

COURT FILE NUMBER

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE

Calgary

Clerk's Stamp

PLANTIFF

**CENTURY SERVICES LP, by its General
Partner CENTURY SERVICES INC.**

DEFENDANTS

**CHRIS MECHANICAL SERVICES LTD.,
DUFFY HOLDINGS LTD. and DUFFY
BUILDING CORPORATION**

DOCUMENT

AFFIDAVIT

ADDRESS FOR SERVICE AND

CONTACT INFORMATION OF

PARTY FILING THIS

DOCUMENT

Robyn Gurofsky/Jessica L. Cameron
Borden Ladner Gervais LLP
1900, 520 3rd Ave. S.W.
Calgary, AB T2P 0R3
Telephone: (403) 232-9774
Facsimile: (403) 266-1395
Email:
rgurofsky@blg.com/jcameron@blg.com
File No. 418656-000208

AFFIDAVIT OF JOSH COONAN

Sworn on December 16, 2015

I, Josh Coonan, of Calgary, Alberta, SWEAR AND SAY THAT:

1. I am the Senior Manager of Lending Operations for the Plaintiff, Century Services Inc. ("**Century**"), and am presently responsible for the administration of the accounts of Chris Mechanical Services Ltd. ("**CMS**"). As such, I have personal knowledge of the matters and facts hereinafter sworn to, except where stated to be based on information and belief, and where so stated, I verily believe the same to be true.
2. I am authorized by Century to swear this Affidavit.

3. CMS is a body corporate duly incorporated according to the laws of the Province of Alberta, with its registered office in the City of Calgary, in the Province of Alberta. Attached hereto and marked as **Exhibit "A"** is a true copy of a Corporate Registries search for CMS, dated December 15, 2015.
4. Duffy Holdings Ltd. ("**Holdings**") is a body corporate duly incorporated according to the laws of the Province of Alberta, with its registered office in the City of Calgary, in the Province of Alberta. Attached hereto and marked as **Exhibit "B"** is a true copy of a Corporate Registries search for Holdings, dated December 15, 2015.
5. Duffy Building Corporation ("**Building**") is a body corporate duly incorporated according to the laws of the Province of Alberta, with its registered office in the City of Calgary, in the Province of Alberta. Attached hereto and marked as **Exhibit "C"** is a true copy of a Corporate Registries search for Building, dated December 15, 2015.

Loans and Security

6. Century provided a non-revolving term facility to CMS pursuant to a Loan Agreement dated March 2, 2105 (the "**Loan Agreement**"). Attached hereto and marked as **Exhibit "D"** is a copy of the Loan Agreement.
7. The principal amount of the loan advanced by Century to CMS was \$5,543,500.00 (the "**Loan**").
8. As security for the Loan, CMS executed in favour of Century, a General Security Agreement (the "**GSA**") and a Promissory Note issued by CMS in the amount of the Loan (the "**Promissory Note**"), both dated March 4, 2015. Attached hereto and marked as **Exhibits "E"** and "**F"** respectively are true copies of the GSA and the Promissory Note.
9. Additionally, the Loan was guaranteed by each of Holdings and Building pursuant to two separate guarantee and postponement of claim agreements, each dated March 4, 2015 (together the "**Guarantees**" and respectively the "**Holdings Guarantee**" and the "**Building Guarantee**"). Pursuant to the terms of the Guarantees, each of Holdings and Building unconditionally guaranteed all present and future debts and liabilities, direct or indirect, due by CMS to Century. Attached hereto and marked as **Exhibits "G"** and "**H"** respectively are true copies of the Holdings Guarantee and the Building Guarantee.

10. As security for the Guarantees, among other things, each of Holdings and Building granted a security interest to Century in all of their respective present and after acquired personal and real property pursuant to two separate general security agreements, each dated March 4, 2015 (together the “**Guarantors’ GSAs**” and respectively the “**Holdings GSA**” and the “**Buildings GSA**”). Attached hereto and marked as **Exhibits “I”** and “**J**” respectively are true copies of the Holdings GSA and the Building GSA.
11. In addition, Building granted a collateral mortgage to Century in the principal amount of \$5,543,500.00, charging the lands legally described as: Plan 0714070, Block 14, Lot 19, dated March 4, 2015 (the “**Collateral Mortgage**”). Attached hereto and marked as **Exhibit “K”** is a true copy of the Collateral Mortgage.
12. The GSA, Promissory Note, Guarantees, Guarantors’ GSAs, and Collateral Mortgage are collectively referred to herein as the “**Century Security**”.

Intercreditor Agreement

13. Century, CMS, Holdings and Building are all parties to an Intercreditor Agreement dated July 28, 2015 (the “**Intercreditor Agreement**”). There are two additional parties to the Intercreditor Agreement, namely:
 - (a) 1784761 Alberta Ltd. (“**178**”), a party who has provided a factoring facility to CMS; and
 - (b) James Hickey (“**Hickey**”), an individual guarantor of the Loan.

Attached hereto and marked as **Exhibit “L”** is a true copy of the Intercreditor Agreement.

14. Pursuant to paragraph 4.2 of the Intercreditor Agreement, the issuance of a demand by 178 under the factoring facility, or otherwise, constitutes an event of default under the Loan Agreement and the Century Security.

Pre- Forbearance Defaults

15. On or about September 24, 2015, I reviewed an Alberta personal property registry (the “**PPR**”) search and became aware that a judgment had been registered against CMS at the PPR contrary to CMS’s warranty under the Loan Agreement to keep all collateral subject to the Century Security free and clear of all liens and encumbrances. Attached hereto and marked as **Exhibit “M”** is a true copy of search results from the PPR evidencing this registration.

16. Further, on or about November 9, 2015, Century received notice that 178 had issued demand for payment against CMS under the factoring facility granted by 178 to CMS, contrary to Article 4.2 of the Intercreditor Agreement and constituting an event of default under the Loan Agreement and Century Security. Attached hereto and marked as **Exhibit "N"** is a true copy of the demand for notice sent by 178 to CMS.
17. As a result of the events of default, on November 16, 2015, through its counsel, Borden Ladner Gervais LLP, Century demanded repayment of the Loan from each of CMS, Holdings and Building (the "**Demand Letters**"). In conjunction with each of the Demand Letters, Century issued a Notice of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended, to each of CMS, Holdings and Building (the "**NOIs**"). Attached hereto as **Exhibits "O", "P" and "Q"** respectively are the Demand Letters and NOIs sent to each of CMS, Holdings and Building.

Forbearance Agreement

18. Century did not receive payment from any of CMS, Holdings and Building in response to the Demand Letters and issuance of the NOIs.
19. CMS and in particular James Hickey of CMS approached me after receiving the Demand Letters and requested that Century give it some time to resolve its financial difficulties. In that regard, Century offered and CMS, Building and Holdings agreed to enter into a forbearance agreement pursuant to which Century agreed to forbear from enforcing its rights during the forbearance period, assuming no intervening events of default, which forbearance period is scheduled to expire on December 17, 2015 (the "**Forbearance Agreement**"). Attached hereto and marked as **Exhibit "R"** is a copy of the Forbearance Agreement.
20. I encouraged Mr. Hickey during this period to provide Century with its plans to repay the Century Indebtedness and in that regard, pursuant to paragraph 4.02 of the Forbearance Agreement, CMS was to provide Century with an unconditionally executed commitment letter from a reputable lender evidencing a commitment to refinance the outstanding indebtedness owed to Century. No such commitment letter, or any commitment letter, has been provided to Century as yet.
21. Further, pursuant to the terms of the Forbearance Agreement, CMS, Holdings and Building, through its legal counsel at Carscallen LLP, executed a Consent Receivership Order authorizing the appointment of a receiver and manager over these entities by Century immediately upon an

event of default under the Forbearance Agreement or upon the expiry of the forbearance period contained therein. The Consent Receivership Order is attached to the Forbearance Agreement.


Forbearance Defaults

22. On or about December 15, 2015, 178 filed a Caveat – Re Agreement Charging Lands against the lands which are secured by the Collateral Mortgage, purporting to secure \$873,733.09 plus interest at the rate of 10% per annum. Attached hereto and marked as **Exhibit “S”** is a copy of the Agreement Charging Lands, together with a certificate of title to the lands.
23. The registration of this charge represents a breach of the Loan Agreement (page 6, paragraph 2) and therefore an event of default under the Forbearance Agreement.
24. Furthermore, Century has the ability to review the financial information including banking information of CMS. According to the banking information I reviewed on December 15, 2015, it appears that CMS has failed to pay its employee payroll which was due on December 11, 2015. This constitutes a breach of CMS’ representation and warranty and under the Loan Agreement that it will continue to operate its business in compliance with all laws of Alberta and further constitutes an event of default by CMS under the Loan Agreement and the Forbearance Agreement. In particular, it is an event of default under the Loan Agreement if CMS makes any representation or warranty which is incorrect in any material respect, or if in the sole discretionary opinion of Century, it believes that there has been an adverse change in the financial condition of CMS. Similarly, under the Forbearance Agreement, it is an event of default if any event occurs which in Century’s opinion constitutes a material adverse change in the financial situation of CMS.
25. I believe that a failure to pay employee payroll constitutes a material adverse change to CMS, and signifies to Century that the financial difficulties experienced by CMS are considerable. This failure also represents potential statutory payment obligations owed by CMS which now take priority over Century, which causes Century great concern in the ability of management to continue in control of the business and operations.
26. No payment has been made to Century by CMS or otherwise to satisfy any of the outstanding indebtedness owed by CMS to Century, nor has CMS presented Century with any alternative plan or financing to address the indebtedness. The total outstanding indebtedness owed by CMS to

EXHIBIT

A

This is Exhibit "A" referred to
in the Affidavit of Josh Coonan
Sworn before me this 16 day of December, 2015



Commissioner for Oaths
In and for the Province of Alberta

ISABELLE GAGNE
A Commissioner for Oaths in and for Alberta
My Commission Expires on April 18, 2017

Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2015/12/15
Time of Search: 01:55 PM
Search provided by: BORDEN LADNER GERVAIS LLP

Service Request Number: 24378742
Customer Reference Number: 418656-204

Corporate Access Number: 2014225516
Legal Entity Name: CHRIS MECHANICAL SERVICES LTD.

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Method of Registration: Amalgamation
Registration Date: 2008/09/01 YYYY/MM/DD

Registered Office:

Street: 12 SIGNATURE WAY SW
City: CALGARY
Province: ALBERTA
Postal Code: T3H 2V8

Records Address:

Street: 10403 - 50TH STREET SE
City: CALGARY
Province: ALBERTA
Postal Code: T2C 3E3

Directors:

Last Name: HICKEY
First Name: EVELYN
Street/Box Number: 425 SUNLAKE ROAD SE
City: CALGARY

Province: ALBERTA
Postal Code: T2X 3J2

Last Name: HICKEY
First Name: JAMES
Street/Box Number: 425 SUNLAKE ROAD SE
City: CALGARY
Province: ALBERTA
Postal Code: T2X 3E6

Voting Shareholders:

Legal Entity Name: DUFFY HOLDINGS LTD.
Corporate Access Number: 2012895385
Street: 426 SUNLAKE ROAD SE
City: CALGARY
Province: ALBERTA
Postal Code: T2X 3J2
Percent Of Voting Shares: 1

Last Name: HICKEY FAMILY TRUST
Street: 425 SUNLAKE ROAD SE
City: CALGARY
Province: ALBERTA
Postal Code: T2X 3J2
Percent Of Voting Shares: 99

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE ATTACHED SCHEDULE A
Share Transfers Restrictions: SEE ATTACHED SCHEDULE B
Min Number Of Directors: 1
Max Number Of Directors: 15
Business Restricted To: NONE
Business Restricted From: NONE
Other Provisions: SEE ATTACHED SCHEDULE C

Other Information:**Amalgamation Predecessors:**

Corporate Access Number	Legal Entity Name
2012895369	1289536 ALBERTA LTD.
202487864	CHRIS MECHANICAL SERVICES LTD.

