Date - Progress No. 20	G		7,914,167.40
	Less Progress No. 1 (Inv. 4510 Includes Deposit Received)	G		-744,317.62
	Less Progress No. 2-Revised (Inv. 4525)	G		-307,093.06
	Less Progress No. 3 (Inv. 4532)	G		-850,977.53
	Less Progress No. 4 (Inv. 4552)	G		-137,402.09
	Less Progress No. 5 (Inv. 4585)	G		-77,912.47
	Less Progress No. 6 (Inv. 4594)	G		-215,150.50
	Less Progress No. 7 (Inv. 4620)	G		-175,076.25
	Less Progress No. 8 (Inv. 4634)	G		-138,101.77
	Less Progress No. 9 (Inv. 4643)	G		-360,183.35
	Less Progress No. 10 (Inv. 4652)	G		-219,654.29
	Less Progress No. 11 (Inv. 4666)	G		-223,509.91
	Less Progressive Holdback (Inv. 4676)	G		-112,612.58
	Less Progress No. 12 (Inv. 4677)	G		-676,211.37
	Less Progress No. 13 (Inv. 4687)	G		-391,999.62
	Less Progress No. 14 (Inv. 4694)	G		-197,198.64
	Less Progress No. 15 (Inv. 4707) GC's Adjusted for QS Cutback	G		-269,057.16
	Less Progress No. 16 (Inv. 4717) GC's Adjusted for QS Cutback	G		-173,259.52
	Less Progress No. 17-Revised (Inv. 4730)	G		-452,601.51
	Less Progressive Holdback (Inv. 4733)	G		-87,525.10
	Less Progress No. 18 (Inv. 4736)	G		-258,811.34
	Less Progress No. 19 (Inv. 4748)	G		-514,823.64
	Less 10% Holdback on \$5,912,790.42	G		-591,279.04
	Subtotal:			739,409.04
	G - GST 5.00%			36,970.44
	GST			
MERMACH Construction Ltd. GST: #10364 2872 RT				
Shipped By: Tracking Number:			Total Amount	776,379.48
Terms: Net 30. Due 06/30/2023.			Amount Paid	0.00
Comment:			Amount Owing	776,379.48
Sold By:				

