

COURT FILE NUMBER 1801-01297
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
APPLICANTS HSBC BANK CANADA
RESPONDENTS ADVANTAGE PRODUCTS INC. and JAMES WEBER
DOCUMENT **THIRD REPORT OF THE RECEIVER**

February 8, 2019

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

RECEIVER

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INTRODUCTION

1. Effective February 7, 2018 (the "**Receivership Date**"), pursuant to an order of the Honourable Justice A.D. Macleod (the "**Receivership Order**"), Alvarez & Marsal Canada Inc. was appointed as receiver (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 Advantage Products Inc. (the "**Company**" and/or "**API**") pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), and sections 13(2) of the *Judicature Act*, R.S.A. 2000 c.J-2 and 65(7) of the *Personal Property Security Act*, R.S.A. 2000, c.P-7 in the within action (the "**Receivership Proceedings**").
2. The Receivership Order authorizes the Receiver, among other things, to manage, operate and carry on the business of API and to take possession and control of the property of API and any and all proceeds, receipts and disbursements arising out of or from the Property, and to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business with the approval of the Court.
3. The purpose of this third report of the Receiver (the "**Third Report**" or the "**Report**") is to provide this Honourable Court with information in respect of the following
 - a) a brief update since the Receiver's Second Report dated November 13, 2018;
 - b) an update on the claims process implemented pursuant to the Claims Process Order granted in these proceedings on May 2, 2018 (the "**Claims Process**");
 - c) an update on the settlement amount of the Excalibre Downhole Tools Ltd. ("**Excalibre**") proof of claim filed with the Receiver within the Claims Process respecting (the "**Excalibre Damages Claim**");
 - d) an update on the Receiver's further communication with API's former landlord, Robert Stewart, Wanda Stewart, Wade Stewart, and Leanna Stewart (collectively, the "**Landlord**") with respect to certain alleged amounts owing by the Receiver to the landlord, which the Receiver disputes;

- e) the final statement of receipts and disbursements of the Receiver (the "**Final Statements of Receipts and Disbursements**") for the period from the Receivership Date to February 8, 2018 to February 1, 2019;
 - f) the Forecast Receipts and Payments (as defined below);
 - g) the proposed distribution of additional funds recovered by the Receiver to all proven unsecured creditors in the Claims Process (the "**Unsecured Creditor Distribution**");
 - h) the actions and conduct of the Receiver since the Receiver's Second Report;;
 - i) the Receiver and its counsel's fees and expenditures in the Receivership Proceedings;
 - j) authorizing the Receiver to destroy any and all documents, accounting records and other papers (the "**Records**") if not collected by any of the current directors or shareholders of Advantage by March 8, 2019; and
 - k) the proposed discharge of the Receiver (the "**Receiver's Discharge**").
4. Capitalized words or terms not defined or ascribed a meaning in this Report are as defined in the Receivership Order, Claims Process Order and the prior Receiver's reports to this Court.
5. All references to dollars are in Canadian currency unless otherwise noted.

TERMS OF REFERENCE

6. In preparing this Third Report, the Receiver has relied upon information obtained during the Receivership Proceedings, unaudited financial information from the Company's accounting system, physical records held by the Company and discussions with previous employees of API. 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 Handbook has not been performed. Future oriented financial information relied upon in this Report is based on the Receiver's assumptions regarding future events and actual results achieved will vary from this information and the variations may be material.

BACKGROUND AND OVERVIEW

7. API is a corporation registered to carry on business in the Province of Alberta and is privately-owned by 6 shareholders, where Mr. Jim Weber owns 49.57% of the voting shares of the Company. API's head office was located in Didsbury, Alberta and its principal address was 11-31264 Highway 2A, T0M 0W0. The Company specialized in the design and manufacturing of oilfield tools. API sold globally, with its tools being used in oilfield applications in Canada, Australia, Colombia and the United States.
8. Further background on the Property and the Company's operations is contained in the materials filed in support of and relating to the Receivership Order. These documents and other relevant information, including the previously filed reports of the Receiver in these proceedings, has been posted by the Receiver on its website at: www.alvarezandmarsal.com/Advantage (the "**Receiver's Website**").

UPDATE ON THE RECEIVER'S ACTIVITIES SINCE THE SECOND REPORT

9. Since the Receiver's Second Report, the Receiver's activities have included the following:
 - a) finalization of the adjudication of unsecured claims as per the Claims Process Order, as described in the Receiver's First Report;
 - b) payment to the second secured creditor, Export Development Canada, in the amount of \$237,482.50 as authorized by this Honourable pursuant to an Order dated November 20, 2018;
 - c) settlement with Excalibre Downhole Tools Ltd., on the Excalibre Damages Claim and acceptance its revised unsecured proof of claim for \$1.2M. Further details of the Excalibre Damages Claim is more fully discussed in the Receiver's Second Report;
 - d) additional communications with the Landlord and its counsel, MHR Law ("**MHR**") with respect to the Proof of Claim ("**POC**") filed by the landlord (the "**Landlord POC**") and the Receiver's determinations with respect to the Landlord POC and other matters discussed below;

- e) communication with the Canada Revenue Agency ("**CRA**") regarding their payroll claim, GST/HST audit, as well as a request by the Receiver to waive filing of corporate tax returns for 2017 and 2018 tax years as the books and records of API were incomplete. The CRA is currently holding approximately \$23,500 in ITC refunds to the Receiver until the waiver of the corporate tax returns are issued by the CRA;
- f) the selling of two motorcycles owned by Advantage that were recently identified and located in Langley, BC which were not included in the previously held auction for Advantage's assets (the "**Auction**") as reported to this Court. The total proceeds for this sale was approximately \$16,200. The Receiver was allowed to sell these assets without Court approval pursuant to the Receivership Order as the sales transaction did not exceed quantitative threshold pursuant to paragraph 3(l)(i) of the Receivership Order;
- g) monitoring the cash flow of Advantage and ensuring its remaining suppliers were paid on a timely basis;
- h) attending several and on-going meetings and discussions with certain creditors and CRA (or their legal representatives), legal counsel to the Receiver, discussion with certain shareholders and former directors, and interested parties, generally; and
- i) continued packing and filing all of Advantage records for storage, performing backups of the Company's computers and server to an external hard drive and arranging for the deletion of the electronic files from these devices;

Remaining Unsold Patents

10. As reported in the First Report of the Receiver, there are four (4) patents (the "**API Patents**") that are owned by API. Upon review, the Receiver has been unable to determine whether the API Patents are of value to the estate and/or obtain any significant material interest to purchase these patents. The Receiver believes it will be unable to realize upon these particular assets in a cost-effective manner, or at all. The Receiver will take no further action with respect to the API Patents and the API Patents will remain within the Advantage estate.

THE EXCALIBRE PROOFS OF CLAIM SETTLEMENT

11. As discussed in the Second Report, on May 31, 2018 Excalibre filed with the Receiver two POC's against API in the Claims Process. These POC related too:
 - a) First POC - legal costs associated with bringing the Excalibre Damages Claim before the Federal Court of Canada (the "**Excalibre Legal Cost Claim**") totaling \$196,633; and
 - b) Second POC – in respect the Excalibre Damages Claim totaling \$3,968,500.
12. The Receiver had reviewed and largely accepted the Excalibre Legal Cost Claim in the Claims Process. Excalibre did not dispute the revised claim. The Excalibre Damages Claim, as set out in the Excalibre Damages POC, totaling \$3,968,500, required further review and negotiations.
13. On November 20, 2018, after having held extensive negotiation with Excalibre and after, along with Excalibre, having taken significant efforts to value the Excalibre Damages POC, the Receiver brought an application before this Honourable Court, seeking, among others, advice and directions from the Court on how to proceed with the adjudication of the Excalibre Damages Claim (the "**November Application**"). It had been difficult to value the Excalibre Damages POC due to its complexity, speculative nature, and due to the poor books and records of API, which made making reasonable projections and assumptions difficult.
14. At the November Application, Justice C.M. Jones did not provide any specific advice or directions respecting the adjudication of the Excalibre Damages POC, but did encourage the Receiver and Excalibre to work towards a mutual resolution of the Excalibre Damages POC.
15. After the November Application, the Receiver, with the assistance of its counsel, engaged in further discussions with Excalibre and its legal counsel. As a result of these various discussions and further information sharing, on December 11, 2018, the Receiver agreed to issue a Notice of Revision accepting the Excalibre Damages POC at \$1,200,000. Excalibre agreed with this Notice of Revision.

LANDLORD CLAIMS

16. The Landlord owns API's former business premises located at 11-31264 - Hwy 2A in Didsbury, Alberta (the "**Premises**").
17. Throughout the Receivership Proceedings, the Landlord, through Robert Stewart or its counsel, MHR, raised several issues and asserted a number of claims against the API estate. The majority of the claims were made pursuant to the POC submitted by the Landlord in the Claims Process (the "**Landlord POC**"), while others were raised later. These claims will be discussed in further detail below. A copy of the Landlord POC is attached hereto as Appendix A.
18. Pursuant to the Landlord POC, the Landlord claimed the amount of \$1,399,269.93. The Landlord POC, in addition to asserting "pre-receivership" claims that were governed by the Claims Process, also included various claims which, in the Receiver's view, were "post-receivership" amounts that were not governed by the Claims Process.
19. Pursuant to a Notice of Revision dated June 15, 2018, the Receiver revised the Landlord's POC from \$1,399,269.93 to \$863,324.41. A copy of the Receiver's Notice of Revision, which includes the Receiver's reasons for the revisions, is attached hereto as Appendix B.
20. The Notice of Revision addressed each claim made in the Landlord POC as follows:
 - a) the landlord's claim for \$36,614.67 in post-receivership occupation rent pursuant to Invoice 22027 was rejected in full as not being governed by the Claims Process. As is discussed further below, the Receiver has agreed to pay occupation rent in full up until July 5, 2018, when it vacated the Premises;
 - b) the landlord's claim for \$35,377.10 pursuant to Invoice 22026 for certain work conducted after the Receivership, but not requested by the Receiver, was accepted as a pre-filing damages claim;
 - c) the landlord's claims for \$4,371.68 and \$6,238.77 for certain work conducted after the Receivership pursuant to Invoices 22024 and 22025 were rejected in the Claims Process as they were post-receivership claims. The Receiver did request this work and agreed to pay these invoices, less a 10% administrative

charge the Landlord had added to the invoices. The Receiver will pay these amounts prior to its discharge;

- d) the Landlord's claims for \$60,637.50, and \$70,801.50 pursuant to Invoices 22023 and 22020 were accepted by the Receiver as pre-filing damages claims;
 - e) the Landlord's claim for environmental costs in the amount of \$28,875 pursuant to Invoice 22022 was disallowed by the Receiver; and
 - f) the Landlord's claim for unpaid future lease payments pursuant to Invoice 22019 was revised downward from \$1,156,353.71 to \$696,508.31.
21. On July 5, 2018, MHR issued a letter objecting to the Receiver's NOR (the "**Notice of Dispute**"). A copy of the Notice of Dispute is attached hereto as Appendix C.
22. Pursuant to paragraph 13(b) of the Claims Process Order, in order to avoid having its claim barred, the Landlord had to file and serve an application with the Court challenging the Receiver's Notice of Revision within 10 days from delivering its Notice of Dispute.
23. The Landlord did not file or serve such an application. As such, it is the Receiver's position that all items governed by the Claims Process, including all items that do not constitute post-receivership claims contained in the Landlord POC, have been determined in accordance with the Notice of Revision.
24. Notwithstanding the forgoing, the Landlord continued to indicate to the Receiver that it had a number of claims against API which it was asserting, some of which appeared in the Landlord POC. As a result of these communications, on August 22, 2018, the Receiver's counsel, Fasken, sent MHR an email reiterating the Receiver's position with respect to the issues raised by the Landlord that had been addressed by the Notice of Revision and setting out the Receiver's position with respect to newly raised issues. A copy of this email is attached as Appendix D.
25. Notwithstanding this email, the Landlord continued to assert various claims against API, most of which had already been addressed by the receiver's counsel in its August 22, 2018 email. Consequently, on September 5, 2018, Fasken sent MHR another email setting out all issues raised by the Landlord and/or MHR to that date, along with

the Receiver's position with respect to each issue. A copy of this letter is attached as Appendix E. The Receiver did mention in this email that it anticipated seeking its discharge shortly and asked MHR to respond to one item in the email by September 21, 2018.

26. Notwithstanding this email, the Landlord continued to assert various claims against API. In this regard, the Receiver received correspondence from MHR dated November 13, 2018 outlining these claims, most, if not all, of which the Receiver believed it had already addressed. A copy of this letter is attached hereto as Appendix F.
27. Shortly thereafter, prior to the November Application discussed above, the Landlord filed an Affidavit sworn by Mr. Stewart respecting the Landlord's claims (the "**Stewart Affidavit**"). No application was brought by the Landlord. A copy of the Affidavit is attached as Appendix G. The Receiver was of the view that it had already given the Landlord its position with respect to most, if not all, of the claims raised in the Affidavit. The Court did not substantively address the Landlord's claim or the Stewart Affidavit at the November Application.
28. On January 7, 2019, as, with its settlement with Excalibre concluded, it was now clear that the Receiver would be applying for its discharge shortly, the Receiver delivered an email to MHR again restating its position with respect to the various claims raised by the Landlord. The Receiver indicated that, if the Landlord disagreed with the Receiver's position on any item, it would need to bring a court application to have the disagreement resolved. A copy of this email is attached hereto as Appendix H.
29. The Landlord has not brought an application to have the Landlord's claims resolved.
30. At present, the follow summary contains the items which the Receiver understands the Landlord is disputing and the Receiver's position with respect to each item:

a) Rent

The Landlord claimed \$1,156,353.71 in pre-receivership rent in the POC. The Receiver accepted a revised amount of \$696,508.30 as a pre-receivership claim for the pre-receivership rent owing by API to the Landlord. The Landlord did not

bring an application in the Claims Process with respect to this revision and the Receiver's position is that this item has been resolved and concluded.

The Landlord has claimed occupancy rent from the Receiver occupancy beyond July 5, 2018.

The Receiver advised the Landlord on July 3, 2018 that it would be vacating the Landlord's Premises on July 5, 2018 and paying occupation rent until that day. A copy of this correspondence is attached as Appendix I. The Receiver vacated the Premises on that date. The Receiver's position is that it has no obligation to pay occupation rent after July 5, 2018. The Receiver previously communicated with the Landlord by letter dated March 6, 2018 (attached as Appendix J) advising that it will only pay occupancy rent during the Receivership Proceedings and also advised, on April 26, 2018, that is highlighted in email (attached as Appendix K) that the Receiver intended to vacate the premise by the end of June 2018.

b) Ownership of Assets

The Landlord claimed an ownership interest in certain assets that were located on the Premises when the Receiver took possession of the API estate. The Receiver discussed these claims with the Landlord and treated in assets in one of three ways prior to conducting the Auction sale of the majority of the API estate:

i. Assets surrendered to the Landlord. Certain items were identified by the Landlord as owned by it and which the Receiver did not intend to auction. The Receiver, working with the auctioneer, Century Services, and the Landlord, surrendered these items to the Landlord and segregated from other assets of API located at the Premises;

ii. Assets that the Landlord claimed an ownership interest in and which the Landlord requested to be removed from the Auction. The Receiver agreed to remove these items from the auction and surrender them to the Landlord upon being presented with proof of ownership. Notwithstanding that the Landlord never did prove ownership of these items, these items were never removed from the Premises and are currently in the Landlord's

possession. The Receiver does not plan on taking further action with respect to these items; and

- iii. Assets that the Landlord claimed to own, but which the Landlord agreed the Receiver could sell at auction (the "**Auctioned Disputed Items**"). The Receiver agreed to pay the Landlord the proceeds from the sale of these items (which totalled \$27,063) if the Landlord could prove ownership of them. On or about May 27, 2018 the Receiver received documentation in support of the Landlord's ownership claim in the Auctioned Disputed Items, a summary copy of which is attached as Appendix L. The Receiver also received a substantial stack of paper from the Landlord which the Landlord believed established its claim. In the Receiver's view, the materials received did not establish the Landlord's ownership of the Auction Disputed Items.

After various discussions with the Landlord respecting the Auctioned Disputed Items over the summer, pursuant to which the Receiver did not believe the Landlord had established its ownership of them, on September 5, 2018, Fasken asked that the Landlord complete a Proof of Ownership Form and submit it to the Receiver.

On September 7, 2018, MHR advised Fasken that the Landlord had submitted proof of ownership respecting the assets directly to the Receiver. The Receiver believed that MHR was referring to the materials provided on or about May 27, 2018, discussed above. On September 10, 2018, Fasken advised MHR by email that, based on the materials received to date, the Receiver was unable to accept the Landlord's claim of ownership of the Auctioned Disputed Items. A copy of this email and attachments is attached as Appendix M.

Once the Receiver had settled the Excalibre Damages POC matter, pursuant to an email dated January 7, 2018, the Receiver reiterated its position with respect to the Auctioned Disputed Items and advised the Landlord of its intention seek its discharge and to distribute the auction proceeds respecting the Auctioned Disputed Items to the general body of creditors along with the other auction proceeds.

Other than as mentioned above, and through the Stewart Affidavit, the Landlord has provided nothing further to the Receiver or Fasken with respect to the Auctioned Disputed Items, nor has it brought a court application to have the issue adjudicated.

c) Vehicle Collision

As indicated above, the Receiver vacated the Premises on July 5, 2018.

On September 7, 2018, MHR advised Fasken that, during the Receiver's occupancy, a truck owned by the Landlord was damaged on the Premises when a forklift operated by an employee of the Receiver backed into the vehicle. The September 7, 2018 email was the first time the Receiver or Fasken were informed of this alleged collision.

Pursuant to the email dated September 10, 2018 referred to above, Fasken advised the Landlord that it would not be providing the Landlord with compensation in the absence of conclusive proof that: (1) the collision occurred and was caused by the Receiver and; (2) the compensation sought is reasonable in the circumstances.

Pursuant to the Stewart Affidavit, Mr. Stewart gave evidence that "a commercial vehicle operated by [Mr. Stewart] was damaged by a forklift operator on the Leased Premises resulting in damage to the commercial vehicle in the amount of \$4,695.00 and rental charges during the time to repair this vehicle in the amount of \$1,000".

However, aside from the Affidavit evidence, the Landlord has not provided the Receiver or its counsel with any: (1) any specific information respecting the subject vehicle or alleged collision; or (2) supporting documentation with respect to the quantum of damages sought. Fasken has indicated to MHR that, at minimum the Receiver will need to see an invoice related to the damage repairs, and the Receiver has received no such document.

Accordingly, the Receiver is refusing to pay the Landlord for damages sought pursuant to the collision and restated this position through Fasken's January 7, 2019 email to MHR.

d) Cleaning and Disposal Costs

The Landlord has claimed it suffered damages as a result of the Receiver's occupancy of the Premises. In particular, the Landlord has asserted that the Premises were left in a mess and that debris was left on the Premises by the Receiver, which caused it damages. This claim was made in the Stewart Affidavit, which was sworn on November 19, 2018, more than four months after the Receiver vacated the premises. This was the first time this had been raised with the Receiver. It did not include any evidence as to the quantification of these damages. The Receiver held communications with Century Services (the auctioneer for the Auction) who assisted to broom sweep the premise. The Receiver is advised by Century that it was not aware that the premise was left in "a mess" nor is the Receiver aware of this either.

The Landlord has not provided the Receiver or Fasken with any supporting documentation with respect to the quantum of its claim for damages against the Receiver with respect to cleaning costs incurred.

Given the extensive time that has elapsed since the Receiver vacated the premises, the lack of evidence as to quantum of the damages suffered by the Landlord, and the Receiver's belief that it did not leave the Premises in a condition any different than they had inherited them, the Receiver has not made any payments to the Landlord with respect to this item.

e) Removal of "fixtures" and alleged damages caused by the removal

The Landlord has claimed that the Premises suffered damages as a result of the Receiver removing from the Premises assets that constituted fixtures and selling those fixtures at the Auction. Pursuant to paragraph 20 of his Affidavit, Mr. Stewart's evidence is that several lots sold pursuant to the auction belonged to the Landlord.

Prior to the auction, the Landlord was provided with a complete listing of every lot being sold and asked to advise of its position with respect to each item. As discussed in subparagraph 30(b), above, the Landlord reviewed this listing and advised the Receiver of the items which the Receiver was to remove from the

auction, and the Receiver removed those items. Nothing was sold at auction which the Landlord had identified as something not to be sold.

Accordingly, the Receiver has refused to pay the Landlord any amounts claimed in respect of the alleged removal of fixtures. In any event, the Landlord has not provided any evidence to quantify its claim for damages for this item.

31. Based on the foregoing, and in summary, in its January 7, 2019 email, Fasken advised MHR that, as part of the wind up of the estate and the discharge of the Receiver, the Receiver would be paying the Landlord the following amounts, and no more:
 - a) Payment for post-receivership rent to July 5, 2018 and for invoices #22024 and #22025 in the aggregate amount of \$38,700.56.
 - b) A dividend payment in the Claims Process on a *pro rata* basis in accordance with accepted claims related to its pre-receivership rent claim and Invoices #22020, #22023, and #22026 accepted in the amount of \$863,324.41.
32. The Receiver's position with respect to the Landlord's claims has been conveyed to the Landlord, and consistent, for many months. Notwithstanding this, the Landlord has not brought an application to have its claims adjudicated.
33. As discussed further below, the dividend to API's creditors is estimated to be approximately 10% of the accepted unsecured claims. This amount will be reduced if the Receiver is forced to litigate the Landlord's claims. Furthermore, the payment of the Unsecured Creditor Distribution (discussed below), will be delayed by such litigation as the results of the litigation may decrease the quantum of the distribution available to each unsecured creditor.

CLAIMS PROCESS UPDATE

34. As previously discussed in the Second Report, on May 2, 2018, the Claims Process Order was granted by the Court. As a result of the claims process 31 claims (both secured and unsecured) totalling \$8,103,697 were submitted to the Receiver. Based on the Receiver's review of the claims received, the Receiver has accepted 31 claims for a total of \$4,570,200 comprising as follows:
- a) 2 priority claims (CRA) for outstanding GST and source deductions, totalling \$46,875;
 - b) 2 secured proof of claims totaling \$919,544; and
 - c) 27 unsecured proof of claims totalling \$3,603,781
35. The Receiver has paid in full the 2 secured proof of claims totaling \$919,544, as previously authorized by this Court in prior Orders. In addition, the Receiver anticipates paying the priority payments to CRA over the next few weeks, which is included in the forecast receipts and disbursements discussed below.
36. The Receiver respectfully recommends to make a final distribution to the proven unsecured creditors (the "**Unsecured Dividend Distribution**"), on a *pro-rata* basis from the remaining estimated funds held by the Receiver (as discussed further below), subject to Court approval.
37. The Receiver has included as Appendix N to this Report, a claims ledger outlining the accepted secured and unsecured proof of claims in the Claims Process.

FINAL STATEMENT OF RECEIPTS AND DISBURSEMENTS – FEBRUARY 7, 2018 TO FEBRUARY 1, 2019 (THE "REPORTING PERIOD")

The table below provides a summary of the actual cash flows for the Receivership Period and contains the final cash receipts and disbursements relating to Advantage.

Advantage Products Inc. Interim Statement of Receipts & Disbursements CADS, unaudited	
	Feb.7/18 to Feb.1/19
Opening cash balance	\$ 338,852
Receiver's Certificate (borrowings)	-
Receipts	
AR Collection (pre-receivership receivables)	627,368
Receipts from product sales (post-receivership)	662,429
Receipts from auction proceeds	769,569
Miscellaneous asset sale	16,190
Total receipts collected	\$ 2,075,555
Disbursements	
Operating Costs	113,030
General & Administrative Costs	188,129
Net GST Paid	27,891
Professional Fees	623,617
Total disbursements	\$ 952,668
HSBC & EDC Loan Payouts	\$ 919,544
CRA Priority Payments	\$ 68,396
Ending cash balance	\$ 473,799

38. The above table details the following receipts and disbursements reported in the Receivership:

- a) there was \$338,852 of opening cash available as at the Receivership Date;
- b) there were no borrowings under Receiver's certificates during the Reporting Period;
- c) receipts during the Receivership Proceedings totalled approximately \$2.08 million;
- d) disbursements totalled \$952,668, of which approximately \$624,000 relate primarily to the Receiver's and its counsel's fees and disbursements;
- e) payment of the two (2) secured creditor claims submitted by HSBC and EDC in the amounts of \$682,062 and \$237,482, respectively, which totalled approximately \$919,544

- f) priority payments to CRA for pre-receivership unpaid GST and source deductions of approximately \$68,400.

39. Total cash on hand held by the Receiver as at February 1, 2019 was \$473,799.

FORECAST RECEIPTS AND DISBURSEMENTS

40. The table below provides a summary of the remaining estimated forecast receipts and disbursements to be collected and paid by the Receiver with respect to Advantage:

Advantage Products Inc. Estimated Forecast Receipts & Disbursements CAD\$, unaudited			Feb.1/19 to Discharge
February 1, 2019 cash balance			\$ 473,799
Estimated Receipts			
GST Refunds			\$ 31,000
Estimated Disbursements			
CRA Priority Payments			
Payroll account	16,121		
GST account	30,753		
			46,875
Landlord Invoices			
Buidling maintenance (inv #20224)	5,672		
Building repairs (inv #20225)	3,974		
June 1, 2018 - July 5, 2018 rent	29,055		
			38,701
Professional Fees			
Receiver	32,000		
Receiver's Counsel	8,000		
			40,000
Total Estimated Disbursements			\$ 125,575
Contingency			\$ 15,000
Funds available for distribution			\$ 364,224
Distribution to unsecured creditors			\$ (364,224)
Remaining funds			\$ -

41. The above chart includes forecast collection of GST ITC's (refund) of approximately \$31,000 (the "**Forecast Receipts**"). The Receiver also anticipates making the following forecast disbursements of approximately \$125,600 (the "**Forecast Disbursements**"):

- a) additional pre-receivership priority payments to CRA of \$47,000;
- b) payment of landlord rents and claims of \$39,000;
- c) professional fees and costs of the Receiver and its counsel to conclude the Receivership Proceedings of approximately \$40,000;
- d) contingency costs of \$15,000 as a result of potential other future costs including, but not limited to, payment of storage fees and destruction of record costs;
- e) payment of approximately \$364,000 for the Unsecured Creditor Distribution, subject to Court approval, on a pro-rata basis. The proposed distribution (as discussed further below) is contingent upon the collection of the Forecast Receipts. If there is a variance in the Forecast Receipts and Forecast Disbursements, this may result in the amount distributed for the Unsecured Creditor Distribution being adjusted.

PROPOSED UNSECURED CREDITOR DISTRIBUTION

- 42. Pursuant to paragraph 12 of the Receivership Order, the monies collected during the Receivership Proceedings shall be held by the Receiver to be paid or distributed in accordance with the terms of the Receivership Order or any other order of the Court.
- 43. Pursuant to the Claims Process Order, the Receiver accepted 27 unsecured claims in the amount of \$3,603,781. The Receiver anticipates the Unsecured Creditor Distribution to be approximately \$364,000, which is subject to Court approval, and subject to the collections of the Forecast Receipts and payments of the Forecast Disbursements. This would result in an approximate 10% dividend distribution to the proven unsecured creditors of Advantage, which is consistent within the range the Receiver's previously estimated and reported to Court in prior Receiver reports.
- 44. The Receiver respectfully requests that this Honorable Court approve the proposed Unsecured Creditor Distribution after the Forecast Receipts and Forecast Disbursements have materialized. Once the Receiver is in a position to make the Unsecured Creditor Distribution, the Receiver will provide each proven unsecured creditor a final calculation of the amounts available to distribute for their proven claim.

The Receiver anticipates that the Forecast Receipts and Forecast Disbursements will not be materially different than as disclosed above.

APPROVAL OF THE RECEIVER'S AND ITS COUNSEL'S FEES AND COSTS

45. The Receiver seeks approval from this Honourable Court of its fees and disbursements, and those of its legal counsel from the April 1, 2018 to January 31, 2019 (the "**Final Taxation Period**"), pursuant to paragraphs 16 to 18, inclusive, of the Receivership Order. On May 2, 2018, an Order was previously granted by the Court approving the Receiver and its legal counsels' fees and disbursements from the Receivership Date (February 8, 2018) to March 31, 2018 as outlined in the First Report of the Receiver dated April 24, 2018.
46. A&M's Final Taxation Period Billings in its capacity as Receiver total \$232,383 (excluding GST). A summary of the Receiver's fees and disbursements are attached as Appendix O to this Report
47. Fasken LLP's Final Taxation Period Billings total \$137,221 (excluding GST). A summary of Fasken's fees and disbursements are attached as Appendix P to this Report.
48. The Receiver's and Fasken's fee accounts outline the date of the work completed, the description of the work completed, the length of time taken to complete the work and the name of the individual who completed the work. Copies of the invoices will be brought to the Receiver's application before this Honourable Court set for February 15, 2019 and made available to the Court, if requested.
49. The Receiver and its counsel's estimated fees and costs to complete this engagement are approximately \$40,000 (the "**Forecast Fees and Costs**"), which include fees and costs incurred (but not paid) from February 1, 2019 to discharge.
50. In the event that the Receiver, with the assistance of its counsel, needs to litigate the Landlord's claims, the Forecast Fees and Costs will likely be increased, which will lower the amount available for the Unsecured Creditor Distribution.
51. The Receiver is respectfully of the view that its and its counsel's fees and costs are fair and reasonable in the circumstances and respectfully requests that this Honourable

Court approve the Final Taxation Billings of the Receiver and its counsel and the Forecast Fees and Costs.

APPROVING CONDUCT AND DISCHARGE OF THE RECEIVER

52. The Receiver respectfully requests that this Honourable Court approve an Order (the "**Discharge Order**") which, among other things, and subject to the filing of a certificate (the "**Discharge Certificate**") confirming the Receiver has satisfied its obligations under the Receivership Order, absolutely, forever and unconditionally discharges the Receiver from any claims against the Receiver arising from, relating to, or in connection with, the performance of the Receiver's duties and obligations as Receiver, save and except for claims based on gross negligence.
53. The Receiver's administration of the estate is substantially complete, subject to the payments and disbursements described herein. The Receiver is respectfully of the view that it has conducted itself appropriately during this receivership and respectfully requests that this Court approve the actions and conduct of the Receiver throughout the Receivership Proceedings.
54. Upon completion, the Receiver will file the Discharge Certificate with the Court. Upon filing the Discharge Certificate, the Receiver will be automatically discharged without further Order of the Court.
55. The Receiver will have certain miscellaneous administrative items to attend to post-discharge, including the filing of GST returns with the CRA, receiving the Forecast Receipts and paying the Forecast Disbursements (as discussed above), final reconciliation of accounts and making the Unsecured Creditor Distribution to all proven unsecured creditors, but these items are not material and should not prevent this Honourable Court from granting an unconditional discharge.
56. Further, the Receiver is in custody of certain Records relating to Advantage. The Receiver is seeking authorization from this Honourable Court to allow the Receiver to destroy any and all such Records by March 8, 2019, if the Records are not required by the Receiver, or are not requested and collected by any current directors or shareholders of Advantage.

RECOMMENDATIONS

57. The Receiver respectfully recommends that this Honourable Court:

- a) approve the Final Statement of Receipts and Disbursements;
- b) approve the Forecast Receipts and Disbursements;
- c) approve Proposed Unsecured Creditor Distribution;
- d) approve the activities, actions and conduct of the Receiver throughout the Receivership Proceedings;
- e) approve the Receiver's professional fees and costs and those of its independent legal counsel incurred April 1, 2018 to January 31, 2019 and the Forecast Fees and Costs;
- f) authorize the Receiver to destroy any and all the Records, if not required by the Receiver, or not collected by the current directors or existing shareholders of Advantage by March 8, 2019; and
- g) discharge the Receiver.

All of which is respectfully submitted this 8th day of February 2019.

ALVAREZ & MARSAL CANADA INC.,
in its capacity as the Court Appointed Receiver
of Advantage Products Inc., and not in its personal
or corporate capacity



Orest Konowalchuk, CPA, CA, CIRP, LIT
Senior Vice-President



Bryan Krol
Manager

APPENDIX "A"



Alvarez & Marsal Canada Inc.
Bow Valley Square 4
Suite 1110, 250 - 6th Avenue SW
Calgary, Alberta T2P 3H7
Phone: +1 403 538 7555
Fax: +1 403 538 7551

PROOF OF CLAIM

COURT FILE NUMBER **1801-01297**
COURT Court of Queen's Bench of Alberta
JUDICIAL CENTRE Calgary

IN THE MATTER OF THE RECEIVERSHIP OF ADVANTAGE PRODUCTS INC.

PLAINTIFF **HSBC BANK CANADA**
DEFENDANT'S **ADVANTAGE PRODUCTS INC. and JAMES WEBER**
DOCUMENT **CLAIMS PROCESS ORDER**

PROOF OF CLAIM

Please read carefully the instructions included in the Notice of Claim accompanying this Proof of Claim. Please print legibly.

Full Name of Creditor: ROBERT STEWART, WANDA STEWART, WADE STEWART
(the "Creditor") AND LEANNA STEWART

Full Mailing Address of Creditor:
(All notices and correspondence
regarding your Claim will be
forwarded to this address)

MHR LAW LLP - on behalf of the creditors

Box 2676 - 1802 - 20 Street

Didsbury AB T0M0W0

Fax No. 403-335-2230

Telephone No. 403-335-2231

Email: danh@mhrlaw.ca

Attention: Daniel C. Harder



CERTIFICATION AS TO CLAIM

I do hereby certify that *(please see notes below for further instructions)*:

1. I am a creditor, or representative of a creditor, of Advantage Products Inc. (the "Company")
2. I have knowledge of all of the circumstances connected with the claim referred to in this form.
3. As of this date, the Company was, and still is, indebted to the Creditor in the amount of Cdn. \$ 1,399,269.93, including contract interest and charges (the "Claim").

4. Check and complete appropriate category with respect to the Claim:

☐ A. UNSECURED CLAIM OF \$ _____ (the "Unsecured Claim")

In respect of the Unsecured Claim, the Creditor does not hold any assets of the debtor as security.

☒ B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$ 1,399,269.93
LANDLORD CLAIM PURSUANT TO LEASE

☐ C. SECURED CLAIM OF \$ _____ (the "Secured Claim")

In respect of the Secured Claim, the Creditor holds assets of the Company valued at \$ _____ as security, particulars of which are set out below under item number 5 of this certification form.

☐ D. OTHER CLAIM TO WHICH THE CREDITOR CLAIMS A PRIORITY \$ _____

The Creditor claims priority pursuant to: _____

☐ E. CLAIM BY WAGE EARNER OF \$ _____

☐ F. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$ _____

5. A description of the basis on which the Claim arose is as follows:

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

(If any priority is claimed pursuant to Item D above, also include any details to support the priority claim.)

(If a Secured Claim is claimed, give full particulars of the security, including the date on which the security was given and the value at which the Creditor assess the security, and attach a copy of the security documents.)



6.

I attach the following documents which support the Claim and any claim for contract interest or other charges.

- (a) LEASE AGREEMENT
- (b) LEASE RENEWAL (2 pages)
- (c) INVOICES 2019, 2020, 2022, 2023, 2024, 2025, 2026 and 2027

DATED THIS 31 DAY OF MAY, 2018.


Signature.

WADE STEWART
(Please Print Name)

Particulars of Stewart Claim:

Robert Stewart, Wanda Stewart, Wade Stewart and Leanna Stewart (the "Landlord") own property near Didsbury, Alberta identified as 11, 31264 Highway 2A, Didsbury, Alberta. The property consisted of 21,955 square feet of a pre-engineered steel structure and 4.99 acres of land (the "Premises"). Advantage Products Inc. ("API") entered a lease agreement with the Landlord that was to commence on June 1, 2011. API exercised the option to renew the original Lease for an additional 5 year term resulting in the Lease concluding on May 30, 2021.

As a result of the early determination of the lease the Landlord has suffered damages and loss which are being claimed by the Landlord. Given that the Tenant has forfeited the Lease and the Lease has ended prior to May 30, 2021 the Landlord has suffered loss of rent and is claiming that loss of rent in accord with clauses 11.1(b) and 15.14 of the Lease. The Landlord is claiming 39 months base rent and additional rent. In an effort to work with API the Landlord had agreed to defer a portion of the operating costs with the understanding that those deferred costs would be reconciled throughout the duration of the term of the Lease. Given the early termination the Landlord has been deprived of that opportunity and the Landlord is claiming those deferred operating costs as well. Invoice # 22019 states the remaining amount of the rent owed as a result of the early determination of the Lease. In addition to the rent owed there is also interest accruing on the rent, pursuant to clause 5.6 of the Lease, in the amount of 12% per annum, which has not been included in the calculation but will be claimed.

API also had an obligation under the Lease to maintain and repair the Premises. Clauses 6.2, 6.3 and Schedule "B" attached to the Lease express the obligations of API. Invoice #22020, invoice #22023 and invoice #22026 state the occupancy repairs and the cost of those repairs.

The Landlord is concerned about the possibility of environmental contamination. There is evidence of surface staining on the land and a concern that hazardous or toxic substances or materials were stored, used, or disposed of on the Premises. Clause 8.5 in the Lease addresses this matter. The Landlord is submitting a claim for an environmental study to determine the extent of the contamination, if any, and may increase the amount of that claim if remediation is required and the cost of that remediation exceeds the amount claimed in invoice # 22022.

In correspondence dated May 23, 2018 from counsel for Alvarez & Marsal Canada Inc. there was a representation that Invoice #22024 would be paid by the Receiver. No payment has been received to date. If it is still the intent of the Receiver to pay this invoice directly then this invoice will not form part of the Landlords claim, however if the Receiver fails to pay the Landlord directly for this invoice then it will form part of the Landlord's claim. A second and third invoice issued as a result of work requested by the Receiver is also included. As with the former invoice if the Receiver pays the Landlord directly for invoice #22025 and invoice #22026 then this invoice will be withdrawn and will not form part of the Landlord's claim, however, if the Receiver fails to pay the Landlord directly then this invoice will also form part of the Landlord's claim.

Finally invoice #22027 addresses the discrepancy as between the occupancy rate arbitrarily determined by the Receiver and the rate that should have been paid according to the rate established by the Lease.

LEASE

BETWEEN

an undivided 60% interest

ROBERT & WANDA STEWART as Joint Tenants as to

undivided 40% interest

WADE & LEANNA STEWART as Joint Tenants as to an

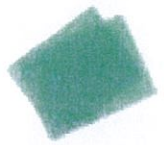
LANDLORD

AND

ADVANTAGE PRODUCTS INC.

TENANT

Handwritten notes:
11/16/11
J. Stewart



[Handwritten signature]
July 15, 2011

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July 19, 2011

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July 15, 2011

THIS INDENTURE made effective this 20th day of April 2011.

BETWEEN:

Robert & Wanda Stewart of Didsbury, Alberta and Wade & Learnna Stewart of Calgary, Alberta (hereinafter called the "Landlord")

OF THE FIRST PART

- And -

Advantage Products Inc., an Alberta corporation with an office in the City of Calgary, in the Province of Alberta (hereinafter called the "Tenant")

OF THE SECOND PART

ARTICLE 1 DEFINITIONS

1.1 Definitions

In this Lease, the following terms shall have the following meanings:

"Additional Rent" means all amounts, other than Basic Rent, to be paid by the Tenant (whether to the Landlord or otherwise) pursuant to this Lease and regardless of whether such amounts are expressly designated as Additional Rent;

"Architect" means the architect or engineer from time to time appointed by the Landlord acting reasonably;

"Basic Rent" means the rent specified in Article 5.1 hereof;

"Building" means collectively the building, improvements, structures and facilities, including parking facilities, driveways, paved areas and landscaped areas, erected or to be erected on or under the Lands and all expansions, alterations, additions and relocations thereto within, upon or under the Lands;

"Commencement Date" means the date 01 June, 2011 from when the Tenant takes exclusive occupancy of the Premises;

"Deposit" means the sum of \$ 50,501.58 paid by the Tenant;

"Fixturing Period" means 47 days prior to the Commencement Date that the Tenant is allowed non-exclusive access to the Premises to allow installation of the Tenant's equipment, electrical, air lines, etc. commencing on April 14th, 2011 until May 31st, 2011.

"Hazardous or Toxic Substances or Materials" means any substance or material that is hazardous or toxic to persons, animals, fish or plants or property including, without

Wade & Learnna Stewart
July 15, 2011

limiting the generality of the foregoing, radioactive materials, any substance that (if added to water) would degrade or alter or form part of a process of degradation or alteration of the quality of that water to the extent that it is detrimental to its use by man or by animal, fish or plant and any solid, liquid, gas or odor or any combination thereof that (if emitted into the air) would create or contribute to the creation of a condition of the air that endangers the health, safety or welfare of persons or the health of animals, interferes with normal enjoyment of life or property or causes damage to plant life or to property;

"Lands" means the parcel of land lying situated in the County of Mountain View, Alberta and being municipally and legally described in Schedule "A" hereto;

"Landlord" means Robert & Wanda Stewart both as joint tenants and Wade & Leanna Stewart both as joint tenants, and its successors and assigns;

"Lease" means this instrument and all Schedules attached hereto and all amendments made hereto and renewals hereof;

"Premises" means the premises leased to the Tenant by this Lease, consisting of the Lands and the Building which is comprised of 21,955 sq. ft. situated on 4.99 acres;

"Real Property Taxes" means all real estate taxes, general taxes, local improvement rates, school taxes, levies, rates, duties, assessments and charges from time to time imposed against real property, buildings and structures and improvements by municipal or other governmental authorities having jurisdiction, multi-stage taxes, sales or other like taxes and all taxes, levies, rates, duties, assessments and charges which may at any time be subrogated therefor or replace the same, but excludes income taxes, business taxes and any and all penalties and fines assessed or charged against or with respect to any of the foregoing;

"Rent" means the rent referred to in Article 5 and includes Basic Rent and Additional Rent;

"Rent Commencement Date" means June 1st, 2011;

"Sales Taxes" has the meaning ascribed thereto in subsection 5.4(b) hereof;

"Structural Elements" means:

- (i) the pre-engineered steel structure of the Building which includes the foundations, sub-floor and floor slabs, rigid frames, girts, beams and columns; and
- (ii) any load-bearing structural-steel members of the Building;

"Structural Repairs" means all repairs made to and replacements of any constituent part or component of the Structural Elements of the Building;

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July 15, 2011*

"Tenant" means Advantage Products Inc. and Principal Shareholders and its successors and permitted assigns; and

"Term" means the term of this Lease specified in Article 4.1 hereof, and will include any renewal or extension term hereafter granted;

ARTICLE 2 DEMISE

2.1 Demise

WITNESSETH that the Landlord, in consideration of the rents, covenants, provisos and conditions hereinafter reserved and contained, has demised and leased, and, by this Lease, demises and leases the Premises to the Tenant. The Tenant accepts this Lease, and the Premises, subject to the conditions, restrictions and covenants herein set forth and contained.

ARTICLE 3 PURPOSE

3.1 Purpose

The Premises shall be used by the Tenant in a lawful manner and for the purpose of general office and administrative use, research and development in connection with the Tenant's business, and any legally permitted use consistent with the character of comparable buildings and lands, and for no other purpose whatsoever unless the Landlord consents in writing to a change of use, such consent not to be unreasonably withheld.

ARTICLE 4 TERM

4.1 Length of Term

The Tenant shall have and hold the Premises for a term (the "Term") of five (5) years commencing on the Commencement Date, subject to renewal in accordance with the provisions hereof.

4.2 Occupancy of Premises

Provided the Tenant has executed the Lease in a form acceptable to the Landlord and has provided the necessary insurance as defined herein, non-exclusive possession shall be granted to the Tenant on 14 April 2011. In any event, exclusive occupancy shall be granted no later than June 1st, 2011 and that shall be the Rent Commencement Date.

4.3 Fixturing Period

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The Fixturing Period shall be equal to 47 days beginning when occupancy is provided to the Tenant as per Article 4.2 herein. (Both Landlord and Tenant agree the fixturing period to be April 14th, 2011 to May 31st, 2011) During the Fixturing Period, the Tenant shall be subject to and shall comply with all the provisions of this Lease excepting the obligation to pay the Basic Rent under this Lease. However, the Tenant shall be responsible for any utilities and other services used or consumed by the Tenant and its agents, in the Premises.

The Tenant shall not be entitled to occupation of the Premises prior to the Commencement Date to commence Fixturing until:

- (i) the Lease has been executed and delivered by the Tenant in a form acceptable to the Landlord;

the Landlord notifies the Tenant that the Premises are available for occupancy by the Tenant to allow installation of the Tenant's equipment, electrical, air lines, etc.;

the Tenant has provided the Landlord with a certificate of insurance verifying it has complied with the insurance requirements under this Lease.

4.4 Overholding Tenancy

Subject to no rental agreement being put in place. It is hereby agreed by and between the parties hereto that if the Tenant shall hold over after the expiration of the Term hereby granted the Landlord shall accept rent, the new tenancy thereby created shall be a monthly tenancy and not a tenancy from year to year, and the Tenant shall pay as rent during the time of such occupancy equal to 125% of Basic Rent payable in the last month prior to the expiration of the Term which shall be subject to the covenants and conditions herein contained so far as the same are applicable to a monthly tenancy.

