

THIS ASSET PURCHASE AGREEMENT dated December 13th, 2013.

A M O N G :

NORTH AMERICA CONSTRUCTION (1993) LTD., a corporation incorporated under the laws of the Province of Ontario

(the "**Vendor**")

-and-

EDMONTON HEAVY EQUIPMENT RENTALS LTD., a corporation incorporated under the laws of the Province of Alberta

(the "**Purchaser**")

RECITALS:

1. The Vendor owns certain assets utilized in its pile driving business (the "**Divisional Business**").
2. The Purchaser wishes to purchase from the Vendor, and the Vendor wishes to sell to the Purchaser, all of the Vendor's right, title and interest in and to the certain assets used in the Divisional Business all as more particularly set out in this Agreement, for the purchase price and upon the terms and conditions of this Agreement.

The parties therefore agree as follows:

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

In this asset purchase agreement (this "**Agreement**"):

"**Bulk Sales Legislation**" means the *Bulk Sales Act* (Ontario);

"**Business Day**" means any day except Saturday, Sunday, any statutory holiday in the Province of Alberta or any other day on which the principal chartered banks in the City of Edmonton are closed for business;

"**Closing**" means the completion of the purchase and sale of the Purchased Assets and all other transactions contemplated by this Agreement;

"**Closing Date**" means December 13th, 2013 or such other date as the Parties may agree in writing;

"**Closing Time**" means 10:00 a.m. in the City of Edmonton on the Closing Date or such other time on the Closing Date as the Parties may agree in writing that the Closing will take place;

"Consents" means any consent, approval, permit, waiver, exemption or similar authorization from any person other than the Vendor or any governmental authority, including those required by applicable law or under the terms or conditions of any contract to which the Vendor is a party or any of the Purchased Assets is subject;

"Damages" means any damages (available at law or in equity), losses, liabilities, claims, debts, charges, fines, penalties, costs or expenses, including the costs and expenses of any legal proceeding, settlement or compromise (including reasonable costs, fees and expenses of legal counsel and accountants), but excluding any contingent liability until it becomes actual;

"Divisional Business" has the meaning ascribed to that term in the recitals to this Agreement;

"GST/HST" means taxes, interest, penalties and fines imposed under Part IX of the *Excise Tax Act* (Canada) and the regulations made thereunder;

"GST/HST Legislation" the *Excise Tax Act* (Canada) and the regulations made thereunder;

"Non-Competition Agreement" means the non-competition agreement in the form of Schedule "F"; and

"Purchased Assets" has the meaning specified in Section 2.1.

1.2 Rules of Interpretation

In this Agreement:

- (a) **Accounting Principles** – Unless otherwise specified, any reference in this Agreement to "generally accepted accounting principles" is to the generally accepted accounting principles in effect in Canada at the date of determination as recommended in Part II – Accounting Standards for Private Enterprises of the Handbook of the Canadian Institute of Chartered Accountants (the "**CICA Handbook**") and consistently applied.
- (b) **Books and Records** – means all reports and records, documents, files, correspondence and other information (whether in written, printed, electronic or computer printout form, or stored electronically, digitally or on computer related media) related to those certain job and customer engagements detailed in Schedule "B", but excluding the Vendor's health and safety records and accounting records with respect to same.
- (c) **Currency** – Unless otherwise specified, all dollar amounts in this Agreement, including the symbol "\$", refer to Canadian currency.
- (d) **Headings, etc.** – The division of this Agreement into Articles, Sections and other subdivisions and the inclusion of headings are provided for convenience only and do not affect the construction or interpretation of this Agreement.
- (e) **Including** – In this Agreement, the words "include" or "including" mean "include (or including) without limitation" and the words following "include" or "including" are not to be considered an exhaustive list.

- (f) **Performance on Holidays** – If any act is required by the terms of this Agreement to be performed on a day which is not a Business Day, the act will be valid if performed on the next succeeding Business Day.
- (g) **References to Persons** – Unless the context otherwise requires, any reference in this Agreement to a Person includes its successors and permitted assigns.
- (h) **Statutory References** – Unless otherwise specified, any reference in this Agreement to a statute includes all rules and regulations made under it, in each case as it or they may have been, or may from time to time be, amended or re-enacted.
- (i) **Time** – Time is of the essence of this Agreement, and no extension or variation of this Agreement will operate as a waiver of this provision.
- (j) **Time Periods** – Unless otherwise specified, a period of days will be deemed to begin on the first day after the event which began the period and to end at 5:00 p.m. (Edmonton time) on the last day of the period. If a period of time is to expire on any day that is not a Business Day, the period will be deemed to expire at 5:00 p.m. (Edmonton time) on the next succeeding Business Day.

1.3 Schedules

The following Schedules are attached to this Agreement, are incorporated into, and form part of this Agreement:

- (a) Schedule "A": Equipment;
- (b) Schedule "B": Books and Records;
- (c) Schedule "C": Purchase Price Allocation;
- (d) Schedule "D": Disclosure Schedule;
- (e) Schedule "E": Consents;
- (f) Schedule "F": Non-Competition Agreement;
- (g) Schedule "G": Inventory Security Agreement;
- (h) Schedule "H": Equipment, Books and Records Security Agreement; and
- (i) Schedule "I": Promissory Note.

ARTICLE 2 PURCHASE AND SALE OF ASSETS

2.1 Purchase and Sale of the Purchased Assets

Subject to the terms and conditions of this Agreement, at the Closing Time the Vendor shall sell, assign and transfer to the Purchaser, and the Purchaser shall purchase from the Vendor, all of the Vendor's right, title and interest in and to the assets used by the Vendor in the Divisional Business, which specifically include the following (collectively, the "**Purchased Assets**");

4.

- (a) Those certain pieces of equipment owned or leased by the Vendor for the Divisional Business and detailed in Schedule "A" hereto (collectively, the "**Equipment**");
- (b) The good, useable and/or saleable pile driving tooling and consumable inventory accepted by the Purchaser (collectively, the "**Inventory**"); and
- (c) The Books and Records.

2.2 Amount and Payment of Purchase Price and Security for the Unpaid Balance

Subject to adjustment, as agreed to between the Vendor and the Purchaser acting reasonably, the consideration payable by the Purchaser to the Vendor for the Purchased Assets (the "**Purchase Price**") is \$3,000,000.00, exclusive of GST/HST, which shall be satisfied by the Purchaser at the Closing Time as follows:

- (a) paying a portion of the Purchase Price, being the amount of \$2,200,000.00, as may be adjusted (the "**Closing Payment**"), by way of certified cheque, bank draft or wire transfer of immediately available funds to or to the order of the Vendor; and
- (b) executing and delivering a promissory note (the "**Note**"), substantially in the form attached hereto as Schedule "I", for the balance of the Purchase Price (the "**Unpaid Balance**") which shall be paid to the Vendor, subsequent to the Closing Date (the "**Unpaid Balance Repayment Period**"), by way of twenty-four equal monthly payments of \$33,333.34, exclusive of GST/HST (the "**Monthly Payments**") and shall be made to the Vendor by way of certified cheque, bank draft, wire transfer or solicitor's trust cheque on the last day of each month during the Unpaid Balance Repayment Period. The Unpaid Balance Repayment Period shall commence, and the first of the Monthly Payments shall be due, on that date that is one month from the Closing Date.
- (c) In addition to the foregoing, the Note shall include payments by the Purchaser of two equal interest payments of \$21,000.00 to the Vendor on each of the first anniversary of the Closing Date and the Second Anniversary of the Closing Date (the "**Interest Payments**").

As security for the Note and the payment of the Unpaid Balance and the Interest Payments and performance of the obligations thereunder:

- (d) the Purchaser shall grant to the Vendor an assignment of that certain equipment lease agreement between the Purchaser and Sprague-Rosser Contracting Co. Ltd., dated December 13th, 2013 (the "**Lease Assignment**");
- (e) the Purchaser shall grant to the Vendor a first priority security interest, by way of a general security agreement charging the Inventory, and in the amount of the Purchase Price allocable to the Inventory, and in same form and content as set out at Schedule "G" of this Agreement (the "**Inventory Security Agreement**"); and
- (f) the Purchaser shall grant to the Vendor a second priority security interest, by way of a general security agreement charging the Equipment and the Books and Records, and in same form and content as set out at Schedule "H" (the "**Equipment, Books and Records Security Agreement**").

5.

2.3 Right of First Refusal

During the Unpaid Balance Repayment Period the Purchaser shall have a right of first refusal to engage in and complete any pile driving related work ancillary to, or part of, any projects located within the Provinces of Alberta or Saskatchewan that the Vendor is involved in or proposes to be involved in, that:

- (a) may be required to be completed by the Vendor; or
- (b) have been offered to the Vendor to complete;

provided that the Purchaser's quoted price to be engaged by the Vendor to complete any pile driving related work is no higher than other quote(s) with substantially similar bid conditions, if any, solicited and received by the Vendor from other businesses capable of performing, and willing to perform, such work and operating at arm's length from the Vendor. If the Purchaser's quoted price to the Vendor to engage in and complete any pile driving related work is higher than the other quote(s) with substantially similar bid conditions, if any, solicited and received by the Vendor as described above, the Purchaser shall have the option to match the lower quoted price. If the Purchaser is not willing or able to match the lower quoted price then the Vendor will not be precluded from contracting with the business that provided the lower quoted price. The above described right of first refusal shall be fully assignable by the Purchaser to the Guarantor, without the need for further consent from the Vendor.

2.4 Allocation of Purchase Price

The Purchase Price will be allocated among the Purchased Assets in accordance with Schedule "C", and the Vendor and Purchaser shall each file their respective income tax returns in accordance with that allocation.

2.5 Liabilities Excluded

For greater certainty, it is understood that the Purchaser will assume no liabilities of the Divisional Business, nor the Vendor, except as may be otherwise set out herein.

2.6 Taxes

As and when required, the Purchaser will file all returns and pay any GST/HST payable in respect of this sale transaction to the Vendor. The Purchaser shall indemnify and save harmless the Vendor and its affiliates, from any after the Closing Date, against any and all losses, liability, expenses or damages arising from a breach by the Purchaser in complying with its obligations as set out in this Section 2.6 relating to GST/HST filings and payments.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Vendor

The Vendor represents and warrants to the Purchaser as follows and acknowledges that (i) the Purchaser is relying on the following representations and warranties in entering into this Agreement and completing the transactions contemplated by it; and (ii) no investigations made by or on behalf of the Purchaser will have the effect of waiving, diminishing the scope of, or otherwise affecting any representation or warranty made by the Vendor:

- (a) the Vendor is a corporation incorporated and existing under the laws of the Province of Ontario;
- (b) the Vendor has the corporate power to own, lease, use and operate the Purchased Assets and to enter into and perform its obligations under this Agreement;
- (c) the Vendor is registered, licensed or otherwise qualified in all the jurisdictions in which the nature or location(s) of the Purchased Assets makes the registration, licensing or qualification necessary;
- (d) the execution and delivery of, and performance by the Vendor of this Agreement and the sale of the Purchased Assets have been duly authorized by all necessary corporate action on behalf of the Vendor;
- (e) this Agreement has been duly and validly executed and delivered by the Vendor and constitutes legal, valid and obligations of the Vendor, enforceable against it in accordance with its terms;
- (f) except as disclosed in Schedule "D" and subject to obtaining the consents described in Schedule "E", the execution and delivery by the Vendor of this Agreement and the performance by the Vendor of its obligations under this Agreement will not result in (i) the breach or violation of any terms or conditions of: (A) the constating documents or by-laws of the Vendor; (B) any applicable law, regulation or order, or (C) any contract to which the Vendor is a party or by which any of the Purchased Assets may be affected, or (ii) the creation of any lien, charge or encumbrance on any of the Purchased Assets;
- (g) no bankruptcy, insolvency or receivership proceedings have been instituted or are pending against Vendor and, to its knowledge, no such proceedings have been threatened, and the Vendor is able to satisfy its liabilities as they become due;
- (h) the Vendor is the sole beneficial (and where its interests are registered, the sole registered) owner of all the Purchased Assets with good and valid title thereto, free and clear of all liens, charges and encumbrances, and has the full power and authority to sell the Purchased Assets;
- (i) no person (other than the Purchaser under this Agreement) has any written or oral agreement, option, right or privilege capable of becoming an agreement or option for the purchase or other acquisition from the Vendor of any of the Purchased Assets;
- (j) there are no actions, suits, investigations, arbitration proceedings or other proceedings in progress, pending or, to its knowledge, threatened against or affecting the Vendor related to the Divisional Business or the Purchased Assets;
- (k) the Equipment, or other moveable or mechanical property forming a part of the Purchased Assets are in good operating condition and are in a state of good repair and maintenance, reasonable wear and tear excepted;
- (l) the Inventory, collectively, is in good and merchantable condition and is useable or saleable in the ordinary course of business for the purposes for which it is intended; and

7.

- (m) the Vendor is not a "non-resident" of Canada for the purpose of Section 116 of the *Income Tax Act* (Canada).

The Purchaser understands that the information disclosed in the Books and Records is entirely historical in nature and the Vendor makes no representation or warranty as to the accuracy, completeness, adequacy or suitability for any purpose of the information disclosed in the Books and Records, and that the information disclosed in the Books and Records is provided on an "as-is" basis. Any reliance that the Purchaser places on such information is entirely at its own risk and the Vendor shall not be liable to the Purchaser for any errors or omissions in the information disclosed in the Books and Records, if any, nor for the use of, or results derived from such information by the Purchaser.

