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COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

APPLICANTS

IN THE MATTER OF THE *BANKRUPTCY AND  
INSOLVENCY ACT*, R.S.C. 1985, c-B-3 as  
amended

AND IN THE MATTER OF THE  
RECEIVERSHIP OF DO ALL INDUSTRIES  
AND P&O ASSETS LTD.

DOCUMENT

**SEVENTH REPORT OF THE RECEIVER**

**December 3, 2014**

ADDRESS FOR  
SERVICE AND  
CONTACT  
INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

**RECEIVER**

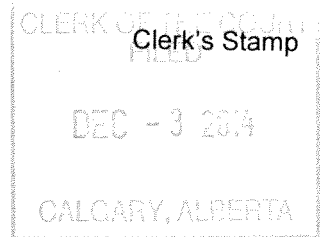
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## INTRODUCTION

1. Effective February 6, 2014 (the "**Receivership Date**"), pursuant to an order of the Honourable Justice A.D. Macleod (the "**Receivership Order**"), Alvarez & Marsal Canada Inc. ("**A&M**") was appointed as receiver and manager (the "**Receiver**"), without security, of all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situated including all proceeds thereof (the "**Property**") of Do All Industries Ltd ("**Do All**") and P&O Assets Ltd. ("**P&O**") (collectively, the "**Do All Group**" or the "**Companies**") pursuant to section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended (the "**BIA**") in the within action (the "**Receivership Proceedings**").
2. The Receivership Order authorizes the Receiver, among other things, to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property and directs the Receiver to hold all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of the Receivership Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of the Receivership Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of the Receivership Order or any further order of this Court.
3. Subsequent to the Receivership Order and upon an application by a creditor a Bankruptcy Order was issued against Do All on February 26, 2014. Alvarez & Marsal Canada Inc. was appointed as trustee in bankruptcy by the official receiver and affirmation of the creditors was received at the First Meeting of Creditors on March 26, 2014.
4. The purpose of this Seventh report of the Receiver (the "**Seventh Report**" or this "**Report**") is to:

- i) update the Court and interested parties on the Receiver's activities since the last report and its future activities to complete the administration;
  - ii) seek the Courts approval to the distribution of funds received from Maynards Industries Ltd. ("**Maynards**");
  - iii) seek advice and direction to proceed with a proposed Claims Procedure Process and a Claims Bar Date for P&O or, alternatively, a conclusion of the administration of the estates of the Companies and discharge without a Claims Procedure Process; and
  - iv) approve of or dispense with approving the Receiver' disbursements, including its accounts and the accounts of its legal counsel.
5. Capitalized terms not defined in this Seventh Report are as defined in the Initial Order and the First through the Sixth Reports of the Receiver.
6. All references to dollars are in Canadian currency unless otherwise noted.

#### **TERMS OF REFERENCE**

7. In preparing this Seventh Report, the Receiver has relied upon unaudited financial information, company records and discussions with management of the Do All Group. The Receiver has not performed an audit, review or other verification of such information. An examination of the financial forecast as outlined in the Canadian Institute of Chartered Accountants ("**CICA**") Handbook has not been performed. Future oriented financial information relied upon in this Report is based on management's assumptions regarding future events and actual results achieved will vary from this information and the variations may be material.

#### **BACKGROUND**

8. Do All and P&O are privately-held sister companies and commonly owned and controlled by Mr. Korf. Do All was engaged in the fabrication of drilling rigs and related oil field equipment and operated out of premises owned by P&O. P&O is a real estate holding company and leased its property primarily to Do All. The assets were geographically located in Estevan, Saskatchewan and Nisku, Alberta.

9. The National Bank of Canada ("**NBC**") was the primary secured creditor of Do All and P&O. Previous orders granted by the Court authorized the Receiver to pay the loan of NBC.
10. The Receiver has completed and the Court has approved the sale of substantially all of the assets of the Do All Group and the Court has approved distribution of proceeds from those sales to NBC.
11. Do All was the borrower and P&O was a guarantor to NBC of the Do All loans from NBC. The assets of Do All were not sufficient to satisfy the debt to NBC. Substantially all of the proceeds from the sale of P&O's assets were distributed to NBC in full payment of the NBC loan.
12. Korf Properties Ltd, ("**KP**") a related party has advised the Receiver it has security over the assets of Do All. The records of Do All indicate a liability to KP of \$2.65 million.
13. Further background on the Do All Group and their operations are contained in the materials filed in seeking the Receivership Order. Information on the activities of the Receiver is contained in previous reports of the Receiver. The application material and previous reports have been posted by the Receiver on its website at: [www.alvarezandmarsal.com/doall](http://www.alvarezandmarsal.com/doall).

#### **ACTIVITIES OF THE RECEIVER SINCE THE RECEIVER'S SIXTH REPORT AND MATTERS TO COMPLETE THE ADMINISTRATION**

14. Since the date of the Sixth report of the Receiver, the Receiver's activities have included the following:
  - i) Determining priority to and distributing the funds of approximately \$1.85 million that were previously held back for builders' liens registered against lands and discharged by the Vesting Order to payout the NBC loans;
  - ii) ongoing discussions with creditors and shareholders of P&O regarding the distribution of funds to those parties;
  - iii) completing the sale of assets;

- iv) continuing collections of the outstanding accounts receivable including the collection of the remaining \$2.0 million promissory note from Twilight Drilling Ltd, of which \$1.5 million was paid on November 1, 2014;
- v) negotiating the release of approximately \$2.0 million in funds held by Maynards from the sale of assets prior to the Receivership;
- vi) pursuing existing litigation for the collection of a \$2.7 million receivable from Tough Enough Ltd.; and
- vii) preparing the annual tax returns and other regulatory filings for Do All and P&O.

***Matters to Complete***

15. The Receiver continues to make efforts to complete the following in order to finalize the administration of the estates and proceed to its discharge:
- i) continuing on the Tough Enough Ltd. litigation as discussed in previous reports;
  - ii) finalizing the annual corporate income tax returns and other regulatory filings for Do All and P&O and obtaining a clearance certificate from CRA as may be required;
  - iii) realizing on related party/intercompany receivables in the range of \$1.0 to \$2.0 million and/or making arrangements to assign these receivables to the appropriate beneficiary, which may be P&O. All of the related companies are owned and controlled by Mr. Korf. It was agreed between the Receiver and related parties that the Receiver would not pursue collection of these receivables, unless required to satisfy the claims of the arm's length creditors of P&O and Do All;
  - iv) realizing on any contribution and indemnity claim from Korf Developments Ltd., a related party ("KDL"). KDL provided a \$2.0 million guarantee to NBC and creditors of P&O may have a claim against KDL for contribution. The Receiver has agreed not to pursue that claim unless required to satisfy the claims of the arm's length creditors of P&O and Do All;

- v) distributing funds under the Settlement Agreement, as defined below and monitoring the provisions under the Settlement Agreement;
- vi) completing the bankruptcy of Do All as required by the BIA; and
- vii) completing any Claims Procedure Process order by the Court and distributing funds pursuant to that order or as otherwise ordered by the Court.

## RECEIPTS AND DISBURSEMENTS

16. The table below provides a summary of the Receivers receipts and disbursements for the period from inception of the receivership to November 21, 2014.

Do All Industries Ltd. Statement of Receipts and Disbursements For The Period from February 6, 2014 to November 21, 2014 (S000's)		
<b>Receipts</b>		
Cash in Bank at date of Receivership	\$	168
Accounts receivable collections		3,254
Sale of inventory and equipment		10,701
Sale of land and buildings		18,750
GST refund		27
Other receipts		13
<b>Total Receipts</b>		<b>32,912</b>
<b>Disbursements</b>		
Wages and contractor payments		197
Utilities and services		202
Insurance		168
Professional fees		981
Wages Arrears		509
Other disbursements		36
Tax remittances		593
Receiver's borrowings interest and fees		10
Debt repayment		26,957
<b>Total Disbursements</b>	\$	<b>29,654</b>
<b>Receipts in excess of disbursements</b>	\$	<b>3,258</b>
Opening Cash Position		-
<b>Closing Cash Position</b>		<b>3,258</b>

17. There are outstanding Receiver and legal fees and other commitments and contingencies of the Receiver that are not included in the statement of receipts and

disbursements. Additionally, there is further Property available for the Receiver to realize on and recover additional funds.

18. The Receiver does not require the entirety of the current cash balance for future operations and commitments and proposes to payout surplus funds to P&O's creditors for the reasons set out below.

#### THE MAYNARDS TRUST FUNDS

19. Prior to the time of the Receivership Order:
  - i) Do All had operations in Innisfail, Alberta and operated out of leased premises owned by P&O XEG Assets Ltd. ("**XEG**"), a related party;
  - ii) XEG purportedly conveyed all of its personal property, including inventory and equipment to Do All; and
  - iii) Do All engaged Maynards to liquidate the property at the XEG premises in Innisfail.
20. The funds in trust from Maynards of approximately \$2.0 million ("**Maynards Funds**") originate from the auction of assets by Maynards located in Do All's leased premises in Innisfail and under the control of Do All (the "**Innisfail Assets**"). A copy of the Auction contract dated September 12, 2013 between Do All and Maynards is attached as Appendix "A". Under paragraph 6.1 of the Auction contract, Do All represents and warrants that it is the legal and beneficial owner of the assets and that the assets are free and clear of all liens and encumbrances.
21. HSBC Bank is the secured lender to XEG. XEG has been voluntarily liquidating its assets, consisting mainly of real property, to payout its loans from HSBC and it is uncertain whether the property of XEG, excluding the Innisfail Assets will be sufficient to accomplish that.
22. Prior to the Receivership and the sale of the assets by Maynards, it was agreed amongst the interested stakeholders, including Do All, XEG, NBC and HSBC Bank, the secured lender to XEG, that the proceeds of the sale of the Innisfail Assets would



stand in place of the Innisfail Assets and be held in Trust by Maynards pending resolution of priority to the Innisfail Assets.

23. A & M in its capacity as financial advisor to NBC prior to the Receivership had a number of discussions with Mr. Kordel Korf, President of Do All and XEG, and with Mr. Bryn Jones, CFO of Do All, about the ownership of the Innisfail Assets including the transaction wherein Do All acquired the Innisfail Assets from XEG. During those discussions, A&M was advised that all of the equipment and inventory had been conveyed from XEG to Do All on or about August 24, 2012.
24. In support of the transaction Do All provided a Conveyance, which is attached hereto as Appendix "B". It was noted at the time that the Conveyance only referenced inventory and did not reference equipment. Mr. Kordel and Mr. Jones advised that either the Conveyance was in error or another conveyance should have been prepared for the equipment. To the Receiver's knowledge, the Conveyance was never amended nor was another conveyance prepared. However, the sale of the equipment was recorded as such in the books, records and financial statements of both XEG and Do All and in the tax returns of Do All.
25. HSBC Bank purported the equipment is owned by XEG and is subject to its security.
26. Both HSBC, as a secured creditor of XEG, and NBC, as a secured creditor of Do All (and P&O after its subrogation to the NBC security), claim an interest in the Maynards Funds related to the sale of equipment. HSBC does not claim the proceeds relating to the sale of inventory originally estimated between \$280,000 and \$360,000.
27. HSBC Bank commenced a Court action to direct the equipment proceeds be paid to it. The Receiver and HSBC Bank then took up settlement discussions and reached an agreement on the distribution and retention of the Maynards Funds ("**Settlement Agreement**"). The Receiver entered into the Settlement Agreement after extensive discussions with its legal counsel and after Review of various documents and records relevant to the issues. The Settlement Agreement is attached as Appendix "C" and provides:
  - i) confirmation to HSBC Bank that all of the Do All obligations to NBC have been paid in full;

- ii) the Equipment Funds are properly payable to XEG and are subject to the XEG Security and that such security interest in the Equipment Funds in favour of HSBC is valid and enforceable;
  - iii) the Inventory Funds are properly payable to Do All and are subject to the Do All Security and that such security interest in the Inventory Funds in favour of NBC is valid and enforceable;
  - iv) funds to be paid to the Receiver for the amount of the Inventory Funds of approximately \$335,000 and \$100,000 from the Equipment Funds;
  - v) funds payable to HSBC in the sum of \$100,000 from the Equipment Funds;
  - vi) the balance of the funds will be held by the Receiver's counsel for a period of six months from the date of the Settlement Agreement (August 8, 2014). If those funds are required by XEG to pay its obligations to HSBC Bank the funds will be paid to HSBC on February 8, 2015. If the funds are not required to pay out the obligation to HSBC Bank the funds will be paid to Do All;
  - vii) after February 8, 2015, any proceeds from the sale of remaining XEG property will be paid towards the HSBC obligations if such obligations are extant, any remaining proceeds will be paid to Do All pursuant to a mortgage and other security granted to Do All by XEG; and
  - viii) Kordel Korf, the sole shareholder of P&O has irrevocably directed that the Receiver pay \$100,000 to HSBC Bank. That amount is only payable after arm's length creditors of P&O and all Receiver's fees and disbursements and taxes have been paid.
28. Maynards released the approximate \$2.1 million it held to the Receiver on the trust condition that the Receiver obtains Court approval for any distribution of the funds (attached as Appendix "D" is Maynards Trust Letter). Accordingly, the Receiver is seeking approval of the Court to distribute the funds in accordance with the terms of the Settlement Agreement.

## P & O CREDITORS AND CLAIM PROVING PROCESS

### *Overview*

29. The Receiver holds in trust approximately \$3.3 million and there are potential further realizations available to the estate which the Receiver continues to pursue. The Receivership Order and subsequent orders granted by the Court require the Receiver to obtain further order of the Court to distribute funds. To do that the Receiver is of the view that it should identify and quantify creditors entitled to the funds in order to distribute funds to those creditors.
30. Based on the creditor information available to the Receiver from the books and records of P&O and the fact that P&O is the first secured creditor over the Property of Do All by virtue of the its subrogation to the security of NBC, P&O upon collecting its receivable from Do All would appear to have sufficient assets to pay all of its known creditors at this time. Therefore the Receiver believes a claim proving process is more appropriate and necessary to be undertaken in the Receivership to identify all creditors, establish the value of the claims and for the distribution of funds to P&O's creditors.
31. As discussed in the Receiver's Sixth Report the Receiver is seeking advice and direction for establishing a claims procedure process and claims bar date (the "**Claims Procedure Process**") by this Honourable Court.
32. The Claims Procedure Process set out in the proposed Claims Procedure Order is required to establish the claims against P&O as at February 6, 2014 (the "**Receivership Date**"). The purpose of using this date is to ensure the Receiver captures any remaining outstanding and unpaid creditors as of the date of the appointment of the Receiver.

### *Subrogation of P&O to NBC security*

33. The Court previously approved the sale of the Property of P&O and distribution of proceeds therefrom to NBC.
34. Proceeds from the sale paid to NBC by P&O were approximately \$19.0 million including distribution of the lien holdback discussed in the Sixth Report.

35. There are no further material assets remaining in P&O other than a receivable from Do All of approximately \$14.0 million. The receivable arose from the payment by P&O of Do All's obligations of \$19.0 million to NBC, less an approximate \$5.0 million that was payable to Do All by P&O prior to the Receivership.
36. P&O as a guarantor has paid the loans of Do All and the Receiver was advised by its counsel that P&O, by operation of law, is subrogated to the rights and security of NBC. This was confirmed by an Order of this Court July 10, 2014. Accordingly, the remaining recoveries from the sale of Property and collection of receivables in Do All should be firstly paid to P&O pursuant to the subrogated NBC security position and then distributed to the creditors of P&O.

### **P & O Creditors**

37. The known creditors of P & O (based on the books and records of P&O) and estimated liability to each creditor is as follows:

P&O Assets Ltd. Creditor Listing		
<i>Preliminary List of Creditors as at February 6, 2014, as submitted by the Debtor Without Admission as to any Liabilities or Privilege Herein Shown</i>		
Carson Energy Services Ltd.	\$	1,271.35 <i>Notes</i>
City of Estevan		71,727.41 <b>1</b>
Day Construction Ltd.		152,659.50
Do All Industries Ltd.		5,208,815.85 <b>2</b>
Glen Peterson Construction		66,396.30
Government of Alberta		128,949.00
GT & H Holdings Inc.		14,089.80
Hirsch Construction		1,391,000.00 <b>3</b>
Johnson Plumbing and Heating Ltd.		163,907.80
Kowalishen Law Firm Prof. Corp.		8,215.75
Leduc County		78,446.26 <b>1</b>
MNP LLP		9,220.00
National Bank of Canada		19,000,000.00 <b>4</b>
Receiver General		889,139.35 <b>5</b>
Redriver Lumber		4,319.74
RM of Estevan		33,852.66 <b>1</b>
Southeast Electric Ltd.		244,133.57
Turnbull Excavating Ltd.		28,014.19
<b>Total outstanding liabilities</b>	<b>\$</b>	<b>27,494,158.53</b>
<b>Notes</b>		
<i>1 - Outstanding Property Taxes are no longer payable due to the sale of the land and buildings</i>		
<i>2 - This amount was paid by P&amp;O through the sale of land and buildings</i>		
<i>3 - Estimated based on the amount of the lien claim; the Receiver has been advised by Mr. Korf that he is disputing this amount</i>		
<i>4 - NBC was paid in full and this amount is no longer payable</i>		
<i>5 - Estimated taxes, subject to receipt of assessment from CRA</i>		

***Proposed Notice to Creditors to File Proofs of Claims***

38. Under the Proposed Claims Procedure Order, the Receiver, shall, on or before December 19, 2014 send a Proof of Claim Document Package (attached as Schedule "A" to the Claims Procedure Order) by ordinary mail or by email, to each known or possible Affected Creditor who had or may have had a Claim as at February 6, 2014.
39. A notice to Affected Creditors (the "**Notice to Affected Creditors**") regarding the Claims Procedure is to be published prior to December 19, 2014 in the Edmonton Journal, Regina Post and the Estevan Mercury. Through that advertisement, potential Affected Creditors that are unknown to the Receiver will be advised of the requirement to file a Proof of Claim in order to preserve their rights.
40. The Receiver will also post electronic copies of the Notice to Affected Creditors, the Proof of Claim and the Claims Procedure Order on the Receiver's website as soon as practically possible after granting of the Claims Procedure Order.

***Proposed Claims Bar Date***

41. The Receiver proposes that any Affected Creditor asserting a Claim be required to file a Proof of Claim with the Receiver prior to 5:00 p.m. (Mountain Time) on January 26, 2015 (the "**Claims Bar Date**").
42. Any Affected Creditor that does not file its Claim with the Receiver on or before the Claims Bar Date, or such later date as this Honourable Court may otherwise order, will:
  - i) have its Claim forever barred and extinguished, unless otherwise ordered by the Court;
  - ii) not be entitled to any further notice of these proceedings; and
  - iii) not be entitled to receive any distribution of funds.
43. The Receiver believes the Claims Bar Date is reasonable as it provides over 30 days from the date by which the Receiver must send out the Proof of Claim Package to Affected Creditors of which the Receiver is aware, during which time Affected

Creditors may evaluate their claim against P&O and submit the necessary Proof of Claim.

***Proposed process for Disputed Claims***

44. In the event that the Receiver disagrees with a Proof of Claim, the Receiver may issue a Notice of Revision or Disallowance.
45. Any Affected Creditor who intends to dispute the amount of its Claim as set out in the Notice of Revision or Disallowance must deliver a Deliver Notice to the Receiver no later than 10 calendar days following receipt of the Notice of Revision or Disallowance.

***Receiver's comments regarding the proposed Claims Procedure Process***

46. In the Receiver's view, the proposed Claims Procedure Process will provide Affected Creditors with sufficient and timely notification to allow them to review the Proof of Claim Document Package and allow Affected Creditors to submit their Proofs of Claim prior to the Claims Bar Date.
47. The Receiver believes that the period of time for an Affected Creditor to file a Dispute Notice is reasonable in the circumstances.
48. The Receiver indicated that it intended to apply to implement a Claims Process in respect of P&O in the Sixth Report. Mr. Korf, the shareholder of P&O and Do All, contacted the Receiver through his counsel in early November and requested that the Receiver not proceed with a claims process. Mr. Korf proposed that the funds required to pay all known claims be posted in Court and any residual balance be disbursed to P&O. The Receiver subsequently contacted Hirsh Construction Ltd. ("Hirsch"), who is the largest remaining creditor of P&O. Hirsch advised the Receiver that it was opposed to the contemplated discharge of the Receiver and requested that the Receiver proceed to implement the Claims Process.
49. The Receiver believes it is appropriate to commence a Claim Procedure Process at this time through the Receivership so as to provide for the distribution of the remaining assets of P&O to its creditors in a fair and efficient manner.