4.5 Surrender of Premises

The Tenant will, at the expiration or sooner determination of the said Term, or any renewal thereof, peacefully surrender and yield up unto the Landlord the Premises in good order and repair (ordinary wear and tear, condemnation, and casualty excepted, and provided that the Tenant shall have no obligation to return the Premises in a better condition than the condition it is in as of the Commencement Date), subject however to the provisions of Article 10 hereof.

At the end of the Term, or any renewal thereof, the Tenant shall ensure all overhead cranes are in place and have been recently inspected and are in proper working condition.

Only cranes which Landlord has inspected and certified per offer to lease.

4.6 Tenant's Fixtures

The Tenant, when not in default hereunder, may remove its chattels, supplies, equipment and trade fixtures at any time during the Term and any renewal thereof. The Tenant will not remove from the Premises during the Term, or any renewal thereof, any Tenant's fixtures which

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are the property of the Tenant, even though there is no Rent in arrears, without the written consent of the Landlord, which consent may not be unreasonably withheld. Provided, however, that notwithstanding anything herein contained all installations, alterations, additions, partitions and fixtures in, upon or to the Premises, whether placed there by the Tenant or the Landlord, shall be the Landlord's property upon termination of this Lease without compensation therefore to the Tenant, subject to the Tenant's right to remove its Tenant's fixtures in accordance with the foregoing. Provided further that, notwithstanding anything herein contained the Landlord shall be under no obligation to repair or maintain any installations, alterations, additions, partitions or fixtures or anything in the nature of a leasehold improvement made or installed by or for the Tenant. Provided further that, notwithstanding anything herein contained, the Landlord shall have the right upon the termination of this Lease or otherwise to require the Tenant to remove its installations, alterations, additions, partitions and fixtures or anything in the nature of a leasehold improvement made or installed by the Tenant, and to make good any damage caused to the Premises by such installation or removal.

4.7 Abandonment of Goods

Any chattels, goods, supplies, articles, equipment, materials, effects and things not removed from the Premises on the expiry of the Term, or any renewal thereof, shall be deemed to have been abandoned by the Tenant and the Landlord may thereupon remove and dispose of them, retain them or convey them to a new tenant or otherwise deal with them in any manner whatsoever without compensation to the Tenant. The Tenant shall reimburse the Landlord for all costs associated with the removal and disposition of such items which exceed any net proceeds received by the Landlord from the sale of such items.

4.8 Option to Renew

Provided that, and for so long only as:

- (a) the tenant not being in default of the lease and provided the tenant pays the Basic Rent and Additional Rent as and when due and punctually observes and performs all of the terms, covenants and conditions contained in the lease, the Tenant shall have the Option to Renew its lease for Three (3) further Five (5) year terms, subject to and in accordance with the lease. The Tenant shall exercise this Option to Renew by written notice to the Landlord of not more than Twelve (12) Months and not less than Six (6) Months prior to lease expiry, or expiry of any renewals thereof. The Basic Rent for the 5 year Renewal Period shall be negotiated at the time of Renewal and be based on the prevailing market rental rate but not to be less than the rental rate paid in the fifth year of the existing lease at time of renewal and not to exceed an increase of thirty five percent of the rental rate of the fifth year of the existing lease at time of renewal. In the event that the Landlord and the Tenant are unable to agree on a renewal rate for the Basic Rent for purposes of a renewal then the matter shall be resolved by way of a mutually agreeable mediator. If the matter can not be resolved by means of a mediator, the Basic Rent Mediation shall be referred to an arbitrator as per the Arbitrator Act of Alberta with both parties acting reasonably. In any event, the renewal rate shall not be less than the rate of the final year of the previous term.

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July 15, 2011

- (b) the Tenant is Advantage Products Inc. and is itself in possession of and occupying and conducting its business in the whole of the Premises and the Lease has not been assigned and no part of the Premises has been subleased by the Tenant.

4.9 Right To Offer

In the event the Landlord decides to sell the property, the Tenant shall be given 30 days in which the Tenant has the First Right to submit an Offer to Purchase acceptable to the Landlord. Additionally, the Tenant shall be free to submit an Offer to Purchase at any time during the Term or Renewal of the term. Failure to complete a successful transaction under this scenario shall not negate that the fact that the Landlord will inform the Tenant of other Offers to Purchase.

ARTICLE 5 RENT

5.1 Basic Rent

In accordance with the provisions of Article 5.2 hereof, the Tenant shall pay Basic Rent from and after the Rent Commencement Date and during the Term of this Lease to the Landlord in lawful money of Canada in an amount equal to the following:

TERM	PER MONTH (plus GST)	PER ANNUM (plus GST)
Year 1	\$ 14,636.67	\$ 175,640.00
Year 2	\$ 14,636.67	\$ 175,640.00
Year 3	\$ 15,094.06	\$ 181,128.75
Year 4	\$ 15,551.46	\$ 186,617.50
Year 5	\$ 15,551.46	\$ 186,617.50

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Basic Rent has been calculated annually as outlined above and shall be payable in advance in equal consecutive monthly installments on the first day of each and every calendar month during such period.

5.2 Payment of Basic Rent and Additional Rent

- a) Basic Rent for the Term, and for any renewal thereof, shall be paid by the Tenant to the Landlord in advance in equal monthly installments, the first installment to be made on the Commencement Date and monthly installments to be made on the first day of each and every month thereafter during the Term and any renewal thereof.
- b) As and from the Commencement Date and throughout the Term and any renewal of the term, the Tenant shall pay Additional Rent as and when it falls due.
- c) Except as otherwise provided herein, the Tenant shall pay all Rent herein reserved at the time and in the manner in this Lease set forth, without any abatement, set-off or deduction whatsoever.
- d) The rights that the Landlord has in respect of Basic Rent the Landlord shall also have in respect of Additional Rent.

5.3 Utilities

The Tenant shall pay, as Additional Rent, directly to the appropriate person, as the same becomes due respectively, or, if any such charges shall be paid by the Landlord, to the Landlord, all charges for public and private utilities which, without limiting the generality of the foregoing, shall include sewage, sewage disposal, water, water well servicing, gas, heat, electrical power or energy, garbage removal, telephone, steam or hot water used upon or in respect of the Premises and for fittings, machines, apparatus, meters or other things leased in respect thereof and for all work or services performed by any corporation in respect thereof and for all work or services performed by any corporation or commission in connection with such public utilities, to the extent such work or services are charged (whether to the Landlord or the Tenant) in respect of the Premises.

5.4 Business Taxes, Sales Taxes and Capital Taxes

- a) The Tenant shall pay, as Additional Rent, or cause to be paid, as Additional Rent, directly to the party entitled to receive the same, when due, all business and other rates, fees (including business license fees for local business license which Tenant shall obtain and maintain throughout the Term and any renewal thereof), taxes and assessments, of whatsoever description, that are imposed upon or in respect of, and become due and payable in respect of, the Tenant's occupancy of the

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Premises or in respect of the personal property or business of the Tenant located therein or conducted thereon or therefrom.

- b) The Tenant shall pay to the Landlord an amount equal to any and all goods and services taxes, sales taxes, value added taxes, business transfer taxes or any other taxes imposed on the Landlord with respect to Rent payable by the Tenant to the Landlord under this Lease, or in respect of the leasing of the Premises under this Lease, whether characterized as a goods and services tax, sales tax, value added tax, business transfer tax or otherwise, (herein called "Sales Taxes"), and shall reimburse the Landlord, upon demand, for all taxes paid or payable by the Landlord to any existing taxing authority based upon or computed by reference to the capital employed by the Landlord or paid up capital or place of business of the Landlord and applicable to the location of the Premises (herein "Capital Taxes"), it being the intention of the parties that the Landlord shall be fully reimbursed by the Tenant, but shall not derive any net after tax benefit, with respect to any and all Sales Taxes collectible and remittable and payable by the Landlord and, subject only as set forth in this subsection 5.4(b), with respect to Capital Taxes (other than and except for taxes payable on the income of the Landlord) collectible and remittable and payable by the Landlord and allocated or apportioned by the Landlord to the Premises, acting reasonably. The amount of the Sales Taxes so payable by the Tenant shall be calculated by the Landlord in accordance with the applicable legislation and shall be paid to the Landlord at the same time as the amounts to which such Sales Taxes apply are payable to the Landlord under the terms of this Lease or, in the sole discretion of the Landlord, upon demand at such other time or times as the Landlord from time to time determines. Notwithstanding any other provision contained in this Lease to the contrary, the amount payable by the Tenant under this subsection 5.4(b) shall be deemed not to be Rent but the Landlord shall have all of the same remedies for and rights of recovery of such amount as it has for recovery of Rent under this Lease. With respect to the Capital Taxes to be allocated or apportioned by the Landlord to the Premises, it is understood and agreed that: (i) the Landlord will be reimbursed by the Tenant for such Capital Taxes only to the extent that the Landlord has the liability for, and is required to pay, such Capital Taxes and to the extent not otherwise reimbursed, and (ii) such allocation or apportionment will be based on the capital (including, for clarification, debt and equity) related to the Premises and not to any capital (whether debt or equity) of the Landlord that is excess to such capital of, and is not related to, the Premises.

5.5 Real Property Taxes

The Tenant covenants to pay directly to the appropriate person (or, if any such amounts have been paid by the Landlord, to the Landlord), as Additional Rent, all Real Property Taxes promptly when due and the Tenant shall forthwith provide to the Landlord a copy of the assessment notice and payment invoice for such Real Property Taxes, together with evidence of such payment. If the Tenant fails to pay any Real Property Taxes when the same are due and payable the Landlord may, but shall not be obligated to, pay such Real Property Taxes and the

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Landlord shall in any event have the same remedies for default of payment as are available to the Landlord in the case of default in the payment of Basic Rent.

5.6 Interest on Rent in Default

Without waiving any other right of action of the Landlord in the event of default of payment of Rent hereunder, in the event that the Tenant is delinquent, after the dates above appointed, in making any of the payments of Rent or other monies required hereunder (including, without limitation, Sales Taxes), the Tenant shall pay interest thereon at a floating rate equal to twelve percent (12%) until paid.

5.7 Deposit

The Landlord acknowledges receipt from the Tenant of the Deposit to be held, without interest, as security (without prejudice to the Landlord's other rights and remedies) for the observance and performance of the Tenant's obligations under this Lease. If the Tenant defaults in the performance of any of the terms, covenants, conditions and provisions of this Lease as and when the same are due to be performed by the Tenant, then the Landlord, at its option, may appropriate and apply all or any part of the Deposit on account of any losses or damages sustained by the Landlord as a result of such default. Upon demand by the Landlord following any such appropriation, the Tenant shall pay to the Landlord an amount sufficient to restore the total original amount of the Deposit. If the Tenant complies with all of the terms, covenants, conditions and provisions under this Lease, the Deposit shall be returned to the Tenant without interest within 30 days after the expiry of the Term.

ARTICLE 6 ACCESS, REPAIRS AND IMPROVEMENTS

6.1 Access and Quiet Enjoyment

- a) The Landlord, and its officers, servants or agents, shall have full and free access, for inspection purposes during normal business hours upon reasonable prior notice to the Tenant and in the presence of the Tenant or a representative of the Tenant, to any and every part of the Premises, provided that the exercise of such rights shall not unreasonably interfere with the Tenant's business, it being expressly understood and agreed, however that, in cases of an emergency, the Landlord and its officers, servants or agents, shall at all times and for all purposes have full and free access to the Premises without the Tenant, or a representative of the Tenant, being present.
- b) If the Tenant pays the Rent hereby reserved and duly and punctually observes and performs the covenants and conditions herein on the part of the Tenant to be observed and performed, the Tenant shall have quiet possession of the Premises; provided that nothing in this subsection 6.1(b) shall limit or restrict the rights of inspection conferred upon the Landlord pursuant to subsection 6.1(a) hereof.

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6.2 Repairs and Maintenance

The Tenant will be directly responsible for all repairs, maintenance, replacements and service contracts in respect of the Premises during the Term, save and except for roof replacement and structural repairs and replacements as set out herein. Maintenance of major equipment, specifically unit heaters, furnaces, hot water tanks, water well, well pressure system, overhead doors and HVAC units along with roof repairs (but not replacements) will be completed by the Tenant. The Landlord and Tenant agree that the periodic maintenance, repair and replacement to be performed by the Tenant hereunder shall include, without limitation, those matters listed in Schedule "B" hereto and will be at the Tenant's sole cost.

Replacement of major equipment, specifically unit heaters, furnaces, hot water tank, overhead doors and HVAC units ("Major Equipment Replacement") will be completed by the Landlord will be the sole cost and responsibility of the Tenant in the event equipment was neglected and maintenance reports are not provided. In event of equipment failure and all maintenance and repairs have been handled in agreement with this lease then a depreciation amount equal to the CCA set out by the Canada Revenue Agency for corporate tax purposes will be passed onto the tenant as additional rent. The cost for each Major Equipment Replacement could be amortized over the useful life of the item being replaced and will be recovered from the Tenant as Additional Rent over the amortized term, or a portion thereof that which falls within the Term.

6.3 Notice of Repair or Maintenance

If, at any time during the Term, or any renewal thereof, the Tenant defaults in its obligation of repairing or maintaining the Premises, or any part thereof, in accordance with the requirements of this Lease, the Landlord will give written notice, specifying the matter in respect of which such repair or maintenance is deficient, to the Tenant. If, within seven (7) days from the giving of such notice, the default specified in such notice has not been remedied or (if the nature of such default reasonably requires more than seven (7) days to remedy) the Tenant has not commenced, or, having commenced, is not diligently completing the remedying of such default, or if the Tenant fails to properly perform, the Landlord may at its sole option enter upon the Premises and perform such repair or maintenance with the cost and expense thereof to be repaid by the Tenant to the Landlord (together with a ten (10%) percent administration fee on the amount of such cost and expense) as Additional Rent forthwith upon demand being made therefor by the Landlord upon the Tenant. In the event of any dispute as to the time necessary to complete any repair or maintenance specified in a notice, the matter will be determined by the Architect, acting reasonably. In the event of an issuance of such a notice and if the default specified in such notice is not remedied by either the Tenant or the Landlord, then, at the election of the Landlord, the Tenant shall pay to the Landlord the cost and expense to remedy the default (together with a ten (10%) percent administration fee on the amount of such cost and expense) as Additional Rent forthwith upon demand being made therefor by the Landlord upon the Tenant, and upon receipt of such payment the Landlord shall remedy the default. In the event of any dispute as to the amount of the cost and expense of remedying the default specified in such notice, the matter shall be determined by the Architect.

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6.4 Landlord's Recovery

In the event that the Landlord shall pay any sum of money due or payable by the Tenant, either at the request of the Tenant, or by reason of any default by the Tenant in performance of its covenants herein contained, the Tenant will, forthwith after notice from the Landlord, repay to the Landlord, as Additional Rent hereunder, the amount paid by the Landlord on the Tenant's behalf.

6.5 Compliance with Law


The Tenant will, at its own cost and expense, comply promptly with and conform to the requirements of Landlord's reasonable directions as outlined in the lease and requests and all applicable statutes, laws, by-laws, regulations, ordinances and orders from time to time or at any time in force during the Term hereof, or any renewal thereof, and affecting the condition, equipment, maintenance, use or occupation of the Premises except for such repairs which are the Landlord's responsibility under the Lease and with every applicable regulation, order and requirement of the Canadian Fire Underwriters' Association or any body having similar functions or of any liability or fire insurance company by which the Landlord and the Tenant or either of them may be insured at any time during the Term hereof, or any renewal thereof, except for any matter which is the Landlord's responsibility hereunder and, in the event of the default of the Tenant under the provisions of this Article 6.5 beyond any reasonable cure period, the Landlord may itself comply with any such requirements as aforesaid and the Tenant will forthwith pay all costs and expenses incurred by the Landlord in this regard and the Tenant agrees that all such costs and expenses shall be recoverable by the Landlord as if the same were Additional Rent reserved and in arrears under this Lease. It is noted that the leased property and its structures are not sprinkled, nor will the Tenant be required to install a sprinkler system.

6.6 Nuisance

The Tenant shall not do, suffer or permit to be done any act or thing in or upon the Premises which is or would constitute a nuisance to the occupiers of any lands or premises adjoining or in the vicinity of the said Lands or the said Building or the public generally.

6.7 Advertising and Signage

The Tenant shall not construct, erect, place or install on the outside of the Building, or elsewhere on, in or upon the exterior of the Premises, any poster, advertising sign or display, electrical or otherwise, without first obtaining the consent, in writing, of the Landlord (such consent not to be unreasonably withheld) and all permits and authorizations required by any municipal or other governmental body or instrumentality of competent jurisdiction. Signage must not affect the structural integrity of the Premises and all costs associated with the supply and installation of the Tenant's signage will be the responsibility of the Tenant along with restoring any damage to the Premises as a result of the signage installation and placement at the end of the Term or any renewal thereof.


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6.8 Alterations, Erections, Etc.

The Tenant shall not make any alterations or improvements to the Premises, where such alterations or improvements would, or would likely, affect, or may affect, the structural elements of the Building or any systems or equipment serving the Building without first obtaining the written approval of the Landlord (which consent shall not be unreasonably withheld). In seeking the written approval of the Landlord, the Tenant shall submit to the Landlord detailed plans and specifications of any proposed alterations or improvements. If the alterations or improvements affect, or may affect, the structural elements of the Building or any systems or equipment serving the Building, the Tenant shall pay to the Landlord the Landlord's reasonable costs of having an Architect examine such plans and specifications and advise the Landlord with respect thereto. In completing any alterations or improvements, the Tenant shall comply strictly with all statutes, regulations or by-laws of any governmental authority having jurisdiction and of any association of insurance underwriters. The Tenant shall also comply with current building and fire code along with any applicable municipal and provincial regulations. The Landlord, as part of its written approval, may require that any alterations or improvements be completed by contractors and/or workmen engaged by the Tenant but first approved by the Landlord (such approval not to be unreasonably withheld). Any and all alterations and improvements shall be done and completed at the sole cost and expense of the Tenant. All alterations and improvements requiring the approval of the Landlord shall be done in the manner and according to the reasonable terms and conditions, if any, as the Landlord may prescribe in its written approval. All alterations and improvements shall be the Landlord's property without compensation therefor to the Tenant and shall be subject to the terms of this Lease including, without limitation, the provisions of Article 4.6 hereof.

6.9 Liens

The Tenant shall keep the Premises as well as this Lease free of all liens or claims of lien under the *Builders' Lien Act* (Alberta) or otherwise. In the event the Tenant shall fail to discharge any such lien or claim of lien upon, and within fourteen (14) days of written notice of the same being given by the Landlord to the Tenant, the Landlord, in addition to any other right or remedy, may, but shall not be obligated to, discharge the lien or claim of lien by paying the amount due or the amount claimed to be due together with a reasonable amount for costs, and the amount paid by the Landlord shall be repaid by the Tenant to the Landlord as Additional Rent forthwith upon demand being made therefor by the Landlord upon the Tenant. Landlord will verify civil action is not being taken against contractor or vendor before making decision regarding the validity of a lien or claim of lien prior to discharging the same in accordance with this Article 6.9. This Article 6.9 shall be applicable to work done and services and materials supplied in respect of alterations or improvements made to, and repairs to and maintenance of, and any other work done on or to or in respect of the Premises by, for, at the request of, on the behalf of or with the privity or consent of or for the benefit of the Tenant, but shall specifically not include any work done by or on behalf of the Landlord or that is the Landlord's responsibility hereunder. The Tenant shall indemnify and save harmless the Landlord from all costs, liabilities, damages and expense pertaining to any lien or claim of lien that is the Tenant's responsibility pursuant to this Article 6.9. The Tenant shall permit the Landlord to post the Premises and any portion or element thereof with notices under the *Builders' Lien Act* (Alberta)

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to the effect and import that the Landlord is not responsible for the work undertaken by the Tenant on the Premises.

ARTICLE 7 ASSIGNMENT

7.1 Assignment by Tenant

Except as specifically permitted herein, the Tenant shall not cause or permit the Premises to be occupied in whole or in part by any person other than the Tenant and the Tenant shall not make any assignment of this Lease, nor any transfer or sublease of the whole or any portion of the Premises, without obtaining the prior consent in writing of the Landlord to such assignment, transfer or sub-lease, such consent on the part of the Landlord not to be unreasonably withheld. Without limiting the grounds upon which the Landlord may withhold consent to any assignment, transfer or sub-lease, the Landlord shall be entitled to withhold consent to an assignment, transfer or sub-lease, and same shall be deemed to be reasonably withheld, if the assignment, transfer or sub-lease, or the Landlord's consent to same, would reasonably be expected to place the Landlord in breach of any encumbrance, mortgage or other security documents or obligations of the Landlord to its lenders or other agreement or commitment binding upon the Landlord and provided that the use is consistent with that as outlined in Article 3.1 herein. In the event of a change in the principal shareholder of A.P.I. and in the event of a change of the controlling shareholders of A.P.I. the Landlord shall be given a personal guarantee from the new principal and/or controlling shareholder.

7.2 Assignment by Landlord

In the event of the assignment by the Landlord of this Lease or any interest of the Landlord hereunder, and to the extent that such assignee has agreed to assume the covenants and obligations of the Landlord hereunder, the Landlord shall, without further written agreement, be freed and relieved of liability upon such covenants and obligations.

ARTICLE 8 LIABILITY AND INDEMNITY

8.1 Suspension of Services

Without limiting or restricting the generality of the provisions of Article 8.2 hereof, the Tenant shall not have nor make any claim or demand, nor bring any action or suit or petition against the Landlord or any of its officers, servants or agents, for any damage which the Tenant may sustain by reason of any suspension, interruption or discontinuance, in whole or in part from whatever cause arising in utilities supplied to the Premises and in no event shall the Landlord be liable for any injury to the Tenant, its servants, agents, employees, customers or invitees for any injury or damage to the Premises, the Tenant or its customers caused by the interruption or failure in the supply of any such utilities to the Premises as permitted by law, unless the suspension, interruption or discontinuance in utilities supplied to the Premises, or such injury or damage, was caused directly by the Landlord or anyone for whom the Landlord is responsible in law.

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8.2 Claim or Demand

The Tenant shall not have any claim or demand against the Landlord or any of its officers, servants or agents, for detriment, damage, accident or injury, of any nature whatsoever or howsoever caused to the Premises, or to any person or property on or about the Premises, including any structures, erections, aircraft, equipment, materials, supplies, motor or other vehicles, fixtures and articles, effects and things erected, brought, placed, made or being on or about the Premises, unless such damage or injury is due to the negligence of the Landlord or any officer, servant or agent of the Landlord.

8.3 Indemnity

8.4 The Tenant shall at all times indemnify and save harmless the Landlord, and its officers, servants and agents, from and against all claims and demands, loss, costs, damages, actions, suits or other proceedings by whomsoever made, brought or prosecuted, in any manner based upon, occasioned by or attributable to the Tenant's occupancy of the Premises hereunder, or any action taken or things done or maintained by virtue hereof by or on behalf of the Tenant, or the exercise in any manner of rights arising hereunder by or on behalf of the Tenant or any breach, violation or non-performance of any covenant or condition in this Lease set forth and contained on the part of the Tenant to be performed or observed, except claims for damage resulting from the negligence of the Landlord or any officer, servant or agent of the Landlord.

8.5 Hazardous or Toxic Substances or Materials

- a) The Tenant shall provide the Landlord with a disclosure of its Hazard Material Handling protocol on an annual basis on the anniversary date of the lease.
- b) The Tenant shall not bring upon the Premises, or any part thereof, any Hazardous or Toxic Substances or Materials, except as permitted by and in accordance with all statutes, laws, by-laws, regulations, ordinances and orders from time to time or at any time in force relating to Hazardous or Toxic Substances or Materials and the protection of the environment, (including, without limitation, all statutes, laws, by-laws, regulations, ordinances and orders regulating the manufacture, use, storage, transportation or disposal of any Hazardous or Toxic Substances or Materials) (the "Environmental Laws").
- c) From and after the date upon which the Tenant takes occupation of the Premises, the Tenant shall, at its own cost and expense, comply with all Environmental Laws regarding the Premises and shall immediately give written notice to the Landlord of the occurrence of any event in or on the Premises constituting an offence thereunder or being in breach thereof and shall make, obtain and deliver all reports or studies required by any governmental authority having jurisdiction.
- d) If any governmental authority having jurisdiction shall require the clean-up of any Hazardous or Toxic Substances or Materials held, released, spilled, abandoned or placed upon the Premises or released into the environment by the Tenant in the

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course of the Tenant's business conducted from the Premises or as a result of the Tenant's use or occupancy of the Premises, then the Tenant shall, at its own cost and expense, prepare all necessary studies, plans and proposals and submit the same for approval, provide all bonds and other security required by governmental authorities having jurisdiction and carry out the work required to applicable Alberta Tier 1 Soil & Groundwater Remediation Guidelines and regulations for industrial use properties, as amended from time to time, and shall keep the Landlord fully informed and provide to the Landlord full information with respect to proposed plans and the progress of such work.

- c) The Tenant hereby agrees to defend, indemnify and hold harmless the Landlord, its directors, shareholders and officers, from and against any liability or costs whatsoever arising out of (i) a release or threatened release of any Hazardous or Toxic Substances or Materials at or from the Premises by the Tenant or anyone for whom the Tenant is in law responsible; and (ii) any violations of Environmental Laws that are caused by the Tenant's use or occupancy of the Premises. This indemnity shall survive the expiry of this Lease.
- f) The Landlord hereby agrees to defend, indemnify and hold harmless the Tenant, its directors, shareholders and officers, from and against any liability or costs whatsoever arising out any violations of Environmental Laws that are attributable to the Landlord's acts or omissions. This indemnity shall survive the expiry of this Lease.
- g) If at any time there occurs an event in or on the Premises constituting an offence under, or being in breach of, any Environmental Laws and the Tenant, either alone or with those for whom the Tenant is responsible for at law, causes the happening of such event the Tenant shall at its own cost and expense:
 - (i) immediately give the Landlord notice to the appropriate effect and thereafter give the Landlord from time to time written notice of the extent and nature of the Tenant's compliance with the provisions of the provisions contained in paragraphs (ii) and (iii) hereinafter set forth;
 - (ii) promptly remove any Hazardous or Toxic Substances or Materials attributable to the Tenant or for those whom the Tenant is responsible for at law from the Premises in a manner which conforms with all laws and regulations governing the movement of the same; and
 - (iii) remedy any damage to the Premises and any lands or premises adjoining or in the vicinity of the Premises, the Lands, the Building and the public generally caused by an event such as is referred to above or by the performance of the Tenant's obligations under this subsection 8.4(e) as a result of the occurrence of either or both of such events.
- h) If the Tenant shall bring or create upon the Premises any Hazardous or Toxic Substances or Materials or if the conduct of the Tenant's business shall cause

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there to be any Hazardous or Toxic Substances or Materials upon the Premises then, notwithstanding any rule of law to the contrary or any other term of this Lease, such Hazardous or Toxic Substances and Materials shall be and remain the sole and exclusive property of the Tenant and shall not become the property of the Landlord notwithstanding the degree of affixation of Hazardous or Toxic Substances or Materials or the goods containing the Hazardous or Toxic Substances or Materials to the Premises and notwithstanding the expiry or earlier termination of this Lease.

- i) The obligations of the Tenant hereunder relating to Hazardous or Toxic Substances and Materials shall survive the expiry or earlier termination of this Lease save only that, to the extent that the performance of those obligations requires access to or entry upon the Premises or any part thereof the Tenant shall have such entry and access only at such times and upon such terms and conditions as the Landlord may from time to time reasonably specify, and should the Tenant default in its obligations hereunder or where the Landlord is required by law to do so, the Landlord may, at the Tenant's cost and expense, itself or by its agents, servants, employees, contractors and subcontractors, undertake the performance of any necessary work in order to complete such obligations of the Tenant, but having commenced such work, the Landlord shall have no obligation to the Tenant to complete such work.

ARTICLE 9 INSURANCE

9.1 Insurance

- A) The Tenant covenants and agrees that throughout the Term, and any renewal thereof, it will take out and maintain at its sole cost and expense the following:
 - i) comprehensive public liability and property damage insurance with respect to injury, death and property damage occurring on or about the Premises or the operations of the Tenant on the Lands and in or upon the Building in the amount of not less than Five Million (\$5,000,000) Dollars, per occurrence; and
 - (ii) insurance against loss by such insurance hazards on a replacement cost basis and in an amount sufficient to cover the full costs of replacement of all alterations, decorations, fixtures, trade fixtures, additions and improvements made, installed or brought by the Tenant on the Premises:

and will add as additional insured in respect of the above-referenced insurance as it relates to the Premises only and as their interests appear, the Landlord and any mortgagee designated by the Landlord from time to time.

- B) The Landlord covenants and agrees that, throughout the Term of this Lease and any renewal thereof, it will take out and maintain in the names of the Landlord

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and any mortgagees designated by the Landlord from time to time, and the Tenant, as their respective interests may appear, the following insurance:

- (i) fire insurance with all risk extended coverage endorsement in respect of the Building in an amount equal to the full replacement value thereof, from time to time, including water damage insurance (including, if applicable, sprinkler leakage);
 - (ii) boiler and pressure vessels insurance, if necessary, up to such amounts as the Landlord, as a prudent owner, deems necessary;
 - (iii) to the extent not adequately protected by the Tenant's insurance as reasonably determined by the Landlord, comprehensive general liability insurance including bodily injury and property damage insurance with respect to the Lands and the Building up to such limit as the Landlord, as a prudent owner, deems necessary;
 - (iv) loss of rental insurance indemnifying the Landlord in respect of Basic Rent and Additional Rent for a period of at least twelve (12) months; and
 - (v) such other insurance in amounts and upon terms reasonable for a prudent owner to provide or as otherwise required by the Landlord, acting reasonably, or the Landlord's mortgagees.
- C) The Tenant shall pay to the Landlord, as Additional Rent, the cost of all premiums and deductibles payable by the Landlord in connection with the insurance required or permitted to be maintained by the Landlord under this Lease no later than fifteen (15) days prior to the date upon which such premiums become due under such policies of insurance. Notwithstanding the Tenant's payment of such premiums and notwithstanding the obligations of the Landlord to repair and replace the Building on and subject to the terms and conditions set forth in Article 10 of this Lease, the Tenant agrees that no insurable interest is conferred upon the Tenant under any policies of insurance carried by the Landlord and that the Tenant has no right to receive any proceeds of any insurance policies carried by the Landlord.

9.2 Policy Requirements

Each policy referred to in subsection 9.1(A) hereof shall contain a waiver of rights of subrogation in favor of the Landlord and its mortgagees and a cross-liability clause protecting the Landlord and its mortgagees against claims by the Tenant and other designated insured as if the Landlord and its mortgagees were separately insured. Such policies shall also provide for ten (10) days prior written notice to be given to the Landlord and its mortgagees prior to cancellation and the Tenant shall, prior to gaining entry to all or part of the Premises, and from time to time thereafter as required by the Landlord, deliver to the Landlord certificates of such insurance (which certificates shall, inter alia, certify the aforesaid requirements) or the original or a certified copy of such insurance policies.

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Each insurance policy referred to in subsection 9.1(B) hereof will name the Landlord and the persons, firms or corporations designated by the Landlord as additional named insured as their interests may appear, will name all of the Landlord's mortgagee(s) as loss payee(s) as their respective interests may appear, will contain a waiver of rights of subrogation in favor of the Tenant and a cross-liability clause protecting the Tenant against claims by the Landlord and other designated insured as if the Tenant were separately insured and will contain a clause that the insurer will not cancel or change or refuse to renew the insurance without first giving the Landlord and its mortgagee(s) thirty (30) days' prior written notice. The Landlord will, upon request from the Tenant, see that there is delivered to the Tenant certificates of insurance with respect to such policies. If the Landlord fails to take out or keep in force any policy of insurance referred to in subsection 9.1(B) hereof or in this Article 9.2 or to provide a certificate of insurance evidencing same within fifteen (15) days following request therefore from the Tenant, the Tenant may, following expiration of five (5) days after notifying the Landlord in writing of its intention to do so, take out such insurance and pay the premiums therefor, provided the Tenant shall, upon request by the Landlord and delivery by the Landlord to the Tenant of a certificate of insurance evidencing placement by the Landlord of insurance as required hereunder, cancel such insurance and pay the Landlord's cost of premiums payable in accordance with subsection 9.1(C) hereof.

9.3 Cancellation

The Tenant covenants and agrees that it will not do or permit or omit to be done anything upon the Premises or any part thereof whereby any insurance policy shall be impaired or cancelled or the Premises shall be rendered uninsurable.

9.4 Proceeds

Subject to the requirements of any mortgagee(s) of the Landlord, the proceeds of any policy of fire insurance maintained by the Landlord pursuant to this Article 9 which shall become payable as a result of any damage to or destruction of the Building shall be used for the repairing, replacing, rebuilding or restoring of the Building. All such insurance proceeds as aforesaid, which are required to repair, restore, replace or rebuild such Building shall be paid to the Landlord for the purpose of repairing, restoring, replacing or rebuilding the Building; provided that if this Lease is terminated pursuant to the provisions of Article 10 hereof, all insurance proceeds shall be released to the Landlord,

The Tenant shall insure its leasehold improvements in the Premises in accordance with Article 9.1(A) hereof and all proceeds thereof in respect of leasehold improvements to which the Tenant is entitled pursuant to the provisions thereof shall be payable and released to the Tenant.

ARTICLE 10 DAMAGE AND DESTRUCTION

10.1 Damage and Destruction

Provided and it is hereby expressly agreed between the parties hereto that if and whenever during the Term hereby demised or any renewal thereof, the Building shall be damaged or destroyed by fire or any other perils or cause whatsoever, then, subject to the

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BY V.
15/07/11 July 15, 2011

provisions of Article 10.2 hereof, the Term (or any renewal thereof) and provisions of this Lease shall continue in full force and effect and, the Rent shall abate to the extent the Building is no longer fit for the Tenant's use due to damage to the Building from the date of such damage until 1 day after completion of those repairs to such damage which the Landlord is required to perform hereunder, and the Landlord agrees to rebuild, restore and repair the Building in accordance with, and subject to, the requirements of provincial laws and municipal bylaws in effect at that time and in accordance with plans and specifications therefor provided by the Landlord and approved by the Tenant, such consent not to be unreasonably withheld, and by way of clarification, the Tenant acknowledges and agrees that the Landlord shall only be required to rebuild, restore or repair the Building to the extent that the Landlord was initially obligated to provide the Building as at the Commencement Date.

10.2 Non-Insured Damage

Notwithstanding the provisions of Article 10.1 hereof, in the event of damage or destruction occurring by reason of any cause in respect of which no insurance is payable, or in the event proceeds of insurance sufficient to pay for the cost of rebuilding, restoring and repairing the Building are not payable to or received by the Landlord, the Landlord may, at its option, either (i) terminate this Lease upon written notice to the Tenant within ninety (90) days after the occurrence of such damage or destruction or (ii) rebuild, restore and repair the Building within twelve (12) months from the date of damage or destruction, or so soon thereafter as is practicable, provided the Landlord has commenced such rebuilding, restoration or repair of the Building within twelve (12) months of the damage or destruction and is diligently pursuing completion thereof (in which event the Landlord shall remain liable for all costs and expenses incurred with or incidental to the cost of rebuilding, repairing or restoring the Building). If the Premises are not restored within eighteen (18) months of the casualty, the Tenant may terminate this Lease upon providing the Landlord with thirty (30) days prior written notice

ARTICLE 11 DEFAULT AND RE-ENTRY

11.1 Default and Re-entry

- (a) It is expressly agreed that:
 - (i) if the Tenant shall be in default in the payment of Rent or amounts collectable hereunder as rent, whether lawfully demanded or not, and such default shall continue for a period of ten (10) days after the Rent has become due and payable; or
 - (ii) if the Tenant shall be in default of any of its covenants and agreements hereunder (other than its covenant to pay Rent or amounts collectable hereunder as Rent) and such default shall continue for a period of fifteen (15) days after notice by the Landlord to the Tenant specifying with reasonable particularity the nature of such default and requiring the same to be remedied; or

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- (iii) if the default set out in the notice given to the Tenant by the Landlord pursuant to paragraph (ii) reasonably requires more time to cure than the fifteen (15) day period referred to in that paragraph and the Tenant has not commenced remedying or curing the same within the fifteen (15) day period or, fails to diligently complete the same within a reasonable time; or
- (iv) if the Tenant shall make an assignment for the benefit of creditors, or shall make an assignment or have a receiving order made against it under any bankruptcy legislation, or becoming bankrupt or insolvent shall make application for relief under the provisions of any statute now or hereafter in force concerning bankrupt or insolvent debtors, or any action whatsoever, legislative or otherwise, shall be taken with a view to the winding-up, dissolution or liquidation of the Tenant; or
- (v) if the term of this Lease hereby granted or any material portion of the goods or chattels on the Premises are at any time possessed, seized, or taken in execution or attachment by any creditor of the Tenant, whether under a bill of sale, chattel mortgage, debenture, conditional sales contract, lien note, lease of personal property, consignment contract or otherwise; or
- (vi) if a writ of execution or replevin order issues against a material portion of the goods or chattels of the Tenant; or
- (vii) if the Premises at any time during the Term of this Lease, or any renewal thereof, becomes vacant in consequence of their abandonment by the Tenant, or the removal of the Tenant by legal process for non-payment of Rent, breach of covenant or any other cause, but for clarity, shall not preclude the Tenant from ceasing to occupy or carry on business in the Premises provided in all other respects the terms and conditions contained in this Lease are complied with; or
- (viii) if any insurance policy insuring the Premises or the Landlord in respect thereof is cancelled, threatened with termination or is refused to be renewed by reason of the use and occupation of the Premises or any part thereof by the Tenant;

then, at the option of the Landlord, the current month's Rent, in the event of a default under subsection 11.1(a) above together with the Rent for the six (6) months ensuing, shall immediately become due and payable and, at the option of the Landlord, the Term hereby granted shall become forfeited and void, and the Landlord may without notice or any form of legal process whatsoever forthwith re-enter upon the Premises, or any part thereof, in the name of the whole and repossess and enjoy the same as its former estate, anything contained in any statute or law to the contrary notwithstanding. No re-entry or taking possession of the Premises shall be construed as an election on the part of the Landlord to terminate this Lease unless at the time of or subsequent to such re-entry or taking

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of possession written notice of such intention has been given to the Tenant or such termination is decreed by a Court of competent jurisdiction.

- b) Forfeiture of this Lease by the Tenant shall be wholly without prejudice to the right of the Landlord to recover arrears of Rent or damages for any antecedent breach of covenant on the part of the Tenant and, notwithstanding any such forfeiture, the Landlord may subsequently recover from the Tenant damages for loss of Rent suffered by reason of the Lease having been determined prior to the end of the Term of this Lease; as set out herein and this subsection 11.1(b) and the rights hereunder shall survive the termination of this Lease whether by act of the parties or by operation of law.

ARTICLE 12

ESTOPPEL CERTIFICATES OR STATEMENTS

12.1 Estoppel Certificates or Statements

- a) The Tenant or the Landlord at any time and from time to time, upon not less than ten (10) day's prior written notice, shall execute and deliver to the other a statement in writing certifying that this Lease is unmodified and in full force and effect (or if modified, stating the modifications and that the same is in full force and effect as modified); certifying the amount of the Rent then being paid hereunder; certifying the dates to which the same relates, by installment or otherwise, and that other sums herein provided to be paid by the Tenant have been paid; and stating, whether or not there is any existing default on the part of the Landlord or the Tenant, as the case may be, of which the other has notice; the particulars and amount of insurance policies on the Premises in which the interest of the party giving such certificate is noted; the amount of the Deposit and Letter of Credit, if still applicable, being held by the Landlord; and providing such other information with respect to this Lease or the Premises as may be reasonably requested.
- b) Any statement delivered pursuant to the provisions of this Article 12 may be conclusively relied upon by any purchaser or prospective purchaser or any mortgagee or prospective mortgagee of the Premises or the leasehold or any sub-lessee or prospective sub lessee save as to any default on the part of the Landlord or the Tenant of which the party giving such statement does not have notice at the date thereof.

ARTICLE 13

FINANCING AND SUBORDINATION

13.1 Financing and Subordination

Provided that any mortgagee, trustee or holder under any mortgage, deed of trust, lien or other charge provides assurance to the Tenant of quiet possession so long as the Tenant is not in default hereunder by way of a mutually agreeable Non-Disturbance Agreement, this Lease and all of the rights of the Tenant hereunder is and shall be subject and subordinate to all mortgages,

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July 15, 2011

deeds of trust, liens or other charges resulting from any method of financing, modifications, consolidations, replacements and extensions thereof which may now or at any time hereafter be in force against or affect the Premises in whole or in part and whether or not such mortgages, deeds of trust, liens or other charges shall affect only the Premises or shall be blanket mortgages, deeds of trust, liens or other charges affecting other premises as well. The Tenant shall at any time on notice from the Landlord attorn to and become a tenant of a mortgagee, trustee or holder under any such mortgage, deed of trust, lien or other charge upon the same terms and conditions as set forth in this Lease and, provided such mortgagee, trustee or holder provides assurance to the Tenant of quiet enjoyment so long as the Tenant is not in default hereunder, shall execute promptly upon request by the Landlord any instruments of postponement or attornment or other instruments from time to time requested to give full effect to this requirement.

13.2 Priority of Lease

The Tenant agrees that the holder of any lien, mortgage, charge or encumbrance of the Premises, or any part thereof, at any time by an instrument in writing registered against the title to the Premises may subordinate such lien, mortgage, charge or encumbrance to this Lease without any further consent or agreement of the Tenant.

13.3 Financial Information

If the Landlord shall, in connection with any proposed financing or sale of the Premises, require information relating to the financial position of the Tenant, the Tenant shall, within fifteen (15) days of the service upon it by the Landlord of a notice in writing requesting such information, furnish to the Landlord copies of its most recent consolidated financial statements or equivalent. The Landlord shall only use such financial statements in connection with any proposed financing or sale of the Premises and shall deliver the same to its prospective lender or purchaser on the basis that they are confidential information and are to be treated by the lender or purchaser as such.

ARTICLE 14 RIGHT TO SHOW PREMISES AND PLACE SIGNS

14.1 Right to Show Premises and Place Signs

The Landlord shall at any time have the right to place upon the Premises a sign (of reasonable dimensions and reasonably placed so as not to interfere with the Tenant's business) stating that the Premises are for sale and shall have the right within twelve (12) months prior to the termination of the Term or any renewal thereof, to place upon the Premises a notice (of reasonable dimensions and reasonably placed so as not to interfere with the Tenant's business) stating that the Premises are for rent; further, the Tenant will not remove such signs or permit the same to be removed. The Landlord and its agents and employees shall also be permitted to enter upon the Premises on reasonable written notice within the aforesaid periods to show the same to prospective purchasers or tenants, provided that at all times the Landlord's representative shall be accompanied and escorted by an employee or other representative of the Tenant.

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JUL 15, 2011

ARTICLE 15 GENERAL

15.1 Representation

The Landlord leases the premises to the Tenant on an "as is, where is" basis with the exception of the work identified as Landlord's work in the attached Schedule ^B of the Offer To Lease.

15.2 No Implied Obligations

No implied terms or obligations of any kind by or on behalf of either the Landlord or the Tenant shall arise from anything in this Lease and the express covenants and agreements herein contained and made by either the Landlord or the Tenant are the only covenants and agreements upon which any rights against either the Landlord or the Tenant may be founded. The Landlord makes no representations or warranties, whether express, implied, statutory or otherwise, in connection with this Lease, the Premises, the Lands, the Building or otherwise.

15.3 Net Lease

It is the intention of the Landlord and the Tenant and it is hereby agreed by them that the Tenant shall pay all Rent to be paid hereunder to the Landlord without any deduction, abatement or set-off whatsoever except as otherwise provided herein; and notwithstanding any statutory or other provisions, all charges, expenses, payments and costs of every nature and kind whatsoever incurred in respect of the Premises or for any matter or thing affecting the Premises shall (other than with respect to any franchise, corporate, estate, inheritance, succession, net income, excess profits, capital levy, speculation or transfer tax of the Landlord or any rates, assessments or charges levied, assessed or charged against or in respect of any other tax or impost of a personal nature charged to or levied upon the Landlord and other than with respect to any payments on account of principal and interest or principal or interest in respect of any financing arranged by the Landlord and secured against or charging any interest of the Landlord in the Lands and unless otherwise expressly stipulated herein to the contrary) be borne by the Tenant so that the Rent herein provided for shall be absolutely net to the Landlord. The Landlord shall not be responsible for any charge, claim or liability whatsoever in connection with the Premises except as expressly provided in this Lease or by law.

15.4 Entire Agreement

This Lease shall be deemed to constitute the entire agreement between the Landlord and the Tenant with respect to the subject matter hereof.