3.2 Representations and Warranties of the Purchaser

The Purchaser represents and warrants to the Vendor as follows and acknowledges that (i) the Vendor is relying on the following representations and warranties in entering into this Agreement and completing the transactions contemplated by it; and (ii) no investigations made by or on behalf of the Vendor will have the effect of waiving, diminishing the scope of, or otherwise affecting any representation or warranty made by the Purchaser:

- (a) the Purchaser is a corporation incorporated and existing under the laws of the Province of Alberta;
- (b) the Purchaser has the corporate power to enter into and perform its obligations under this Agreement;
- (c) the execution and delivery of, and performance by the Purchaser of this Agreement and the purchase of the Purchased Assets have been duly authorized by all necessary corporate action on behalf of the Purchaser;
- (d) the execution and delivery by the Purchaser of this Agreement and the Inventory Security Agreement and Equipment, Books and Records Security Agreement (collectively, the "**Security Agreements**") and the performance by the Purchaser of its obligations under this Agreement and the Security Agreements will not result in the breach or violation of any terms or conditions of: (i) the constating documents or by-laws of the Purchaser; or (ii) any applicable law, regulation or order; and
- (e) no bankruptcy, insolvency or receivership proceedings have been instituted or are pending against the Purchaser and, to its knowledge, no such proceedings have been threatened, and the Purchaser is able to satisfy its liabilities as they become due.

ARTICLE 4 COVENANTS OF THE PARTIES

4.1 Covenants of the Purchaser

If the purchase and sale of the Purchased Assets is not completed, the Purchaser shall not, directly or indirectly:

- (a) use for its own purposes any confidential information, trade secrets or confidential data relating to the Vendor or the Purchased Assets discovered or acquired by it or its representatives as a result of the Vendor making available to it and its representatives

any books, accounts, records, other data and information relating to the Purchased Assets; or

- (b) disclose, divulge or communicate orally, in writing or otherwise any such confidential information, trade secrets or confidential data so discovered or acquired to any other person.

4.2 Post-Closing Covenants

- (a) After the Closing Date, the Vendor shall, if requested by the Purchaser, execute and deliver, or cause to be executed and delivered, all additional conveyances, transfers and other assurances as may be reasonably necessary or desirable to carry out the intent of this Agreement and transfer the Purchased Assets to the Purchaser.
- (b) The Purchaser covenants and agrees, until such time as the Equipment, Books and Records Security Agreement has expired and/or been terminated, to obtain and maintain insurance on the Equipment in respect of such risks and in such amounts as are commercially reasonable and, if requested, to furnish the Vendor with certificates of insurance and copies of applicable policies of insurance.

4.3 Bulk Sales Compliance

The Purchaser hereby agrees and acknowledges that the Purchaser will not require the Vendor to comply, or assist the Purchaser to comply, with the requirements of the Bulk Sales Legislation in connection with the completion of the transactions contemplated by this Agreement. The Vendor will indemnify the Purchaser for any loss, costs or damages which the Purchaser may suffer as a result of the Vendor's failure to comply with the Bulk Sales Legislation.

ARTICLE 5 CONDITIONS OF CLOSING

5.1 Conditions for the Benefit of the Purchaser

The sale and purchase of the Purchased Assets is subject to the satisfaction of, or compliance with, at or before the Closing Time, each of the following conditions, each of which is for the exclusive benefit of the Purchaser and may be waived, in whole or in part, by the Purchaser in its sole discretion:

- (a) all representations and warranties of the Vendor contained in this Agreement will be true and correct in all material respects at the Closing Time;
- (b) the Vendor will have performed or complied with in all material respects all obligations and covenants contained in this Agreement to be performed or complied with by it at or before the Closing Time;
- (c) the Purchaser shall have completed its due diligence investigations into the Purchased Assets, the results of such investigations to be satisfactory to the Purchaser in its sole discretion, and the Purchaser will have executed and delivered a certificate of a senior officer of the Purchaser to that effect;

9.

- (d) the Purchaser shall have secured financing arrangements satisfactory to it in its sole discretion in order to complete the purchase of the Purchased Assets; and
- (e) no damage by fire or other hazard to the Purchased Assets will have occurred as of the Closing Time.

5.2 Conditions for the Benefit of the Vendor

The sale and purchase of the Purchased Assets is subject to the satisfaction of, or compliance with, at or before the Closing Time, the following conditions, each of which is for the exclusive benefit of the Vendor and may be waived, in whole or in part, by the Vendor in its sole discretion:

- (a) all representations and warranties of the Purchaser contained in this Agreement will be true and correct in all material respects at the Closing Time; and
- (b) the Purchaser will have performed or complied with in all material respects all obligations and covenants contained in this Agreement to be performed or complied with by it at or prior to the Closing Time.

5.3 Waiver of Conditions

Either party may waive, in whole or in part, at any time by notice in writing to the other party, any condition in Section 5.1 or Section 5.2 that is for its benefit. No waiver by a party of any condition, in whole or in part, will operate as a waiver of any other condition or of that party's rights of termination in the event of non-fulfilment of any other condition, in whole or in part.

ARTICLE 6 CLOSING ARRANGEMENTS

6.1 Date, Place and Time of Closing

The closing of the sale and purchase of the Purchased Assets will take place at 10:00 a.m. (Edmonton time) (the "**Closing Time**") on December 13th, 2013 (the "**Closing Date**"), or on such other date and at such other time as may be agreed upon in writing by the parties. The closing will be completed by way of the electronic exchange of documents upon such trust conditions, and pursuant to such undertakings, as are agreed to between the parties and their counsel and are reasonable in the circumstances.

6.2 Payments and Deliveries at Closing

At the Closing Time, subject to satisfaction of all the conditions in Article 5 that have not been waived in writing by the Purchaser or the Vendor, as applicable:

- (a) the Purchaser shall pay or direct to be paid the Closing Payment by certified cheque, bank draft or wire transfer of immediately available funds to or to the order of the Vendor;
- (b) the Vendor shall deliver to the Purchaser the following in form and substance satisfactory to the Purchaser:

- (i) all deeds, conveyances, bills of sale, assurances, transfers and assignments and other documents to transfer effectively to the Purchaser good title to the Purchased Assets free and clear of all liens, charges and encumbrances;
 - (ii) certified copies of (i) resolutions of the board of directors and/or shareholders of the Vendor authorizing the entering into and completion of the transactions contemplated by this Agreement, and (ii) a list of the directors and officers of the Vendor authorized to sign agreements together with their specimen signatures;
 - (iii) a certificate of status, compliance, good standing or like certificate with respect to the Vendor, issued by the appropriate governmental authority in its jurisdiction of incorporation;
 - (iv) the Non-Competition Agreement; and
 - (v) all other documentation and evidence reasonably requested by the Purchaser in order to establish the due authorization and completion of and effectively implement the transactions contemplated by this Agreement; and
- (c) the Purchaser shall deliver to the Vendor the following in form and substance satisfactory to the Vendor acting reasonable:
- (i) all transfers, assignments and documents delivered under this Agreement at the Closing Time which require execution and delivery by the Purchaser;
 - (ii) certified copies of (i) the articles and extracts from the by-laws of the Purchaser relating to the execution of documents, (ii) resolutions of the board of directors and/or shareholders of the Purchaser authorizing the entering into and completion of the transactions contemplated by this Agreement, and (iii) a list of the directors and officers authorized to sign agreements together with their specimen signatures;
 - (iii) a certificate of status, compliance, good standing or like certificate with respect to the Purchaser, issued by the appropriate governmental authority in its jurisdiction of incorporation;
 - (iv) the certificate referred to in subsections 5.2(a); and
 - (v) the Inventory Security Agreement, the Equipment, Books and Records Security Agreement, the Assignment, and the Note.

ARTICLE 7 SURVIVAL AND INDEMNIFICATION

7.1 Survival of Representations, Warranties and Covenants

- (a) The representations and warranties of each party contained in this Agreement will not merge on and will survive the Closing for a period of two years from the Closing Date.
- (b) The covenants of each party contained in this Agreement will survive the Closing and, notwithstanding the Closing, will continue in full force and effect for the benefit of the other party in accordance with the terms of this Agreement.

7.2 Indemnification by the Vendor

- (a) Subject to Section 7.1 and Section 7.4, if the sale and purchase of the Purchased Assets is completed, the Vendor shall indemnify and save the Purchaser fully harmless against, and will reimburse it for, any Damages suffered by or asserted against it, directly arising from, in connection with or related to:
 - (i) any incorrectness in or breach of any representation or warranty of the Vendor contained in this Agreement;
 - (ii) that may arise from the Bulk Sales Legislation in connection with the completion of the transactions contemplated by this Agreement, notwithstanding any provision of the Bulk Sales Legislation to the contrary (in consideration of which indemnification obligation, the Purchaser hereby waives compliance by the Vendor with the Bulk Sales Legislation); and
 - (iii) any breach or non-fulfilment of any covenant or obligation on the part of the Vendor contained in this Agreement.

7.3 Indemnification by the Purchaser

- (a) Subject to Section 7.1 and Section 7.4, if the sale and purchase of the Purchased Assets is completed, the Purchaser shall indemnify and save the Vendor fully harmless against, and will reimburse it for, any Damages suffered by or asserted against it arising from, in connection with or related to:
 - (i) any incorrectness in or breach of any representation or warranty of the Purchaser contained in this Agreement; and
 - (ii) any breach or non-fulfilment of any covenant or obligation on the part of the Purchaser contained in this Agreement, excepting circumstances in which the Purchaser is in default of making a Monthly Payment (a "**Monthly Payment Default**") in accordance with Section 2.2. With respect to a Monthly Payment Default the following provisions shall apply:
 - (A) the Vendor shall notify the Purchaser, in writing, of such Monthly Payment Default and the Purchaser shall have 10 Business Days to cure such default (the "**Initial Cure Period**");
 - (B) if the Monthly Payment Default is not rectified by the Purchaser within the Initial Cure Period then, upon delivery of another written notice to the Purchaser by the Vendor (the "**Second Cure Period Notice**"), the Purchaser shall be responsible to pay a late payment penalty to the Vendor in an amount equal to 2% of the Monthly Payment outstanding at the time of the Second Cure Period Notice (the "**Late Payment Penalty**"). The outstanding Monthly Payment and the Late Payment Penalty shall be due no later than 30 calendar days following receipt by the Purchaser of the Second Cure Period Notice (the "**Second Cure Period**"); and

- (C) if the Monthly Payment Default is not rectified within the Second Cure Period the Late Payment Penalty, Unpaid Balance, and any Interest Payments, then outstanding shall become immediately due and payable, and the Vendor agrees that such amounts constitute a reasonable estimation of actual Damages to be recovered in such circumstances and agrees that its right to recovery in respect of a Monthly Payment Default shall be limited to that amount, plus any costs, fees and expenses incurred by the Vendor in enforcing its rights hereunder, including its reasonable legal fees on a solicitor and client basis.

7.4 Limitations on Amount of Indemnification

- (a) The maximum aggregate liability of the Vendor under this Agreement for Damages suffered by the Purchaser in respect of the matters described in subsection 7.2(a)(i) is limited to the amount of the Purchase Price, less the amount of the Unpaid Balance that remains outstanding, if any, at the time the Purchaser's claim for Damages arises, plus any costs, fees and expenses incurred by the Purchaser in enforcing its rights to recover Damages from the Vendor.
- (b) The maximum aggregate liability of the Purchaser under this Agreement for Damages suffered by the Vendor in respect of the matters described in subsection 7.3(a)(i) is limited to the amount of the Purchase Price, plus any outstanding Interest Payments and Late Payment Penalties at the time of making the claim for indemnification, plus any costs, fees and expenses incurred by the Vendor in enforcing its rights as set out in subsection 7.3(a)(ii)(C).

7.5 Notice of Claim for Damages

- (a) Subject to the subsections 7.3(a)(ii)(A), (B), and (C), if any Damages are suffered by or asserted against a party, that party (the "**Indemnified Person**") shall notify the other party (the "**Indemnifier**") in writing of that claim for Damages. The notice will describe the claim in reasonable detail and indicate, if reasonably practicable, the nature and amount of the potential Damages arising therefrom. Notice to an Indemnifier in accordance with this subsection 7.5(a) will constitute assertion of a claim for indemnification against the Indemnifier under this Section 7.5.
- (b) Upon receipt of a notice of claim under subsection 7.5(a), the Indemnifier will then have a period of 60 calendar days within which to respond in writing to that claim. During that period, the Indemnified Person shall make available to the Indemnifier the information relied upon by the Indemnified Person to substantiate its right to be indemnified, together with all other information as may be reasonably requested by the Indemnifier. If the Indemnifier does not respond within that 60 day period, the Indemnifier will be deemed to have rejected that claim and the Indemnified Person may pursue any remedies available to it.
- (c) The amount of any Damages for which indemnification is provided under this Article 7 will be net of any amounts actually recovered by the Indemnified Person under insurance policies with respect to those Damages and will not be subject to any tax costs incurred by the Indemnified Person under the *Income Tax Act* (Canada).

- (d) Failure by an Indemnified Person to give notice of a claim for Damages will not relieve an Indemnifier from the obligation to indemnify the Indemnified Person, unless the Indemnified Person gives notice after the expiration of the relevant statutory limitation period.