## **RECEIVER'S AND ITS COUNSEL'S ACCOUNTS**


50. The fees of the Receiver and its legal counsel were approved up to and including June 30, 2014 by court order on July 10, 2014. The Receiver seeks approval of its fees and that of its legal counsel from July 1, 2014 to October 31, 2014. Attached as Appendix "E" hereto is a summary of the Receiver's and its counsel's accounts up to and including October 31, 2014:
- i) the Receiver advises the Court that the accounts are calculated based on time spent at standard rates and in the Receiver's view are appropriate in the circumstances. The accounts are available from the Receiver if the Court or any interested party wishes to review the invoices; and
  - ii) the Receiver requests the Court approve the accounts of the Receiver and its counsel.

## **RECEIVER'S CONCLUSIONS AND RECOMMENDATIONS**

51. The Receiver recommends that this Honourable Court approve the application for an order:
- i) commencing the Claims Procedure Process, as outlined above, in order to determine and confirm P&O's liabilities to its creditors;
  - ii) directing the remaining net proceeds from the Maynards' Sale be distributed by the Receiver and be disbursed in accordance with the terms of the Settlement Agreement; and
  - iii) approving the accounts of the Receiver and its counsel.

All of which is respectfully submitted this 3rd day of December, 2014.

**ALVAREZ & MARSAL CANADA INC.,**  
**In its capacity as court-appointed Receiver**  
**of Do All Industries Ltd. and P&O Assets**  
**Ltd.**

A handwritten signature in black ink, appearing to read 'Tim Reid', written over a horizontal line.

Per:

\_\_\_\_\_  
Tim Reid, CA  
Senior Vice-President



# APPENDIX “A”

THIS AGREEMENT dated as of the 12<sup>th</sup> day of September 2013

BETWEEN:

**DO ALL INDUSTRIES LTD.**, a corporation incorporated pursuant to the laws of Alberta, having an address of 703 - 21<sup>st</sup> Avenue, Nisku, AB T9E 7X9

ATTN: Ms. Chelsea Donnan  
Email: chelsea.donnan@doallind.com  
Fax No.: (780) 955-7611

(**"Do All"**)

AND:

**MAYNARDS INDUSTRIES LTD.**, a corporation incorporated pursuant to the laws of Alberta having an address of Suite 300, 5 Richard Way SW, Calgary, AB T3E 7M8

ATTN: Mr. Brent Cheung  
Email: bcheung@maynards.com  
Fax No.: (403) 398-6937

(the **"Auctioneer"**)

**WHEREAS** Do All has the authority to sell the assets itemized in Schedule "A"- "The Assets", the inventory itemized in Schedule "B" – "Inventory", and the inventory itemized in Schedule "C" – "Finished Goods" (collectively the **"Assets"**); and

**AND WHEREAS** Do All wishes to retain the Auctioneer to sell the Assets in accordance with the terms of this Agreement.

**NOW THEREFORE** in consideration of the agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties, Do All and Auctioneer covenant and agree as follows:

**1. RETAINER OF AUCTIONEER**

- 1.1 Do All hereby retains the Auctioneer on an exclusive basis to carry out, and the Auctioneer hereby agrees to carry out, a sales program with respect to the Assets on the terms and conditions as set forth in this Agreement (the **"Liquidation"**).
- 1.2 Do All and the Auctioneer covenant and agree with each other to carry out their respective obligations under this Agreement and to indemnify and save each other harmless from and against all claims resulting from or in any way related to failing to do so.

**SEPTEMBER 2013**

- 1.3 Do All and Auctioneer covenant and agree the Auctioneer is an independent contractor for Do All and is not an employee of Do All.

## 2. ACCESS TO PREMISES

- 2.1 The Auctioneer shall have full and complete access to the real property located at 3600 - 61 Avenue, Innisfail, AB (the "**Premises**") for the purposes of conducting the Liquidation and storing the Assets on a rent-free basis for the time period commencing upon execution of this Agreement and continuing until November 14, 2013, or such later date as is agreed to by the parties in writing. (such date is referred to herein as the "**Liquidation End Date**" and the period from the execution of this Agreement to the Liquidation End Date is referred to herein as the "**Liquidation Period**")
- 2.2 The Auctioneer shall leave the Premises in the same condition as on the date of commencement of the Liquidation Period, ordinary wear and tear excepted, and the Auctioneer shall be authorized to leave at the Premises any unsold or unclaimed Assets remaining on the Premises on the Liquidation End Date, and shall not be liable for any costs associated with the destruction, deconstruction, removal or disposal of such Assets.

## 3. SALE PROCESS

- 3.1 Immediately following execution of this Agreement, Do All shall deliver to the Auctioneer all pertinent documents relating to the Assets, including, without limitation, all documents of title, operating manuals, warranties and registrations.
- 3.2 The Auctioneer shall conduct an auction on October 30, 2013 and shall sell the Assets in any manner the Auctioneer, acting reasonably, deems fit, including, without limitation, by private or public sale.
- 3.3 The Auctioneer shall carry out all sale-related and other activities in an orderly and professional manner.
- 3.4 The Auctioneer shall be permitted to use the name "Do All Industries Ltd." for promotional purposes, including in any advertisements and marketing materials, in relation to the sale of the Assets.
- 3.5 During the Liquidation Period, upon request, Do All shall make available to the Auctioneer's project manager employees of Do All who are familiar with the Assets and all mechanical, electrical and fire protection systems on the Premises.
- 3.6 Do All acknowledges and agrees the Auctioneer shall be entitled to sell other items unrelated to the Assets as part of the Liquidation sales process and Do All shall permit the Auctioneer to store such items at the Premises.
- 3.7 If, for any reason beyond the control of Do All or the Auctioneer, the Auctioneer is unable to sell any of the Assets (including, without limitation, the destruction of, or damage to, any of the Assets), then the applicable Assets shall be removed from Schedule "A" and no longer comprise part of the Assets and:

- (a) the parties shall, in good faith, negotiate an adjustment to the net minimum guarantee payable in accordance with Article 4.4 of the Agreement. In the event that, acting reasonably, the parties are unable to negotiate an adjustment to the net minimum guarantees, the matter shall be determined in accordance with the arbitration provision referred to in Article 8.1 of this Agreement; or
  - (b) if an Asset is destroyed and such destruction gives rise to an insured claim, Do All shall pay any insurance proceeds received by Do All to the Auctioneer, and such proceeds shall be treated as Net Proceeds of Sale and disbursed or retained by the Auctioneer in accordance with Article 4 of the Agreement.
- 3.8 At the Liquidation End Date, the Auctioneer shall have the right to abandon any remaining Assets. The Auctioneer shall, however, make every effort to assist Do All in finding alternative realization or disposition solutions for any such Assets.
- 3.9 The Auctioneer shall be responsible for all out of pocket expenses incurred on the Auctioneer's behalf in order to complete the Liquidation of the Assets, including, but not limited to, all marketing and promotional materials, on site sales, support staff, travel, accommodation, and food costs.
- 3.10 The Auctioneer shall in no way be held liable for any hazardous, toxic and/or waste materials located within or on the Premises, nor shall the Auctioneer be deemed to take ownership of, or be liable for, the storage, removal and/or disposal of any hazardous, toxic and/or waste materials.
- 4. **PROCEEDS OF SALE, NET MINIMUM GUARANTEE AND AUCTIONEER'S COMPENSATION**
- 4.1 The Auctioneer shall be entitled to charge a 15% Buyer's Premium ("BP") on all auction items which shall be wholly for the Auctioneer's account.
- 4.2 Should any of the Assets be sold to online purchasers, the Auctioneer shall be entitled to charge an additional buyer's premium of 3% of the sale price (an "**Online Sale Charge**"), and all Online Sale Charges collected by the Auctioneer shall be paid by the Auctioneer to the applicable third party online provider.
- 4.3 For the purposes of this Agreement, "**Net Proceeds of Sale**" shall be defined as the amount actually received by the Auctioneer from the purchaser(s) of any of the Assets after deduction of:
  - (a) any taxes collected by the Auctioneer from such purchaser(s);
  - (b) any BP collected by the Auctioneer from such purchaser(s); and
  - (c) any Online Sale Charges collected by the Auctioneer from such purchaser(s).
- 4.4 With respect to the Assets, the Auctioneer shall pay to Do All a net minimum guaranteed amount of \$2,075,000 (the "**NMG**") upon the earlier of the following:

- (a) upon execution of this Agreement and receipt of the Comfort Documents (as defined below); or
  - (b) on October 31, 2013.
- 4.5 Gross proceeds of auction sales in excess of the NMG, excluding applicable taxes and the BP, shall be distributed as follows:
  - (a) the first \$100,000 shall be retained by the Auctioneer for expense reimbursement and as initial compensation for the Auctioneer's services hereunder; and
  - (b) all gross auction proceeds greater than \$2,175,000 shall be divided as follows:
    - (i) 85.5% to be paid to Do All no later than November 1, 2013;
    - (ii) 9.5% to be paid to Do All no later than 14 days after the Auctioneer's receipt of the Net Proceeds of Sale; and
    - (iii) 5% to be retained by and paid to the Auctioneer.
- 4.6 The Auctioneer shall be responsible for collection of all proceeds of sale and all applicable taxes, including social services tax and goods and services tax, resulting from any sale transaction entered into by the Auctioneer with respect to any of the Assets. The Auctioneer shall promptly pay the applicable authority all taxes collected by the Auctioneer and shall confirm any such payments to Do All.
- 5. COSTS OF PRESERVATION AND INSURANCE**
- 5.1 Do All shall be responsible for all occupational costs and any and all costs incurred in relation to the Assets. Occupational costs shall include, but are not limited to, rent, utilities, property taxes, phone lines, internet, and fax lines related to the Premises. The Auctioneer shall vacate the Premises no later than the Liquidation End Date, or at such later date as agreed upon by Do All and the Auctioneer in writing.
- 5.2 The Auctioneer shall not be responsible for the following costs:
  - (a) lease payments to third parties under any leases related to the Assets;
  - (b) any and all environmental costs; and
  - (c) any product warranties or liabilities.
- 5.3 The Auctioneer shall maintain insurance, and shall provide to Do All proof of insurance, with respect to any public liability which could flow from the Auctioneer's activities, naming Do All as beneficiary of such liability insurance, providing for coverage of not less than \$5,000,000 per occurrence and otherwise in a form satisfactory to Do All, acting reasonably.
- 5.4 Do All shall maintain insurance on the Assets during the Liquidation Period.
- 5.5 Do All shall be responsible for all security at the Premises to protect the Assets during the Liquidation Period.

## 6. COVENANTS, WARRANTIES, ENCUMBRANCES, INSPECTIONS AND INQUIRIES

6.1 Do All represents and warrants they are the legal and beneficial owner of the Assets. Do All further represents and warrants the Assets are free and clear of all encumbrances of every nature and kind whatsoever, and are freely saleable and transferable. Upon execution of this Agreement, Do All will provide the Auctioneer with documentation that is satisfactory to Do All which confirms the foregoing including, but not limited to, No Interest Letters respecting the Assets from National Bank of Canada, HSBC Bank Canada, and ~~Her Majesty the Queen in Right of Canada as represented by the Minister of Revenue~~ (the "Comfort Documents"). *PMS*

6.2 Except as expressly set forth in this Agreement, the Assets shall be sold by the Auctioneer to third parties on an "as is, where is" basis and, save as aforesaid, neither Do All nor the Auctioneer shall make to any purchasers, any representations or warranties, and there shall be no representations or warranties or terms or conditions whatsoever, whether expressed, implied, statutory or otherwise, with respect to the Assets, or any of them, or any other matters whatsoever in any way related to the subject matter this Agreement.

## 7. EVENT OF FORCE MAJEURE OR CANCELLATION

7.1 Should the Auctioneer be delayed, interrupted or precluded from completing the Liquidation by reason of Force Majeure, the Auctioneer shall give immediate notice thereof to Do All. Upon receipt of such notice by Do All, the parties shall, in good faith, negotiate compensation and expenses owing to the Auctioneer. In the event that, acting reasonably, the parties are unable to negotiate an adjustment to the commission and expenses, the matter shall be determined in accordance with the arbitration provision referred to in Article 8.1 of this Agreement.

7.2 Should Do All decide to cancel or terminate this Agreement for any reason, Do All shall give immediate notice thereof to the Auctioneer (the "Cancellation Notice"). Upon receipt of such notice by the Auctioneer, the parties shall, in good faith, negotiate compensation and expenses owing to the Auctioneer, but in any case, the Auctioneer shall be entitled to its expenses incurred up to the date of the Cancellation Notice, in addition to anticipated compensation and commission concerning all remaining Assets and any compensation due and owing at the time of the Cancellation Notice (the "Cancellation Damages"). In the event that, acting reasonably, the parties are unable to negotiate the Cancellation Damages, the matter shall be determined in accordance with the arbitration provision referred to in Article 8.1 of this Agreement.

## 8. MISCELLANEOUS

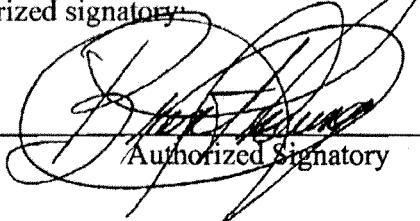
8.1 Should any dispute arise under this Agreement, such dispute shall be resolved by arbitration according to a procedure to be agreed upon by Do All and the Auctioneer or, failing such agreement, by one arbitrator, in which case the provisions of the *Alberta Commercial Arbitration Act* shall apply. In particular, the "Shorter Rules for Domestic Commercial Arbitration" shall apply to any such arbitration. The decision of the arbitrator shall be final and binding upon Do All and the Auctioneer, with cost of the arbitration and the remuneration of the arbitrator to be born equally by Do All and the Auctioneer.

- 8.2 Each of the parties acknowledges and agrees that:
- (a) it is duly authorized to enter into and be bound by the terms of this Agreement and to carry out the terms of this Agreement;
  - (b) it has consulted with and been advised by its own solicitor(s) before entering into this Agreement, has read same and knows the contents thereof; and
  - (c) all terms and conditions of this Agreement shall survive the closing of the transactions contemplated hereby.
- 8.3 Should the doing of any act pursuant to this Agreement fall on a day on which Do All's offices in Nisku, Alberta are not ordinarily open for business, then for the purposes of this Agreement such day shall be deemed not to be a business day and the time for the doing of such act shall be deemed to be the next day on which such office is open for business.
- 8.4 Any notice, request, instruction or other communication to be given hereunder by any party to the other shall be in writing and effective when delivered personally or telecopied to the addresses and/or fax numbers set forth at the beginning of this Agreement.
- 8.5 No waiver by either party of any of the conditions contained in this Agreement or of any breach of any of the covenants contained in this Agreement shall have effect or be binding upon that party unless expressed in writing, and any waiver so given shall extend only to the particular condition or breach so waived and shall not limit or affect any rights with respect to any other condition or breach or any future breach.
- 8.6 This Agreement and the attached schedule constitute the entire agreement between the parties relating to the subject matter hereof and supersedes all prior proposals, communications and agreements, whether written or oral. This Agreement may be amended or modified only by an instrument in writing executed and delivered by the parties hereto subsequent to the date hereof.
- 8.7 The parties covenant to execute such further documents and do such further acts as may be required to implement the terms of this Agreement.
- 8.8 All stipulations in this Agreement as to time are strictly of the essence.
- 8.9 This Agreement shall be governed by the laws in effect in the Province of Alberta and the parties hereby attorn to the jurisdiction of the Court of Queen's Bench of Alberta, Judicial District of Calgary.
- 8.10 This Agreement may be executed in counterparts by the parties hereto, and executed counterparts may be delivered by facsimile and such execution and delivery shall be valid for all intents and purposes, and the executed counterparts shall together form one document.
- 8.11 This Agreement shall enure to the benefit of, and be binding upon, the parties hereto and their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF the parties have duly executed and delivered this Agreement as of the day and year first above written.

**MAYNARDS INDUSTRIES LTD.** by its  
authorized signatory:

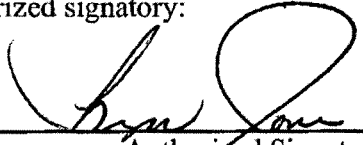
Per: \_\_\_\_\_

  
Authorized Signatory

Brent Cheung, Vice President  
Name and Title of Signatory

**DO ALL INDUSTRIES LTD.,** by its  
authorized signatory:

Per: \_\_\_\_\_

  
Authorized Signatory

Bryan Jones, CFO  
Name and Title of Signatory



# SCHEDULE "A"

Do-All Industries Ltd.			
Item #	Location	SN / VIN	Description
1	Office		Reception area containing reception desk, desk chair, cabinet, four (4) reception chairs, occasional table, PC system, etc.
2	Office		Meeting room containing boardroom table, ten (10) chairs, ceiling mount digital projector, Samsung LCD television, PC system, etc.
3	Office		Open area containing Ricoh Aficio MP2500 copier and meeting table.
4	Office		Office containing U-shaped desk and two desk chairs.
5	Office		Office containing U-shaped desk, credenza, three office chairs, bookshelf, safe, cabinet, cpu and two (2) Dell monitors, etc.
6	Office		Office containing U-shaped desk w/ stack-on bookcase, desk chair, (2) client chairs, 2 drawer lateral file cabinet, narrow cabinet, meeting table, (4) office chairs, computer, 2 LCD monitors, etc.
7	Office		Office containing U-shaped desk w/ stack-on bookcase, bookshelf, (2) office chairs, computer and (2) monitors, etc.
8	Office		Lunchroom containing (7) folding tables, stacking chairs, office chairs, fridge, (3) microwaves, etc.
9	Office		(5) bar fridges, floor polisher, misc. maintenance equipment, etc.
10	Office		Lockers
11	Office		
12	Office		
13	Office		
14	Office		
11	Shop 1		2009 Miller "XMT 350" CC/CV Auto-Line welder w/ 2010 Miller "S-74DX" 24V wire feed and Bernard gun, s/n LK520055A (Welder), MA021325K (Feed)
12	Shop 1		2010 Millermatic "252" 200A mig welder w/ Bernard gun, s/n MA040312N
13	Shop 1	LJ410009A (W) MB022587 (F)	2008 Miller "XMT 350" CC/CV Auto-Line welder w/ 2010 Miller "S-74S" 24V wire feed.
14	Shop 1		2011 Miller "XMT 350" CC/CV Auto-Line welder w/ 2005 Miller "22A" 24V wire feed, s/n MB060077A (Welder), LF320251 (Feed)
15	Shop 1		2010 Millermatic "252" 200A welder w/ Bernard gun, s/n MA040316N
16	Shop 1	MB180001A (W) MB110040L (F)	2011 Miller "XMT 350" CC/CV Auto-Line welder w/ 2011 Miller "S-74S" 24V wire feed.
17	Shop 1	MA040311N	2010 Millermatic "252" 200A welder w/ Kent gun.
18	Shop 1	MA040315N	2010 Millermatic "252" 200A welder w/ Bernard gun.
19	Shop 1	LJ290083A (W) LJ310199U (F)	2008 Miller "XMT 350" CC/CV Auto-Line welder w/ 2008 Miller "S-74DX" 24V wire feed.
20	Shop 1	A4384-1	Steel Storage Systems "5T-2G-24X15-20" cantilever metal storage rack. Arm capacity; 5,600 LBS.
21	Shop 1	30622301	RK Machinery "HFP-30T" H-frame 30-ton hydraulic press w/ power pack.
22	Shop 1		Lincoln "Square Wave Tig 175 Pro" welder
23	Shop 1	LK520060A (W) MA020317U (F)	2009 Miller "XMT 350" CC/CV Auto-Line welder w/ 2010 Miller "S-74DX" 24V wire feed.
24	Shop 1	BGF03-920695	Nissan "BGF03H40V" 7,400 LB capacity LPG pneumatic tire forklift. 3-stage tilting mast. 187". Side shift. Shows 8,375 hours.