91979000

Progress #20
 Date: May 31, 2023

COST BREAKDOWN
 Sage Hill Commons Phase 1

Calgary, AB

	Contract Amount	% Complete	Progress to Date	Previous Progress	This Progress	Cost to Complete
Division 1 - GC's	1,777,476.10	81	1,439,755.64	1,333,107.08	106,648.56	337,720.46
Division 2 - Sitework	2,690,910.29	75	2,018,182.72	1,967,056.42	51,127.30	672,727.57
BUILDING A						
Division 3 - Concrete	133,558.54	100%	133,558.54	133,558.54	0.00	0.00
Division 3 - Slab on grade	29,106.00	35%	10,187.10	6,403.32	3,783.78	18,918.90
Division 4 - Masonry	17,877.70	0%	0.00	0.00	0.00	17,877.70
Division 5 - Metals	162,043.48	100%	162,043.48	162,043.48	0.00	0.00
Division 6 - Woods & Plastics	38,271.67	65%	24,876.59	24,876.59	0.00	13,395.08
Division 7 - Thermal	130,822.71	95%	124,281.57	107,274.62	17,006.95	6,541.14
Division 8 - Doors & Windows	66,106.55	78%	51,563.11	49,579.91	1,983.20	14,543.44
Division 9 - Finishes	80,586.00	95%	76,556.70	76,556.70	0.00	4,029.30
Division 15 - Mechanical	63,813.75	63%	40,202.66	38,288.25	1,914.41	23,611.09
Division 16 - Electrical	50,912.65	37%	18,837.68	12,728.16	6,109.52	32,074.97
Building A Total	772,899.05	83%	642,107.43	611,309.57	30,797.86	130,791.62
BUILDING B						
Division 3 - Concrete	185,011.63	100%	185,011.63	185,011.63	0.00	0.00
Division 3 - Slab on grade	43,236.00	35%	15,132.60	6,485.40	8,647.20	28,103.40
Division 4 - Masonry	40,874.01	0%	0.00	0.00	0.00	40,874.01
Division 5 - Metals	235,698.96	100%	235,698.96	235,698.96	0.00	0.00
Division 6 - Woods & Plastics	44,952.31	65%	29,219.00	29,219.00	0.00	15,733.31
Division 7 - Thermal	168,250.12	95%	159,837.61	151,425.11	8,412.50	8,412.51
Division 8 - Doors & Windows	100,064.16	82%	81,552.29	80,051.33	1,500.96	18,511.87
Division 9 - Finishes	92,691.43	95%	88,056.86	88,056.86	0.00	4,634.57
Division 15 - Mechanical	112,700.43	94%	105,938.40	57,477.22	48,461.18	6,762.03
Division 16 - Electrical	46,417.68	64%	29,707.31	19,959.60	9,747.71	16,710.36
Building B Total	1,069,896.72	87%	930,154.67	853,385.11	76,769.56	139,742.05
BUILDING C						
Division 3 - Concrete	132,790.69	100%	132,790.69	132,790.69	0.00	0.00
Division 3 - Slab on grade	24,474.60	10%	2,447.46	0.00	2,447.46	22,027.14
Division 4 - Masonry	26,373.12	0%	0.00	0.00	0.00	26,373.12
Division 5 - Metals	141,980.78	100%	141,980.78	141,980.78	0.00	0.00
Division 6 - Woods & Plastics	37,330.78	0%	0.00	0.00	0.00	37,330.78
Division 7 - Thermal	102,774.60	50%	51,387.30	26,721.40	24,665.90	51,387.30
Division 8 - Doors & Windows	73,556.17	2%	1,471.12	0.00	1,471.12	72,085.05
Division 9 - Finishes	72,040.63	90%	64,836.57	28,816.25	36,020.32	7,204.06
Division 15 - Mechanical	76,836.63	8%	6,146.93	6,146.93	0.00	70,689.70
Division 16 - Electrical	72,040.63	0%	0.00	0.00	0.00	72,040.63
Building C Total	760,198.62	53%	401,060.85	336,456.05	64,604.80	359,137.77
BUILDING F						
Division 3 - Concrete	470,695.39	80%	376,556.31	178,864.25	197,692.06	94,139.08
Division 3 - Slab on grade	71,301.60	0%	0.00	0.00	0.00	71,301.60
Division 4 - Masonry	0.00	0%	0.00	0.00	0.00	0.00
Division 5 - Metals	788,268.89	3%	23,648.07	23,648.07	0.00	764,620.82
Division 6 - Woods & Plastics	81,635.80	0%	0.00	0.00	0.00	81,635.80
Division 7 - Thermal	371,055.17	5%	18,552.76	0.00	18,552.76	352,502.41
Division 8 - Doors & Windows	685,314.43	0%	0.00	0.00	0.00	685,314.43
Division 9 - Finishes	353,099.74	0%	0.00	0.00	0.00	353,099.74
Division 14 - Conveying	97,416.00	0%	0.00	0.00	0.00	97,416.00
Division 15 - Mechanical	378,544.32	2%	7,570.89	0.00	7,570.89	370,973.43
Division 16 - Electrical	314,344.80	12%	37,721.38	0.00	37,721.38	276,623.42
Building F Total	3,611,676.14	13%	464,049.40	202,512.32	261,637.08	3,147,626.74