15.5 Effect of Lease

This Lease and everything herein contained shall ensure to the benefit of and be binding upon the heirs, executors, administrators, successors and permitted assigns as the case may be of each of the parties hereto, subject to the granting of consent by the Landlord as provided herein to any assignment or transfer of this Lease. Where there is a male, female or corporate party, the provisions hereof shall be read with all grammatical changes to gender and number required by

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the context. Where there is more than one party comprised in the Tenant, all covenants and obligations on the part of the Tenant shall be joint and several.

15.6 Provisions Separately Valid

If any covenant, obligation, agreement, term or condition of this Lease or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease or the application of such covenant, obligation, agreement, term or condition to persons or circumstances other than those in respect of which it is held invalid or unenforceable, shall not be affected thereby and each covenant, obligation, agreement, term or condition of this Lease shall be separately valid and enforceable to the fullest extent permitted by law.

15.7 Waiver Negated

The failure by either party to require the fulfillment of the obligations, or to exercise any rights herein contained shall not constitute a waiver, a renunciation or a surrender of those obligations or rights.

15.8 Governing Law

This lease shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein and shall be treated in all respects as an Alberta contract.

15.9 Time of the Essence

Time shall be of the essence of this Lease and of every part hereof.

15.10 Expropriation

If at any time during the Term, or any renewal thereof, the whole or a portion of the Premises are expropriated by right or exercise by any competent authority of power of expropriation, the Landlord and the Tenant shall each be entitled to advance separately their claims for compensation for the loss of their respective interests in the Premises and shall be entitled to receive and obtain such compensation as may be awarded to each of them respectively. If an award of compensation made to the Landlord specifically includes an award for the Tenant, the Landlord will account therefor to the Tenant; and if an award of compensation made to the Tenant specifically includes an award for the Landlord, the Tenant will account therefor to the Landlord. Upon termination of this Lease by expropriation or other operation of law, the Tenant will forthwith pay to the Landlord the Rent and all other charges which may be due to the Landlord up to the date of such termination. The Tenant will have no claim upon the Landlord for the value of its property expropriated or the unexpired term of this Lease or for any other damages, costs, losses or expenses whatsoever. The Landlord and the Tenant agree to cooperate one with the other in respect of any expropriation of all or any part of the Lands or the Premises so that each may receive the maximum award to which they are respectively entitled in law.

Handwritten signature and date:
July 15, 2011

15.11 Decision of Architect

In the absence of manifest error, the decision of, or any certificate made by, the Architect under or pursuant to this Lease shall be final and binding on the Landlord and the Tenant, provided that, and on the condition that, the Architect is acting reasonably in making such decisions or issuing such certificate. The Architect will be accredited under Alberta law and be chosen by the Landlord with reasonable input by the Tenant. The Architect must be arms length when chosen.

15.12 Headings

The headings to the various Articles and subsections in this Lease are for informational purposes only and shall not alter or affect the interpretation of the terms and provisions of this Lease.

15.13 Registration

The Tenant shall not register this Lease on title to the Lands. Further, the Tenant shall not register any interest on title to the Lands prior to taking occupation of the Premises; however, following taking occupation of the Premises the Tenant may register Short Form of Lease on title to the Lands, at its sole cost, provided such Short Form of Lease is first approved as to form and content by the Landlord (such approval not to be unreasonably withheld) and, in any event, does not disclose any of the financial terms of this Lease and describes only the parties to this Lease, the Premises, and the Term of this Lease.

15.14 Surviving Obligations

On any termination of this Lease, the Tenant's right of possession shall cease and terminate, but the obligations of the parties with respect to payment of Rent or covenants not performed at the date of such termination, indemnification, or any other obligations which, by their nature or by reason of the circumstances at the time of such termination, are not completely performed prior to such termination, shall remain in full force and effect until satisfied.

ARTICLE 16 NOTICES

16.1 Notice

Any notice to be given by either party hereto to the other pursuant to this Lease shall be in writing and delivered by hand or sent by prepaid registered mail or sent by telex or other electronic communication which results in a written or printed notice being given, addressed to:

16.2 Address for Notices

Landlord

152-1H VL
July 15, 2011

Robert & Wanda Stewart
RR. 2, Site 11, Box 2
Didsbury, Alberta T0M-0W0

Wade & Leanna Stewart
121 Hidden Creek Rd.
Calgary, Alberta T3A-6L6

Tenant


Advantage Products Inc.
Suite 273, 1919B - 4th Street South West
Calgary, Alberta T2S 1W4

Any notice delivered by hand shall be deemed to be received when left during normal office hours at the addresses set forth above, and any notice sent by prepaid registered mail shall be deemed to have been received when actually received. Any notice sent by telex or other electronic communication shall be deemed to be given on the date of such transmission if received. Either party shall be entitled to change its address for notice to an address elsewhere in Canada by notice in writing to the other.

IN WITNESS WHEREOF the parties hereto have executed this Lease as of the day and year first above written.

**ROBERT & WANDA STEWART and
WADE & LEANNA STEWART.**
(Landlord)

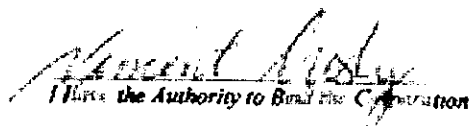
Per: _____



Per: _____

ADVANTAGE PRODUCTS INC
(Tenant)

Per: _____


I have the Authority to Bind the Corporation

Per: _____

SCHEDULE "A"

DESCRIPTION

Legal Description

Plan 9811911, Lot 11, Block 5
N.E. 17-31-01 W5

Municipal Address

11-31264 - Hwy 2A

Description

Freestanding buildings that are approximately 21,955 square feet on 4.99 acres.

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July 15, 2011

SCHEDULE "B"

PREVENTATIVE MAINTENANCE PROGRAM Required Services

Regular Maintenance:

- Verification of the following maintenance, preventative maintenance, cleaning, and servicing items will be required by the Landlord on at least a monthly basis. A property management representative will visit the site each month to ensure that the maintenance has been taken care of and logged as required. The costs of the maintenance verification will be additional rent cost of the tenant monthly.
- Office Cleaning -Scheduled maintenance office marmolium floor covering refinished with commercial wax finish every 6 months,
- Carpet -regular maintenance cleaning program (as required)
- ~~Epoxy Coated Concrete Floors maintained with annual finishing of industrial 'sacrificial' wax~~ *VE July 15, 2011*
- Regular cleaning, dusting and garbage removal
- Lighting - Bulb and ballast replacement
- Glass, Door & Hardware Repairs
- Septic system holding tank emptied as use requires
- Exterior painting as required
- Graffiti removal

Monthly or Quarterly:

- HVAC
 - Preventative maintenance contract inspections and filter changes (HVAC filters to be changed ~~every 2 months~~ *as needed or as required* throughout the Term or any renewal thereof) See attached schedule.
 - Boiler and hydronic system maintenance. Maintain glycol levels, test glycol strength every 6 months, replace glycol at five year intervals (next change Sept 2012), recirculating pumps, air bleed ports, clean boilers, clean glycol screens, etc. -see attached schedule.
- Floor Drains
 - Fill with water to maintain water barrier in traps
- Overhead Doors
 - Inspection and servicing

Annual:

- Parking Lot Maintenance

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15264" VE
July 15, 2011*

- Replace exterior lamp bulbs and ballasts as required
- Parking lot maintenance as required to refresh gravel and grade or shape as required to assure proper drainage away from building and to prevent water pooling as it drains through the property.
- Auger sanitary lines to street and clean basins, as required.
- Check well pump and pressure system. Chlorination ('Shock') treat water well as required.

- Fire Prevention
 - equipment inspected (i.e. extinguishers)
 - Smoke detectors, if any tested and certified
 - Exit signage & emergency lighting replaced as required

- Supporting Structure Inspection
 - Exterior and interior walls (crack, deterioration, spalling, moisture)
 - Interior roof deck - structural, water damage, physical damage

- Roof Inspection
 - Surface condition (debris, drainage)
 - Roof penetrations sealed
 - Blistering, splitting, ridging, fish mouths and punctures
 - Metal flashing
 - Punctures, rusting, caulking, drainage, fasteners
 - Roof edging/fascia - splitting, rusting, fasteners, punctures, *after installed by Landtten*
 - Drainage - clean screens, check downspout, clamp rings
 - Equipment housing - counter flashing, open seams, physical damage, caulking

- Electrical Equipment
 - Inspected.

Seasonal:

- Window Cleaning

- Landscaping
 - Spring clean-up - heavy weed clearing, garbage pick-up
 - Tree branch clean up
 - Weekly maintenance program - grass cutting, weed control, garbage pick-up, shrub and tree bed debris removed
 - End of season - final clean-up, dead leaves removed, final grass cutting

- Snow Removal
 - Walkway clearing - snow removal, sanding icy areas

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 1. 100% 15514811
 12. July 15, 2011
 after installed by Landtten
 12. July 15, 2011

- Parking lot
 - Ploughing and removing snow off-site, sanding
 - Recommend curbs be marked with stakes to reduce plough damage. Spring inspection should follow.

- insurance premiums including property revenue insurance.

Schedule B.1

Preventive Maintenance Agreement:

HVAC (MUA, Roof top units & Exhaust fans)

Electrical Disconnect

1. Inspect contacts
2. Check for proper operation

Fan Motors & Wheels

1. Inspect and test the capacitors (start and run) & contacts
2. Tighten all electrical connections
3. Check and record operating current, voltage and ohms (of the coils)
4. Lubricate bearings, if required
5. Examine motor mount resiliency
6. Blow out and clean the windings of the motor
7. A complete belt change once a year on all the roof top units, make up air and exhaust fan, *if required by Journeyman inspector, July 15, 2011*
8. Check fan wheel and clean dirt accumulation to ensure the fan is not operating out of balance
9. Lubricate bearings and check for end play/excessive wear
10. Check condition of drive couplings and belts/adjust where needed
11. Check for corrosion and wear

Condensor & Evaporator Coil

1. Inspect the finned surface for damage and dirt
2. Inspect the coils for any leaks
3. Clean the coil with both compressed air and chemical

Control Panel

ISSUED July 15, 2011

1. Calibrate , test and clean controllers and safety controls
2. Check set point of controls and limits
3. Sequence test all controls
4. Blow off electronics with compressed air

Filter Section

1. Replace the filters at each preventative maintenance visit

Economizer Dampers

1. Check for unrestricted and proper operation
2. Lubricate bearings as required
3. Ensure the dampers respond to either the economizer motor or the driving motor
4. Ensure the economizer control is set to the proper setting

Heating Section (HVAC)

1. Inspect for overall cleanliness and operation
2. Inspect for any improper burning of the flame (due to a plugged port, low gas pressures etc...)
3. Test the unit on first and second stage heating, adjust the gas valve if required to have the proper gas pressures
4. Test the vent motor for proper alignment, check the capacitor to ensure it operates properly and does not leak
5. Inspect for any corrosion on the flame sensor and igniter, clean as required.

REFRIGERATION (Walk in cooler, walk in freezer, line coolers,)

Defrost Clock (Refrigeration)

1. Monitor the function of the clock
2. Monitor the set points for defrost and time set for defrost
3. Inspect operation of the electrical/defrost lines in the cooling coil
4. Test the clock to ensure it properly shuts off the refrigeration system and activates the evaporator heaters

Refrigeration Compressor

1. Check crankcase heater operation (if it is outside)
2. Check refrigerant charge (super heat and sub cooling)
3. Check for refrigerant and oil leaks
4. Check oil level and conditions (where available)
5. Observe bearing and operating surface temperature
6. Inspect the high pressure safety valve cut out, wiring and operation
7. Clean off any old oil leaks

Electrical Disconnect

1. Inspect contacts
2. Check for proper operation

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July 15, 2011

Condensor & Evaporator Coil

1. Inspect the finned surface for damage and dirt
2. Inspect the coils for any leaks
3. Clean the coil with both compressed air and chemical

Fan Motors & Wheels

1. Inspect capacitors (start and run) and contacts
2. Check operating current and voltage
3. Examine motor mount resiliency
4. Ohm out the motor windings to ensure there are no shorts to ground or weak coils
5. Blow out and clean the windings of the motor
6. Check fan wheel and clean dirt accumulation
7. Lubricate bearings and check for end play/excessive wear
8. Check for corrosion and wear
9. Clean off the fan blades to ensure the fan is not out of balance

Refrigeration Control Panel

1. Calibrate and clean controllers and safety controls
2. Check set point of controls and limits
3. Sequence test all controls
4. Blow off the electronics with compressed air

REPORT

1. Complete measurements of all voltages, amps, super heats and sub cooling
2. A written report of all deficiencies and expected life of time of the equipment

VC
July 15, 2011

BOILER and PLUMBING

1. **ON A MONTHLY BASIS** inspect boiler pressures, boiler controls, boiler temperatures and inspect all boiler flame burners conditions.
2. Inspect boiler expansion tanks air to water levels
3. Inspect water make-up pressure
4. Check pumps for noise, vibrations and procedure, altered and lubricated when required.
5. Inspect the hot water tanks and do a flush. Flush to be done as needed.
6. Inspect safety relief valves for leakage
7. Inspect for signs of leakage from the relief ports on the backflow preventers

July 15, 2011
VC

ON A QUARTERLY BASIS

1. Circulating pumps will be greased and pump filters will be checked and replaced if dirty
2. Filters on the hot water heating lines will be inspected and replaced, if they are too dirty they will be replaced more often until the system is cleaner, (tenant will be notified of this)
3. In Fall - the heating taps will be inspected and once during winter heating months,

July 15, 2011
VC

4. Two way mixing valves for the reset water temperature circuits controlled by the Delta system will be checked and the temperature settings monitored. The valves will be lubricated at this time if required.

ON A SEMI ANNUAL BASIS

1. The unit heaters will be checked to ensure they are working properly. Depending on the location of the units I suggest isolating the units and flushing the units to make sure debris does not collect in the coil and it circulates properly

ON AN ANNUAL BASIS

1. Remove the burners from the boilers inspect and clean them
2. Inspect the heat exchangers
3. Inspect igniters and pilots
4. Test the safety relief valves
5. The hot water tanks will be isolated, drained, pulled and inspect the pilot burner.
The tanks will be flushed and inspected with a camera
6. Check the dampers operation on the tanks
7. Test all backflow and copies and test reports to be sent directly to owners
8. The filters on the heating system will be checked and cleaned
9. The control valves will be checked for operation

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July 15, 2011


SCHEDULE "C"
CONSTRUCTION SPECIFICATIONS AND REVISIONS

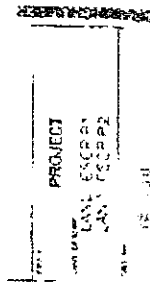
See attached documents.

SCHEDULE "D"
DRAWINGS

See attached drawings.

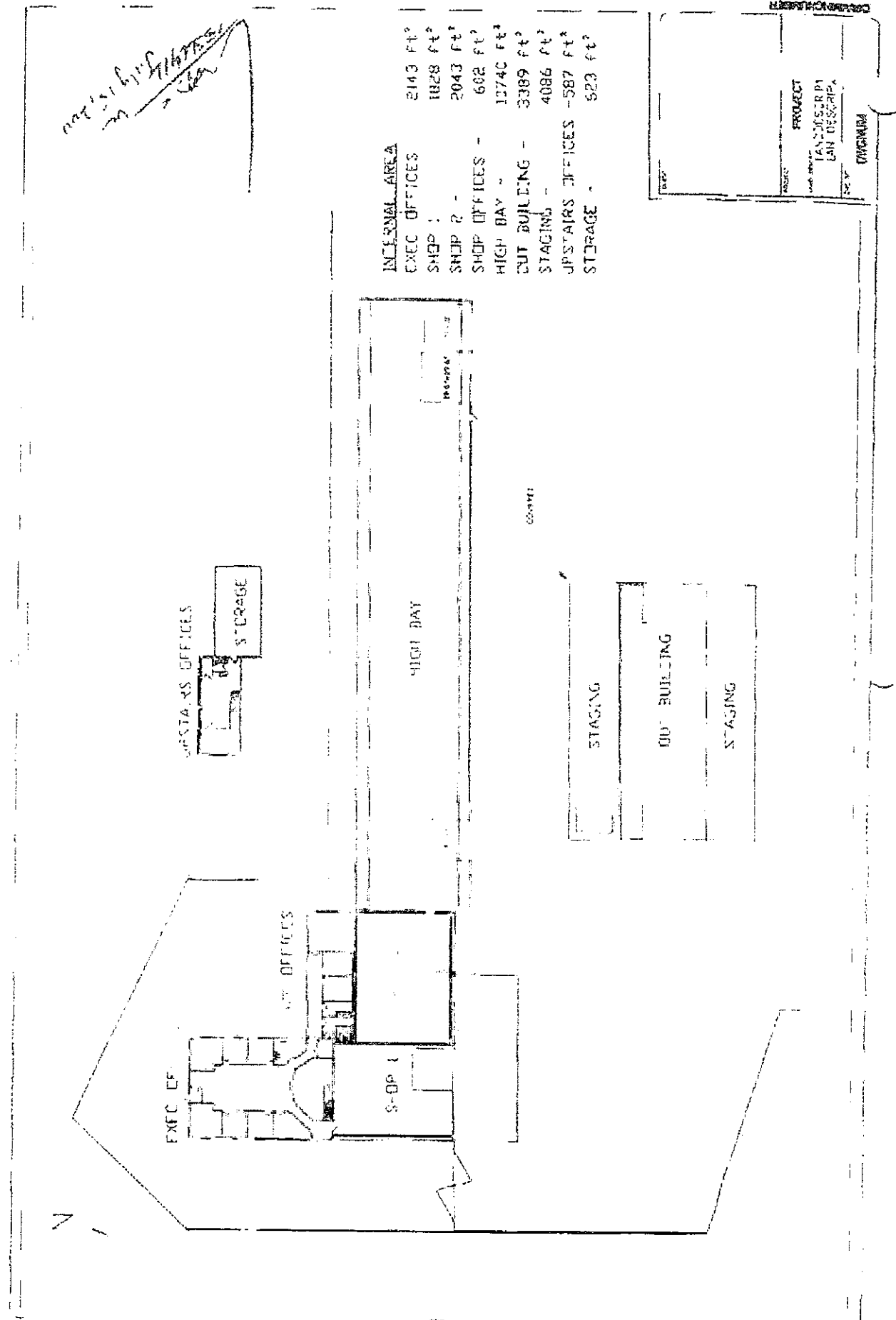
1. Site Plan
2. Building Floor Plan and Mezzanine Plan
3. Elevations

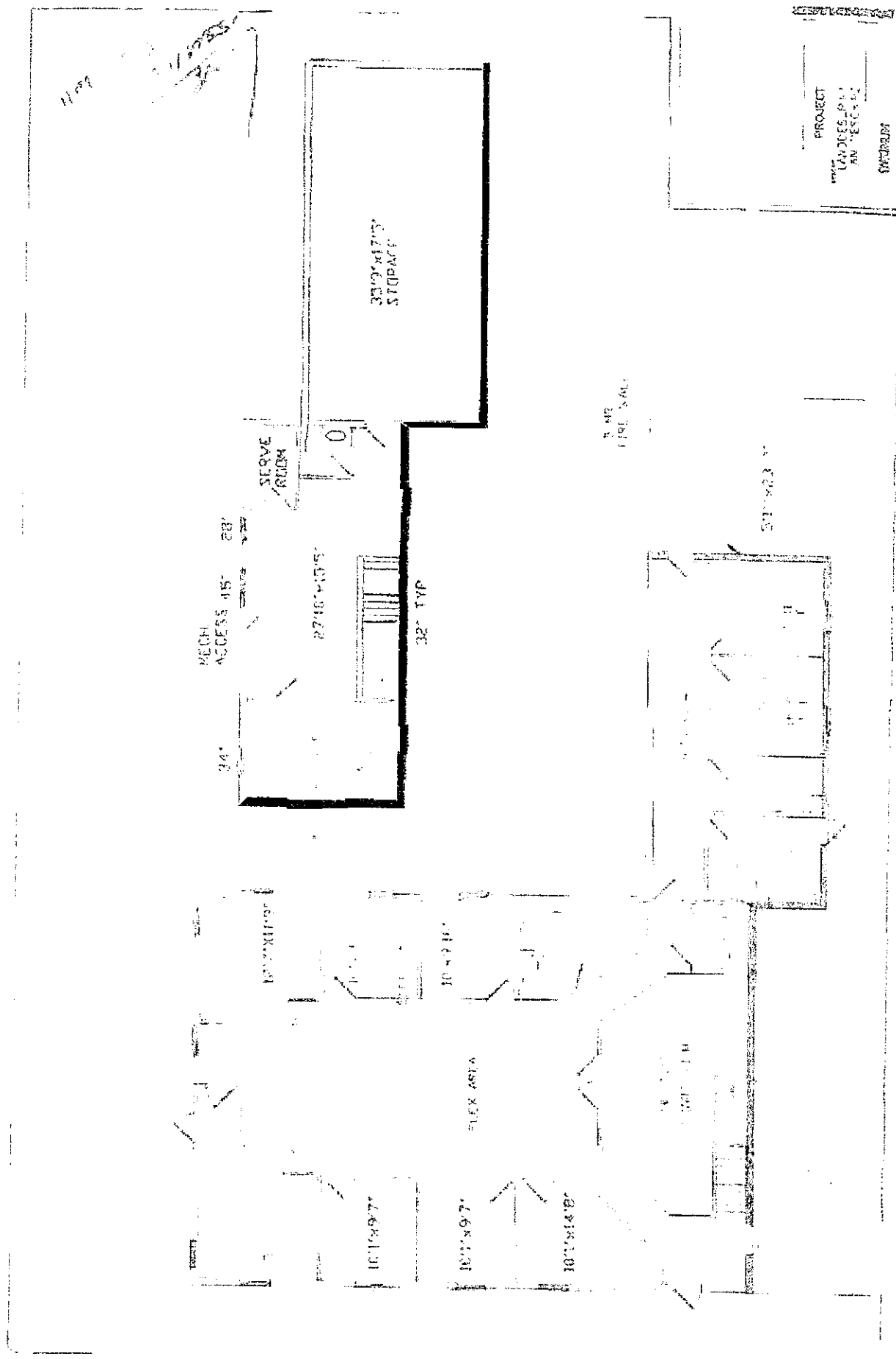

VC
July 15, 2011





STEEL CREEK







STEEL CREEK

100'S A/C
DA HAYES
-JH

15' W.
FIRE WALL

ROUGHED IN
WALL OPENING

15'11" x 23'11"
SHIPPING &
RECEIVING

ROUGHED IN
DOOR OPENING

4' OVER HEAD FRAME

2' x 4' JAMB

4' OVER HEAD FRAME

78'10" x 47'2"

18' x 10'

PROJECT

2024 AUGUST 2024

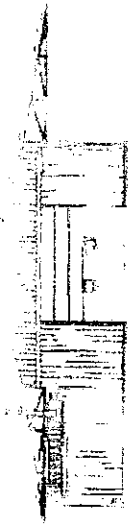
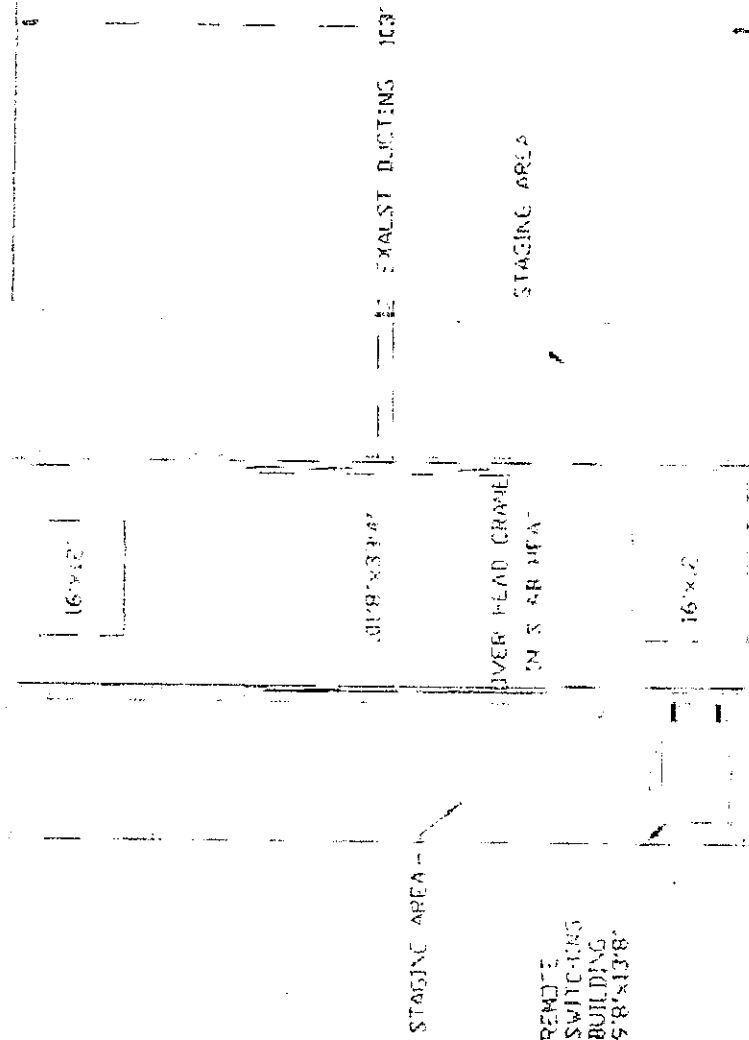
DATE: 8/20/24

DRAWING



STEEL CREEK

100% 10/10/10
11/10/10
11/10/10



DRAWING NUMBER

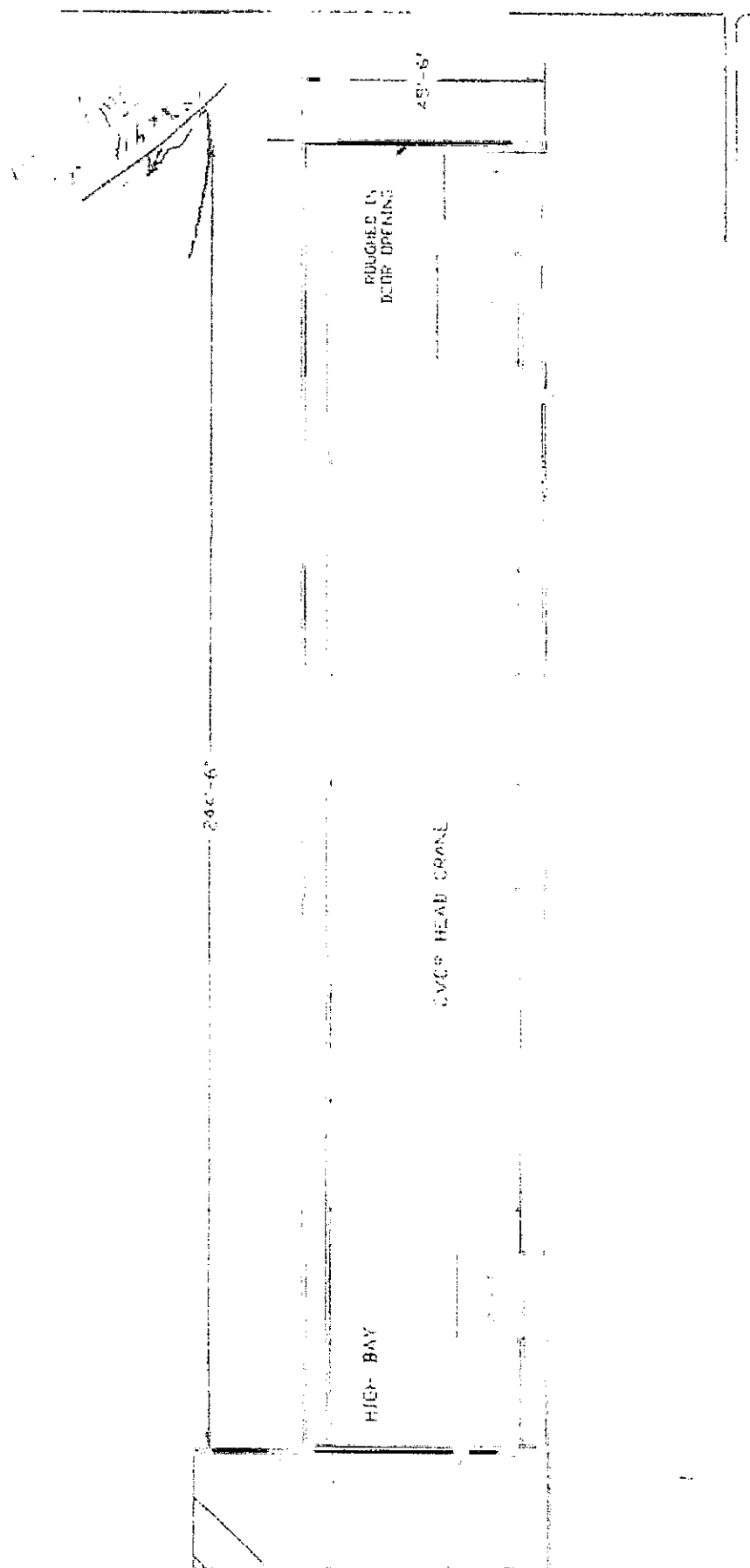
PROJECT

AN SC 1
LANDSCAPE 2

DWG. NO.



SECRET



44-38861-1A

Five Head Count

THE UNIVERSITY OF CHICAGO

15-16

२३५-५५

[illegible][illegible]

1. The first step is to identify the problem or question that needs to be answered. This involves understanding the context and the specific requirements of the task.

2014年12月

Schedule "E"

Offer to Lease

March 30th, 2011

To:

Robert & Wanda Stewart both as Joint Tenants with
Wade & Leanna Stewart both as Joint Tenants now Collectively Referred to as (the "Landlord")
c/o Mr. Kent Bacon & Mr. Manuel Verdugo, Associate
Avison Young Commercial Real Estate (Alberta)
Suite 309, 401-8th Avenue SW
Calgary, Alberta
Tel: (403) 232-4328
Fax: (403) 262-3325

From:

Advantage Products Inc. (the "Tenant")
c/o Mr. Jeff Keef, Associate
CITI COMMERCIAL REAL ESTATE SERVICES INC.
Suite 2020, 736-6th Avenue SW
Calgary, Alberta
T2P 3T7
Tel: (403) 519-0618
Fax: (403) 262-5557

Re: Offer to Lease for 11, 31264 Highway 2A, Didsbury, AB

ADVANTAGE PRODUCTS INC. is pleased to offer you the following terms for your Premises identified as 11, 31264 Highway 2A, Didsbury, AB

The business terms of this Offer to Lease shall be as follows:

Landlord: Robert & Wanda Stewart both as Joint Tenants with
Wade & Leanna Stewart both as Joint Tenants

Tenant: ADVANTAGE PRODUCTS INC.

Tenant

Information: Information about Advantage Products Inc. can be found at:
<http://www.advantageproductsinc.com/>
Advantage Products Inc. is in the business of designing, manufacturing and testing oil and gas related equipment.

Premises: 11, 31264 Highway 2A, Didsbury, AB
Specifically the areas identified as: the Executive Offices, Shop 1,
Shop 2, High Bay, Upstairs Offices; Storage.

Area: 10,566 Rentable Square Feet Approximately plus the Yard Area (Less yard area used by the existing Out-Building Tenant). It is understood that the Tenant shall be entitled to the use of the majority of the Yard Area.

VC 155411
July 15, 2011

Yard:

Landlord to outline on attached Schedule "A", the Yard area that will be exclusive to the Tenant and the Yard area that will be exclusive to the existing Out Building tenant.

Cold Storage Shed: The Tenant shall be permitted to place its cold storage (metal front & canvas sides) structure on a portion of the Yard. The exact make and model of this structure is the Chinook Arch Series by Norman Structures. The precise placement of this Cold Storage Shed within the Yard shall be determined by both the Landlord and the Tenant with both parties acting reasonably and during the Conditional period agreed upon in this Offer to Lease. This Cold Storage Shed measures approximately 42 feet by 69 feet. See Landlord's Work in Schedule "B."

Term:

The Lease Term shall be for Five (5) years with Commencement on Nov 1, 2011 and shall expire after exactly Five (5) years. *June 1st 2011 - 2012*

Basic Rent:

Basic Rent Free
Years 1-2: \$7.00 per rentable square foot per annum plus applicable GST.
Years 3-4: \$7.50 per rentable square foot per annum plus applicable GST.
Years 4-5: \$8.00 per rentable square foot per annum plus applicable GST.

Fixturing Period:

The Tenant shall have full and unfettered access to the Premises for purposes of Tenant Fixturing and the commencement of business operations at any time after the following items have been completed or satisfied: Offer to Lease being unconditional, Lease signed by Tenant, Deposit provided to the Landlord's Brokerage, Proof of Insurance as per the Lease provided, and separately metered utilities transferred to the Tenant's account. This Fixturing Period shall commence when the items identified in this clause are satisfied (above and herein) and shall continue until the Commencement Date agreed upon herein. The Tenant shall be responsible for obeying all Terms and Conditions in the Lease during this Fixturing Period with the exception of having to pay Basic Rent. The Tenant shall be responsible for pro-rated Property Taxes and all separately metered utilities resulting from their exclusive use of the Premises and as per the Lease. *Tenant to pay operating costs in April + May and June.*

Use:

Advantage Products Inc. (API) shall utilize the Premises for the design and manufacture, and testing of specialized equipment for the energy sector. The offices would be used for general and administrative purposes.

Air Make-Up Unit:

In the event that an Air Make-Up Unit is required, it is understood that this will be at the Tenant's sole cost and expense. However, the Tenant will be free to remove this Air Make-Up unit at its option upon vacating the Premises.

Spray Booth:

The Tenant will be installing and/or building a proper spray booth at its own cost and expense. This spray booth will be to proper City of Calgary safety and building code regulations and will require ventilation. The Tenant hereby discloses that this spray booth will likely require a roof penetration for venting. The Tenant shall be responsible for professionally repaling/closing this roof penetration either on the Termination of the Term or upon Tenant vacating the Premises.

1524711 VC
July 15, 2011

03/30/2011

Parking: It is understood that the parking in front and side of the building is available on an unreserved basis. The Tenant will generally be entitled to parking in the areas in front of its Premises. The Tenant shall be permitted to park vehicles and equipment in the Yard area.

Premises: The Premises shall be Leased to the Tenant on an "as is", "where is" basis with the exception of the work identified as Landlord's Work in the attached Schedule "B."

Operating Costs: The Tenant shall pay the Operating Costs as described in the Lease document. The Tenant agrees to be responsible for 90% of the annual Property Taxes which are attributed to the Property. This is due to the fact that the Tenant will be occupying most of the available lease space available on the Property and using the majority of the available Yard space. The other 10% of the Property Taxes shall be paid by the existing Out Building tenant. This shall be described in the Lease.

Deposit: The Tenant shall provide a Deposit equivalent to Two (2) months of Gross Rent (Basic Rent and Operating Costs plus applicable GST) to the Landlord's brokerage "in trust" within Two (2) business days of the achievement of an unconditional Offer to Lease. Approximately half of this Deposit shall be applied toward the first month of payable Gross Rent and the balance shall be held by the Landlord as a security deposit as described in the Landlord's standard form of Lease.

Landlord Condition: The Landlord shall have Six (6) business days to provide written senior management approval for this transaction. This Six (6) business day period shall commence on the first business day following the achievement of a conditional Offer to Lease. Upon written request, the Tenant shall provide financial or credit information as may reasonably be requested by the Landlord in order to reach satisfaction with Tenant covenant. This information shall be provided within Two (2) business days of it being requested.

Tenant Condition: The Tenant shall have Six (6) business days to obtain written Senior Management approval for this transaction. This Six (6) business day period shall commence on the first business day following the achievement of a conditional Offer to Lease. Satisfaction of these Tenant Conditions to be at the sole discretion of the Tenant. The Tenant may require reasonable access to the Premises for purposes of determining its shop layout.

Power: The Landlord shall ensure that the Tenant will have full access to a minimum of 800-amps of 3 Phase power within the Premises for the duration of the Term or any renewal thereof.

Mountain View County: The Landlord at its cost and expense shall be responsible for providing any site or Building information (including but not limited to Site Plans/Real Property Report) which may be required by Mountain View County (or any applicable authority) prior to providing the Tenant with the proper occupancy permit. The Landlord shall provide this information promptly upon request by Tenant. If the proper authority does not grant the Tenant the required permits (despite the Tenant's commercially reasonable efforts) then any Deposits provided shall be returned to the Tenant.

[Handwritten signature]
July 15, 2011

[Handwritten signature]
VC
07/30/2011

Lease Document: The Landlord and Tenant, both parties acting reasonably, shall reach mutual agreement with respect to the Landlord's Lease within Ten (10) business days after the achievement of an unconditional Offer to Lease. The Landlord shall provide a copy of its standard Lease template within two business days of achieving a conditional leasing transaction for Tenant review.

Signage: The Tenant shall be permitted to have building standard signage at its own cost and expense and in compliance with any municipal signage by-laws. Signage must be met with the reasonable approval of the Landlord.

Severability: If any provision of this Offer to Lease is illegal or unenforceable it shall be considered severable from the remaining provisions of this Offer to Lease, which shall remain in force.

Subletting: The Tenant shall have the right to sublet the Premises, or any portion thereof with the Landlord's approval and consent not to be unreasonably withheld.

Agency Disclosure: The Tenant is being represented by Jeff Keel of CITI COMMERCIAL REAL ESTATE SERVICES INC. in this Lease transaction. The Landlord is being represented by Avison Young Commercial Real Estate (Alberta) in this Lease transaction. CITI COMMERCIAL Real Estate Services Inc. and Avison Young hereby recommend that their respective clients obtain legal representation to review the documentation prior to signing or waiving conditions.

Real Estate Commission:

The Landlord agrees to pay all real estate fees that result from the successful completion of this Lease transaction. The real estate fee payable to CITI COMMERCIAL Real Estate Services Inc. shall be due and payable upon the Tenant signing the Lease/paying the Deposit and taking possession of the Premises. CITI COMMERCIAL shall be entitled to a real estate fee equivalent to 2.5% of the Net Rent over the first five (5) years of the Term plus GST. No fee shall be payable on any Term in excess of Five (5) years.

Option to Renew: Subject to the Tenant not being in default of the Lease and provided the Tenant pays the Basic Rent and Operating Costs as and when due and punctually observes and performs all of the terms, covenants and conditions contained in the Lease, the Tenant shall have the Option to Renew its lease for One (1) further term of a minimum of Three (3) years and up to a maximum of Five (5) Years, subject to and in accordance with the Lease. The Tenant shall exercise this Option to Renew by written notice to the Landlord of not more than Six (6) Months and not less than Four (4) Months prior to Lease expiry. The Basic Rent for the renewal period shall be negotiated at time of Renewal and be based on the prevailing market rental rate at that time. In the event that the Landlord and Tenant are unable to agree on a renewal rate for the Basic Rent for purposes of a renewal then the matter shall be resolved by way of an Arbitrator as per the Arbitration Act of Alberta with both parties acting reasonably. ~~Note: If at any time during the currency of the Lease, the Tenant leases the Out Building, then this Option to Renew shall apply to that as well.~~

15 July 11 VC
July 15, 2011

15 July 11 VC
03/08/2011

**Option to Lease -
Out Building:**

It is understood that the Out Building is leased on a month to month basis. Prior to the Landlord committing to a term based lease with the existing month to month tenant (or any other tenant), the Tenant shall have the first right of refusal for a new lease on the Out Building. In the event that the Out Building tenant continues on a month to month basis, then the Tenant shall have the right, on providing a minimum of Three (3) months written notice to the Landlord, to expand into the Out Building. The terms and conditions of the Lease agreement to be negotiated at the time the Tenant makes an Offer for the Out Building. In any event, no additional term or renewal option shall be granted to an Out Building tenant at any time during the Lease without the Tenant having the first option of expansion into the Out Building.

Right to Purchase:

In the event that at any time(s) during the course of this Lease Term or any renewal thereof, the Landlord receives a legitimate and bona fide Offer to Purchase for the Property (comprising the Buildings and Land) commonly known as 11, 31264 Highway 2A, Didsbury, AB (Title Number 071 433 689) then the Tenant shall have the right to submit its own Offer to Purchase for the Property. The Landlord agrees to give the Tenant reasonable opportunity to submit an Offer to Purchase prior to completing a sale with another prospective purchaser.

Additionally, the Tenant shall be free to submit an Offer to Purchase at anytime during the Term or renewal of the Term. Failure to complete a successful transaction under this scenario shall not negate the fact that Landlord will inform Tenant of other Offers to Purchase as described above and herein.

In the event the Landlord decides to sell the property the tenant shall be given the first right to offer.

Covered Outdoor
Area in out Building:

Tenant to have use
(for storage purposes) of
covered outdoor storage area
at back of out Building.
No extra cost.

VC
July 15, 2011

VC
09/30/2011

Execution by
Facsimile:

The Landlord and the Tenant agree that the execution of this Offer to Lease by
facsimile transmission is acceptable and shall be binding on the two parties and if
the documents transmitted were original executed documents.

Acceptance:

This Offer to Lease is open for your acceptance until 5:00 pm Calgary time, March 31st, 2011 and if
not accepted by then this Offer to Lease shall become null and void and of no further force and effect.

ADVANTAGE PRODUCTS INC. (the "Tenant")

Per: Vincent L. Lohy
(Authorized Signatory)

March 30, 2011
Date

The undersigned hereby accepts the terms of this Offer to Lease referenced above.

Robert and Wanda Stewart (the "Landlord")

Per: _____
(Authorized Signatory)

Date

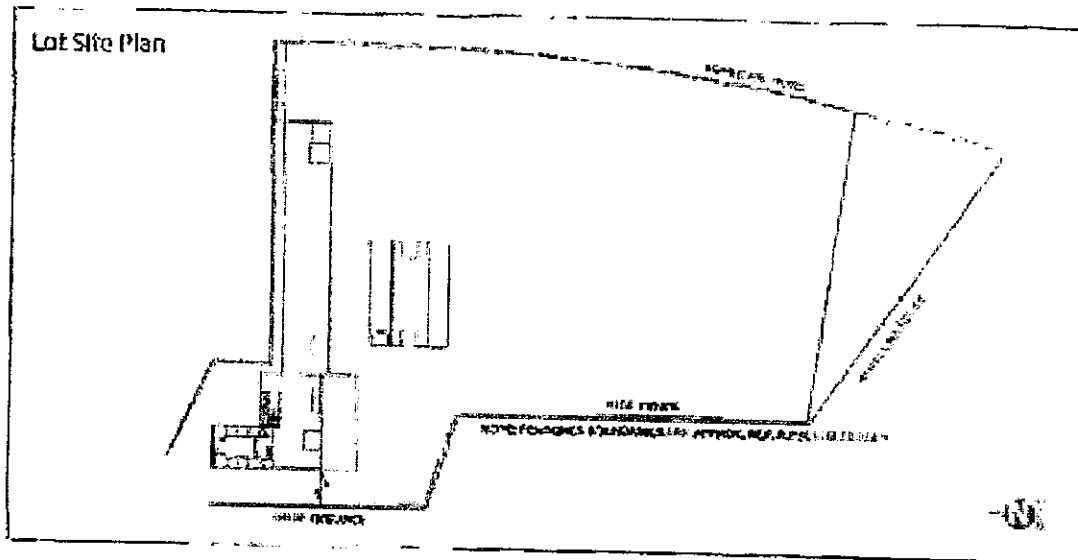
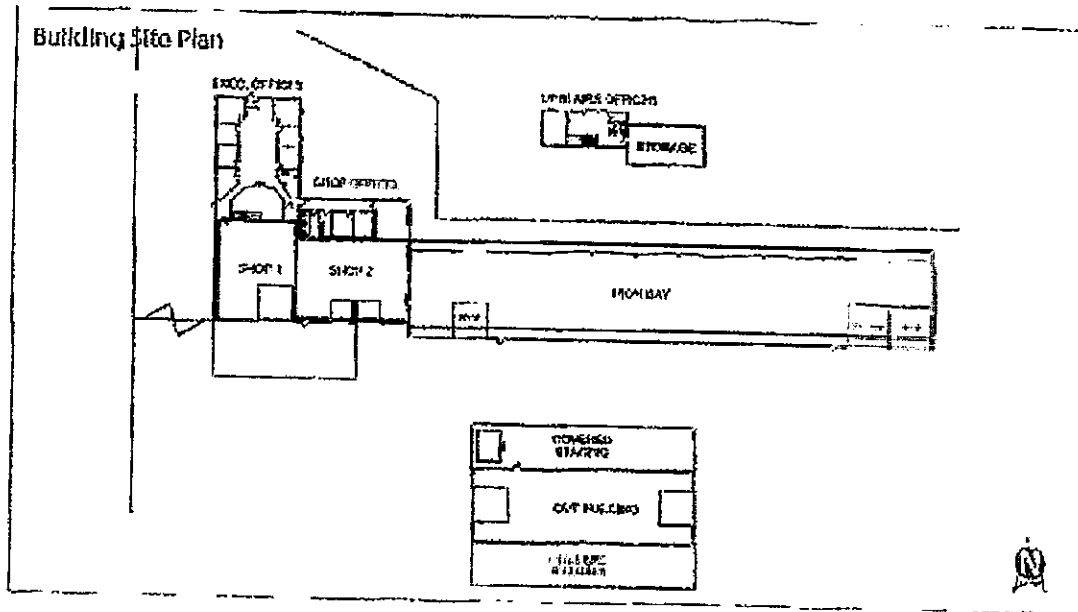
Wade and Leanna Stewart (the "Landlord")

Per: Wade Stewart
(Authorized Signatory)

3/31/11
Date

Wade Stewart
July 15, 2011

Schedule "A"



7
VE 5/14/11
July 15, 2011

VE
02/20/2011

11. Landlord to provide separate access to
the 22 units level

Schedule "B"
LANDLORD'S WORK

The Landlord at its sole cost and expense shall provide and perform the following improvements to the Leased Premises as described below. Excepting those items shown as Landlord's Work, it is hereby agreed that the Leased Premises are leased on an "as is, where is" basis and there are no representations or warranties concerning the Leased Premises except as contained in this Offer to Lease and the Lease Document.