# SCHEDULE "A"

Do-All Industries Ltd.			
Item #	Location	SN / VIN	Description
25	Shop 1	LK520036A (W) LC207777 (F)	2009 Miller "XMT 352" CC/CV Auto-Line welder w/ 2002 Miller "S-74S" 24V wire feed.
26	Shop 1	LF430348A (W) LF320251 (F)	2005 Miller "XMT 350" CC/CV Auto-Line welder w/ 2005 Miller "22A" 24V wire feed.
27	Shop 1		Oxyacetylene set w/ Victor and Harris gauges and Victor torch.
28	Shop 1	LF430352A (W) MB110041L (F)	2005 Miller "XMT 350" CC/CV Auto-Line welder w/ 2011 Miller "S-74S" 24V wire feed.
29	Shop 1	LF430358A (W) LF320250 (F)	2005 Miller "XMT 350" CC/CV Auto-Line welder w/ 2005 Miller "22A" 24V wire feed.
34	REMOVE	7552 7553	P&H bridge crane system w/ two (2) 28' wide 25-ton double beam over-slung bridges sharing approx. 100' run. Each w/ 25-ton electric hoist and 5-ton electric hoist.
30	Shop 1		Oxyacetylene set w/ Victor torch, gauges and cart.
31	Shop 1	MB151178A (W) LF318454 (F)	2011 Miller "XMT 350" CC/CV Auto-Line welder w/ 2005 Miller "22A" 24V wire feed.
32	Shop 1	LF430125A (W) LF320238 (F)	2005 Miller "XMT 350" CC/CV Auto-Line welder w/ 2005 Miller "22A" 24V wire feed.
33	Shop 1	LF430347A (W) LF323084 (F)	2005 Miller "XMT 350" CC/CV Auto-Line welder w/ 2005 Miller "D-74S" 24V double spool wire feed.
34	Shop 1	LF430351A (W) LF320258 (F)	2005 Miller "XMT 350" CC/CV Auto-Line welder w/ 2005 Miller "22A" 24V wire feed.
35	Shop 1	LF430147A (W) LF323083 (F)	2005 Miller "XMT 350" CC/CV Auto-Line welder w/ 2005 Miller "D-74S" wire feed.
36	Shop 1	LF430128A (W) MA280100U (F)	2005 Miller "XMT 350" CC/CV Auto-Line welder and 2010 Miller "D-74S" double spool wire feed.
37	Shop 1	LJ180573A	2008 Miller "XMT 350" CC/CV Auto-Line welder.
38	Shop 1		Oxyacetylene set w/ Victor gauges and Victor torch
	REMOVE	7554 7555	P&H bridge crane system w/ two (2) 30' wide over-slung 10-ton bridge sections, each w/ P7H "M Series" 10-ton electric hoists.
39	Shop 1		Oxyacetylene set w/ 2-wheel cart, Victor gauges and Victor torch.
40	Shop 1		Section of Liberty 1,000LB capacity mobile scaffolding.
41	Shop 1	LF430133A (W) LG410356W (F)	2005 Miller "XMT 350" CC/CV Auto-Line welder w/ 2006 Miller "S-74S" 24V wire feed.
42	Shop 1	LF430144A (W) LF320255 (F)	2005 Miller "XMT 350" CC/CV Auto-Line welder w/ 2005 Miller "22A" 24V wire feed.
43	Shop 1		Oxyacetylene set w/ Victor gauges and Victor torch
44	Shop 1	LJ180580A (W) LJ180189U (F)	2008 Miller "XMT 350" CC/CV Auto-Line welder w/ 2008 Miller "S-74DX" 24V wire feed.
45	Shop 1	LF430145A (W) LJ318458 (F)	2005 Miller "XMT 350" CC/CV Auto-Line welder w/ 2008 Miller "D-74S" 24V wire feed.
46	Shop 1	LF430127A (W) LF323082 (F)	2005 Miller "XMT 350" CC/CV Auto-Line welder w/ 2005 Miller "D-74S" 24V wire feed.
47	Shop 1	LJ180578A (W) LJ180570U (F)	2008 Miller "XMT 350" CC/CV Auto-Line welder w/ 2008 Miller "S-74DX" 24V wire feed.
48	Shop 1	LF430354A (W) LF318457 (F)	2005 Miller "XMT 350" CC/CV Auto-Line welder w/ 2005 Miller "22A" 24V wire feed.

# SCHEDULE "A"

Do-All Industries Ltd.			
Item #	Location	SN / VIN	Description
49	Shop 1	LF430123A (W) LF323028 (F)	2005 Miller "XMT 350" CC/CV Auto-Line welder w/ 2005 Miller "D-74S" 24V dual spool wire feed.
50	Shop 1	LF430139A (W) LF323081 (F)	2005 Miller "XMT 350" CC/CV Auto-Line welder w/ 2005 Miller "D-74S" 24V dual spool wire feed.
51	Shop 1	LF430124A (W) LF320257 (F)	2005 Miller "XMT 350" CC/CV Auto-Line welder w/ 2005 Miller "22A" 24V wire feed.
52	Shop 1	1000-053218	Hypertherm "PowerMax 1000" plasma cutting system.
53	Shop 1	LF430141A (W) LF316458 (F)	2005 Miller "XMT 350" CC/CV Auto-Line welder w/ 2005 Miller "22A" 24V wire feed.
54	Shop 1	LF430142A (W) LF323087 (F)	2005 Miller "XMT 350" CC/CV Auto-Line welder w/ 2005 Miller "D-74S" 24V dual spool wire feed.
55	REMOVE		P&H overhead bridge crane system w/ two (2) 28' wide over-slung single-girder 5-ton bridges and electric holsts.
56	Shop 1	LF430129A (W) LF323085 (F)	2005 Miller "XMT 350" CC/CV Auto-Line welder w/ 2005 Miller "D-74S" 24V wire feed.
56	Shop 1	LF430143A (W) LF320252 (F)	2005 Miller "XMT 350" CC/CV Auto-Line welder w/ 2005 Miller "22A" 24V wire feed.
57	Shop 1		Oxyacetylene set w/ Victor gauges and Victor torch
58	Shop 1		Oxyacetylene set w/ 2-wheel cart, Victor gauges and Victor torch
59	Shop 1		Oxyacetylene set w/ Victor gauges and Victor torch
60	Shop 1	LF430131A (W) LF320239 (F)	2005 Miller "XMT 350" CC/CV Auto-Line welder w/ 2005 Miller "22A" 24V wire feed.
61	Shop 1	LF430348A (W) LF320253 (F)	2005 Miller "XMT 350" CC/CV Auto-Line welder w/ 2005 Miller "22A" 24V wire feed.
62	Shop 1		28' 5-ton over-slung single-girder bridge crane with electric hoist.
63	Shop 1	LK520056A (W) MA020319U (F)	2009 Miller "XMT 350" CC/CV Auto-Line welder w/ 2010 Miller "S-74DX" wire feed.
64	Shop 1	LK520035A (W) MA021328U (F)	2009 Miller "XMT 350" CC/CV Auto-Line welder w/ 2010 Miller "S-74DX" wire feed.
65	Shop 1	LH160110A (W) LH090294W (F)	2008 Miller "XMT 350" CC/CV Auto-Line welder w/ 2008 Miller "S-74DX" wire feed.
66	Shop 1		Custom-fabricated mobile clamp and tool storage cabinet.
67	Shop 1		Ibarmia "40-CA" mill drill.
68	Shop 1		Pedestal double-wheel grinder.
69	Shop 1		Automated chain-drive roller out feed w/ 5HP hydraulic pack.
70	Shop 1		Talon "K12" Ironworker. NOT CURRENTLY IN OPERATION.
71	Shop 1		Atlas Copco GA37FF rotary screw compressor.
72	Shop 1		Quantity of aluminum and fiberglass step ladders throughout.
73	Shop 1	31206	Modern "3VM" vertical knee mill. Accu-Rite XYZ controls. Power feeds. MOVED FROM SHOP 2. NOT CURRENTLY OPERATIONAL.
74	Shop 1	81005772FD	2005 Hyd-Mech "S20A Series II" horizontal metal band saw.
75	Shop 1	11125	Flecep "ST/Super 16" OBI Ironworker. Assorted tooling.
76	Shop 1	20888115	1988 Hyd-Mech "S20" horizontal metal band saw. NOT CURRENTLY OPERATIONAL. FORMERLY IN SHOP 2.

# SCHEDULE "A"

Do-All Industries Ltd.			
Item #	Location	SN / VIN	Description
77	Shop 1	105006259	2006 Amerecon "SRD-3-150" 3' x 1/4" rolls.
78	Shop 1		2008 Miller "XMT 350" CC/CV Auto-Line welder w/ 2008 Miller "S-75S" 24V wire feed and Bernard gun. s/n LJ170145A (Welder) LG410359W (Feed)
79	Shop 1	1000-057739	2005 Hypertherm "PowerMax 1000" plasma cutting system.
80	Shop 1		2008 Miller "XMT 350" CC/CV Auto-Line welder w/ 2008 Miller "S-74DX" 24V wire feed and Kent gun. s/n LJ170156A (Welder) LJ011307U (Feed)
81	Shop 1	1000-057735	Hypertherm "PowerMax 1000" plasma cutting system.
82	Shop 1		2009 Miller "XMT 350" CC/CV Auto-Line welder w/ 2010 Miller "S-74DX" 24V wire feed and Kent gun. s/n LK520043A (Welder) LJ180188UU (Feed)
83	Shop 1		2009 Miller "XMT 350" CC/CV Auto-Line welder w/ 2008 Miller "S-74S" 24V wire feed and CM Industries gun. s/n LK410077A (Welder) LJ360421U (Feed)
84	Shop 1		2006 Miller "XMT 350" CC/CV Auto-Line welder w/ 2007 Miller "S-74DX" 24V wire feed and Kent gun. s/n LG430418A (Welder) LH090322W (Feed)
85	Shop 1		2009 Miller "XMT 350" CC/CV Auto-Line welder w/ 2010 Miller "S-74DX" 24V wire feed and Kent gun. s/n LK520059A (Welder) MA020318U (Feed)
86	Shop 1		2009 Miller "XMT 350" CC/CV Auto-Line welder w/ 2010 Miller "S-74DX" 24V wire feed and Bernard gun. s/n LK520053A (Welder) MA020315U (Feed)
87	Shop 1		2009 Miller "XMT 350" CC/CV Auto-Line welder w/ 2010 Miller "S-74S" 24V wire feed. s/n LK440048A (Welder) MA021136U (Feed)
88	Shop 1		2009 Miller "XMT 350" CC/CV Auto-Line welder w/ 2011 "S-74DX" wire feed. s/n LK520046A (Welder) MA021135U (Feeder)
89	Shop 1		2008 Miller "XMT 350" CC/CV Auto-Line welder w/ 2010 Miller "S-74S" 24V wire feed and Bernard gun. s/n LJ400374A (Welder)
90	Shop 1	20895452	1995 Hyd-Mech "S20" horizontal band saw. NOT CURRENTLY OPERATIONAL.
91	Shop 1		2007 Miller "XMT 350" CC/CV Auto-Line welder w/ 2008 Miller "S-74S" 24V wire feed and CM Industries gun. s/n LH160129A (Welder) LJ150275U (Feed)
92	Shop 1		2011 Miller "XMT 350" CC/CV Auto-Line welder w/ 2011 Miller "S-74S" 24V wire feed and Kent gun. s/n MB050342A (Welder) MB022588L (Feed)
93	Shop 1		2008 Miller "XMT 350" CC/CV Auto-Line welder w/ 2008 Miller "S-74DX" 24V wire feed and Bernard gun. s/n LJ170155A (Welder) LJ011309U (Feed)
94	Shop 1		2006 Miller "XMT 350" CC/CV Auto-Line welder w/ 2006 Miller "S-75S" 24V wire feed. s/n LG430371A (Welder) LG013593 (Feed)
95	Shop 1		2009 Miller "XMT 350" CC/CV Auto-Line welder w/ 2010 Miller "S-74DX" 24V wire feed and Kent gun. s/n LK520040A (Welder) MA020321U (Feed)
96	Shop 1		2007 Miller "XMT 350" CC/CV Auto-Line welder w/ 2008 Miller "S-74S" 24V wire feed and Bernard gun. s/n LH160078A (Welder) LJ220110U (Feed)
97	Shop 1		2011 Miller "XMT 350" CC/CV Auto-Line welder w/ 2011 Miller "S-74S" 24V wire feed and Bernard gun. s/n MB180007A (Welder) MB110039L (Feed)
98	Shop 1		Two (2) metal parts shelves
99	Shop 1		Two (2) 72-compartment bolt bins
100	Shop 1		Quantity of aluminum step ladders and throughout
101	Shop 1		Thirty (30) wire-side and hard-side tote bins
102	Shop 1		Vertical metal band saw.
103	Shop 1		2008 Seilick "S-80" 8,000LB capacity 2WD diesel rough terrain forklift. 15.5-25 front tires (75%). 14-17.5 rear tires (50%). Side-shift. s/n 8552604S82-4
104	Shop 1	E007003337U	Hyster "H280XL2" forklift. 2-stage tilting boom with side shift. Shows 6,852 hours.

# SCHEDULE "A"

Do-All Industries Ltd.			
Item #	Location	SN / VIN	Description
105	Shop 1		2007 Miller "XMT 350" CC/CV Auto-Line welder w/ 2007 Miller "S-74DX" 24V wire feed and Bernard gun. s/n LH180127A (Welder) LH090285W (Feed)
106	Shop 1		2009 Miller "XMT 350" CC/CV Auto-Line welder w/ 2010 Miller "S-74DX" 24V wire feed and Bernard gun. s/n LK520039A (Welder) MA020320U (Feed)
107	Shop 1		2009 Miller "XMT 350" CC/CV Auto-Line welder w/ 2010 Miller "S-74DX" 24V wire feed and Kent gun. s/n LK520041A (Welder) MA021324U (Feed)
108	Shop 2		2010 Millermatic "252" 200A welder w/ Bernard gun, s/n MA040314N
109	Shop 2		Four (4) mobile 3-tier shop carts
110	Shop 2	356717-B	Strands "S25" machinist drill press c/w rack and assorted bits.
111	Shop 2	s/n F1173	Baldor 3/4HP pedestal grinder.
112	Shop 2	80803431	2003 Hyd-Mech "S20A Series II" horizontal band saw.
113	Shop 2	125	BEE "60P" 6" vertical belt sander.
114	Shop 2	108504260	1997 Kingston "HL2000" 3"x22"x96" engine lathe. Mitutoyo digital read-out, 4-jaw and 3-jaw chucks. Steady rest. Tool post.
115	Shop 2		Assorted steel work benches and tables throughout
116	Shop 2		Assorted material handling carts, warehouse ladders and pallet jacks throughout
117	Shop 2	80409395590	2007 Gildemeister "CTX 620" linear CNC milling machine. 12 station turret, 3-jaw chuck, Fanuc "180" controls; chop conveyor shows, 1,090 hours.
118	Shop 2		(3) racks w/ assorted cutters, drill bits, etc
119	Shop 2		Star Loc tooling cabinet w/ contents
120	Shop 2	1059285	2007 Haas "VF 6/50" CNC vertical milling machine. 30-position ATC, Haas GXYZ digital controls, 4th axis indexing head, feed cutting.
121	Shop 2	0172000066A	Gildemeister "NEF 600" CNC turning centre. 8-station turret. 3-jaw chuck. Fanuc "210is" controls. Chip conveyor.
122	Shop 2	1080585	2007 Haas "TM-1" tool room mill. 10-station turret. XYZA controls.
123	Shop 2	37622	2004 Haas "TM-1" tool room mill. 1-station turret. XYZA controls.
124	Shop 2		Hout Toolscool tooling cart w/ assorted tooling
125	Shop 2	61115384	2006 Modern "BNC 2680XL" CNC milling machine. 8-station turret. Fagor XZ controls. 4-jaw chuck. Steady rest. Chip conveyor.
126	Shop 2		2008 Deckel Maho "DMU 100P duo Block" CNC universal milling machine. 60-station ATC. Heidenhain "ITNC 530" controls. 5-axis. Chip conveyor. BMF "KA-BFA-600" coolant filtration system. s/n 11450000743 (VM) 35873-100.1 (Filtration)
127	Shop 2		Mitutoyo 36" x 48" surface plate. Metal stand
128	Shop 2		Assorted vernier calipers, OD calipers, pin sets, hardness tester, dial bore gauge, precision level, etc.
129	Shop 2	1051	Kaeser "SK15" rotary screw compressor. Sullivan Palatek dryer and air receiver. Shows 16,144 hours.
130	Shop 2		(4) Kurt machinist's vices
131	Shop 2		Caterpillar "NRR45" 4,500 LB capacity narrow aisle electric reach lift. 2-stage mast. Side shift. s/n 2GL06983
132	Shop 2	DSG-03-06-06	2006 Pinnacle Shape Wizard DSG (Double Sided Gantry) CNC plasma cutting table w/ Hypertherm "HyperPerformance "HPR260" plasma cutting system.