ARTICLE 8 MISCELLANEOUS

8.1 Notices

- (a) Any notice, direction or other communication (in this Section 8.1, a "**notice**") regarding the matters contemplated by this Agreement must be in writing and must be delivered personally, sent by courier or transmitted by facsimile (but not by electronic mail), as follows:

- (i) in the case of the Vendor, at:

North America Construction (1993) Ltd.
21 Queen Street
Morrison, Ontario N0B 2C0
Fax No.: (519) 821-1111
Attention: Scott McPherson

with a copy to:

Philip Bender, General Counsel
c/o North America Construction (1993) Ltd.
21 Queen Street
Morrison, Ontario N0B 2C0
Fax No.: (519) 780-4668

- (ii) in the case of the Purchaser, at

c/o 201, 1259 – 91 Street SW
Edmonton, Alberta T6X 1E9
Fax No.: (780) 468-2668
Attention: Kieran Bowes

with a copy to:

Dentons Canada LLP
2900 Manulife Place, 10180 – 101 Street
Edmonton, Alberta T5J 3V5
Fax No.: (780) 423-7276
Attention: John Lemieux

- (b) A notice is deemed to be delivered and received (i) if delivered personally, on the date of delivery if delivered prior to 5:00 p.m. (recipient's time) on a Business Day and otherwise on the next Business Day; (ii) if sent by same-day courier, on the date of delivery if delivered prior to 5:00 p.m. (recipient's time) on a Business Day and otherwise on the

next Business Day; (iii) if sent by overnight courier, on the next Business Day; or (iv) if transmitted by facsimile, on the Business Day following the date of confirmation of transmission by the originating facsimile.

- (c) A party may change its address for service from time to time by notice given in accordance with the foregoing provisions.

8.2 Further Assurances

Each party shall from time to time, before or after the Closing Time, execute, acknowledge and deliver or cause to be executed, acknowledged and delivered all further acts, documents and instruments as may be reasonably necessary or desirable in order to give full effect to this Agreement or any provision of it, including reasonable access to and copies of the Books and Records in connection with the filing of any necessary notices, elections, information returns and statements in respect of taxes of the Vendor.

8.3 Costs and Expenses

Unless otherwise specified in this Agreement, each party shall be responsible for all costs and expenses (including the fees and disbursements of legal counsel, bankers, investment bankers, accountants, brokers and other advisors) incurred by it in connection with this Agreement and the transactions contemplated by it.

8.4 Waiver of Rights

Any waiver of any of the provisions of this Agreement will be binding only if it is in writing and signed by the party to be bound by it, and only in the specific instance and for the specific purpose for which it has been given. The failure or delay of any party in exercising any right under this Agreement will not operate as a waiver of that right. No single or partial exercise of any right will preclude any other or further exercise of that right or the exercise of any other right, and no waiver of any of the provisions of this Agreement will constitute a waiver of any other provision (whether or not similar).

8.5 Remedies Cumulative

Unless otherwise specified in this Agreement, the rights and remedies of a party under this Agreement are cumulative and in addition to and without prejudice to any other rights or remedies available to that party at law, in equity or otherwise, and unless otherwise specified, no single or partial exercise by a party of any right or remedy precludes or otherwise affects the exercise of any other right or remedy to which that party may be entitled.

8.6 Severability

If any provision of this Agreement or its application to any party or circumstance is determined by a court of competent jurisdiction to be illegal, invalid or unenforceable, it will be ineffective only to the extent of its illegality, invalidity or unenforceability without affecting the validity or the enforceability of the remaining provisions of this Agreement and without affecting its application to other parties or circumstances.

8.7 Successors and Assignment

This Agreement will enure to the benefit of and be binding upon the parties and their respective successors but neither this Agreement nor any of the rights or obligations under this Agreement is

assignable or transferable by either the Purchaser or the Vendor without the prior written consent of the other party.

8.8 Entire Agreement

This Agreement, including the Schedules attached hereto, constitutes the entire agreement between the parties with respect to the transactions contemplated by this Agreement and supersedes all other understandings, agreements, representations (including misrepresentations, negligent or otherwise), negotiations and discussions, written or oral, made by the parties with respect thereto (including that letter of intent between the parties dated September 18th, 2013 and as amended on November 29th, 2013). There are no representations, warranties, terms, conditions, covenants or other understandings, express or implied, collateral, statutory or otherwise, between the parties, except as expressly stated in this Agreement. The parties have not relied and are not relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Agreement.

8.9 Governing Law; Attornment

This Agreement will be construed, interpreted and enforced in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein. Each party irrevocably attorns and submits to the exclusive jurisdiction of the courts of the Province of Alberta and irrevocably waives objection to the venue of any proceeding in those courts or that those courts provide an inconvenient forum.

8.10 Counterparts and Delivery by Facsimile

This Agreement may be executed in any number of counterparts (including counterparts by facsimile), each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument. Delivery by facsimile or by electronic transmission of an executed counterpart of this Agreement is as effective as delivery of an originally executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by facsimile or by electronic transmission shall also deliver an originally executed counterpart of this Agreement, but the failure to deliver an originally executed copy does not affect the validity, enforceability or binding effect of this Agreement.

8.11 English Language

The parties confirm that it is their wish that this Agreement and any other documents delivered or given under this Agreement, including notices, have been and will be in the English language only. *Les parties aux présents confirment leur volonté que cette convention de même tous les documents, y compris tous avis, s'y rattachant, soient rédigés en anglais seulement.*

[SIGNATURE PAGE FOLLOWS]

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17.

THIS AGREEMENT has been executed by the parties, in counterpart, on December 13th, 2013.

NORTH AMERICA CONSTRUCTION (1993) LTD.

Per: 

Name: Alex Black

Title: Vice-President, Operations

Signature Page: Asset Purchase Agreement (Vendor)

18.

THIS AGREEMENT has been executed by the parties, in counterpart, on December 13th, 2013.

EDMONTON HEAVY EQUIPMENT RENTALS LTD.

Per: _____

Name: _____

Title: _____

Signature Page: Asset Purchase Agreement (Purchaser)

Sprague-Rosser Contracting Co. Ltd.
Schedule "A"
Equipment

Unit#	Description	Make	Model	Year	Reference/Serial No.
H103	Crawler 8500 Boom Crane 85 Ton	Manitowoc	8500	2008	8501048150
H103A	Vertical Travel Lead System	Birmingham	L-15	2012	Dwg GA-E12 112 Rev E
H402	Hydraulic Drill Rig	Bauer	BG24H	2008	1559
H403	Hydraulic Drill Rig c/w Vibro	Bauer	RG19T	2006	86
H1330	Diesel Hammer	Pileco	D19-42	2008	383
H1330A	Hammer Sled		B415583	2011	B12278
H1331	Hy-RAM Hydraulic Hammer, 5000	Fambo	HR5000	2008	11314

Sprague-Rosser Contracting Co. Ltd.
Schedule "B"
Books and Records

The Books and Records shall include the documents and information listed below, if it exists and is available, which relate only to the following projects previously completed by the Vendor:

Job #	Customer	Description	Start Date	Completion Date
175	CNRL	Early Civil	July 2006	June 2007
178	CNRL	K034 Piling Packages	August 2006	November 2007
183		Misc. Piling Packages - 2007 & 2008	February 2007	May 2008
187	Wilbros	OPP & Tailings Pipeline Piling	July 2007	November 2007
189	Suncor	Voyager Village Piling	February 2008	September 2008
190		Misc. Piling Packages - 2008 & 2009	May 2008	June 2009
195	TCPL	Woodenhouse Units Addition Piling	September 2008	July 2009
217	CNRL	PSC 3-4 Early Civil Works	September 2011	December 2011
220		Misc. Piling Packages - 2012	March 2012	July 2012
230	CNRL	N8000/S8000 Piling Packages	September 2012	May 2013
232	CNRL	Chesley Camp Piling	July 2012	March 2013

Documents and Information

1. **Business Development Information**
 - (i) Client List
 - (ii) Pre-Qualification Submissions
 - (iii) Marketing Material
2. **Safety Pre-Qualification Information**
 - (i) Pre-Qualification Information
 - (ii) Safety Information, including:
 - a. Environmental Protection Plan
 - b. Project Specific Safety Plans
 - c. Safe Work Procedures
 - d. Safe Work Practices
 - e. Tool Box Talks (subjects)
 - f. Job Safety Analyses

3. **Specific Project/Job Information**

Project	Cash Position Reports	Job Cost Reports	Job Cost Reports (Detailed)	Job Cost Labour Reports	Unit Rate Pricing	Estimating Information	Schedules	Contracts for Awarded Work	Force Account Rates	Project Forecast Information	Change Order Report	Subcontract Information
175	x	x	x	x	N/A	x	x	x	x	N/A	x	x
178	x	x	x	x	N/A	N/A	N/A	x	x	N/A	x	x
183	x	x	x	x	N/A	x	N/A	x	x	N/A	x	N/A
187	x	x	x	x	N/A	x	N/A	N/A	N/A	x	x	x
189	x	x	x	x	N/A	N/A	N/A	x	x	x	x	x
190	x	x	x	x	N/A	N/A	N/A	N/A	N/A	x	x	x
195	x	x	x	x	N/A	x	N/A	N/A	N/A	x	x	x
217	x	x	x	x	x	x	x	x	x	x	x	x
220	x	x	x	x	x	N/A	N/A	x	x	x	x	N/A
230	x	x	x	x	x	x	x	x	x	x	x	x
232	x	x	x	x	N/A	N/A	x	x	x	x	x	x

- "x" indicates that the information is available and has been or will be provided.
- "N/A" indicates the information and/or documents are not available and cannot be produced.

Sprague-Rosser Contracting Co. Ltd.
Schedule "C"
Purchase Price Allocation

Unit#	Asset Description	Value
H103	Crawler 8500 Boom Crane 85 Ton	\$ 385,000.00
H103A	Vertical Travel Lead System	200,000.00
H402	Hydraulic Drill Rig	1,200,000.00
H403	Hydraulic Drill Rig c/w Vibro	675,000.00
H1330	Diesel Hammer	40,000.00
H1330A	Hammer Sled	40,000.00
H1331	Hy-RAM Hydraulic Hammer, 5000	57,500.00
n/a	Inventory	374,999.00
n/a	Books and Records	1.00
		<u>\$ 2,972,500.00</u>

Sprague-Rosser Contracting Co. Ltd.
Schedule "C"
Purchase Price Allocation

Purchase Price	3,000,000.00	
Adjustments:		
Used Consumables	25,000.00	n1
Appraisal	2,500.00	n2
Total Adjustments	<u>27,500.00</u>	
Closing Purchase Price	<u>2,972,500.00</u>	
GST On Sale	148,625.00	
Interest	42,000.00	
Total Cash Payments	<u>3,163,125.00</u>	
Due on Closing	2,200,000.00	
Adjustments	<u>(27,500.00)</u>	
Adjusted Cash On Closing	<u>2,172,500.00</u>	
Balance Owing	<u>800,000.00</u>	
Monthly Payment	<u>33,333.33</u>	

n1 Use of consumables and tooling

n2 Per letter of intent

Equipment	2,600,000.00	
Less Appraisal	<u>(2,500.00)</u>	
	<u>2,597,500.00</u>	
H103 Crawler 8500 Boom Crane 85 Ton	385,000.00	
H103A Vertical Travel Lead System	200,000.00	
H402 Hydraulic Drill Rig	1,200,000.00	
H403 Hydraulic Drill Rig c/w Vibro	675,000.00	
H1330 Diesel Hammer	40,000.00	
H1330A Hammer Sled	40,000.00	
H1331 Hy-RAM Hydraulic Hammer, 2750 KG	<u>57,500.00</u>	
	<u>2,597,500.00</u>	
Inventory	399,999.00	
Less Used Consumables	<u>(25,000.00)</u>	
	<u>374,999.00</u>	
Books and Records	1.00	

Sprague-Rosser Contracting Co. Ltd.
Schedule "D"
Disclosure Schedule and Payment Schedule

12/12/2013 2:13 PM Page 1

Event	Date	Amount	Number	Period	End Date
1 Purchase	13/12/2013	2,972,500.00	1		
2 Payment	13/12/2013	2,172,500.00	1		
3 Payment	31/01/2014	33,333.33	24	Monthly	31/12/2015
4 Interest	13/12/2014	21,000.00	1		
5 Interest	13/12/2015	21,000.00	1		