BUILDING G						
Division 3 - Concrete	119,702.14	100%	119,702.14	119,702.14	0.00	0.00
Division 3 - Slab on grade	24,549.30	35%	8,592.26	2,454.93	6,137.33	15,957.05
Division 4 - Masonry	27,025.52	0%	0.00	0.00	0.00	27,025.52
Division 5 - Metals	181,532.24	100%	181,532.24	181,532.24	0.00	0.00
Division 6 - Woods & Plastics	46,533.12	80%	37,226.49	27,919.87	9,306.62	9,306.62
Division 7 - Thermal	93,321.22	100%	93,321.22	91,454.79	1,866.43	0.00
Division 8 - Doors & Windows	73,153.32	92%	67,301.05	65,837.99	1,463.06	5,852.27
Division 9 - Finishes	51,811.96	94%	48,703.24	48,703.24	0.00	3,108.72
Division 15 - Mechanical	51,811.96	98%	50,775.72	12,952.99	37,822.73	1,036.24
Division 16 - Electrical	73,939.56	27%	19,963.68	15,527.31	4,436.37	53,975.88
Building G Total	743,380.32	84%	627,118.04	566,085.60	61,032.54	116,262.28
BUILDING H						
Division 3 - Concrete	175,689.64	100%	175,689.64	175,689.64	0.00	0.00
Division 3 - Slab on grade	41,114.70	35%	14,390.15	2,055.74	12,334.41	26,724.56
Division 4 - Masonry	52,799.54	60%	31,679.72	31,679.72	0.00	21,119.82
Division 5 - Metals	299,245.22	100%	299,245.22	299,245.22	0.00	0.00
Division 6 - Woods & Plastics	38,749.65	61%	23,637.29	23,637.29	0.00	15,112.36
Division 7 - Thermal	139,089.17	100%	139,089.17	91,798.85	47,290.32	0.00
Division 8 - Doors & Windows	113,664.37	47%	53,422.25	52,285.61	1,136.64	60,242.12
Division 9 - Finishes	72,061.47	95%	68,458.40	54,046.10	14,412.30	3,603.07
Division 15 - Mechanical	72,061.47	56%	40,354.42	16,574.14	23,780.28	31,707.05
Division 16 - Electrical	116,664.27	21%	24,499.50	17,499.64	6,999.86	92,164.77
Building H Total	1,121,139.51	78%	870,465.76	764,511.96	106,953.81	250,673.75
BUILDING J						
Division 3 - Concrete	112,191.54	100%	112,191.54	112,191.54	0.00	0.00
Division 3 - Slab on grade	21,251.70	35%	7,438.10	2,125.17	5,312.93	13,813.61
Division 4 - Masonry	4,519.72	0%	0.00	0.00	0.00	4,519.72
Division 5 - Metals	121,932.12	100%	121,932.12	121,932.12	0.00	0.00
Division 6 - Woods & Plastics	33,396.88	62%	20,706.07	20,706.07	0.00	12,690.82
Division 7 - Thermal	82,878.42	100%	82,878.42	74,590.58	8,287.84	0.00
Division 8 - Doors & Windows	97,900.00	40%	39,160.00	37,202.00	1,958.00	58,740.00
Division 9 - Finishes	62,260.04	95.0%	59,147.04	45,138.53	14,008.51	3,113.00
Division 15 - Mechanical	52,932.04	95%	50,285.44	25,936.70	24,348.74	2,646.60
Division 16 - Electrical	57,362.84	48%	27,534.16	18,356.11	9,178.05	29,828.68
Building J Total	646,625.32	81%	521,272.89	458,178.82	63,094.07	125,352.43
Sub-Total	13,194,202.07	60.0%	7,914,167.40	7,092,601.82	821,565.58	5,280,034.67
Cash Allowances						
a. Pylon Signage	160,930.00	0	0.00	0.00	0.00	160,930.00
b. Artwork	27,500.00	0	0.00	0.00	0.00	27,500.00
Sub-Total Cash Allowances	188,430.00	0%	0.00	0.00	0.00	188,430.00
Change Orders - To be Invoiced Separately						
Total Contract Price	13,382,632.07		7,914,167.40	7,092,601.82	821,565.58	5,468,464.67
Soft Costs						
	0.00	0	0.00	0.00	0.00	0.00
	0.00	0	0.00	0.00	0.00	0.00
Total Project	13,382,632.07	59.1%	7,914,167.40	7,092,601.82	821,565.58	5,468,464.67

Appendix B

Stefan DuChene

From: dchow@mqrprecast.com
Sent: Thursday, September 21, 2023 7:10 PM
To: Stefan DuChene
Cc: irfaan1122@hotmail.com; 'Marco DeDominicis'; contact@sunilsharma.ca
Subject: Mermac Insolvency

Hi Stefan,

We've been notified by Sage Hill Development Inc. that they will be paying our invoices related to the Mermac job directly as per your conversation with Marco.

Once we have been paid, we will inform you to remove our invoice amount from Mermac's claim against Sage Hill Development Inc.

Please confirm you are in agreement with this.

Thanks.

Denny Chow, CA

MQR Precast Ltd.
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C] 403.616.9540
E] dchow@mqrprecast.com