1. The Landlord shall ensure that the loading doors, heating, ventilation, air conditioning (HVAC), electrical, bathrooms, sinks, and mechanical fixtures and systems are in good working order for the Commencement of the Term.
2. The Landlord shall ensure all existing lights and light ballasts are in good working order prior to the Commencement Date. This includes lighting in both the office and warehouse portions of the Premises.
3. The Landlord shall ensure that the Premises have no less than 300 amp 120/208V 3-phase electrical service.
4. The Landlord shall ensure that high speed internet access is available within the Premises.
(Note: tenants have used high speed internet)
5. The Landlord confirms that the Out-Building tenant is responsible for payment of its own utilities. The Tenant wants to ensure that it is not subsidizing utilities of the Out-Building tenant. (to be discussed)

6. Floor-to-be-level (some leveling will be required) and smooth (there can be no cracks, chips or holes) in Shop 1 and Shop 2. This would be done with an epoxy or a water based acrylic and may require some grinding and smoothing. Note: Landlord can talk directly with Tenant to receive a better description of this work. A quote was obtained from a company called High Tech Structural for an amount of \$20,000.00.

7. Overhead door to be installed (where it is believed one was previously located) to separate the High Bay with the Shop Bays. This is to help ensure that the Shop Bays are a dust free environment. Size and location to be determined.

8. The Landlord shall install a window in both Shop Bay 1 and Shop Bay 2 with each window being approximately 4 feet by 6 feet (or as otherwise agreed between the Landlord and Tenant both parties acting reasonably). The purpose of installing these windows is to create natural light for the shop employees.

9. The Landlord shall ensure that the ground is level and built up (with gravel and fill) such that the Tenant can place its Norseman Chinook Arch Series Cokt Storage Structure in the Yard (and in the building agreed upon). Landlord can talk directly with the Tenant to discuss site preparations in detail and directly with the Tenant.

10. The Landlord shall be responsible for certifying and maintaining all of the existing cranes prior to May 1st, 2011 (or as promptly as possible). The Tenant shall be responsible for repairing and maintaining the cranes throughout the Term and shall provide the Cranes to the Landlord at expiration of the Term in good condition and with current stamp of certification. (to be discussed)

LL to ensure actual crane requirements with tenant.
Landlord to certify and repair cranes up to a maximum amount of \$7,500.00 plus gst.
Tenant responsible for amount in excess of this.

\$5,000.00

clearview in the doors

SA
03/30/2011

9/15/2011

Schedule A Continued:

TENANT'S WORK

1. All improvements to the Leased Premises in excess of the Landlord's Work and with the Landlord's reasonable approval.
2. Any changes desired by the Tenant to the Landlord's Work are subject to the Landlord's reasonable approval and shall be deemed Tenant's Work.
3. No construction work shall be undertaken or commenced by the Tenant in Building until:
 - (a) All permits necessary for the installation of Tenant improvements and approval shall be obtained by Tenant from applicable municipal and other government departments, prior to the commencement of the installation by Subtenant, and copies provided to the Landlord.
 - (b) The Tenant will provide proper documentation to the Landlord verifying that the Tenant has made provisions for payment in full of all costs of the Subtenant's Work.

The Landlord acknowledges. The tenant intends to erect ^a temporary structure, and may elect to trench power to the structure.

VC 1556411
July 15, 2011

VC 1556411

Commercial Lease Renewal

FROM: Advantage Products Inc.

DATE: 13 March 2016

TO: Robert & Wanda Stewart and Wade & Leanna Stewart

RE: *Renewal of Lease*

This is to notify you that with reference to the LEASE BETWEEN

ROBERT & WANDA STEWART and WADE & LEANNA STEWART

LANDLORD

AND

ADVANTAGE PRODUCTS INC.

TENANT

dated 01 June 2011, we are exercising the option to renew the lease of

(date)

Municipal Address

11-31264 - Hwy 2A

for a further term of 5 (FIVE) years, from 01 June 2016 to 30 May 2021 with lease rate adjustments as listed below as stated in years 6 through 10.

<u>TERM</u>	<u>PER MONTH (plus GST)</u>	<u>PER ANNUM (plus GST)</u>
Year 6	\$15,551.46	\$186,617.50
Year 7	\$16,496.25	\$197,995.00
Year 8	\$18,329.17	\$219,950.00
Year 9	\$20,162.08	\$241,945.00
Year 10	\$21,078.54	\$252,942.50

Included in the renewal is the further option to renew as per existing lease Section 4.8.

In addition, the Landlord will accept monthly lease payments to be paid in two equal payments

WAD
19 APR 2016

on or before the 1st and 15th day of each month for first 12 months of the renewal. The lease payment with return to being paid in full on or before the first day of each month beginning 01 June 2017.

It is understood a portion of existing operating costs will be deferred and continue to be reconciled and adjusted as required thru-out the duration of lease.

Signatures for Renewal:


Landlord:

Date:

 WADE STEWART
APRIL 16

Tenant:

Date:

 L. P. TESSIER DIRECTOR
APRIL 19, 2016

INVOICE

Robert & Wanda Stewart and Wade & Leanna Stewart
Landlord Partnership to API as Tenant

DATE: May 31, 2018

INVOICE # 22019

RR 2, Box 2, Site 11
Didsbury, AB T0M 0W0
403-651-2270 Robert or 403-862-2984 (Wade)

BILL TO: API Advantage Products Inc.
c/o RECEIVERS
11, 31264 Highway 2A
Didsbury, AB

Landlord Surviving Lease interest/Cost. Ref: Lease Para 11.1a., 11.1b & 15.10 & 15.14

DESCRIPTION	AMOUNT
Landlord Lease interest/Cost WhereAs:	\$ 1,101,289.25
1- Base Rent is on Inclinded Rate. Ref The Lease, Intent to Lease & Lease Extension.	
2- Addiotnal Rent adjusted at same dates of Rent rate increases. Ref The Lease & Extension	
3- All Rent is to be Entirely Net to the Landlord.	
SUBTOTAL	\$ 1,101,289.25
TAX RATE	5.00%
Make all checks payable to Robert Stewart and Wade Stewart If you have any questions concerning this invoice, Contact Robert at (403)651-2270 or Wade at (403)862-2984	
SALES TAX	\$ 55,064.46
OTHER	\$ -
THANK YOU FOR YOUR BUSINESS!	
TOTAL	\$ 1,156,353.71

INVOICE

Robert & Wanda Stewart and Wade & Leanna Stewart
Landlord Partnership to API as Tenant

DATE: March 19, 2018

INVOICE # 22020

BILL TO: API Advantage Products Inc.

RR 2, Box 2, Site 11
Didsbury, AB T0M 0W0
403-651-2270 Robert or 403-862-2984 (Wade)

c/o RECEIVERS
11, 31264 Highway 2A
Didsbury, AB

API Default of Repairs & "Deferred" Maintenance. Ref Lease 6.3 & Sched "B".

DESCRIPTION	AMOUNT
Shop Floors Epoxy Repair/Refinish- as per Lease Sched"E" Quoted Cost Of Work.	20,000
OverHead Cranes Repairs as Required.	23,500
Boiler & Hydronic System. Repair/Replace Gycol. Including Main Building Boiler, Shops&Offices Zones, Outbuilding Boiler &zones.	4,600
Office& Shop Office Marmolium Floor Covering Repair/refinish/restorations.	3,500
Inspections &Resolutions of Fire Prevention, Supporting Structure, Roof Inspec, Elec Equipment.	5,100
OverHead Doors Repairs & Service.	3,250
HVAC System Duct, Diffuser & System Check& Clean.Including Ventilation Circ Fans.	1,350
Admin 10% Fee Per Lease Para6.3.	6,130
SUBTOTAL	67,430
TAX RATE	5.00%
SALES TAX	3,371.5
OTHER	0%
TOTAL	70,801.5

Make all checks payable to Robert Stewart and Wade Stewart

If you have any questions concerning this invoice, Contact Robert at (403)651-2270 or Wade at (403)862-2984

THANK YOU FOR IMMEDIATE PAYMENT

INVOICE

Robert & Wanda Stewart and Wade & Leanna Stewart
Landlord Partnership to API as Tenant

DATE: March 19, 2018

INVOICE # 22022

BILL TO: API Advantage Products Inc.

c/o RECEIVERS
11, 31264 Highway 2A
Didsbury, AB

RR 2, Box 2, Site 11
Didsbury, AB T0M 0W0
403-651-2270 Robert or 403-862-2984 (Wade)

API Default- Environmental/HazMat Disclosure. Per Lease Para 8.5.

[illegible]

INVOICE

Robert & Wanda Stewart and Wade & Leanna Stewart
Landlord Partnership to API as Tenant

DATE: March 19, 2018

INVOICE # 22023

BILL TO: API Advantage Products Inc.

RR 2, Box 2, Site 11
Didsbury, AB T0M 0W0
403-651-2270 Robert or 403-862-2984 (Wade)

c/o RECEIVERS
11, 31264 Highway 2A
Didsbury, AB

API Default, Property Damage, Repairs/Restorations, Restitution and Costs of Abandonment.

DESCRIPTION	AMOUNT
Mez Bathroom TI. R&R and Restore as required.	3,500
Mez Kitchenette/Lunchroom. Restore as Required.	1,500
Shop Lunchroom R&R and Restore Janitorial as required.	3,500
HighBay "Compressor Station" R&R and Restore as required.	2,000
Industrial Shops & High Bays Commercial Facility Clean.	22,000
Offices Interior Walls Repair/repaint. TBD	5,000
Facility Mtx- Light Duty Janitorial Including Windows...TBD	5,000
Facility Mtx- Heavy Duty Including Mechanicals....TBD	5,000
Building Repairs....TBD	5,000
Admin Fee 10%.	5,250
SUBTOTAL	57,750
TAX RATE	5.00%
SALES TAX	2,887.5
OTHER	0%
TOTAL	60,637.5

Make all checks payable to Robert Stewart and Wade Stewart

If you have any questions concerning this invoice, Contact Robert at (403)651-2270
or Wade at (403)862-2984

THANK YOU FOR IMMEDIATE PAYMENT

From: Landlord Partnership R&W Stewart and W&L Stewart
To: A&M Canada ULC as Occupants @ 11, 31264 Highway 2A,
Mountain View, AB (East Didsbury Industrial)

RR 2, Box 2, Site 11
Didsbury, AB T0M 0W0
403-661-2270 Robert or 403-862-2984 (Wade)

Landlord / A&M Industrial Occupancy Requested & Incurred Costs FEBUARY Occupancy

DATE: April 13, 2018

INVOICE # 22024

BILL TO:

A&M as Occupants
c/o David Williams
11, 31264 Highway 2A
East Didsbury Industrial, AB

DESCRIPTION	AMOUNT
Landlord/Occupant Requests/Requirements of A&M as Building & Property Occupants Including: Overhead Crane Services&Certs. Emergency Gas-line Repairs. Building Maintenance Pest Control Monthl Rentals Ref: Stellar Services Inv#1828	\$ 5,401.69
Landlord Admin Fee 10%	\$ 540.00
SUBTOTAL	\$ 5,941.69
TAX RATE	5.00%
SALES TAX	\$ 297.08
OTHER	\$ -
TOTAL	\$ 6,238.77

Terms: Due on Receipt. Make all checks payable to Robert Stewart and/or Wade Stewart
 If you have any questions concerning this invoice, Contact Robert at (403)651-2270 or Wade at (403)862-2984

THANK YOU FOR YOUR BUSINESS!

INVOICE

From: Landlord Partnership R&W Stewart and W&L Stewart
To: A&M Canada ULC as Occupants @ 11, 31264 Highway 2A,
Mountain View, AB (East Didsbury Industrial)

RR 2, Box 2, Site 11
Didsbury, AB T0M 0W0
403-651-2270 Robert or 403-862-2984 (Wade)

DATE: May 31, 2018

INVOICE # 22025

BILL TO: A&M as Occupants
c/o David Williams
11, 31264 Highway 2A
East Didsbury Industrial, AB

Landlord / A&M Industrial Occupancy Requested Repairs

DESCRIPTION	AMOUNT
Occupant Emergency Work: Occupant Call Out: (Auctioneer) "Shop Bathrooms Flooding From Ceiling" - Troubleshoot and Rectify. Infloor heat and boiler system over pressure/over temp. Shut down and stabilize. Mitigate flood damages. Extraction of Glycol through out mechanical and bathroom areas. Dehumidify, circulation fans for drying. Minor drywall repairs as required. Clean up. Apr 30, May 1. 8:30 - 4:30 x 2 guys. Plus \$125 Call Out Fee	\$ 1,165.00
Occupant Call Out: Auctioneer. "Flooding". Water extraction and clean up with air movers. Troubleshoot and rectify. Hot water tank replacement. Supply and install. Supply lines hot and cold. Flex lines and shut off valves. Plumbing repairs, copper 1" x 1" x 1/2". \$975 in materials plus \$125 call out fee. 2 hrs to install. May 10, 2018	\$ 1,230.00
Mechanical Room Drain Pan Repair: Drain assembly repair and replacement. Drain pan seams degreased and resealed. May 1, 2018. (2 guys) 8:30 - 4:30 pm. + \$95 in materials	\$ 1,135.00
Occupant call Out: "No Water". Trouble shoot and rectify. Confirm well pump and accumulator. Isolate leaking amenities including toilets. Reconfirm well water supply. (10 am - 3 pm) Accumulator pressure tank serviceable and water turned on to building. 2 hrs @ \$65/hr + \$125 service call. Note: Occupants onsite aware of condition.	\$ 255.00
10% Admin Fee	\$ 378.50
SUBTOTAL	\$ 4,163.50
TAX RATE	5.00%
SALES TAX	\$ 208.18
OTHER	\$
TOTAL	\$ 4,371.68

Terms: Due on Receipt. Make all checks payable to Robert Stewart and/or Wade Stewart

If you have any questions concerning this invoice, Contact Robert at (403)651-2270 or Wade at (403)862-2984

THANK YOU FOR YOUR BUSINESS!

INVOICE

From: Landlord Partnership R&W Stewart and W&L Stewart
To: A&M Canada ULC as Occupants @ 11, 31264 Highway 2A,
Mountain View, AB (East Didsbury Industrial)

RR 2, Box 2, Site 11
 Didsbury, AB T0M 0W0
 403-651-2270 Robert or 403-862-2984 (Wade)

DATE: May 31, 2018

INVOICE # 22026

BILL TO: A&M as Occupants
 c/o David Williams
 11, 31264 Highway 2A
 East Didsbury Industrial, AB

Landlord / A&M Industrial Occupancy Repairs April & May 2018

DESCRIPTION	AMOUNT
Building & Property Repairs: Electrical restoration and repairs. Repaired main and sub panels. Mechanical systems for all buildings. Main services to main building. Relabelling of circuits/circuit tracing. Through out all shops, offices and outbuildings.	\$ 3,097.50
Building & Property Repairs: Including ceiling repairs, drywall repairs, Insulation vapour barrier, ducting support. Repair and reinstallation of vent covers. Spray foam around ducts. Seal ducting. 48.25 manhours.	\$ 3,136.25
Building & Property Repairs: Outbuilding repairs, cladding and hardware. Wall repair commencement in Big Shop. Relocate metal racks for access and interior walls repaired as required. 23.5 manhours.	\$ 1,527.50
Building & Property Repairs: Including mechanical room flooring prepped and painted, washrooms repaired and mudded, front office, bull pen, board room, mezzanine and shop offices. 218 manhours + \$908.13 in supplies.	\$ 15,078.13
Building & Property Repairs: Including clean up of boiler mess in bathroom. Locate water main outside, Reseal and screw boiler seams. Install new drains, fix taps and shut off valves as required. 39.5 manhours + \$908.90 materials	\$ 3,476.40
Building & Property Repairs: Assistance in boiler mess clean up, Outbuilding repairs assistance, Electrical sub contractor overview. Wall repair assistance in big shop. 50.75 manhours @ \$85	\$ 4,313.75
10% Admin Fee	\$ 3,062.95
SUBTOTAL	\$ 33,692.48
TAX RATE	5.00%
SALES TAX	\$ 1,684.62
OTHER	\$ -
TOTAL	\$ 35,377.10

Terms: Due on Reciept. Make all checks payable to Robert Stewart and/or Wade Stewart

If you have any questions concerning this invoice, Contact Robert at (403)651-2270 or Wade at (403)862-2984

THANK YOU FOR YOUR BUSINESS!

INVOICE

From: Landlord Partnership R&W Stewart and W&L Stewart
To: A&M Canada ULC as Occupants @ 11, 31264 Highway 2A,
Mountain View, AB (East Didsbury Industrial)

RR 2, Box 2, Site 11
Didsbury, AB T0M 0W0
403-651-2270 Robert or 403-862-2984 (Wade)

DATE: May 31, 2018

INVOICE # 22027

BILL TO: A&M as Occupants
attn Orest c/o David Williams
11, 31264 Highway 2A
East Didsbury Industrial, AB

Landlord / A&M Industrial Accepted & Revised Occupancy Rate

DESCRIPTION	AMOUNT
Occupancy Rent Rate per Month Whereas: 1- Landlord is agreeable and accepting of Reciever, as Occupant of the Premise on a Month-Month Basis, giving option to Renew by written notice to Landlord of not more than twelve(12) and NOT LESS THAN SIX (6) Months prior to end of Occupancy or Receivrsnip Processes, and/or expiry of 2- Calculated from \$21,078.54 Rate of Last Month of the Term + 125% Overhoiding Monthly with no rent agreement in place + \$8,522.93 Existing (non-adjusted) Additional Rent + Tax	\$ 34,871.11

3- Rent to be Entirely NET to the Landlord.

4- Occupancy Rate to be reconciled AND retroactive for all Occupnacy Rents owed Landlord to date. Reciever and Landlord have been accepting of partial Occupancy Rent Payments to be reconciled immeditely.

5-

SUBTOTAL	\$ 34,871.11
TAX RATE	5.00%
SALES TAX	\$ 1,743.56
OTHER	\$ -
TOTAL	\$ 36,614.67

Terms: Due on Reciept. Make all checks payable to Robert Stewart and/or Wade Stewart
If you have any questions concerning this invoice, Contact Robert at (403)651-2270 or Wade at (403)862-2984

THANK YOU FOR YOUR BUSINESS!

APPENDIX "B"

NOTICE OF REVISION

COURT FILE NUMBER **1801-01297**

COURT Court of Queen's Bench of Alberta

JUDICIAL CENTRE Calgary

IN THE MATTER OF THE RECEIVERSHIP OF ADVANTAGE PRODUCTS INC.

PLAINTIFF **HSBC BANK CANADA**

DEFENDANTS **ADVANTAGE PRODUCTS INC. and JAMES WEBER**

DOCUMENT **CLAIMS PROCESS ORDER**

NOTICE OF REVISION

Name of Creditor: Robert Stewart et al. ("**Stewart**")

Pursuant to the Claims Process Order made herein on May 2, 2018, Alvarez & Marsal Canada Inc. (the "**Receiver**"), on behalf of Advantage Products Inc. (the "**Company**"), gives you notice that your Proof of Claim has been reviewed and the Receiver has revised your Claim for the following reasons:

The Receiver revises Stewart's Claim from \$1,399,269.93 to \$863,324.41. The reasons for, and breakdown of, the revision to the Claim are set out in the chart below:

Invoice #	Date of Invoice	Filed \$	Accepted \$	Disallowed \$	Dissallowance or Revision	Receiver's Comment
22027	31-May-18	\$ 36,614.67	\$ -	\$ 36,614.67	Disallowed	This Invoice relates to amounts arising after the date of the Receivership and, therefore, the amounts claimed do not constitute "Claims" pursuant to the Claims Process Order. In any event, the Receiver has paid occupation rent at the same rates as were paid by the Company prior to the date of the Receivership and will not be paying any other amounts.
22026	31-May-18	\$ 35,377.10	\$ 35,377.10	\$ -	Accepted as a pre-Receivership Claim	The Receiver did not request or authorize any of this work to be completed and will not be paying this Invoice as a post-Receivership obligation of the Company. The Claim is Accepted as a pre-Receivership Claim against the Company.
22025	31-May-18	\$ 4,371.68	\$ -	\$ 4,371.68	Disallowed	This Invoice relates to amounts arising after the date of the Receivership and, therefore, the amounts claimed do not constitute "Claims" pursuant to the Claims Process Order. However, the Receiver did request and authorize this work and will be paying this Invoice, less the included 10% administrative charge as the Receiver did not agree to this charge, as a post-Receivership obligation of the Company.
22024	13-Apr-18	\$ 6,238.77	\$ -	\$ 6,238.77	Disallowed	This Invoice relates to amounts arising after the date of the Receivership and, therefore, the amounts claimed do not constitute "Claims" pursuant to the Claims Process Order. However, the Receiver did request and authorize this work and will be paying this Invoice, less the included 10% administrative charge as the Receiver did not agree to this charge, as a post-Receivership obligation of the Company.
22023	19-Mar-18	\$ 60,637.50	\$ 60,637.50	\$ -	Accepted as a pre-Receivership Claim	Accepted as a pre-Receivership claim against the Company.
22022	19-Mar-18	\$ 28,875.00	\$ -	\$ 28,875.00	Disallowed	The Company is not responsible for the costs associated with this Invoice.
22020	19-Mar-18	\$ 70,801.50	\$ 70,801.50	\$ -	Accepted as a pre-Receivership Claim	Accepted as a pre-Receivership claim against the Company.
22019	31-May-18	\$ 1,156,353.71	\$ 696,508.31	\$ 459,845.40	Revised as a pre-Receivership Claim	Pursuant to a Commercial Lease Renewal dated March 13, 2016, the Company's future lease payments are as follows: Year 8 11 Payments of \$18,329.17 Totalling \$201,620.87 Year 9 12 Payments of \$20,162.08 Totalling \$241,945.96 Year 10 12 Payments of \$21,078.54 Totalling \$252,942.48
TOTAL		\$ 1,399,269.93	\$ 863,324.41	\$ 535,945.52		

If you wish to object to the Notice of Revision, you must, by July 2, 2018, deliver a Notice of Dispute to the address below:

Alvarez & Marsal Canada Inc.
Bow Valley Square IV
Suite 1110, 250 - 6th Avenue SW
Calgary, AB T2P 3H7

Attention: David Williams
Phone: (403) 538-7555
Email: david.williams@alvarezandmarsal.com

DATED this 15th day of June, 2018.

ALVAREZ & MARSAL CANADA INC.

In its capacity as Court-appointed Receiver
of the Company and not in its personal capacity

A handwritten signature in black ink, appearing to be 'Orest Konowalchuk', written in a cursive style.

Per:

Name: Orest Konowalchuk

Title: Senior Vice-President

APPENDIX "C"

Olds Office
1, 5401 - 49 Avenue
Olds, AB T4H 1G3
Phone (403) 556-8955
Fax: (403) 556-8895
www.mhrlaw.ca

Innisfail Office
26, 4804 - 42 Avenue
Eastgate Centre
Innisfail, AB T4G 1T4
Phone: (403) 227-1236
Fax: (403) 227-1490
www.mhrlaw.ca



Didsbury Office
Box 2676, 1802 - 20 Street
Didsbury, AB T0M 0W0
Phone: (403) 335-2231
Fax: (403) 335-2230
www.mhrlaw.ca

Sundre Office
200 Main Avenue W
Sundre Plaza
Sundre, AB (no mail)
Phone: (403) 556-8955
Fax: (403) 556-8895
www.mhrlaw.ca

Our File Reference: 15060001
Your File Reference:

Lawyer: Daniel C. Harder
Email address: danh@mhrlaw.ca

Paralegal: Cheryl Craig
Email address: cheryl@mhrlaw.ca

PLEASE REPLY TO DIDSBURY OFFICE

July 5, 2018

VIA EMAIL: david.williams@alvarezandamarsal.com

Alvarez & Marsal Canada Inc.
1110, 250 - 6 Avenue SW
Calgary, Alberta T2P 3H7

Attention: David Williams

Dear Sir:

**RE: HSBC Bank Canada v Advantage Products Inc. and James Weber
Action No. 1801-01297**

Objection to Notice of Revision:

1. Invoice #22019 - The Landlord objects to the disallowed portion of rent as the Commercial Lease Agreement between the parties requires the Tenant to pay "Additional Rent" which when combined with the base rent amounts to \$1,156,353.71, the amount claimed by the Landlord.
2. Invoice #22022 - The Landlord objects to disallowing the claim for environmental cleanup. Wade Stewart has on July 5, 2018, the day he was allowed on site to inspect, taken photographs of surface staining. In order to allow the time necessary to investigate and reclaim those areas that are stained an amount should be retained in trust to address that concern. The funds not used to investigate and address the environmental concerns would be retained by the Receiver. The amount proposed is \$25,000.
3. Invoice # 22026 - The Landlord understood that the work performed as reflected in that invoice was at the request of the Receiver and as such should be paid by the Receiver in similar fashion to Invoice #s 22024, 22025 and 22027.
4. Invoice #22027 - The Landlord has not yet been authorized to return to and take possession of the property. In light of that there is occupation rent outstanding for June and July.

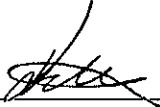
5. Wade Stewart reports that there are a number of items that remain on site. If those items remain after possession is returned to the landlord there will be additional cleanup and disposal costs. An amount to address that additional expense should be held in trust to address those expenses.
6. The Landlord objects to the reduction in invoices #22024 and #22025 by the administration costs of the Landlord.
7. The Landlord requests confirmation of the amount received for Landlord Items sold at auction.

If you have additional questions regarding the objections please contact me.

Sincerely,

MHR LAW LLP

Per:


Daniel C. Harder

/clc

cc: client

APPENDIX "D"

Mihai Tomos

From: Mihai Tomos
Sent: August-22-18 11:56 AM
To: danh@mhrllaw.ca
Cc: Travis Lysak; Konowalchuk, Orest; Krol, Bryan
Subject: HSBC Bank Canada v Advantage Products Inc. et al
Attachments: 2018-07-05-ltr-to-Alvarez-and-Marsal-Notice-of-Objection.pdf; API landlord lots.xlsx

Hi Dan,

Further to your letter dated July 5, 2018 and various correspondence since then, we were hoping to receive clarification from you as to which items raised in your letter were still "live" issues in the mind of your client. Given the file is nearing its completion, we thought it best to simply respond to the letter at this time.

The Receiver is of the view that items 1, 2, 3, 5, and 6 have been concluded and will not be further addressing them. The onus is on your client to take any further steps with respect to these items if it does not agree with the Receiver's position.

With respect to Item 4, the Receiver will, as part of its final distribution, make a payment to your client for all June rent and a *pro rata* portion of July rent to July 5th.

With respect to Item 7, as per the attached spreadsheet, the sum of \$27,063 was received at auction for items which the landlord claims ownership of. The Receiver has received no evidence from the landlord to support its ownership claim. If, prior to distributions being made on this file, which we anticipate will occur in approximately 30-45 days from now, the landlord is able to provide proof of ownership respecting these items, the sale proceeds will be paid to your client as part of the final distribution. If this evidence is not received by the Receiver, the auction proceeds will be bundled with all other auction proceeds and distributed to all unsecured creditors as part of the general distribution.

The Receiver will also be paying your client its invoices #22024 and 22025 as part of its final distribution.

We trust the foregoing is in order. If you wish to discuss any of this, please give us a call.

Best,
Mihai

 **Mihai Tomos**
ASSOCIATE

FASKEN

Fasken Martineau DuMoulin LLP
T. +1 587 233 4107 | F. +1 403 261 5351
mtomos@fasken.com | www.fasken.com/en/Mihai-Tomos
350 7th Avenue SW, Suite 3400, Calgary, Alberta T2P 3N9

APPENDIX "E"

Mihai Tomos

From: Mihai Tomos
Sent: September-05-18 2:09 PM
To: Dan Harder
Cc: Travis Lysak; 'Konowalchuk, Orest'; Krol, Bryan
Subject: RE: HSBC Bank Canada v Advantage Products Inc. ("API") et al
Attachments: 92638309_v(1)_Proof of Ownership Form - Robert Stewart et al.DOCX

Hi Dan,

Further to our call on August 24, 2018, please see below the issues that you raised and the Receiver's position with respect to each issue:

1. Rent

a. Pre-receivership Rent

You indicated that your clients' calculations with respect to this portion of their claim did not match the Receiver's. The Receiver accepted \$696,508.30 as a pre-receivership claim for the pre-receivership rent owing by API to your clients. The Notice of Revision sets out in detail how the Receiver arrived at this amount. We note the Notice of Revision was not appealed pursuant to the Claims Process.

b. June and July Rent

As discussed, the Receiver will only be paying rent up to July 5th, which is the last day of the Receiver's occupancy.

2. Invoice #22022 (Environmental Cleanup Costs)

The Receiver confirms that it did not cause any environmental damage to the property and, as such, will not be accepting this claim. We also note the Notice of Revision was not appealed pursuant to the Claims Process.

3. Invoice #22026

This invoice relates to work that the receiver never requested or consented to. Notwithstanding, the Receiver accepted this as a pre-filing claim against API. We also note the Notice of Revision was not appealed pursuant to the Claims Process.

4. Ownership of equipment that was auctioned off and proof thereof

You indicated that your clients are in the process of compiling their proof of ownership with respect to these assets. Your clients should provide the Receiver with their best evidence of ownership respecting these assets and the Receiver will assess the ownership claim based on the evidence provided to it. To this end, we attach a Proof of Ownership form to be completed and submitted by your clients to the Receiver. Given, as we have previously advised, that this receivership will be winding down soon, please provide the foregoing by September 21, 2018.

Best regards,
Mihai

 Mihai Tomos
ASSOCIATE

FASKEN

Fasken Martineau DuMoulin LLP
T. +1 587 233 4107 | F. +1 403 261 5351
mtomos@fasken.com | www.fasken.com/en/Mihai-Tomos
350 7th Avenue SW, Suite 3400, Calgary, Alberta T2P 3N9

From: Dan Harder [<mailto:danh@mhrlaw.ca>]
Sent: August-22-18 1:03 PM
To: Mihai Tomos
Subject: RE: HSBC Bank Canada v Advantage Products Inc. et al

Mihai,

I am in questioning tomorrow but would be available to discuss the matter with you on Friday morning. Are you available on Friday and if so what time in the morning would work for you? I can initiate the call.

Daniel C. Harder | BA Hons, LLB, Partner
Box 2676, 1802 – 20 Street | Didsbury, Alberta T0M 0W0
T. (403) 335-2231 | F. (403) 335-2230
danh@mhrlaw.ca | www.mhrlaw.ca



Formerly Martinson & Harder Law Office

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From: Mihai Tomos [<mailto:mtomos@fasken.com>]
Sent: August 22, 2018 11:56 AM
To: Dan Harder <danh@mhrlaw.ca>
Cc: Travis Lysak <tlysak@fasken.com>; Konowalchuk, Orest <okonowalchuk@alvarezandmarsal.com>; Krol, Bryan <bkrol@alvarezandmarsal.com>
Subject: HSBC Bank Canada v Advantage Products Inc. et al

Hi Dan,

Further to your letter dated July 5, 2018 and various correspondence since then, we were hoping to receive clarification from you as to which items raised in your letter were still "live" issues in the mind of your client. Given the file is nearing its completion, we thought it best to simply respond to the letter at this time.

The Receiver is of the view that items 1, 2, 3, 5, and 6 have been concluded and will not be further addressing them. The onus is on your client to take any further steps with respect to these items if it does not agree with the Receiver's position.

With respect to Item 4, the Receiver will, as part of its final distribution, make a payment to your client for all June rent and a *pro rata* portion of July rent to July 5th.

With respect to Item 7, as per the attached spreadsheet, the sum of \$27,063 was received at auction for items which the landlord claims ownership of. The Receiver has received no evidence from the landlord to support its ownership claim. If, prior to distributions being made on this file, which we anticipate will occur in approximately 30-45 days from now, the landlord is able to provide proof of ownership respecting these items, the sale proceeds will be paid to your client as part of the final distribution. If this evidence is not received by the Receiver, the auction proceeds will be bundled with all other auction proceeds and distributed to all unsecured creditors as part of the general distribution.

The Receiver will also be paying your client its invoices #22024 and 22025 as part of its final distribution.

We trust the foregoing is in order. If you wish to discuss any of this, please give us a call.

Best,
Mihai

 Mihai Tomos
ASSOCIATE

FASKEN

Fasken Martineau DuMoulin LLP
T. +1 587 233 4107 | F. +1 403 261 5351
mtomos@fasken.com | www.fasken.com/en/Mihai-Tomos
350 7th Avenue SW, Suite 3400, Calgary, Alberta T2P 3N9

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APPENDIX "F"

Olds Office
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Phone: (403) 227-1236
Fax: (403) 227-1490
www.mhrlaw.ca



Didsbury Office
Box 2676, 1802 - 20 Street
Didsbury, AB T0M 0W0
Phone: (403) 335-2231
Fax: (403) 335-2230
www.mhrlaw.ca

Sundre Office
200 Main Avenue W
Sundre Plaza
Sundre, AB (no mail)
Phone: (403) 556-8955
Fax: (403) 556-8895
www.mhrlaw.ca

Our File Reference: 15060001
Your File Reference: 303718.00003/19994

Lawyer: Daniel C. Harder
Email address: danh@mhrlaw.ca

Paralegal: Cheryl Craig
Email address: cheryl@mhrlaw.ca

PLEASE REPLY TO DIDSBURY OFFICE

VIA EMAIL: mtomos@fasken.com

November 13, 2018

Fasken Martineau DuMoulin LLP
Barristers & Solicitors
3400, 350 - 7 Avenue SW
Calgary, Alberta T2P 3N9

Attention: Mihai Tomos

Dear Sir:

RE: In the matter of the Receivership of Advantage Products Inc. ("API")
Our Client: Robert, Wanda, Wade and Leanna Stewart
Your File: 303718.00003/19994

There are a number of unresolved matters that relate to the occupation of my client's property by Alvarez & Marsal Canada Inc. (the "Receiver"). I will address each of those items individually:

1. **Rent:** The issue of rent during the Receiver's occupation of my client's property continues. The Receiver assured my client that the Receiver would complete a walk through at the conclusion of the Receiver occupying my client's property. No such walk through has occurred. In addition to this when my client returned to the property there remain a number of auction items on the property. My client is uncertain if those items failed to sell or if they sold but have not been claimed by the purchaser. The Receiver has not provided any information regarding these unclaimed items. My client is not prepared to accept responsibility for these auction items. Furthermore there are many items of personal property remaining that should have been addressed by the Receiver. The failure of the Receiver to comply with their representation regarding a walk through, the failure of the Receiver to address the auction items remaining on the property and the failure of the Receiver to address the personal items that remain on the property demonstrates a disregard for the rights of the Landlord. Given the condition of the

property and the items remaining on the property it is not clear that the Receiver has released the property to the Landlord. I have attached a series of photographs that depict the current status of the property. In light of this the Landlord continues to demand rent in this matter. The Receiver has not even paid June rent which is now 5 months in arrears.

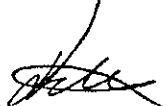
2. **Cleaning and Disposal Costs:** If the Receiver refuses to address the items outlined in #1 above in a responsible fashion then there will be additional cleaning and disposal charges. As is evident in the photographs provided the Landlord's Property was left in a shambles with no regard for the rights of the Landlord.
 3. **Invoice #22024:** In the Notice of Revision the Receiver acknowledges that "the Receiver did request and authorize this work and will be paying this Invoice" in the sum of \$6,238.77. The Landlord is demanding payment of that amount.
 4. **Invoice #22025:** In the Notice of Revision the Receiver acknowledges that "the Receiver did request and authorize this work and will be paying this Invoice" in the sum of \$4,371.68. The Landlord is demanding payment in that amount.
 5. **Revised Invoice #22026:** The items addressed in the revised Invoice # 22026 were requested and authorized by the Receiver in the same manner as those items that appear in Invoices #22024 and #22025. The Landlord is demanding payment of revised Invoice #22026, a copy of which is included for reference. The Landlord is demanding payment of that amount.
 6. **Damage to Wade Stewart Vehicle:** On May 11, 2018 Mr. Stewart was at the property. He was meeting with an employee when a forklift operator approached him and advised he had backed into Mr. Stewart's truck causing damage to the rear of the truck. The repairs to the vehicle, as a result of the damage caused by the forklift, will cost \$5,695.00. Stellar is demanding payment of that amount.
 7. **Fixtures:** Clause 4.6 of the Lease Agreement addresses the issue of Fixtures. It is evident that "all installations, alterations, additions, partitions and fixtures in, upon or to the Premises, whether placed there by the Tenant of the Landlord shall be the Landlord's property upon termination of this Lease without compensation therefore to the Tenant". The Receiver has removed a number of these fixtures and I understand they were sold in the auction. My client is prepared to accept what was received at auction for each of these items. The auction lot numbers that included fixtures items are as follows: Lot # 114; Lot # 177; Lot #386; Lot # 442; Lot #443; Lot #444; Lot #445; Lot #501; Lot #511A; Lot #511B; Lot #511C; Lot #512; Lot #517; Lot #564; Lot #566 and Lot #605. In addition there have been modifications to the property to accommodate these fixtures. These modifications will require removal or repair and there will be an additional cost for those modifications or repairs.
-

I can advise that my clients are prepared to meet with the Receiver to discuss these items without the necessity of involvement by counsel. Please advise if your clients are inclined to such a meeting. I look forward to hearing from you in this regard.

Sincerely,

MHR LAW LLP

Per:



Daniel C. Harder

/clc

APPENDIX "G"

Clerk's Stamp

COURT FILE NUMBER 1801-01297
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF HSBC BANK CANADA
DEFENDANTS ADVANTAGE PRODUCTS INC.
and JAMES WEBER
DOCUMENT AFFIDAVIT

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT MHR LAW LLP
Box 2676, 1802 – 20 Street
Didsbury, Alberta T0M 0W0
Attention: Daniel C. Harder
Phone: 403-335-2231
Fax: 403-335-2230
File No. 15060001

AFFIDAVIT OF WADE STEWART

Sworn on November 19, 2018

I, Wade Stewart, of Calgary, Alberta, SWEAR AND SAY THAT:

1. I am a creditor in the above action and, as such, I have personal knowledge of the matters deposed to, except where I state that such knowledge is based on information or belief, in which case I believe that information to be true.
2. Robert Stewart, Wanda Stewart, Leanna Stewart and I (the "Landlord") owned property municipally described as 11-31264 – Highway 2A and legally described as Plan 9811911, Block 5, Lot 11 (the "Leased Premises"). This property was located in the County of Mountain View near Didsbury, Alberta.
3. On or about April 20, 2011 the Landlord entered a lease with Advantage Products Inc. ("API"). The term of the lease was 5 years. Attached as Exhibit "A" to this affidavit is a copy of the Lease Agreement. We worked with API throughout the term of the lease and the renewal to accommodate API in an economy that was not conducive to their business. I also operate Stellar Services which worked with API

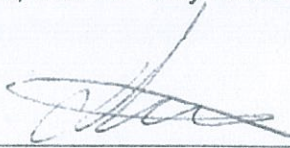
and subsequently the Receiver to maintain the equipment, fixtures and structures on the Leased Premises.

4. In early February Robert and I met with two individuals from A&M on site at the Leased Premises and Orest Konowalchuk was involved in that meeting by way of telephone. As a result of that meeting I understood that A&M wanted to continue operating the API business from the Leased Premises and committed to pay rent and utilize the services of Stellar Services to maintain equipment, fixtures and structures on the Leased Premises.
5. On or about March 13, 2016 the Landlord and API signed a Commercial Lease Renewal for a further 5 year term. Attached as Exhibit "B" to this affidavit is a copy of the Commercial Lease Renewal.
6. Sometime after May 7, 2018, but before May 31, 2018 we received a Notice to Creditor from Alvarez & Marsal Canada Inc. ("A&M").
7. On May 31, 2018 a Proof of Claim was signed and submitted to A&M by myself on behalf of the Landlord. A copy of the Proof of Claim is attached as Exhibit "C" to this affidavit.
8. On or about June 15, 2018 I received a Notice of Revision from A&M, a copy of which is attached as Exhibit "D" to this affidavit.
9. For the most part I did not dispute the claim as it related to the pre-Receiver'ship claims against API and those concessions were made with the understanding that the process would continue in an amicable manner with full and frank discussion as I had experienced at the beginning of the relationship with A&M.
10. I do however have issues with the claim as it relates to the premises leased by API and the occupancy of the Leased Premises by A&M as the Court appointed Receiver for API.
11. The first issue is in regard to rent. Pre-receivership rent as revised by the Receiver has been conceded. The last rent received from the Receiver was in May, 2018. In my initial conversation with the individuals from A&M, including Orest Konowalchuk, A&M committed to completing a walk through at the conclusion of their involvement on the Leased Premises. I accepted them at their word and have been waiting to complete a walk-through of the Leased Premises with the Receiver. No such walk through has been completed nor has the Landlord been contacted with respect to such a walk through.

12. Upon returning to the Leased Premises it was evident that there remained on the Leased Premises a number of auction items. It is unknown if these items failed to sell or if they sold and have not been claimed by the purchasers. I have not received any information from the Receiver with respect to these auction items.
13. It also became evident that there were a number of personal items that remained on the Leased Premises. Property like birth certificates and documents containing the personal information of persons involved with API. Attached as Exhibit "E" are photographs of some of the personal items that remained on the Leased Premises.
14. I was also concerned about the condition of the Leased Premises. The office space in the Leased Premises was left in a mess with furniture and paper strewn about. There was also debris left on site on the exterior of the Leased Premises. I have attached a few photographs as Exhibit "F" to this Affidavit indicating the condition of the Leased Premises.
15. I am concerned that there has been a complete disregard for the Leased Premises, our property, by the Receiver.
16. The Receiver requested and authorized work as outlined in Invoice #22024, a copy of which is attached as Exhibit "G" to this affidavit, confirming it would be paid but to date no payment has been made.
17. The Receiver requested and authorized work as outlined in Invoice #22025, a copy of which is attached as Exhibit "H" to this affidavit, confirming it would be paid but to date no payment has been made.
18. The Receiver requested and authorized work as outlined in Revised Invoice 22026 but has refused to pay for the work that was requested. Attached as Exhibit "I" to this affidavit is a copy of Revised Invoice #22026.
19. During A&M's occupation of the Leased Premises a commercial vehicle operated by me was damaged by a forklift operator on the Leased Premises resulting in damage to the commercial vehicle in the amount of \$4,695.00 and rental charges during the time to repair this vehicle in the amount of \$1,000.00. No payment has been made to date on this amount.
20. The Receiver has also removed fixtures from the Leased Premises. I understand these fixtures were sold at auction in the following lots: Lot#114; Lot#117; Lot#386; Lot#442; Lot#443; Lot #444; Lot#445; Lot #501; Lot#511A; Lot#511B; Lot#511C; Lot#512; Lot#517; Lot#564; Lot#566 and Lot#605.

21. The Receiver has failed to acknowledge that some of the items remaining on site were either owned by me personally, Robert Stewart personally, Stellar Services, or the Landlord. I had understood the Receiver would be providing that confirmation.
22. The removal of the fixtures has resulted in repairs or modifications that will be required at additional expense.
23. I have tried to address these matters with the Receiver and attached as Exhibit "J" to this affidavit is a copy of correspondence from my lawyer dated November 13, 2018 to counsel for A&M.
24. I make this affidavit in opposition to the application of the Receiver in this matter.

SWORN BEFORE ME at Didsbury,
Alberta, this 19th day of November,
2018.



Commissioner for Oaths in and for the
Province of Alberta

DANIEL C. HARDER
BARRISTER & SOLICITOR
& NOTARY PUBLIC (ALBERTA)

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WADE STEWART

19 NOV 18

EXHIBIT INDEX
Affidavit of Wade Stewart

<u>Exhibit</u>	<u>Document</u>	<u>Pages</u>
A	Lease Agreement	6-58
B	Commercial Lease Agreement	59-60
C	Proof of Claim	61-64
D	Notice of Revision	65-67
E	Photographs of personal items	68-73
F	Photographs of condition of premises	74-77
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J	Letter dated November 13, 2018	81-83

TAB A

THIS IS EXHIBIT " A " referred to in the
Affidavit of Wade Stewart
Sworn before me this 19
Day of November A.D., 20 18

[Signature]
A Commissioner for Oaths in and for the Province of Alberta

DANIEL C. HARDER
BARRISTER & SOLICITOR
& NOTARY PUBLIC (ALBERTA)

LEASE

BETWEEN

an undivided 60% interest ROBERT & WANDA STEWART as Joint Tenants as to

undivided 40% interest WADE & LEANNA STEWART as Joint Tenants as to an

LANDLORD

AND

ADVANTAGE PRODUCTS INC.