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2014	2014/10/06

Outstanding Returns:

Annual returns are outstanding for the 2015 file year(s).

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2008/09/01	Amalgamate Alberta Corporation
2010/06/01	Change Director / Shareholder
2012/01/12	Change Address
2014/10/06	Enter Annual Returns for Alberta and Extra-Provincial Corp.

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2008/09/01
Restrictions on Share Transfers	ELECTRONIC	2008/09/01
Other Rules or Provisions	ELECTRONIC	2008/09/01
Statutory Declaration	10000505101380696	2008/09/01

This is to certify that, as of this date, the above information is an accurate reproduction of data contained within the official records of the Corporate Registry.





EXHIBIT

B

This is Exhibit "B" referred to
in the Affidavit of Josh Coonan
Sworn before me this 16 day of December, 2015



Commissioner for Oaths

In and for the Province of Alberta

ISABELLE GAGNE

**A Commissioner for Oaths in and for Alberta
My Commission Expires on April 18, 2017**

Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2015/12/15
 Time of Search: 01:56 PM
 Search provided by: BORDEN LADNER GERVAIS LLP

Service Request Number: 24378760
 Customer Reference Number: 418656-208

Corporate Access Number: 2012895385
Legal Entity Name: DUFFY HOLDINGS LTD.

Name History:

Previous Legal Entity Name	Date of Name Change (YYYY/MM/DD)
1289538 ALBERTA LTD.	2007/03/01

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Registration Date: 2006/12/21 YYYY/MM/DD

Registered Office:

Street: 12 SIGNATURE WAY SW
City: CALGARY
Province: ALBERTA
Postal Code: T3H 2V8

Records Address:

Street: 10403 - 50TH STREET SE
City: CALGARY
Province: ALBERTA
Postal Code: T2C 3E3

Directors:

Last Name: HICKEY
First Name: JIM
Street/Box Number: 425 SUNLAKE ROAD S.E.
City: CALGARY
Province: ALBERTA
Postal Code: T2X 3J2

Voting Shareholders:

Last Name: HICKEY FAMILY TRUST
Street: 425 SUNLAKE ROAD SE
City: CALGARY
Province: ALBERTA
Postal Code: T2X 3J2
Percent Of Voting Shares: 100

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE ATTACHMENT.
Share Transfers Restrictions: SEE ATTACHMENT.
Min Number Of Directors: 1
Max Number Of Directors: 15
Business Restricted To: NONE.
Business Restricted From: NONE.
Other Provisions: SEE ATTACHMENT.

Holding Shares In:

Legal Entity Name
1289536 ALBERTA LTD.
CHRIS MECHANICAL SERVICES LTD.
DUFFY BUILDING CORPORATION

Other Information:**Last Annual Return Filed:**

File Year	Date Filed (YYYY/MM/DD)
2014	2015/02/27

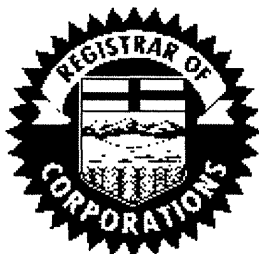
Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2006/12/21	Incorporate Alberta Corporation
2007/03/01	Name Change Alberta Corporation
2007/03/01	Change Director / Shareholder
2012/01/12	Change Address
2015/02/27	Enter Annual Returns for Alberta and Extra-Provincial Corp.

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2006/12/21
Restrictions on Share Transfers	ELECTRONIC	2006/12/21
Other Rules or Provisions	ELECTRONIC	2006/12/21


This is to certify that, as of this date, the above information is an accurate reproduction of data contained within the official records of the Corporate Registry.



EXHIBIT

C

This is Exhibit "C" referred to
in the Affidavit of Josh Coonan
Sworn before me this 16 day of December, 2015


Commissioner for Oaths
In and for the Province of Alberta

ISABELLE GAGNE
A Commissioner for Oaths in and for Alberta
My Commission Expires on April 18, 2017

Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2015/12/15
Time of Search: 01:57 PM
Search provided by: BORDEN LADNER GERVAIS LLP

Service Request Number: 24378778
Customer Reference Number: 418656-208

Corporate Access Number: 2015026327

Legal Entity Name: DUFFY BUILDING CORPORATION

Legal Entity Status: Active

Alberta Corporation Type: Named Alberta Corporation

Registration Date: 2009/11/19 YYYY/MM/DD

Registered Office:

Street: 12 SIGNATURE WAY SW
City: CALGARY
Province: ALBERTA
Postal Code: T3H 2V8

Records Address:

Street: 10403 - 50TH STREET SE
City: CALGARY
Province: ALBERTA
Postal Code: T2C 3E3

Directors:

Last Name: HICKEY
First Name: EVELYN
Street/Box Number: 425 SUNLAKE ROAD SE
City: CALGARY
Province: ALBERTA

Postal Code: T2X 3J2
Last Name: HICKEY
First Name: JIM
Street/Box Number: 425 SUNLAKE ROAD SE
City: CALGARY
Province: ALBERTA
Postal Code: T2X 3J2

Voting Shareholders:

Legal Entity Name: DUFFY HOLDINGS LTD.
Corporate Access Number: 2012895385
Street: 425 SUNLAKE ROAD SE
City: CALGARY
Province: ALBERTA
Postal Code: T2X 3J2
Percent Of Voting Shares: 1

Last Name: HICKEY FAMILY TRUST
Street: 425 SUNLAKE ROAD SE
City: CALGARY
Province: ALBERTA
Postal Code: T2X 3J2
Percent Of Voting Shares: 99

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE ATTACHED SCHEDULE A.
Share Transfers Restrictions: SEE ATTACHED SCHEDULE B.
Min Number Of Directors: 1
Max Number Of Directors: 15
Business Restricted To: NONE.
Business Restricted From: NONE.
Other Provisions: SEE ATTACHED SCHEDULE C.

Other Information:**Last Annual Return Filed:**

File Year	Date Filed (YYYY/MM/DD)
2014	2015/02/27

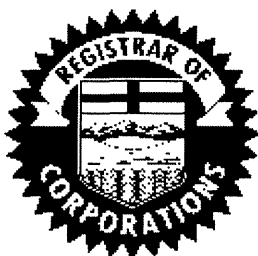
Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2009/11/19	Incorporate Alberta Corporation
2010/05/20	Change Director / Shareholder
2012/01/12	Change Address
2015/02/27	Enter Annual Returns for Alberta and Extra-Provincial Corp.

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2009/11/19
Restrictions on Share Transfers	ELECTRONIC	2009/11/19
Other Rules or Provisions	ELECTRONIC	2009/11/19

This is to certify that, as of this date, the above information is an accurate reproduction of data contained within the official records of the Corporate Registry.



EXHIBIT

D

This is Exhibit "D" referred to
in the Affidavit of Josh Coonan
Sworn before me this 16 day of December, 2015

A handwritten signature in cursive script, reading "Isabelle Gagne", written over a horizontal line.

Commissioner for Oaths
In and for the Province of Alberta

ISABELLE GAGNE

A Commissioner for Oaths in and for Alberta
My Commission Expires on April 18, 2017

CENTURY

S E R V I C E S I N C .

www.centuryservices.com

Suite 310, 318 – 11 Avenue S.E.
Calgary, AB T2G 0Y2
Phone: (403) 294-9400
Fax: (403) 294-9409

March 2, 2015

Chris Mechanical Services Ltd.

10403 – 50 Street SE
Calgary, AB T2C 3E3

Attention: Jim Hickey

Dear Sir:

This will confirm our offer to provide financing to Chris Mechanical Services Ltd. on the terms and conditions hereinafter set forth (the "**Loan**"):

Borrower:	Chris Mechanical Services Ltd. (hereinafter referred to as the " Borrower ")
Guarantors:	Duffy Building Corporation, Duffy Holdings Ltd. and James Patrick Hickey (hereinafter collectively referred to as the " Guarantors ")
Lender:	Century Services LP, by its general partner, Century Services Inc. (" Century ")
Type of Facilities:	Non-Revolving Term Loan
Currency:	Unless otherwise specified, all references to dollars or \$ in this Agreement are to Canadian dollars
Loan:	Gross Loan Amount: \$5,543,500 Less Facility Fee: \$ 110,870 Net to Borrower: \$5,432,630 (subject to payment and discharge of prior encumbrances and adjustments for legal fees and disbursements)
Legal Fees:	Century acknowledges receipt of \$10,000 towards legal fees. Any additional legal fees and disbursements shall be deducted from the loan proceeds.
Facility Fee:	The Facility Fee of \$110,870 shall be fully earned by Century upon the execution of this Agreement by the Borrower. The Facility Fee shall be paid by the Borrower to Century on the earlier of (i) the Advance Date, or (ii)

thirty (30) days after the execution of this Agreement by the Borrower.

- Monitoring Fee:** On the last business day of each month during the term of this Loan, the Borrower shall pay to Century a monthly Monitoring Fee of \$1,500.
- Purpose of Loan:** To provide interim financing for the Borrower.
- Interest Rate:** 12% per annum (1.0% per month) (the "**Interest Rate**"), calculated and compounded monthly, not in advance, both before and after maturity and default, to be paid on the dates specified below (being equivalent to an effective rate of 12.6825% per annum). Amounts not paid when due, including all principal, interest, fees and costs payable hereunder, shall bear interest at the rate set out above.
- Term:** Twelve (12) months after the date of the advance of the Loan (the "**Advance Date**") or at Century's option on the occurrence of an Event of Default (as defined herein), whichever first occurs.
- Prepayment / Minimum Interest:** There shall be no prepayment rights of the Loan during the first two (2) months (the "**Minimum Period**") following the Advance Date. In the event that the Borrower does prepay the Loan during the Minimum Period, the minimum interest payable is \$110,870, which is in addition to all other monies then due and owing to Century. The Borrower may prepay the Loan in whole or in part at any time after the first two (2) months following the Advance Date without bonus or penalty provided that with such prepayment, the Borrower pay all interest and other monies then due and owing to Century.
- Repayment:** The Loan shall be repayable as set out below:
- (1) interest on the outstanding balance of the Loan shall be paid by the Borrower to Century on the last business day of each month during the term of the Loan, with the first interest payment due on the last business day of the month of the Advance Date;
 - (2) upon the sale of an item of Century Collateral (as hereinafter defined), the Borrower shall pay to Century, within three (3) days of the Borrower receiving the sale proceeds, the Century appraised value for such item, with the remainder of the proceeds to be for the benefit of the Borrower;
 - (3) the entire Loan amount outstanding (including, without limitation, principal, interest, fees and any costs or charges payable hereunder) plus such

other costs and charges incurred as a result of the Loan shall be repaid on the earlier of:

- i) at the option of the Borrower, to be exercised by written notice to Century ten (10) business days prior to the date of payment, at any time after the first two (2) months following the Advance Date; or
- ii) in any event, twelve (12) months after the Advance Date; or
- iii) the date of demand by Century in the event of the occurrence of an Event of Default under this Agreement or any of the Security set out below.

Rate of Return:

Notwithstanding any provision to the contrary contained in this Agreement, in no event will the aggregate "interest" (as defined in section 347 of the *Criminal Code*, R.S.C. 1985 c. C-46) payable hereunder exceed the effective annual rate of interest on the "credit advanced" (as defined in that section) under this Agreement lawfully permitted under that section and, if any payment, collection or demand pursuant to this Agreement in respect of "interest" (as defined in that section) is determined to be contrary to the provisions of that section, such payment, collection or demand will be deemed to have been made by mutual mistake of the Borrower and Century and the amount of such payment or collection will be refunded to the Borrower. For the purposes of this provision, the effective annual rate of interest will be determined in accordance with generally accepted actuarial practices and principles over the term of the Loan on the basis of annual compounding of the lawfully permitted rate of interest and, in the event of dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by Century will be conclusive for the purposes of such determination.