# SCHEDULE "A"

Do-All Industries Ltd.			
Item #	Location	SN / VIN	Description
133	Shop 2		Three (3) metal banding carts, platform scale, pallet jack and two (2) hand trucks.
134	Shop 2		Four (4) assorted steel material racks throughout.
135	Shop 2		Five (5) metal dumpster bins.
136	Shop 2	LG350657B	2006 Millermatic "251" welder.
144	REMOVE		Two (2) Hoisting Ltd. overhead single girder crane systems w/ Stahl 5-ton draw works. Complete with runway.
137	Shop 2	5152	2006 AccurShear "560012" hydraulic shear. Back gauge.
138	Shop 2	8704	2006 AccurPress "732014" 320-ton hydraulic press brake. ETS "3000" controls. Back gauge. Assorted dies.
139	Shop 2	57737	2005 Hypertherm "Powermax 1000 G3 Series" Plasma cutting system.
140	Shop 2	2070-1150	1974 Sorafuce "TRI-1600" 14" x 60" radial drill.
141	Shop 2		(1) shop-built material trailer.
142	Shop 2	H05225	Modern "ZW5050" drill press.
143	Shop 2		Shop-built hydraulic H-frame press.
144	Shop 2	X0712187009	Baldor 10" pedestal grinder.
145	Shop 2		Hydraulic H-frame press. Assorted dies
146	Shop 2	20395139	1995 Hyd-Mech "S20" horizontal metal band saw.
147	Shop 2		Assorted lifting chain slings, plate clamps, aluminum clamps, etc.
148	Shop 2		2007 Miller "XMT 350" CC/CV Auto-Line welder w/ 2007 Miller "S-74DX" 24V wire feed and Bernard gun. s/n LH60103A (Welder) LH090300W (Feed)
149	Shop 2		2006 Miller "XMT 350" CC/CV Auto-Line welder w/ 2007 Miller "S-74DX" 24V wire feed and CM Industries gun. s/n LG430416A (Welder) LH090297W (Feed)
150	Shop 2	20-890-C S/075-182	Raymond "20-R30TT" 3,000LB capacity electric reach lift. 24V.
151	Shop 2	JE0212394	2012 Hyd-Mech V-18 vertical bandsaw
152	Coverall		2-door metal tool cabinet
153	Coverall		Mobile tool cabinet w/ toolbox
154	Coverall		DryRod II electrode stabilizing oven w/ 2-tier metal stand, s/n 1510520102410
155	Coverall		Two (2) 72-bin parts shelves
156	Coverall		2-door metal "welding consumables" cabinet
157	Coverall		210,000BTU propane torch w/ Air Liquid 2-wheel bottle cart
158	Coverall		Metal shop table w/ Irwin Record No. 8 vise

# SCHEDULE "A"

Do-All Industries Ltd.			
Item #	Location	SN / VIN	Description
159	Coverall		Oxyacetylene set w/ 2-wheel cart, Union Carbide gauges and Victor torch
160	Coverall		Shop table and manufactured mobile table
161	Gone		Greenlee "1818" mechanical bender
162	Coverall		(2) Ridgid "No. 460" 1/8 to 6 tri-stands c/w tooling
163	Coverall	1.51072E+12	DryRod II electrode stabilizing oven.
164	Coverall		Oxyacetylene set w/ 2-wheel cart, Victor gauges and Victor torch
165	Coverall		Metal shop bench w/ under-shelf
166	Coverall		Large mobile 2-door storage cabinet
167	Coverall		Euroboor "50" bench top mag drill
168	Coverall		Assorted metal shelves, tables, stands, etc. throughout
169	Coverall		12' aluminum step ladder, two (2) 6' aluminum step ladders, and an 8' fiberglass step ladder
170	Coverall	75	2007 Mod-U-Blast "M600FH" sandblast cabinet. <b>MOVED FROM RED DEER. NOT CURRENTLY OPERATIONAL.</b>
171	Coverall	XA0607472FD	2007 Hyd-Mech "S23A" CNC horizontal band saw w/ "E100" controls. <b>MOVED FROM RED DEER. NOT CURRENTLY OPERATIONAL.</b>
172	Coverall	V60541	Modern "KV-60" 2HP vertical metal band saw.
173	Coverall	98185	Modern "430-1700" 2"x18"x80" metal lathe. Newal XZ digital read-out, Two (2) 4-jaw chucks. Steady rest. Tool post. <b>MOVED FROM RED DEER. NOT CURRENTLY OPERATIONAL.</b>
174	Coverall	J9824	Delta "17-925" 16-1/2" variable speed drill press.
175	Coverall	7060-F00-KL0215	Cincinnati "Lamb HTC 250" CNC turning centre. 12-station turret. 3-jaw chuck. Fanuc "21I-TB" controls. Jorgensen chip conveyor. <b>MOVED FROM RED DEER. NOT CURRENTLY OPERATIONAL.</b>
176	Coverall	7048A00980350	Cincinnati Milacron "Falcon 200" CNC turning centre. 12-station turret. Acramatic "2100" controls. Jorgensen chip conveyor. <b>MOVED FROM RED DEER. NOT CURRENTLY OPERATIONAL.</b>
177	Coverall	TD309	2003 Fair Friend Enterprise Co. Ltd. "FTC 20" CNC turning centre. 10-station turret. Fanuc "OT" controls. Chip conveyor. <b>MOVED FROM RED DEER. NOT CURRENTLY OPERATIONAL.</b>
178	Coverall		Cold cut chop saw.
179	Coverall		Nine (9) sections Unirack pallet racking.
180	Coverall	5340511011	2005 Viper "VT-33BL" CNC milling machine. 12-station turret. Fanuc "21I-TB" XY controls. 3-jaw chuck. Chip conveyor. <b>MOVED FROM RED DEER. NOT CURRENTLY OPERATIONAL.</b>
181	Coverall	U1002	Eumach "UMC 1000" vertical CNC milling machine. 40-station ATC. Heidenhain XYZ CB controls. 5-axis. Chip conveyor. Shows 5,401 hours. <b>MOVED FROM RED DEER. NOT CURRENTLY OPERATIONAL.</b>
182	Coverall	2045	Moriseiki "MR-1500" 2" x 24" x 72" fixed bed metal lathe. Newal XY read-out. 3-jaw chuck. Steady rest. Tool post. <b>MOVED FROM SHOP 2. NOT CURRENTLY OPERATIONAL.</b>
183	Coverall	857	1986 Accupress "713010" hydraulic press brake.
184	Coverall	KJ107431	1998 Miller "XMT 304" welder w/ Miller "70 Series" wire feed.
185	Coverall		Steel tables, benches, material racks and storage cabinets throughout.
186	Coverall		Two (2) mobile warehouse stairs, pallet jack, ladders, 2-tier shop carts, etc. throughout.

## SCHEDULE "A"

Do-All Industries Ltd.			
Item #	Location	SN / VIN	Description
187	Coverall		Power and hand tools throughout including but not limited to recip saw, cordless drills, circular saws and wrenches, etc.
188	Coverall		Two (2) portable table saws. Craftsman. Makita.
189	Coverall	LG080878C	2006 Miller "CP302" CV/DV welder.
190	Coverall		Ridgid "535" pipe threader
191	Coverall	H050089	Eagle 5HP upright shop compressor and Power Flst 16 speed drill press.
192	Coverall	20-457-C S/073-442	Raymond "20-R30TT" 3,000LB capacity electric reach lift. 24V. OUT OF SERVICE
193	Coverall		(6) Hillman Rollers "100-X0T" 100 metric ton rollers.
194	Coverall 2	20895453	1995 Hyd-Mech "S-20" horizontal metal band saw. REMOVED FROM SERVICE.
195	Coverall 2		Cover All 30' x 45' portable building
196	Coverall 2	8102743	2008 Frost Fighter "IDF-350-II" Indirect fired heater.
197	Coverall & Yard		Five (5) forklift dumpster bins
198	Paint Shop		Assorted stands throughout
199	Paint Shop		Assorted aluminum step ladders throughout
200	Paint Shop		Graco "Xtreme X60" paint sprayer
201	Paint Shop		Graco paint sprayer
202	Paint Shop		Poly tank w/ stand for eye wash and shower station
203	Paint Shop		Atlas-Copco "GA37FF" screw compressor. Shows 18,015 running hours. s/n AP1502368
204	Paint Shop		Graco paint sprayer
205	Paint Shop		Work benches throughout
206	Sandblast Skid		Clemco "2452" sandblast pot. Air receiver. Hoses. Fittings. Helmet.
207	Sandblast Skid		Mod-U-Blast "MBM-3-5PRE" sandblast pot. Air receiver. Hoses. Fittings. Helmet
208	Shed	408388	2007 King 16-speed 17" floor model drill press.
209	Shed	751123	Summit "59R" mill drill. REMOVED FROM SERVICE. PREVIOUSLY IN SHOP 2.
210	Yard		Self-dumping bin.
211	Yard	LJ130361Q	2008 Miller "Trailblazer 302" engine driven multi process welder and 11kW generator with transport cart.
212	Yard	LG086645	2006 Miller "Trailblazer 302" engine driven multi process welder with 10.5kW generator and transport skid.
213	Yard		Long Chang mill drill w/ bench.
214	Yard		2008 Above Ground 1,380 L Double Wall Oil Tank. s/n 000660



# SCHEDULE "A"

Do-All Industries Ltd.			
Item #	Location	SN / VIN	Description
215	Yard	1FDYW82A6NVA22828	1992 Ford "L8000" tandem axle cab and chassis. "EF-RT-6613" engine. 13-speed transmission. Front tires: 315/80R22.5 @ 60% w/ Daytons. Rear tires: 11R22.5 rear tires @ 60% w/ Daytons.
216	Yard	P232L-0122-0644-KF	Clark "C25L" 4,200 LB capacity LPG forklift. 3-stage mast. Side shift. ROPS. Shows 1,286 hours.
217	Yard		Thirty (30) sections NAS pallet racking and mezzanine.
218	Yard		One (1) Holstinc Ltd. 1-ton jib cranes w/ GIS 1-ton electric chain hoists. <b>REMOVED FROM SERVICE.</b>
219	Yard		Quantity of metal stands throughout
220	Yard		Quantity of metal work tables and benches throughout
221	Yard		Stackable material racks throughout
222	Yard		Cantilever material racks throughout
223	Yard		Pipe racks throughout
224	Yard		Assorted material racks throughout
225	Yard		40' sea container
226	Yard	HE873193	1974 Miller "Big 40" portable gas welder.
227	Yard		Cover All 100' x 60' portable structure. Heated, ventilation fans, complete electrical service
228	Yard		Two (2) custom-built material trailers
229	Yard		Five (5) custom-built skid frames
230	Yard		Nine (9) sections of heavy-duty steel racks
231	Yard		40' skidded sea container. Metal shelving. Overhead heaters and lighting. s/n NSSC97B07764
232	Yard		40' skidded sea container. Metal shelving. Overhead lighting. s/n TY7526771
233	Yard		40' sea container (red). s/n 056711
234	Yard		40' sea container (green) M9901750
235	Yard		(27) <del>Fifteen (15)</del> 40' rig mates
236	Yard		Clemmer double-wall diesel fuel tank w/ stand
237	Yard		1992 ConVault 3,800L concrete skinned fuel tank
238	Yard		(14) custom-built material trailers
239	Yard	LJ1100100Q	2008 Miller "Trailblazer 302" engine driven gas welder with 11kW generator and oxyacetylene torch set.
240	Yard		Atlas-Copco "XAS 175" 375cfm portable compressor.
241	Yard	73906	2007 Magnum "MMG80" 80kVA/55kW portable generator.
242	Yard		Custombuilt portable twin light tower.

# SCHEDULE "A"

Do-All Industries Ltd.			
Item #	Location	SN / VIN	Description
243	Yard	038NL03 5AEAC151X3H000078	2003 Allmand "Night-Lite 8330" portable light tower. Shows 1,247 hours.
244	Yard	003NTL05 SAEAC15155W000022	2005 Allmand "Night-Lite 8300" portable light tower. Shows 2,160 hours.
245	Yard	5SMCL242081004606	2008 North American "Cargo" 24' tandem axle enclosed utility trailer. 5,000LB capacity axles.
246	Yard		Custombuilt portable light tower
247	Yard	4YAE13125N071271	Sullivan Palatek "D375QH" portable air compressor. Shows 5,250 hours.
248	Yard	4W0AS21236M823025	Sullair "375H" portable air compressor. Shows 6,718 hours. HAS BEEN MOUNTED ON THE CUSTOM BUILT BBQ TRAILER.
249	Yard		2000 Sellick "S-80" 8,000LB capacity 2WD diesel rough terrain forklift. 16.9-24 front tires (25%), 14-17.5 rear tires (25%). Side-shift. Shows 8,554 hours. s/n 4475009832
250	Yard	G005D13042V	1998 Hyster "H110XL" 11,000LB capacity LPG forklift. 16.9-24 front tires (25%), 14-17.5 rear tires (25%). Side-shift. Shows 7,543 hours. REQUIRES REPAIR.
251	Yard	LG092934	2006 Miller "Trailblazer 302" engine driven multi process welder with 11kW generator and transport skid.
252	Yard	LJ229679Q	2008 Miller "Trailblazer 302" engine driven multi process welder with 11kW generator and transport skid.
253	Yard	LG086644	2006 Miller "Trailblazer 302" engine driven multi process welder with 11kW generator and transport skid.
254	Yard	LG089017	2006 Miller "Trailblazer 302" engine driven multi process welder with 11kW generator and transport skid.
255	Yard	LJ130360Q	2008 Miller "Trailblazer 302" engine driven multi process welder with 11kW generator and transport skid.
256	Yard	C10A6123F4537	CompAir "6075AH" 75HP 125psi skidded air compressor. Shows 75,580 hours.
257	Yard	5SMCL242281004607	2008 North American "Cargo" 24' tandem axle enclosed utility trailer. 5,000LB capacity axles.
258	Yard	1XKWDB0XXBC911224	1981 Kenworth W900 tandem axle truck tractor.
259	Yard	1D7KU28D64J279087	2004 Dodge Ram 2500 quad cab 4WD truck.
260	Yard	JAF0251696	1998 Case 1845C skidsteer loader.
261	Yard	1GBJC34RXVF016690	1997 Chevrolet 3500 regular cab DRW truck with steel deck. Complete with skidded Karcher 3.9GPM 3000psi hot water pressure washer and tank.
262	Yard		Ford pickup
263	Yard	4702	Volvo "4300" 4WD wheel loader. Circa 1980.
264	Yard	3D7KS28CX6G134912	2006 Dodge Ram 2500 quad cab 4WD truck. Cummins turbo diesel.
265	Yard	1HTMKAZPX7H405296	2007 International 4400SBA 4x2 single axle deck truck. Shows 87,447km and 2,036 hours.
266	Yard		Diamond Back gooseneck double axle equipment trailer.
267	Yard	ML-00151	Doosan "G25P-5" LPG pneumatic tire forklift.
268	Yard	3D7KS296470711949	2007 Dodge Ram 2500 mega cab 4WD truck. Cummins turbo diesel.
269	Yard	1B7KC26Z1TS533033	1996 Dodge Ram 2550 regular cab truck. Gas.
270	Yard		Kenworth bed truck.

## SCHEDULE "A"

Do-All Industries Ltd.			
Item #	Location	SN / VIN	Description
271	Yard		Various bottle storage skids.
272	Misc		Oxyacetylene set w/ cart, ProStar gauges and torch
273	Misc		KiloTech "SP903" 500kg capacity mobile platform scale, s/n 3232D
274	Misc		Oxyacetylene set w/ 2-wheel cart, Victor gauges and Victor torch
275	Misc		Two (2) Milwaukee 14" abrasive cut-off saws
276	Misc		Assorted tooling throughout includes, but not limited to: clamps, lever chain hoists, Rldgid pipe wrenches, DeWalt 8" combination wrench sets, Procore ratchet set, etc.
277	Misc		2006 Miller "XMT 350" CC/CV Auto-Line welder w/ 2008 Miller "S-74DX" 24V wire feed and Kent gun. s/n LG250046A (Welder) LJ011308U (Feed)
278	Misc		2007 Gulico "125" 1,000W electrode stabilizing oven. s/n GOV-3316
279	Misc		Oxyacetylene set w/ 2-wheel cart, Radnor gauges and Victor torch
280	Misc		Oxyacetylene set w/ 2-wheel cart, Victor gauges and Victor torch.
281	Misc		Oxyacetylene set w/ 2-wheel cart, Victor gauges and Victor torch.
282	Misc		2006 Miller "XMT 350" CC/CV Auto-Line welder w/ 2007 Miller "S-74DX" 24V wire feed and Kent gun. s/n LG280469A (Welder) LH090296W (Feed)
283	Misc		Oxyacetylene set w/ 2-wheel cart, Victor gauges and Victor torch.
284	Misc		Oxyacetylene set w/ 2-wheel cart, Victor and Liquid Air gauges and Victor torch
285	Misc		Oxyacetylene set w/ 2-wheel cart, Victor gauges and Victor torch
286	Misc		Oxyacetylene set w/ 2-wheel cart, Victor gauges and Victor torch
287	Misc		Quantity of tooling throughout including, but not limited to: chain pullers, pipe wrenches, clamps, pipe stands, wrench sets, straps, Milwaukee 14" abrasive cut-off saw, sledge hammers, angle grinders, bench vices, bench grinders, etc.
288	Misc	M9516462	20' sea container job shack.
289	Misc		A-frame for hoist
290	Misc		Custom-built skid frame
291	Misc		Custom-built 3-point hitch forklift plow attachment
292	Misc		Greenlee "767 Slug Buster" punch set
293	Misc	LF430146A	2005 Miller "XMT 350" CC/CV welder w/ Miller "75 Series" wire feed.
294	Misc		Four (4) sections of pallet racking and assorted part bins.
295	Misc	KG213774	Millermatic "250" welder.
296	Misc		Assorted power and hand tools throughout. Including but not limited to pneumatic impacts, combination & socket wrench sets, aluminum C clamps, angle grinders etc.
297	Misc		Shop-built hydraulic test bench w/ Barton chart recorder and SPX hydraulic power pack
298	Misc		Gagemaker "MT3000 Mic Trac" measurement center thread gauge, digital readout. With accessories.

## SCHEDULE "A"

Do-All Industries Ltd.			
Item #	Location	SN / VIN	Description
299	Misc		Schmidt "Stinger" stylus marker, portable pln stylus marker. s/n 16001
300	Misc		Assorted PMC Lonestar pln box gauges
301	Misc		Twenty-five (25) sections of EZ-Rect parts shelving
302	Misc		Assorted parts bins and organizers throughout
303	Misc		John Deere "L100" 17HP ride-on lawn mower
304	Misc		2007 Miller "XMT 350" CC/CV Auto-Line welder w/ Miller "70 series" 24V wire feed. s/n LH160113A
305	Misc		Miller "XMT 350" CC/CV Auto-Line welder w/ Miller "70 series" 24V wire feed
306	Misc		2008 Miller "XMT 350" CC/CV Auto-Line welder w/ Miller "70 series" 24V wire feed. s/n LJ110093A
307	Misc		Two (2) oxyacetylene torch sets w/ carts
308	Misc	EB293240706	Ridgid "1224" pipe threader w/ stand. With dies.
309	Misc		Quantity of steel work benches and tables throughout.
310	Misc		Quantity of steel stands and supports throughout.
311	Misc		Quantity of small tooling throughout includes, but not limited to: angle grinders, vices, clamps, chain pullers, jacks, wrenches, drills, 4' torque wrench, 2' torque wrench, parts washers, pipe wrenches, battery chargers, etc.
312	Misc		Vertical twin-head 10HP shop compressor.
313	Misc		Three (3) wire-side and four (4) hard-side tote bins.
314	Misc		Steel tables and machinist benches throughout.
315	Throughout		All other assets in buildings (on a wall-to-wall, ceiling-to-floor basis excluding all overhead bridge cranes) and yard (excluding Pemex assets).

# **APPENDIX “B”**

## CONVEYANCE AND SET-OFF AGREEMENT

THIS AGREEMENT is made this 24 day of August, 2012 (the "Effective Date")

BETWEEN:

**P & O XEG ASSETS LTD.**, a corporation governed by the laws of the Province of Alberta,

(the "Vendor")

- and -

**DO ALL INDUSTRIES LTD.**, a corporation governed by the laws of the Province of Saskatchewan,

(the "Purchaser").

### RECITALS:

- A. Pursuant to a general conveyance (the "**Original Conveyance**") dated August 24, 2012 between Ernst & Young Inc., in its capacity as receiver of X-treme Energy Group Inc. ("**X-treme**"), and not in its personal capacity, and the Vendor, the Vendor acquired all of X-treme's right, title and interest in and to certain assets, including the Inventories (as defined below) effective as of the Time of Closing (as defined in the Original Conveyance).
- B. Effective immediately following the Time of Closing (the "**Effective Time**"), the Vendor wishes to sell and the Purchaser wishes to purchase all of the raw material and finished goods inventories of the Vendor (the "**Inventories**") for a purchase price of \$2,250,000 (the "**Purchase Price**").
- C. The Vendor is indebted to the Purchaser in the aggregate amount of \$2,000,000 (the "**Loan Amount**"), as evidenced by a demand promissory note dated August 7, 2012 (the "**Note**") signed by the Vendor.

**THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

### 1. Conveyance

In consideration for payment of the Purchase Price, the Vendor hereby transfers, sells, conveys, assigns and delivers unto the Purchaser, its successors and assigns, and the Purchaser hereby acquires and accepts, effective as of the Effective Time, all of the Vendor's right, title and interest in and to the Inventories.

**2. Set-Off**

Effective as of the Effective Time, the Loan Amount is hereby paid and satisfied by way of set-off against all amounts owing by the Purchaser to the Vendor in connection with the Purchase Price, the consequence of which is that the obligation of the Vendor to repay the Purchaser the Loan Amount and the obligation of the Purchaser to pay the Vendor a portion of the Purchase Price equal to the Loan Amount is hereby settled and satisfied in full and extinguished and the Note is hereby cancelled.

**3. Further Assurances**

Upon the request from time to time of the Purchaser the Vendor shall execute all such further conveyances, bills of sale, transfers, assignments, notices and other documents and use all reasonable efforts to secure all necessary consents and approvals as, in the reasonable opinion of the Purchaser, may be necessary to effectively vest title to the Inventories in the Purchaser or otherwise to protect or perfect any rights of the Purchaser in the Inventories.

**4. Enurement**

This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors (including any successor by reason of amalgamation of any party) and permitted assigns.

**5. Governing Law**

This Agreement is a contract made under and shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable in the Province of Alberta.

**6. Execution and Delivery**

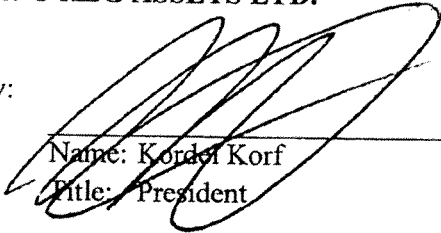
This Agreement may be executed by the parties in counterparts and may be executed and delivered by facsimile and all such counterparts and facsimiles shall together constitute one and the same agreement.