TENANT

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7/15/2011
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THIS INDENTURE made effective this 20th day of April 2011.

BETWEEN:

Robert & Wanda Stewart of Didsbury, Alberta and Wade &
Leanna Stewart of Calgary, Alberta (hereinafter called the
"Landlord")

OF THE FIRST PART

- And -

Advantage Products Inc., an Alberta corporation with an office in the City of
Calgary, in the Province of Alberta (hereinafter called the "Tenant")

OF THE SECOND PART

ARTICLE 1 DEFINITIONS

1.1 Definitions

In this Lease, the following terms shall have the following meanings:

"**Additional Rent**" means all amounts, other than Basic Rent, to be paid by the Tenant (whether to the Landlord or otherwise) pursuant to this Lease and regardless of whether such amounts are expressly designated as Additional Rent;

"**Architect**" means the architect or engineer from time to time appointed by the Landlord acting reasonably;

"**Basic Rent**" means the rent specified in Article 5.1 hereof;

"**Building**" means collectively the building, improvements, structures and facilities, including parking facilities, driveways, paved areas and landscaped areas, erected or to be erected on or under the Lands and all expansions, alterations, additions and relocations thereto within, upon or under the Lands;

"**Commencement Date**" means the date 01 June, 2011 from when the Tenant takes exclusive occupancy of the Premises;

"**Deposit**" means the sum of \$ 50,501.58 paid by the Tenant;

"**Fixturing Period**" means 47 days prior to the Commencement Date that the Tenant is allowed non-exclusive access to the Premises to allow installation of the Tenant's equipment, electrical, air lines, etc. commencing on April 14th, 2011 until May 31st, 2011.

"**Hazardous or Toxic Substances or Materials**" means any substance or material that is hazardous or toxic to persons, animals, fish or plants or property including, without

limiting the generality of the foregoing, radioactive materials, any substance that (if added to water) would degrade or alter or form part of a process of degradation or alteration of the quality of that water to the extent that it is detrimental to its use by man or by animal, fish or plant and any solid, liquid, gas or odor or any combination thereof that (if emitted into the air) would create or contribute to the creation of a condition of the air that endangers the health, safety or welfare of persons or the health of animals, interferes with normal enjoyment of life or property or causes damage to plant life or to property;

"Lands" means the parcel of land lying situated in the County of Mountain View, Alberta and being municipally and legally described in Schedule "A" hereto;

"Landlord" means Robert & Wanda Stewart both as joint tenants and Wade & Leanna Stewart **both as joint tenants**, and its successors and assigns;

"Lease" means this instrument and all Schedules attached hereto and all amendments made hereto and renewals hereof;

"Premises" means the premises leased to the Tenant by this Lease, consisting of the Lands and the Building which is comprised of 21,955 sq. ft. situated on 4.99 acres;

"Real Property Taxes" means all real estate taxes, general taxes, local improvement rates, school taxes, levies, rates, duties, assessments and charges from time to time imposed against real property, buildings and structures and improvements by municipal or other governmental authorities having jurisdiction, multi-stage taxes, sales or other like taxes and all taxes, levies, rates, duties, assessments and charges which may at any time be subrogated therefor or replace the same, but excludes income taxes, business taxes and any and all penalties and fines assessed or charged against or with respect to any of the foregoing;

"Rent" means the rent referred to in Article 5 and includes Basic Rent and Additional Rent;

"Rent Commencement Date" means **June 1st, 2011**;

"Sales Taxes" has the meaning ascribed thereto in subsection 5.4(b) hereof;

"Structural Elements" means:

- (i) the pre-engineered steel structure of the Building which includes the foundations, sub-floor and floor slabs, rigid frames, girts, beams and columns; and
- (ii) any load-bearing structural-steel members of the Building.

"Structural Repairs" means all repairs made to and replacements of any constituent part or component of the Structural Elements of the Building;

[Handwritten signature and date]
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"Tenant" means Advantage Products Inc. and Principal Shareholders and its successors and permitted assigns; and

"Term" means the term of this Lease specified in Article 4.1 hereof, and will include any renewal or extension term hereafter granted;

ARTICLE 2 DEMISE

2.1 Demise

WITNESSETH that the Landlord, in consideration of the rents, covenants, provisos and conditions hereinafter reserved and contained, has demised and leased, and, by this Lease, demises and leases the Premises to the Tenant. The Tenant accepts this Lease, and the Premises, subject to the conditions, restrictions and covenants herein set forth and contained.

ARTICLE 3 PURPOSE

3.1 Purpose

The Premises shall be used by the Tenant in a lawful manner and for the purpose of general office and administrative use, research and development in connection with the Tenant's business, and any legally permitted use consistent with the character of comparable buildings and lands, and for no other purpose whatsoever unless the Landlord consents in writing to a change of use, such consent not to be unreasonably withheld.

ARTICLE 4 TERM

4.1 Length of Term

The Tenant shall have and hold the Premises for a term (the "Term") of five (5) years commencing on the Commencement Date, subject to renewal in accordance with the provisions hereof

4.2 Occupancy of Premises

Provided the Tenant has executed the Lease in a form acceptable to the Landlord and has provided the necessary insurance as defined herein, non-exclusive possession shall be granted to the Tenant on 14 April 2011. In any event, exclusive occupancy shall be granted no later than June 1st, 2011 and that shall be the Rent Commencement Date.

4.3 Fixturing Period

The Fixturing Period shall be equal to 47 days beginning when occupancy is provided to the Tenant as per Article 4.2 herein. **(Both Landlord and Tenant agree the fixturing period to be April 14th, 2011 to May 31st, 2011)** During the Fixturing Period, the Tenant shall be subject to and shall comply with all the provisions of this Lease excepting the obligation to pay the Basic Rent under this Lease. However, the Tenant shall be responsible for any utilities and other services used or consumed by the Tenant and its agents, in the Premises.

The Tenant shall not be entitled to occupation of the Premises prior to the Commencement Date to commence Fixturing until:

- (i) the Lease has been executed and delivered by the Tenant in a form acceptable to the Landlord;

the Landlord notifies the Tenant that the Premises are available for occupancy by the Tenant to allow installation of the Tenant's equipment, electrical, air lines, etc.;

the Tenant has provided the Landlord with a certificate of insurance verifying it has complied with the insurance requirements under this Lease.

4.4 Overholding Tenancy

Subject to no rental agreement being put in place. It is hereby agreed by and between the parties hereto that if the Tenant shall hold over after the expiration of the Term hereby granted the Landlord shall accept rent, the new tenancy thereby created shall be a monthly tenancy and not a tenancy from year to year, and the Tenant shall pay as rent during the time of such occupancy equal to 125% of Basic Rent payable in the last month prior to the expiration of the Term which shall be subject to the covenants and conditions herein contained so far as the same are applicable to a monthly tenancy.

4.5 Surrender of Premises

The Tenant will, at the expiration or sooner determination of the said Term, or any renewal thereof, peacefully surrender and yield up unto the Landlord the Premises in good order and repair (ordinary wear and tear, condemnation, and casualty excepted, and provided that the Tenant shall have no obligation to return the Premises in a better condition than the condition it is in as of the Commencement Date), subject however to the provisions of Article 10 hereof.

At the end of the Term, or any renewal thereof, the Tenant shall ensure all overhead cranes are in place and have been recently inspected and are in proper working condition

the Tenant shall ensure all overhead cranes are in place and have been recently inspected and are in proper working condition

4.6 Tenant's Fixtures

The Tenant, when not in default hereunder, may remove its chattels, supplies, equipment and trade fixtures at any time during the Term and any renewal thereof. The Tenant will not remove from the Premises during the Term, or any renewal thereof, any Tenant's fixtures which

are the property of the Tenant, even though there is no Rent in arrears, without the written consent of the Landlord, which consent may not be unreasonably withheld. Provided, however, that notwithstanding anything herein contained all installations, alterations, additions, partitions and fixtures in, upon or to the Premises, whether placed there by the Tenant or the Landlord, shall be the Landlord's property upon termination of this Lease without compensation therefore to the Tenant, subject to the Tenant's right to remove its Tenant's fixtures in accordance with the foregoing. Provided further that, notwithstanding anything herein contained the Landlord shall be under no obligation to repair or maintain any installations, alterations, additions, partitions or fixtures or anything in the nature of a leasehold improvement made or installed by or for the Tenant. Provided further that, notwithstanding anything herein contained, the Landlord shall have the right upon the termination of this Lease or otherwise to require the Tenant to remove its installations, alterations, additions, partitions and fixtures or anything in the nature of a leasehold improvement made or installed by the Tenant, and to make good any damage caused to the Premises by such installation or removal.

4.7 Abandonment of Goods

Any chattels, goods, supplies, articles, equipment, materials, effects and things not removed from the Premises on the expiry of the Term, or any renewal thereof, shall be deemed to have been abandoned by the Tenant and the Landlord may thereupon remove and dispose of them, retain them or convey them to a new tenant or otherwise deal with them in any manner whatsoever without compensation to the Tenant. The Tenant shall reimburse the Landlord for all costs associated with the removal and disposition of such items which exceed any net proceeds received by the Landlord from the sale of such items.

4.8 Option to Renew

Provided that, and for so long only as:

- (a) the tenant not being in default of the lease and provided the tenant pays the Basic Rent and Additional Rent as and when due and punctually observes and performs all of the terms, covenants and conditions contained in the lease, the Tenant shall have the Option to Renew its lease for Three (3) further Five (5) year terms, subject to and in accordance with the lease. The Tenant shall exercise this Option to Renew by written notice to the Landlord of not more than Twelve (12) Months and not less than Six (6) Months prior to lease expiry, or expiry of any renewals thereof. The Basic Rent for the 5 year Renewal Period shall be negotiated at the time of Renewal and be based on the prevailing market rental rate but not to be less than the rental rate paid in the fifth year of the existing lease at time of renewal and not to exceed an increase of thirty five percent of the rental rate of the fifth year of the existing lease at time of renewal. In the event that the Landlord and the Tenant are unable to agree on a renewal rate for the Basic Rent for purposes of a renewal then the matter shall be resolved by way of a mutually agreeable mediator. If the matter can not be resolved by means of a mediator, the Basic Rent Mediation shall be referred to an arbitrator as per the Arbitrator Act of Alberta with both parties acting reasonably. In any event, the renewal rate shall not be less than the rate of the final year of the previous term.

- (b) the Tenant is Advantage Products Inc. and is itself in possession of and occupying and conducting its business in the whole of the Premises and the Lease has not been assigned and no part of the Premises has been subleased by the Tenant.

4.9 Right To Offer

In the event the Landlord decides to sell the property, the Tenant shall be given 30 days in which the Tenant has the First Right to submit an Offer to Purchase acceptable to the Landlord. Additionally, the Tenant shall be free to submit an Offer to Purchase at any time during the Term or Renewal of the term. Failure to complete a successful transaction under this scenario shall not negate that the fact that the Landlord will inform the Tenant of other Offers to Purchase.

ARTICLE 5 RENT

5.1 Basic Rent

In accordance with the provisions of Article 5.2 hereof, the Tenant shall pay Basic Rent from and after the Rent Commencement Date and during the Term of this Lease to the Landlord in lawful money of Canada in an amount equal to the following:

TERM	PER MONTH (plus GST)	PER ANNUM (plus GST)
Year 1	\$ 14,636.67	\$ 175,640.00
Year 2	\$ 14,636.67	\$ 175,640.00
Year 3	\$ 15,094.06	\$ 181,128.75
Year 4	\$ 15,551.46	\$ 186,617.50
Year 5	\$ 15,551.46	\$ 186,617.50

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Basic Rent has been calculated annually as outlined above and shall be payable in advance in equal consecutive monthly installments on the first day of each and every calendar month during such period.

5.2 Payment of Basic Rent and Additional Rent

- a) Basic Rent for the Term, and for any renewal thereof, shall be paid by the Tenant to the Landlord in advance in equal monthly installments, the first installment to be made on the Commencement Date and monthly installments to be made on the first day of each and every month thereafter during the Term and any renewal thereof.
- b) As and from the Commencement Date and throughout the Term and any renewal of the term, the Tenant shall pay Additional Rent as and when it falls due.
- c) Except as otherwise provided herein, the Tenant shall pay all Rent herein reserved at the time and in the manner in this Lease set forth, without any abatement, set-off or deduction whatsoever.
- d) The rights that the Landlord has in respect of Basic Rent the Landlord shall also have in respect of Additional Rent.

5.3 Utilities

The Tenant shall pay, as Additional Rent, directly to the appropriate person, as the same becomes due respectively, or, if any such charges shall be paid by the Landlord, to the Landlord, all charges for public and private utilities which, without limiting the generality of the foregoing, shall include sewage, sewage disposal, water, water well servicing, gas, heat, electrical power or energy, garbage removal, telephone, steam or hot water used upon or in respect of the Premises and for fittings, machines, apparatus, meters or other things leased in respect thereof and for all work or services performed by any corporation in respect thereof and for all work or services performed by any corporation or commission in connection with such public utilities, to the extent such work or services are charged (whether to the Landlord or the Tenant) in respect of the Premises.

5.4 Business Taxes, Sales Taxes and Capital Taxes

- a) The Tenant shall pay, as Additional Rent, or cause to be paid, as Additional Rent, directly to the party entitled to receive the same, when due, all business and other rates, fees (including business license fees for local business license which Tenant shall obtain and maintain throughout the Term and any renewal thereof), taxes and assessments, of whatsoever description, that are imposed upon or in respect of, and become due and payable in respect of, the Tenant's occupancy of the

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Premises or in respect of the personal property or business of the Tenant located therein or conducted thereon or therefrom.

- b) The Tenant shall pay to the Landlord an amount equal to any and all goods and services taxes, sales taxes, value added taxes, business transfer taxes or any other taxes imposed on the Landlord with respect to Rent payable by the Tenant to the Landlord under this Lease, or in respect of the leasing of the Premises under this Lease, whether characterized as a goods and services tax, sales tax, value added tax, business transfer tax or otherwise, (herein called "Sales Taxes"), and shall reimburse the Landlord, upon demand, for all taxes paid or payable by the Landlord to any existing taxing authority based upon or computed by reference to the capital employed by the Landlord or paid up capital or place of business of the Landlord and applicable to the location of the Premises (herein "Capital Taxes"), it being the intention of the parties that the Landlord shall be fully reimbursed by the Tenant, but shall not derive any net after tax benefit, with respect to any and all Sales Taxes collectible and remittable and payable by the Landlord and, subject only as set forth in this subsection 5.4(b), with respect to Capital Taxes (other than and except for taxes payable on the income of the Landlord) collectible and remittable and payable by the Landlord and allocated or apportioned by the Landlord to the Premises, acting reasonably. The amount of the Sales Taxes so payable by the Tenant shall be calculated by the Landlord in accordance with the applicable legislation and shall be paid to the Landlord at the same time as the amounts to which such Sales Taxes apply are payable to the Landlord under the terms of this Lease or, in the sole discretion of the Landlord, upon demand at such other time or times as the Landlord from time to time determines. Notwithstanding any other provision contained in this Lease to the contrary, the amount payable by the Tenant under this subsection 5.4(b) shall be deemed not to be Rent but the Landlord shall have all of the same remedies for and rights of recovery of such amount as it has for recovery of Rent under this Lease. With respect to the Capital Taxes to be allocated or apportioned by the Landlord to the Premises, it is understood and agreed that: (i) the Landlord will be reimbursed by the Tenant for such Capital Taxes only to the extent that the Landlord has the liability for, and is required to pay, such Capital Taxes and to the extent not otherwise reimbursed, and (ii) such allocation or apportionment will be based on the capital (including, for clarification, debt and equity) related to the Premises and not to any capital (whether debt or equity) of the Landlord that is excess to such capital of, and is not related to, the Premises.

5.5 Real Property Taxes

The Tenant covenants to pay directly to the appropriate person (or, if any such amounts have been paid by the Landlord, to the Landlord), as Additional Rent, all Real Property Taxes promptly when due and the Tenant shall forthwith provide to the Landlord a copy of the assessment notice and payment invoice for such Real Property Taxes, together with evidence of such payment. If the Tenant fails to pay any Real Property Taxes when the same are due and payable the Landlord may, but shall not be obligated to, pay such Real Property Taxes and the

Landlord shall in any event have the same remedies for default of payment as are available to the Landlord in the case of default in the payment of Basic Rent.

5.6 Interest on Rent in Default

Without waiving any other right of action of the Landlord in the event of default of payment of Rent hereunder, in the event that the Tenant is delinquent, after the dates above appointed, in making any of the payments of Rent or other monies required hereunder (including, without limitation, Sales Taxes), the Tenant shall pay interest thereon at a floating rate equal to twelve percent (12%) until paid.

5.7 Deposit

The Landlord acknowledges receipt from the Tenant of the Deposit to be held, without interest, as security (without prejudice to the Landlord's other rights and remedies) for the observance and performance of the Tenant's obligations under this Lease. If the Tenant defaults in the performance of any of the terms, covenants, conditions and provisions of this Lease as and when the same are due to be performed by the Tenant, then the Landlord, at its option, may appropriate and apply all or any part of the Deposit on account of any losses or damages sustained by the Landlord as a result of such default. Upon demand by the Landlord following any such appropriation, the Tenant shall pay to the Landlord an amount sufficient to restore the total original amount of the Deposit. If the Tenant complies with all of the terms, covenants, conditions and provisions under this Lease, the Deposit shall be returned to the Tenant without interest within 30 days after the expiry of the Term.

ARTICLE 6 ACCESS, REPAIRS AND IMPROVEMENTS

6.1 Access and Quiet Enjoyment

- a) The Landlord, and its officers, servants or agents, shall have full and free access, for inspection purposes during normal business hours upon reasonable prior notice to the Tenant and in the presence of the Tenant or a representative of the Tenant, to any and every part of the Premises, provided that the exercise of such rights shall not unreasonably interfere with the Tenant's business, it being expressly understood and agreed, however that, in cases of an emergency, the Landlord and its officers, servants or agents, shall at all times and for all purposes have full and free access to the Premises without the Tenant, or a representative of the Tenant, being present.
- b) If the Tenant pays the Rent hereby reserved and duly and punctually observes and performs the covenants and conditions herein on the part of the Tenant to be observed and performed, the Tenant shall have quiet possession of the Premises; provided that nothing in this subsection 6.1(b) shall limit or restrict the rights of inspection conferred upon the Landlord pursuant to subsection 6.1(a) hereof.

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6.2 Repairs and Maintenance

The Tenant will be directly responsible for all repairs, maintenance, replacements and service contracts in respect of the Premises during the Term, save and except for roof replacement and structural repairs and replacements as set out herein. Maintenance of major equipment, specifically unit heaters, furnaces, hot water tanks, water well, well pressure system, overhead doors and HVAC units along with roof repairs (but not replacements) will be completed by the Tenant. The Landlord and Tenant agree that the periodic maintenance, repair and replacement to be performed by the Tenant hereunder shall include, without limitation, those matters listed in Schedule "B" hereto and will be at the Tenant's sole cost.

Replacement of major equipment, specifically unit heaters, furnaces, hot water tank, overhead doors and HVAC units ("**Major Equipment Replacement**") will be completed by the Landlord will be the sole cost and responsibility of the Tenant in the event equipment was neglected and maintenance reports are not provided. In event of equipment failure and all maintenance and repairs have been handled in agreement with this lease then a depreciation amount equal to the CCA set out by the Canada Revenue Agency for corporate tax purposes will be passed onto the tenant as additional rent. The cost for each Major Equipment Replacement could be amortized over the useful life of the item being replaced and will be recovered from the Tenant as Additional Rent over the amortized term, or a portion thereof that which falls within the Term.

6.3 Notice of Repair or Maintenance

If, at any time during the Term, or any renewal thereof, the Tenant defaults in its obligation of repairing or maintaining the Premises, or any part thereof, in accordance with the requirements of this Lease, the Landlord will give written notice, specifying the matter in respect of which such repair or maintenance is deficient, to the Tenant. If, within seven (7) days from the giving of such notice, the default specified in such notice has not been remedied or (if the nature of such default reasonably requires more than seven (7) days to remedy) the Tenant has not commenced, or, having commenced, is not diligently completing the remedying of such default, or if the Tenant fails to properly perform, the Landlord may at its sole option enter upon the Premises and perform such repair or maintenance with the cost and expense thereof to be repaid by the Tenant to the Landlord (together with a ten (10%) percent administration fee on the amount of such cost and expense) as Additional Rent forthwith upon demand being made therefor by the Landlord upon the Tenant. In the event of any dispute as to the time necessary to complete any repair or maintenance specified in a notice, the matter will be determined by the Architect, acting reasonably. In the event of an issuance of such a notice and if the default specified in such notice is not remedied by either the Tenant or the Landlord, then, at the election of the Landlord, the Tenant shall pay to the Landlord the cost and expense to remedy the default (together with a ten (10%) percent administration fee on the amount of such cost and expense) as Additional Rent forthwith upon demand being made therefor by the Landlord upon the Tenant, and upon receipt of such payment the Landlord shall remedy the default. In the event of any dispute as to the amount of the cost and expense of remedying the default specified in such notice, the matter shall be determined by the Architect.

6.4 Landlord's Recovery

In the event that the Landlord shall pay any sum of money due or payable by the Tenant, either at the request of the Tenant, or by reason of any default by the Tenant in performance of its covenants herein contained, the Tenant will, forthwith after notice from the Landlord, repay to the Landlord, as Additional Rent hereunder, the amount paid by the Landlord on the Tenant's behalf.

6.5 Compliance with Law

The Tenant will, at its own cost and expense, comply promptly with and conform to the requirements of Landlord's reasonable directions as outlined in the lease and requests and all applicable statutes, laws, by-laws, regulations, ordinances and orders from time to time or at any time in force during the Term hereof, or any renewal thereof, and affecting the condition, equipment, maintenance, use or occupation of the Premises except for such repairs which are the Landlord's responsibility under the Lease and with every applicable regulation, order and requirement of the Canadian Fire Underwriters' Association or any body having similar functions or of any liability or fire insurance company by which the Landlord and the Tenant or either of them may be insured at any time during the Term hereof, or any renewal thereof, except for any matter which is the Landlord's responsibility hereunder and, in the event of the default of the Tenant under the provisions of this Article 6.5 beyond any reasonable cure period, the Landlord may itself comply with any such requirements as aforesaid and the Tenant will forthwith pay all costs and expenses incurred by the Landlord in this regard and the Tenant agrees that all such costs and expenses shall be recoverable by the Landlord as if the same were Additional Rent reserved and in arrears under this Lease. It is noted that the leased property and its structures are not sprinkled, nor will the Tenant be required to install a sprinkler system.

6.6 Nuisance

The Tenant shall not do, suffer or permit to be done any act or thing in or upon the Premises which is or would constitute a nuisance to the occupiers of any lands or premises adjoining or in the vicinity of the said Lands or the said Building or the public generally.

6.7 Advertising and Signage

The Tenant shall not construct, erect, place or install on the outside of the Building, or elsewhere on, in or upon the exterior of the Premises, any poster, advertising sign or display, electrical or otherwise, without first obtaining the consent, in writing, of the Landlord (such consent not to be unreasonably withheld) and all permits and authorizations required by any municipal or other governmental body or instrumentality of competent jurisdiction. Signage must not affect the structural integrity of the Premises and all costs associated with the supply and installation of the Tenant's signage will be the responsibility of the Tenant along with restoring any damage to the Premises as a result of the signage installation and placement at the end of the Term or any renewal thereof.

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6.8 Alterations, Erections, Etc.

The Tenant shall not make any alterations or improvements to the Premises, where such alterations or improvements would, or would likely, affect, or may affect, the structural elements of the Building or any systems or equipment serving the Building without first obtaining the written approval of the Landlord (which consent shall not be unreasonably withheld). In seeking the written approval of the Landlord, the Tenant shall submit to the Landlord detailed plans and specifications of any proposed alterations or improvements. If the alterations or improvements affect, or may affect, the structural elements of the Building or any systems or equipment serving the Building, the Tenant shall pay to the Landlord the Landlord's reasonable costs of having an Architect examine such plans and specifications and advise the Landlord with respect thereto. In completing any alterations or improvements, the Tenant shall comply strictly with all statutes, regulations or by-laws of any governmental authority having jurisdiction and of any association of insurance underwriters. The Tenant shall also comply with current building and fire code along with any applicable municipal and provincial regulations. The Landlord, as part of its written approval, may require that any alterations or improvements be completed by contractors and/or workmen engaged by the Tenant but first approved by the Landlord (such approval not to be unreasonably withheld). Any and all alterations and improvements shall be done and completed at the sole cost and expense of the Tenant. All alterations and improvements requiring the approval of the Landlord shall be done in the manner and according to the reasonable terms and conditions, if any, as the Landlord may prescribe in its written approval. All alterations and improvements shall be the Landlord's property without compensation therefor to the Tenant and shall be subject to the terms of this Lease including, without limitation, the provisions of Article 4.6 hereof.

6.9 Liens

The Tenant shall keep the Premises as well as this Lease free of all liens or claims of lien under the *Builders' Lien Act* (Alberta) or otherwise. In the event the Tenant shall fail to discharge any such lien or claim of lien upon, and within fourteen (14) days of written notice of the same being given by the Landlord to the Tenant, the Landlord, in addition to any other right or remedy, may, but shall not be obligated to, discharge the lien or claim of lien by paying the amount due or the amount claimed to be due together with a reasonable amount for costs, and the amount paid by the Landlord shall be repaid by the Tenant to the Landlord as Additional Rent forthwith upon demand being made therefor by the Landlord upon the Tenant. Landlord will verify civil action is not being taken against contractor or vendor before making decision regarding the validity of a lien or claim of lien prior to discharging the same in accordance with this Article 6.9. This Article 6.9 shall be applicable to work done and services and materials supplied in respect of alterations or improvements made to, and repairs to and maintenance of, and any other work done on or to or in respect of the Premises by, for, at the request of, on the behalf of or with the privity or consent of or for the benefit of the Tenant, but shall specifically not include any work done by or on behalf of the Landlord or that is the Landlord's responsibility hereunder. The Tenant shall indemnify and save harmless the Landlord from all costs, liabilities, damages and expense pertaining to any lien or claim of lien that is the Tenant's responsibility pursuant to this Article 6.9. The Tenant shall permit the Landlord to post the Premises and any portion or element thereof with notices under the *Builders' Lien Act* (Alberta)

to the effect and import that the Landlord is not responsible for the work undertaken by the Tenant on the Premises.

ARTICLE 7 ASSIGNMENT

7.1 Assignment by Tenant

Except as specifically permitted herein, the Tenant shall not cause or permit the Premises to be occupied in whole or in part by any person other than the Tenant and the Tenant shall not make any assignment of this Lease, nor any transfer or sublease of the whole or any portion of the Premises, without obtaining the prior consent in writing of the Landlord to such assignment, transfer or sub-lease, such consent on the part of the Landlord not to be unreasonably withheld. Without limiting the grounds upon which the Landlord may withhold consent to any assignment, transfer or sub-lease, the Landlord shall be entitled to withhold consent to an assignment, transfer or sub-lease, and same shall be deemed to be reasonably withheld, if the assignment, transfer or sub-lease, or the Landlord's consent to same, would reasonably be expected to place the Landlord in breach of any encumbrance, mortgage or other security documents or obligations of the Landlord to its lenders or other agreement or commitment binding upon the Landlord and provided that the use is consistent with that as outlined in Article 3.1 herein. In the event of a change in the principal shareholder of A.P.I. and in the event of a change of the controlling shareholders of A.P.I. the Landlord shall be given a personal guarantee from the new principal and/or controlling shareholder.

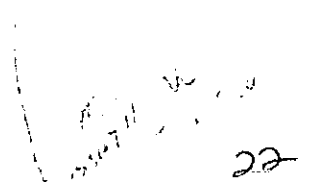
7.2 Assignment by Landlord

In the event of the assignment by the Landlord of this Lease or any interest of the Landlord hereunder, and to the extent that such assignee has agreed to assume the covenants and obligations of the Landlord hereunder, the Landlord shall, without further written agreement, be freed and relieved of liability upon such covenants and obligations.

ARTICLE 8 LIABILITY AND INDEMNITY

8.1 Suspension of Services

Without limiting or restricting the generality of the provisions of Article 8.2 hereof, the Tenant shall not have nor make any claim or demand, nor bring any action or suit or petition against the Landlord or any of its officers, servants or agents, for any damage which the Tenant may sustain by reason of any suspension, interruption or discontinuance, in whole or in part from whatever cause arising in utilities supplied to the Premises and in no event shall the Landlord be liable for any injury to the Tenant, its servants, agents, employees, customers or invitees for any injury or damage to the Premises, the Tenant or its customers caused by the interruption or failure in the supply of any such utilities to the Premises as permitted by law, unless the suspension, interruption or discontinuance in utilities supplied to the Premises, or such injury or damage, was caused directly by the Landlord or anyone for whom the Landlord is responsible in law.



8.2 Claim or Demand

The Tenant shall not have any claim or demand against the Landlord or any of its officers, servants or agents, for detriment, damage, accident or injury, of any nature whatsoever or howsoever caused to the Premises, or to any person or property on or about the Premises, including any structures, erections, aircraft, equipment, materials, supplies, motor or other vehicles, fixtures and articles, effects and things erected, brought, placed, made or being on or about the Premises, unless such damage or injury is due to the negligence of the Landlord or any officer, servant or agent of the Landlord.

8.3 Indemnity

8.4 The Tenant shall at all times indemnify and save harmless the Landlord, and its officers, servants and agents, from and against all claims and demands, loss, costs, damages, actions, suits or other proceedings by whomsoever made, brought or prosecuted, in any manner based upon, occasioned by or attributable to the Tenant's occupancy of the Premises hereunder, or any action taken or things done or maintained by virtue hereof by or on behalf of the Tenant, or the exercise in any manner of rights arising hereunder by or on behalf of the Tenant or any breach, violation or non-performance of any covenant or condition in this Lease set forth and contained on the part of the Tenant to be performed or observed, except claims for damage resulting from the negligence of the Landlord or any officer, servant or agent of the Landlord.

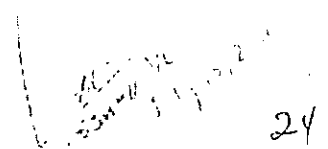
8.5 Hazardous or Toxic Substances or Materials

- a) The Tenant shall provide the Landlord with a disclosure of its Hazard Material Handling protocol on an annual basis on the anniversary date of the lease.
- b) The Tenant shall not bring upon the Premises, or any part thereof, any Hazardous or Toxic Substances or Materials, except as permitted by and in accordance with all statutes, laws, by-laws, regulations, ordinances and orders from time to time or at any time in force relating to Hazardous or Toxic Substances or Materials and the protection of the environment, (including, without limitation, all statutes, laws, by-laws, regulations, ordinances and orders regulating the manufacture, use, storage, transportation or disposal of any Hazardous or Toxic Substances or Materials) (the "Environmental Laws").
- c) From and after the date upon which the Tenant takes occupation of the Premises, the Tenant shall, at its own cost and expense, comply with all Environmental Laws regarding the Premises and shall immediately give written notice to the Landlord of the occurrence of any event in or on the Premises constituting an offence thereunder or being in breach thereof and shall make, obtain and deliver all reports or studies required by any governmental authority having jurisdiction.
- d) If any governmental authority having jurisdiction shall require the clean-up of any Hazardous or Toxic Substances or Materials held, released, spilled, abandoned or placed upon the Premises or released into the environment by the Tenant in the

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course of the Tenant's business conducted from the Premises or as a result of the Tenant's use or occupancy of the Premises, then the Tenant shall, at its own cost and expense, prepare all necessary studies, plans and proposals and submit the same for approval, provide all bonds and other security required by governmental authorities having jurisdiction and carry out the work required to applicable Alberta Tier 1 Soil & Groundwater Remediation Guidelines and regulations for industrial use properties, as amended from time to time, and shall keep the Landlord fully informed and provide to the Landlord full information with respect to proposed plans and the progress of such work.

- e) The Tenant hereby agrees to defend, indemnify and hold harmless the Landlord, its directors, shareholders and officers, from and against any liability or costs whatsoever arising out of (i) a release or threatened release of any Hazardous or Toxic Substances or Materials at or from the Premises by the Tenant or anyone for whom the Tenant is in law responsible; and (ii) any violations of Environmental Laws that are caused by the Tenant's use or occupancy of the Premises. This indemnity shall survive the expiry of this Lease.
- f) The Landlord hereby agrees to defend, indemnify and hold harmless the Tenant, its directors, shareholders and officers, from and against any liability or costs whatsoever arising out any violations of Environmental Laws that are attributable to the Landlord's acts or omissions. This indemnity shall survive the expiry of this Lease.
- g) If at any time there occurs an event in or on the Premises constituting an offence under, or being in breach of, any Environmental Laws and the Tenant, either alone or with those for whom the Tenant is responsible for at law, causes the happening of such event the Tenant shall at its own cost and expense:
 - (i) immediately give the Landlord notice to the appropriate effect and thereafter give the Landlord from time to time written notice of the extent and nature of the Tenant's compliance with the provisions of the provisions contained in paragraphs (ii) and (iii) hereinafter set forth;
 - (ii) promptly remove any Hazardous or Toxic Substances or Materials attributable to the Tenant or for those whom the Tenant is responsible for at law from the Premises in a manner which conforms with all laws and regulations governing the movement of the same; and
 - (iii) remedy any damage to the Premises and any lands or premises adjoining or in the vicinity of the Premises, the Lands, the Building and the public generally caused by an event such as is referred to above or by the performance of the Tenant's obligations under this subsection 8.4(e) as a result of the occurrence of either or both of such events.
- h) If the Tenant shall bring or create upon the Premises any Hazardous or Toxic Substances or Materials or if the conduct of the Tenant's business shall cause

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there to be any Hazardous or Toxic Substances or Materials upon the Premises then, notwithstanding any rule of law to the contrary or any other term of this Lease, such Hazardous or Toxic Substances and Materials shall be and remain the sole and exclusive property of the Tenant and shall not become the property of the Landlord notwithstanding the degree of affixation of Hazardous or Toxic Substances or Materials or the goods containing the Hazardous or Toxic Substances or Materials to the Premises and notwithstanding the expiry or earlier termination of this Lease.

- i) The obligations of the Tenant hereunder relating to Hazardous or Toxic Substances and Materials shall survive the expiry or earlier termination of this Lease save only that, to the extent that the performance of those obligations requires access to or entry upon the Premises or any part thereof the Tenant shall have such entry and access only at such times and upon such terms and conditions as the Landlord may from time to time reasonably specify, and should the Tenant default in its obligations hereunder or where the Landlord is required by law to do so, the Landlord may, at the Tenant's cost and expense, itself or by its agents, servants, employees, contractors and subcontractors, undertake the performance of any necessary work in order to complete such obligations of the Tenant, but having commenced such work, the Landlord shall have no obligation to the Tenant to complete such work.

ARTICLE 9 INSURANCE

9.1 Insurance

- A) The Tenant covenants and agrees that throughout the Term, and any renewal thereof, it will take out and maintain at its sole cost and expense the following:
 - i) comprehensive public liability and property damage insurance with respect to injury, death and property damage occurring on or about the Premises or the operations of the Tenant on the Lands and in or upon the Building in the amount of not less than Five Million (\$5,000,000) Dollars, per occurrence; and
 - (ii) insurance against loss by such insurance hazards on a replacement cost basis and in an amount sufficient to cover the full costs of replacement of all alterations, decorations, fixtures, trade fixtures, additions and improvements made, installed or brought by the Tenant on the Premises;and will add as additional insured in respect of the above-referenced insurance as it relates to the Premises only and as their interests appear, the Landlord and any mortgagee designated by the Landlord from time to time.
- B) The Landlord covenants and agrees that, throughout the Term of this Lease and any renewal thereof, it will take out and maintain in the names of the Landlord

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and any mortgagees designated by the Landlord from time to time, and the Tenant, as their respective interests may appear, the following insurance:

- (i) fire insurance with all risk extended coverage endorsement in respect of the Building in an amount equal to the full replacement value thereof, from time to time, including water damage insurance (including, if applicable, sprinkler leakage);
 - (ii) boiler and pressure vessels insurance, if necessary, up to such amounts as the Landlord, as a prudent owner, deems necessary;
 - (iii) to the extent not adequately protected by the Tenant's insurance as reasonably determined by the Landlord, comprehensive general liability insurance including bodily injury and property damage insurance with respect to the Lands and the Building up to such limit as the Landlord, as a prudent owner, deems necessary;
 - (iv) loss of rental insurance indemnifying the Landlord in respect of Basic Rent and Additional Rent for a period of at least twelve (12) months; and
 - (v) such other insurance in amounts and upon terms reasonable for a prudent owner to provide or as otherwise required by the Landlord, acting reasonably, or the Landlord's mortgagees.
- C) The Tenant shall pay to the Landlord, as Additional Rent, the cost of all premiums and deductibles payable by the Landlord in connection with the insurance required or permitted to be maintained by the Landlord under this Lease no later than fifteen (15) days prior to the date upon which such premiums become due under such policies of insurance. Notwithstanding the Tenant's payment of such premiums and notwithstanding the obligations of the Landlord to repair and replace the Building on and subject to the terms and conditions set forth in Article 10 of this Lease, the Tenant agrees that no insurable interest is conferred upon the Tenant under any policies of insurance carried by the Landlord and that the Tenant has no right to receive any proceeds of any insurance policies carried by the Landlord.

9.2 Policy Requirements

Each policy referred to in subsection 9.1(A) hereof shall contain a waiver of rights of subrogation in favor of the Landlord and its mortgagees and a cross-liability clause protecting the Landlord and its mortgagees against claims by the Tenant and other designated insured as if the Landlord and its mortgagees were separately insured. Such policies shall also provide for ten (10) days prior written notice to be given to the Landlord and its mortgagees prior to cancellation and the Tenant shall, prior to gaining entry to all or part of the Premises, and from time to time thereafter as required by the Landlord, deliver to the Landlord certificates of such insurance (which certificates shall, inter alia, certify the aforesaid requirements) or the original or a certified copy of such insurance policies.

Each insurance policy referred to in subsection 9.1(B) hereof will name the Landlord and the persons, firms or corporations designated by the Landlord as additional named insured as their interests may appear, will name all of the Landlord's mortgagee(s) as loss payee(s) as their respective interests may appear, will contain a waiver of rights of subrogation in favor of the Tenant and a cross-liability clause protecting the Tenant against claims by the Landlord and other designated insured as if the Tenant were separately insured and will contain a clause that the insurer will not cancel or change or refuse to renew the insurance without first giving the Landlord and its mortgagee(s) thirty (30) days' prior written notice. The Landlord will, upon request from the Tenant, see that there is delivered to the Tenant certificates of insurance with respect to such policies. If the Landlord fails to take out or keep in force any policy of insurance referred to in subsection 9.1(B) hereof or in this Article 9.2 or to provide a certificate of insurance evidencing same within fifteen (15) days following request therefore from the Tenant, the Tenant may, following expiration of five (5) days after notifying the Landlord in writing of its intention to do so, take out such insurance and pay the premiums therefor, provided the Tenant shall, upon request by the Landlord and delivery by the Landlord to the Tenant of a certificate of insurance evidencing placement by the Landlord of insurance as required hereunder, cancel such insurance and pay the Landlord's cost of premiums payable in accordance with subsection 9.1(C) hereof.

9.3 Cancellation

The Tenant covenants and agrees that it will not do or permit or omit to be done anything upon the Premises or any part thereof whereby any insurance policy shall be impaired or cancelled or the Premises shall be rendered uninsurable.

9.4 Proceeds

Subject to the requirements of any mortgagee(s) of the Landlord, the proceeds of any policy of fire insurance maintained by the Landlord pursuant to this Article 9 which shall become payable as a result of any damage to or destruction of the Building shall be used for the repairing, replacing, rebuilding or restoring of the Building. All such insurance proceeds as aforesaid, which are required to repair, restore, replace or rebuild such Building shall be paid to the Landlord for the purpose of repairing, restoring, replacing or rebuilding the Building; provided that if this Lease is terminated pursuant to the provisions of Article 10 hereof, all insurance proceeds shall be released to the Landlord.

The Tenant shall insure its leasehold improvements in the Premises in accordance with Article 9.1(A) hereof and all proceeds thereof in respect of leasehold improvements to which the Tenant is entitled pursuant to the provisions thereof shall be payable and released to the Tenant.

ARTICLE 10 DAMAGE AND DESTRUCTION

10.1 Damage and Destruction

Provided and it is hereby expressly agreed between the parties hereto that if and whenever during the Term hereby demised or any renewal thereof, the Building shall be damaged or destroyed by fire or any other perils or cause whatsoever, then, subject to the

provisions of Article 10.2 hereof, the Term (or any renewal thereof) and provisions of this Lease shall continue in full force and effect and, the Rent shall abate to the extent the Building is no longer fit for the Tenant's use due to damage to the Building from the date of such damage until 1 day after completion of those repairs to such damage which the Landlord is required to perform hereunder, and the Landlord agrees to rebuild, restore and repair the Building in accordance with, and subject to, the requirements of provincial laws and municipal bylaws in effect at that time and in accordance with plans and specifications therefor provided by the Landlord and approved by the Tenant, such consent not to be unreasonably withheld, and by way of clarification, the Tenant acknowledges and agrees that the Landlord shall only be required to rebuild, restore or repair the Building to the extent that the Landlord was initially obligated to provide the Building as at the Commencement Date.

10.2 Non-Insured Damage

Notwithstanding the provisions of Article 10.1 hereof, in the event of damage or destruction occurring by reason of any cause in respect of which no insurance is payable, or in the event proceeds of insurance sufficient to pay for the cost of rebuilding, restoring and repairing the Building are not payable to or received by the Landlord, the Landlord may, at its option, either (i) terminate this Lease upon written notice to the Tenant within ninety (90) days after the occurrence of such damage or destruction or (ii) rebuild, restore and repair the Building within twelve (12) months from the date of damage or destruction, or so soon thereafter as is practicable, provided the Landlord has commenced such rebuilding, restoration or repair of the Building within twelve (12) months of the damage or destruction and is diligently pursuing completion thereof (in which event the Landlord shall remain liable for all costs and expenses incurred with or incidental to the cost of rebuilding, repairing or restoring the Building). If the Premises are not restored within eighteen (18) months of the casualty, the Tenant may terminate this Lease upon providing the Landlord with thirty (30) days prior written notice

ARTICLE 11 DEFAULT AND RE-ENTRY

11.1 Default and Re-entry

- (a) It is expressly agreed that:
- (i) if the Tenant shall be in default in the payment of Rent or amounts collectable hereunder as rent, whether lawfully demanded or not, and such default shall continue for a period of ten (10) days after the Rent has become due and payable; or
 - (ii) if the Tenant shall be in default of any of its covenants and agreements hereunder (other than its covenant to pay Rent or amounts collectable hereunder as Rent) and such default shall continue for a period of fifteen (15) days after notice by the Landlord to the Tenant specifying with reasonable particularity the nature of such default and requiring the same to be remedied; or

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- (iii) if the default set out in the notice given to the Tenant by the Landlord pursuant to paragraph (ii) reasonably requires more time to cure than the fifteen (15) day period referred to in that paragraph and the Tenant has not commenced remedying or curing the same within the fifteen (15) day period or, fails to diligently complete the same within a reasonable time; or
- (iv) if the Tenant shall make an assignment for the benefit of creditors, or shall make an assignment or have a receiving order made against it under any bankruptcy legislation, or becoming bankrupt or insolvent shall make application for relief under the provisions of any statute now or hereafter in force concerning bankrupt or insolvent debtors, or any action whatsoever, legislative or otherwise, shall be taken with a view to the winding-up, dissolution or liquidation of the Tenant; or
- (v) if the term of this Lease hereby granted or any material portion of the goods or chattels on the Premises are at any time possessed, seized, or taken in execution or attachment by any creditor of the Tenant, whether under a bill of sale, chattel mortgage, debenture, conditional sales contract, lien note, lease of personal property, consignment contract or otherwise; or
- (vi) if a writ of execution or replevin order issues against a material portion of the goods or chattels of the Tenant; or
- (vii) if the Premises at any time during the Term of this Lease, or any renewal thereof, becomes vacant in consequence of their abandonment by the Tenant, or the removal of the Tenant by legal process for non-payment of Rent, breach of covenant or any other cause, but for clarity, shall not preclude the Tenant from ceasing to occupy or carry on business in the Premises provided in all other respects the terms and conditions contained in this Lease are complied with; or
- (viii) if any insurance policy insuring the Premises or the Landlord in respect thereof is cancelled, threatened with termination or is refused to be renewed by reason of the use and occupation of the Premises or any part thereof by the Tenant;

then, at the option of the Landlord, the current month's Rent, in the event of a default under subsection 11.1(a) above together with the Rent for the six (6) months ensuing, shall immediately become due and payable and, at the option of the Landlord, the Term hereby granted shall become forfeited and void, and the Landlord may without notice or any form of legal process whatsoever forthwith re-enter upon the Premises, or any part thereof, in the name of the whole and repossess and enjoy the same as its former estate, anything contained in any statute or law to the contrary notwithstanding. No re-entry or taking possession of the Premises shall be construed as an election on the part of the Landlord to terminate this Lease unless at the time of or subsequent to such re-entry or taking

of possession written notice of such intention has been given to the Tenant or such termination is decreed by a Court of competent jurisdiction.