Century does not intend, and nothing contained in this Agreement or any other document relating hereto shall be deemed, to establish or require the payment of a rate of interest in excess of the maximum rate permitted by applicable law. In the event that Century receives as interest any sum in excess of the amount permitted under applicable law, Century will apply such amount to outstanding principal or, if none is outstanding, return it to the Borrower.

Calculation of Interest:

The parties agree that for the purpose of the Interest Act (Canada):

- (1) the principle of deemed reinvestment of interest shall not apply to any interest calculation under this Agreement, and

- (2) the rates of interest stipulated in this Agreement are intended to be nominal rates and not effective rates or yields.

**Security and
Other Documentation:**

The repayment of the Loan and any other amounts payable hereunder shall be secured by the following documents (the "**Security**"), completed and, where necessary, registered in a form and manner satisfactory to Century and its solicitors:

- (1) Promissory Note issued by the Borrower in the amount of the Gross Loan Amount;
- (2) General Security Agreement from the Borrower (the "**Borrower GSA**") granting a first financial security interest in favour of Century in and to all of the Borrower's present and after acquired real and personal property, and specifically charging the goods, chattels and equipment described in Schedule "A" attached hereto (the "**Century Collateral**");
- (3) Guarantee and postponement of claim granted by each of Duffy Building Corporation and Duffy Holdings Ltd.;
- (4) Guarantee and postponement of claim, limited in principal amount to \$2,726,750, granted by James Patrick Hickey;
- (5) General Security Agreement from each of the Guarantors (collectively, the "**Guarantors' GSAs**") granting a first financial security interest in favour of Century in and to all of the Guarantors' present and after acquired real and personal property;
- (6) Collateral Mortgage granted by Duffy Building Corporation charging the lands located at 10403 – 50 Street SE, Calgary, AB and legally described as Plan 0714070, Block 14, Lot 19 (the "**Lands**"), creating a first financial charge over such Lands;
- (7) Postponement and Subordination Agreements, Discharges or No Interest Letters in a form satisfactory to Century from all parties having prior claims or registered security interests against any of the Century Collateral or the Lands, including, without limitation, Golden Canada Ltd. and the directors of the Borrower;
- (8) All Risks Insurance in respect of the Borrower for full insurable value on the machinery and equipment forming part of the Century Collateral in the minimum amount of \$4,300,000; all risks motor vehicle insurance for all plated vehicles forming part of the Century Collateral in the minimum amount of \$1,300,000; comprehensive general liability insurance in the minimum amount of \$2,000,000 per occurrence; and, insurance on the

building located on the Land, in the minimum amount of \$3,375,000, in each case, with Century named as first loss payee;

- (9) Irrevocable Order and Direction to Pay;
- (10) Officer's Certificate from the Borrower and the corporate Guarantors; and
- (11) such other security documentation as Century may require.

The foregoing Security shall be continuing collateral security for all present and future indebtedness and liability of the Borrower to Century, however incurred, including without limitation all indebtedness and liability of the Borrower to Century under this Agreement.

Conditions:

The right of the Borrower to obtain an advance of the Loan hereunder shall be subject to Century having received:

- (1) the Security documents duly executed;
- (2) confirmation of appropriate registration of all Security with Century in a first priority position with respect to the Century Collateral;
- (3) an opinion from counsel for the Borrower and the Guarantors as to the due authorization, execution and delivery of this Agreement and the Security to which any one or more of the Borrower or the Guarantors is a party, in a form satisfactory to Century, addressed to Century and its solicitors;
- (4) satisfactory search results on each of the Borrower and the Guarantors and their respective assets;
- (5) satisfactory evidence that no governmental or statutory claimants (including, without limitation, employee source deductions, GST), are owed amounts by the Borrower or any of the Guarantors such that they would have a claim or charge against the Century Collateral, which claim or charge could rank in priority to Century's first ranking security interest in the Century Collateral;
- (6) confirmation that all required parties have executed postponement and subordination agreements, discharges, no interest letters or non-disturbance agreements satisfactory to Century;
- (7) evidence satisfactory to Century that all Century Collateral is owned by the Borrower;
- (8) evidence satisfactory to Century that the Lands are legally and beneficially owned by Duffy Building Corporation;
- (9) evidence satisfactory to Century that the Borrower has added serial plates to all injectors and coil tubing reels owned or leased by the Borrower;
- (10) delivery by the Borrower to Century of the Borrower's, Duffy Building Corporation's and Duffy Holdings Ltd.'s constating documents;

- (11) delivery by the Borrower to Century of the Borrower's bank statements for the months ended December 31, 2014, January 31, 2015 and February 28, 2015;
- (12) evidence satisfactory to Century as to the ownership of the Borrower and each of the corporate Guarantors; and
- (13) any other relevant documents as may be required by Century or its solicitors.

Obligation to Advance:

Century shall not be obligated to advance or otherwise make available any funds pursuant to this Agreement unless and until all of the foregoing conditions have been satisfied and all of the foregoing documentation and confirmations have been obtained, in a form and content satisfactory to Century and its solicitors.

Representations and Warranties:

The Borrower and each of the Guarantors jointly and severally represents and warrants that:

- (1) on the date hereof and on the Advance Date, the Century Collateral, charged by the Security, is legally and beneficially owned by the Borrower and the Lands are legally and beneficially owned by Duffy Building Corporation;
- (2) the Century Collateral, the Lands and other assets charged by the Security documents are now, and shall remain during the duration of the Loan, free and clear of all liens (including, without limitation, builders' liens), charges, hypothecs, pledges, mortgages, security interests, title retention agreements, adverse claims, exceptions, reservations, easements, rights of occupation, any matter capable of registration against the Century Collateral or the Lands, options, rights of pre-emption, privilege or any contract to create the foregoing or other encumbrances, save and except for the charges and security interests created by the Security hereunder in favour of Century or as approved or permitted in writing by Century;
- (3) this Agreement and each of the Security documents to which the Borrower is a party is a legal, valid and binding obligation of the Borrower enforceable against it in accordance with its terms;
- (4) this Agreement and each of the Security documents to which any one or more of the Guarantors is a party is a legal, valid and binding obligation of such Guarantor, enforceable against it in accordance with its terms;

- (5) this Agreement and all matters contemplated hereby are not contrary to any contractual or legal restriction, judgment, orders or decrees (including regulatory) binding on the Borrower or any of the Guarantors;
- (6) there are no statutory liens or other claims against the Century Collateral, the Lands or any other assets of the Borrower or any of the Guarantors, including without limitation, any claims by the Canada Revenue Agency, the Director of Employment Standards or the Workers' Compensation Board where the Century Collateral is or may be located;
- (7) the business operations of the Borrower and the Guarantors have been and will continue to be conducted in compliance with all laws of each jurisdiction in which business has been or is carried on;
- (8) the Borrower and all of the Guarantors has obtained all licences and permits required for the operation of its respective business. No proceedings have been commenced or threatened to revoke or amend any of the licences or permits;
- (9) the business operations of the Borrower and the Guarantors have been in compliance with all environmental laws. Neither the Borrower nor any of the Guarantors are aware of any investigation or evaluation commenced or threatened as to whether a remedial order or claim will be issued, nor has any threat or any such remedial order or claim been made. Neither the Borrower nor the Guarantors have been found liable in any proceeding to pay any fine, penalty, damages, amount or judgement to any party as a result of any environmental matter or as a result of the breach of any environmental law in respect of their own operation. Neither the Borrower nor the Guarantors are aware of any hazardous substance being present in, on or under any premises owned, leased or rented by the Borrower or any of the Guarantors; and
- (10) the Borrower is not a charity registered with Canada Revenue Agency.

The Borrower and each of the Guarantors acknowledges that Century is relying on the foregoing representations and warranties in determining to enter into the Loan.

Events of Default:

An Event of Default shall occur if:

- (1) The Borrower or any of the Guarantors fail to pay any amount of principal, interest, fees or other amounts when due hereunder (including, without limitation, such additional Loan repayments as Century may request from time to time pursuant to the terms hereof).
- (2) The Borrower or any of the Guarantors make any representation or warranty which is incorrect in any material respect.
- (3) The Borrower or any of the Guarantors breach any covenant hereunder or under any of the Security documents and such breach of covenant (other than a covenant to pay or a covenant impossible to remedy and in either case no grace or cure period shall apply) continues for 7 days or more after notice to remedy same.
- (4) The Borrower removes any Century Collateral from the Province of Alberta without Century's prior written consent.
- (5) An event of default occurs under any of the Security documents as defined or referenced therein, including, without limitation, the bankruptcy or insolvency of the Borrower or any of the Guarantors, the filing by or against the Borrower or any of the Guarantors of a petition in bankruptcy, the making of an authorized assignment for the benefit of creditors by the Borrower or any of the Guarantors, the appointment of a receiver or trustee for the Borrower or any of the Guarantors, or for any assets of the Borrower or any of the Guarantors or the institution by or against the Borrower or any of the Guarantors of any other type of insolvency proceeding under the Bankruptcy and Insolvency Act (Canada), the Companies' Creditors Arrangement Act (Canada) or otherwise which stays or attempts to stay the rights of Century hereunder or under the Security.
- (6) The Borrower or any of the Guarantors is in material default under any other agreement to which it is a party with Century and such default (other than a covenant to pay or a covenant impossible to remedy and in either case no grace or cure period shall apply) continues for 7 days or more after notice to remedy same.
- (7) Any party commences any action or proceeding against the Borrower or any of the Guarantors which claims an interest in any of the Century Collateral, or which may result in such party having

an interest in or claim against the Century Collateral.

- (8) A judgment in an amount exceeding \$10,000 is entered against the Borrower or any of the Guarantors that is not paid or execution stayed within 10 days of judgment entry.
- (9) In the sole discretionary opinion of Century, it believes that the prospect of payment or performance of any of the Borrower's or the Guarantors' obligations hereunder or under the Security documents is impaired or that any of the Century Collateral is or is about to be placed in jeopardy, or that there has been an adverse change in the financial condition of the Borrower or any of the Guarantors.
- (10) In the sole discretionary opinion of Century, it determines, at any time during the term of the loan, that the value of the Century Collateral falls below 75% of the then outstanding Loan amount.

Upon the occurrence of an Event of Default, Century shall be entitled to declare all or any part of the indebtedness of the Borrower to Century which is not payable on demand to be immediately due and payable, and Century shall be entitled to exercise all remedies available to it at law, including, without limitation, the remedies set out in any of the Security documents which are hereby incorporated herein and form part hereof including, without limitation, the remedies set out in the Borrower GSA and the Guarantors' GSAs, which are hereby incorporated herein and form part hereof.

Default Rate:

Effective upon the occurrence of an Event of Default and for so long as any default is continuing: (i) the Interest Rate shall automatically be increased by an amount equal to three (3) percent per annum (such increased rate, the "**Default Rate**"); and (ii) all amounts not paid when due, including all principal, interest, fees and costs payable hereunder, shall continue to accrue interest from the date of such Event of Default at the Default Rate.