***[Remainder of page intentionally left blank.]***

**IN WITNESS OF WHICH** the parties have executed this Conveyance and Set-Off Agreement.

**P & O XEG ASSETS LTD.**

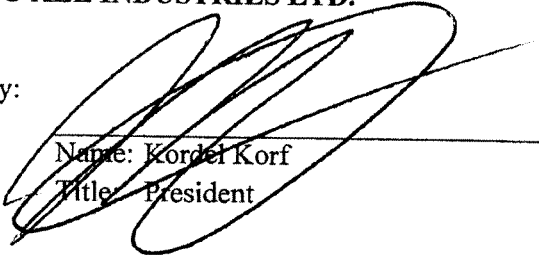
By:



Name: Kordel Korf  
Title: President

**DO ALL INDUSTRIES LTD.**

By:



Name: Kordel Korf  
Title: President



# **APPENDIX “C”**

THIS AGREEMENT dated for reference the 8<sup>th</sup> day of August, 2014.

AMONG:

**HSBC BANK CANADA**, a chartered bank of Canada  
("HSBC")

AND:

**ALVAREZ & MARSAL CANADA INC.**, in its capacity as the Receiver of the current and future assets, undertakings, and properties of Do All Industries Ltd. ("Do All") and P&O Assets Ltd. ("**P&O Assets**") pursuant to an Order granted on February 6, 2014 in Court File number 1401-00889, Court of Queen's Bench of Alberta, Judicial Centre Calgary (the "**NBC Action**")

(in such capacity the "**Receiver**")

AND:

**ALVAREZ & MARSAL CANADA INC.**, as Trustee of the estate of Do All, in bankruptcy (in such capacity herein the "**Trustee**")

AND:

**P&O XEG ASSETS LTD.**, an Alberta company

("P&O XEG")

AND:

**KORDEL KORF**, a businessman

("Korf")

WHEREAS:

- A. HSBC is a creditor of P&O XEG, and P&O XEG previously granted certain security to HSBC (the "**P&O XEG Security**") to secure the payment and performance of P&O XEG's debts, liabilities and obligations to HSBC (the "**P&O XEG Obligations**"). Copies of P&O XEG Security documents are attached as Exhibits to the affidavit of John Lee sworn on February 27, 2014 in Court File number 1401-01631, Court of Queen's Bench of Alberta, Judicial Centre Calgary (such court action herein after referred to as the "**HSBC Action**").
- B. National Bank of Canada ("**NBC**") was a creditor of Do All and Do All previously granted certain security to NBC (the "**Do All Security**") to secure the

payment and performance of Do All's debts, liabilities and obligations to NBC (the "**Do All Obligations**").

C. P&O Assets had guaranteed to NBC the payment of the Do All Obligations to NBC and had granted certain security to NBC to secure payment and performance of P&O Asset's debts, liabilities and obligations to NBC (the "**P&O Assets Security**").

D. In or about October 2013, a dispute arose as among HSBC, NBC, Do All, P&O XEG and Korf in respect of whether certain assets (collectively, the "**Disputed Assets**") were:

1. owned by either P&O XEG or Do All; and
2. subject to the P&O XEG Security or the Do All Security (or subject to both the P&O XEG Security and the Do All Security and in such case there was a further dispute as to the priorities between the P&O XEG Security and the Do All Security).

E. On or about October 29, 2013, HSBC, NBC, Do All, P&O XEG and Korf entered into an agreement (the "**Transaction Facilitation Agreement**") with each other so as to allow Maynards Industries Ltd. ("**Maynards**") to complete an auction of the Disputed Assets and hold the net proceeds therefrom (the "**Net Proceeds**") pending either:

1. a further agreement as among HSBC, NBC, Do All, P&O XEG and Korf pertaining to the appropriate distribution of the Net Proceeds; or
2. a judicial determination of the appropriate distribution of the Net Proceeds.

F. On or about October 30 and 31, 2013, Maynards, in accordance with the terms of the Transaction Facilitation Agreement, completed the auction of the Disputed Assets and currently holds the Net Proceeds as follows:

1. From sale of equipment - \$1,704,987.42 (that amount, together with any interest earned on that amount while the monies were held by Maynards, is hereinafter referred to as the "**Equipment Funds**"); and
2. \$335,691.72 from the sale of steel inventory and parts inventory (that amount, together with any interest earned on that amount while the monies were held by Maynards, is hereinafter referred to as the "**Inventory Funds**").

G. The Receiver has paid monies to NBC in full and final satisfaction of the Do All Obligations from the disposition of:

1. assets of Do All which were subject to the Do All Security; and
2. assets of P&O Assets which were subject to the P&O Assets Security.

H. Pursuant to an order of the Court of Queen's Bench of Alberta granted on July 10, 2014 in the NBC Action, upon the irrevocable and unconditional repayment of the Do All Obligations in full and in cash, P&O Assets is subrogated to the Do All Security up to the amounts paid by P&O Assets to NBC on account of P&O Assets' guarantee of the Do All Obligations.

I. The Receiver has taken the position that:

1. the Disputed Assets had been the property of Do All; and
2. the Net Proceeds are "Property" (as this term is defined in the February 6, 2004 order in the NBC Action by which the Receiver was appointed) and subject to the Do All Security and should be distributed to the Receiver, in its capacity as receiver and manager of Do All.

J. HSBC has taken the position that the equipment which formed part of the Disputed Assets:

1. had been the property of P&O XEG and subject to the P&O XEG Security; or
2. if that equipment had been the property of Do All, became such property subject to the P&O XEG Security,

and that the Equipment Funds should be distributed to HSBC.

HSBC had in that regard filed an application in the HSBC Action for an Order that the Equipment Funds be paid to HSBC. That application, which was to be heard on June 27, 2014 at the Calgary Court Centre, has been by consent adjourned generally.

K. The parties have agreed to enter into this Agreement to fully and finally resolve the dispute in relation to the Disputed Assets and the distribution of the Net Proceeds in accordance with the terms of this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT IN CONSIDERATION of the premises and of the covenants and agreements hereinafter entered into, and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged by all parties, the parties hereto agree as follows:

1. The Receiver confirms to HSBC that all of the Do All Obligations have been paid in full.
2. The Receiver, the Trustee, HSBC, P&O XEG and Korf acknowledge and agree that:
  - (a) the Equipment Funds are properly payable to P&O XEG and are subject to the P&O XEG Security and that such security interest in the Equipment Funds in favour of HSBC is valid, enforceable and ranks in priority to any interests of NBC, the Receiver (and the Receiver confirms that this, without limitation, includes any interest as a result of any subrogation of P&O Assets to the security position of NBC and any interest which may arise as a result of any order made in the NBC Action, including without limitation the Receiver's Charge and the Receiver's Borrowing Charge as these terms are defined in the February 6, 2014 Order granted in the NBC Action by which the Receiver was appointed), and the Trustee, or any one or more of them; and
  - (b) the Inventory Funds are properly payable to Do All and are subject to the Do All Security and that such security interest in the Inventory Funds in favour of NBC is valid, enforceable and ranks in priority to any interests of HSBC, the Trustee, or any one or more of them.
3. HSBC, the Receiver, P&O XEG and Korf agree to provide to Maynards a direction with respect to the Equipment Funds and the Inventory Funds, in the form of Schedule A to this agreement, and the Receiver hereby irrevocably and unconditionally instructs McCarthy Tetrault LLP (the "**Receiver's Counsel**") to deal with any monies received by the Receiver's Counsel from Maynards pursuant to that direction in accordance with the terms of this Agreement.
4. P&O XEG covenants and agrees to pay to Do All, upon the irrevocable and unconditional payment of the P&O XEG Obligations in full and in cash, an amount equal to:
  - (a) the amount of the net sale proceeds received by or payable to P&O XEG from the sale of the lands identified in Schedule B to this Agreement (the "**Lands**") less the amount paid to HSBC from such sale; plus
  - (b) the amount of the Equipment Funds remaining after payment made from the Equipment Funds in accordance with this agreement,

(the "**Residual Balance**"). For greater certainty, in the event that the P&O XEG Obligations are not irrevocably and unconditionally repaid in full and in cash, P&O XEG shall have no obligation to pay the Residual Balance to Do All.

5.

Concurrent with the execution of this Agreement:

(a) P&O XEG shall execute in favour of Do All a mortgage (the "**New Mortgage**") charging all of P&O XEG's right, title, estate and interest in the Lands (in the form attached as Schedule "C") hereto and a general security agreement charging all of P&O XEG's present and after acquired real and personal property (in the form attached as Schedule "D" - the "**New GSA**", and collectively with the New Mortgage the "**Residual Balance Security**") as security for the payment and performance of P&O XEG's obligation to pay the Residual Balance to Do All; and

(b) the Receiver will provide to HSBC's Counsel:

- (i) a registrable discharge of the New Mortgage in so far as the New Mortgage relates to the lands described under subparagraph (a) in Schedule "B";
- (ii) a registrable discharge of the New Mortgage in so far as the New Mortgage relates to the lands described under subparagraph (B) in Schedule "B";
- (iii) release of the New GSA, together with authority to HSBC's Counsel to effect a cancellation of any Personal Property Registry registration that may be effected with respect to the New GSA,

(collectively the "Discharges")

all on the condition that Do All and the Receiver shall take no steps to effect any registrations, whether at the Land Title Office or Personal Property Registry or otherwise, with respect to the Residual Balance Security until Fasken Martineau DuMoulin LLP ("**HSBC's Counsel**") have confirmed that they are in possession of the discharges and release referenced in subparagraph (b) above.

HSBC consents to the granting of the Residual Balance Security as aforesaid, all on the basis that the Residual Balance Security shall rank subordinate to the P&O XEG Security.

6.

HSBC hereby irrevocably and unconditionally instructs HSBC's Counsel to deal with the Discharges, and all parties irrevocably consent to HSBC's Counsel utilising the Discharges, as follows:

- (a) if P&O XEG has entered into a contract to sell one or both of the land parcels identified in Schedule "B", and HSBC's Counsel has received the proceeds from such sale in an amount as agreed to by HSBC, then HSBC's Counsel shall either effect a registration of the Discharge which

relates to the sold land parcel, or provide that Discharge to P&O XEG's solicitor dealing with the sale and shall be at liberty to amend any personal property registration which may relate to the Residual Balance Security so as to ensure that the purchaser of the applicable lands acquires the title to such lands, and any personal property related to such lands, free and clear of the Residual Balance Security; and

- (b) if in the context of a sale of the Lands HSBC's Counsel receives an amount greater than the amount of the P&O XEG Obligations as at the time of receipt of the monies, HSBC's Counsel shall pay to or as directed by the Receiver the difference between the amount received from the applicable sale and the amount of the P&O XEG Obligations at the time. The amount so paid will be paid and received on account of P&O XEG's obligation to pay the Residual Balance.

7.

The Receiver hereby irrevocably and unconditionally instructs the Receiver's Counsel to pay the Equipment Funds and the Inventory Funds paid to the Receiver's Counsel pursuant to the referenced direction (and on the assumption that the Receiver's Counsel receives all of the Equipment Funds and all of the Inventory Funds from Maynards), as follows:

- (a) within a reasonable time after receiving those funds, pay to:
  - (i) the Receiver the amount of the Inventory Funds;
  - (ii) HSBC the sum of \$100,000.00 from the Equipment Funds; and
  - (iii) pay to the Receiver the sum of \$100,000.00 from the Equipment Funds; and
- (b) within a reasonable time after receiving notice from or on behalf of HSBC stating the amount of P&O XEG Obligations, pay to or as directed by HSBC the lower of the amount as stated in such notice and the balance of the Equipment Funds which remains after the payments made in accordance with subparagraph (a) above. It is a term of this agreement that HSBC will not give such notice to the Receiver's Counsel until after the earlier of:
  - (i) the date on which HSBC has received the net proceeds from the sale of all of the Lands; and
  - (ii) six months from the reference date of this Agreement;
- (c) if any Equipment Funds remain after the payment made in accordance with subparagraph (b) above, the Receiver's Counsel shall be at liberty to pay such remaining balance to or as directed by the Receiver.

8. Korf, as the sole shareholder of P&O Assets, hereby irrevocably instructs the Receiver to pay to HSBC the sum of \$100,000.00, and with respect to such payment, the parties agree as follows:

- (a) the referenced \$100,000.00 will only be paid to HSBC after:
  - (i) claims of all presently existing arms' length creditors of P&O Assets as identified in reports filed by the Receiver in the NBC Action to date; and
  - (ii) the claim of the Receiver for its fees, disbursements and applicable taxes as Receiver have been paid; and
- (b) if HSBC is paid the referenced \$100,000.00 before giving to the Receiver's Counsel the notice contemplated under sub-paragraph 7(b), such payment will be reflected as a reduction of the amount of P&O XEG's obligations to HSBC.

The Receiver agrees to act in accordance with the above direction.

9. The parties agree that nothing in this agreement shall adversely affect any right of HSBC to take any steps in the HSBC Action.

10. Any notice, request, instruction or other document to be given hereunder shall be given as follows:

If to HSBC, then to:

HSBC Bank Canada  
3<sup>rd</sup> floor, 2910 Virtual Way  
Vancouver, BC V5M 0B2  
Email: john\_kw\_lee@hsbc.ca  
Attention: John Lee

With a copy to:

Fasken Martineau DuMoulin LLP  
Barristers & Solicitors  
2900 - 550 Burrard Street  
Vancouver, BC V6C 0A3  
Facsimile: (604) 631-3232  
Email: mpeerson@fasken.com  
Attention: Marcel Peerson



If to P&O XEG and Korf:

P&O XEG Assets and Kordel Korf  
c/o Anderson Law Firm Prof. Corp.  
#1400 - 2002 Victoria Avenue  
Regina, Saskatchewan  
Facsimile: (306) 789-3366  
Email: d.anderson@accesscomm.ca  
Attention: Dwayne M. Anderson, CA, LLB

If to the Receiver and/or to the Trustee, then to:

Alvarez & Marsal Canada Inc.  
c/o McCarthy Tetrault LLP  
Suite 4000, 421-7<sup>th</sup> Avenue SW  
Calgary, AB T2P 4K9  
Facsimile: (403) 260-3501  
Email: wmacleod@mccarthy.ca  
Attention: Walker MacLeod

If to the Receiver's Counsel, then to:

McCarthy Tetrault LLP  
Suite 4000, 421-7<sup>th</sup> Avenue SW  
Calgary, AB T2P 4K9  
Facsimile: (403) 260-3501  
Email: wmacleod@mccarthy.ca  
Attention: Walker MacLeod

If to HSBC's Counsel

Fasken Martineau DuMoulin LLP  
Barristers & Solicitors  
2900 - 550 Burrard Street  
Vancouver, BC V6C 0A3  
Facsimile: (604) 631-3232  
Email: mpeerson@fasken.com  
Attention: Marcel Peerson

and will be deemed to be given and received immediately upon receipt thereof when sent by facsimile transmission or electronic mail to the other party's place of business or delivered personally to the address for that party immediately set forth above. If delivered by courier or registered mail, delivery will occur at the actual time of delivery. A party may from time to time change its address for delivery by a written notice delivered to the other parties. Any form of delivery not contemplated hereby is ineffective under this Agreement.

11. The recitals to this Agreement are incorporated into and form an integral part of this Agreement.
12. This Agreement constitutes the entire agreement among the parties relating to the subject matter hereof and this Agreement may be amended or modified only by an instrument in writing executed and delivered by the parties hereto subsequent to the date hereof.
13. The parties covenant to execute such further documents and do such further acts as may be required to implement the terms of this Agreement.
14. All stipulations herein as to time are strictly of the essence.
15. This Agreement will be governed by the laws in effect in the Province of Alberta and the parties hereby attorn to the jurisdiction of the Courts of that Province.
16. This Agreement may be executed in counterparts by the parties hereto and such execution shall be valid for all intents and purposes and the executed counterparts shall together form one document and any signed counterpart transmitted by facsimile or other electronic means (such as email or pdf documents) shall be as valid and effectual as if it were an originally signed copy of such counterpart.
17. Whenever the singular or masculine gender is used throughout this Agreement, the same will be construed as meaning the plural or the feminine or the body corporate or politic where the context or the parties hereto so require.
18. This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be duly executed as at the date first written above to the same extent and effect as if executed under seal.

HSBC BANK CANADA  
by its authorized signatory(ies)

Per: John K. Lee **JOHN K. LEE**  
Authorized Signatory **AVP, SPECIAL CREDIT**

Per: Philip Wong **PHILIP WONG**  
Authorized Signatory **MANAGER, SPECIAL CREDIT**

ALVAREZ & MARSAL CANADA INC.,  
in its capacity as the Receiver appointed  
in the NBC Action and not in its personal  
capacity,  
by its authorized signatory(ies)

Per: \_\_\_\_\_  
Authorized Signatory

Per: \_\_\_\_\_  
Authorized Signatory

ALVAREZ & MARSAL CANADA INC.,  
in its capacity as the Trustee of the estate  
of Do All Industries Ltd., in bankruptcy,  
and not in its personal capacity,  
by its authorized signatory(ies)

Per: \_\_\_\_\_  
Authorized Signatory

Per: \_\_\_\_\_  
Authorized Signatory


IN WITNESS WHEREOF the parties hereto have caused this Agreement to be duly executed as at the date first written above to the same extent and effect as if executed under seal.

**HSBC BANK CANADA**  
by its authorized signatory(ies)

Per: \_\_\_\_\_  
Authorized Signatory


Per: \_\_\_\_\_  
Authorized Signatory

**ALVAREZ & MARSAL CANADA INC.,**  
in its capacity as the Receiver appointed  
in the NBC Action and not in its personal  
capacity,  
by its authorized signatory(ies)

Per:  \_\_\_\_\_  
Authorized Signatory

Per: \_\_\_\_\_  
Authorized Signatory

**ALVAREZ & MARSAL CANADA INC.,**  
in its capacity as the Trustee of the estate  
of Do All Industries Ltd., in bankruptcy,  
and not in its personal capacity,  
by its authorized signatory(ies)

Per:  \_\_\_\_\_  
Authorized Signatory

Per: \_\_\_\_\_  
Authorized Signatory

**P&O XEG ASSETS LTD.**

by its authorized signatory(ies)

Per: \_\_\_\_\_

Authorized Signatory

Per: \_\_\_\_\_

Authorized Signatory

**KORDEL KORF**

*SOLICITOR & AGENT*

P&O Assets Ltd., for itself and its successors and assigns, hereby consents to the Receiver (as above defined) entering into and carrying out the terms of the above agreement, and confirms for itself the direction to the Receiver as set out in paragraph 8 in the above agreement.

**P&O ASSETS LTD.**

by its authorized signatory(ies)

Per: \_\_\_\_\_

Authorized Signatory

Per: \_\_\_\_\_

Authorized Signatory

McCarthy Tetrault LLP hereby releases any benefit to which it may be entitled under the Receiver's Charge (as this term is defined in the February 6, 2014 Order in the NBC Action by which the Receiver was appointed) in so far as the same may relate to the Equipment Funds and acknowledges receipt of the instructions from the Receiver as set forth in the above agreement and agrees with HSBC to carry out such instructions.

**MCCARTHY TETRAULT LLP**

by its authorized signatory(ies)

Per: \_\_\_\_\_

Authorized Signatory

Per: \_\_\_\_\_

Authorized Signatory

**P&O XEG ASSETS LTD.**  
by its authorized signatory(ies)

Per: \_\_\_\_\_  
Authorized Signatory

Per: \_\_\_\_\_  
Authorized Signatory

**KORDEL KORF**

\_\_\_\_\_

P&O Assets Ltd., for itself and its successors and assigns, hereby consents to the Receiver (as above defined) entering into and carrying out the terms of the above agreement, and confirms for itself the direction to the Receiver as set out in paragraph 8 in the above agreement.