- b) Forfeiture of this Lease by the Tenant shall be wholly without prejudice to the right of the Landlord to recover arrears of Rent or damages for any antecedent breach of covenant on the part of the Tenant and, notwithstanding any such forfeiture, the Landlord may subsequently recover from the Tenant damages for loss of Rent suffered by reason of the Lease having been determined prior to the end of the Term of this Lease; as set out herein and this subsection 11.1(b) and the rights hereunder shall survive the termination of this Lease whether by act of the parties or by operation of law.

ARTICLE 12

ESTOPPEL CERTIFICATES OR STATEMENTS

12.1 Estoppel Certificates or Statements

- a) The Tenant or the Landlord at any time and from time to time, upon not less than ten (10) day's prior written notice, shall execute and deliver to the other a statement in writing certifying that this Lease is unmodified and in full force and effect (or if modified, stating the modifications and that the same is in full force and effect as modified); certifying the amount of the Rent then being paid hereunder; certifying the dates to which the same relates, by installment or otherwise, and that other sums herein provided to be paid by the Tenant have been paid; and stating, whether or not there is any existing default on the part of the Landlord or the Tenant, as the case may be, of which the other has notice; the particulars and amount of insurance policies on the Premises in which the interest of the party giving such certificate is noted; the amount of the Deposit and Letter of Credit, if still applicable, being held by the Landlord; and providing such other information with respect to this Lease or the Premises as may be reasonably requested.
- b) Any statement delivered pursuant to the provisions of this Article 12 may be conclusively relied upon by any purchaser or prospective purchaser or any mortgagee or prospective mortgagee of the Premises or the leasehold or any sub-lessee or prospective sub lessee save as to any default on the part of the Landlord or the Tenant of which the party giving such statement does not have notice at the date thereof.

ARTICLE 13

FINANCING AND SUBORDINATION

13.1 Financing and Subordination

Provided that any mortgagee, trustee or holder under any mortgage, deed of trust, lien or other charge provides assurance to the Tenant of quiet possession so long as the Tenant is not in default hereunder by way of a mutually agreeable Non-Disturbance Agreement, this Lease and all of the rights of the Tenant hereunder is and shall be subject and subordinate to all mortgages,

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deeds of trust, liens or other charges resulting from any method of financing, modifications, consolidations, replacements and extensions thereof which may now or at any time hereafter be in force against or affect the Premises in whole or in part and whether or not such mortgages, deeds of trust, liens or other charges shall affect only the Premises or shall be blanket mortgages, deeds of trust, liens or other charges affecting other premises as well. The Tenant shall at any time on notice from the Landlord attorn to and become a tenant of a mortgagee, trustee or holder under any such mortgage, deed of trust, lien or other charge upon the same terms and conditions as set forth in this Lease and, provided such mortgagee, trustee or holder provides assurance to the Tenant of quiet enjoyment so long as the Tenant is not in default hereunder, shall execute promptly upon request by the Landlord any instruments of postponement or attornment or other instruments from time to time requested to give full effect to this requirement.

13.2 Priority of Lease

The Tenant agrees that the holder of any lien, mortgage, charge or encumbrance of the Premises, or any part thereof, at any time by an instrument in writing registered against the title to the Premises may subordinate such lien, mortgage, charge or encumbrance to this Lease without any further consent or agreement of the Tenant.

13.3 Financial Information

If the Landlord shall, in connection with any proposed financing or sale of the Premises, require information relating to the financial position of the Tenant, the Tenant shall, within fifteen (15) days of the service upon it by the Landlord of a notice in writing requesting such information, furnish to the Landlord copies of its most recent consolidated financial statements or equivalent. The Landlord shall only use such financial statements in connection with any proposed financing or sale of the Premises and shall deliver the same to its prospective lender or purchaser on the basis that they are confidential information and are to be treated by the lender or purchaser as such.

ARTICLE 14 RIGHT TO SHOW PREMISES AND PLACE SIGNS

14.1 Right to Show Premises and Place Signs

The Landlord shall at any time have the right to place upon the Premises a sign (of reasonable dimensions and reasonably placed so as not to interfere with the Tenant's business) stating that the Premises are for sale and shall have the right within twelve (12) months prior to the termination of the Term or any renewal thereof, to place upon the Premises a notice (of reasonable dimensions and reasonably placed so as not to interfere with the Tenant's business) stating that the Premises are for rent; further, the Tenant will not remove such signs or permit the same to be removed. The Landlord and its agents and employees shall also be permitted to enter upon the Premises on reasonable written notice within the aforesaid periods to show the same to prospective purchasers or tenants, provided that at all times the Landlord's representative shall be accompanied and escorted by an employee or other representative of the Tenant.

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ARTICLE 15 GENERAL

15.1 Representation

The Landlord leases the premises to the Tenant on an "as is, where is" basis with the exception of the work identified as Landlord's work in the attached Schedule ^B of the Offer To Lease.

15.2 No Implied Obligations

No implied terms or obligations of any kind by or on behalf of either the Landlord or the Tenant shall arise from anything in this Lease and the express covenants and agreements herein contained and made by either the Landlord or the Tenant are the only covenants and agreements upon which any rights against either the Landlord or the Tenant may be founded. The Landlord makes no representations or warranties, whether express, implied, statutory or otherwise, in connection with this Lease, the Premises, the Lands, the Building or otherwise.

15.3 Net Lease

It is the intention of the Landlord and the Tenant and it is hereby agreed by them that the Tenant shall pay all Rent to be paid hereunder to the Landlord without any deduction, abatement or set-off whatsoever except as otherwise provided herein; and notwithstanding any statutory or other provisions, all charges, expenses, payments and costs of every nature and kind whatsoever incurred in respect of the Premises or for any matter or thing affecting the Premises shall (other than with respect to any franchise, corporate, estate, inheritance, succession, net income, excess profits, capital levy, speculation or transfer tax of the Landlord or any rates, assessments or charges levied, assessed or charged against or in respect of any other tax or impost of a personal nature charged to or levied upon the Landlord and other than with respect to any payments on account of principal and interest or principal or interest in respect of any financing arranged by the Landlord and secured against or charging any interest of the Landlord in the Lands and unless otherwise expressly stipulated herein to the contrary) be borne by the Tenant so that the Rent herein provided for shall be absolutely net to the Landlord. The Landlord shall not be responsible for any charge, claim or liability whatsoever in connection with the Premises except as expressly provided in this Lease or by law.

15.4 Entire Agreement

This Lease shall be deemed to constitute the entire agreement between the Landlord and the Tenant with respect to the subject matter hereof.

15.5 Effect of Lease

This Lease and everything herein contained shall ensure to the benefit of and be binding upon the heirs, executors, administrators, successors and permitted assigns as the case may be of each of the parties hereto, subject to the granting of consent by the Landlord as provided herein to any assignment or transfer of this Lease. Where there is a male, female or corporate party, the provisions hereof shall be read with all grammatical changes to gender and number required by

the context. Where there is more than one party comprised in the Tenant, all covenants and obligations on the part of the Tenant shall be joint and several.

15.6 Provisions Separately Valid

If any covenant, obligation, agreement, term or condition of this Lease or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease or the application of such covenant, obligation, agreement, term or condition to persons or circumstances other than those in respect of which it is held invalid or unenforceable, shall not be affected thereby and each covenant, obligation, agreement, term or condition of this Lease shall be separately valid and enforceable to the fullest extent permitted by law.

15.7 Waiver Negated

The failure by either party to require the fulfillment of the obligations, or to exercise any rights herein contained shall not constitute a waiver, a renunciation or a surrender of those obligations or rights.

15.8 Governing Law

This lease shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein and shall be treated in all respects as an Alberta contract.

15.9 Time of the Essence

Time shall be of the essence of this Lease and of every part hereof.

15.10 Expropriation

If at any time during the Term, or any renewal thereof, the whole or a portion of the Premises are expropriated by right or exercise by any competent authority of power of expropriation, the Landlord and the Tenant shall each be entitled to advance separately their claims for compensation for the loss of their respective interests in the Premises and shall be entitled to receive and obtain such compensation as may be awarded to each of them respectively. If an award of compensation made to the Landlord specifically includes an award for the Tenant, the Landlord will account therefor to the Tenant; and if an award of compensation made to the Tenant specifically includes an award for the Landlord, the Tenant will account therefor to the Landlord. Upon termination of this Lease by expropriation or other operation of law, the Tenant will forthwith pay to the Landlord the Rent and all other charges which may be due to the Landlord up to the date of such termination. The Tenant will have no claim upon the Landlord for the value of its property expropriated or the unexpired term of this Lease or for any other damages, costs, losses or expenses whatsoever. The Landlord and the Tenant agree to cooperate one with the other in respect of any expropriation of all or any part of the Lands or the Premises so that each may receive the maximum award to which they are respectively entitled in law.

15.11 Decision of Architect

In the absence of manifest error, the decision of, or any certificate made by, the Architect under or pursuant to this Lease shall be final and binding on the Landlord and the Tenant, provided that, and on the condition that, the Architect is acting reasonably in making such decisions or issuing such certificate. The Architect will be accredited under Alberta law and be chosen by the Landlord with reasonable input by the Tenant. The Architect must be arms length when chosen.

15.12 Headings

The headings to the various Articles and subsections in this Lease are for informational purposes only and shall not alter or affect the interpretation of the terms and provisions of this Lease.

15.13 Registration

The Tenant shall not register this Lease on title to the Lands. Further, the Tenant shall not register any interest on title to the Lands prior to taking occupation of the Premises; however, following taking occupation of the Premises the Tenant may register Short Form of Lease on title to the Lands, at its sole cost, provided such Short Form of Lease is first approved as to form and content by the Landlord (such approval not to be unreasonably withheld) and, in any event, does not disclose any of the financial terms of this Lease and describes only the parties to this Lease, the Premises, and the Term of this Lease.

15.14 Surviving Obligations

On any termination of this Lease, the Tenant's right of possession shall cease and terminate, but the obligations of the parties with respect to payment of Rent or covenants not performed at the date of such termination, indemnification, or any other obligations which, by their nature or by reason of the circumstances at the time of such termination, are not completely performed prior to such termination, shall remain in full force and effect until satisfied.

ARTICLE 16 NOTICES

16.1 Notice

Any notice to be given by either party hereto to the other pursuant to this Lease shall be in writing and delivered by hand or sent by prepaid registered mail or sent by telex or other electronic communication which results in a written or printed notice being given, addressed to:

16.2 Address for Notices

Landlord

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Robert & Wanda Stewart
RR. 2, Site 11, Box 2
Didsbury, Alberta T0M-0W0

Wade & Leanna Stewart
121 Hidden Creek Rd.
Calgary, Alberta T3A-6L6

Tenant

Advantage Products Inc.
Suite 273, 1919B - 4th Street South West
Calgary, Alberta T2S 1W4

Any notice delivered by hand shall be deemed to be received when left during normal office hours at the addresses set forth above, and any notice sent by prepaid registered mail shall be deemed to have been received when actually received. Any notice sent by telex or other electronic communication shall be deemed to be given on the date of such transmission if received. Either party shall be entitled to change its address for notice to an address elsewhere in Canada by notice in writing to the other.

IN WITNESS WHEREOF the parties hereto have executed this Lease as of the day and year first above written.

ROBERT & WANDA STEWART and
WADE & LEANNA STEWART.
(Landlord)

ADVANTAGE PRODUCTS INC.
(Tenant)

Per: _____

Per: _____

Robert Lidy
I have the authority to bind the Corporation.

Per: _____

Per: _____

DESCRIPTION

Plan 9811911, Lot 11, Block 5
N.E. 17-31-01 W5

11-31264 - Hwy 2A

Freestanding buildings that are approximately 21,955 square feet on 4.99 acres.

SCHEDULE "B"

PREVENTATIVE MAINTENANCE PROGRAM Required Services

Regular Maintenance:

- Verification of the following maintenance, preventative maintenance, cleaning, and servicing items will be required by the Landlord on at least a monthly basis. A property management representative will visit the site each month to ensure that the maintenance has been taken care of and logged as required. The costs of the maintenance verification will be additional rent cost of the tenant monthly.
- Office Cleaning -Scheduled maintenance office marmolium floor covering refinished with commercial wax finish every 6 months,
- Carpet -regular maintenance cleaning program (as required)
- ~~Epoxy Coated Concrete Floors maintained with annual finishing of industrial sacrificial wax~~ VC 5.09.13.2011
- Regular cleaning, dusting and garbage removal
- Lighting - Bulb and ballast replacement
- Glass, Door & Hardware Repairs
- Septic system holding tank emptied as use requires
- Exterior painting as required
- Graffiti removal

Monthly or Quarterly:

- HVAC
 - Preventative maintenance contract inspections and filter changes (HVAC filters to be changed ~~every 2 months~~ throughout the Term or any renewal thereof) See attached schedule
 - Boiler and hydronic system maintenance. Maintain glycol levels, test glycol strength every 6 months, replace glycol at five year intervals (next change Sept 2012), recirculating pumps, air bleed ports, clean boilers, clean glycol screens, etc -see attached schedule.
- Floor Drains
 - Fill with water to maintain water barrier in traps
- Overhead Doors
 - Inspection and servicing

Annual:

- Parking Lot Maintenance

- Replace exterior lamp bulbs and ballasts as required
- Parking lot maintenance as required to refresh gravel and grade or shape as required to assure proper drainage away from building and to prevent water pooling as it drains through the property.
- Auger sanitary lines to street and clean basins, as required.
- Check well pump and pressure system. Chlorination ('Shock') treat water well as required.

- Fire Prevention
 - equipment inspected (i.e. extinguishers)
 - Smoke detectors, if any tested and certified
 - Exit signage & emergency lighting replaced as required

- Supporting Structure Inspection
 - Exterior and interior walls (crack, deterioration, spalling, moisture)
 - Interior roof deck - structural, water damage, physical damage

- Roof Inspection
 - Surface condition (debris, drainage)
 - Roof penetrations sealed
 - Blistering, splitting, ridging, fish mouths and punctures
 - Metal flashing
 - Punctures, rusting, caulking, drainage, fasteners
 - Roof edging/fascia - splitting, rusting, fasteners, punctures, *after installed by hand for*
 - Drainage - clean screens, check downspout, clamp rings *& submerged*
 - Equipment housing - counter flashing, open seams, physical damage, caulking

- Electrical Equipment
 - Inspected.

Seasonal:

- Window Cleaning

- Landscaping
 - Spring clean-up - heavy weed clearing, garbage pick-up
 - Tree branch clean up
 - Weekly maintenance program - grass cutting, weed control, garbage pick-up, shrub and tree bed debris removed
 - End of season - final clean-up, dead leaves removed, final grass cutting

- Snow Removal
 - Walkway clearing - snow removal, sanding icy areas

- insurance premiums including property revenue insurance.

HVAC (MUA, Roof top units & Exhaust fans)

Electrical Disconnect

1. **Inspect contacts**
2. **Check for proper operation**

Fan Motors & Wheels

1. Inspect and test the capacitors (start and run) & contacts
2. Tighten all electrical connections
3. Check and record operating current, voltage and ohms (of the coils)
4. Lubricate bearings, if required
5. Examine motor mount resiliency
6. Blow out and clean the windings of the motor
7. A **complete belt change once a year** on all the roof top units, make up air and exhaust fan, if required by factory or in product literature.
8. Check fan wheel and clean dirt accumulation to ensure the fan is not operating out of balance
9. Lubricate bearings and check for end play/excessive wear
10. Check condition of drive couplings and belts/adjust where needed
11. Check for corrosion and wear

Condensor & Evaporator Coil

1. Inspect the finned surface for damage and dirt
2. Inspect the coils for any leaks
3. Clean the coil with both compressed air and chemical

Control Panel

1. Calibrate , test and clean controllers and safety controls
2. Check set point of controls and limits
3. Sequence test all controls
4. Blow off electronics with compressed air

Filter Section

1. Replace the filters at each preventative maintenance visit

Economizer Dampers

1. Check for unrestricted and proper operation
2. Lubricate bearings as required
3. Ensure the dampers respond to either the economizer motor or the driving motor
4. Ensure the economizer control is set to the proper setting

Heating Section (HVAC)

1. Inspect for overall cleanliness and operation
2. Inspect for any improper burning of the flame (due to a plugged port, low gas pressures etc...)
3. Test the unit on first and second stage heating, adjust the gas valve if required to have the proper gas pressures
4. Test the vent motor for proper alignment, check the capacitor to ensure it operates properly and does not leak
5. Inspect for any corrosion on the flame sensor and igniter, clean as required.

REFRIGERATION (Walk in cooler, walk in freezer, line coolers,)

Defrost Clock (Refrigeration)

1. Monitor the function of the clock
2. Monitor the set points for defrost and time set for defrost
3. Inspect operation of the electrical/defrost lines in the cooling coil
4. Test the clock to ensure it properly shuts off the refrigeration system and activates the evaporator heaters

Refrigeration Compressor

1. Check crankcase heater operation (if it is outside)
2. Check refrigerant charge (super heat and sub cooling)
3. Check for refrigerant and oil leaks
4. Check oil level and conditions (where available)
5. Observe bearing and operating surface temperature
6. Inspect the high pressure safety valve cut out, wiring and operation
7. Clean off any old oil leaks

Electrical Disconnect

1. Inspect contacts
2. Check for proper operation

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Condensor & Evaporator Coil

1. Inspect the finned surface for damage and dirt
2. Inspect the coils for any leaks
3. Clean the coil with both compressed air and chemical

Fan Motors & Wheels

1. Inspect capacitors (start and run) and contacts
2. Check operating current and voltage
3. Examine motor mount resiliency
4. Ohm out the motor windings to ensure there are no shorts to ground or weak coils
5. Blow out and clean the windings of the motor
6. Check fan wheel and clean dirt accumulation
7. Lubricate bearings and check for end play/excessive wear
8. Check for corrosion and wear
9. Clean off the fan blades to ensure the fan is not out of balance

Refrigeration Control Panel

1. Calibrate and clean controllers and safety controls
2. Check set point of controls and limits
3. Sequence test all controls
4. Blow off the electronics with compressed air

REPORT

1. Complete measurements of all voltages, amps, super heats and sub cooling
2. A written report of all deficiencies and expected life of time of the equipment

BOILER and PLUMBING

1. **ON A MONTHLY BASIS** inspect boiler pressures, boiler controls, boiler temperatures and inspect all boiler flame burners conditions.
2. Inspect boiler expansion tanks air to water levels
3. Inspect water make-up pressure
4. Check pumps for noise, vibrations and procedure, altered and lubricated when required.
5. Inspect the hot water tanks and do a flush. *Flush to be done as needed*
6. Inspect safety relief valves for leakage
7. Inspect for signs of leakage from the relief ports on the backflow preventers

ON A QUARTERLY BASIS

1. Circulating pumps will be greased and pump filters will be checked and replaced if dirty
2. Filters on the hot water heating lines will be inspected and replaced, if they are too dirty they will be replaced more often until the system is cleaner, (tenant will be notified of this)
3. In Fall - the heating taps will be inspected and once during winter heating months.

4. Two way mixing valves for the reset water temperature circuits controlled by the Delta system will be checked and the temperature settings monitored. The valves will be lubricated at this time if required.

ON A SEMI ANNUAL BASIS

1. The unit heaters will be checked to ensure they are working properly. Depending on the location of the units I suggest isolating the units and flushing the units to make sure debris does not collect in the coil and it circulates properly

ON AN ANNUAL BASIS

1. Remove the burners from the boilers inspect and clean them
2. Inspect the heat exchangers
3. Inspect igniters and pilots
4. Test the safety relief valves
5. The hot water tanks will be isolated, drained, pulled and inspect the pilot burner. The tanks will be flushed and inspected with a camera
6. Check the dampers operation on the tanks
7. Test all backflow and copies and test reports to be sent directly to owners
8. The filters on the heating system will be checked and cleaned
9. The control valves will be checked for operation

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SCHEDULE "C"

CONSTRUCTION SPECIFICATIONS AND REVISIONS

See attached documents.

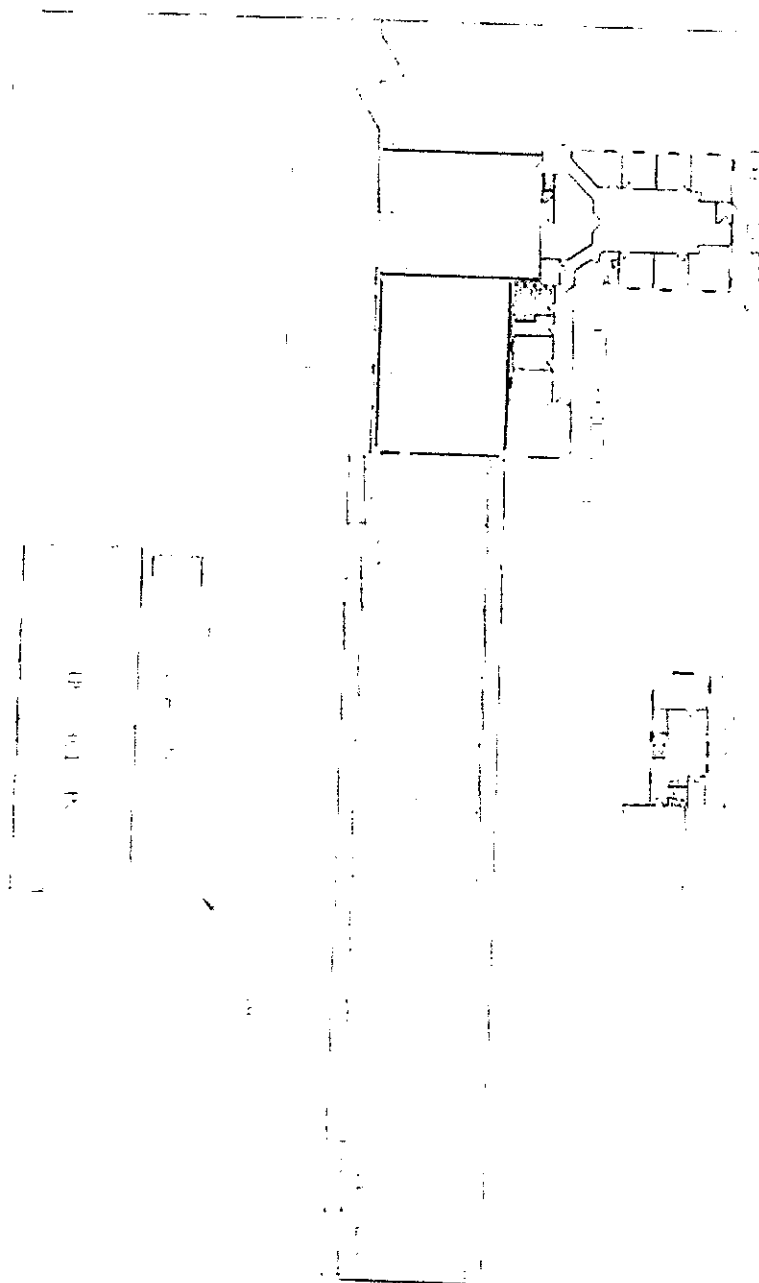
SCHEDULE "D"

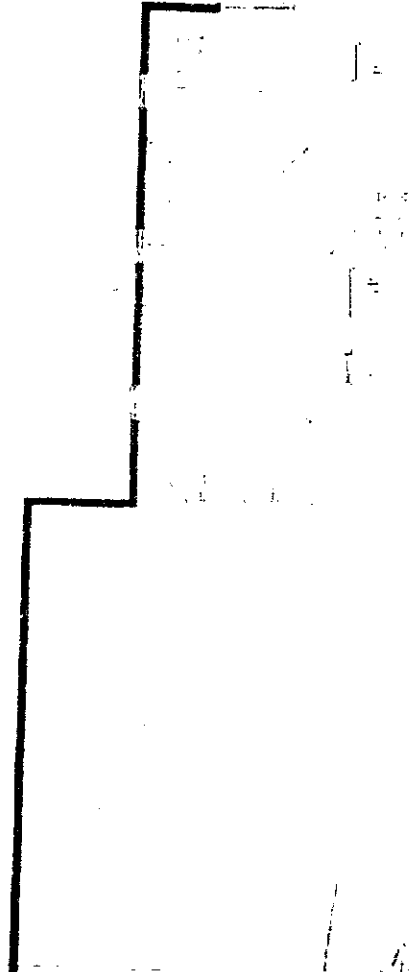
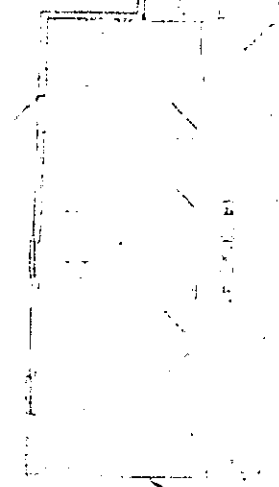
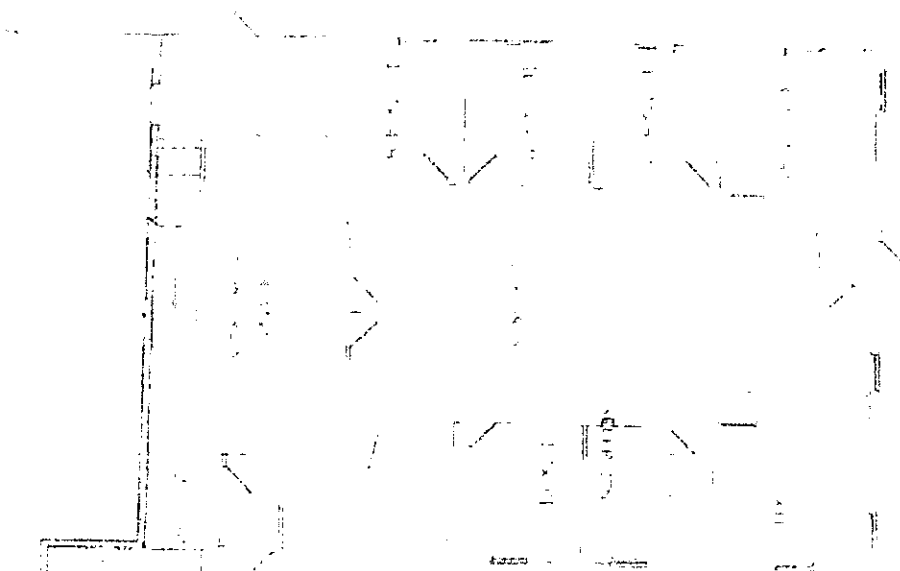
DRAWINGS

See attached drawings.

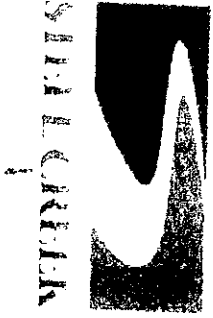
1. Site Plan
2. Building Floor Plan and Mezzanine Plan
3. Elevations

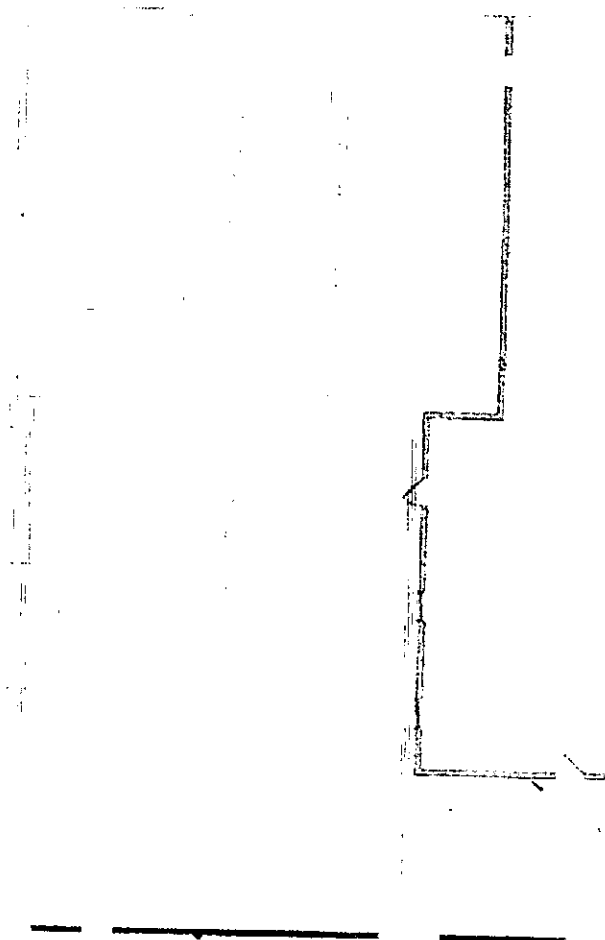
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JULY 11
43





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SILVER CREEK



03/20/2011 10:00 AM

PROJECT

03/20/2011

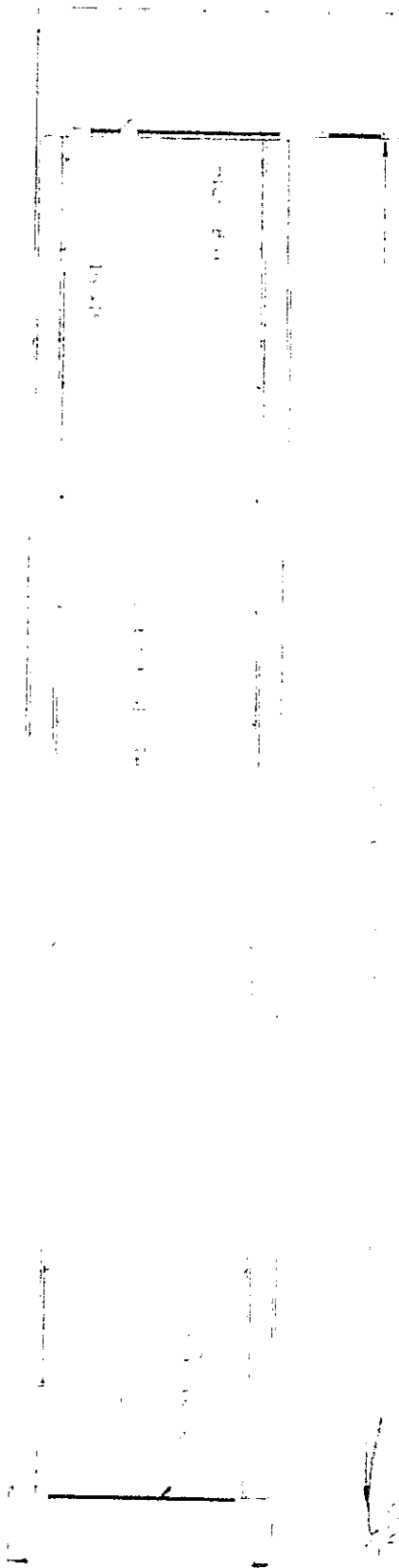
SILVERDALE



10/1/82

10/1/82

REVISIONS



SILVERCREAK



Schedule "E"

Offer to Lease

March 30th, 2011

To:

Robert & Wanda Stewart both as Joint Tenants with
Wade & Leanna Stewart both as Joint Tenants now Collectively Referred to as (the "Landlord")
c/o Mr. Kent Bacon & Mr. Manuel Verdugo, Associate
Avison Young Commercial Real Estate (Alberta)
Suite 309, 401-9th Avenue SW
Calgary, Alberta
Tel: (403) 232-4328
Fax: (403) 262-3326

From:

Advantage Products Inc. (the "Tenant")
c/o Mr. Jeff Keet, Associate
CITI COMMERCIAL REAL ESTATE SERVICES INC.
Suite 2020, 736-6th Avenue SW
Calgary, Alberta
T2P 3T7
Tel: (403) 519 9618
Fax: (403) 262-5557

Re: Offer to Lease for 11, 31264 Highway 2A, Didsbury, AB

ADVANTAGE PRODUCTS INC. is pleased to offer you the following terms for your Premises
Identified as 11, 31264 Highway 2A, Didsbury, AB

The business terms of this Offer to Lease shall be as follows:

Landlord: Robert & Wanda Stewart both as Joint Tenants with
Wade & Leanna Stewart both as Joint Tenants

Tenant: ADVANTAGE PRODUCTS INC.

Tenant Information: Information about Advantage Products Inc. can be found at:
<http://www.advantageproductsinc.com/>
Advantage Products Inc. is in the business of designing, manufacturing and
testing oil and gas related equipment.

Premises: 11, 31264 Highway 2A, Didsbury, AB
Specifically the areas identified as: the Executive Offices, Shop 1,
Shop 2, High Bay, Upstairs Offices, Storage.

Area: 11,500 Rentable Square Feet Approximately plus the Yard Area (Less yard
area used by the existing Out-Building-Tenant). It is understood that the Tenant
shall be entitled to the use of the majority of the Yard Area.

RE

03/30/2011

Yard:

Landlord to outline on attached Schedule "A", the Yard area that will be exclusive to the Tenant and the Yard area that will be exclusive to the existing Out Building tenant.

Cold Storage Shed:

The Tenant shall be permitted to place its cold storage (metal front & canvas sides) structure on a portion of the Yard. The exact make and model of this structure is the Chinook Arch Series by Norsman Structures. The precise placement of this Cold Storage Shed within the Yard shall be determined by both the Landlord and the Tenant with both parties acting reasonably and during the Conditional period agreed upon in this Offer to Lease. This Cold Storage Shed measures approximately 42 feet by 59 feet. See Landlord's Work in Schedule "B".

Term:

The Lease Term shall be for Five (5) years with Commencement on May 1, 2011 and shall expire after exactly Five (5) years. *May and June are*

Basic Rent:

Years 1-2: \$7.00 per rentable square foot per annum plus applicable GST.
Years 3-4: \$7.50 per rentable square foot per annum plus applicable GST.
Years 4-5: \$8.00 per rentable square foot per annum plus applicable GST.

Fixturing Period:

The Tenant shall have full and unfettered access to the Premises for purposes of Tenant Fixturing and the commencement of business operations at any time after the following items have been completed or satisfied: Offer to Lease being unconditional, Lease signed by Tenant, Deposit provided to the Landlord's Brokerage, Proof of Insurance as per the Lease provided, and separately metered utilities transferred to the Tenant's account. This Fixturing Period shall commence when the items identified in this clause are satisfied (above and herein) and shall continue until the Commencement Date agreed upon herein. The Tenant shall be responsible for obeying all Terms and Conditions in the Lease during this Fixturing Period with the exception of having to pay Basic Rent. The Tenant shall be responsible for pro-rated Property Taxes and all separately metered utilities resulting from their exclusive use of the Premises, and as per the Lease. *Tenant to pay operating costs in May and June.*

Use:

Advantage Products Inc. (API) shall utilize the Premises for the design and manufacture, and testing of specialized equipment for the energy sector. The offices would be used for general and administrative purposes.

Air Make-Up Unit:

In the event that an Air Make-Up Unit is required, it is understood that this will be at the Tenant's sole cost and expense. However, the Tenant will be free to remove this Air Make Up unit at its option upon vacating the Premises.

Spray Booth:

The Tenant will be installing and/or building a proper spray booth at its own cost and expense. This spray booth will be to proper City of Calgary safety and building code regulations and will require ventilation. The Tenant hereby discloses that this spray booth will likely require a roof penetration for venting. The Tenant shall be responsible for professionally repairing/closing this roof penetration either on the Termination of the Term or upon Tenant vacating the Premises.

4-2-11
2011

Parking:

It is understood that the parking in front and side of the building is available on an unreserved basis. The Tenant will generally be entitled to parking in the areas in front of its Premises. The Tenant shall be permitted to park vehicles and equipment in the Yard area.

Premises:

The Premises shall be Leased to the Tenant on an "as is", "where is" basis with the exception of the work identified as Landlord's Work in the attached Schedule "B."

Operating Costs:

The Tenant shall pay the Operating Costs as described in the Lease document. The Tenant agrees to be responsible for 80% of the annual Property Taxes which are attributed to the Property. This is due to the fact that the Tenant will be occupying most of the available lease space available on the Property and using the majority of the available Yard space. The other 10% of the Property Taxes shall be paid by the existing Out Building tenant. This shall be described in the Lease.

Deposit:

The Tenant shall provide a Deposit equivalent to Two (2) months of Gross Rent (Basic Rent and Operating Costs plus applicable GST) to the Landlord's brokerage "in trust" within Two (2) business days of the achievement of an unconditional Offer to Lease. Approximately half of this Deposit shall be applied toward the first month of payable Gross Rent and the balance shall be held by the Landlord as a security deposit as described in the Landlord's standard form of Lease.

Landlord Condition: The Landlord shall have Six (6) business days to provide written senior management approval for this transaction. This Six (6) business day period shall commence on the first business day following the achievement of a conditional Offer to Lease. Upon written request, the Tenant shall provide financial or credit information as may reasonably be requested by the Landlord in order to reach satisfaction with Tenant covenant. This information shall be provided within Two (2) business days of it being requested.

Tenant Condition: The Tenant shall have Six (6) business days to obtain written Senior Management approval for this transaction. This Six (6) business day period shall commence on the first business day following the achievement of a conditional Offer to Lease. Satisfaction of these Tenant Conditions to be at the sole discretion of the Tenant. The Tenant may require reasonable access to the Premises for purposes of determining its shop layout.

Power: The Landlord shall ensure that the Tenant will have full access to a minimum of 800-amps of 3 Phase power within the Premises for the duration of the Term or any renewal thereof.

Mountain View County:

The Landlord at its cost and expense shall be responsible for providing any site or Building information (including but not limited to Site Plans/Real Property Report) which may be required by Mountain View County (or any applicable authority) prior to providing the Tenant with the proper occupancy permit. The Landlord shall provide this information promptly upon request by Tenant. If the proper authority does not grant the Tenant the required permits (despite the Tenant's commercially reasonable efforts) then any Deposits provided shall be returned to the Tenant.

Lease Document: The Landlord and Tenant, both parties acting reasonably, shall reach mutual agreement with respect to the Landlord's Lease within Ten (10) business days after the achievement of an unconditional Offer to Lease. The Landlord shall provide a copy of its standard Lease template within two business days of achieving a conditional leasing transaction for Tenant review.

Signage: The Tenant shall be permitted to have building standard signage at its own cost and expense and in compliance with any municipal signage by-laws. Signage must be met with the reasonable approval of the Landlord.

Severability: If any provision of this Offer to Lease is illegal or unenforceable it shall be considered severable from the remaining provisions of this Offer to Lease, which shall remain in force.

Subletting: The Tenant shall have the right to sublet the Premises, or any portion thereof with the Landlord's approval and consent not to be unreasonably withheld.

Agency Disclosure: The Tenant is being represented by Jeff Keet of CITI COMMERCIAL REAL ESTATE SERVICES INC. in this Lease transaction. The Landlord is being represented by Avison Young Commercial Real Estate (Alberta) in this Lease transaction. CITI COMMERCIAL Real Estate Services Inc. and Avison Young hereby recommend that their respective clients obtain legal representation to review the documentation prior to signing or waiving conditions.

Real Estate Commission:

The Landlord agrees to pay all real estate fees that result from the successful completion of this Lease transaction. The real estate fee payable to CITI COMMERCIAL Real Estate Services Inc. shall be due and payable upon the Tenant signing the Lease/paying the Deposit and taking possession of the Premises. CITI COMMERCIAL shall be entitled to a real estate fee equivalent to 2.6% of the Net Rent over the first Five (5) years of the Term plus GST. No fee shall be payable on any Term in excess of Five (5) years.

Option to Renew: Subject to the Tenant not being in default of the Lease and provided the Tenant pays the Basic Rent and Operating Costs as and when due and punctually observes and performs all of the terms, covenants and conditions contained in the Lease, the Tenant shall have the Option to Renew its lease for One (1) further term of a minimum of Three (3) years and up to a maximum of Five (5) Years, subject to and in accordance with the Lease. The Tenant shall exercise this Option to Renew by written notice to the Landlord of not more than Six (6) Months and not less than Four (4) Months prior to Lease expiry. The Basic Rent for the renewal period shall be negotiated at time of Renewal and be based on the prevailing market rental rate at that time. In the event that the Landlord and Tenant are unable to agree on a renewal rate for the Basic Rent for purposes of a renewal then the matter shall be resolved by way of an Arbitrator as per the Arbitration Act of Alberta with both parties acting reasonably. Note: If at any time during the currency of the Lease, the Tenant leaves the Out-Building, then this Option to Renew shall apply to that as well

**Option to Lease-
Out Building:**

It is understood that the Out Building is leased on a month to month basis. Prior to the Landlord committing to a term based lease with the existing month to month tenant (or any other tenant), the Tenant shall have the first right of refusal for a new Lease on the Out Building. In the event that the Out Building tenant continues on a month to month basis, then the Tenant shall have the right, on providing a minimum of Three (3) months written notice to the Landlord, to expand into the Out Building. The terms and conditions of the Lease agreement to be negotiated at that time the Tenant makes an Offer for the Out Building. In any event, no additional term or renewal option shall be granted to an Out Building tenant at any time during the Lease without the Tenant having the first option of expansion into the Out Building.

Right to Purchase:

In the event that at any time(s) during the course of this Lease Term or any renewal thereof, the Landlord receives a legitimate and bona fide Offer to Purchase for the Property (comprising the Buildings and Land) commonly known as 11, 31264 Highway 2A, Didsbury, AB (Title Number 071433689), then the Tenant shall have the right to submit its own Offer to Purchase for the Property. The Landlord agrees to give the Tenant reasonable opportunity to submit an Offer to Purchase prior to completing a sale with another prospective purchaser.

Additionally, the Tenant shall be free to submit an Offer to Purchase at anytime during the Term or renewal of the Term. Failure to complete a successful transaction under this scenario shall not negate the fact that Landlord will inform Tenant of other Offers to Purchase as described above and herein.

In the event the Landlord decides to sell the property the tenant shall be given the first right to offer.

Covered Outdoor
Area in out Building:

Tenant to have use
(for storage purposes) of
covered outdoor storage area
at back of out Building.
No extra cost.

Execution by
Facsimile:

The Landlord and the Tenant agree that the execution of this Offer to Lease by facsimile transmission is acceptable and shall be binding on the two parties as if the documents transmitted were original executed documents.

Acceptance:

This Offer to Lease is open for your acceptance until 5:00 pm Calgary time, March 31st, 2011 and if not accepted by then this Offer to Lease shall become null and void and of no further force and effect.

ADVANTAGE PRODUCTS INC. (the "Tenant")

Per: Vincent Stoney
(Authorized Signatory)

March 30, 2011
Date

The undersigned hereby accepts the terms of this Offer to Lease referenced above.

Robert and Wanda Stewart (the "Landlord")

Per: _____
(Authorized Signatory)

Date

Wade and Leanna Stewart (the "Landlord")

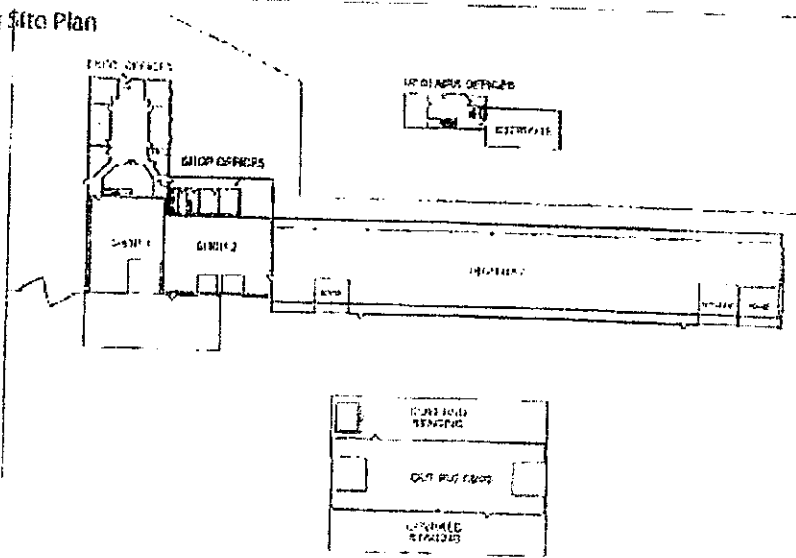
Per: Wade Stewart
(Authorized Signatory)

3/17/11
Date

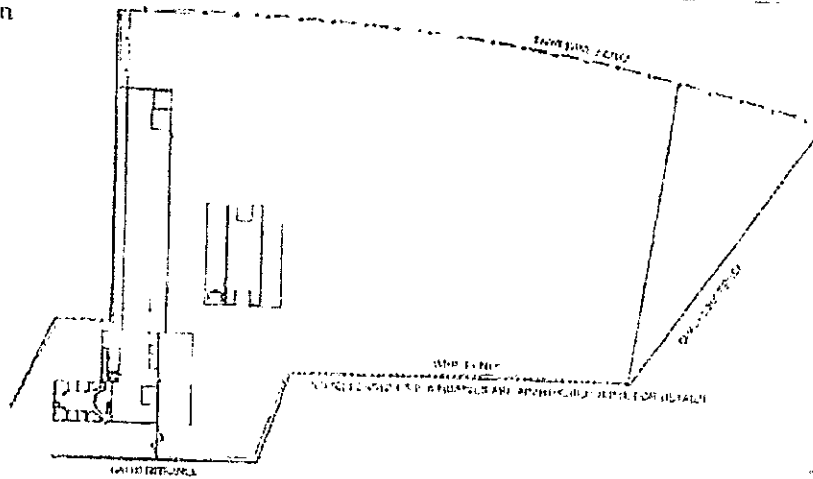
July 1, 2011

Schedule "A"

Building Site Plan



Lot Site Plan



12

12
12/12/11

Schedule "B"
LANDLORD'S WORK

The Landlord at its sole cost and expense shall provide and perform the following improvements to the Leased Premises as described below. Excepting these items shown as Landlord's Work, it is hereby agreed that the Leased Premises are leased on an "as is, where is" basis and there are no representations or warranties concerning the Leased Premises except as contained in this Offer to Lease and the Lease Document.