AMORTIZATION SCHEDULE - Normal Amortization

	Date	Payment	Interest	Principal	Balance	GST	Total Payment
Purchase	13/12/2013	2,172,500.00	0.00	2,172,500.00	800,000.00	108,625.00	2,281,125.00
1	31/01/2014	33,333.33	0.00	33,333.33	766,666.67	1,666.67	35,000.00
2	28/02/2014	33,333.33	0.00	33,333.33	733,333.33	1,666.67	35,000.00
3	31/03/2014	33,333.33	0.00	33,333.33	700,000.00	1,666.67	35,000.00
4	30/04/2014	33,333.33	0.00	33,333.33	666,666.67	1,666.67	35,000.00
5	31/05/2014	33,333.33	0.00	33,333.33	633,333.33	1,666.67	35,000.00
6	30/06/2014	33,333.33	0.00	33,333.33	600,000.00	1,666.67	35,000.00
7	31/07/2014	33,333.33	0.00	33,333.33	566,666.67	1,666.67	35,000.00
8	31/08/2014	33,333.33	0.00	33,333.33	533,333.33	1,666.67	35,000.00
9	30/09/2014	33,333.33	0.00	33,333.33	500,000.00	1,666.67	35,000.00
10	31/10/2014	33,333.33	0.00	33,333.33	466,666.67	1,666.67	35,000.00
2014 Totals		2,505,833.33	0.00	2,505,833.33		125,291.67	2,631,125.00
11	30/11/2014	33,333.33	0.00	33,333.33	433,333.33	1,666.67	35,000.00
12	13/12/2014	21,000.00	21,000.00	0.00	433,333.33	-	21,000.00
13	31/12/2014	33,333.33	0.00	33,333.33	400,000.00	1,666.67	35,000.00
14	31/01/2015	33,333.33	0.00	33,333.33	366,666.67	1,666.67	35,000.00
15	28/02/2015	33,333.33	0.00	33,333.33	333,333.33	1,666.67	35,000.00
16	31/03/2015	33,333.33	0.00	33,333.33	300,000.00	1,666.67	35,000.00
17	30/04/2015	33,333.33	0.00	33,333.33	266,666.67	1,666.67	35,000.00
18	31/05/2015	33,333.33	0.00	33,333.33	233,333.33	1,666.67	35,000.00
19	30/06/2015	33,333.33	0.00	33,333.33	200,000.00	1,666.67	35,000.00
20	31/07/2015	33,333.33	0.00	33,333.33	166,666.67	1,666.67	35,000.00
21	31/08/2015	33,333.33	0.00	33,333.33	133,333.33	1,666.67	35,000.00
22	30/09/2015	33,333.33	0.00	33,333.33	100,000.00	1,666.67	35,000.00
23	31/10/2015	33,333.33	0.00	33,333.33	66,666.67	1,666.67	35,000.00
2015 Totals		421,000.00	21,000.00	400,000.00		20,000.00	441,000.00
24	30/11/2015	33,333.33	0.00	33,333.33	33,333.33	1,666.67	35,000.00
25	13/12/2015	21,000.00	21,000.00	0.00	33,333.33	-	21,000.00
26	31/12/2015	33,333.33	0.00	33,333.33	0.00	1,666.67	35,000.00
2016 Totals		87,666.67	21,000.00	66,666.67		3,333.33	91,000.00
Grand Totals		3,014,500.00	42,000.00	2,972,500.00		148,625.00	3,163,125.00

Schedule "E"

Consents

Schedule "F"

Non-Competition Agreement

NON-COMPETITION AGREEMENT

THIS AGREEMENT (the "**Agreement**") dated the 13th day of December, 2013.

B E T W E E N :

NORTH AMERICA CONSTRUCTION (1993) LTD., a
corporation incorporated under the laws of the Province
of Ontario
(the "**Covenantor**")

- and -

EDMONTON HEAVY EQUIPMENT RENTALS LTD., a
corporation incorporated under the laws of the Province
of Alberta
(the "**Purchaser**")

RECITALS:

1. The Vendor and the Purchaser entered into an asset purchase agreement (the "**Asset Purchase Agreement**") dated the 13th day of December, 2013 providing for the sale by the Vendor to the Purchaser of certain assets used in the Vendor's pile driving business (the "**Divisional Business**"), all as more fully described in the Asset Purchase Agreement.
2. The Asset Purchase Agreement requires that the Covenantor and the Purchaser enter into this Agreement.

NOW THEREFORE, the parties agree as follows:

1. Interpretation

(a) Defined Terms

All capitalized terms not defined in this Agreement shall have the same meaning as in the Asset Purchase Agreement.

(b) Governing Law

This Agreement shall be construed, interpreted and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the Province of Alberta and the laws of Canada applicable therein (excluding any conflict of law rule or principle of such laws that might refer such interpretation or enforcement to the laws of another jurisdiction).

(c) Calculation of Time

In this Agreement, a period of days shall be deemed to begin on the first day after the event which began the period and to end at 5:00 p.m. (Edmonton time) on the last day of the period. If any period of time is to expire hereunder on any day that is not a Business

Day, the period shall be deemed to expire at 5:00 p.m. (Edmonton time) on the next succeeding Business Day. If any act (including the giving of notice) is otherwise required by the terms hereof to be performed on a day which is not a Business Day, such act shall be valid if performed on the next succeeding Business Day.

(d) Waiver of Rights

Any waiver of, or consent to depart from, the requirements imposed on the Covenantors by this Agreement shall be effective only if it is in writing and signed by the Purchaser and only in the specific instance and for the specific purpose for which it has been given. No failure by the Purchaser to exercise, and no delay in exercising, any right hereunder shall operate as a waiver of such right. No single or partial exercise of any such right shall preclude any other or further exercise of such right or the exercise of any other right. The obligations and agreements contained in this Agreement are in addition to any other obligation or agreement which the Purchaser may have under law.

(e) Severability

Any provision in this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

(f) Territory

In this Agreement, the word "Territory" shall be interpreted to mean, collectively, the Provinces of Alberta and Saskatchewan.

(g) Number and Gender

In this Agreement, unless the context requires otherwise, words in one gender include all genders and words in singular include the plural and vice versa.

(h) Heading and Sections

The division of this Agreement into Articles, Sections, Subsections, Schedules and other subdivisions and the inclusion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The headings in the Agreement are not intended to be full or precise descriptions of the text to which they refer.

(i) Currency

Unless otherwise specified, all dollar amounts in this Agreement, including the symbol "\$", refer to Canadian currency.

2. Non-Competition

As an inducement for the Purchaser to enter into the Asset Purchase Agreement, the Covenantor agrees that, for a period of two (2) years from the date hereof, it will not, anywhere in the Territory:

- (a) directly or indirectly, either for its own benefit or the benefit of any other person, and it shall not cause or allow any of its Affiliates to, operate, be engaged or involved or have any interest in, whether actively or as an investor or advisor, any business or venture that competes with the Divisional Business, anywhere in the Territory; and
- (b) directly or indirectly, either for its own benefit or the benefit of any other person, and it shall not cause or allow any of its Affiliates to, solicit the business of any person known to it to be an existing client of the Divisional Business at the time hereof, whether or not it had direct contact with such person, with respect to products or activities which compete in whole or in part with the Divisional Business, except when products or activities of the Divisional Business are included, but only as a portion of the overall work required by the existing client, and in such case, the Purchaser's right of first refusal under Section 2.3 of the Asset Purchase Agreement shall be applicable to the products or activities of the Divisional Business.

For the purposes of this Agreement, the term "Affiliates" shall have the meaning ascribed to that term in the *Business Corporations Act* (Ontario). For further clarity, the obligations contained in this Section 2 are subject to Section 2.3 of the Asset Purchase Agreement.

3. Recourses

If the Covenantor, or any of its Affiliates, breaches the covenants set forth in Section 2 of this Agreement, the Purchaser will be entitled to the following recourses:

- (a) to obtain monetary damages;
- (b) in addition to the Purchaser's rights to damages, to obtain injunctive or other equitable relief to restrain any breach or threatened breach or otherwise to specifically enforce the provisions of Section 2 of this Agreement, it being agreed that money damages alone would be inadequate to compensate the Purchaser and would be an inadequate recourse for such breach; and
- (c) to seek or exercise any other recourses available to the Purchaser pursuant to applicable law or the Asset Purchase Agreement, it being understood that the recourses of the Purchaser hereunder are cumulative and not alternative.

4. General

(a) Notice

Any notice or other communication required or permitted to be given hereunder shall be made in accordance with Section 9.1 of the Asset Purchase Agreement.

(b) Time of the Essence

Time shall be of the essence of this Agreement.

(c) Assignment

Subject to the foregoing, this Agreement may not be assigned by any party without the written consent of the other parties. This Agreement shall enure to and be binding upon the successors and permitted assigns of the parties.

(d) Counterparts and Facsimile Execution and Delivery

This Agreement may be executed in counterparts, each of which shall be deemed to constitute an original, and both of which together shall constitute one and the same instrument. To evidence its execution of an original counterpart of this Agreement, either party may send a copy of its original signature on the execution page hereof to the other party by facsimile transmission and such transmission shall constitute delivery of an executed copy of this Agreement to the receiving party as of the date of receipt thereof by the receiving party or such other date as may be specified by the sending party as part of such transmission.

(e) English Language

The parties confirm that it is their wish that this Agreement as well as any other documents relating hereto including notices, have been and shall be drawn up in English only. *Les parties aux présentes confirment leur volonté que cette convention de même que tous les documents, y compris tous avis, s'y rattachant, soient rédigés en anglais seulement.*

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto, in counterpart.

NORTH AMERICA CONSTRUCTION (1993) LTD.

Per: _____

Name:

Title:

Signature Page: Non-Competition Agreement (Covenantor)

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto, in counterpart.

EDMONTON HEAVY EQUIPMENT RENTALS LTD.

Per: _____

Name:

Title:

Signature Page: Non-Competition Agreement (Purchaser)

Schedule "G"

Inventory Security Agreement

SPECIFIC SECURITY AGREEMENT

BETWEEN

EDMONTON HEAVY EQUIPMENT RENTALS LTD.

– and –

NORTH AMERICA CONSTRUCTION (1993) LTD.

DECEMBER 13TH, 2013

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**SECURITY AGREEMENT
SPECIFIC GOODS**

THIS AGREEMENT is dated December 13th, 2013

B E T W E E N :

**EDMONTON HEAVY EQUIPMENT RENTALS
LTD.**, a corporation incorporated under the laws of the
Province of Alberta (the "**Debtor**")

- and -

**NORTH AMERICA CONSTRUCTION (1993)
LTD.**, a corporation incorporated under the laws of the
Province of Ontario (the "**Secured Party**")

CONTEXT:

- A. The Secured Party has entered into an asset purchase agreement dated as of December ___, 2013 (the "**Asset Agreement**") with the Debtor under which the Secured Party has agreed to sell certain assets utilized in its pile driving business.
- B. The Debtor has agreed to execute and deliver this Agreement to and in favour of the Secured Party as security for the payment and discharge of the Obligations.

THEREFORE, the Debtor agrees with the Secured Party as follows:

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

In this Agreement, the following words and expressions will have the following meanings:

- 1.1.1 "**Asset Agreement**" is defined in the preamble.
- 1.1.2 "**Business Day**" means any day except Saturday, Sunday, any statutory holiday in the Province of Alberta or any other day on which the principal chartered banks in the City of Edmonton are closed for business.
- 1.1.3 "**Collateral**" means all of the following present and after-acquired personal property owned, leased, licensed, possessed or acquired by the Debtor, or in which the Debtor has rights:
 - 1.1.3.1 all items, including, without limitation, the inventory, listed in Schedule 1 attached to this Agreement (collectively, the "**Inventory**");
 - 1.1.3.2 all Contracts relating to the inventory listed in Schedule 1;

- 1.1.3.3 all parts, attachments, accessories, accessions and related goods placed on or attached to, or otherwise relating to, the inventory listed in Schedule 1; and
- 1.1.3.4 all Proceeds of the property described above,
but specifically excludes the Excluded Collateral.
- 1.1.4 **"Contracts"** means all contracts, licenses and agreements to which the Debtor is at any time a party or pursuant to which the Debtor has at any time acquired rights, as those contracts, licenses and agreements may be amended, restated, supplemented or replaced, and includes all rights of the Debtor:
 - 1.1.4.1 under warranties, guarantees or other similar agreements;
 - 1.1.4.2 to receive money due and to become due to it in connection with a contract, licence or agreement;
 - 1.1.4.3 to damages arising out of, or for breach or default in respect of, a contract, licence or agreement; and
 - 1.1.4.4 to perform and exercise all remedies in connection with a contract, licence or agreement.
- 1.1.5 **"Debtor"** is defined in the recital of the Parties, above.
- 1.1.6 **"Documents"** means this Agreement and the Asset Agreement.
- 1.1.7 **"Event of Default"** is defined in Section 5.1.
- 1.1.8 **"Excluded Collateral"** means Consumer Goods, and any Contract which would be breached or terminated if a Security Interest was granted in it without the consent of a third party, unless that consent is obtained.
- 1.1.9 **"Obligations"** means the amounts owing by the Debtor to the Secured Party in respect of the payment of the Purchase Price and associated sums, allocable to Inventory pursuant to the Asset Agreement, and interest on that amount at the rate or rates from time to time agreed to between the Debtor and the Secured Party, according to the terms of, and as evidenced by, the Asset Agreement, and all present and future obligations of the Debtor to the Secured Party under this Agreement.
- 1.1.10 **"Parties"** means the Debtor and the Secured Party, and **"Party"** means any one of them.
- 1.1.11 **"Person"** means a body corporate, sole proprietorship, partnership or trust, or an individual, unincorporated association, unincorporated syndicate or unincorporated organization, or any another entity, any governmental authority, and a natural person acting in his or her capacity as executor, trustee, administrator or legal representative.
- 1.1.12 **"PPSA"** means the *Personal Property Security Act* of the Province of Alberta, as amended, supplemented or replaced and includes all regulations made under that legislation.
- 1.1.13 **"Receiver"** means a receiver or receiver-manager of the Collateral.

1.1.14 "Secured Party" is defined in the recital of the Parties, above.

1.1.15 "Security Interests" means the mortgages, charges and security interests granted under Section 2.1.

1.2 Incorporated Definitions

Capitalized terms not otherwise defined in this Agreement have the definitions set out in the PPSA.

1.3 Certain Rules of Interpretation

1.3.1 In this Agreement, words signifying the singular number include the plural and vice versa, and words signifying gender include all genders. Every use of the word "including" in this Agreement is to be construed as meaning "including, without limitation".

1.3.2 The division of this Agreement into Articles and Sections, the insertion of headings and the provision of a table of contents are for convenience of reference only and do not affect the construction or interpretation of this Agreement.

1.3.3 References in this Agreement to an Article, Section or Schedule are to be construed as references to an Article, Section or Schedule of or to this Agreement unless otherwise specified.