Covenants:

The Borrower and each of the Guarantors shall:

- (1) duly and punctually pay all principal, interest and other amounts when due hereunder;
- (2) comply with all of its covenants as set out herein, in the Security documents and any event of default set out in the Security documents shall constitute an Event of Default under this Agreement;

- (3) maintain satisfactory insurance with respect to the Century Collateral and the Land, as set out above, and shall provide Century with satisfactory evidence showing Century as first loss payee;
- (4) maintain all licences and permits required to conduct their respective business;
- (5) not remove any of the tangible Century Collateral to any jurisdiction other than the Province of Alberta, without the prior written consent of Century;
- (6) not lease or otherwise dispose of any interest in the Century Collateral of the Land without the prior written consent of Century;
- (7) keep and maintain all applicable:
 - (a) Worker's Compensation Board payments;
 - (b) Canada Revenue Agency payments in respect of income tax;
 - (c) Canada Revenue Agency payments (in respect of payroll withholdings and remittances);
 - (d) Canada Revenue Agency payments (in respect of Goods and Services Tax); and
 - (e) all other taxes, assessments, contributions and governmental charges upon or against it or its properties or assets, in good standing;
- (8) within five business days of the last day of a month, commencing in respect of March 2015, provide a monthly officer's certificate to Century in the form attached as Schedule "B" hereto;
- (9) not:
 - (a) change its ownership;
 - (b) permit shareholders to transfer shares;
 - (c) change the effective voting control of the shares (whether by contractual means or otherwise);
 - (d) change the capital structure;
 - (e) change the board of directors or senior management;
 - (f) pledge its assets;
 - (g) acquire or merge with another corporation;
 - (h) declare or pay any dividends on the shares issued by the Borrower;
 - (i) permit any shareholder withdrawals and / or declaration or payment of management bonuses;
 - (j) make loans to, investments in or provide guarantees on behalf of other parties; or
 - (k) remove any serial plates attached to injectors and coil tubing reels owned or leased by the Borrower,

without Century's prior written consent, such consent not to be unreasonably withheld;

- (10) not use the proceeds of the Loan for the benefit or on behalf of any person other than the Borrower;
- (11) provide Century with online banking access (view only) for the Borrower;
- (12) make additional Loan repayments as required by Century from time to time, if, in the sole discretionary opinion of Century, the value of the Century Collateral does not meet or exceed the amount of the Loan outstanding from time to time; and
- (13) if there is an Event of Default, agree to a consent Order Nisi / Order for Sale, in the form requested by Century, with a maximum redemption period of 60 days.

Binding Obligations: The covenants, warranties, representations and obligations of the Borrower and the Guarantors shall be binding on their respective successors (and receivers and trustees to the extent permitted by law) and permitted assigns.

Premises Visits: Century shall have the right to inspect the premises of the Borrower and the Guarantors or the collateral charged by the Security documents at any time and from time to time, upon reasonable notice to the Borrower and the Guarantors.

Evidence of Indebtedness: The Borrower and each of the Guarantors acknowledges that the actual recording of any advance under the Loan and interest, fees and other amounts due under this Agreement in an account of the Borrower maintained by Century in respect thereof and payments made under the Loan in accordance with this Agreement shall constitute, except for manifest error, the Borrower's indebtedness and liability from time to time under this Agreement in respect of such Loan, provided that the failure of Century to record same in such account shall not affect the obligation of the Borrower or the Guarantors to pay or repay such indebtedness and liability in accordance with this Agreement.

Legal and Other Expenses: The Borrower shall pay all legal fees and disbursements of Century (on a solicitor to his own client basis), financial and other advisory fees, disbursements and out of pocket expenses of Century in respect of the Loan including, without limitation, the preparation and issuance of the Commitment Letter dated February 26, 2015, this

Agreement and the Security documents, whether or not the documentation is completed or any funds are advanced under the Loan. The Borrower shall also pay, all legal fees and disbursements of Century (on a solicitor to his own client basis) in connection with the creation, perfection, registration, enforcement or preservation of Century's rights and remedies hereunder or under any of the Security. In addition, upon the occurrence of an Event of Default, Century shall be entitled to recover all its other third party and internal costs (at its regular billing rates) incurred in preserving or enforcing its Security, collecting the outstanding Loan amount, or in administering the Loan.

Confidentiality:

The Borrower and each of the Guarantors shall keep this Agreement confidential and shall not disclose it or provide it to any third parties other than to their employees and their professional advisors on a need to know basis, without the prior consent of Century.

**Lapse and
Cancellation:**

If, in the opinion of Century, a material adverse change in risk occurs at any time with respect to the Borrower or any of the Guarantors or its respective assets, then at the option of Century, this Agreement may be cancelled or any amount of an advance proposed hereunder may be withheld.

**Non Merger and
Non Assignment:**

The terms and conditions of this Agreement shall not be merged by, and shall survive, the execution of the Security documents, and the benefits conferred hereby may not be assigned by the Borrower or any of the Guarantors except as permitted herein.

Waiver:

No consent or waiver by Century, express or implied, to or of any breach or default by the Borrower or any of the Guarantors of its obligations hereunder or under the Security shall be deemed or construed to be a consent or waiver to or of any other breach or default by the Borrower or any of the Guarantors of the same or any other obligations of the Borrower or any of the Guarantors hereunder, or under any of the Security.

Further Assurances:

The Borrower and each of the Guarantors agree to execute and deliver to Century such further assurances and documents as may be necessary to properly carry out the intention of this Agreement.

Assignment:

Neither the Borrower nor any of the Guarantors may assign this Agreement except as permitted herein. This Agreement and the Security may be assigned by Century.

- Credit Reports:** The Borrower and each of the Guarantors authorizes Century to obtain any background information concerning the above (including credit reports) as Century may deem necessary or advisable.
- General:** Time is of the essence.
- Governing Law:** This Agreement shall be governed by the laws of the Province of Alberta, and of Canada applicable therein, without giving effect to conflicts of laws principles that would require the application of the laws of any other jurisdiction. The parties irrevocably and unconditionally submit and attorn to the non-exclusive jurisdiction of the courts of the Province of Alberta and all courts competent to hear appeals therefrom.
- Severability:** If any provisions of this Agreement are determined to be invalid or unenforceable by a Court of competent jurisdiction from which no further appeal lies or is taken, that provision shall be deemed to be severed herefrom and the remaining provisions of this Agreement shall not be affected thereby and shall remain valid and enforceable.
- Facsimile:** Facsimile, pdf and other electronic documents pertaining to this transaction are to be considered and treated the same as originally executed documents.
- No Oral Agreements:** This written Agreement has been the subject of negotiation among the parties hereto and is the final expression of agreement among the Borrower, the Guarantors and Century with respect to the matters contained herein and may not be contradicted by evidence of any prior oral agreement or of a contemporaneous oral agreement among or between the Borrower or Century. Any amendment to this Agreement must be in writing executed by each of the parties hereto.

{ Remainder of page intentionally left blank }

We trust you will find the foregoing satisfactory for your purposes. This offer supercedes and replaces all prior offers or commitments with respect to this particular loan. This offer may only be accepted by signing, dating and returning the enclosed duplicate copy of this letter via facsimile (with an original to follow in due course) on or before 5:00 p.m. on March 9, 2015 to our Calgary office, Attention: Steve Dizap at (403) 294-9409, which acceptance will confirm your agreement with the foregoing terms and conditions.

Yours truly,

CENTURY SERVICES LP, by its general partner, CENTURY SERVICES INC.

Per:  _____

The undersigned hereby accepts, acknowledges and agrees to the foregoing this _____ day of _____, 2015.

BORROWER

CHRIS MECHANICAL SERVICES LTD.

Per: _____

Per: _____

GUARANTORS

DUFFY BUILDING CORPORATION

Per: _____

Per: _____

DUFFY HOLDINGS LTD.

Per: _____

Per: _____

WITNESS

JAMES PATRICK HICKEY

We trust you will find the foregoing satisfactory for your purposes. This offer supercedes and replaces all prior offers or commitments with respect to this particular loan. This offer may only be accepted by signing, dating and returning the enclosed duplicate copy of this letter via facsimile (with an original to follow in due course) on or before 5:00 p.m. on March 9, 2015 to our Calgary office, Attention: Steve Dizap at (403) 294-9409, which acceptance will confirm your agreement with the foregoing terms and conditions.

Yours truly,

CENTURY SERVICES LP, by its general partner, CENTURY SERVICES INC.

Per: _____

The undersigned hereby accepts, acknowledges and agrees to the foregoing this _____ day of _____, 2015.

BORROWER

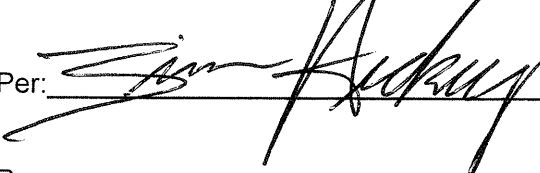
CHRIS MECHANICAL SERVICES LTD.

Per: 

Per: _____

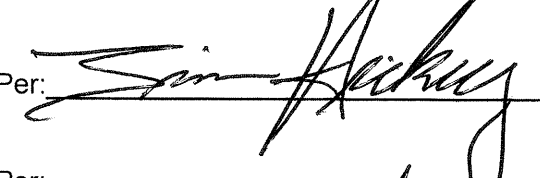
GUARANTORS

DUFFY BUILDING CORPORATION

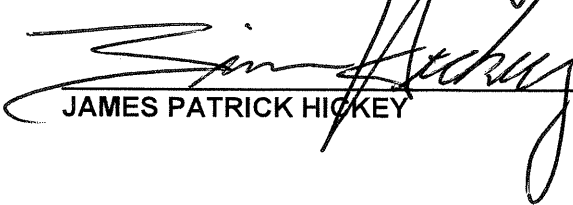
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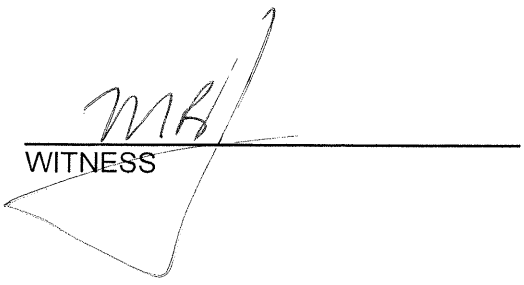
Per: _____

DUFFY HOLDINGS LTD.

Per: 

Per: _____


JAMES PATRICK HICKEY


WITNESS

SCHEDULE "A"

CENTURY COLLATERAL

All present and after-acquired personal property including, without limitation, the following:

VIN/SN	Description
4P5DE2023?055158 (part of SN is obliterated)	2003 PJ tandem axle flat deck utility trailer Beavertail with ramps.
Y1065-0167-8952FB	Clark "GPH70" 15,500lbs capacity forklift 2-Stage mast. Side shift. Dual fuel. Dual wheels. Showing 6,204 hours.
1M2K197C87M036298	2007 Flushby Unit 2007 Mack tilt cab. Twin steer. Single or double reel capacity. Crane. Tank. Control panel. Quick connect hydraulics. Hydraulic tool changer. P2 style pumping system. Knuckle boom. Sask CVIP expired 2013.
1NP-FXBEX-4-7D686482	Conventional coiled tubing unit
2PLCO47357BF12840 (Trailer SN)	2006 or 2007 Peterbuilt "378" tridem tractor. Cat "C15" engine. 18 speed transmission. Wet kit. 2006 Peerless tridem trailer. Hydraulically lifted control cab. Showing 166,472kms. CVIP expired 04/14.
1XP-FDB0X-7-7N675721	Intermediated coiled tubing unit
2PLC046397BF13197 (Trailer SN)	2006 or 2007 Peterbuilt "378" tandem axle tractor. Cat "C15" engine. 18 speed transmission. Wet kit. 2006 Peerless tridem trailer. Hydraulically lifted control cab. National "600E" crane. Showing 135,910km and 10,326 hours. CVIP for both expired 06/14.
1M2K197CX5M027731	2004 Flushby unit

2005 Mack tilt cab. Twin steer. Single or double reel capacity. HIAB "033T" crane. Hurricane "903-85" compressor. Tank. Control panel. Quick connect hydraulics. Hydraulic tool changer. P2 style pumping system. Knuckle boom. Sask CVIP expired 2012.

A3EC240357

Cat "EC20K" 4,000lbs capacity forklift

Digital scale. 3-stage mast. Side shift. Cushion tires. Charger. Showing 7,540 hours.