1. The Landlord shall ensure that the loading doors, heating, ventilation, air conditioning (HVAC), electrical, bathrooms, sinks, and mechanical fixtures and systems are in good working order for the Commencement of the Term.
2. The Landlord shall ensure all existing lights and light ballasts are in good working order prior to the Commencement Date. This includes lighting in both the office and warehouse portions of the Premises.
3. The Landlord shall ensure that the Premises have no less than 800 amps of 3-phase electrical service.
4. The Landlord shall ensure that high speed internet access is available within the Premises. *Leased is now internet service. (this) tenants have used high speed internet.*
5. The Landlord confirms that the Out Building tenant is responsible for payment of its own utilities. *The Tenant wants to ensure that it is not subsidizing utilities of the Out Building tenant. (to be discussed).*
6. Floor to be level (some leveling will be required) and smooth (there can be no cracks, chips or holes) in Shop 1 and Shop 2. This would be done with an epoxy or a water based acrylic and may require some grinding and smoothing. *Note: Landlord can talk directly with Tenant to receive a better description of this work. A quote was obtained from a company called High Tech Structural for an amount of \$20,000.00. → Tenant will do this work.*
7. Overhead door to be installed (where it is believed one was previously located) to separate the Shop Bay with the Shop Bays. This is to help ensure that the Shop Bays are a dust free environment. *Size and location to be determined.*
8. The Landlord shall install a window in both Shop Bay 1 and Shop Bay 2 with each window being approximately 4 feet by 6 feet for as otherwise agreed between the Landlord and Tenant both parties acting reasonably. The purpose of installing these windows is to create natural light for the shop employees.
9. The Landlord shall ensure that the ground is level and built up (with gravel and fill) such that the Tenant can place its Norseman Chinook Arch Series Cold Storage Structure in the Yard (and in the mutually agreed upon location) such that there is no pooling and the structure is level. *Note: Information about this structure provided by way of email in attached document. Landlord can discuss site preparations in detail and directly with the Tenant.*
10. The Landlord shall be responsible for certifying and maintaining all of the existing cranes prior to May 1st, 2011 (or as promptly as possible). The Tenant shall be responsible for repairing and maintaining the cranes throughout the Term and shall provide the Cranes to the Landlord at expiration of the Term in good condition and with current stamp of certification. *LL to ensure actual crane requirements with Tenant.*
Landlord to certify and repair cranes up to a maximum amount of \$7,500.00 plus gst.
Tenant responsible for amount in excess of this.

Schedule B Continued:

TENANT'S WORK

1. All improvements to the Leased Premises in excess of the Landlord's Work and with the Landlord's reasonable approval.
2. Any changes desired by the Tenant to the Landlord's Work are subject to the Landlord's reasonable approval and shall be deemed Tenant's Work.
3. No construction work shall be undertaken or commenced by the Tenant in Building until:
 - (a) All permits necessary for the installation of Tenant improvements and approval shall be obtained by Tenant from applicable municipal and other government departments, prior to the commencement of the installation by Subtenant, and copies provided to the Landlord.
 - (b) The Tenant will provide proper documentation to the Landlord verifying that the Tenant has made provisions for payment in full of all costs of the Subtenant's Work.

The Landlord acknowledges the Tenant intends to
construct the following structure, and
any other improvements to the building.

JE

1-11-2011

1-11-2011

TAB B

Commercial Lease Renewal

FROM: Advantage Products Inc.

DATE: 13 March 2016

TO: Robert & Wanda Stewart and Wade & Leanna Stewart

RE: *Renewal of Lease*

This is to notify you that with reference to the LEASE BETWEEN

ROBERT & WANDA STEWART and WADE & LEANNA STEWART

LANDLORD

AND

ADVANTAGE PRODUCTS INC.

TENANT

THIS IS EXHIBIT "B" referred to in the
Affidavit of Wade Stewart

Sworn before me this 19

Day of November A.D., 20 19

[Signature]
A Commissioner for Oaths in and for the Province of Alberta

DANIEL C. HARDER
BARRISTER & SOLICITOR
& NOTARY PUBLIC (ALBERTA)

dated 01 June 2011, we are exercising the option to renew the lease of

(date)

Municipal Address

11-31264 - Hwy 2A

for a further term of 5 (FIVE) years, from 01 June 2016 to 30 May 2021 with lease rate adjustments as listed below as stated in years 6 through 10.

<u>TERM</u>	<u>PER MONTH (plus GST)</u>	<u>PER ANNUM (plus GST)</u>
Year 6	\$15,551.46	\$186,617.50
Year 7	\$16,496.25	\$197,995.00
Year 8	\$18,329.17	\$219,950.00
Year 9	\$20,162.08	\$241,945.00
Year 10	\$21,078.54	\$252,942.50

Included in the renewal is the further option to renew as per existing lease Section 4.8.

In addition, the Landlord will accept monthly lease payments to be paid in two equal payments

[Signature]
19 APRIL 1
59

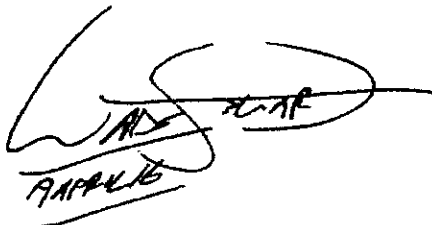
on or before the 1st and 15th day of each month for first 12 months of the renewal. The lease payment with return to being paid in full on or before the first day of each month beginning 01 June 2017.

It is understood a portion of existing operating costs will be deferred and continue to be reconciled and adjusted as required thru-out the duration of lease.


Signatures for Renewal:

Landlord:

Date:

 WARE SELAKT
APRIL 16

Tenant:

 L.P. TESSIER DIRECTOR

Date:

APRIL 19, 2016

TAB C



Alvarez & Marsal Canada Inc.
Bow Valley Square 4
Suite 1110, 250 - 6th Avenue SW
Calgary, Alberta T2P 3H7
Phone: +1 403 538 7555
Fax: +1 403 538 7551

PROOF OF CLAIM

COURT FILE NUMBER **1801-01297**
COURT Court of Queen's Bench of Alberta
JUDICIAL CENTRE Calgary

THIS IS EXHIBIT " C " referred to in the
Affidavit of Wade Stewart

Sworn before me this 19
Day of November A.D., 20 18

[Signature]
A Commissioner for Oaths in and for the Province of Alberta

IN THE MATTER OF THE RECEIVERSHIP OF ADVANTAGE PRODUCTS INC.

PLAINTIFF **HSBC BANK CANADA**
DEFENDANTS **ADVANTAGE PRODUCTS INC. and JAMES WEBER**
DOCUMENT **CLAIMS PROCESS ORDER**

DANIEL C. HARDER
BARRISTER & SOLICITOR
& NOTARY PUBLIC (ALBERTA)

PROOF OF CLAIM

Please read carefully the instructions included in the Notice of Claim accompanying this Proof of Claim. Please print legibly.

Full Name of Creditor: ROBERT STEWART, WANDA STEWART, WADE STEWART
(the "Creditor") AND LEANNA STEWART

Full Mailing Address of Creditor:
(All notices and correspondence
regarding your Claim will be
forwarded to this address)

MHR LAW LLP - on behalf of the creditors

Box 2676 - 1802-20 Street

Didsbury AB T0M0W0

Fax No. 403-335-2230

Telephone No. 403-335-2231

Email danh@mhrllaw.ca

Attention: Daniel C. Harder



CERTIFICATION AS TO CLAIM

I do hereby certify that (please see notes below for further instructions):

1. I am a creditor, or representative of a creditor, of Advantage Products Inc. (the "Company")

2. I have knowledge of all of the circumstances connected with the claim referred to in this form.

3. As of this date, the Company was, and still is, indebted to the Creditor in the amount of Cdn. \$ 1,399,269.93, including contract interest and charges (the "Claim").

4. Check and complete appropriate category with respect to the Claim:

☐ A. UNSECURED CLAIM OF \$ _____ (the "Unsecured Claim")

In respect of the Unsecured Claim, the Creditor does not hold any assets of the debtor as security.

☒ B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$ 1,399,269.93
LANDLORD CLAIM PURSUANT TO LEASE

☐ C. SECURED CLAIM OF \$ _____ (the "Secured Claim")

In respect of the Secured Claim, the Creditor holds assets of the Company valued at \$ _____ as security, particulars of which are set out below under item number 5 of this certification form.

☐ D. OTHER CLAIM TO WHICH THE CREDITOR CLAIMS A PRIORITY \$ _____

The Creditor claims priority pursuant to: _____

☐ E. CLAIM BY WAGE EARNER OF \$ _____

☐ F. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$ _____

5. A description of the basis on which the Claim arose is as follows:

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

(If any priority is claimed pursuant to Item D above, also include any details to support the priority claim.)

(If a Secured Claim is claimed, give full particulars of the security, including the date on which the security was given and the value at which the Creditor assess the security, and attach a copy of the security documents.)

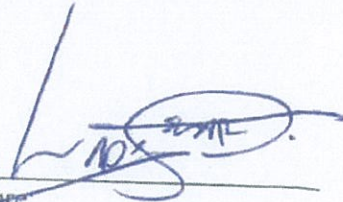


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I attach the following documents which support the Claim and any claim for contract interest or other charges.

- (a) LEASE AGREEMENT
- (b) LEASE RENEWAL (2 pages)
- (c) INVOICES 22019, 22020, 22022, 22023, 22024, 22025, 22026 and 22027

DATED THIS 31 DAY OF MAY, 2018.

Signature: 

WADE STEWART
(Please Print Name)

Particulars of Stewart Claim:

Robert Stewart, Wanda Stewart, Wade Stewart and Leanna Stewart (the "Landlord") own property near Didsbury, Alberta identified as 11, 31264 Highway 2A, Didsbury, Alberta. The property consisted of 21,955 square feet of a pre-engineered steel structure and 4.99 acres of land (the "Premises"). Advantage Products Inc. ("API") entered a lease agreement with the Landlord that was to commence on June 1, 2011. API exercised the option to renew the original Lease for an additional 5 year term resulting in the Lease concluding on May 30, 2021.

As a result of the early determination of the lease the Landlord has suffered damages and loss which are being claimed by the Landlord. Given that the Tenant has forfeited the Lease and the Lease has ended prior to May 30, 2021 the Landlord has suffered loss of rent and is claiming that loss of rent in accord with clauses 11.1(b) and 15.14 of the Lease. The Landlord is claiming 39 months base rent and additional rent. In an effort to work with API the Landlord had agreed to defer a portion of the operating costs with the understanding that those deferred costs would be reconciled throughout the duration of the term of the Lease. Given the early termination the Landlord has been deprived of that opportunity and the Landlord is claiming those deferred operating costs as well. Invoice # 22019 states the remaining amount of the rent owed as a result of the early determination of the Lease. In addition to the rent owed there is also interest accruing on the rent, pursuant to clause 5.6 of the Lease, in the amount of 12% per annum, which has not been included in the calculation but will be claimed.

API also had an obligation under the Lease to maintain and repair the Premises. Clauses 6.2, 6.3 and Schedule "B" attached to the Lease express the obligations of API. Invoice #22020, invoice #22023 and invoice #22026 state the occupancy repairs and the cost of those repairs.

The Landlord is concerned about the possibility of environmental contamination. There is evidence of surface staining on the land and a concern that hazardous or toxic substances or materials were stored, used, or disposed of on the Premises. Clause 8.5 in the Lease addresses this matter. The Landlord is submitting a claim for an environmental study to determine the extent of the contamination, if any, and may increase the amount of that claim if remediation is required and the cost of that remediation exceeds the amount claimed in invoice # 22022.

In correspondence dated May 23, 2018 from counsel for Alvarez & Marsal Canada Inc. there was a representation that Invoice #22024 would be paid by the Receiver. No payment has been received to date. If it is still the intent of the Receiver to pay this invoice directly then this invoice will not form part of the Landlord's claim, however if the Receiver fails to pay the Landlord directly for this invoice then it will form part of the Landlord's claim. A second and third invoice issued as a result of work requested by the Receiver is also included. As with the former invoice if the Receiver pays the Landlord directly for invoice #22025 and invoice #22026 then this invoice will be withdrawn and will not form part of the Landlord's claim, however, if the Receiver fails to pay the Landlord directly then this invoice will also form part of the Landlord's claim.

Finally invoice #22027 addresses the discrepancy as between the occupancy rate arbitrarily determined by the Receiver and the rate that should have been paid according to the rate established by the Lease.

TAB D

NOTICE OF REVISION

COURT FILE NUMBER **1801-01297**
COURT Court of Queen's Bench of Alberta
JUDICIAL CENTRE Calgary

THIS IS EXHIBIT " D " referred to in the
Affidavit of Wade Stewart

Sworn before me this 19
Day of November A.D., 20 18

A Commissioner for Oaths in and for the Province of Alberta

DANIEL C. HARDER
BARRISTER & SOLICITOR
& NOTARY PUBLIC (ALBERTA)

**IN THE MATTER OF THE RECEIVERSHIP OF ADVANTAGE
PRODUCTS INC.**

PLAINTIFF **HSBC BANK CANADA**
DEFENDANTS **ADVANTAGE PRODUCTS INC. and JAMES WEBER**
DOCUMENT **CLAIMS PROCESS ORDER**

NOTICE OF REVISION

Name of Creditor: Robert Stewart et al. ("Stewart")

Pursuant to the Claims Process Order made herein on May 2, 2018, Alvarez & Marsal Canada Inc. (the "**Receiver**"), on behalf of Advantage Products Inc. (the "**Company**"), gives you notice that your Proof of Claim has been reviewed and the Receiver has revised your Claim for the following reasons:

The Receiver revises Stewart's Claim from \$1,399,269.93 to \$863,324.41. The reasons for, and breakdown of, the revision to the Claim are set out in the chart below:

Invoice #	Date of Invoice	Filed \$	Accepted \$	Disallowed \$	Disallowance or Revision	Receiver's Comment
22027	31-May-18	\$ 38,614.67	\$ -	\$ 38,614.67	Disallowed	This Invoice relates to amounts arising after the date of the Receivership and, therefore, the amounts claimed do not constitute "Claims" pursuant to the Claims Process Order. In any event, the Receiver has paid occupation rent at the same rates as were paid by the Company prior to the date of the Receivership and will not be paying any other amounts.
22026	31-May-18	\$ 35,377.10	\$ 35,377.10	\$ -	Accepted as a pre-Receivership Claim	The Receiver did not request or authorize any of this work to be completed and will not be paying this Invoice as a post-Receivership obligation of the Company. The Claim is Accepted as a pre-Receivership Claim against the Company.
22025	31-May-18	\$ 4,371.68	\$ -	\$ 4,371.68	Disallowed	This Invoice relates to amounts arising after the date of the Receivership and, therefore, the amounts claimed do not constitute "Claims" pursuant to the Claims Process Order. However, the Receiver did request and authorize this work and will be paying this Invoice, less the included 10% administrative charge as the Receiver did not agree to this charge, as a post-Receivership obligation of the Company.
22024	13-Apr-18	\$ 6,238.77	\$ -	\$ 6,238.77	Disallowed	This Invoice relates to amounts arising after the date of the Receivership and, therefore, the amounts claimed do not constitute "Claims" pursuant to the Claims Process Order. However, the Receiver did request and authorize this work and will be paying this Invoice, less the included 10% administrative charge as the Receiver did not agree to this charge, as a post-Receivership obligation of the Company.
22023	18-Mar-18	\$ 60,637.50	\$ 60,637.50	\$ -	Accepted as a pre-Receivership Claim	Accepted as a pre-Receivership claim against the Company.
22022	18-Mar-18	\$ 28,675.00	\$ -	\$ 28,675.00	Disallowed	The Company is not responsible for the costs associated with this Invoice.
22020	19-Mar-18	\$ 70,801.50	\$ 70,801.50	\$ -	Accepted as a pre-Receivership Claim	Accepted as a pre-Receivership claim against the Company.
22019	31-May-18	\$ 1,156,353.71	\$ 896,508.31	\$ 459,845.40	Revised as a pre-Receivership Claim	Pursuant to a Commercial Lease Renewal dated March 13, 2016, the Company's future lease payments are as follows: Year 8 11 Payments of \$18,326.17 Totalling \$201,620.87 Year 9 12 Payments of \$20,162.08 Totalling \$241,945.96 Year 10 12 Payments of \$21,078.54 Totalling \$252,942.48
TOTAL		\$ 1,399,269.93	\$ 863,324.41	\$ 535,945.52		

If you wish to object to the Notice of Revision, you must, by July 2, 2018, deliver a Notice of Dispute to the address below:

Alvarez & Marsal Canada Inc.
Bow Valley Square IV
Suite 1110, 250 - 6th Avenue SW
Calgary, AB T2P 3H7

Attention: David Williams
Phone: (403) 538-7555
Email: david.williams@alvarezandmarsal.com

DATED this 15th day of June, 2018.

ALVAREZ & MARSAL CANADA INC.

In its capacity as Court-appointed Receiver
of the Company and not in its personal capacity



Per:

Name: Orest Konowalchuk

Title: Senior Vice-President

TAB E

THIS IS EXHIBIT " E " referred to in the
Affidavit of Wade Stewart
Sworn before me this 19
Day of November A.D., 20 18

[Signature]
A Commissioner for Oaths in and for the Province of Alberta

DANIEL C. HARDEE
BARRISTER & SOLICITOR
& NOTARY PUBLIC (ALBERTA)







PROVINCE OF ALBERTA

DIVISION OF VITAL STATISTICS
DEPARTMENT OF PUBLIC HEALTH

NAME

James Lorne Weber

DATE OF BIRTH

September.27.1951

REGISTRATION NO.

51-08-020060

BIRTH PLACE

Edmonton

REGISTRATION DATE

Sept.29.1951

SEX

Male

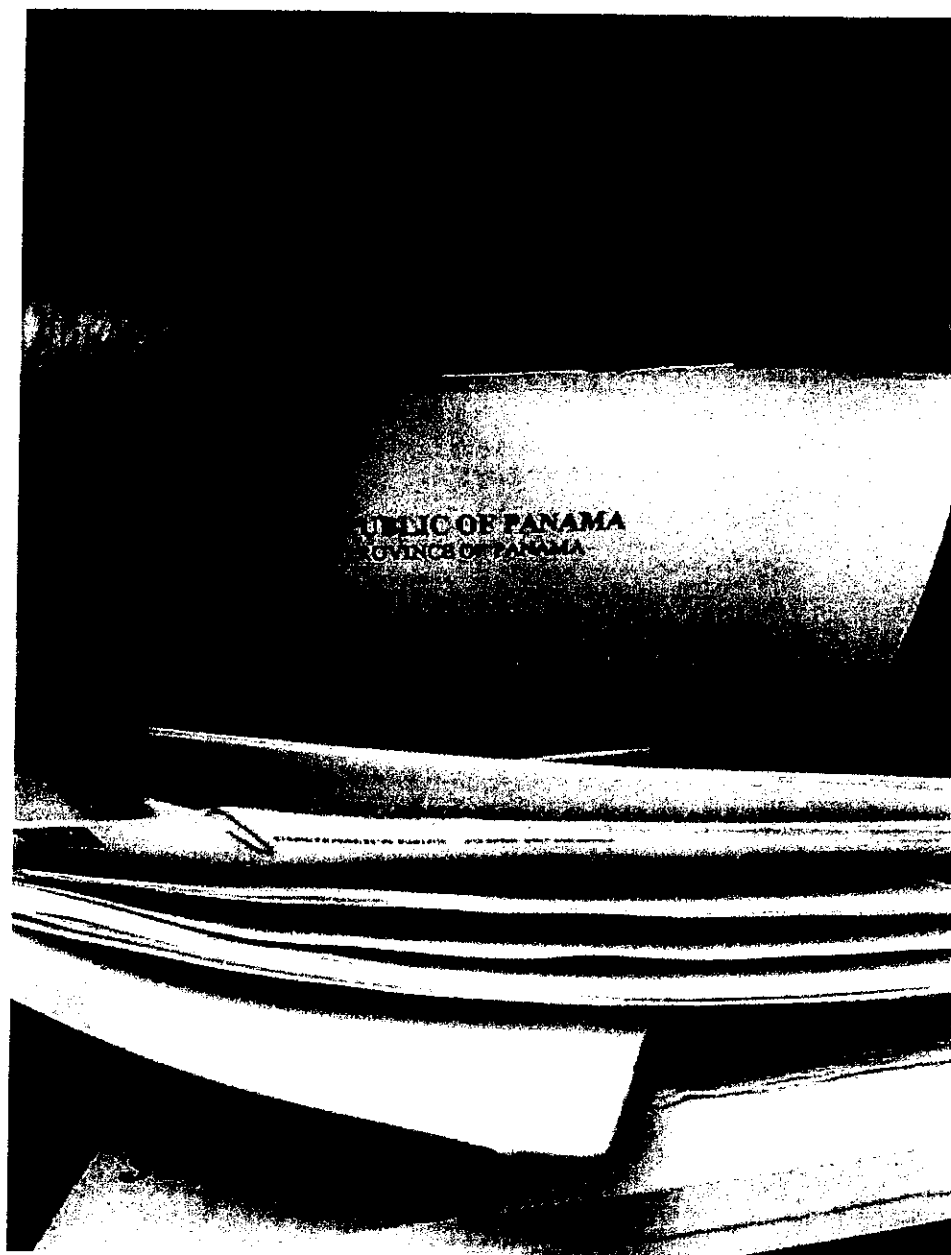
DATE ISSUED

Aug.16.1972

CERTIFIED EXTRACT FROM
REGISTRATION OF BIRTH ISSUED AT
EDMONTON, ALBERTA, CANADA

J. E. G. G. G.
DIRECTOR OF VITA. STATISTICS

CERTIFICATE OF BIRTH



THE COURT OF THE DISTRICT OF COLUMBIA

JAMES K. HILL
OF THE FIRM OF HILL
IN THE DISTRICT OF COLUMBIA.
BY ATTORNEY

DATED: April 15, 1993

Original kept at:

James K. Hill

James K. Hill, Esq. & Frank
Barringer & Solicitors
101st Street, Box 940
North Battleford, Saskatchewan
S1A 2T1

TAB F

THIS IS EXHIBIT " F " referred to in the
Affidavit of Wade Stewart

Sworn before me this 19

Day of November A.D., 20 18

[Signature]
A Commissioner for Oaths in and for the Province of Alberta



DANIEL C. HARDER
BARRISTER & SOLICITOR
NOTARY PUBLIC (ALBERTA)







TAB G

INVOICE

From: Landlord Partnership R&W Stewart and W&L Stewart
To: A&M Canada ULC as Occupants @ 11, 31264 Highway 2A,
Mountain View, AB (East Didsbury Industrial)

RR 2, Box 2, Site 11
Didsbury, AB T0M 0W0
403-651-2270 Robert or 403-862-2984 (Wade)

Landlord / A&M Industrial Occupancy Requested & Incurred Costs FEBRUARY Occupancy

DESCRIPTION

Landlord/Occupant Requests/Requirements of A&M as Building & Property Occupants Including, Overhead Crane Service & Cents Emergency Gas-line Repairs Building Maintenance Pest Control Manlift Rentals. Ref Stellar Services Inv# 1028

Landlord Admin Fee 10%


AMOUNT

\$ 5,401.69
\$ 540.00

DATE: April 13, 2019

INVOICE # 21024

BILL TO: A&M as Occupants
c/o David Williams
11, 31264 Highway 2A
East Didsbury Industrial AB

THIS IS EXHIBIT "C" referred to in the
Affidavit of Wade Stewart
Sworn before me this 19
Day of November A.D., 20 18

A Commissioner for Oaths in and for the Province of Alberta

SUBTOTAL	\$	5,941.69
TAX RATE		5.00%
SALES TAX	\$	297.08
OTHER	\$	
TOTAL	\$	

DANIEL C. HARDER
BARRISTER & SOLICITOR
& NOTARY PUBLIC (ALBERTA)

Terms: Due on Receipt. Make all checks payable to Robert Stewart and/or Wade Stewart

If you have any questions concerning this invoice, Contact Robert at (403) 651-2270 or Wade at (403) 862-2984

THANK YOU FOR YOUR BUSINESS!

TAB H

INVOICE

From: Landlord Partnership R&W Stewart and W&L Stewart
To: A&M Canada ULC as Occupants @ 11, 31264 Highway 2A,
Mountain View, AB (East Didsbury Industrial)

RR 2, Box 2, Site 11
Didsbury, AB T0M 0W0
403-651-2270 Robert or 403-862-2984 (Wade)

DATE: May 31, 2018
INVOICE # 22025
BILL TO: A&M as Occupants
c/o David Williams
11, 31264 Highway 2A
East Didsbury Industrial, AB

Landlord / A&M Industrial Occupancy Requested Repairs

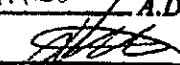
DESCRIPTION	AMOUNT
Occupant Emergency Work: Occupant Call Out: (Auctioneer) "Shop Bathrooms Flooding From Ceiling" - Troubleshoot and Rectify Infloor heat and boiler system over pressure/over temp. Shut down and stabilize. Mitigate flood damages. Extraction of Glycol through out mechanical and bathroom areas. Dehumidify, circulation fans for drying. Minor drywall repairs as required. Clean up. Apr 30, May 1 8:30 - 4:30 x 2 guys. Plus \$125 Call Out Fee	\$ 1,165.00
Occupant Call Out: Auctioneer, "Flooding". Water extraction and clean up with air movers. Troubleshoot and rectify Hot water tank replacement. Supply and install. Supply lines hot and cold. Flex lines and shut off valves. Plumbing repairs, copper 1" x 1" x 1/2". \$975 in materials plus \$125 call out fee. 2 hrs to install. May 10, 2018	\$ 1,230.00
Mechanical Room Drain Pan Repair: Drain assembly repair and replacement. Drain pan seams degreased and resealed. May 1, 2018. (2 guys) 8:30 - 4:30 pm. + \$95 in materials	\$ 1,135.00
Occupant call Out: "No Water". Trouble shoot and rectify. Confirm well pump and accumulator. Isolate leaking amenities including toilets. Reconfirm well water supply (10 am - 3 pm) Accumulator pressure tank serviceable and water turned on to building. 2 hrs @ \$65/hr + \$125 service call. Note: Occupants onsite aware of condition.	\$ 255.00
10% Admin Fee	\$ 378.50

SUBTOTAL \$ 4,163.50
TAX RATE 5.00%
SALES TAX \$ 208.18
OTHER \$
TOTAL \$ 4,371.68

Terms: Due on Receipt. Make all checks payable to Robert Stewart and/or Wade Stewart

If you have any questions concerning this invoice, Contact Robert at (403)651-2270 or Wade at (403)862-2984

THANK YOU FOR YOUR BUSINESS!

THIS IS EXHIBIT " H " referred to in the
Affidavit of Wade Stewart
Sworn before me this 19
Day of November **A.D., 20** 18

A Commissioner for Oaths in and for the Province of Alberta
DANIEL C. HARDER
BARRISTER & SOLICITOR
& NOTARY PUBLIC (ALBERTA)

TAB I

INVOICE

From: Landlord Partnership R&W Stewart and W&L Stewart
To: A&M Canada ULC as Occupants @ 11, 31264 Highway 2A,
Mountain View, AB (East Didsbury Industrial)

RR 2, Box 2, Site 11
Didsbury, AB T0M 0W0
403-651-2270 Robert or 403-862-2984 (Wade)

DATE: November 19, 2018

INVOICE # 22026

BILL TO: A&M as Occupants
c/o David Williams
11, 31264 Highway 2A
East Didsbury Industrial, AB

Landlord / A&M Industrial Occupancy Repairs April & May 2018

DESCRIPTION	AMOUNT
Building & Property Repairs: Including clean up of boiler mess in bathroom. Locate water main outside, Reseal and screw boiler seams. Install new drains, fix taps and shut off valves as required. 39.5 manhours + \$908.90 materials	\$ 3,476.40
Building & Property Repairs: Assistance in boiler mess clean up, Outbuilding repairs assistance, Electrical Invoice as involved in boiler repair. Wall repair assistance in big shop. 50.75 manhours @ \$85	\$ 4,313.75
10% Admin Fee	\$ 779.02
SUBTOTAL	\$ 8,569.17
TAX RATE	5.00%
SALES TAX	\$ 428.46
OTHER	\$ -
TOTAL	\$ 8,997.62

Terms: Due on Receipt. Make all checks payable to Robert Stewart and/or Wade Stewart

If you have any questions concerning this invoice, Contact Robert at (403)651-2270 or Wade at (403)862-2984

THANK YOU FOR YOUR BUSINESS!

THIS IS EXHIBIT " I " referred to in the
Affidavit of Wade Stewart
Sworn before me this 19
Day of November A.D., 20 18

A Commissioner for Oaths in and for the Province of Alberta

DANIEL C. HARDER
BARRISTER & SOLICITOR
& NOTARY PUBLIC (ALBERTA)

TAB J

Olds Office
1, 5401 - 49 Avenue
Olds, AB T4H 1G3
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Sundre Plaza
Sundre, AB (no mail)
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Our File Reference: 15060001
Your File Reference: 303718.00003/19994

Lawyer: Daniel C. Harder
Email address: danh@mhrlaw.ca

Paralegal: Cheryl Craig
Email address: cheryl@mhrlaw.ca

November 13, 2018

Fasken Martineau DuMoulin LLP
Barristers & Solicitors
3400, 350 - 7 Avenue SW
Calgary, Alberta T2P 3N9

Attention: Mihai Tomos

Dear Sir:

RE: In the matter of the Receivership of Advantage Products Inc. ("API")
Our Client: Robert, Wanda, Wade and Leanna Stewart
Your File: 303718.00003/19994

PLEASE REPLY TO DIDSBURY OFFICE

VIA EMAIL: mtomos@fasken.com

THIS IS EXHIBIT "J" referred to in the
Affidavit of Wade Stewart
Sworn before me this 19
Day of November A.D., 20 18

A Commissioner for Oaths in and for the Province of Alberta

DANIEL C. HARDER
BARRISTER & SOLICITOR
& NOTARY PUBLIC (ALBERTA)

There are a number of unresolved matters that relate to the occupation of my client's property by Alvarez & Marsal Canada Inc. (the "Receiver"). I will address each of those items individually:

1. **Rent:** The issue of rent during the Receiver's occupation of my client's property continues. The Receiver assured my client that the Receiver would complete a walk through at the conclusion of the Receiver occupying my client's property. No such walk through has occurred. In addition to this when my client returned to the property there remain a number of auction items on the property. My client is uncertain if those items failed to sell or if they sold but have not been claimed by the purchaser. The Receiver has not provided any information regarding these unclaimed items. My client is not prepared to accept responsibility for these auction items. Furthermore there are many items of personal property remaining that should have been addressed by the Receiver. The failure of the Receiver to comply with their representation regarding a walk through, the failure of the Receiver to address the auction items remaining on the property and the failure of the Receiver to address the personal items that remain on the property demonstrates a disregard for the rights of the Landlord. Given the condition of the

property and the items remaining on the property it is not clear that the Receiver has released the property to the Landlord. I have attached a series of photographs that depict the current status of the property. In light of this the Landlord continues to demand rent in this matter. The Receiver has not even paid June rent which is now 5 months in arrears.

2. **Cleaning and Disposal Costs:** If the Receiver refuses to address the items outlined in #1 above in a responsible fashion then there will be additional cleaning and disposal charges. As is evident in the photographs provided the Landlord's Property was left in a shambles with no regard for the rights of the Landlord.
3. **Invoice #22024:** In the Notice of Revision the Receiver acknowledges that "the Receiver did request and authorize this work and will be paying this Invoice" in the sum of \$6,238.77. The Landlord is demanding payment of that amount.
4. **Invoice #22025:** In the Notice of Revision the Receiver acknowledges that "the Receiver did request and authorize this work and will be paying this Invoice" in the sum of \$4,371.68. The Landlord is demanding payment in that amount.
5. **Revised Invoice #22026:** The items addressed in the revised Invoice # 22026 were requested and authorized by the Receiver in the same manner as those items that appear in Invoices #22024 and #22025. The Landlord is demanding payment of revised Invoice #22026, a copy of which is included for reference. The Landlord is demanding payment of that amount.
6. **Damage to Wade Stewart Vehicle:** On May 11, 2018 Mr. Stewart was at the property. He was meeting with an employee when a forklift operator approached him and advised he had backed into Mr. Stewart's truck causing damage to the rear of the truck. The repairs to the vehicle, as a result of the damage caused by the forklift, will cost \$5,695.00. Stellar is demanding payment of that amount.
7. **Fixtures:** Clause 4.6 of the Lease Agreement addresses the issue of Fixtures. It is evident that "all installations, alterations, additions, partitions and fixtures in, upon or to the Premises, whether placed there by the Tenant of the Landlord shall be the Landlord's property upon termination of this Lease without compensation therefore to the Tenant". The Receiver has removed a number of these fixtures and I understand they were sold in the auction. My client is prepared to accept what was received at auction for each of these items. The auction lot numbers that included fixtures items are as follows: Lot # 114; Lot # 177; Lot #386; Lot # 442; Lot #443; Lot #444; Lot #445; Lot #501; Lot #511A; Lot #511B; Lot #511C; Lot #512; Lot #517; Lot #564; Lot #566 and Lot #605. In addition there have been modifications to the property to accommodate these fixtures. These modifications will require removal or repair and there will be an additional cost for those modifications or repairs.

I can advise that my clients are prepared to meet with the Receiver to discuss these items without the necessity of involvement by counsel. Please advise if your clients are inclined to such a meeting. I look forward to hearing from you in this regard.

Sincerely,

MHR LAW LLP

Per:


Daniel C. Harder

/clc

APPENDIX "H"

Mihai Tomos

From: Mihai Tomos
Sent: January-07-19 1:11 PM
To: Dan Harder - MHR Law LLP
Cc: 'Cheryl Craig - MHR Law LLP'; 'Konowalchuk, Orest'; Travis Lysak; Krol, Bryan; Williams, David
Subject: RE: 2019-01-03-STEWART - Receivership of Advantage Products Inc. ("API")
Attachments: RE: Advantage Products Inc. File

Hi Dan,

We are in receipt of your letter dated December 11, 2018.

The Receiver's position with respect to the issues raised in your letter, your client's Affidavit sworn November 19, 2018 or in any other communications from your office, remains unchanged and is as follows:

1. Rent

a. Pre-receivership Rent (Invoice # 22019)

The Receiver accepted \$696,508.30 as a pre-receivership claim for the pre-receivership rent owing by API to your clients. The Notice of Revision sets out in detail how the Receiver arrived at this amount. The Notice of Revision was not appealed pursuant to the Claims Process.

b. June and July Rent

As discussed, the Receiver will only be paying rent up to July 5th, which is the last day of the Receiver's occupancy.

2. Invoices Issued by your clients

a. Invoices #22024 and #22025

The Receiver will be paying your clients these amounts, less the 10% admin charge in the Invoices, as part of its final distribution.

b. Invoice #22022 (Environmental Cleanup Costs)

The Receiver disallowed this claim in the Claims Process. The Receiver's decision was not appealed pursuant to the Claims Process. The Receiver has also confirmed that it did not cause any environmental damage to the property and, as such, will not be paying your clients any amounts in respect of this item.

c. Invoice #22027

The claim related to this invoice was disallowed in the Claims Process. The Receiver's Notice of Revision was not appealed pursuant to the Claims Process. The Receiver will not be paying your clients any amounts in respect of this item.

d. Invoice #22020, Invoice #22023, and Invoice #22026

The claims related to these invoices were accepted as pre-filing claims against API. The Receiver's decision was not appealed pursuant to the Claims Process. Other than the dividend your clients will receive in the Claims Process related to these claims, the Receiver will not be paying your clients any further amounts in respect of these items.

3. Property allegedly owned by your clients.

There are 3 categories of this property:

- a. Items already surrendered to your clients. We understand that your clients, working with Century Services, identified a number of items which your clients said were owed by them, and which were not going to be part of the property sold at auction. These items were segregated from other property at the API premises and surrendered to your clients.
- b. Items your clients said they owned and which they requested to be pulled from the auction. The Receiver agreed to pull these items from the auction and surrender them to your clients upon being presented with proof of ownership. Notwithstanding that your clients never did prove ownership of these items, we understand that these items were never removed from the API premises and are currently in your client's possession.
- c. Items which your clients said they owned, but which they agreed could be sold at auction. The Receiver agreed to pay your clients the proceeds from the sale of these items (which ended up totalling \$27,063) if they could prove ownership of them. To date, and as per our email to you dated September 10, 2018, the proof provided by your clients is insufficient and largely unintelligible. Your clients have provided nothing further to either our office or the Receiver since September 20, 2018. Accordingly, it is the Receiver's intention to distribute these funds to the general body of creditors along with the other auction proceeds.

4. The Receiver's failure to provide your clients with information respecting auction items.

The Receiver's position is that it provided your clients with sufficient information respecting the auction items. We note that on September 10, 2018 our office sent you an email advising, among others, that you clients bore the onus of establishing their ownership claim with respect to the auction items. In this email we attached a spreadsheet that listed all lot numbers and included a description of the assets in question for each lot number. Please see attached for your reference the September 10, 2018 email and spreadsheet attached thereto.

5. Removal of "fixtures" sold at auction and damages to premises caused by the removal

The Receiver disputes that it removed any fixtures from the premises or that the auction lot numbers referenced in your November 13, 2018 letter included fixtures. Further, the Receiver has not been provided with any proof that such alleged removal of assets caused any damages to the premises. Thus, the Receiver will not be paying for any assets that your clients claim are "fixtures" or repairs allegedly required with respect to such assets.

6. Damage to the Vehicle

The Receiver has not been provided with any conclusive proof that: (1) the collision occurred and was caused by the Receiver and; (2) the compensation sought is reasonable in the circumstances. Also, we were first notified of the alleged collision over 2 months after the Receiver vacated the premises. The Receiver will not be paying for the alleged damage.

7. Direct Energy bills

The Receiver will not be making any payments with respect to utilities costs incurred with respect to the premises after July 5.

8. Premises walk through

The Receiver never agreed to conduct a walk of the premises with your clients.

9. Cleaning and disposal costs

The Receiver's occupancy, which ended on July 5, 2018, did not cause any debris that would require your clients to incur any cleaning or disposal costs. Thus, the Receiver will not be making any payments with respect to such cleaning or disposal costs claimed by your clients.

Based on the foregoing, it is the Receiver's intention, as part of the wind up of the estate and the discharge of the Receiver, to pay your clients the following amounts, and no more:

1. Payment for post-receivership rent to July 5, 2018 and for invoices #22024 and #22025 in the aggregate amount of \$38,700.56.
2. A dividend payment in the Claims Process on a *pro rata* basis in accordance with accepted claims related to its pre-receivership rent claim and Invoices #22020, #22023, and #22026 accepted in the amount of \$863,324.41. Note that the Receiver anticipates a dividend being issued equal to approximately 10% of this sum.

We can advise that the Receiver has now settled the damages claim of Excalibre in the Claims Process. As such, the Receiver will be applying to make a final distribution to all stakeholders and be discharged. We anticipate filing this application before the end of January and having the Orders granted in February.

To the extent your clients disagree with any of the foregoing decisions of the Receiver, they will need to file an application in this matter to have those issues addressed by the Court.

Best regards,
Mihai

 Mihai Tomos
ASSOCIATE

FASKEN

Fasken Martineau DuMoulin LLP
T. +1 587 233 4107 | F. +1 403 261 5351
mtomos@fasken.com | www.fasken.com/en/Mihai-Tomos
350 7th Avenue SW, Suite 3400, Calgary, Alberta T2P 3N9

From: Cheryl Craig - MHR Law LLP [<mailto:cheryl@mhrllaw.ca>]
Sent: January-03-19 4:29 PM
To: Mihai Tomos
Cc: Dan Harder - MHR Law LLP
Subject: 2019-01-03-STEWART - Receivership of Advantage Products Inc.

Hello Mr. Tomos,

Please find attached correspondence of today's date, with enclosure, from Mr. Harder.

Thank you,

Cheryl Craig | Litigation Paralegal
Box 2676, 1802 – 20 Street, Didsbury, Alberta T0M 0W0
T. (403) 335-2231 | F. (403) 335-2230
cheryl@mhrllaw.ca | www.mhrllaw.ca



Formerly Martinson & Harder Law Office

The information contained in this e-mail is confidential. It is intended only for the use of the individual or entity named above and may be legally privileged. Any use, dissemination, distribution or copying of this is strictly prohibited. If you have received this e-mail in error, please immediately notify us by telephone or by return e-mail and delete the message from your system.

APPENDIX "I"

Williams, David

From: Krol, Bryan
Sent: Tuesday, July 03, 2018 2:13 PM
To: cheryl@mhrlaw.ca; danh@mhrlaw.ca
Cc: Williams, David; Konowalchuk, Orest; Travis Lysak (tlysak@fasken.com); Mihai Tomos
Subject: RE: HSBC Bank Canada v Advantage Products Inc. and James Weber - Our clients: Robert, Wanda, Wade and Leanna Stewart
Attachments: 2018-06-28-ltr-to-Alvarez-and-Marsal.pdf

Daniel,

As previously advised, as per Mr.Lysak's voicemail earlier today, the Receiver has vacated the premise and your clients are free to enter to conduct inspections as they see fit.

Please note that there are oil drums located on the premise and the Receiver has made arrangements to have these removed on July 5, 2018 by one of the Receiver's contractors who still has a key to the premise. Once the drums are removed the keys will be handed back to your client.

In addition, as per Mr.Lysak's voicemail, given timing the receiver agrees to accept your notice of dispute up until end of business on July 5th, 2018.

Thank you,

Bryan Krol
Alvarez & Marsal Canada
Bow Valley Square 4
Suite 1110, 250 – 6th Ave. S.W.
Calgary, Alberta T2P 3H7
Office: (403) 538-7523
bkrol@alvarezandmarsal.com

APPENDIX "J"



March 5, 2018

Robert & Wanda Stewart
RR 2, Site 11, Box 2
Didsbury, Alberta T0M 0W0

Wade & Leanna Stewart
121 Hidden Creek Road
Calgary, Alberta T3A 6L6

Re: Lease Agreement among Robert Stewart, Wanda Stewart, Wade Stewart and Leanna Stewart, as landlord, and Advantage Products Inc., as tenant, dated April 20, 2011, as renewed by renewal agreement dated March 13, 2016 (collectively, the "Lease")

As you are aware, we, Alvarez & Marsal Canada Inc., have been appointed as receiver of Advantage Products Inc. ("**Advantage**") and of its assets, undertakings and properties, pursuant to a receivership order (the "**Receivership Order**") declared in the Court of Queen's Bench of Alberta on February 7, 2018 ("**Receivership Date**").

In accordance with our recent discussions, you have asked for us to confirm that we are assuming the Lease and all rights and obligations thereunder. I can confirm that we are not assuming the Lease and will not be responsible for any liabilities or obligations pertaining to the Lease prior to the Receivership Date.

We, as the receiver of Advantage, do not assume the obligations of Advantage, including those under the Lease, and only pay rent for our actual occupation and use of the property. You will note that under the Receivership Order: (i) all rights and remedies against Advantage or affecting its property are stayed and suspended, and (ii) no person can discontinue, repudiate or cease to perform any contract in favour of or held by Advantage other than in accordance therewith.

Therefore, notwithstanding the fact that we will soon make payment for rent for the month of March, we will not be responsible, nor assume, any liabilities or obligations of Advantage that occurred or accrued prior to the Receivership Date, nor any liabilities or obligations that arise or accrue after we vacate the premises, as it pertains to the Lease or the Lands (as defined therein). We are only responsible to pay occupancy rent for the limited time that we are occupying and using the property.