1.3.4 Unless otherwise specified in this Agreement, time periods within which or following which any payment is to be made or act is to be done will be calculated by excluding the day on which the period begins and including the day on which the period ends. If the last day of a time period is not a Business Day, the time period will end on the next Business Day.

1.3.5 Unless otherwise specified, any reference in this Agreement to any statute includes all regulations made under or in connection with that statute from time to time, and is to be construed as a reference to that statute as amended, supplemented or replaced from time to time.

1.4 Governing Law

This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Alberta and the laws of Canada applicable in that Province.

1.5 Entire Agreement

This Agreement, together with the other Documents, constitutes the entire agreement between the Parties pertaining to the subject matter of this Agreement and, together with the other Documents, supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties. There are no representations, warranties or other agreements between the Parties in connection with the subject matter of this Agreement except as specifically set out in this Agreement or in the other Documents. No Party has been induced to enter into this Agreement in reliance on, and there will be no liability assessed, either in tort or contract, with respect to, any warranty, representation, opinion, advice or assertion of fact, except to the extent it has been reduced to writing and included as a term in this Agreement or in the other Documents.

1.6 Business Day

Whenever any payment to be made or action to be taken under this Agreement is required to be made or taken on a day other than a Business Day, the payment is to be made or action taken on the next Business Day following.

ARTICLE 2 GRANT OF SECURITY INTEREST

2.1 Security Interests

As security for the payment and performance of the Obligations, the Debtor mortgages and charges to the Secured Party, and grants to the Secured Party a security interest in, and the Secured Party takes a security interest in, all of the Debtor's right, title and interest in and to the Collateral.

2.2 Attachment

The Debtor and the Secured Party do not intend to postpone the attachment of the Security Interests and the Security Interests will attach when:

- 2.2.1 this Agreement has been executed, or in the case of after-acquired property, that property has been acquired by the Debtor;
- 2.2.2 value has been given; and
- 2.2.3 the Debtor has rights in the Collateral, or in the case of after-acquired property, acquires rights in the Collateral.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties

The Debtor represents and warrants to the Secured Party that:

- 3.1.1 **Corporate Existence.** It is duly incorporated and validly existing under the laws of the Province of Alberta.
- 3.1.2 **Power and Capacity.** It has all necessary corporate power, authority and capacity to carry on the business now being carried on by it and to enter into and perform its obligations under this Agreement.
- 3.1.3 **Binding Obligation.** The execution and delivery of this Agreement, and all matters, registrations and deliveries contemplated by this Agreement, have been duly authorized by all necessary corporate action on the part of the Debtor. This Agreement has been duly executed and delivered by the Debtor and constitutes a valid and binding obligation of the Debtor, enforceable against the Debtor in accordance with its terms, subject to applicable bankruptcy, insolvency and other laws of general application limiting the enforcement of creditors' rights

generally and to the fact that equitable remedies, including specific performance, are discretionary and may not be ordered in respect of certain defaults.

- 3.1.4 **Absence of Conflict.** None of the execution and delivery of this Agreement, the performance of the Debtor's obligations under this Agreement, or the completion of the matters contemplated by this Agreement will (with or without the giving of notice or lapse of time, or both):
- 3.1.4.1 result in or constitute a breach of any term or provision of, or constitute a default under, the articles or by-laws or any resolution of the board of directors or shareholders of the Debtor, or any Contract to which the Debtor is a party;
 - 3.1.4.2 constitute an event which would permit any party to any material Contract with the Debtor to amend, cancel, terminate or accelerate the obligations of the Debtor under any material Contract;
 - 3.1.4.3 result in the creation or imposition of any lien or other encumbrance on the Collateral;
 - 3.1.4.4 contravene any applicable law;
 - 3.1.4.5 contravene any judgment, order, writ, injunction or decree of any governmental authority.
- 3.1.5 **No Actions.** There are no actions or proceedings pending or, to the knowledge of the Debtor, threatened which challenge the validity of this Agreement or which might result in a material adverse change in the financial condition of the Debtor, or which would materially adversely affect the ability of the Debtor to perform its obligations under this Agreement or any document evidencing any indebtedness of the Debtor to the Secured Party.
- 3.1.6 **Name.** The full legal name of the Debtor, and any other name under which it conducts its business, is correctly specified on the signature page of this Agreement.
- 3.1.7 **Location of Collateral.** The location of all other existing places where the Debtor keeps the Collateral is set out in Schedule 2.
- 3.1.8 **Owns Collateral.** The Debtor owns, possesses and has good and marketable title to, or has enforceable leasehold or other rights to, all currently held Collateral, free from all security interests, mortgages, charges, encumbrances, liens and claims, except only those, if any, listed in Schedule 3.
- 3.1.9 **Right and Authority.** The Debtor has the right and authority to create the Security Interests.
- 3.1.10 **Not Fixtures.** The Collateral is personal property which is identifiable and is not affixed to any real property and is not attached to any other related Goods or Equipment.

ARTICLE 4 COVENANTS

4.1 Covenants

The Debtor covenants with the Secured Party that:

- 4.1.1 it will defend the Collateral against all claims and demands of all Persons claiming the Collateral or an interest in the Collateral at any time;
- 4.1.2 the Debtor will not sell, offer to sell, transfer, pledge or mortgage the Collateral, nor will the Debtor permit the creation of any other security interest in the Collateral in favour of any Person other than the Secured Party, without the prior written consent of the Secured Party, except that the Debtor may, until an Event of Default set out in Article 5 occurs, sell or lease Inventory in the ordinary course of the Debtor's business.;
- 4.1.3 subject to the provisions of Section 4.1.2, above, all Proceeds of the sale or other disposition of Collateral will be received as trustee for the Secured Party and will be promptly paid over to the Secured Party;
- 4.1.4 the Debtor will keep the Collateral insured to its full insurable value with financially sound and reputable companies against loss or damage by fire, explosion, theft and other risks as are customarily insured against by Persons carrying on similar businesses, or owning similar property. The relevant insurance policies will:
 - 4.1.4.1 be in form and substance satisfactory to the Secured Party;
 - 4.1.4.2 provide that no cancellation, material reduction in amount, or material change in coverage will be effective until at least 30 days after receipt of written notice by the Secured Party;
 - 4.1.4.3 contain by way of endorsement a standard mortgagee clause in a form approved by the Insurance Bureau of Canada and satisfactory to the Secured Party; and
 - 4.1.4.4 name the Secured Party as mortgagee, first loss payee, and additional insured as its interest may appear.

The Debtor will, at the Secured Party's request, deliver those insurance policies (or satisfactory evidence of those policies) to the Secured Party.

- 4.1.5 the Debtor will provide, upon request from the Secured Party, written information relating to any part of the Collateral, and the Secured Party will be entitled to inspect the Collateral, including the Books and Records, wherever located. For this purpose the Secured Party will have access to all places where any part of the Collateral is located, and to all premises occupied by the Debtor; and
- 4.1.6 the Collateral is and will be kept at the locations listed in Schedule 2, and none of the Collateral will be removed from those locations without the prior written consent of the Secured Party, except that the Debtor may, until an Event of Default set out in Article 5 occurs, sell or lease Inventory in the ordinary course of the Debtor's business.

ARTICLE 5 EVENTS OF DEFAULT

5.1 Enforceability

The occurrence of any one or more of the following events or conditions will be an event of default under this Agreement ("**Event of Default**"):

- 5.1.1 the Debtor defaults in payment to the Secured Party when due of any indebtedness or liabilities forming part of the Obligations;
- 5.1.2 the Debtor defaults in performance of any of the Obligations other than payment under Section 5.1.1;
- 5.1.3 the Debtor defaults in the observance or performance of any of the terms, conditions or covenants to be observed or performed by the Debtor under this Agreement or any other agreement or instrument existing at any time between the Debtor and the Secured Party;
- 5.1.4 any representation, warranty or statement made or given by or on behalf of the Debtor to the Secured Party is untrue in any material respect at the time it was made or deemed to be made;
- 5.1.5 the Debtor defaults in payment of any indebtedness to any Person other than the Secured Party, or defaults in the performance of any term, provision or condition created in any agreement under which that indebtedness was created or is governed, where that default would allow that Person to cause the indebtedness to become due prior to its stated maturity, or any such indebtedness is declared to be due and payable other than by a regularly scheduled payment;
- 5.1.6 the Debtor ceases or threatens to cease to carry on its business;
- 5.1.7 the Debtor commits or threatens to commit any act of bankruptcy or becomes insolvent;
- 5.1.8 proceedings are commenced against or affecting the Debtor, or the Debtor institutes proceedings or takes any corporate action or executes any agreement to authorize its participation in or the commencement of any proceedings:
 - 5.1.8.1 seeking to adjudicate it a bankrupt or insolvent; or
 - 5.1.8.2 seeking liquidation, dissolution, winding up, reorganization, arrangement, protection, relief or composition of it or any of its property or debt or making a proposal with respect to it under any law relating to bankruptcy, insolvency, reorganization or compromise of debts or other similar laws (including any application for reorganization under the *Companies' Creditors Arrangement Act* (Canada) or the *Bankruptcy and Insolvency Act* (Canada) or any reorganization, arrangement or compromise of debt under the laws of any applicable jurisdiction);
- 5.1.9 proceedings are commenced against or affecting the Debtor seeking the appointment of, or any creditor of the Debtor or any other Person privately appoints, a receiver, receiver-manager, trustee, custodian, liquidator or similar official for the Debtor or any part of the Debtor's property, including the Collateral or any part of it;

- 5.1.10 the holder of a security interest delivers a notice of intention to enforce its security or take possession of all or any part of the Debtor's property, including the Collateral or any part of it, or an execution or other process of any court becomes enforceable against the Debtor, or a distress or analogous process is levied upon the Collateral or any part of it;
- 5.1.11 the Debtor permits any sum which has been admitted as due by the Debtor or is not disputed to be due by it, and which forms or is capable of forming a charge upon any of the Collateral in priority to the Security Interests, to remain unpaid for 30 days;
- 5.1.12 the Debtor fails within 30 days to pay, bond or otherwise discharge any judgment or order for the payment of money outstanding at any time, which is not stayed on appeal or otherwise appropriately contested by the Debtor in good faith;
- 5.1.13 in the opinion of the Secured Party, effective control of the Debtor changes;
- 5.1.14 in the opinion of the Secured Party, a material adverse change occurs in the financial condition of the Debtor; or
- 5.1.15 the Secured Party in good faith and on commercially reasonable grounds believes that the ability of the Debtor to pay the Obligations to the Secured Party or to perform for the Secured Party any of the Obligations or any other covenants contained in this Agreement is impaired, or any security granted by the Debtor to the Secured Party is or is about to be impaired or in jeopardy.

ARTICLE 6 RIGHTS UPON DEFAULT

6.1 Acceleration

If an Event of Default described in Section 5.1.9 occurs all of the Obligations will immediately become due and payable without any demand or any notice of any kind to the Debtor. If any other Event of Default occurs the Secured Party, in its sole and absolute discretion, may declare all or any part of the Obligations (whether or not by their terms payable on demand) immediately due and payable, without any further demand or notice of any kind.

6.2 Demand Obligations

The Debtor agrees that the provisions of Section 5.1 and Section 6.1 will not affect the demand nature of any indebtedness or obligations payable on demand and the Secured Party may demand payment of that indebtedness and those obligations at any time without restriction, whether or not the Debtor has complied with the provisions of this Agreement or any other instrument between the Debtor and the Secured Party.

6.3 Security Interests Enforceable

The occurrence of an Event of Default will cause the Security Interests to become enforceable without the need for any action or notice by the Secured Party.

6.4 Remedies

If the Security Interests become enforceable, the Secured Party will have, in addition to any other rights and remedies provided by law or in equity, the rights and remedies of a secured party under the PPSA, and those rights and remedies provided by this Agreement. In addition, the Secured Party may exercise any one or more of the following remedies:

- 6.4.1 the Secured Party may, either directly or indirectly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver pursuant to Section 6.4.3 of this Agreement, inclusive, and further may take possession of, collect, realize on, or enforce against the Collateral, and may sell, lease or otherwise dispose of the Collateral either as a whole or in separate parcels, at public auction, by public tender or by private sale, either for cash or on credit, and on such terms and conditions as the Secured Party may determine;
- 6.4.2 the Secured Party may take proceedings in any court of competent jurisdiction for the appointment of a Receiver, may sell or foreclose on the Collateral, and may take any other action, suit, remedy or proceeding authorized or permitted under this Agreement or by law or in equity in order to enforce the Security Interests;
- 6.4.3 the Secured Party may by instrument in writing appoint a Receiver on any terms as to remuneration and otherwise as the Secured Party thinks fit, and may remove and appoint a replacement for any Receiver, and any Receiver so appointed will have the power:
 - 6.4.3.1 to take possession of, collect, demand, sue on, recover, receive, realize on or enforce against the Collateral, and for that purpose to give valid and binding receipts and discharges for and in respect of it, and take any proceedings in the name of the Debtor or otherwise as may seem expedient;
 - 6.4.3.2 to carry on or manage all or any part of the business of the Debtor;
 - 6.4.3.3 to borrow money on the security of the Collateral in priority to this Agreement or otherwise for the purpose of the maintenance, preservation or protection of the Collateral, for carrying on or managing all or any part of the business of the Debtor or for exercising any other power under this Agreement;
 - 6.4.3.4 to sell, lease, accept surrenders of leases of or otherwise dispose of the Collateral in whole or in part, at public auction, by public tender or by private sale, either for cash or upon credit, at the time and upon any terms and conditions as the Receiver may determine; and
 - 6.4.3.5 to make any arrangement or compromise which the Receiver thinks expedient.