SCHEDULE "B"

OFFICER'S CERTIFICATE

I, _____, President of **Chris Mechanical Services Ltd.** (the "**Borrower**"), recognizing that CENTURY SERVICES LP ("**Century**") is relying on this certificate in extending or continuing to extend certain credit and financial accommodations to the Borrower, hereby certify the following:

1. That I have care and control of the corporate records of the Borrower and as such have knowledge of the matters hereinafter certified to.
2. That I am authorized to execute and deliver this Officer's Certificate for and on behalf of the Borrower.
3. I am familiar with and have examined the provisions of the letter loan agreement (the "Agreement") dated March 2, 2015, between Century, the Borrower, and Duffy Building Corporation, Duffy Holdings Ltd. and James Patrick Hickey, the Guarantors, and have made reasonable investigations of corporate records and inquiries of other officers and senior personnel of the Borrower and the Guarantors. Terms defined in the Agreement have the same meanings when used in this Officer's Certificate.
4. The representations and warranties of the Borrower and the Guarantors contained in the Agreement are true and correct.
5. No event or circumstance has occurred which constitutes or which, with the giving of notice, lapse of time, or both, would constitute an Event of Default under the Agreement and there is no reason to believe that during the next month, any such event or circumstance will occur.
6. The Borrower is duly organized, validly subsisting and in good standing under the laws of the Province of Alberta and under the laws of each jurisdiction in which it presently conducts business.
7. There are no actions, suits or proceedings pending or threatened against or affecting the Borrower or any of the Guarantors before any court or before any federal, provincial, municipal or other governmental authority, commission, board, bureau, agency or instrumentality which may result in any material liability on the part of the Borrower or any of the Guarantors, or in any material adverse change in the business, operations, properties and assets of the Borrower or any of the Guarantors, or that may result in the creation of any lien, charge or encumbrance on any of the property or assets of the Borrower or any of the Guarantors; and neither the Borrower nor the Guarantors are in default with respect to any order, writ, injunction or decree of any court or any federal, provincial, municipal or other governmental authority, commission, board, bureau, agency or instrumentality.
8. Neither the Borrower nor any of the Guarantors are in default under any agreement or instrument to which it is a party or by which it may be bound.
9. There exists no lien, charge or encumbrance upon any of the properties or assets of the Borrower or the Guarantors which rank or purport to rank in priority to, subordinate to or pari passu with the mortgage, assignment and security interests granted to Century by the Borrower

pursuant to the terms of the General Security Agreement dated _____, 2015 with respect to the "Century Collateral" (as defined in the Loan Agreement).

10. From ● to ●, being the immediately preceding month, the Borrower has made the following payments to these respective parties:

- (a) Worker's Compensation Insurance Carrier \$ _____
- (b) Canada Revenue Agency (re Income Tax) \$ _____
- (c) Canada Revenue Agency (re Payroll Withholdings and Remittances) \$ _____
- (d) Canada Revenue Agency (re Goods and Services Tax) \$ _____
- (e) [Other] _____ \$ _____

Attached hereto is evidence disclosing how each of these amounts has been determined and that each of these amounts has been paid. The Borrower is in good standing in respect of its payments due all taxes, assessments, contributions and governmental charges upon or against it or its properties or assets.

11. No event has occurred and is continuing which would constitute an Event of Default hereunder or under any of the Security (as defined in the Agreement).

12. The chief executive office of the Borrower is located in the Province of Alberta at:

10403 – 50 Street SE
Calgary, AB T2C 3E3

13. Attached as Schedule "A" hereto is the monthly internally prepared financial statement for the Borrower for the immediately preceding month.

14. Attached as Schedule "B" hereto is the monthly accounts receivable / accounts payable listing for the Borrower for the immediately preceding month.

15. I am providing this certificate in my capacity as an officer of the Borrower and not in my personal capacity.

IN WITNESS WHEREOF I have hereunto signed my name affixed as of this _____ day of _____, 2015.

EXHIBIT

E

This is Exhibit "E" referred to
in the Affidavit of Josh Coonan
Sworn before me this 16 day of December, 2015


Commissioner for Oaths
In and for the Province of Alberta

ISABELLE GAGNE
A Commissioner for Oaths in and for Alberta
My Commission Expires on April 18, 2017

GENERAL SECURITY AGREEMENT

1. SECURITY INTEREST

- (a) For value received, the undersigned ("**Debtor**") hereby grants to Century Services LP ("**Century**") a security interest, mortgage and charge (hereinafter collectively referred to as the "**Security Interest**") as hereinafter provided:
- (i) a security interest in the undertaking of Debtor and all of Debtor's present and after acquired personal property including, without limitation, all Goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, Money and Investment Property now owned or hereafter owned or acquired by or on behalf of Debtor (including such as may be returned to or repossessed by Debtor) and including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of Debtor:
- A. all Inventory of whatever kind and wherever situate;
 - B. all equipment (other than Inventory) of whatever kind and wherever situate, including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles of whatsoever nature or kind;
 - C. all Accounts and book debts and generally all debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured and whether arising in connection with an interest in real or personal property or otherwise, including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by Debtor (collectively referred to as the "**Debts**");
 - D. all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
 - E. all contractual rights and insurance claims; and
 - F. all patents, industrial designs, trade-marks, trade secrets and know-how, including without limitation, environmental technology and biotechnology, confidential information, trade-names, goodwill, copyrights, personality rights, integrated circuit topographies, software and all other forms of intellectual and industrial property, and any registrations and applications for registration of any of the foregoing (collectively referred to as "**Intellectual Property**");
- (ii) a mortgage and charge as and by way of a floating charge, in all of Debtor's present and after acquired interest in property, assets and

undertaking not secured in (i) above, including all real, immovable and leasehold property and all easements, rights-of-way, privileges, benefits, licences, improvements and rights whether connected therewith or appurtenant thereto or separately owned or held, including without limitation, all structures, plants and other fixtures now owned or hereafter owned or acquired by or on behalf of Debtor (collectively referred to as "**Real Property**"); and

(iii) a security interest in all property described in Schedule "C" annexed hereto or any replacement or additional Schedule "C" now or hereafter annexed hereto; and

(iv) a Security Interest in all proceeds and renewals thereof, accretions thereto and substitutions therefor, all of the foregoing being hereinafter collectively referred to as the "**Collateral**".

(b) The Security Interest granted hereby shall not extend or apply to, and Collateral shall not include, the last day of the term of any lease or agreement therefor, but upon the enforcement of the Security Interest, Debtor shall stand possessed of such last day in trust to assign the same to any person acquiring such term.

(c) The terms "Goods", "Chattel Paper", "Document of Title", "Instrument", "Intangible", "Investment Property", "proceeds", "Inventory", "equipment", "accessions", "Money", "Account", "financing statement" and "financing change statement" whenever used herein shall be interpreted pursuant to their respective meanings when used in The *Personal Property Security Act* of the province where the herein mentioned office of the Debtor is located, which Act, including amendments thereto and any Act substituted therefor and amendments thereto is herein referred to as the "P.P.S.A.". Provided always that the term "Goods" when used herein shall not include "consumer goods" of Debtor as that term is defined in the P.P.S.A. and the term "Inventory" when used herein shall include livestock and the young thereof after conception and crops that become such during the term of this Security Agreement. Any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof".

2. INDEBTEDNESS SECURED

The Security Interest granted hereby secures payment and performance of any and all obligations, indebtedness and liability of Debtor to Century (including interest thereon) present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether Debtor be bound alone or with another or others and whether as principal or surety (collectively referred to as the "**Indebtedness**"). If the Security Interest in the Collateral is not sufficient, in the event of default, to satisfy all Indebtedness of Debtor, Debtor acknowledges and agrees that Debtor shall continue to be liable for any Indebtedness remaining outstanding and Century shall be entitled to pursue full payment thereof.

3. REPRESENTATIONS AND WARRANTIES OF DEBTOR

Debtor represents and warrants, and so long as this General Security Agreement remains in effect shall be deemed to continuously represent and warrant that:

- (a) the Collateral is genuine and owned by Debtor free of all security interests, mortgages, liens, claims, charges, licences, leases, infringements by third parties, encumbrances or other adverse claims or interests (collectively referred to as the "**Encumbrances**"), save for the Security Interest and those Encumbrances shown on Schedule "A" annexed hereto or hereafter approved in writing by Century prior to their creation or assumption;
- (b) all Intellectual Property applications and registrations are valid and in good standing and Debtor is the owner of the applications and registrations;
- (c) each Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "**Account Debtor**"), and the amount represented by Debtor to Century from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount actually and unconditionally owing by such Account Debtor or Account Debtors, except for normal cash discounts where applicable, and no Account Debtor will have any defence, set off, claim or counterclaim against Debtor which can be asserted against Century, whether in any proceeding to enforce Collateral or otherwise;
- (d) the locations specified in Schedule "B" annexed hereto as to business operations and records are accurate and complete and with respect to Real Property and Goods (including Inventory) constituting Collateral, the locations specified in Schedule "B" are accurate and complete save for Goods in transit to such locations and Inventory on lease or consignment; and all buildings, fixtures or Goods about to become fixtures, and all oil, gas or other minerals to be extracted and all timber to be cut which forms part of the Collateral will be situate at one of such locations;
- (e) Debtor has disclosed to Century all environmental and other matters which could have a material effect on the financial condition or operations of Debtor; and
- (f) the execution, delivery and performance of the obligations under this General Security Agreement and the creation of any security interest in or assignment hereunder of Debtor's rights in the Collateral to Century will not result in a breach of the constating documents or by-laws of the Debtor, or any agreement to which Debtor is a party.

4. COVENANTS OF THE DEBTOR

So long as this General Security Agreement remains in effect, Debtor covenants and agrees:

- (a) to defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to diligently initiate and prosecute legal action against all infringers of Debtor's rights in Intellectual Property; to take all reasonable action to keep the Collateral free from all Encumbrances, except for the Security Interest, licences which are compulsory under federal or provincial

legislation and those shown in Schedule "A" or hereafter approved in writing by Century, prior to their creation or assumption; and not to sell, exchange, transfer, assign, lease, license or otherwise dispose of Collateral or any interest therein without the prior written consent of Century; provided always that, until default, Debtor may, in the ordinary course of Debtor's business, sell or lease Inventory and, subject to Clause 7 hereof, use Money available to Debtor;

- (b) to notify Century promptly of:
 - (i) any change in the information contained herein or in the Schedules hereto relating to Debtor, Debtor's business or Collateral;
 - (ii) the details of any significant acquisition of Collateral;
 - (iii) the details of any claims or litigation affecting Debtor or Collateral;
 - (iv) any loss or damage to Collateral;
 - (v) any default by any Account Debtor in payment or other performance of its obligations with respect to Collateral; and
 - (vi) the return to or repossession by Debtor of Collateral;
- (c) to keep Collateral in good order, condition and repair and not to use Collateral in violation of the provisions of this General Security Agreement or any other agreement relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance; to keep all agreements, registrations and applications relating to Intellectual Property and intellectual property used by Debtor in its business in good standing and to renew all agreements and registrations as may be necessary or desirable to protect Intellectual Property, unless otherwise agreed in writing, by Century; to apply to register all existing and future copyrights, trade-marks, patents, integrated circuit topographies and industrial designs whenever it is commercially reasonable to do so;
- (d) to do, execute, acknowledge and deliver such financing statements, financing change statements and further assignments, transfers, caveats, mortgages, notices, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by Century of or with respect to Collateral in order to give effect to these presents and to pay all costs for searches and filings in connection therewith;
- (e) to pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of Debtor or Collateral as and when the same become due and payable;
- (f) to insure Collateral for such periods, in such amounts, on such terms and against loss or damage by fire and such other risks as Century shall reasonably direct with loss payable to Century and Debtor, as insureds, as their respective interests may appear, and to pay all premiums therefor;

- (g) to prevent Collateral, save Inventory sold or leased as permitted hereby, from being or becoming an accession to other property not covered by this General Security Agreement;
- (h) to carry on and conduct the business of Debtor in accordance with all applicable laws, in a proper and efficient manner and so as to protect and preserve Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such records and Collateral at Century's request so as to indicate the Security Interest; and
- (i) to deliver to Century from time to time promptly upon request:
 - (i) any Documents of Title, Instruments, Investment Property, Chattel Paper and duplicate certificates of title to Real Property constituting, representing or relating to Collateral;
 - (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to Collateral for the purpose of inspecting, auditing or copying the same;
 - (iii) all financial statements prepared by or for Debtor regarding Debtor's business;
 - (iv) all policies and certificates of insurance relating to Collateral; and
 - (v) such information concerning Collateral, Debtor and Debtor's business and affairs as Century may reasonably request.