I trust the above to be satisfactory, however should you have any questions or concerns please do not hesitate to contact me.

Yours truly,

**Alvarez & Marsal Canada Inc., Receiver of
Advantage Products Inc., and not in its personal or
corporate capacity**



Orest Konowalchuk, CPA, CA, CIRP, LIT
Senior Vice President

APPENDIX "K"

From: [Konowalchuk, Orest](#)
To: [The Stellar Office](#)
Cc: [Williams, David](#); [Krol, Bryan](#); [Travis Lysak \(tlysak@fasken.com\)](mailto:tlysak@fasken.com); [Mihai Tomos \(mtomos@fasken.com\)](mailto:mtomos@fasken.com); [Robert Stewart](#); [Leanna Stewart](#)
Subject: RE: A&M Occupancy, API Receivership & Bussiness Outstanding
Date: Monday, April 16, 2018 11:34:00 AM

Hi Wade,

Thank you for your email. Yes, it would be good to meet face to face, but I am not sure when I will be coming down from Calgary any time soon given my work schedule. My colleagues will be down there from time to time and are happy to do a walkthrough with you at the end our occupancy.

You have listed off a number of points in your email below, many of which relate to costs incurred or amounts owing prior to the Receivership and/or maybe part of the lease agreement. As mentioned in my email to Robert and Wanda and in our formal letter to them dated March 6, 2018 (see attached), the Receiver is only responsible pursuant to the Receivership Order to pay for occupancy cost at the normal rent and for costs we authorized. We have not assumed the lease agreement of Advantage and are just paying occupancy rent, which is typical in a Receivership scenario. We understand that our occupancy rent payments have been made during these proceedings.

Should you have any amounts owing and outstanding to you by Advantage prior to the Receivership Date, it is considered an unsecured claim in the estate. We anticipate, once all the assets are sold in Advantage, that there may be some recoveries to unsecured creditors, but this is contingent on our ability to achieve recoveries on the sale of Advantage assets greater than what is owed to secured creditors. We don't know this for sure, but there is a possibility. If there are recoveries to unsecured creditors, you and other unsecured creditors will be given an opportunity to prove your claim in the proceeding and share in a possible dividend, provided that the Court grants a Claims Procedure Order. We will let you know once (if) a claims procedure order is granted by the court in due course to prove your claim.

I am not aware of any authorizations/approvals that were made by the Receiver in the Receivership Proceeding that would support any costs incurred by the landlord to the premise (i.e. costs incurred after February 7, 2018 – the Receivership Date). If you have this support/authorization, please send it along and we will match it to what you are seeking payment for.

I understand that you are requiring contractors to come into the premise during the day to perform some work on the building and you are looking to possibly either sell or lease premise once the Receiver no longer requires occupancy. While we have no problem for you to gain access to the building for you to perform your work at your own cost, we do respectfully request that you notify either David or Bryan from the Receiver's office beforehand so that we can make our own arrangements. We have many estate assets on the premise and these need to be protected and secure at all times by Court Order. All we are looking for is a bit of a "heads up" when you will be there. If your contractors are in the building, please ensure that the building doors and gates are locked at all times. Happy to work with you on this further. Can you confirm if your contractors are bonded?

Lastly, we anticipate moving out of the location by the end of June 2018. Before that, we will be arranging a sale of certain Advantage assets (once approved by the Court) on-site sometime in early June. We will keep you posted on that date for informational purposes. If there are any tools and the equipment that belong to the landlord, please let us know so that we can put them aside and ensure they are not included in the sale. We need to be present if there are any assets being removed from the building.

I am away for the better part of next week, but would be pleased to have a call with you on the phone if you have any further questions.

Regards,
Orest

From: stellarservices@gmail.com [<mailto:stellarservices@gmail.com>] **On Behalf Of** The Stellar Office
Sent: Friday, April 13, 2018 3:26 PM
To: Konowalchuk, Orest
Cc: Robert Stewart; Williams, David; Krol, Bryan; Leanna Stewart
Subject: A&M Occupancy, API Receivership & Business Outstanding

Hi Orest,

A number of items to confirm and clarify and we've been looking forward to meeting you! I would like to make that a formal request of a number of these items, including a meeting with you at your earliest to confirm intent on your Occupancy and on API Receivership proceedings.

While many of these items have already been presented to David, and discussed with yourself on our last conference call, we need to confirm you have them directly and that they are not absent from any formal proceedings.

Re: Landlord/Receiver Meeting & Property Walk-Through:

As discussed on our conference call back in February, this would be best suited On-Site. Please let me know availability if we can schedule a time next week and prior further court proceedings?

Re: Landlord Default Payment Option Due Immediately:

Ref: Invoice22018(\$157,620.83)

This was tabled and discussed with David and at our conference call.
Please confirm payment.

Re: Invoices and Outstanding Payments/Business:

Ref Invoices22019(Surviving Lease Interest), 22022(Environmental),
22023(Repairs/Damages),
Also tabled and discussed.

Please note to consider them individually as to varied priorities of payment including Past-Due and now Outstanding.

Re: Occupancy Incurred Costs:

Ref: Invoice 22024(A&M Occupancy)

This is the one left with David and discussed briefly when I picked up last rent check.
These are items of costs either requested and/or required of A&M Occupancy during Feb/Mar Occupancy.
Please note that this is Due Immediately.
Further Occupancy Costs and Billing will also be billed for March.

Re: Deposit:

Have you had further clarification on this?

Re: Occupancy Rent Adjustment:

Ref: Lease Para 4.4 & 15.14

As we are agreed to have A&M hold over tenancy/occupancy on a month-month consideration, the Monthly Tenancy/Occupancy Rate is to be revised to be "125% of the Basic Rent payable in the last month prior to expiration of the Term."

That Revised Rent rate is derived from:

\$21,078.54 Rate of Last Month of the Term

125% Overholding Monthly with no rent agreement in place.

\$8,522.93 Existing (and accepted) Additional Rent

\$34,871.11 +tax.

\$36,614.66 Revised Total Occupancy Rent

I am requesting that this is corrected retro-active to include both past months of A&M Occupancy Rent payments. This is derived from:

\$36,614.66 Revised less \$25,019.18 Paid = \$11,595.48/month x 2 months = \$23,190.96 to reconcile.

Please consider this payable immediately and/or with May01 Rent payment.

Please advise if you require "billing/invoicing" for this?

Thank you to confirm the above Orest and I look forward to meeting you,

-wade

403-862-2984

--

Wade Stewart

Stellar Services

"Property Works"

APPENDIX "L"

Proof of Ownership Form

WACE STEWART # 121 HIDDEN CREEK RD NW of the
CITY (city, town or village) of CALGARY in the
Province of ALBERTA

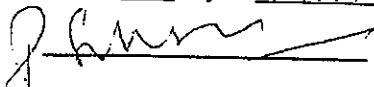
DO HEREBY CERTIFY THAT:

1. I am/we are the claimant.
 2. I/We have knowledge of all the circumstances connected with the claim referred to below.
 3. The property listed in the attached Schedule "A" (the "Property"), which is in possession of the Court Appointed receiver of Advantage Products Inc. ("Advantage"), Alvarez and Marsal Canada Inc. (the "Receiver"), is legally owned by me/us.
 4. My/Our ownership of the Property is established by virtue of the document(s) attached hereto as Schedule "B".
 5. I am/We are entitled to demand from the Receiver the return of the Property enumerated in these document(s).
 6. I/We hereby demand that the Receiver return to me/us the Property enumerated in the document(s) within the 15 days after the emailing of this form to the Receiver at "david.williams@alvarezandmarsal.com".
 7. I/WE HEREBY DEMAND THAT THE RECEIVER RETURN AND HOLD IN TRUST THE PROPERTY ENUMERATED IN THE DOCUMENTS IMMEDIATELY AFTER THE EMAILING OF THIS FORM TO "DAVID.WILLIAMS@ALVAREZANDMARSA.COM"
- SWORN (or SOLEMNLY DECLARED)

before me at CITY OF CALGARY
(city, town or village)

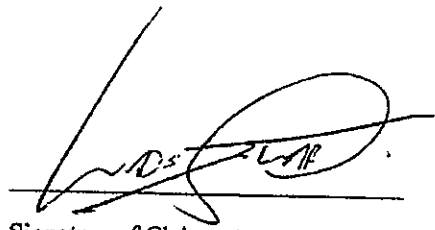
in the Province of ALBERTA

on this 27 day of MAY 2018



Commissioner of Oaths

for the Province of ALBERTA



Signature of Claimant

PARAMJIT SARWARA

is a Commissioner for Oaths
in and for the Province of Alberta
My Commission Expires on:

2021 JAN 22

RE: In the Matter of the Receivership of Advantage Products Inc.

Action : 1801-01297

ASSETS OWED BY THE LANDLORD

SCHEDULE "A"

Item Picture File Description

- 1 IMG 4428 Light Duty Metal Bench/Counter with legs - white
- 2 IMG 4428 Paint & Painting Materials Misc: Supplies including 5 gallons, 1 gallon pint, spray cans, trimmers, cleaners, primers, varied drop sheets, paint poles, trays, small tool boxes containing varied painting tools.
- 3
- 4 IMG 4429 Bldg Materials: Ducting insulation, various flooring, Vinyl core base, adhesive.
- 5 IMG 4429 Boxed allotment containing door assembly component handles, hinges, hardware, window assembly hardware,
- 6 IMG 4429 Items, seals, glazing stops, glazing tapes, flashings
- 7 IMG 4429 Facility Mix Misc Tools: small shop vac. Window Washing Set. Caulking Guns.
- 8 IMG 6331 Warm Electric Hand-Held Power Winch
- 9 IMG 4429 Facility Mix Misc: Toilet Part Kits. Pest Control Stations, bait & boxes.
- 10 ***
- 11 IMG 4430 Concrete Slab Sealants & Tools. SikaFlex Box. Guns & Equip. Prep& Etch/Cleaning.
- 12 IMG 4430 Lighting Fixturing Boxes: Accufights x 4ea New. Exterior fixtures. Exit signage.
- 13 IMG 4431 Door Closures x 5boxes. Misc
- 14 IMG 4431 Plumbing fixtures: New in Boxes x 5ea. Misc Parts.
- 15 IMG 4431 IT & Data : Cat5E Cabling. Device covers & plug ends.
- 16 ***
- 17 IMG 4432 Janitorial Goods &Supplies Lotment: Soap & Towel Dispensers boxed. Paper towel Dispensers varied. Soaps & Refills. First Aids. Urinal Pucks & Cleaners. Mop Buckets & Signage. Misc Clean supplies.
- 18 IMG 4432 Door Slabs Solid. x 2ea.
- 19 ***
- 20 IMG 5332 Water Filtration System
- 21 IMG 4433 Elec Inverter. Elec Switch Boxes.
- 22 IMG 4433 Facility Mix Fixturing: Light Fixtures-High Bay. Kitchen Sink& Cabinet, Plumbing & Faucet. Janitors Mop Basin, Faucet, Plumbing. Smal Heaters x 4ea. Wall-Mount Sink.
- 23 ***
- 24 IMG 4434 Security System Incl: Dell& Acer Monitors, Galaxy Components with recording. Cameras affixed see other pictures. (Affixed and hard wired to Building.)
- 25 IMG 4434 Phone/IT/Data Systems: Telus boxes. Network. Modem.
- 26 IMG 4434 Septic Alarm System.
- 27 IMG 4434 Electrical Panel Boxes.
- 28 ***
- 29 IMG 4435 For Ref. Same items as #5-a,b,c.
- 30 ***
- 31 IMG 4442 Board Room: Benq Projector -Ceiling Mounted & Wired.
- 32 ***
- 33 IMG 4444 Board Room: Table & Chairs.
- 34 IMG 6333 Fire Extinguishers x 10 approx.
- 35 IMG 4445 All Bathrooms:Wall-mounted Fixturing: Soap & Towel Dispensers. Mirrors. Stail Partions etc.
- 36 ***
- 37 IMG 4447 Electrical Hallway: Elec Services. Panels. Switch Gear. TremClad Spray Paint x 2cans. Pest control Stations.
- 38 ***
- 39 IMG 4453 Outbuilding Mechanidas: Sub-Panels. Switch Gear. Elec Devices.
- 40 IMG 4451 Outbuilding Surplus Switch boxes& panels matching Building electrical.
- 41 ***
- 42 IMG 4453 Switch Building Mechanicals: AirCompressor Hard-plumbed & Elec Switch Gear. Invertor. Subpanels. Wall-mounted devices. Small Circ Fan. Boiler & System.
- 43 ***
- 44 IMG 4454 Drawer1: Stellar Mobile Component 4fb5ft Storage/Work Bench: Fasteners Misc. Ramset Loads & Nails.
- 45 ***
- 46 IMG 4455 Drawer2: Stellar Mobile Component 4fb5ft Storage/Work Bench: Misc Elec& Plumbing Tools and Supplies.
- 47 IMG 4457 Drawer3: Stellar Mobile Component 4fb5ft Storage/Work Bench: Tool Lotment incl Sawzall, Drills, Nailer,Knives, Power Cords& Chargers.
- 48 IMG 4458 Drawer4: Stellar Mobile Component 4fb5ft Storage/Work Bench: Safety& PPE Incl Gloves, Respirator, Slings, Glasses, Lights...
- 49 IMG 4460 Drawer5: Stellar Mobile Component 4fb5ft Storage/Work Bench: Hand Tools & tooling incl Diamond wheels, drill bit boxes, socket set, trailer ball locks.
- 50 IMG *TBD* Drawer6: Stellar Mobile Component 4fb5ft Storage/Work Bench: Airhose. Drill bit kit. Hitch pin. Padlocks. Radio.
- 51 IMG *TBD* Top Drawer7: Stellar Mobile Component 4fb5ft Storage/Work Bench: Elec cord, Caulking& Adhesive case lots. NOTE...missing picture...
- 52 ***
- 53 IMG *TBD* Shovels, Rakes, PickAx, Crow Bar, Broom.....Lotment of Landscape Tools.
- 54 ***
- 55 IMG 4462,6 Propane Tanks x 2ea: Facility Fuel Tanks for GenieManlift & Standby Emerg Heaters (Auctions lotment #450) Note: Mismatched from Forklift tanks of API.
- 56 IMG 4464 Ladders Lotment: Step Ladders x 4ea. Adjustable Step Ladder. Scaffold Step/Bench. Note: Not including the couple API ladders marked "APP".
- 57 IMG 4510 Metal Fire Rated Door w/Closure. (Stored above compressor station)

pg 1 of 2

RE: In the Matter of the Receivership of Advantage Products Inc.

Action : 1801-01297

Compressor Station "Sullair" Water Separator/Air-drier Afixed & Hard Plumbed Air-Line Systems to be replaced with new units & switching.

Compressor Station Electrical Including: Sub-Panels, Switching, Devices, plugs & Switches. SCHEDULE "A"

East High Bay Mechanical & Electrical Services: Sub-Panels, Invertors, Switch Gear, Junctions. Wall-Mounted Devices, plugs, switches. Fiberglass Insulation Batts. Extension Cords for Facility Pwr to Mandoor.

Heavy Slings & Crane rigging. (Not light duty tie-downs nor trucking ratchet straps)

Misc Heavy Rigging & crane hoisting gear. (not to be confused with liment of small straps and tie-downs)

Rotary Lift/Hoist, Electrical Motor& Switching. (Afixed concrete anchoring)H866

Shop 1 Mechanicals: Bridge Crane. Aqustical Ceiling Panels. Sub-Panels & Switch Gear. Electrical Ladders& Conduits.

Shop 1 Mechanicals : Invertors, Subpanels P1&P2, Sirens.

Jib Crane 91975- 500lbs. Afixed. Landlord Certifications Payments Outstanding.

Building Metal Flashings. Metal trims various. Metal Roofing. Metal Wall Sheeting. Galvanized, Black, Brown.

Pallet Lot: Spray Tanks. Back Pack Sprayer. Pressure Tanks x 2ea. Hydraulic Jack. Flooring Finish Box.

Pallet Lot: Aluminum Thresholds. Door Weather Strips. PL400 Box Cove Adhesive Box. Composite Post Backfill Box. Roof Boot. Metal Screw Bins x 5-6. Eaves Trough Clips Bucket. Caulk-Sausage Gun.

Pallet Lot: Misc: MechRm Extinguisher. Infared Heat. Elec Heater. Tracton Sand. Blue Bin w/gloves, aheasive rolls, drill, brushes. Poly Roll. Elec Cooler.

Pallet Lot: Building Supplies: Ceiling Fan. Tab Closures. Elec Device Boxes in Box. Wire Spools. Milk Crate Misc. Etc...

Pallet Lot: Misc: Poly Roll. Harness. Elec supplies. Spray Paint Cans xBox. Fixturing Chain.

Pallet Lot: Gycol 5Gal Pails., Flooring Adhesive Pail. Boot Brushes x Milk Crate. Cove Base Roll x Box. Misc Paint & Supplies.

Rolling Work Bench with 5" TORIN MULTI VISE. Misc hand tools in Pail. Cable & lock Crane Rigging & Chain. Spray Foam/Insulation Kits.

Pallet Lot: Misc Building Supplies: Metal Flashing. Drainage Pipe. Traffic Reflectors/Stakes.

Pallet Lotment: (7767) Misc Elec Extension Cords. Drainage Basins. Solar Yard Light. Drainage Piping Fitrngs.

Pallet Lotment: (7767) Metal Cladding matched to Building Upgrades. TAN/Brown. 4ft.

Metal Flashings. Custom Profile Matched to Building Upgrades. BLACK.

Pick Ax

Pallet Lot: (769?) Elec Wire Salvaged/Upcycled with Building Improvements.

82 IMG 4543,6 Norsman (?) Covered Storage Building. Underground Elec Services dug in and trenched to East High Bay, Sub-Panels and Switching. Devices, plugs & recepiacles. Yard Light. Yard Prepped, Graveled& Packed Foundations

Building Material: 3/4" 4x8 OSB x 1ft.

Building Materials: (758?) PT 2x10. PT 2x6. PT 2x4. EXTENDA-PLANK. Roll Flashing-Black

Extension Ladders; Sturdy 32ft x 2ea.

Aluminum Mandoor Shelters. Note: building metal upgrade magerial.

Misc Construction Extension Cords. Aprax 5. Lighted ends. Heavy Gauge.

Pallet Racking- Built Into Steel Structure. Expanded Metal Sheet-matching mandoor grates.

89

90 IMG *TBD* Shovels, Rakes, PickAx, Crow Bar, Broom....Lottment of Landscape Tools.

91 IMG TBD Window Coverings Thru-Out Offices.

92 IMG TBD Locksets, Padlocks, Door Keys & Key Controls.

93 IMG 6327 Three Phase Transformer: Y112PK

94 IMG 6325,6 Alum-a-Brake ProTrim Brake, Alum-A-Table, & Alum-A-Coil Holder.

95 IMG 6324 Dewalt Chopsaw on Milwaukee Stand/Workbench. (901?)

96 IMG 6321,6 Compressor Station Compressor: Ingersoll Rand #2545K10-VP

97 IMG 6322 Compressor Station Compressor: AirTek SmartCycle System. (511?)

98 IMG 6329 Retractable Hose Reels - Wall Mount

99 IMG 6334 LunchRoom Cabinetry. Fridge. Dishwasher. Microwave.

Assets Owned by Landlord
Schedule "B"

ITEM	PICTURE FILE	DESCRIPTION OF OWNERSHIP/COMMENTS
1	IMG 4428	Landlord's fixture prior to API.
2	IMG 4428	See Attached Receipts. Renodepot. Grasse Lumber. Etc...
3	Blank	
4	IMG 4429	See Attached Receipts. Ref Shamrock Flooring..
5	IMG 4429	Landlord Facility Supplies & Materials prior to API. ***Further Proof Docs AT REQUEST***
6	Blank	
7	IMG 4429	See Attached Receipts. Ref Grassa. Ref Olympic Dwp. See Date Stamp Picture.
8	IMG 6331	Stellar Services old tool used for Restructure work. See Picture file with Date Stamp.
9	IMG 4429	See Attached Receipts. Ref Home Hardware. Rona. Stellar Invoices.
10	***	
11	IMG 4430	Landlord Facility Repairs Work-In-Progress. See Receipt Attached. Ref Renodepot.
12	IMG 4430	Landlord Facility Repairs Work-In-Progress. ***BAG Receipt AT REQUEST....***
13	IMG 4431	See Receipts Ref Renodepot. Landlord Building Supplies On-Site prior to API. ***Further Proof Docs at request***
14	Blank	
15	IMG 4431	Landlord's building supplies prior to API, Matching Office IT/Phone Systems.
16	***	
17	IMG 4432	See Receipts Ref Renodepot.***
18	IMG 4432	Landlord Building Redevelopment prior to API. ***Further Proof Docs at request***
19	***	
20	IMG 6332	Landlord Building Fixture. Ref Lease & Intent to Lease Docs.
21	IMG 4433	Landlord Building Redevelopment prior to API. ***Further Proof Docs at request***
22	IMG 4433	See Attached Receipts ref Amazon. Landlord Building Redevelopment prior to API. ***Further Proof Docs at request***
23	***	
24	IMG 4434	Landlord Building Fixture. Ref Lease & Intent to Lease Docs.
25	IMG 4434	Landlord Building Redevelopment prior to API. ***Further Proof Docs at request***
26	IMG 4434	Landlord Building Fixture. Ref Lease & Intent to Lease Docs.
27	IMG 4434	Landlord Building Redevelopment prior to API. ***Further Proof Docs at request***
28	***	
29	Blank	
30	***	
31	IMG 4442	Landlord Building Fixture. Ref Lease & Intent to Lease Docs. Landlord Building Redevelopment prior to API. ***Further Proof Docs at request***
32	***	
33	IMG 4444	Landlord Building Fixture. Ref Lease & Intent to Lease Docs. Landlord Building Redevelopment prior to API. ***Further Proof Docs at request***
34	IMG 6333	Landlord Building Fixture. Ref Lease & Intent to Lease Docs. Landlord Building Redevelopment prior to API. ***Further Proof Docs at request***
35	IMG 4445	Landlord Building Redevelopment prior to API. ***Further Proof Docs at request***. See Receipts Attached.
36	***	
37	IMG 4447	See Receipts Attached Ref Renodepot, Homehardware. Landlord Building Redevelopment prior to API. ***Further Proof Docs at request***.
38	***	
39	IMG 4453	Landlord Building Fixture. Ref Lease & Intent to Lease Docs. Landlord Building Redevelopment prior to API. ***Further Proof Docs at request***
40	IMG 4451	Landlord Building Fixture. Ref Lease & Intent to Lease Docs. Landlord Building Redevelopment prior to API. ***Further Proof Docs at request***
41	***	
42	IMG 4453	Landlord Building Fixture. Ref Lease & Intent to Lease Docs. Landlord Building Redevelopment prior to API. ***Further Proof Docs at request***
43	***	
44	IMG 4454	See Attached Date Stamp Pictures. See Receipts Attached Ref: Doug Bailey. Ref: Olympic Dwp. Ref Rona. ***Further Proof Docs at Request***
45	***	
46	IMG 4455	See Attached Date Stamp Pictures. See Receipts Attached Ref: Doug Bailey. Ref: Olympic Dwp. Ref Rona. ***Further Proof Docs at Request***
47	IMG 4457	See Attached Date Stamp Pictures. See Receipts Attached Ref: Doug Bailey. Ref: Olympic Dwp. Ref Rona. ***Further Proof Docs at Request***
48	IMG 4458	See Attached Date Stamp Pictures. See Receipts Attached Ref: Doug Bailey. Ref: Olympic Dwp. Ref Rona. ***Further Proof Docs at Request***
49	IMG 4460	See Attached Date Stamp Pictures. See Receipts Attached Ref: Doug Bailey. Ref: Olympic Dwp. Ref Rona. ***Further Proof Docs at Request***
50	IMG *TBD*	See Attached Date Stamp Pictures. See Receipts Attached Ref: Doug Bailey. Ref: Olympic Dwp. Ref Rona. ***Further Proof Docs at Request***
51	IMG *TBD*	See Attached Date Stamp Pictures. See Receipts Attached Ref: Doug Bailey. Ref: Olympic Dwp. Ref Rona. ***Further Proof Docs at Request***
52	***	
53	IMG *TBD*	See Attached Receipts. Ref Olympic Dwp. See Date Stamp Picture. ***Further Proof Docs at Request***
54	***	
55	IMG 4462, 6330	Landlord Facility Repairs Work-In-Progress. On-Loan Stewart Farms. ***Further Proof Docs AT REQUEST....***
56	IMG 4464	See Attached Receipts. Ref Olympic Dwp. See Date Stamp Picture. ***Further Proof Docs at Request***
57	IMG 4510	Landlord Building Redevelopment prior to API. Macara Docs 5/2009. ***Further Proof Docs at request***
58	IMG 4469	Landlord Building Fixture. Ref Lease & Intent to Lease Docs. Landlord Building Redevelopment prior to API. ***Further Proof Docs at request***
59	IMG 4474	Landlord Building Fixture. Ref Lease & Intent to Lease Docs. Landlord Building Redevelopment prior to API. ***Further Proof Docs at request***

	Assets Owned by Landlord
60 IMG 4477	Landlord Building Fixture, Ref Lease & Intent to Lease Docs, Landlord Building Redevelopment prior to AP1, Landlord Building Fixture, Ref Lease & Intent to Lease Docs. ***Further Proof Docs at Request***
61 IMG 4511	Landlord Facility Supplies & Materials prior to AP1, Landlord Building Fixture, Ref Lease & Intent to Lease Docs. ***Further Proof Docs at Request***
62 IMG 4512	Landlord Facility Supplies & Materials prior to AP1, Landlord Building Fixture, Ref Lease & Intent to Lease Docs. ***Further Proof Docs at Request***
63 IMG 4469, 4490	Landlord Building Fixture, Ref Lease & Intent to Lease Docs. Attached. ***Further Proof Docs at Request***
64 IMG 4499	Landlord Facility Supplies & Materials prior to AP1, Landlord Building Fixture, Ref Lease & Intent to Lease Docs. ***Further Proof Docs at Request***
65 IMG 4502	Landlord Facility Supplies & Materials prior to AP1, Landlord Building Fixture, Ref Lease & Intent to Lease Docs. ***Further Proof Docs at Request***
66 IMG 4507, 4508	Landlord Building Fixture, Ref Lease & Intent to Lease Docs. Attached. ***Further Proof Docs at Request***
67 IMG 4513	See Attached Receipts ref White Lake Metal. See Date Stamp Picture.
68 IMG 4514	Landlord Facility Repairs Work-In-Progress. On-Loan Stewart Farms/MV/DL and/or Stella's Services. ***Further Proof Docs at Request***
69 IMG 4515	See Attached Receipts ref White Lake Metal. See Date Stamp Picture.
70 IMG 4516	Landlord Facility Supplies & Materials prior to AP1, Landlord Building Fixture, Ref Lease & Intent to Lease Docs. ***Further Proof Docs at Request***
71 IMG 4517	See Attached Receipts ref White Lake Metal. See Date Stamp Picture. Landlord Facility Supplies & Materials prior to AP1, Landlord Building Fixture, Ref Lease & Intent to Lease Docs. ***Further Proof Docs at Request***
72 IMG 4518	See Receipts ref Contact Elec.
73 IMG 4519	See Receipts. Landlord Facility Supplies & Materials prior to AP1, Landlord Building Fixture, Ref Lease & Intent to Lease Docs. ***Further Proof Docs at Request***
74 IMG 4520	Landlord Facility Supplies & Materials prior to AP1, Landlord Building Fixture, Ref Lease & Intent to Lease Docs. ***Further Proof Docs at Request***
75 IMG 4521, 4522	Landlord Facility Repairs Work-In-Progress. On-Loan Stewart Farms/MV/DL and/or Stella's Services. ***Further Proof Docs at Request***
76 IMG 4527	Landlord Facility Supplies & Materials prior to AP1, Landlord Building Fixture, Ref Lease & Intent to Lease Docs. ***Further Proof Docs at Request***
77 IMG 4534	Landlord Facility Repairs Work-In-Progress. On-Loan Stewart Farms/MV/DL and/or Stella's Services. ***Further Proof Docs at Request***
78 IMG 4535	Landlord Facility Supplies & Materials prior to AP1, Landlord Building Fixture, Ref Lease & Intent to Lease Docs. ***Further Proof Docs at Request***
79 IMG 4536	See Attached Receipts ref White Lake Metal. See Date Stamp Picture.
80 IMG 4538	See Attached Receipts. Ref Olympic Dwp. See Date Stamp Picture. ***Further Proof Docs at Request***
81 IMG 4539	Landlord Facility Repairs Work-In-Progress. See Date Stamp. Pics. ***Further Proof Docs at Request***
82 IMG 4543, 5328	Affixed Building to Landlord UnderGround Services & Yard Development. Landlord Building Fixture, Ref Lease & Intent to Lease Docs. Attached. ***Further Proof Docs at Request***
83 IMG 4551	See Attached Receipts. Rendepot. Grasse Lumber. Landlord Facility Repairs Work-In-Progress. ***Further Proof Docs at Request***
84 IMG 4552	See Attached Receipts. Rendepot. Grasse Lumber. Landlord Facility Repairs Work-In-Progress. ***Further Proof Docs at Request***
85 IMG 4555	See Attached Receipts. Rendepot. Grasse Lumber. Landlord Facility Repairs Work-In-Progress. ***Further Proof Docs at Request***
86 IMG 4558	See Attached Date Stamp Pictures. See Receipts Attached Ref: Doug Bailey. Ref: Olympic Dwp. Ref Roma. ***Further Proof Docs at Request***
87 IMG 4563	Landlord Building Fixture, Ref Lease & Intent to Lease Docs. Attached. ***Further Proof Docs at Request***
88 IMG 4560	See Attached Date Stamp Pictures. Landlord Facility Repairs Work-In-Progress. On-Loan Stewart Farms/MV/DL and/or Stella's Services. ***Further Proof Docs at Request***
89 blank	Landlord Building Fixture, Ref Lease & Intent to Lease Docs. Attached. ***Further Proof Docs at Request***
90 IMG *TBD*	See Attached Date Stamp Pictures. See Receipts Attached Ref: Doug Bailey. Ref: Olympic Dwp. Ref Roma. ***Further Proof Docs at Request***
91 IMG TBD	Landlord Building Redevelopment prior to AP1. ***Further Proof Docs at Request***
92 IMG TBD	See Attached Receipts ref: ABOE.
93 IMG 6327	Landlord Building Fixture, Ref Lease & Intent to Lease Docs, Landlord Building Redevelopment & Work-In-Progress. ***Further Proof Docs at Request***
94 IMG 6325, 6326	See Receipts ref Doug Bailey.
95 IMG 6324	See Receipts Ref Olympic Dwp. Ref Doug Bailey.
96 IMG 6321, 6323	Landlord Building Fixture, Ref Lease & Intent to Lease Docs. ***Further Proof Docs at Request***
97 IMG 6322	Landlord Building Fixture, Ref Lease & Intent to Lease Docs. Attached. ***Further Proof Docs at Request***
98 IMG 6329	Landlord Building Fixture, Ref Lease & Intent to Lease Docs. Attached. ***Further Proof Docs at Request***
99 IMG 6334	Landlord Facility Repairs Work-In-Progress. See Receipts Attached. Ref Rendepot. White Lake Metal. ***Further Proof Docs at Request***
100 Auction Lot 776	Landlord Facility Repairs Work-In-Progress. See Receipts Attached. Ref Rendepot. White Lake Metal. ***Further Proof Docs at Request***
101 Auction Lot 754	Landlord Facility Repairs Work-In-Progress. See Date Stamp. Pics. ***Further Proof Docs at Request***
102 Auction Lot 758	Landlord Facility Repairs Work-In-Progress. See Receipts Attached. Ref Rendepot. Extenda-Plank on-Loan Stella's Services.
103 Auction Lot 339	5 extension cord. See above reference to other extensions cords.
104 Auction Lot 566	Landlord Building Fixture, Ref Lease & Intent to Lease Docs. Attached. ***Further Proof Docs at Request***
105 Auction Lot 423	Landlord Building Fixture, Ref Lease & Intent to Lease Docs. Attached. ***Further Proof Docs at Request***
106 Auction Lot 301	Landlord Facility Repairs Work-In-Progress. On-Loan Stewart Farms/MV/DL and/or Stella's Services. ***Further Proof Docs at Request***
107 Auction Lot 513a,b,c.	Landlord Building Fixture, Ref Lease & Intent to Lease Docs. Attached. ***Further Proof Docs at Request***
108 Auction Lot 217-222	Ladders ***Except the 2 "API" nodes*** Landlord Facility Repairs Work-In-Progress. On-Loan Stewart Farms/MV/DL and/or Stella's Services. ***Further Proof Docs at Request***
109 Auction Lot 450	Propane tanks NOT matching API tankfit tanks. Landlord Facility Repairs Work-In-Progress. On-Loan Stewart Farms/MV/DL and/or Stella's Services. ***Further Proof Docs at Request***
110 Auction Lot 366	Landlord Building Fixture, Ref Lease & Intent to Lease Docs. Attached. ***Further Proof Docs at Request***
111 Auction Lot 110	Landlord Building Fixture, Ref Lease & Intent to Lease Docs. Attached. ***Further Proof Docs at Request***
112 Auction Lot 114	Landlord Building Fixture, Ref Lease & Intent to Lease Docs. Attached. ***Further Proof Docs at Request***
113 Auction Lot 118	Landlord Building Fixture, Ref Lease & Intent to Lease Docs. Attached. ***Further Proof Docs at Request***
114 Auction Lot 15	Landlord Building Fixture, Ref Lease & Intent to Lease Docs. Attached. ***Further Proof Docs at Request***
115 Auction Lot 304	Landlord Building Fixture, Ref Lease & Intent to Lease Docs. Attached. ***Further Proof Docs at Request***
116 Auction Lots	Dewalt Saw. Landlord Facility Repairs Work-In-Progress. On-Loan Stewart Farms/MV/DL and/or Stella's Services. ***Further Proof Docs at Request***
117 end..	***Above Auction Lots for Ref Only. More Auction Lots may contain other Landlord items in Landlord List***

APPENDIX "M"

Mihai Tomos

From: Mihai Tomos
Sent: September-10-18 12:25 PM
To: Dan Harder
Cc: Krol, Bryan; Williams, David; Konowalchuk, Orest; Travis Lysak
Subject: RE: Advantage Products Inc. File
Attachments: API landlord lots.xlsx

Hi Dan,

The Receiver is unable to accept your client's proof of ownership in the form provided to it on the basis that it is unintelligible. Your client bears the onus of establishing his claim and must submit, with respect to each lot number, comprehensible proof through which the Receiver can clearly tie the receipts and other documents to the lot numbers. To this end, please see attached a spreadsheet that lists all lot numbers and includes a description of the assets in question for each lot number. Your client will need to provide his best evidence of ownership with respect to each lot number in a coherent form.

With respect to the alleged collision, as you are aware, the Receiver vacated the premises over two months ago. However, it has not been notified of this issue until we received your email last Friday. The Receiver is currently looking into this matter and I will get back to you once I receive an update. In any event, the Receiver will not be providing your client with compensation in the absence of conclusive proof that: (1) the collision occurred and was caused by the Receiver and; (2) the compensation sought is reasonable in the circumstances.

Best regards,
Mihai

 **Mihai Tomos**
ASSOCIATE

FASKEN

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mtomos@fasken.com | www.fasken.com/en/Mihai-Tomos
350 7th Avenue SW, Suite 3400, Calgary, Alberta T2P 3N9

From: Dan Harder [<mailto:danh@mhrllaw.ca>]
Sent: September-07-18 8:36 AM
To: Mihai Tomos
Subject: Advantage Products Inc. File

Mihai,

I have communicated with my client about the auction items and am advised that they have provided proof of ownership directly to the receiver. Please confirm that your client has received that information. If there is additional information that is required please advise what items remain in issue. I am also advised that Wade Stewart's truck was damaged on site when a forklift operated by an employee of the receiver backed into his vehicle. Please confirm he will be compensated for the damage to his truck in the resolution of this matter.

Daniel C. Harder | BA Hons, LLB, Partner

Box 2676, 1802 – 20 Street | Didsbury, Alberta T0M 0W0

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Formerly Martinson & Harder Law Office

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Landlord Lots - Included in Auction

Lot Number	Description
89	lot of 10 asst. ABC fire extinguishers and brackets
96	mesh high back task chair
97	mesh high back task chair
98	mesh high back task chair
98a	mesh high back task chair
99	mesh high back task chair
109	mesh back task chair
109A	mesh back task chair
110	8'x4' boardroom table
114	lot of benq DLP overhead projector, pulldown 82" ceiling mount screen, TP link router, 2 ceiling mounts
121A	APC RTI-3000 smart UPS
177	GE portable dishwahr
178	lot of keurig coffee maker, kenmore microwave and breville cordless kettle
180	frigidaire refridgerator
386	eagle 3-cylinder 7.5hp vertical air compressor
435	lot of asst. strpas chains, spider chain, clevises
436	lot of asst. lifting slings, straps, etc.
442	pallet racking
443	pallet racking
444	pallet racking
445	pallet racking
450	lot of 2 LPG tanks
501	hose reels (2x)
511A	ingersoll rand 2545K10-VP 10hp Vertical Air Compressor
511B	LeRoi W50SSAH 50hp screw compressor
511C	Artek SC250 Dryer w/Recierver and Sullair Filter
512	Hose reel
517	Hammond 3-phase 112.5kva dry type transformer
564	challenger air 5hp horizontal air compressor w/metal rack
566	masco 500lbs jib crane
605	norsman portable building

Landlord Lots - Removed from Auction

Lot Number	Description	Listed Amount (pre auction)
15	phone system	???
118	security system	???
196	spruce tree stands	???
217	ladders	???
218	ladders	???
219	ladders	???
222	ladders	???
301	chop saw and stand	???
339	extension cords	???
515	aluma brake	???
515A	aluma brake coils and accessories	???
757	building materials	???
758	2x10 building materials & plywood sheets	???
764	assorted pipe, metal flashing, pvc	???
769	assorted salvage wire	???
	metal flashings, siding, solar light, sumps, cors, car	
776	parts, tires, etc.	???
		<hr/>
		\$ -

APPENDIX "N"

Advantage Products Inc. - In Receivership **Claims Ledger**

Claim #	Claimant	Type of claim filed by creditor	Proof of claim amount filed by creditor (\$)	Difference (\$)	Accepted Claim (\$)
C004	Canada Revenue Agency RT0001	Priority	30,753.35	-	30,753.35
C002	Canada Revenue Agency RP0001	Priority	16,121.34	-	16,121.34
			46,874.69	-	46,874.69
E003	Export Development Canada	Secured	237,482.50	-	237,482.50
H001	HSBC Bank Canada	Secured	682,061.90	-	682,061.90
			919,544.40	-	919,544.40
#001	1185202 Alberta Ltd.	Unsecured	2,205.00	-	2,205.00
A001	AlSCO	Unsecured	677.06	-	677.06
A002	Alberta Pallet Co. Ltd.	Unsecured	1,496.78	-	1,496.78
C001	Cole International Inc.	Unsecured	4,479.58	-	4,479.58
D001	DMH Machine Tools	Unsecured	9,588.67	-	9,588.67
E001	Excaltire Downhole Tools Ltd. (lawsuit claim)	Unsecured	196,633.44	(2,021.57)	194,611.87
E002	Eutectic Canada	Unsecured	4,734.93	-	4,734.93
E004	Encore Metals	Unsecured	34,189.82	-	34,189.82
E005	Excaltire Downhold Tools Ltd. (damages claim)	Unsecured	3,968,500.00	(2,768,500.00)	1,200,000.00
G001	G.M.S. Machine Works Ltd.	Unsecured	89,381.25	-	89,381.25
J001	John P. Doyle	Unsecured	413,614.21	(157,804.67)	255,809.54
K001	Kindersley Trailers Inc.	Unsecured	4,475.32	-	4,475.32
L001	Lynn Tessier	Unsecured	238,608.69	-	238,608.69
M001	Moose Engineering Ltd	Unsecured	22,680.00	-	22,680.00
M002	Massive Oilfield Services Ltd.	Unsecured	1,575.00	-	1,575.00
M003	Mount Royal Village	Unsecured	7,087.50	-	7,087.50
N001	CWB National Leasing Inc.	Unsecured	77,106.76	(37,710.00)	39,396.76
O001	Olds Droplet Water Company	Unsecured	131.75	-	131.75
P001	Piasetzki Nenniger Kvas LLP	Unsecured	491,631.38	-	491,631.38
P002	Peter and Sarah Ramsay	Unsecured	103,097.01	(31,514.40)	71,582.61
R001	Robert M. Sorem	Unsecured	32,300.00	-	32,300.00
R002	Robert Stewart et al	Unsecured	1,399,269.93	(535,945.52)	863,324.41
S001	Scott Venturo Rudakoff LLP	Unsecured	9,386.98	-	9,386.98
T001	Talnea Technologies Inc.	Unsecured	11,986.39	-	11,986.39
T002	Thomas Skinner & Son Limited	Unsecured	7,556.00	-	7,556.00
T003	Titan Solutions Group Inc.	Unsecured	4,460.98	-	4,460.98
P003	Pitney Bowes Leasing, Pitney Bowes Global Credit Services	Unsecured	422.99	-	422.99
			7,137,277.42	(3,533,496.16)	3,603,781.26
TOTAL CLAIMS:			8,103,696.51	(3,533,496.16)	4,570,200.35

APPENDIX "O"

Advantage Products Inc. - In Receivership

Summary of Receiver's Fees and Disbursements ("2018 and 2019 Billings")

February 7, 2018 to January 31, 2019

Invoices subject to taxation by this Court

Inv. No.	Period	Fees	Disbursements	Total Fees & Disbursements	GST	Total
3	April 1 - May 31, 2018	119,245.00	9,108.43	128,353.43	6,417.67	134,771.10
4	June 1 - July 31, 2018	29,035.00	12.95	29,047.95	1,452.40	30,500.35
5	August 1 - 31, 2018	8,320.00	504.62	8,824.62	441.23	9,265.85
6	September 1 - 30, 2018	12,262.50	-	12,262.50	613.13	12,875.63
7	October 1 - 31, 2018	14,302.50	-	14,302.50	715.13	15,017.63
8	November 1 - December 31, 2018	28,237.50	99.44	28,336.94	1,416.85	29,753.79
9	January 1 - 31, 2019	11,255.00	-	11,255.00	562.75	11,817.75
TOTAL		\$ 222,657.50	\$ 9,725.44	\$ 232,382.94	\$ 11,619.16	\$ 244,002.10

Invoices Previously Approved by this Court pursuant to an Order dated May 2, 2018

Inv. No.	Period	Fees	Disbursements	Total Fees & Disbursements	GST	Total
1	February 7 - 28, 2018	112,135.00	2,003.58	114,138.58	5,706.93	119,845.51
2	March 1 - 31, 2018	67,992.50	2,767.54	70,760.04	3,538.00	74,298.04
TOTAL		\$ 180,127.50	\$ 4,771.12	\$ 184,898.62	\$ 9,244.93	\$ 194,143.55

TOTAL INVOICES	\$ 402,785.00	\$ 14,496.56	\$ 417,281.56	\$ 20,864.09	\$ 438,145.65
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APPENDIX "P"

Advantage Products Inc. - In Receivership

Summary of the Receiver's counsel (Fasken) Fees and Disbursements ("2018 and 2019 Billings")

February 7, 2018 to January 31, 2019

Invoices subject to taxation by this Court

Inv. No.	Period	Fees	Disbursements	Total Fees & Disbursements	GST	Total
3	April 1 - 30, 2018	34,037.50	956.60	34,994.10	1,743.90	36,738.00
4	May 1 - 31, 2018	24,045.00	809.61	24,854.61	1,241.55	26,096.16
5	June 1 - July 31, 2018	29,680.00	684.65	30,364.65	1,515.38	31,880.03
6	August 1 - 31, 2018	6,467.50	4.80	6,472.30	323.62	6,795.92
7	September 1 - 30, 2018	8,070.00	29.73	8,099.73	404.09	8,503.82
8	October 1 - November 30, 2	19,607.50	1,666.31	21,273.81	1,060.79	22,334.60
9	December 1 - 31, 2018	4,550.00	116.04	4,666.04	233.30	4,899.34
10	January 1 - 31, 2019	6,495.60	-	6,495.60	324.78	6,820.38
TOTAL		\$ 132,953.10	\$ 4,267.74	\$ 137,220.84	\$ 6,847.41	\$ 144,068.25

Invoices Previously Approved by this Court pursuant to an Order dated May 2, 2018

Inv. No.	Period	Fees	Disbursements	Total Fees & Disbursements	GST	Total
1	February 7 - 28, 2018	43,965.50	78.80	44,044.30	2,199.98	46,244.28
2	March 1 - 31, 2018	24,507.50	562.90	25,070.40	1,245.78	26,316.18
TOTAL		\$ 68,473.00	\$ 641.70	\$ 69,114.70	\$ 3,445.76	\$ 72,560.46
TOTAL INVOICES		\$ 201,426.10	\$ 4,909.44	\$ 206,335.54	\$ 10,293.17	\$ 216,628.71