6.5 Proceeds of Disposition

The Proceeds of the sale, lease or other disposition of the whole or any part of the Collateral will be applied as follows:

- 6.5.1 firstly, to pay and discharge all rents, taxes, insurance premiums and other outgoings affecting the Collateral;

- 6.5.2 secondly, to pay all costs and expenses of taking possession and/or sale or lease or otherwise (including the Receiver's remuneration, if any);
- 6.5.3 thirdly, to pay those amounts as are necessary to keep in good standing all liens and charges on the Collateral ranking in priority to the Security Interests;
- 6.5.4 fourthly, to pay any principal, interest and other monies due and payable under this Agreement, in any order that the Secured Party may require;
- 6.5.5 fifthly, to the holders of other secured interests in the Collateral, according to their priority; and
- 6.5.6 if any surplus remains in the hands of the Receiver or the Secured Party then the Debtor will be entitled to the surplus, but only upon demand in writing made for it.

6.6 Deficiency

If the Proceeds of the realization of the Collateral are insufficient to fully pay the Obligations to the Secured Party, the Debtor will be liable to pay, and will immediately pay or cause to be paid, the deficiency to the Secured Party.

6.7 Appointment of Attorney

The Debtor appoints the Secured Party, and any officer or agent of the Secured Party, with full power of substitution, effective upon the occurrence of an Event of Default, to be the attorney of the Debtor with full power and authority in the place of the Debtor and in the name of the Debtor or in its own name, to take all appropriate action and to execute all documents and instruments as, in the opinion of the attorney acting reasonably, may be necessary or desirable to accomplish the purposes of this Agreement, and generally to use the name of the Debtor and to do all things as may be necessary or incidental to the exercise of all or any of the powers conferred on the Secured Party under this Agreement. These powers are coupled with an interest and are irrevocable until this Agreement is terminated and the Security Interests are released. Nothing in this Section affects the right of the Secured Party or any other Person, to sign and file or deliver (as applicable) all financing statements, financing change statements, notices, verification agreements and other documents relating to the Collateral and this Agreement as the Secured Party or the other Person considers appropriate.

ARTICLE 7 GENERAL

7.1 No Automatic Discharge

This Agreement will not be or be considered to have been discharged by reason only of the Debtor ceasing to be indebted or under any liability, direct or indirect, absolute or contingent, to the Secured Party.

7.2 No Obligation to Advance

None of the preparation, execution or registration of notice of this Agreement will bind the Secured Party to advance the monies secured by this Agreement, nor will the advance of a part of the monies secured by this Agreement bind the Secured Party to advance any unadvanced portion of it.

7.3 Security Additional

The Security Interests are in addition to and not in substitution for any other security now or in the future held by the Secured Party.

7.4 Realization

The Debtor acknowledges and agrees that the Secured Party may realize upon various securities securing the Obligations or any part of them in any order that it sees fit, and realization by any means upon any security or part of it will not bar realization upon any other security or the Security Interests or any part of them.

7.5 Notices

Any notice, demand, request, consent, approval or other communication which is required or permitted under this Agreement will be made or given by the Parties on the terms set out in the Asset Agreement.

7.6 Severability

Each provision of this Agreement is distinct and severable. If any provision of this Agreement, in whole or in part, is or becomes illegal, invalid or unenforceable in any jurisdiction, the illegality, invalidity or unenforceability of that provision will not affect the legality, validity or enforceability of the remaining provisions of this Agreement, or the legality, validity or enforceability of that provision in any other jurisdiction.

7.7 Submission to Jurisdiction

Each exclusive jurisdiction of the courts of the Province of Alberta to determine all issues, whether at law or in equity, arising from this Agreement. To the extent permitted by applicable law, each of the Parties irrevocably waives any objection (including any claim of inconvenient forum) to the venue of any legal proceeding arising out of or relating to this Agreement in the courts of that Province, or that the subject matter of this Agreement may not be enforced in those courts, and irrevocably agrees not to seek, and waives any right to, judicial review by any court which may be called upon to enforce the judgment of the courts referred to in this Section 7.7, of the substantive merits of any such suit, action or proceeding. To the extent a Party has or hereafter may acquire any immunity from the jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself or its property, that Party irrevocably waives that immunity in respect of its obligations under this Agreement.

7.8 Amendment and Waiver

No supplement, modification, amendment, waiver, discharge or termination of this Agreement is binding unless it is executed in writing by the Party to be bound. No waiver of, failure to exercise or delay in

exercising, any provision of this Agreement constitutes a waiver of any other provision (whether or not similar) nor does any waiver constitute a continuing waiver unless otherwise expressly provided.

7.9 Further Assurances

Each Party will, at the requesting Party's cost, execute and deliver any further agreements and documents and provide any further assurances as may be reasonably required by the other Party to give effect to this Agreement and, without limiting the generality of the foregoing, will do or cause to be done all acts and things, execute and deliver or cause to be executed and delivered all agreements and documents and provide any assurances, undertakings and information as may be required from time to time by all regulatory or governmental bodies having jurisdiction over the affairs of a Party or as may be required from time to time under applicable securities legislation.

7.10 Assignment

7.10.1 The Secured Party may, without notice to or consent of the Debtor, at any time assign, transfer or grant a security interest in its rights and obligations under this Agreement and the Security Interests. The Debtor expressly agrees that the assignee, transferee or secured party, as the case may be, will have all of the Secured Party's rights and remedies under this Agreement and the Debtor will not assert any defence, cross-claim, counterclaim, right of set off or any other claim which the Debtor now has or in the future acquires against the Secured Party in any action commenced by any assignee, transferee or secured party, as the case may be, and will pay the Obligations to the assignee, transferee or secured party, as the case may be, as the Obligations become due.

7.10.2 Neither this Agreement nor any rights or obligations under this Agreement may be assigned by the Debtor without the prior consent of the Secured Party.

7.11 Enurement

This Agreement enures to the benefit of and is binding upon the Parties and their respective successors and permitted assigns.

7.12 Payment of Costs

The Debtor agrees to pay on demand all costs and expenses incurred (including legal costs and disbursements on a 100 percent, complete indemnity basis) and fees charged by Secured Party in connection with obtaining or discharging this Agreement, establishing or confirming the priority of the charges created by this Agreement or by law, or complying with any demand by any Person under the PPSA to amend or discharge any registration relating to this Agreement, and by the Secured Party or any Receiver in exercising any remedy under this Agreement (including preserving, repairing, processing, preparing for disposition and disposing of the Collateral by sale, lease or otherwise) and in carrying on the Debtor's business. All of those amounts will bear interest from time to time at the highest interest rate then applicable to any of the Obligations, and the Debtor will reimburse Secured Party upon demand for any amount so paid.

7.13 Extensions

The Secured Party may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges, refrain from perfecting or maintaining perfection of security interests and otherwise deal with the Debtor, account debtors of the Debtor, sureties and others and with the Collateral and other security interests as the Secured Party may see fit without prejudice to the liability of the Debtor or to the Secured Party's right to hold and realize on the security constituted by this Agreement.

7.14 Counterparts

This Agreement may be executed and delivered by the Parties in one or more counterparts, each of which will be an original, and each of which may be delivered by facsimile or functionally equivalent electronic means, and those counterparts will together constitute one and the same instrument.

7.15 Acknowledgment and Waiver

The Debtor:

- 7.15.1 acknowledges receiving a copy of this Agreement; and
- 7.15.2 to the extent permitted by law, waives all rights to receive from the Secured Party a copy of any financing statement, financing change statement or verification statement filed or issued, as the case may be, at any time in respect of this Agreement or any amendments to this Agreement.

[Remainder of this page left intentionally blank; signature page(s) to follow.]

Each of the Parties has executed and delivered this Agreement, as of the date noted at the beginning of the Agreement, and in counterpart.

NORTH AMERICA CONSTRUCTION (1993) LTD.

Per: _____
Name:
Title:

Signature Page: Specific Security Agreement (Inventory) (Secured Party)

Each of the Parties has executed and delivered this Agreement, as of the date noted at the beginning of the Agreement, and in counterpart.

**EDMONTON HEAVY EQUIPMENT RENTALS
LTD.**

Per: _____
Name:
Title:

Signature Page: Specific Security Agreement (Inventory) (Debtor)

SCHEDULE 1
COLLATERAL

1. The good, useable and/or saleable pile driving tooling and consumable inventory used in the Divisional Business, as that terms is defined in the Asset Agreement.

SCHEDULE 2
LOCATION(S) OF COLLATERAL

211, 26229 Twp Rd 531A
Acheson, AB T7X 5A4

SCHEDULE 3
SECURITY INTERESTS

Nil.

Schedule "H"

Equipment, Books and Records Security Agreement

SPECIFIC SECURITY AGREEMENT

BETWEEN

EDMONTON HEAVY EQUIPMENT RENTALS LTD.

– and –

NORTH AMERICA CONSTRUCTION (1993) LTD.

DECEMBER 13TH, 2013

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**SECURITY AGREEMENT
SPECIFIC GOODS**

THIS AGREEMENT is dated December 13th, 2013

B E T W E E N :

**EDMONTON HEAVY EQUIPMENT RENTALS
LTD.**, a corporation incorporated under the laws of the
Province of Alberta (the "**Debtor**")

- and -

**NORTH AMERICA CONSTRUCTION (1993)
LTD.**, a corporation incorporated under the laws of the
Province of Ontario (the "**Secured Party**")

CONTEXT:

- A.** The Secured Party has entered into an asset purchase agreement dated as of December 13, 2013 (the "**Asset Agreement**") with the Debtor under which the Secured Party has agreed to sell certain assets utilized in its pile driving business.
- B.** The Debtor has agreed to execute and deliver this Agreement to and in favour of the Secured Party as security for the payment and discharge of the Obligations.

THEREFORE, the Debtor agrees with the Secured Party as follows:

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

In this Agreement, the following words and expressions will have the following meanings:

- 1.1.1 "**Asset Agreement**" is defined in the preamble.
- 1.1.2 "**Business Day**" means any day except Saturday, Sunday, any statutory holiday in the Province of Alberta or any other day on which the principal chartered banks in the City of Edmonton are closed for business.
- 1.1.3 "**Collateral**" means all of the following present and after-acquired personal property owned, leased, licensed, possessed or acquired by the Debtor, or in which the Debtor has rights:
 - 1.1.3.1 all items, including, without limitation, the Books and Records and Equipment, listed in Schedule 1 attached to this Agreement;
 - 1.1.3.2 all Contracts relating to the Books and Records and Equipment listed in Schedule 1;

- 1.1.3.3 all parts, attachments, accessories, accessions and related goods placed on or attached to, or otherwise relating to, the Books and Records and Equipment listed in Schedule 1; and
- 1.1.3.4 all Proceeds of the property described above,
but specifically excludes the Excluded Collateral.
- 1.1.4 "**Contracts**" means all contracts, licenses and agreements to which the Debtor is at any time a party or pursuant to which the Debtor has at any time acquired rights, as those contracts, licenses and agreements may be amended, restated, supplemented or replaced, and includes all rights of the Debtor:
 - 1.1.4.1 under warranties, guarantees or other similar agreements;
 - 1.1.4.2 to receive money due and to become due to it in connection with a contract, licence or agreement;
 - 1.1.4.3 to damages arising out of, or for breach or default in respect of, a contract, licence or agreement; and
 - 1.1.4.4 to perform and exercise all remedies in connection with a contract, licence or agreement.
- 1.1.5 "**Debtor**" is defined in the recital of the Parties, above.
- 1.1.6 "**Documents**" means this Agreement and the Asset Agreement.
- 1.1.7 "**Event of Default**" is defined in Section 5.1.
- 1.1.8 "**Excluded Collateral**" means Consumer Goods, and any Contract which would be breached or terminated if a Security Interest was granted in it without the consent of a third party, unless that consent is obtained.
- 1.1.9 "**Obligations**" means the amounts owing by the Debtor to the Secured Party and interest on that amount at the rate or rates from time to time agreed to between the Debtor and the Secured Party, according to the terms of, and as evidenced by, the Asset Agreement, and all present and future obligations of the Debtor to the Secured Party under this Agreement.
- 1.1.10 "**Parties**" means the Debtor and the Secured Party, and "**Party**" means any one of them.
- 1.1.11 "**Person**" means a body corporate, sole proprietorship, partnership or trust, or an individual, unincorporated association, unincorporated syndicate or unincorporated organization, or any another entity, any governmental authority, and a natural person acting in his or her capacity as executor, trustee, administrator or legal representative.
- 1.1.12 "**PPSA**" means the *Personal Property Security Act* of the Province of Alberta, as amended, supplemented or replaced and includes all regulations made under that legislation.
- 1.1.13 "**Receiver**" means a receiver or receiver-manager of the Collateral.
- 1.1.14 "**Secured Party**" is defined in the recital of the Parties, above.

- 1.1.15 "Security Interests" means the mortgages, charges and security interests granted under Section 2.1.

1.2 Incorporated Definitions

Capitalized terms not otherwise defined in this Agreement have the definitions set out in the PPSA.

1.3 Certain Rules of Interpretation

- 1.3.1 In this Agreement, words signifying the singular number include the plural and vice versa, and words signifying gender include all genders. Every use of the word "including" in this Agreement is to be construed as meaning "including, without limitation".
- 1.3.2 The division of this Agreement into Articles and Sections, the insertion of headings and the provision of a table of contents are for convenience of reference only and do not affect the construction or interpretation of this Agreement.
- 1.3.3 References in this Agreement to an Article, Section or Schedule are to be construed as references to an Article, Section or Schedule of or to this Agreement unless otherwise specified.
- 1.3.4 Unless otherwise specified in this Agreement, time periods within which or following which any payment is to be made or act is to be done will be calculated by excluding the day on which the period begins and including the day on which the period ends. If the last day of a time period is not a Business Day, the time period will end on the next Business Day.
- 1.3.5 Unless otherwise specified, any reference in this Agreement to any statute includes all regulations made under or in connection with that statute from time to time, and is to be construed as a reference to that statute as amended, supplemented or replaced from time to time.