5. USE AND VERIFICATION OF COLLATERAL

Subject to compliance with Debtor's covenants contained herein and Clause 7 hereof, Debtor may, until default, possess, operate, collect, use and enjoy and deal with Collateral in the ordinary course of Debtor's business in any manner not inconsistent with the provisions hereof; provided always that Century shall have the right at any time and from time to time to verify compliance by Debtor with Debtor's obligations under this General Security Agreement (including through inquiries with governmental agencies) and the existence and state of the Collateral in any manner Century may consider appropriate and Debtor agrees to furnish all assistance and information and to perform all such acts as Century may reasonably request in connection therewith and for such purpose to grant to Century or its agents access to all places where Collateral may be located and to all premises occupied by Debtor.

6. INVESTMENT PROPERTY

If Collateral at any time includes Investment Property, Debtor authorizes Century to transfer the same or any part thereof into its own name or that of its nominee(s) so that Century or its nominee(s) may appear of record as the sole owner thereof; provided that, until default, Century shall deliver promptly to Debtor all notices or other communications received by it or its nominee(s) as such registered owner and, upon demand and receipt of payment of any necessary expenses thereof, shall issue to Debtor or its order a proxy to vote and take all action with respect to such Investment Property. After default, Debtor waives all rights to receive any

notices or communications received by Century or its nominee(s) as such registered owner and agrees that no proxy issued by Century to Debtor or its order as aforesaid shall thereafter be effective.

7. COLLECTION OF DEBTS

Before or after default under this General Security Agreement, Century may notify all or any Account Debtors of the Security Interest and may also direct such Account Debtors to make all payments on Collateral to Century. Debtor acknowledges that any payments on or other proceeds of Collateral received by Debtor from Account Debtors, whether before or after notification of this Security Interest to Account Debtors and whether before or after default under this General Security Agreement shall be received and held by Debtor in trust for Century and shall be turned over to Century upon request.

8. INCOME FROM AND INTEREST ON COLLATERAL

- (a) Until default, Debtor reserves the right to receive any Money constituting income from or interest on Collateral and if Century receives any such Money prior to default, Century shall either credit the same against the Indebtedness or pay the same promptly to Debtor.
- (b) After default, Debtor will not request or receive any Money constituting income from or interest on Collateral and if Debtor receives any such Money without any request by it, Debtor will pay the same promptly to Century.

9. INCREASES, PROFITS, PAYMENTS OR DISTRIBUTIONS

- (a) Whether or not default has occurred, Debtor authorizes Century:
 - (i) to receive any increase in or profits on Collateral (other than Money) and to hold the same as part of Collateral. Money so received shall be treated as income for the purposes of Clause 8 hereof and dealt with accordingly; and
 - (ii) to receive any payment or distribution upon redemption or retirement or upon dissolution and liquidation of the issuer of Collateral; to surrender such Collateral in exchange therefor; and to hold any such payment or distribution as part of Collateral.
- (b) If Debtor receives any such increase or profits (other than Money) or payments or distributions, Debtor will deliver the same promptly to Century to be held by Century as herein provided.

10. DISPOSITION OF MONEY

Subject to any applicable requirements of the P.P.S.A. or other applicable law, all Money collected or received by Century pursuant to or in exercise of any right it possesses with respect to Collateral shall be applied on account of Indebtedness in such manner as Century deems best or, at the option of Century, may be held unappropriated in a collateral account or released to Debtor, all without prejudice to the liability of Debtor or the rights of Century hereunder, and any surplus shall be accounted for as required by law.

11. EVENTS OF DEFAULT

The happening of any of the following events or conditions shall constitute default hereunder which is herein referred to as "default":

- (a) nonpayment when due, whether by acceleration or otherwise, of any principal or interest forming part of Indebtedness or the failure of Debtor to observe or perform any obligation, covenant, term, provision or condition contained in this General Security Agreement or any other agreement between Debtor and Century;
- (b) the death of or a declaration of incompetency by a court of competent jurisdiction with respect to Debtor, if an individual;
- (c) the bankruptcy or insolvency of Debtor; the filing against Debtor of a petition in bankruptcy; the making of an authorized assignment for the benefit of creditors by Debtor; the appointment of a receiver or trustee for Debtor or for any assets of Debtor or the institution by or against Debtor of any other type of insolvency proceeding under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or otherwise;
- (d) the institution by or against Debtor of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of Debtor;
- (e) if any Encumbrance affecting Collateral becomes enforceable against Collateral;
- (f) if Debtor ceases or threatens to cease to carry on business or makes or agrees to make a sale of a substantial portion of Debtor's assets or commits or threatens to commit an act of bankruptcy;
- (g) if any execution, sequestration, extent or other process of any court becomes enforceable against Debtor or if a distress or analogous process is levied upon the assets of Debtor or any part thereof; and
- (h) if any certificate, statement, representation, warranty or audit report heretofore or hereafter furnished by or on behalf of Debtor pursuant to or in connection with this General Security Agreement or otherwise (including, without limitation, the representations and warranties contained herein) or as an inducement to Century to extend any credit to or to enter into this or any other agreement with Debtor, proves to have been false in any material respect at the time as of which the facts therein set forth were stated or certified, or proves to have omitted any substantial contingent or unliquidated liability or claim against Debtor; or if upon the date of execution of this General Security Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty or audit report, which change shall not have been disclosed to Century at or prior to the time of such execution.

12. ACCELERATION

Century, in its sole discretion, may declare all or any part of Indebtedness which is not by its terms payable on demand to be immediately due and payable, without demand or notice of any kind, in the event of default, or, if Century considers itself insecure or that the Collateral is in jeopardy. The provisions of this clause are not intended in any way to affect any rights of Century with respect to any Indebtedness which may now or hereafter be payable on demand.

13. REMEDIES

- (a) Upon default, Century may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of Century or not, to be a receiver or receivers (hereinafter called a "Receiver", which term when used herein shall include a receiver and manager) of Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in its stead. Any such Receiver shall, so far as concerns responsibility for its acts, be deemed the agent of Debtor and not Century, and Century shall not be in any way responsible for any misconduct, negligence or non-feasance on the part of any such Receiver, its servants, agents or employees. Subject to the provisions of the instrument appointing it, any such Receiver shall have power to take possession of Collateral, to preserve Collateral or its value, to carry on or concur in carrying on all or any part of the business of Debtor and to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including Debtor, enter upon, use and occupy all premises owned or occupied by Debtor constituting Collateral or wherein Collateral may be situate, maintain Collateral upon such premises, borrow money on a secured or unsecured basis and use Collateral directly in carrying on Debtor's business or as security for loans or advances to enable the Receiver to carry on Debtor's business or otherwise, as such Receiver shall, in its discretion, determine. Except as may be otherwise directed by Century, all Money received from time to time by such Receiver in carrying out its appointment shall be received in trust for and paid over to Century. Every such Receiver may, in the discretion of Century, be vested with all or any of the rights and powers of Century.
- (b) Upon default, Century may, either directly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing sub-clause (a).
- (c) Century may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, Century may sell, lease, license or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to Century may seem reasonable.
- (d) In addition to those rights granted herein and in any other agreement now or hereafter in effect between Debtor and Century and in addition to any other rights Century may have at law or in equity, Century shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. provided always, that Century shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease, license or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, Century shall have no obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper or prior encumbrancers on any Real Property whether Collateral or proceeds and whether or not in Century's possession and shall not be liable or accountable for failure to do so.

- (e) Debtor acknowledges that Century or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and Debtor agrees upon request from Century or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed.
- (f) Debtor agrees to be liable for and to pay all costs, charges and expenses incurred by Century or any Receiver or agent appointed by it, whether directly or for services rendered (including solicitors costs on a solicitor and his own client basis and auditors costs and other legal expenses and Receiver and agent remuneration), in operating Debtor's accounts, preparing or enforcing this General Security Agreement, inspecting and determining the state of the Collateral, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting Indebtedness and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by Century or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.
- (g) Century will give Debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made as may be required by the P.P.S.A. or other applicable law.
- (h) Upon default and receiving written demand from Century, Debtor shall take such further action as may be necessary to evidence and effect an assignment or licensing of Intellectual Property to whomever Century directs, including to Century. Debtor appoints any officer or director or branch manager of Century upon default to be its attorney in accordance with applicable legislation with full power of substitution and to do on Debtor's behalf anything that is required to assign, license or transfer, and to record any assignment, licence or transfer of the Collateral. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.

14. MISCELLANEOUS

- (a) Debtor hereby authorizes Century to file such financing statements, financing change statements, caveats, mortgages, forms, security notices and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any permitted Encumbrances affecting Collateral or identifying the locations at which Debtor's business is carried on and Collateral and records relating thereto are situate) as Century may deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest and Debtor hereby irrevocably constitutes and appoints any officer of Century the true and lawful attorney of Debtor, with full power of substitution, to do any of the foregoing in the name of Debtor whenever and wherever it may be deemed necessary or expedient.
- (b) Without limiting any other right of Century, whenever Indebtedness is immediately due and payable or Century has the right to declare Indebtedness to be immediately due and payable (whether or not it has so declared), Century may, in its sole discretion, set off against Indebtedness any and all amounts then owed to Debtor by Century in any capacity, whether or not due, and Century

shall be deemed to have exercised such right to set off immediately at the time of making its decision to do so even though any charge therefor is made or entered on Century's records subsequent thereto.

- (c) Upon Debtor's failure to perform any of its duties hereunder, Century may, but shall not be obligated to, perform any or all of such duties, and Debtor shall pay to Century, forthwith upon written demand therefor, an amount equal to the expense incurred by Century in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate of 24% per annum.
- (d) Century may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with Debtor, debtors of Debtor, sureties and others and with Collateral and other security as Century may see fit without prejudice to the liability of Debtor or Century's right to hold and realize the Security Interest. Furthermore, Century may demand, collect and sue on Collateral in either Debtor's or Century's name, at Century's option, and may endorse Debtor's name on any and all cheques, commercial paper, and any other Instruments pertaining to or constituting Collateral.
- (e) No delay or omission by Century in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, Century may remedy any default by Debtor hereunder or with respect to any Indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by Debtor. All rights and remedies of Century granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.
- (f) Debtor waives protest of any Instrument constituting Collateral at any time held by Century on which Debtor is in any way liable and, subject to Clause 13 (g) hereof, notice of any other action taken by Century.
- (g) This General Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns. In any action brought by an assignee of this General Security Agreement and the Security Interest or any part thereof to enforce any rights hereunder, Debtor shall not assert against the assignee any claim or defence which Debtor now has or hereafter may have against Century. If more than one Debtor executes this General Security Agreement the obligations of such Debtors hereunder shall be joint and several and, unless the context otherwise requires, a reference to "Debtor" herein shall be deemed to be a reference to each of the undersigned.
- (h) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this General Security Agreement shall be made except by a written agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.

- (i) Subject to the requirements of Clauses 13 (g) and 14 (j) hereof, whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given, in the case of Century, if delivered to it or sent by prepaid registered mail addressed to it at its address herein set forth or as changed pursuant hereto and, in the case of Debtor, if delivered to it or if sent by prepaid registered mail addressed to it at its last address known to Century. Either party may notify the other pursuant hereto of any change in such party's principal address to be used for the purposes hereof.
- (j) This General Security Agreement and the security afforded hereby is in addition to and not in substitution for any other security now or hereafter held by Century and is intended to be a continuing Security Agreement.
- (k) The headings used in this General Security Agreement are for convenience only and are not to be considered a part of this General Security Agreement and do not in any way limit or amplify the terms and provisions of this General Security Agreement.
- (l) When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.
- (m) In the event any provisions of this General Security Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this General Security Agreement shall remain in full force and effect.
- (n) Nothing herein contained shall in any way obligate Century to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute Indebtedness.
- (o) The Security Interest created hereby is intended to attach when this General Security Agreement is signed by Debtor and delivered to Century.
- (p) Debtor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Debtor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby:
 - (i) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating companies and the amalgamated company at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated company; and
 - (ii) shall secure the "Indebtedness" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to Century at the time of amalgamation and any "Indebtedness" of the amalgamated company to Century thereafter arising.