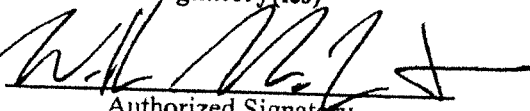
**P&O ASSETS LTD.**  
by its authorized signatory(ies)

Per: \_\_\_\_\_  
Authorized Signatory

Per: \_\_\_\_\_  
Authorized Signatory

McCarthy Tetrault LLP hereby releases any benefit to which it may be entitled under the Receiver's Charge (as this term is defined in the February 6, 2014 Order in the NBC Action by which the Receiver was appointed) in so far as the same may relate to the Equipment Funds and acknowledges receipt of the instructions from the Receiver as set forth in the above agreement and agrees with HSBC to carry out such instructions.

**MCCARTHY TETRAULT LLP**  
by its authorized signatory(ies)

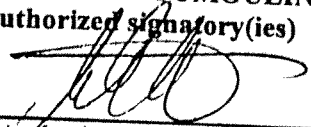
Per:   
Authorized Signatory

Per: \_\_\_\_\_  
Authorized Signatory

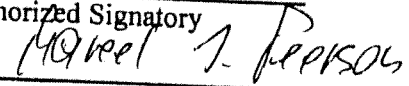
Fasken Martineau DuMoulin LLP hereby acknowledges receipt of the instructions from HSBC as set forth in the above agreement and agrees with the Receiver to carry out such instructions.

**FASKEN MARTINEAU DUMOULIN**  
LLP, by its authorized signatory(ies)

Per: \_\_\_\_\_

  
Authorized Signatory

Per: \_\_\_\_\_

  
Authorized Signatory

**SCHEDULE A  
DIRECTION TO MAYNARDS INDUSTRIES LTD.**

To: Maynards Industries Ltd.  
Suite 300, 5 Richard Way SW  
Calgary, AB T3E 7M8  
Attention: Mr. Aaron Stewardson

Regarding Do All Industries Ltd.; liquidation of assets

On or about October 30 and 31, 2013, you sold certain assets that had been placed with you by Do All Industries Ltd. You are currently holding net proceeds from that sale in the amount of \$2,040,679.14 (plus any interest that may have accrued in relation to those monies while you have been holding them). You are holding those monies to be dealt with in accordance with a direction from, and pursuant to an agreement as between, HSBC Bank Canada, Do All Industries Ltd., P&O XEG Assets Ltd., National Bank of Canada and Kordel Korf.

Alvarez & Marsal Canada Inc. hereby confirms to you that Alvarez & Marsal Canada Inc. is the court appointed receiver and manager of all properties, assets, and undertakings of:

1. Do All Industries Ltd. ("Do All") pursuant to an Order granted on February 6, 2004 by the Court of Queen's Bench of Alberta, Court File number 1401-00889, Judicial Centre Calgary (the "NBC Action"). Alvarez & Marsal Canada Inc., in such capacity, has the power and authority to deal with any assets or claims of Do All; and
2. P&O Assets Ltd. ("P&O Assets") pursuant to the above referenced February 6, 2004 Court Order, and in such capacity has the power and authority to deal with any assets or claims of P&O Assets. P&O Assets had previously granted a guarantee to National Bank of Canada with respect to the obligations of Do All to that bank, and P&O Assets granted security to that bank in support of that guarantee. All of the obligations of Do All to National Bank of Canada have been paid in full, a substantial portion of the monies paid to National Bank of Canada in that regard has been from sales of assets of P&O Assets and as a result of such payments from sales of assets of P&O Assets, P&O Assets, by its receiver Alvarez & Marsal Canada Inc., has been subrogated to the position of National Bank of Canada vis-à-vis Do All. Alvarez & Marsal Canada Inc., in its capacity as the receiver of all properties, assets and undertakings of P&O Assets, has the power and authority to deal with any assets or claims of P&O Assets.

This is your full and sufficient authority and direction from the undersigned to pay to

McCarthy Tetrault LLP  
Barristers & Solicitors  
Suite 4000, 421-7th Avenue SW  
Calgary, AB T2P 4K9  
Facsimile: (403) 260-3501  
Email: [wmacleod@mccarthy.ca](mailto:wmacleod@mccarthy.ca)  
Attention: Walker MacLeod



all of the monies which you hold from the above referenced auction, together with all interest earned with respect to such monies while in your account.

This direction may be executed in counterparts by the undersigned, and such execution shall be valid for all intents and purposes, and the executed counterparts shall together form one document, and any signed counterpart transmitted to you by facsimile or other electronic means (such as email of pdf documents), shall be as valid and effectual as if it were an originally-signed copy of such counterpart.

Dated effective this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

**HSBC BANK CANADA**  
by its authorized signatory(ies)

Per: \_\_\_\_\_  
Authorized Signatory


Per: \_\_\_\_\_  
Authorized Signatory

**P&O XEG ASSETS LTD.**  
by its authorized signatory(ies)

Per: \_\_\_\_\_  
Authorized Signatory

Per: \_\_\_\_\_  
Authorized Signatory

**ALVAREZ & MARSAL CANADA INC.,**  
in its capacity as the receiver of all  
properties, assets and undertakings of Do  
All Industries Ltd. and P&O Assets Ltd.  
as appointed in the NBC Action and not  
in its personal capacity,  
by its authorized signatory(ies)

Per:  \_\_\_\_\_  
Authorized Signatory

Per: \_\_\_\_\_  
Authorized Signatory

**KORDEL KORF**

Per: \_\_\_\_\_  
Authorized Signatory

Per: \_\_\_\_\_  
Authorized Signatory

all of the monies which you hold from the above referenced auction, together with all interest earned with respect to such monies while in your account.

This direction may be executed in counterparts by the undersigned, and such execution shall be valid for all intents and purposes, and the executed counterparts shall together form one document, and any signed counterpart transmitted to you by facsimile or other electronic means (such as email of pdf documents), shall be as valid and effectual as if it were an originally-signed copy of such counterpart.

Dated effective this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

**HSBC BANK CANADA**  
by its authorized signatory(ies)

Per: \_\_\_\_\_  
Authorized Signatory

Per: \_\_\_\_\_  
Authorized Signatory

**P&O XEG ASSETS LTD.**  
by its authorized signatory(ies)

Per: \_\_\_\_\_  
Authorized Signatory

Per: \_\_\_\_\_  
Authorized Signatory

**ALVAREZ & MARSAL CANADA INC.,**  
in its capacity as the receiver of all  
properties, assets and undertakings of Do  
All Industries Ltd. and P&O Assets Ltd.  
as appointed in the NBC Action and not  
in its personal capacity,  
by its authorized signatory(ies)

Per: \_\_\_\_\_  
Authorized Signatory

Per: \_\_\_\_\_  
Authorized Signatory

**KORDEL KORF**

Per: \_\_\_\_\_  
Authorized Signatory

Per: \_\_\_\_\_  
Authorized Signatory

**SCHEDULE B  
LANDS**

(a) PLAN 7921753

BLOCK 71

LOT 3

EXCEPTING THEREOUT ALL MINES AND MINERALS

AREA: 1.66 HECTARES (4.1 ACRES) MORE OR LESS

(b) PLAN 0624793

BLOCK 71

LOT 17

EXCEPTING THEREOUT ALL MINES AND MINERALS

AREA: 1.867 HECTARES (4.61 ACRES) MORE OR LESS

- 16 -

**SCHEDULE C  
FORM OF LAND MORTGAGE**

## LAND TITLES ACT

### DEMAND COLLATERAL MORTGAGE

WHEREAS P&O XEG ASSETS LTD. (the "**Mortgagor**") of 1400, 2002 Victoria Avenue, Regina, Saskatchewan, S4P 0R7, is registered as owner of an estate in fee simple subject, however, to registered encumbrances, liens and interests, if any in that parcel of land in the City of Calgary, in the Province of Alberta, legally described as follows (the "**Mortgaged Premises**");

**PLAN 7921753**

**BLOCK 71**

**LOT 3**

**EXCEPTING THEREOUT ALL MINES AND MINERALS**

**AREA: 1.66 HECTARES (4.1 ACRES) MORE OR LESS**

**AND**

**PLAN 0624793**

**BLOCK 71**

**LOT 17**

**EXCEPTING THEREOUT ALL MINES AND MINERALS**

**AREA: 1.867 HECTARES (4.61 ACRES) MORE OR LESS**

AND WHEREAS the Mortgagor has agreed to grant the mortgage granted herein to DO ALL INDUSTRIES LTD. (the "**Mortgagee**") of 4000, 421 7<sup>th</sup> Avenue SW, Calgary, Alberta, T2P 4K9 and the successors and assigns of which are hereinafter included in the expression "the Mortgagee", as collateral security for the payment of the Indebtedness and the performance of all obligations under the agreement dated for reference August 8, 2014 between, *inter alia*, the Mortgagor and the Mortgagee (the "**Settlement Agreement**");

NOW THEREFORE, in consideration of the premises, the Mortgagor hereby covenants and agrees with the Mortgagee as follows:

#### **1. REPAYMENT**

The Mortgagor hereby acknowledges that the Mortgagor is obligated to pay to the Mortgagee the Residual Balance (as defined in the Settlement Agreement) in accordance with the terms of the Settlement Agreement together with any other sum required to be paid by the terms of the Settlement Agreement (including principal, interest, costs and all other sums which the Mortgagor may become liable to pay to the Mortgagee pursuant to the Settlement Agreement, all of which are herein collectively called the "**Indebtedness**"). Notwithstanding the foregoing, the Indebtedness shall not be demanded (subject to events of default set out herein) until the P&O XEG Obligations (as defined in the Settlement Agreement) are irrevocably and unconditionally paid in full and in cash, at which time the Residual Balance together with all other sums and interest as the Interest Rate, as defined below, are required to be paid.

## 2. AMOUNT OF INDEBTEDNESS

For the purposes of the *Land Titles Act* of Alberta (the "**Act**", which term includes all amendments and substituted legislation from time to time in effect), the amount secured by this mortgage is the Residual Balance, up to the maximum amount of five million (\$5,000,000) dollars plus interest thereon, both before and after judgment, at the prime lending rate of TD Canada Trust plus two (2%) percent per annum calculated daily and compounded monthly on the balance of the Indebtedness from time to time outstanding (the "**Interest Rate**"), together with all further monies which may become payable pursuant to the terms of this mortgage and interest thereon as herein provided. The foregoing provisions concerning the amount secured by this mortgage have been inserted to establish the Mortgagee's priority for the purposes of the Act and will in no way have the effect of, or be construed as, limiting the Mortgagor's covenant to pay the Indebtedness in accordance with the Settlement Agreement, nor will it prevent in any way the Mortgagee's ability to recover the Indebtedness from the Mortgagor under the Settlement Agreement or under any other securities granted by the Mortgagor to the Mortgagee.

## 3. MERGER

The taking of a judgment or judgments under any of the covenants contained in this mortgage, in the Settlement Agreement, or in any other security for payment of the Indebtedness will not operate as a merger of such covenants or of the Mortgagee's security by way of a charge against the Mortgaged Premises or affect the Mortgagee's right to interest hereunder at the Interest Rate.

## 4. TAXES, CLAIMS AND COSTS

- (a) The Mortgagor will pay all taxes, rates, levies, assessments and impositions of the municipality or any other taxing authority which are now or may hereafter be levied, charged, assessed, imposed or payable against or in respect of the Mortgaged Premises, or any part thereof, or on this mortgage or on the Mortgagee in respect of this mortgage, when the same become due, and will provide the Mortgagee with the receipts evidencing such payment on request.
- (b) The Mortgagor will pay and discharge when due all claims of and obligations to labourers, builders, material suppliers and others and all other claims, debts and obligations which by the law of Canada or of the Province of Alberta have or might have priority over the security hereby created, and will provide the Mortgagee with the receipts evidencing such payment on request.
- (c) If the Mortgagor fails to pay when due any of the items required to be paid by the Mortgagor pursuant to any provision of this mortgage, the Mortgagee may, but will not be obligated to, pay such items.
- (d) If the Mortgagor fails to repair as provided by this mortgage, the Mortgagee may, but will not be obligated to, at such time or times as it deems necessary and without the concurrence of any other person, make arrangements for maintaining, restoring, repairing, finishing, adding to, or putting in order the Mortgaged Premises, and for managing, improving, and taking care of them.
- (e) All solicitor's, inspector's, valuator's, surveyor's and other fees and expenses for drawing and registering this mortgage, for examining the Mortgaged Premises

and the title thereto, and for making or maintaining this mortgage a first charge, or if approved by the Mortgagee, a subsequent charge, on the Mortgaged Premises, and in exercising or enforcing or attempting to enforce or in pursuance of any right, power, remedy or purpose hereunder or subsisting (including reasonable legal costs as between a solicitor and his own client on a full indemnity basis and also an allowance for the time, work and expenses of the Mortgagee or of any agent, solicitor or servant of the Mortgagee for any purpose herein provided), together with all sums which the Mortgagee from time to time advances, expends or incurs pursuant to any provision contained in this mortgage, whether such sums are advanced or incurred with the knowledge, consent, concurrence or acquiescence of the Mortgagor or otherwise will be added to the Residual Balance, will be secured hereby and will be a charge on the Mortgaged Premises, together with interest thereon at the Interest Rate calculated from the date of advance or expenditure by the Mortgagee to the date of payment to the Mortgagee. All such monies (other than the Residual Balance) will be payable to the Mortgagee on demand.

5. **INSURANCE**

- (a) The Mortgagor will immediately insure and keep insured during the continuance of this security the Mortgaged Premises to their full insurable value, with an insurer or insurers approved by the Mortgagee, against loss or damage by fire, lightning and tempest, and such other risks as the Mortgagee may reasonably require. The Mortgagor will also obtain such other insurance, of kinds and in amount reasonably required by the Mortgagee (including but not limited to business interruption or rental loss insurance if appropriate). The Mortgagor will not do or permit anything which might impair, reduce or void such insurance.
- (b) The Mortgagor will deliver to the Mortgagee the policy or policies of insurance with a mortgage clause attached, first loss thereunder to be payable to the Mortgagee as its interest appears.
- (c) The Mortgagor will pay all premiums and sums of money necessary for such purpose as the same become due and, if requested by the Mortgagee, will immediately after payment, deliver to the Mortgagee the receipts evidencing such payment. Evidence of the renewal of such insurance will, if requested by the Mortgagee, be provided to the Mortgagee at least seven (7) business days before the insurance then existing expires; otherwise the Mortgagee may, but is not obligated to insure as herein provided.
- (d) If there is loss or damage from any of the risks insured against, the Mortgagor will furnish proof of loss at its own expense and do all necessary acts to enable the Mortgagee to obtain payment of the insurance monies, and in respect of any such insurance monies received by the Mortgagee, the Mortgagee may at its option:
  - (i) apply the same in or towards substantially rebuilding, reinstating or repairing the Mortgaged Premises; or
  - (ii) apply the same in the manner set forth in paragraph 21(c) hereof; or

- (iii) pay the same in whole or in part to the Mortgagor, but no such payment will operate as payment or a novation of the Mortgagor's indebtedness hereunder or as a reduction of this mortgage; or
  - (iv) apply the same partly in one way and partly in another as the Mortgagee in its sole discretion determines; or
  - (v) apply the same in and towards payment of any principal, interest or other monies owing under this mortgage.
- (e) The Mortgagor hereby constitutes and appoints the Mortgagee as its attorney for the purpose of demanding, recovering and receiving payment of all insurance monies to which it may become entitled. Without limiting the generality of the foregoing, the Mortgagee may, in the name of the Mortgagor, file proofs of claim with any insurer who insures the Mortgaged Premises, settle or compromise any claim for insurance proceeds in respect of the Mortgaged Premises, commence and prosecute any action for recovery of insurance proceeds in respect of the Mortgaged Premises, and settle or compromise any such action. Notwithstanding the foregoing, it will remain the Mortgagor's responsibility to demand, recover and receive such payments and nothing herein will render the Mortgagee liable to the Mortgagor for any act done by it in pursuance of the power of attorney granted in this paragraph 5(e) or for its failure to do any act or take any step permitted herein.
- (f) Pending application of any insurance monies by the Mortgagee, the same will be deemed to form part of the Mortgaged Premises and be subject to the charge hereby created.
- (g) If the Mortgagor fails to keep the Mortgaged Premises or any part of them insured as aforesaid or to pay the said premiums and sums of money necessary for such purpose or to deliver the policy or policies or receipts as aforesaid then the Mortgagee will be entitled, but will not be obliged, to insure the Mortgaged Premises in the manner aforesaid.

**6. IMPROVEMENTS TO BE FIXTURES**

All improvements, fixed or otherwise, (but excluding any tenant's trade fixtures if and when removed) now on or hereafter put on the Mortgaged Premises (including but not limited to all buildings, erections, mobile homes, machinery, plant, fences, furnaces, boilers, water heaters, heating, plumbing, air conditioning, cooking, refrigerating, ventilating, lighting and water-heating equipment, window blinds, storm windows and storm doors, window screens and screen doors, and all apparatus and equipment appurtenant thereto, whether movable or stationary, with the proper, usual and necessary gears, construction and appliances) are and will, in addition to other fixtures thereon, be and become fixtures and become part of the realty and of the security and are included in the expression the "Mortgaged Premises".



7. USE OF THE MORTGAGED PREMISES

- (a) The Mortgagor will not commit or permit any act of waste on the Mortgaged Premises or any portion thereof or do or permit anything which might impair the value thereof.
- (b) The Mortgagor will at all times during the continuance of this mortgage well and sufficiently repair, maintain, restore, amend and keep the Mortgaged Premises and every part thereof in good and substantial repair.
- (c) The Mortgagee by its agents, solicitors or inspectors may enter upon the Mortgaged Premises or any part thereof at any reasonable time to view their state of repair.
- (d) If in the opinion of the Mortgagee the Mortgaged Premises or any part thereof are not in a proper state of repair it may serve notice upon the Mortgagor to make such repairs or replacements as the Mortgagee deems proper within a time limited by such notice. If the Mortgagor fails to comply with such notice such failure will constitute a breach of covenant hereunder and in such event the Mortgagee or its agents, employees or contractors may enter upon the Mortgaged Premises and proceed to repair as provided in this mortgage and will have all the remedies set forth herein.
- (e) The Mortgagor will not make, or permit to be made, any alterations or additions to the Mortgaged Premises, or change the present use thereof, without the consent of the Mortgagee. If the Mortgagor is operating a business or conducting any commercial activity on the Mortgaged Premises, the Mortgagor will not change the nature of the business or commercial activity without the prior written consent of the Mortgagee.
- (f) If the Mortgagor rents out all or any portion of the Mortgaged Premises, the Mortgagor will faithfully perform any landlord's covenants which it may have undertaken or which it may hereafter undertake as landlord under any such leases and will neither do, neglect to do, nor permit to be done, anything (other than pursuing the enforcement of the terms of such leases in accordance with the terms thereof) which may cause a material modification or termination of any such subleases or which may diminish the value of any leases, the rents provided for therein, or the interest of the Mortgagor or Mortgagee therein. The Mortgagor will give the Mortgagee immediate notice of any material default or notice of cancellation under any such leases.
- (g) In its possession, operation and management of the Mortgaged Premises, the Mortgagor will observe and comply with all applicable federal, provincial and municipal by-laws, statutes, ordinances, regulations, orders and restrictions including but not limited to all health, fire, safety and land use by-laws and all building codes affecting the Mortgaged Premises.