1.4 Governing Law

This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Alberta and the laws of Canada applicable in that Province.

1.5 Entire Agreement

This Agreement, together with the other Documents, constitutes the entire agreement between the Parties pertaining to the subject matter of this Agreement and, together with the other Documents, supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties. There are no representations, warranties or other agreements between the Parties in connection with the subject matter of this Agreement except as specifically set out in this Agreement or in the other Documents. No Party has been induced to enter into this Agreement in reliance on, and there will be no liability assessed, either in tort or contract, with respect to, any warranty, representation, opinion, advice or assertion of fact, except to the extent it has been reduced to writing and included as a term in this Agreement or in the other Documents.

1.6 Business Day

Whenever any payment to be made or action to be taken under this Agreement is required to be made or taken on a day other than a Business Day, the payment is to be made or action taken on the next Business Day following.

ARTICLE 2 GRANT OF SECURITY INTEREST

2.1 Security Interests

As security for the payment and performance of the Obligations, the Debtor mortgages and charges to the Secured Party, and grants to the Secured Party a security interest in, and the Secured Party takes a security interest in, all of the Debtor's right, title and interest in and to the Collateral.

2.2 Attachment

The Debtor and the Secured Party do not intend to postpone the attachment of the Security Interests and the Security Interests will attach when:

- 2.2.1 this Agreement has been executed, or in the case of after-acquired property, that property has been acquired by the Debtor;
- 2.2.2 value has been given; and
- 2.2.3 the Debtor has rights in the Collateral, or in the case of after-acquired property, acquires rights in the Collateral.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties

The Debtor represents and warrants to the Secured Party that:

- 3.1.1 **Corporate Existence.** It is duly incorporated and validly existing under the laws of the Province of Alberta.
- 3.1.2 **Power and Capacity.** It has all necessary corporate power, authority and capacity to carry on the business now being carried on by it and to enter into and perform its obligations under this Agreement.
- 3.1.3 **Binding Obligation.** The execution and delivery of this Agreement, and all matters, registrations and deliveries contemplated by this Agreement, have been duly authorized by all necessary corporate action on the part of the Debtor. This Agreement has been duly executed and delivered by the Debtor and constitutes a valid and binding obligation of the Debtor, enforceable against the Debtor in accordance with its terms, subject to applicable bankruptcy, insolvency and other laws of general application limiting the enforcement of creditors' rights

generally and to the fact that equitable remedies, including specific performance, are discretionary and may not be ordered in respect of certain defaults.

- 3.1.4 **Absence of Conflict.** None of the execution and delivery of this Agreement, the performance of the Debtor's obligations under this Agreement, or the completion of the matters contemplated by this Agreement will (with or without the giving of notice or lapse of time, or both):
- 3.1.4.1 result in or constitute a breach of any term or provision of, or constitute a default under, the articles or by-laws or any resolution of the board of directors or shareholders of the Debtor, or any Contract to which the Debtor is a party;
 - 3.1.4.2 constitute an event which would permit any party to any material Contract with the Debtor to amend, cancel, terminate or accelerate the obligations of the Debtor under any material Contract;
 - 3.1.4.3 result in the creation or imposition of any lien or other encumbrance on the Collateral;
 - 3.1.4.4 contravene any applicable law;
 - 3.1.4.5 contravene any judgment, order, writ, injunction or decree of any governmental authority.
- 3.1.5 **No Actions.** There are no actions or proceedings pending or, to the knowledge of the Debtor, threatened which challenge the validity of this Agreement or which might result in a material adverse change in the financial condition of the Debtor, or which would materially adversely affect the ability of the Debtor to perform its obligations under this Agreement or any document evidencing any indebtedness of the Debtor to the Secured Party.
- 3.1.6 **Name.** The full legal name of the Debtor, and any other name under which it conducts its business, is correctly specified on the signature page of this Agreement.
- 3.1.7 **Location of Collateral.** The location of all other existing places where the Debtor keeps the Collateral is set out in Schedule 2.
- 3.1.8 **Owns Collateral.** The Debtor owns, possesses and has good and marketable title to, or has enforceable leasehold or other rights to, all currently held Collateral, free from all security interests, mortgages, charges, encumbrances, liens and claims, except only those, if any, listed in Schedule 3.
- 3.1.9 **Right and Authority.** The Debtor has the right and authority to create the Security Interests.
- 3.1.10 **Not Fixtures.** The Collateral is personal property which is identifiable and is not affixed to any real property and is not attached to any other related Goods or Equipment.

ARTICLE 4 COVENANTS

4.1 Covenants

The Debtor covenants with the Secured Party that:

- 4.1.1 it will defend the Collateral against all claims and demands of all Persons claiming the Collateral or an interest in the Collateral at any time;
 - 4.1.2 with the exception of the creation of a security interest in respect of the Equipment listed in Schedule 1 and in favour of _____ **[NTD: lender to be confirmed]**, the Debtor will not sell, offer to sell, transfer, pledge or mortgage the Collateral, nor will the Debtor permit the creation of any other security interest in the Collateral in favour of any Person other than the Secured Party, without the prior written consent of the Secured Party;
 - 4.1.3 all Proceeds of the sale or other disposition of Collateral will be received as trustee for the Secured Party and will be promptly paid over to the Secured Party;
 - 4.1.4 the Debtor will keep the Collateral insured to its full insurable value with financially sound and reputable companies against loss or damage by fire, explosion, theft and other risks as are customarily insured against by Persons carrying on similar businesses, or owning similar property. The relevant insurance policies will:
 - 4.1.4.1 be in form and substance satisfactory to the Secured Party;
 - 4.1.4.2 provide that no cancellation, material reduction in amount, or material change in coverage will be effective until at least 30 days after receipt of written notice by the Secured Party;
 - 4.1.4.3 contain by way of endorsement a standard mortgagee clause in a form approved by the Insurance Bureau of Canada and satisfactory to the Secured Party; and
 - 4.1.4.4 name the Secured Party as mortgagee, first loss payee, and additional insured as its interest may appear.
- The Debtor will, at the Secured Party's request, deliver those insurance policies (or satisfactory evidence of those policies) to the Secured Party.
- 4.1.5 the Debtor will provide, upon request from the Secured Party, written information relating to any part of the Collateral, and the Secured Party will be entitled to inspect the Collateral, including the Books and Records, wherever located. For this purpose the Secured Party will have access to all places where any part of the Collateral is located, and to all premises occupied by the Debtor; and
 - 4.1.6 the Collateral is and will be kept at the locations listed in Schedule 2, and none of the Collateral will be removed from those locations without the prior written consent of the Secured Party, except in the ordinary course of the Debtor's business.

ARTICLE 5 EVENTS OF DEFAULT

5.1 Enforceability

The occurrence of any one or more of the following events or conditions will be an event of default under this Agreement ("**Event of Default**"):

- 5.1.1 the Debtor defaults in payment to the Secured Party when due of any indebtedness or liabilities forming part of the Obligations;
- 5.1.2 the Debtor defaults in performance of any of the Obligations other than payment under Section 5.1.1;
- 5.1.3 the Debtor defaults in the observance or performance of any of the terms, conditions or covenants to be observed or performed by the Debtor under this Agreement or any other agreement or instrument existing at any time between the Debtor and the Secured Party;
- 5.1.4 any representation, warranty or statement made or given by or on behalf of the Debtor to the Secured Party is untrue in any material respect at the time it was made or deemed to be made;
- 5.1.5 the Debtor defaults in payment of any indebtedness to any Person other than the Secured Party, or defaults in the performance of any term, provision or condition created in any agreement under which that indebtedness was created or is governed, where that default would allow that Person to cause the indebtedness to become due prior to its stated maturity, or any such indebtedness is declared to be due and payable other than by a regularly scheduled payment;
- 5.1.6 the Debtor ceases or threatens to cease to carry on its business;
- 5.1.7 the Debtor commits or threatens to commit any act of bankruptcy or becomes insolvent;
- 5.1.8 proceedings are commenced against or affecting the Debtor, or the Debtor institutes proceedings or takes any corporate action or executes any agreement to authorize its participation in or the commencement of any proceedings:
 - 5.1.8.1 seeking to adjudicate it a bankrupt or insolvent; or
 - 5.1.8.2 seeking liquidation, dissolution, winding up, reorganization, arrangement, protection, relief or composition of it or any of its property or debt or making a proposal with respect to it under any law relating to bankruptcy, insolvency, reorganization or compromise of debts or other similar laws (including any application for reorganization under the *Companies' Creditors Arrangement Act* (Canada) or the *Bankruptcy and Insolvency Act* (Canada) or any reorganization, arrangement or compromise of debt under the laws of any applicable jurisdiction);
- 5.1.9 proceedings are commenced against or affecting the Debtor seeking the appointment of, or any creditor of the Debtor or any other Person privately appoints, a receiver, receiver-manager, trustee, custodian, liquidator or similar official for the Debtor or any part of the Debtor's property, including the Collateral or any part of it;

- 5.1.10 the holder of a security interest delivers a notice of intention to enforce its security or take possession of all or any part of the Debtor's property, including the Collateral or any part of it, or an execution or other process of any court becomes enforceable against the Debtor, or a distress or analogous process is levied upon the Collateral or any part of it;
- 5.1.11 the Debtor permits any sum which has been admitted as due by the Debtor or is not disputed to be due by it, and which forms or is capable of forming a charge upon any of the Collateral in priority to the Security Interests, to remain unpaid for 30 days;
- 5.1.12 the Debtor fails within 30 days to pay, bond or otherwise discharge any judgment or order for the payment of money outstanding at any time, which is not stayed on appeal or otherwise appropriately contested by the Debtor in good faith;
- 5.1.13 in the opinion of the Secured Party, effective control of the Debtor changes;
- 5.1.14 in the opinion of the Secured Party, a material adverse change occurs in the financial condition of the Debtor; or
- 5.1.15 the Secured Party in good faith and on commercially reasonable grounds believes that the ability of the Debtor to pay the Obligations to the Secured Party or to perform for the Secured Party any of the Obligations or any other covenants contained in this Agreement is impaired, or any security granted by the Debtor to the Secured Party is or is about to be impaired or in jeopardy.

ARTICLE 6 RIGHTS UPON DEFAULT

6.1 Acceleration

If an Event of Default described in Section 5.1.9 occurs all of the Obligations will immediately become due and payable without any demand or any notice of any kind to the Debtor. If any other Event of Default occurs the Secured Party, in its sole and absolute discretion, may declare all or any part of the Obligations (whether or not by their terms payable on demand) immediately due and payable, without any further demand or notice of any kind.

6.2 Demand Obligations

The Debtor agrees that the provisions of Section 5.1 and Section 6.1 will not affect the demand nature of any indebtedness or obligations payable on demand and the Secured Party may demand payment of that indebtedness and those obligations at any time without restriction, whether or not the Debtor has complied with the provisions of this Agreement or any other instrument between the Debtor and the Secured Party.

6.3 Security Interests Enforceable

The occurrence of an Event of Default will cause the Security Interests to become enforceable without the need for any action or notice by the Secured Party.

6.4 Remedies

If the Security Interests become enforceable, the Secured Party will have, in addition to any other rights and remedies provided by law or in equity, the rights and remedies of a secured party under the PPSA, and those rights and remedies provided by this Agreement. In addition, the Secured Party may exercise any one or more of the following remedies:

- 6.4.1 the Secured Party may, either directly or indirectly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver pursuant to Section 6.4.3 of this Agreement, inclusive, and further may take possession of, collect, realize on, or enforce against the Collateral, and may sell, lease or otherwise dispose of the Collateral either as a whole or in separate parcels, at public auction, by public tender or by private sale, either for cash or on credit, and on such terms and conditions as the Secured Party may determine;
- 6.4.2 the Secured Party may take proceedings in any court of competent jurisdiction for the appointment of a Receiver, may sell or foreclose on the Collateral, and may take any other action, suit, remedy or proceeding authorized or permitted under this Agreement or by law or in equity in order to enforce the Security Interests;
- 6.4.3 the Secured Party may by instrument in writing appoint a Receiver on any terms as to remuneration and otherwise as the Secured Party thinks fit, and may remove and appoint a replacement for any Receiver, and any Receiver so appointed will have the power:
 - 6.4.3.1 to take possession of, collect, demand, sue on, recover, receive, realize on or enforce against the Collateral, and for that purpose to give valid and binding receipts and discharges for and in respect of it, and take any proceedings in the name of the Debtor or otherwise as may seem expedient;
 - 6.4.3.2 to carry on or manage all or any part of the business of the Debtor;
 - 6.4.3.3 to borrow money on the security of the Collateral in priority to this Agreement or otherwise for the purpose of the maintenance, preservation or protection of the Collateral, for carrying on or managing all or any part of the business of the Debtor or for exercising any other power under this Agreement;
 - 6.4.3.4 to sell, lease, accept surrenders of leases of or otherwise dispose of the Collateral in whole or in part, at public auction, by public tender or by private sale, either for cash or upon credit, at the time and upon any terms and conditions as the Receiver may determine; and
 - 6.4.3.5 to make any arrangement or compromise which the Receiver thinks expedient.