The Security Interest shall attach to "Collateral" owned by each company amalgamating with Debtor, and by the amalgamated company, at the time of amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated company when such becomes owned or is acquired.

- (q) In the event that Debtor is a body corporate, it is hereby agreed that *The Limitation of Civil Rights Act* of the Province of Saskatchewan, or any provision thereof, shall have no application to this General Security Agreement or any agreement or instrument renewing or extending or collateral to this General Security Agreement. In the event that Debtor is an agricultural corporation within the meaning of *The Saskatchewan Farm Security Act*, Debtor agrees with Century that all of Part IV (other than Section 46) of that Act shall not apply to Debtor.
- (r) This General Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the province where the herein mentioned office of the Debtor is located including, where applicable, the P.P.S.A. and the *Land Titles Act* (Alberta).

15. **COPY OF AGREEMENT AND FINANCING STATEMENT**

- (a) Debtor hereby acknowledges receipt of a copy of this General Security Agreement.
- (b) Debtor waives Debtor's right to receive a copy of any financing statement or financing change statement registered by Century or any verification statement pertaining to a registration by Century.

16. **CENTURY OFFICE ADDRESS:**

#310, 318 – 11th Avenue S.E., Calgary, Alberta T2G 0Y2

17. **NAME AND ADDRESS OF DEBTOR**

Debtor represents and warrants that the following information is accurate:

NAME OF BUSINESS DEBTOR	TELEPHONE NUMBER	FAX NUMBER	
CHRIS MECHANICAL SERVICES LTD.	403-279-5655	403-279-6997	
ADDRESS OF BUSINESS DEBTOR	CITY	PROVINCE	POSTAL CODE
10403 – 50 Street SE	Calgary	AB	T2C 3E3

IN WITNESS WHEREOF Debtor has executed this General Security Agreement as of
the 4 day of March, 2015.

CHRIS MECHANICAL SERVICES LTD.

Per:  c/s
Name:
Title:

SCHEDULE "A"

(ENCUMBRANCES AFFECTING COLLATERAL)

NIL.

SCHEDULE "B"

1. Locations of Debtor's Business Operations

10403 – 50 Street SE
Calgary, AB T2C 3E3

2. Locations of Records relating to Collateral

Same as above

3. Locations of Collateral

Same as above.

SCHEDULE "C"

(DESCRIPTION OF PROPERTY)

All present and after-acquired personal property including, without limitation, the following:

VIN/SN	Description
4P5DE2023?055158 <small>(part of SN is obliterated)</small>	2003 PJ tandem axle flat deck utility trailer Beavertail with ramps.
Y1065-0167-8952FB	Clark "GPH70" 15,500lbs capacity forklift 2-Stage mast. Side shift. Dual fuel. Dual wheels. Showing 6,204 hours.
1M2K197C87M036298	2007 Flushby Unit 2007 Mack tilt cab. Twin steer. Single or double reel capacity. Crane. Tank. Control panel. Quick connect hydraulics. Hydraulic tool changer. P2 style pumping system. Knuckle boom. Sask CVIP expired 2013.
1NP-FXBEX-4-7D686482	Conventional coiled tubing unit
2PLCO47357BF12840 <small>(Trailer SN)</small>	2006 or 2007 Peterbuilt "378" tridem tractor. Cat "C15" engine. 18 speed transmission. Wet kit. 2006 Peerless tridem trailer. Hydraulically lifted control cab. Showing 166,472kms. CVIP expired 04/14.
1XP-FDB0X-7-7N675721	Intermediated coiled tubing unit
2PLCO46397BF13197 <small>(Trailer SN)</small>	2006 or 2007 Peterbuilt "378" tandem axle tractor. Cat "C15" engine. 18 speed transmission. Wet kit. 2006 Peerless tridem trailer. Hydraulically lifted control cab. National "600E" crane. Showing 135,910km and 10,326 hours. CVIP for both expired 06/14.

1M2K197CX5M027731 2004 Flushby unit

2005 Mack tilt cab. Twin steer. Single or double reel capacity. HIAB "033T" crane. Hurricane "903-85" compressor. Tank. Control panel. Quick connect hydraulics. Hydraulic tool changer. P2 style pumping system. Knuckle boom. Sask CVIP expired 2012.

A3EC240357 Cat "EC20K" 4,000lbs capacity forklift

Digital scale. 3-stage mast. Side shift. Cushion tires. Charger. Showing 7,540 hours.

EXHIBIT

F

This is Exhibit "F" referred to
in the Affidavit of Josh Coonan
Sworn before me this 16 day of December, 2015

A handwritten signature in cursive script, reading "Isabelle Gagne", written over a horizontal line.

Commissioner for Oaths
In and for the Province of Alberta

ISABELLE GAGNE
A Commissioner for Oaths in and for Alberta
My Commission Expires on April 18, 2017

PROMISSORY NOTE

March 4th, 2015

\$5,543,500

For value received, **CHRIS MECHANICAL SERVICES LTD.**, being the undersigned, promises to pay **CENTURY SERVICES LP** or order at Suite 310, 318 - 11th Avenue S.E., Calgary, Alberta, T2G 0Y2, on demand and in accordance with the Credit Agreement (defined below), the sum of **FIVE MILLION FIVE HUNDRED FORTY-THREE THOUSAND FIVE HUNDRED DOLLARS (\$5,543,500)** (the "Principal Sum"), in lawful money of Canada, together with interest on the Principal Sum outstanding from time to time from the date noted above as per the terms of the Loan Agreement dated March 2, 2015 between Century Services LP, as lender, and Chris Mechanical Services Ltd., as borrower, and Duffy Building Corporation, Duffy Holdings Ltd. and James Patrick Hickey, as guarantors, as same may be amended from time to time. Payments shall be made at the office of Century Services LP, by its general partner, Century Services Inc., set out above. Presentment, protest, notice of protest and notice of dishonour are hereby waived.

This Promissory Note shall be governed by the laws of the Province of Alberta.

CHRIS MECHANICAL SERVICES LTD.

Per:  c/s
Name:
Title:

EXHIBIT

G

This is Exhibit "G" referred to
in the Affidavit of Josh Coonan
Sworn before me this 16 day of December, 2015

A handwritten signature in cursive script, reading "Isabelle Gagne", written over a horizontal line.

Commissioner for Oaths
In and for the Province of Alberta

ISABELLE GAGNE

A Commissioner for Oaths in and for Alberta
My Commission Expires on April 18, 2017

GUARANTEE AND POSTPONEMENT OF CLAIM

TO: CENTURY SERVICES LP

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, the undersigned and each of them (if more than one) hereby jointly and severally guarantee(s) payment on demand to Century Services LP (hereinafter called "Century") of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by Chris Mechanical Services Ltd. (hereinafter "**Customer**") to Century or remaining unpaid by Customer to Century, heretofore or hereafter incurred or arising and whether incurred by or arising from agreement or dealings between Century and Customer or by or from any agreement or dealings with any third party by which Century may be or become in any manner whatsoever a creditor of Customer or however otherwise incurred or arising anywhere within or outside the country where this guarantee is executed and whether Customer be bound alone or with another or others and whether as principal or surety (such debts and liabilities being hereinafter called the "liabilities").

AND THE UNDERSIGNED AND EACH OF THEM (IF MORE THAN ONE) HEREBY JOINTLY AND SEVERALLY AGREE(S) WITH CENTURY AS FOLLOWS:

(1) Century may grant time, renewals, extensions, indulgences, releases and discharges to, take securities (which word as used herein includes other guarantees) from and give the same and any or all existing securities up to, abstain from taking securities from or from perfecting securities of, cease or refrain from giving credit or making loans or advances to, accept compositions from and otherwise deal with, Customer and others and with all securities as Century may see fit, and may apply all moneys at any time received from Customer or others or from securities upon such part of the liabilities as Century deems best and change any such application in whole or in part from time to time as Century may see fit, the whole without in any way limiting or lessening the liability of the undersigned under this guarantee, and no loss of or in respect of any securities received by Century from Customer or others, whether occasioned by the fault of Century or otherwise, shall in any way limit or lessen the liability of the undersigned under this guarantee.

(2) This guarantee shall be a continuing guarantee and shall cover all the liabilities, and it shall apply to and secure any ultimate balance due or remaining unpaid to Century.

(3) Century shall not be bound to exhaust its recourse against Customer or others or any securities it may at any time hold before being entitled to payment from the undersigned of the liabilities. The undersigned renounce(s) to all benefits to discussion and division.

(4) All indebtedness and liability, present and future, of the customer to the undersigned or any of them are hereby assigned to Century and postponed to the liabilities, and all moneys received by the undersigned or any of them in respect thereof shall be received in trust for Century and forthwith upon receipt shall be paid over to Century, the whole without in any way limiting or lessening the liability of the undersigned under the foregoing guarantee; and this assignment and postponement is independent of the said guarantee and shall remain in full effect notwithstanding that the liability of the undersigned or any of them under the said guarantee may be extinct.

(5) This guarantee and agreement shall not be affected by the death or loss or diminution of capacity of the undersigned or any of them or by any change in the name of Customer or in the membership or shareholdings of Customer through the death or retirement

of one or more partners or shareholders or the introduction of one or more other partners or shareholders or otherwise, or by the acquisition of Customer's business by a corporation, or by any change whatsoever in the objects, capital structure or constitution of Customer, or by Customer's business being amalgamated with a corporation, but shall notwithstanding the happening of any such event continue to apply, to all the liabilities whether theretofore or thereafter incurred or arising and in this instrument the expression "Customer" shall include every such firm and corporation.

(6) This guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time or times of any sum or sums of money for the time being due or remaining unpaid to Century, and all dividends, compositions, proceeds of security valued and payments received by Century from Customer or from others or from estates shall be regarded for all purposes as payments in gross without any right on the part of the undersigned to claim in reduction of the liability under this guarantee the benefit of any such dividends, compositions, proceeds or payments or any securities held by Century or proceeds thereof, and the undersigned shall have no right to be subrogated in any rights of Century until Century shall have received payment in full of the liabilities.

(7) All moneys, advances, renewals and credits in fact borrowed or obtained from Century shall be deemed to form part of the liabilities, notwithstanding any lack or limitation of status or of power, incapacity or disability of Customer or of the directors, partners or agents thereof, or that Customer may not be a legal or suable entity, or any irregularity, defect or informality in the borrowing or obtaining of such moneys, advances, renewals or credits, the whole whether known to Century or not; and any sum which may not be recoverable from the undersigned on the footing of a guarantee shall be recoverable from the undersigned and each of them as sole or principal debtor in respect thereof and shall be paid to Century on demand with interest and accessories.

(8) All debts and liabilities present and future of Customer to the undersigned are hereby assigned to Century and postponed to the present and future debts and liabilities of Customer to Century.

(9) This guarantee is in addition to and not in substitution for any other guarantee, by whomsoever given, at any time held by Century, and any present or future obligation to Century incurred or arising otherwise than under a guarantee, of the undersigned or any of them or of any other obligant, whether bound with or apart from Customer; excepting any guarantee surrendered for cancellation on delivery of this instrument.

(10) The undersigned and each of them shall be bound by any account settled between Century and Customer, and if no such account has been so settled immediately before demand for payment under this guarantee any account stated by Century shall be accepted by the undersigned and each of them as conclusive evidence of the amount which at the date of the account so stated is due by Customer to Century or remains unpaid by Customer to Century.