8. CARE OF THE MORTGAGED PREMISES

In this mortgage:

- (a) **"environment"** includes the Mortgaged Premises and surroundings;
- (b) **"pollutant"** means any substance, class of substances, mixture of substances, form of energy or combination thereof that is capable of entering the environment in a quantity or concentration or under conditions that may cause an immediate or long term adverse effect, and includes anything defined as a hazardous substance, hazardous waste, toxic substance, dangerous goods, hazardous chemical, contaminant, or agricultural chemical under any federal, provincial or municipal laws, or by-laws now or hereafter in force;
- (c) **"release"** includes the noun or verb form of spill, discharge, spray, inject, abandon, deposit, leak, seep, pour, emit, empty, throw, dump, place, exhaust and words of like or similar meaning.
- (d) Neither the Mortgagor, nor, to the knowledge of the Mortgagor after a Phase I level inquiry and investigation, any other person, has ever caused or permitted any pollutant to be placed, handled, stored or disposed of on, under or at the Mortgaged Premises, except as disclosed to the Mortgagee in writing.
- (e) The Mortgagor will not allow any pollutant to be placed, handled, stored or disposed of on, under or at the Mortgaged Premises without the prior written consent of the Mortgagee, which consent may be arbitrarily or unreasonably withheld.
- (f) To the extent that any pollutant is placed, handled, stored or disposed of on, under or at the Mortgaged Premises:
  - (i) the Mortgagor has, and will continue to have, all necessary federal, provincial and municipal licences, certificates and permits and is and will continue to be in compliance with all applicable federal, provincial and municipal laws and by-laws;
  - (ii) the Mortgagor will not cause or permit to exist, as a result of an intentional or unintentional act or omission on its part (or on the part of its agents, contractors or any other person or entity for whose acts or omissions it is responsible), a release of any pollutant on, under or at the Mortgaged Premises, unless such release is pursuant to and in compliance with the conditions of a permit issued by the appropriate governmental authority;
  - (iii) if the Mortgagor receives any verbal or written notice of an unauthorized release, or any complaint, order, citation or notice with regard to a release or any other environmental, health or safety matter affecting the Mortgaged Premises (**"environmental complaint"**) from any person or entity, including without limitation Alberta Environment or Environment Canada, then the Mortgagor will give immediate oral and written notice (with a copy of the environmental complaint) of such release to the Mortgagee;
  - (iv) in the event of a release, the Mortgagor will promptly take any and all necessary remedial action; provided, however, that the Mortgagor will not, without the Mortgagee's prior written consent, take any such remedial

action nor enter into any settlement agreement, consent decree, or other compromise in respect of any related claims, proceedings, lawsuits or action commenced or threatened pursuant to any environmental, health or safety laws or in connection with any third party, if such remedial action, settlement, consent or compromise might impair the value of the Mortgagee's security hereunder. The Mortgagee's prior consent will not, however, be necessary if the release either poses an immediate threat to the health, safety or welfare of any individual or is of such a nature that an immediate remedial response is necessary and it is not possible to obtain the Mortgagee's consent prior to undertaking such action. If the Mortgagor undertakes any remedial action the Mortgagor will immediately notify the Mortgagee of any such remedial action in compliance with all applicable federal, provincial and municipal laws and by-laws, and in accordance with the orders and directives of all federal, provincial and municipal governmental authorities, to the satisfaction of the Mortgagee;

- (v) in addition to and not in limitation of the Mortgagee's rights under this mortgage, the Mortgagee will have the right to take such actions, including without limitation hiring consultants and undertaking sampling and testing, as it deems necessary or advisable to remedy, remove, resolve or minimize the impact of, or otherwise deal with, any pollutant or environmental complaint upon its receipt of any notice from any person or entity, including without limitation Alberta Environment or Environment Canada, asserting the happening of an unauthorized release on, under or at the Mortgaged Premises which, if true, could result in any order, suit or other action against the Mortgagor or Mortgagee or any part of the Mortgaged Premises by any governmental agency or otherwise which, in the sole opinion of the Mortgagee, could jeopardize its security under this mortgage. All costs and expenses incurred by the Mortgagee in the exercise of any such rights will be added to the Residual Balance and will be payable by the Mortgagor upon demand;
- (vi) the Mortgagee may require that the Mortgagor from time to time promptly cause such tests and procedures as the Mortgagee deems appropriate to be conducted by professionals in a manner satisfactory to the Mortgagee, for the purpose of assuring compliance with all federal, provincial and municipal laws and by-laws, and having such compliance certified to the Mortgagee. Such tests and procedures will be commenced promptly and completed with results reported to the Mortgagee within thirty days following written notice from the Mortgagee. All costs incurred in respect of such procedures will be paid by the Mortgagor. If the Mortgagee incurs any expense in respect thereof the amount thereof will be added to the Residual Balance and the Mortgagor will reimburse the Mortgagee for all such sums upon demand; and
- (vii) the Mortgagor agrees to defend, indemnify, and hold the Mortgagee harmless from and against any and all claims, losses, liabilities, damages and expenses (those arising by reason of any of the aforesaid or an action under this indemnity) arising directly or indirectly from, out of or by reason of any release, environmental complaint, or any environmental health, fire, safety, and land use law governing the Mortgagor, its

operations or the Mortgaged Premises. This indemnity will apply notwithstanding any negligent or other contributory conduct by or on the part of the Mortgagee or any one or more other parties or third parties and will survive the payment of and the satisfaction of this mortgage.

- (g) Without restricting the generality of the foregoing, if gasoline or other storage tanks are located on, under, or at the Mortgaged Premises, the Mortgagor will:
  - (i) maintain and repair such storage tanks in compliance with applicable laws, including the Alberta Fire Code, and
  - (ii) at the request of the Mortgagee, as additional security assign to the Mortgagee any warranties or guarantees received from the manufacturer or installer of such storage tanks.
- (h) Upon request from the Mortgagee, the Mortgagor will:
  - (i) provide the Mortgagee with all information which the Mortgagee reasonably requests as to the proposed use of the Mortgaged Premises by any subtenant, and
  - (ii) incorporate into any proposed lease any provisions which the Mortgagee requires to be incorporated.

**9. COVENANTS UNDER THE LAND TITLES ACT**

The Mortgagor covenants as follows:

- (a) The Mortgagor has a good and marketable interest to the Mortgaged Premises;
- (b) The Mortgagor has the right to mortgage the Mortgaged Premises;
- (c) On default the Mortgagee shall have quiet possession of the Mortgaged Premises, subject to such encumbrances as may be permitted herein;
- (d) The Mortgagor will execute such further assurances of the Mortgaged Premises as may be required by the Mortgagee; and
- (e) The Mortgagor has done no act to encumber the Mortgaged Premises other than this mortgage.

**10. DEFAULT AND ACCELERATION**

The security of this mortgage will, at the option of the Mortgagee, immediately become enforceable and may be enforced without the requirement of any or any further notice from the Mortgagee to the Mortgagor, in each of the following events, each of which shall constitute an event of default:

- (a) if the Mortgagor defaults in payment or in the observance or performance of any obligation, covenant or liability of the Mortgagor to the Mortgagee, whether contained herein, in the Settlement Agreement, or in another security or agreement executed and delivered by the Mortgagor to the Mortgagee, and,

except as otherwise expressly provided, such default continues for more than seven days following written notice from the Mortgagee to pay or to otherwise remedy the same;

- (b) if any warranty, representation or statement made or furnished to the Mortgagee by or on behalf of the Mortgagor in respect of the Mortgaged Premises or the Mortgagor proves to have been false or misleading in any material respect when made or furnished;
- (c) if the Mortgaged Premises are capable of generating income and there is loss or damage to the Mortgaged Premises or any part thereof which materially adversely affects the income-generating ability thereof in the reasonable opinion of the Mortgagee, and such loss or damage cannot be repaired or replaced so as to re-establish the income-generating ability of the Mortgaged Premises within a reasonable time and in any case within ninety (90) days following such loss or damage;
- (d) if there is a seizure or attachment to or on the Mortgaged Premises;
- (e) if any charge or encumbrance created or issued by the Mortgagor becomes enforceable and any step is taken to enforce the same;
- (f) if an order is made, an effective resolution passed or a petition is filed for the winding up of the Mortgagor, or a receiver of the Mortgagor or the Mortgaged Premises is appointed;
- (g) if the Mortgagor becomes insolvent, makes a general assignment for the benefit of its creditors or otherwise acknowledges insolvency, or a bankruptcy petition or receiving order is filed or made against the Mortgagor;
- (h) if the Mortgagor ceases or threatens to cease to carry on its business, makes a bulk sale of its assets or commits or threatens to commit any act of bankruptcy;
- (i) if any other mortgagee, encumbrancee or other party having a charge on the Mortgaged Premises commences proceedings to enforce its rights or security in such mortgage, encumbrance or charge or takes steps to collect all or any of the income generated from the Mortgaged Premises, or any part thereof;
- (j) if the Mortgagor grants or attempts to grant any form of security to any person other than the Mortgagee ranking or purporting to rank in priority to or equally with the security held by the Mortgagee on the Mortgaged Premises;
- (k) if the Mortgagor abandons the Mortgaged Premises or any part thereof;
- (l) if the Mortgagor operates a business or carries on a commercial activity on the Mortgaged Premises and fails to maintain and operate such business or commercial activity as a going concern in a prudent and business like manner to the reasonable satisfaction of the Mortgagee; or
- (m) if for any other reason the Mortgagee determines that its security under this mortgage is in jeopardy.

11. **POWER OF ATTORNEY**

Upon the occurrence of an event of default pursuant to paragraph 10, the following power of attorney will take effect: the Mortgagor hereby irrevocably appoints the Mortgagee, or such person or corporation as may be designated by the Mortgagee, as attorney on behalf of the Mortgagor to sell, lease, mortgage or otherwise dispose of or encumber the Mortgaged Premises or any part thereof, and to execute all instruments and do all acts, matters and things that may be necessary or convenient for carrying out the powers hereby given and for the recovery of all sums of money owing for or in respect of the Mortgaged Premises or any part thereof, and for the enforcement of all contracts and covenants in respect of the Mortgaged Premises or any part thereof, and for the taking and maintaining of possession of and the protection and preservation of the Mortgaged Premises or any part thereof.

12. **RIGHT TO SEIZE**

If the Mortgagor defaults in performing or fulfilling any of the covenants set forth in this mortgage it will be lawful for, and the Mortgagor hereby grants full power and licence to, the Mortgagee to enter, seize and distrain upon the Mortgaged Premises or any part thereof, and by distress warrant to recover by way of rent reserved as in the case of a demise of the Mortgaged Premises as much of the principal and interest and other monies as is from time to time in arrears, together with all costs, charges and expenses attending such levy or distress as in like cases of distress for rent.

13. **APPOINTMENT OF RECEIVER OR RECEIVER-MANAGER**

- (a) At any time when there is default under any of the provisions of this mortgage the Mortgagee may, with or without entering into possession of the Mortgaged Premises or any part thereof, appoint in writing a receiver or a receiver/manager (the "Receiver") of the Mortgaged Premises or any part thereof and of the rents and revenues therefrom with or without security. The Mortgagee may from time to time by similar writing remove any Receiver and appoint another in its place. In making any such appointment or removal the Mortgagee will be deemed to be acting as agent or attorney for the Mortgagor. The statutory declaration of an officer of the Mortgagee as to the existence of such default will be conclusive evidence of such default. Every Receiver will be the irrevocable assignee or attorney of the Mortgagor for the collection of all rents falling due in respect of the Mortgaged Premises or any part of them. Every Receiver may, in the discretion of the Mortgagee exercised in writing, be vested with all or any powers and discretions of the Mortgagee. The Mortgagee may from time to time fix the remuneration of every Receiver, who will be entitled to deduct the same from the income or proceeds of sale of the Mortgaged Premises. Every Receiver will, as far as concerns responsibility for his acts or omissions, be deemed the agent or attorney of the Mortgagor and in no event the agent of the Mortgagee. The appointment of every Receiver by the Mortgagee will not incur or create any liability on the part of the Mortgagee to the Receiver in any respect, and such appointment or anything which may be done by the Receiver or the removal of any Receiver or the termination of any receivership will not have the effect of constituting the Mortgagee a mortgagee in possession of the Mortgaged Premises or any part of them. Every Receiver will from time to time have the power to rent any portion of the Mortgaged Premises which may become vacant for such term and subject to such provisions as it may deem advisable or

expedient, and in so doing every Receiver will act as the attorney or agent of the Mortgagor and will have the authority to execute under the Mortgagor's seal any lease of any such premises in the name of and on behalf of the Mortgagor. The Mortgagor undertakes to ratify and confirm whatever any Receiver may do in respect of the Mortgaged Premises. Every Receiver will have full power to manage, operate, amend, repair, alter or extend the Mortgaged Premises or any part thereof in the name of the Mortgagor for the purpose of securing the payment of rental for the Mortgaged Premises or any part of them. In exercising such powers the Receiver will have all incidental powers including the power to borrow such funds as may be required in connection therewith. No Receiver will be liable to the Mortgagor to account for monies or damages other than cash received by it in respect of the Mortgaged Premises or any part thereof. Out of such cash so received every Receiver will in the following order pay:

- (i) its remuneration,
  - (ii) all payments made or incurred by it in connection with the management, operation, amendment, repair, alteration or extension of the Mortgaged Premises or any part of them, and
  - (iii) interest, principal and other money which may from time to time be charged upon the Mortgaged Premises in priority to this mortgage, and all taxes, insurance premiums and every other expenditure made or incurred by it in respect of the Mortgaged Premises or any part of them.
- (b) Notwithstanding the provisions of subparagraph (a) above, the Mortgagee, in addition to the right of private appointment contained therein, will have the right to apply to a court of competent jurisdiction for the appointment of a receiver or a receiver-manager, whether such application be made prior to or after the appointment of a receiver pursuant to subparagraph (a). The right to apply to a court for the appointment of a receiver or receiver-manager will be in addition to the right to appoint a receiver pursuant to subparagraph (a) and may be exercised at any time by the Mortgagee in its sole discretion.

#### 14. DUE ON SALE

Except in accordance with the terms of the Settlement Agreement, if the Mortgagor sells, conveys, transfers or assigns all or any part of its interest in the Mortgaged Premises without the consent of the Mortgagee, the full amount then secured by this mortgage shall, at the option of the Mortgagee, become immediately due and payable upon notice to the Mortgagor.

For the purposes of this clause the giving or withholding of consent shall be solely within the Mortgagee's discretion, acting reasonably, and as a condition of consent the Mortgagee may require or impose such conditions as it sees reasonably fit, including but not limited to the requirement that any purchaser, transferee or assignee execute an assumption agreement in favour of the Mortgagee on such terms and conditions as the Mortgagee may require.

15. **SUBROGATION**

The Mortgagee may pay off any charges or encumbrances against the Mortgaged Premises and in such cases will be subrogated to the rights of, stand in the position of, and be entitled to all the equities of the person so paid off, whether the same are or are not discharged.

16. **PRIOR CHARGE**

If the Mortgagor defaults in the performance of any covenants, payments or conditions contained in any mortgage, lien, agreement for sale, encumbrance, interest in land or other charge or claim upon or with respect to the Mortgaged Premises which has or may have or which may acquire priority to this mortgage (any and all of which are herein called the "**Prior Charge**") then such default will constitute a default under this mortgage and the full amount then secured by this mortgage will, at the option of the Mortgagee, become immediately due and payable without notice or demand. The Mortgagee will be entitled but not obligated to pay any arrears or other sums payable under the Prior Charge, or to pay off all or any portion of the amount thereby secured. For the purposes of tendering any arrears or other sums payable to a holder of a Prior Charge, the Mortgagor hereby irrevocably appoints the Mortgagee its agent and irrevocably directs the Mortgagee to tender such monies upon the holder of a Prior Charge in the name of and on behalf of the Mortgagor. In this regard the Mortgagor hereby assigns to the Mortgagee its equity of redemption, if any, with respect to the Prior Charge, together with the statutory right of redemption given to the Mortgagor by the provisions of Section 38 of the *Law of Property Act* (Alberta), as in force and amended from time to time. It is the intention of the parties that the Mortgagor will have the same rights and powers, but not the liabilities, as the Mortgagor under and pursuant to the terms of the Prior Charge so that the Mortgagee will be in a position to take whatever steps are necessary to bring the Prior Charge into good standing once default has occurred thereunder. This assignment is not intended to encompass the Mortgagor's entire interest in the Prior Charge, but only to the extent hereinbefore stipulated. Furthermore, nothing herein contained will create any obligation upon the Mortgagee to cure any default on behalf of the Mortgagor.

17. **PARTIAL RELEASE**

The Mortgagee may release any part of the Mortgaged Premises at any time at its discretion, or may release any person from this mortgage or from any of the covenants herein contained or contained in any collateral security, either with or without any consideration therefore, without responsibility therefore and without releasing any other part of the Mortgaged Premises, any other person or any collateral security.

18. **MORTGAGEE IN POSSESSION**

If the Mortgagee exercises any of its rights hereunder or goes into possession of the Mortgaged Premises or any part thereof for any purpose under the powers conferred upon it by this mortgage, or by law, it will not be deemed to be a mortgagee in possession nor responsible in any way for anything other than monies actually received by it.

19. **APPROPRIATION OF PAYMENTS**

- (a) This mortgage is intended as collateral security to secure the Indebtedness and any other amounts owing under and secured hereby in accordance with the



terms hereof, and will secure any ultimate balance owing. No payment by the Mortgagor will reduce the amount secured by this mortgage unless:

- (i) the Mortgagee so agrees in writing; or
  - (ii) the Mortgagor's obligations to the Mortgagee do not exceed the principal sum secured as set forth in paragraph 2 of this mortgage, the Mortgagee has no obligation to advance further funds to the Mortgagor or for which the Mortgagor would be liable, and the Mortgagor advises the Mortgagee in writing that the amount paid will reduce the principal sum secured by this mortgage.
- (b) Subject to clause (c) below, any amount received by the Mortgagee which reduces the gross amount secured by this mortgage will be applied in whatever manner the Mortgagee thinks fit as between principal, interest or other monies secured by this mortgage.
- (c) If, prior to the Mortgagee requiring payment from the Mortgagor under the Settlement Agreement or on account of any other obligation for which this mortgage is held as security, the Mortgagee receives:
- (i) a payment from the Mortgagor which reduces the amount secured hereunder;
  - (ii) insurance proceeds which are not applied to rebuild, reinstate or repair the Mortgaged Premises or released to the Mortgagor; or
  - (iii) any monies as a result of a demand upon or realizing upon the security of this mortgage and which reduces the amount secured by this mortgage;

the Mortgagee will retain the amount received (after deduction of any appropriate costs and expenses in accordance with this mortgage) in a collateral account in substitution for this mortgage to the extent of the amount so retained, and such amount will constitute collateral security to the Mortgagee for the obligations of the Mortgagor under the Settlement Agreement or such other obligations of the Mortgagor as are, at that time, secured by this mortgage. The Mortgagee will credit such collateral account with interest earned while such account is maintained, Mortgagee not having any obligation to Mortgagor to maximize interest earned.

## **20. EXPROPRIATION AND CONDEMNATION**

- (a) Notwithstanding anything to the contrary contained herein, if the Mortgagee receives a notice of intention to expropriate (as referred to in the *Expropriation Act* (Alberta) the Mortgaged Premises or the estate or interest of the Mortgagee in the Mortgaged Premises, or the Mortgaged Premises are condemned by any authority having jurisdiction in that regard, then the Residual Balance, interest and other monies hereby secured will at the option of the Mortgagee automatically become due in full on demand by the Mortgagee.
- (b) The damages, proceeds, consideration and award, whether awarded by the Land Compensation Board, the Surface Rights Board, a court or otherwise, resulting

from any expropriation are, to the extent of the full amount of the monies and obligations secured by this mortgage and remaining unpaid on the date of such expropriation, hereby assigned by the Mortgagor to the Mortgagee and will be paid immediately to the Mortgagee.

- (c) The Mortgagor acknowledges that it is aware of the provisions of Sections 49 and 52 of the *Expropriation Act* (Alberta), and any amendments thereto, and hereby waives the benefit of such provisions or any legislation similar thereto or in replacement thereof. The Mortgagor covenants to pay to the Mortgagee the difference between the amount owing under this mortgage and the monies paid by the expropriating authority to the Mortgagee, together with interest thereon at the Interest Rate both before and after maturity, default, acceleration and the obtaining of any judgment by the Mortgagee.