6.5 Proceeds of Disposition

The Proceeds of the sale, lease or other disposition of the whole or any part of the Collateral will be applied as follows:

- 6.5.1 firstly, to pay and discharge all rents, taxes, insurance premiums and other outgoings affecting the Collateral;

- 6.5.2 secondly, to pay all costs and expenses of taking possession and/or sale or lease or otherwise (including the Receiver's remuneration, if any);
- 6.5.3 thirdly, to pay those amounts as are necessary to keep in good standing all liens and charges on the Collateral ranking in priority to the Security Interests;
- 6.5.4 fourthly, to pay any principal, interest and other monies due and payable under this Agreement, in any order that the Secured Party may require;
- 6.5.5 fifthly, to the holders of other secured interests in the Collateral, according to their priority; and
- 6.5.6 if any surplus remains in the hands of the Receiver or the Secured Party then the Debtor will be entitled to the surplus, but only upon demand in writing made for it.

6.6 Deficiency

If the Proceeds of the realization of the Collateral are insufficient to fully pay the Obligations to the Secured Party, the Debtor will be liable to pay, and will immediately pay or cause to be paid, the deficiency to the Secured Party.

6.7 Appointment of Attorney

The Debtor appoints the Secured Party, and any officer or agent of the Secured Party, with full power of substitution, effective upon the occurrence of an Event of Default, to be the attorney of the Debtor with full power and authority in the place of the Debtor and in the name of the Debtor or in its own name, to take all appropriate action and to execute all documents and instruments as, in the opinion of the attorney acting reasonably, may be necessary or desirable to accomplish the purposes of this Agreement, and generally to use the name of the Debtor and to do all things as may be necessary or incidental to the exercise of all or any of the powers conferred on the Secured Party under this Agreement. These powers are coupled with an interest and are irrevocable until this Agreement is terminated and the Security Interests are released. Nothing in this Section affects the right of the Secured Party or any other Person, to sign and file or deliver (as applicable) all financing statements, financing change statements, notices, verification agreements and other documents relating to the Collateral and this Agreement as the Secured Party or the other Person considers appropriate.

ARTICLE 7 GENERAL

7.1 No Automatic Discharge

This Agreement will not be or be considered to have been discharged by reason only of the Debtor ceasing to be indebted or under any liability, direct or indirect, absolute or contingent, to the Secured Party.

7.2 No Obligation to Advance

None of the preparation, execution or registration of notice of this Agreement will bind the Secured Party to advance the monies secured by this Agreement, nor will the advance of a part of the monies secured by this Agreement bind the Secured Party to advance any unadvanced portion of it.

7.3 Security Additional

The Security Interests are in addition to and not in substitution for any other security now or in the future held by the Secured Party.

7.4 Realization

The Debtor acknowledges and agrees that the Secured Party may realize upon various securities securing the Obligations or any part of them in any order that it sees fit, and realization by any means upon any security or part of it will not bar realization upon any other security or the Security Interests or any part of them.

7.5 Notices

Any notice, demand, request, consent, approval or other communication which is required or permitted under this Agreement will be made or given by the Parties on the terms set out in the Asset Agreement.

7.6 Severability

Each provision of this Agreement is distinct and severable. If any provision of this Agreement, in whole or in part, is or becomes illegal, invalid or unenforceable in any jurisdiction, the illegality, invalidity or unenforceability of that provision will not affect the legality, validity or enforceability of the remaining provisions of this Agreement, or the legality, validity or enforceability of that provision in any other jurisdiction.

7.7 Submission to Jurisdiction

Each exclusive jurisdiction of the courts of the Province of Alberta to determine all issues, whether at law or in equity, arising from this Agreement. To the extent permitted by applicable law, each of the Parties irrevocably waives any objection (including any claim of inconvenient forum) to the venue of any legal proceeding arising out of or relating to this Agreement in the courts of that Province, or that the subject matter of this Agreement may not be enforced in those courts, and irrevocably agrees not to seek, and waives any right to, judicial review by any court which may be called upon to enforce the judgment of the courts referred to in this Section 7.7, of the substantive merits of any such suit, action or proceeding. To the extent a Party has or hereafter may acquire any immunity from the jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself or its property, that Party irrevocably waives that immunity in respect of its obligations under this Agreement.

7.8 Amendment and Waiver

No supplement, modification, amendment, waiver, discharge or termination of this Agreement is binding unless it is executed in writing by the Party to be bound. No waiver of, failure to exercise or delay in

exercising, any provision of this Agreement constitutes a waiver of any other provision (whether or not similar) nor does any waiver constitute a continuing waiver unless otherwise expressly provided.

7.9 Further Assurances

Each Party will, at the requesting Party's cost, execute and deliver any further agreements and documents and provide any further assurances as may be reasonably required by the other Party to give effect to this Agreement and, without limiting the generality of the foregoing, will do or cause to be done all acts and things, execute and deliver or cause to be executed and delivered all agreements and documents and provide any assurances, undertakings and information as may be required from time to time by all regulatory or governmental bodies having jurisdiction over the affairs of a Party or as may be required from time to time under applicable securities legislation.

7.10 Assignment

7.10.1 The Secured Party may, without notice to or consent of the Debtor, at any time assign, transfer or grant a security interest in its rights and obligations under this Agreement and the Security Interests. The Debtor expressly agrees that the assignee, transferee or secured party, as the case may be, will have all of the Secured Party's rights and remedies under this Agreement and the Debtor will not assert any defence, cross-claim, counterclaim, right of set off or any other claim which the Debtor now has or in the future acquires against the Secured Party in any action commenced by any assignee, transferee or secured party, as the case may be, and will pay the Obligations to the assignee, transferee or secured party, as the case may be, as the Obligations become due.

7.10.2 Neither this Agreement nor any rights or obligations under this Agreement may be assigned by the Debtor without the prior consent of the Secured Party.

7.11 Enurement

This Agreement enures to the benefit of and is binding upon the Parties and their respective successors and permitted assigns.

7.12 Payment of Costs

The Debtor agrees to pay on demand all costs and expenses incurred (including legal costs and disbursements on a 100 percent, complete indemnity basis) and fees charged by Secured Party in connection with obtaining or discharging this Agreement, establishing or confirming the priority of the charges created by this Agreement or by law, or complying with any demand by any Person under the PPSA to amend or discharge any registration relating to this Agreement, and by the Secured Party or any Receiver in exercising any remedy under this Agreement (including preserving, repairing, processing, preparing for disposition and disposing of the Collateral by sale, lease or otherwise) and in carrying on the Debtor's business. All of those amounts will bear interest from time to time at the highest interest rate then applicable to any of the Obligations, and the Debtor will reimburse Secured Party upon demand for any amount so paid.

7.13 Extensions

The Secured Party may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges, refrain from perfecting or maintaining perfection of security interests and otherwise deal with the Debtor, account debtors of the Debtor, sureties and others and with the Collateral and other security interests as the Secured Party may see fit without prejudice to the liability of the Debtor or to the Secured Party's right to hold and realize on the security constituted by this Agreement.

7.14 Counterparts

This Agreement may be executed and delivered by the Parties in one or more counterparts, each of which will be an original, and each of which may be delivered by facsimile or functionally equivalent electronic means, and those counterparts will together constitute one and the same instrument.

7.15 Acknowledgment and Waiver

The Debtor:

- 7.15.1 acknowledges receiving a copy of this Agreement; and
- 7.15.2 to the extent permitted by law, waives all rights to receive from the Secured Party a copy of any financing statement, financing change statement or verification statement filed or issued, as the case may be, at any time in respect of this Agreement or any amendments to this Agreement.

[Remainder of this page left intentionally blank; signature page(s) to follow.]

Each of the Parties has executed and delivered this Agreement, as of the date noted at the beginning of the Agreement, and in counterpart.

NORTH AMERICA CONSTRUCTION (1993) LTD.

Per: _____
Name:
Title:

Signature Page: Specific Security Agreement (Equipment, Books and Records) (Secured Party)

Each of the Parties has executed and delivered this Agreement, as of the date noted at the beginning of the Agreement, and in counterpart.

**EDMONTON HEAVY EQUIPMENT RENTALS
LTD.**

Per: _____

Name:

Title:

Signature Page: Specific Security Agreement (Equipment, Books and Records) (Debtor)

SCHEDULE 1 COLLATERAL

Equipment

Unit	Description	Make	Model	Year
H103	Crawler 8500 Boom Crane 85 Ton	Manitowoc	8500	2008
H103A	Vertical Travel Lead System	Birmingham	L-15	2012
H402	Hydraulic Drill Rig	Bauer	BG24H	2008
H403	Hydraulic Drill Rig c/w Vibro	Bauer	RG19T	2006
H1330	Diesel Hammer	Pileco	D19-42	2008
H1330A	Hammer Sled	Fambo	HR5000	2008
H1331	Hy-RAM Hydraulic Hammer, 2750 KG	Fambo	HR2750	2007

Books and Records

1. Books and Records, as defined in the Asset Agreement.

SCHEDULE 2
LOCATION(S) OF COLLATERAL

Equipment

211, 26229 Twp Rd 531A
Acheson, AB T7X 5A4

Books and Records

201, 1259 – 91 Street SW
Edmonton, AB T6X 1E9

**SCHEDULE 3
SECURITY INTERESTS**

Equipment

1. Any security interest in the Equipment to be created in favour of a subsequent financier of the Equipment and the financing statement contemplated to be registered in the Personal Property Registry (Alberta) in respect of same.

Books and Records

Nil.

Schedule "I"

Promissory Note

TERM PROMISSORY NOTE

Principal Amount: \$800,000

Dated: December 13, 2013

Due On : November 13, 2015

FOR VALUE RECEIVED, Edmonton Heavy Equipment Rentals Ltd. (the "**Borrower**"), promises to pay to, or to the order of, North America Construction (1993) Ltd. (the "**Creditor**") at the Town of Morriston or at such other place as the Creditor may designate in writing, the principal sum of eight hundred thousand dollars (\$800,000) (the "**Principal Amount**") in equal monthly instalments on the 13th day of each month of \$33,333.34, exclusive of GST/HST in accordance with the payment schedule attached hereto, plus interest as provided in Section 2 below.

1. **Maturity** – The Borrower shall repay the outstanding Principal Amount and all unpaid interest accrued thereon in full on November 13, 2015 (the "**Maturity Date**").
2. **Interest** - In addition to the monthly instalment payments, the Borrower shall also pay two equal interest payments of \$21,000 to the Creditor on each of the first anniversary of the date hereof and the second anniversary of the date hereof. In the event of any default in paying the Principal Amount and Interest when due, the Borrower shall pay in addition to the Interest additional interest at a rate of 2% per month ("**Default Rate**") on the total amount outstanding to the Creditor including Principal and Interest from the date of default until the actual date of payment of the amounts due and owing to the Creditor.
3. **Enforcement** – No legal proceeding to enforce the Borrower's obligations under this Note will be commenced until after the first day on which there is a failure to perform those obligations once a demand is made. A legal proceeding to enforce the Borrower's obligations under this Note may be commenced at any time up to the second anniversary of the date on which the Creditor's right to commence that proceeding arises under this Section 3.
4. **Prepayment** - The Borrower will be entitled to prepay the Principal Amount (together with any interest calculated to the date of prepayment at the Interest Rate described above), in whole or in part, at any time prior to a demand being made by the Creditor, without any notice being given to the Creditor and without any bonus or penalty being paid to the Creditor.
5. **Security** – This Note shall be secured by (i) a limited guarantee and general security agreement granted by Sprague-Rosser Contracting Co. Ltd., to the Creditor; (ii) an inventory security agreement granted by the Borrower to the Creditor; and (iii) an equipment, books and records security agreement granted by the Borrower to the Creditor.
6. **Non-Waiver** - The extension of the time for making any payment which is due and payable under this Note, or the Creditor's failure or delay in exercising or enforcing any

rights or remedies under this Note, or under any instrument securing payment of the indebtedness evidenced by this Note, will not constitute a continuing waiver of the right of the Creditor to enforce those rights and remedies in the future.

7. **Set-Off** - The obligations of the Borrower under this Note will be paid by the Borrower without regard to any equities between the Borrower and the Creditor or any right of set-off, combination of accounts, cross-claim or counterclaim.
8. **Amendments** - No amendment, modification or waiver of any provision of this Note or consent to any departure by the Borrower from any provision of this Note is effective unless it is in writing and signed by the Creditor and the Borrower, and then the amendment, modification, waiver or consent is effective only in the specific instance and for the specific purpose for which it is given.
9. **Governing Law** - This Note will be governed by and construed in all respects in accordance with the laws of the Province of Ontario and the laws of Canada applicable in that Province.
10. **Time of the Essence** - Time will in all respects be of the essence of this Note.
11. **Waiver of Benefits** - Presentation for payment, notice of dishonour, protest, notice of protest and demand are waived by the Borrower.
12. **Assignment** - The Borrower will not be permitted to assign this Note, in whole or in part, without the prior written consent of the Creditor. This Note will be binding upon the successors and permitted assigns of the Borrower and will enure for the benefit of the Creditor and his heirs, administrators, executors and personal representatives.
13. **Electronic Delivery** - Delivery of this Note by facsimile or other functionally equivalent electronic means shall constitute an original executed copy.

[SIGNATURE PAGE FOLLOWS]

The Borrower has executed this Note as of the 13th day of December, 2013.

**EDMONTON HEAVY EQUIPMENT
RENTALS LTD.**

Per: _____
Name:
Title:
I have authority to bind the corporation