

**THIS IS EXHIBIT "I" REFERRED TO  
IN THE AFFIDAVIT OF GARY IVANY  
SWORN BEFORE ME THIS \_\_\_\_\_  
DAY OF JULY, 2014**

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**A Notary Public in and for the Province  
of Ontario**

## **Gorman, Howard A.**

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**From:** Gorman, Howard A.  
**Sent:** July-22-14 1:57 PM  
**To:** 'Chuck Russell'  
**Subject:** FW: Sprague-Rosser Contracting Co. Ltd. ("Sprague-Rosser") and Royal Bank of Canada ("RBC")

**Howard Gorman, Q.C.**  
Senior Partner

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## **NORTON ROSE FULBRIGHT**

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**From:** Gorman, Howard A.  
**Sent:** July-21-14 11:45 AM  
**To:** 'Alan McConnell'  
**Cc:** Ivany, Gary; 'Kampers, Steve'; 'Martin, Todd'  
**Subject:** RE: Sprague-Rosser Contracting Co. Ltd. ("Sprague-Rosser") and Royal Bank of Canada ("RBC")

Further to your e-mail inquiry, this will confirm our request that all communications occur directly between our offices and not between Sprague-Rosser and RBC or Alvarez and Marsal.

That being said, and notwithstanding the Demands being outstanding, pursuant to the Loan Agreements and while RBC considers it's appropriate next steps, we continue to look forward to meaningful and timely updates with respect to the following:

- a) collection of Receivables, including payments from Saskatoon and any payments or advances made with respect to the other major outstanding receivables;
- b) the release of the overdue Arbitration decision, or any update on timing in that regard;
- c) particulars of any refinancing initiatives, including any term sheets or commitment letters received; and
- d) any other matters Sprague-Rosser or it's advisors deem relevant to RBC considering the next steps it might undertake with respect to the outstanding Loan Indebtedness.

**Howard Gorman, Q.C.**  
Senior Partner

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## **NORTON ROSE FULBRIGHT**

## **Gorman, Howard A.**

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**From:** Gorman, Howard A.  
**Sent:** July-24-14 9:24 AM  
**To:** 'Chuck Russell'  
**Cc:** Jeff Jessamine (jeff@sprague-rosser.com); Kieran Bowes (kbowes@sprague-rosser.com)  
**Subject:** RE: Affidavit

Thank you for your e-mail and package of attachments of July 23

In considering your request for a brief extension of the demands, we will need to see a virtual daily cash flow for the next few weeks and the source of any funds to make payments.

In particular, there is reference to a mistaken (\$approx \$175,000) payroll payment made that needs to be rectified. How will it be rectified and with what funds? There have been no significant deposits in the RBC account from any collection of receivables although we were told there was an \$83,000 cheque in hand last week and that a significant (over \$600,000) payment was expected from the City of Saskatoon by now. Of course, RBC would have grave concerns if S-R was diverting those funds that are subject to our security to another financial institution to fund subordinate or other creditors. We need details in that regard.

Also, we understand from prior cash flows that there is a much bigger payroll (\$475,000) due this week. Again, we need details as to the source of those payments.

In Paragraph 4 of the Report to you, there is a reference that the arbitration decision "was late" Does that mean it has now been received? If so, please provide a copy immediately as per prior commitments.

We urgently require these details to consider your extension request

**Howard Gorman, Q.C.**  
Senior Partner

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## **NORTON ROSE FULBRIGHT**

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**From:** Chuck Russell [<mailto:crussell@mross.com>]  
**Sent:** July-23-14 4:28 PM  
**To:** Gorman, Howard A.  
**Cc:** Jeff Jessamine ([jeff@sprague-rosser.com](mailto:jeff@sprague-rosser.com)); Kieran Bowes ([kbowes@sprague-rosser.com](mailto:kbowes@sprague-rosser.com))  
**Subject:** FW: Affidavit

Howard, I have had the clients put together some information which explains some of the matters/concerns of the bank, we discussed yesterday. I hope this gives RBC some level of comfort in extending the demand, to see if we can get replacement financing in the short term. I understand that Callidus is known to the bank, and they are known for quick turn around on funding commitments, quicker than the TD would be.

I explained to you the problem with the payroll service provider having cleared payroll last week without funds, that has to be rectified, and current payroll covered. The client is trying to gather money to do so and is also seeking support from the bonding company in this regard.

Please advise if the bank is prepared to extend the period of demand to next Tuesday, Callidus has advised they believe they can have a term sheet by Monday, and that might provide the exit strategy that is in everyone's best interests.