21. **GENERAL CLAUSES**

- (a) Any notice required or permitted to be given to the Mortgagor in connection with this mortgage may be delivered or mailed to it by registered mail addressed to it at its last address as shown on the records of the Mortgagee. Such notice will be conclusively deemed to have been received on the date of delivery or three business days after the date of mailing. No want of notice or publication when required by this mortgage or by any statute, nor any impropriety or irregularity, will invalidate any sale made or purported to be made under this mortgage.
- (b) No waiver by the Mortgagee of the performance of any covenant, proviso, condition or agreement herein contained will take effect or be binding on the Mortgagee unless the same is expressed in writing by the Mortgagee or its duly authorized agent. Such waiver will not nullify such covenant, proviso, condition or agreement, affect its future enforcement or be a waiver of any subsequent breach of the same.
- (c) A default in the due observance or performance by the Mortgagor of any of its covenants contained in the Settlement Agreement or in any agreements or other securities which may now or at any time be held or taken by the Mortgagee in respect of the Indebtedness will, in addition to its usual effect, have the same effect and give rise to the same rights and remedies as a default under the terms of this mortgage. If the Mortgagee becomes entitled to take legal proceedings of any nature whatsoever against the Mortgagor in respect of this mortgage or in respect of the Settlement Agreement or any of the said agreements or other securities, the Mortgagee may either concurrently with such suit, successively or otherwise, pursue any or all of its other remedies. If the Mortgagee pursues one or other of the said remedies this will not constitute an election by the Mortgagee to abandon any of the other remedies.
- (d) The lien and charge hereby created will take effect immediately on the execution of this mortgage, and will secure the full amounts referenced in paragraph 2 hereof.
- (e) If the Mortgagor is a body corporate it will maintain its separate corporate existence and do all such things as are required in order to permit it to carry on its business.

- (f) If the Mortgagor operates a business on the lands or otherwise derives revenue there from the Mortgagor will:
  - (i) maintain proper records and books of account with respect to the operation of its business on the Mortgaged Premises and the income and expenses related thereto. The Mortgagor will allow the Mortgagee's representatives at all reasonable times to inspect all such records and books of account as such representatives may deem necessary; and
  - (ii) provide to the Mortgagee such information, financial or otherwise, as to the business and affairs of the Mortgagor, in relation to the Mortgagor being able to observe and perform its obligations to the Mortgagee under this mortgage, as the Mortgagee may from time to time request.
- (g) The Mortgagor will fulfil or comply with such additional terms, conditions and covenants, if any, as are contained on any Schedules to this mortgage.
- (h) Whenever the Mortgagee is given the right, permission or discretion to take some step or to exercise some remedy pursuant to this mortgage, the Mortgagee will have no obligation to exercise or act on the right, permission, discretion or to do anything whatever pursuant thereto. The Mortgagee will have no liability whatsoever for choosing not to exercise or act, in whole or in part, on such right, permission, discretion or remedy.
- (i) This mortgage is governed by and will be construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

## 22. INTERPRETATION

- (a) If the context so requires, wherever the neuter is used it will include the feminine and masculine, and wherever the singular is used it will include the plural.
- (b) If there is more than one Mortgagor then all covenants and stipulations herein contained or implied will apply to and be binding upon all the Mortgagors jointly and severally; provided always, and it is expressly agreed, that all covenants, provisos, powers, privileges and licences herein expressed or implied will be binding upon and enure to the benefit of the respective legal personal representatives, successors and assigns of the parties.
- (c) The provisions contained in any schedules to this mortgage are incorporated by reference and form a part of this mortgage as fully as if set out in the body of this mortgage. The covenants and obligations of the Mortgagor and the rights and remedies of the Mortgagee contained in this mortgage are in addition to those granted or implied by statute or otherwise imposed or granted by law.
- (d) If any provision of this mortgage is held to be invalid or unenforceable by a Court of competent jurisdiction, it will be deemed to have been deleted from the mortgage and the remaining provisions of this mortgage will continue in full force and effect and be enforceable to the greatest extent permitted by law.

- (e) The headings contained in this mortgage are inserted for ease of reference only and will not be construed so as to limit or restrict the obligations of the Mortgagor or the rights and remedies of the Mortgagee herein.
- (f) In addition to the Settlement Agreement, this mortgage may, if approved by the Mortgagor, be held by the Mortgagee as security for other obligations of the Mortgagor to the Mortgagee from time to time. In such case, neither the execution nor registration of this mortgage or any additional or other security or documentation will act as a merger of or otherwise affect the enforceability thereof or hereof. All agreements and securities now or hereafter entered into by the Mortgagor with or in favour of the Mortgagee, whether related to the within transaction or otherwise, will be in addition to and not in substitution for any agreements or securities previously granted, unless expressly provided to the contrary therein.

**23. CHARGE**

For better securing to the Mortgagee the repayment in the manner aforesaid of the said Residual Balance and interest and other charges and monies hereby secured, and for the due performance by the Mortgagor of all of the covenants, provisos and conditions herein expressed or implied, the Mortgagor hereby mortgages to the Mortgagee all its estate and interest in the Mortgaged Premises.

**24. DISCHARGE**

The Mortgagee will have a reasonable time to provide the Mortgagor with a registrable discharge of this mortgage, upon the Mortgagor becoming entitled to such discharge. All costs related to such discharge will be borne by the Mortgagee pursuant to the *Law of Property Act* (Alberta).

25. **RENEWAL, EXTENSION OR AMENDMENT**

If the Mortgagee agrees to renew, extend or amend this mortgage, such renewal, extension or amending agreement need not be registered against the title to the Mortgaged Premises. Such agreement will be binding upon the Mortgagor, its assignees and all subsequent mortgagees, encumbrancers or other parties claiming an interest in the Mortgaged Premises. Such agreement will take priority as against such assignees and subsequent mortgagees, encumbrancers and other parties. It will not be necessary to register such agreement in order to retain the priority of this mortgage so altered; provided however that the Mortgagee may at any time, in its discretion, register such agreement or a caveat pursuant to such agreement. It is expressly acknowledged that such agreement may increase the rate of interest chargeable hereunder.

The Mortgagor has executed this mortgage this \_\_\_\_ day of \_\_\_\_\_, 2014.

**P&O XEG ASSETS LTD.**

Per: \_\_\_\_\_

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**SCHEDULE D**  
**FORM OF GENERAL SECURITY AGREEMENT**

# **APPENDIX “D”**

November 10, 2014

McCarthy Tétrault LLP  
Suite 4000, 421 - 7th Avenue SW  
Calgary, AB T2P 4K9

Attention: Walker W. MacLeod

Dear Sirs/Mesdames:

**Re: HSBC; P&O; Do All - Auction in October 2013**

Further to prior correspondence between Maynards Industries Ltd., Mr. Marcell Pearson on behalf of HSBC Bank Canada, and your office, including on October 29, 2014, please find enclosed a cheque representing the net sale proceeds from the sale of certain equipment and inventory of Do All Industries Ltd. (the "Proceeds").

The foregoing cheque is delivered to you in trust, on the trust condition that you will not release the Proceeds except:

1. Pursuant to an order of the Alberta Court of Queen's Bench, Judicial Centre of Calgary, No. 1401-00889 (the "NBC Action"); or
2. To pay the funds into Court to the credit of the NBC Action.

In the event you are unable or unwilling to comply with the above trust condition, then the Proceeds are to be returned to our office upon our written demand for the same.

Thank you for your attention to this matter.

Yours truly,

MAYNARDS INDUSTRIES LTD.

Per:



Aaron Stewardson



# **APPENDIX “E”**

**Do All Industries Ltd.**  
**Summary of Professional Fees for the Receiver and its Legal Counsel**  
**For The Period from July 1, 2014 to October 31, 2014**

<b>Firm</b>	<b>Invoice No.</b>	<b>Fees</b>	<b>Disbursements</b>	<b>HST/GST</b>	<b>Total</b>
<b>A&amp;M</b>	#4	68,827.55		3,441.38	72,268.93
	#5	33,319.75		1,665.99	34,985.74
	#6	10,380.00		519.00	10,899.00
<b>Total</b>		<b>\$ 112,527.30</b>	<b>\$ -</b>	<b>\$ 5,626.37</b>	<b>\$ 118,153.67</b>
<b>McCarthy Tetrault</b>	2705869	14,491.00	91.41	729.12	15,311.53
	2714516	14,190.00	438.20	731.41	15,359.61
	2718222	12,620.00	82.50	632.63	13,335.13
	2731191	5,879.00	1,277.79	300.54	7,457.33
<b>Total</b>		<b>\$ 32,689.00</b>	<b>\$ 1,798.49</b>	<b>\$ 1,664.58</b>	<b>\$ 51,463.60</b>
<b>Stevenson Hood</b>	90077	23,309.00	326.95	2,347.25	25,983.20
	91356	2,450.00	4.69	245.23	2,699.92
<b>Total</b>		<b>\$ 25,759.00</b>	<b>\$ 331.64</b>	<b>\$ 2,592.48</b>	<b>\$ 28,683.12</b>
<b>Rose LLP</b>		13,074.50	738.86	690.70	14,504.06
		760.00	22.80	39.14	821.94
<b>Total</b>		<b>\$ 13,834.50</b>	<b>\$ 761.66</b>	<b>\$ 729.84</b>	<b>\$ 15,326.00</b>
<b>Blakes LLP</b>		<b>\$ 4,054.69</b>			<b>4,054.69</b>
<b>Total</b>		<b>\$ 4,054.69</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,054.69</b>
<b>Previously approved fees</b>					<b>\$ 762,825.36</b>
<b>Total Professional Fees</b>		<b>\$ 170,975.30</b>	<b>\$ 2,130.13</b>	<b>\$ 9,883.43</b>	<b>\$ 980,506.44</b>

# **SCHEDULE “A”**

**SCHEDULE "A"**  
**IN THE COURT OF QUEEN'S BENCH OF ALBERTA**  
**JUDICIAL DISTRICT OF CALGARY**  
**AND THE MATTER OF THE RECEIVERSHIP OF**  
**P&O ASSETS LTD.**  
**(hereinafter referred to as, "P&O")**  
**INSTRUCTION LETTER FOR THE CLAIMS PROCEDURE**

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**A. Claims Procedure**

By order of the Court of Queen's Bench of Alberta, Judicial Centre of Calgary (the "Court"), an order was granted on February 6, 2014 appointing Alvarez and Marsal Canada Inc. as Receiver Manager of P&O Assets Ltd. A copy of the Receivership Order may be found on the Receiver's website at: [www.alvarezandmarsal.com/doall](http://www.alvarezandmarsal.com/doall).

By further order of the Court dated December 8, 2014 (the "**Claims Procedure Order**"), which is attached hereto without schedules, the Receiver has been authorized to conduct a claims procedure (the "**Claims Procedure**"). A copy of the Claims Procedure Order may also be found on the Receiver's website.

This letter provides instructions for completing the Proof of Claim. Defined terms which are not defined herein shall have the meaning ascribed thereto in the Claims Process Order.

The Claims Procedure is intended for any Person asserting a Claim of any kind or nature whatsoever against P&O, whether such Claim arose before February 6, 2014 (the "**Receivership Date**"). The Claim should clearly identify the amount and nature of any priority claim.

If you have any questions regarding the Claims Procedure, please contact the Receiver at the address provided below.

All enquiries with respect to the Claims Procedure should be addressed to:

**Alvarez and Marsal Canada Inc.,**  
**Receiver of P&O Assets Ltd.**  
**Attn: Jill Strueby**  
**Bow Valley Square I**  
**Suite 570, 202-6<sup>th</sup> Ave SW**  
**Calgary, AB T2P 5E9**  
**E-mail: [jstrueby@alvarezandmarsal.com](mailto:jstrueby@alvarezandmarsal.com)**

**B. For Creditors Submitting a Proof of Claim**

To avoid the barring and extinguishment of any Claim you may have against P&O you are required to file a Proof of Claim, in the form attached hereto so as to be received by the Receiver by **5:00 p.m. (Mountain Daylight Time)** on January 26, 2015 (the “**Claims Bar Date**”).

Additional Proof of Claim forms can be found on the Receiver’s website at [www.alvarezandmarsal.com/doall](http://www.alvarezandmarsal.com/doall) or obtained by contacting the Receiver at the address indicated above and providing particulars as to your name, address, facsimile number and e-mail address. Once the Receiver has this information, you will receive, as soon as practicable, additional Proof of Claim forms.

**PROOFS OF CLAIM WHICH ARE NOT RECEIVED BY THE CLAIMS BAR DATE WILL BE BARRED AND EXTINGUISHED FOREVER.**

Yours very truly,

**ALVAREZ & MARSAL CANADA INC.,  
in its capacity as Receiver of P&O Assets Ltd.**

Tim Reid  
Senior Vice-President

# **SCHEDULE “B”**

IN THE COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE OF CALGARY

IN THE MATTER OF THE RECEIVERSHIP OF P&O ASSETS LTD.  
(hereinafter referred to as, "P&O")

PROOF OF CLAIM

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Please read carefully the enclosed Instruction Letter for completing this Proof of Claim form. Defined terms not defined within this Proof of Claim form shall have the meaning ascribed in the Claims Procedure Order granted by the Court of Queen's Bench of Alberta on December 8, 2014 (the "**Claim Procedure Order**"). Please print legibly.

*(All notices or correspondence regarding this claim must be forwarded to the following address):*

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In the matter of the receivership of P&O Assets Ltd. of Edmonton, Alberta and the claim of

\_\_\_\_\_, creditor.

I, \_\_\_\_\_ (*name of creditor or representative of the creditor*),  
of \_\_\_\_\_ (*city and province*), do hereby certify:

1.

a) That I am a creditor of P&O Assets Ltd; OR

b) that I am \_\_\_\_\_ (*state position or title*) of  
\_\_\_\_\_ (*name of Creditor*)

2. That I have knowledge of all the circumstances connected with the Claim reference to below;

3. That the debtor was, at the date of receivership, namely the 6<sup>th</sup> day of February 2014, and still is, indebted to the creditor in the sum of \$ \_\_\_\_\_, as specified in the statement of account (*or affidavit or solemn declaration*) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled.

4. NATURE OF CLAIM

(Check and complete appropriate category)

A. UNSECURED CLAIM of \$\_\_\_\_\_.

That in respect of this claim, no assets of the debtor are subject to a mortgage, charge, security interest, lien or other encumbrances as security.

B. CLAIM OF A LANDLORD FOR DISCLAIMER OF A LEASE of \$\_\_\_\_\_.

That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are attached as follows:

*(Give full particulars of the claim, including the calculations upon which the claim is based.)*

C. SECURED CLAIM or PRIORITY CLAIM of \$\_\_\_\_\_.

That in respect of this Claim, assets of the debtor valued at \$\_\_\_\_\_ are subject to a mortgage, charge, security interest, lien or other encumbrances as security, particulars of which are as follows:

*(Give full particulars of the security or the nature of the priority claim, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)*

D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST of \$\_\_\_\_\_.

That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$\_\_\_\_\_.

*(Attach a copy of sales agreement and delivery receipts.)*

## 5. PARTICULARS OF CLAIM

Other than as already set out herein the particulars of the undersigned's total Claim against the debtor as at February 6, 2014 are attached on a separate sheet.

## 6. FILING OF CLAIM

This Proof of Claim form must be received by the Receiver by no later than **5:00 p.m. (Mountain Daylight Time)** on **January 26, 2015** (the "Claims Bar Date") by either prepaid registered mail, personal delivery, courier or email at the following address:

**Alvarez and Marsal Canada Inc.,  
Receiver of P&O Assets Ltd.  
Attn: Jill Strueby  
Bow Valley Square I  
Suite 570, 202-6<sup>th</sup> Ave SW  
Calgary, AB T2P 5E9  
E-mail: [jstrueby@alvarezandmarsal.com](mailto:jstrueby@alvarezandmarsal.com)**



**Failure to file your Proof of Claim and required documentation as directed by 5:00 p.m. on January 26, 2015 (Mountain Daylight Time) will result in your Claim being forever barred and you will be prohibited from making or enforcing a Claim against the debtor and shall not be entitled to further notice, voting or distribution, if any, and shall not be entitled to participate as a Creditor in these proceedings.**

Dated at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Creditor

Phone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

# **SCHEDULE “C”**

**SCHEDULE "C"**

**IN THE COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL DISTRICT OF CALGARY**

**AND THE MATTER OF THE RECEIVERSHIP OF  
P&O ASSETS LTD.  
(hereinafter referred to as, "P&O")**

**NOTICE OF LAST DAY (CLAIMS BAR DATE) FOR THE FILING OF PROOFS OF CLAIM**

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**TO: CLAIMANT AND TO ANY OTHER PERSON OR PARTIES**

**PLEASE TAKE NOTICE** that, pursuant to an Order of the Court of Queen's Bench of Alberta, Judicial District of Calgary made December 8, 2014 (the "**Claims Procedure Order**"), the Court has ordered that Proof of Claim Document Packages (as defined in the Claims Procedure Order) be sent to various known creditors of P&O, as specified in the Claims Procedure Order. A copy of the Claims Procedure Order and Proof of Claim Document Package can be obtained from the website of the Receiver at [www.alvarezandmarsal.com/doall](http://www.alvarezandmarsal.com/doall).

Any person who believes they have a claim against P&O, whether liquidated, contingent or otherwise, and whether such claim arose before the February 6, 2014 filing date, should send a Proof of Claim to the Receiver to be received by **5:00 p.m. (Mountain Daylight Time) on January 26, 2015 (the "Claims Bar Date")**.

**CLAIMS WHICH ARE NOT RECEIVED BY THE CLAIMS BAR DATE WILL BE FOREVER EXTINGUISHED AND SUCH CREDITORS WILL BE FOREVER BARRED FROM MAKING OR ENFORCING CLAIMS AGAINST P&O AND WILL NOT BE ENTITLED TO PARTICIPATE AS A CREDITOR IN THESE PROCEEDINGS OR RECEIVER FURTHER NOTICE OF THESE PROCEEDINGS.**

Creditors of P&O who have not received a Proof of Claim Document Package from the Receiver can obtain a copy from the Receiver's website or the Receiver's contact, Ms. Jill Strueby, by email at [jstrueby@alvarezandmarsal.com](mailto:jstrueby@alvarezandmarsal.com).

Dated this 8th day of December, 2014.

# **SCHEDULE “D”**

## SCHEDULE "D"

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### NOTICE OF REVISION OR DISALLOWANCE FOR VOTING AND/OR DISTRIBUTION PURPOSES

#### FOR CREDITORS OF P&O ASSETS LTD.

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Claim Reference Number: \_\_\_\_\_

Name of Receivership Debtor: \_\_\_\_\_

TO: \_\_\_\_\_  
*(Name of Creditor)*

Defined terms not defined in this Notice of Revision or Disallowance have the meaning ascribed in the Order of the Court of Queen's Bench of Alberta dated December 8, 2014 (the "**Claims Procedure Order**"). **All dollar values contained herein are in Canadian dollars unless otherwise noted.**

Pursuant to the Claims Procedure Order, Alvarez & Marsal Canada Inc., in its capacity as Receiver-Manager of the P&O Assets, hereby gives you notice that it has reviewed your Proof of Claim and has revised or disallowed your Claim. Subject to further dispute by you in accordance with the Claims Procedure Order, your Claim will be allowed as follows:

#### Amount Allowed by Receiver for:

	<u>Proof of Claim Amount</u>	<u>Voting</u>	<u>Distribution</u>
Unsecured Claim	\$ _____	\$ _____	\$ _____
Secured Claim	\$ _____	\$ _____	\$ _____

REASON(S) FOR THE REVISION OR DISALLOWANCE:

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SERVICE OF DISPUTE NOTICE

If you intend to dispute this Notice of Revision or Disallowance, you must **within ten (10) Calendar Days after receipt of this Notice of Revision or Disallowance** deliver to the Receiver a Dispute Notice (in the form enclosed) either by prepaid registered mail, personal delivery, courier or email to the address below. Claims Procedure Order notices are deemed to have been received two business days from the date of mailing.

**Alvarez and Marsal Canada Inc.,  
Receiver of P&O Assets Ltd.  
Attn: Jill Strueby  
Bow Valley Square I  
Suite 570, 202-6<sup>th</sup> Ave SW  
Calgary, AB T2P 5E9  
E-mail: [jstrueby@alvarezandmarsal.com](mailto:jstrueby@alvarezandmarsal.com)**

**IF YOU FAIL TO FILE YOUR DISPUTE NOTICE WITHIN TEN (10) CALENDAR DAYS AFTER RECEIPT OF THIS NOTICE OF REVISION OR DISALLOWANCE, THE VALUE OF YOUR CLAIM WILL BE DEEMED TO BE ACCEPTED AS FINAL AND BINDING AS SET OUT IN THIS NOTICE OF REVISION OR DISALLOWANCE.**

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2015.