(11) This guarantee and agreement shall be operative and binding upon every signatory thereof notwithstanding the non-execution thereof by any other proposed signatory or signatories, and possession of this instrument by Century shall be conclusive evidence against the undersigned and each of them that this instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any conditions precedent or subsequent had been complied with, unless at the time of receipt of this instrument by Century each signatory thereof obtains from the Manager of the branch or agency of Century receiving this

instrument a letter setting out the terms and conditions under which this instrument was delivered and the conditions, if any, to be observed before it becomes effective.

(12) No suit based on this guarantee shall be instituted until demand for payment has been made, and demand for payment shall be deemed to have been effectually made upon any guarantor if and when an envelope containing such demand, addressed to such guarantor at the address of such guarantor last known to Century, is posted, postage prepaid, in the post office, and in the event of the death of any guarantor demand for payment addressed to any of such guarantor's heirs, executors, administrators or legal representatives at the address of the addressee last known to Century and posted as aforesaid shall be deemed to have been effectually made upon all of them. Moreover, when demand for payment has been made, the undersigned shall also be liable to Century for all legal costs (on a solicitor to his own client basis) incurred by or on behalf of Century resulting from any action instituted on the basis of this guarantee. All payments hereunder shall be made to Century at #310, 318 – 11th Avenue SE, Calgary, AB T2G 0Y2 or at such other address as Century may advise in writing.

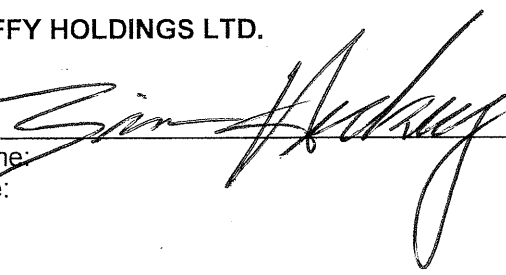
(13) This instrument covers all agreements between the parties hereto relative to this guarantee, and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein.

(14) This guarantee and agreement shall extend to and enure to the benefit of Century and its successors and assigns, and every reference herein to the undersigned or to each of them or to any of them, is a reference to and shall be construed as including the undersigned and the heirs, executors, administrators, legal representatives, successors and assigns of the undersigned or of each of them or of any of them, as the case may be, to and upon all of whom this guarantee and agreement shall extend and be binding.

(15) This guarantee and all matters related to or ancillary hereof shall be construed, interpreted and enforced in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein, and the undersigned irrevocably and unconditionally submits and attorns to the non-exclusive jurisdiction of the courts of the Province of Alberta and all courts competent to hear appeals therefrom.

GIVEN UNDER SEAL at Calgary, Alberta this 4 day of March, 2015.


DUFFY HOLDINGS LTD.

Per:  (c/s)
Name:
Title:

EXHIBIT

H

This is Exhibit "H" referred to
in the Affidavit of Josh Coonan
Sworn before me this 16 day of December, 2015


Commissioner for Oaths
In and for the Province of Alberta

ISABELLE GAGNE
A Commissioner for Oaths in and for Alberta
My Commission Expires on April 18, 2017

GUARANTEE AND POSTPONEMENT OF CLAIM

TO: CENTURY SERVICES LP

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, the undersigned and each of them (if more than one) hereby jointly and severally guarantee(s) payment on demand to Century Services LP (hereinafter called "Century") of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by Chris Mechanical Services Ltd. (hereinafter "**Customer**") to Century or remaining unpaid by Customer to Century, heretofore or hereafter incurred or arising and whether incurred by or arising from agreement or dealings between Century and Customer or by or from any agreement or dealings with any third party by which Century may be or become in any manner whatsoever a creditor of Customer or however otherwise incurred or arising anywhere within or outside the country where this guarantee is executed and whether Customer be bound alone or with another or others and whether as principal or surety (such debts and liabilities being hereinafter called the "liabilities").

AND THE UNDERSIGNED AND EACH OF THEM (IF MORE THAN ONE) HEREBY JOINTLY AND SEVERALLY AGREE(S) WITH CENTURY AS FOLLOWS:

(1) Century may grant time, renewals, extensions, indulgences, releases and discharges to, take securities (which word as used herein includes other guarantees) from and give the same and any or all existing securities up to, abstain from taking securities from or from perfecting securities of, cease or refrain from giving credit or making loans or advances to, accept compositions from and otherwise deal with, Customer and others and with all securities as Century may see fit, and may apply all moneys at any time received from Customer or others or from securities upon such part of the liabilities as Century deems best and change any such application in whole or in part from time to time as Century may see fit, the whole without in any way limiting or lessening the liability of the undersigned under this guarantee, and no loss of or in respect of any securities received by Century from Customer or others, whether occasioned by the fault of Century or otherwise, shall in any way limit or lessen the liability of the undersigned under this guarantee.

(2) This guarantee shall be a continuing guarantee and shall cover all the liabilities, and it shall apply to and secure any ultimate balance due or remaining unpaid to Century.

(3) Century shall not be bound to exhaust its recourse against Customer or others or any securities it may at any time hold before being entitled to payment from the undersigned of the liabilities. The undersigned renounce(s) to all benefits to discussion and division.

(4) All indebtedness and liability, present and future, of the customer to the undersigned or any of them are hereby assigned to Century and postponed to the liabilities, and all moneys received by the undersigned or any of them in respect thereof shall be received in trust for Century and forthwith upon receipt shall be paid over to Century, the whole without in any way limiting or lessening the liability of the undersigned under the foregoing guarantee; and this assignment and postponement is independent of the said guarantee and shall remain in full effect notwithstanding that the liability of the undersigned or any of them under the said guarantee may be extinct.

(5) This guarantee and agreement shall not be affected by the death or loss or diminution of capacity of the undersigned or any of them or by any change in the name of Customer or in the membership or shareholdings of Customer through the death or retirement

of one or more partners or shareholders or the introduction of one or more other partners or shareholders or otherwise, or by the acquisition of Customer's business by a corporation, or by any change whatsoever in the objects, capital structure or constitution of Customer, or by Customer's business being amalgamated with a corporation, but shall notwithstanding the happening of any such event continue to apply, to all the liabilities whether theretofore or thereafter incurred or arising and in this instrument the expression "Customer" shall include every such firm and corporation.

(6) This guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time or times of any sum or sums of money for the time being due or remaining unpaid to Century, and all dividends, compositions, proceeds of security valued and payments received by Century from Customer or from others or from estates shall be regarded for all purposes as payments in gross without any right on the part of the undersigned to claim in reduction of the liability under this guarantee the benefit of any such dividends, compositions, proceeds or payments or any securities held by Century or proceeds thereof, and the undersigned shall have no right to be subrogated in any rights of Century until Century shall have received payment in full of the liabilities.

(7) All moneys, advances, renewals and credits in fact borrowed or obtained from Century shall be deemed to form part of the liabilities, notwithstanding any lack or limitation of status or of power, incapacity or disability of Customer or of the directors, partners or agents thereof, or that Customer may not be a legal or suable entity, or any irregularity, defect or informality in the borrowing or obtaining of such moneys, advances, renewals or credits, the whole whether known to Century or not; and any sum which may not be recoverable from the undersigned on the footing of a guarantee shall be recoverable from the undersigned and each of them as sole or principal debtor in respect thereof and shall be paid to Century on demand with interest and accessories.

(8) All debts and liabilities present and future of Customer to the undersigned are hereby assigned to Century and postponed to the present and future debts and liabilities of Customer to Century.

(9) This guarantee is in addition to and not in substitution for any other guarantee, by whomsoever given, at any time held by Century, and any present or future obligation to Century incurred or arising otherwise than under a guarantee, of the undersigned or any of them or of any other obligant, whether bound with or apart from Customer; excepting any guarantee surrendered for cancellation on delivery of this instrument.

(10) The undersigned and each of them shall be bound by any account settled between Century and Customer, and if no such account has been so settled immediately before demand for payment under this guarantee any account stated by Century shall be accepted by the undersigned and each of them as conclusive evidence of the amount which at the date of the account so stated is due by Customer to Century or remains unpaid by Customer to Century.

(11) This guarantee and agreement shall be operative and binding upon every signatory thereof notwithstanding the non-execution thereof by any other proposed signatory or signatories, and possession of this instrument by Century shall be conclusive evidence against the undersigned and each of them that this instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any conditions precedent or subsequent had been complied with, unless at the time of receipt of this instrument by Century each signatory thereof obtains from the Manager of the branch or agency of Century receiving this

instrument a letter setting out the terms and conditions under which this instrument was delivered and the conditions, if any, to be observed before it becomes effective.

(12) No suit based on this guarantee shall be instituted until demand for payment has been made, and demand for payment shall be deemed to have been effectually made upon any guarantor if and when an envelope containing such demand, addressed to such guarantor at the address of such guarantor last known to Century, is posted, postage prepaid, in the post office, and in the event of the death of any guarantor demand for payment addressed to any of such guarantor's heirs, executors, administrators or legal representatives at the address of the addressee last known to Century and posted as aforesaid shall be deemed to have been effectually made upon all of them. Moreover, when demand for payment has been made, the undersigned shall also be liable to Century for all legal costs (on a solicitor to his own client basis) incurred by or on behalf of Century resulting from any action instituted on the basis of this guarantee. All payments hereunder shall be made to Century at #310, 318 – 11th Avenue SE, Calgary, AB T2G 0Y2 or at such other address as Century may advise in writing.

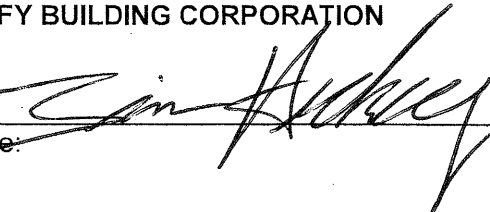
(13) This instrument covers all agreements between the parties hereto relative to this guarantee, and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein.

(14) This guarantee and agreement shall extend to and enure to the benefit of Century and its successors and assigns, and every reference herein to the undersigned or to each of them or to any of them, is a reference to and shall be construed as including the undersigned and the heirs, executors, administrators, legal representatives, successors and assigns of the undersigned or of each of them or of any of them, as the case may be, to and upon all of whom this guarantee and agreement shall extend and be binding.

(15) This guarantee and all matters related to or ancillary hereof shall be construed, interpreted and enforced in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein, and the undersigned irrevocably and unconditionally submits and attorns to the non-exclusive jurisdiction of the courts of the Province of Alberta and all courts competent to hear appeals therefrom.

GIVEN UNDER SEAL at Calgary, Alberta this 4 day of March, 2015.

DUFFY BUILDING CORPORATION

Per:  (s/s)
Name:
Title:

EXHIBIT

I

This is Exhibit "I" referred to
in the Affidavit of Josh Coonan
Sworn before me this 16 day of December, 2015

A handwritten signature in cursive script, reading "Isabelle Gagne", written over a horizontal line.

Commissioner for Oaths
In and for the Province of Alberta

ISABELLE GAGNE
A Commissioner for Oaths in and for Alberta
My Commission Expires on April 18, 2017

GENERAL SECURITY AGREEMENT

1. SECURITY INTEREST

- (a) For value received, the undersigned ("**Debtor**") hereby grants to Century Services LP ("**Century**") a security interest, mortgage and charge (hereinafter collectively referred to as the "**Security Interest**") as hereinafter provided:
- (i) a security interest in the undertaking of Debtor and all of Debtor's present and after acquired personal property including, without limitation, all Goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, Money and Investment Property now owned or hereafter owned or acquired by or on behalf of Debtor (including such as may be returned to or repossessed by Debtor) and including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of Debtor:
- A. all Inventory of whatever kind and wherever situate;
 - B. all equipment (other than Inventory) of whatever kind and wherever situate, including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles of whatsoever nature or kind;
 - C. all Accounts and book debts and generally all debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured and whether arising in connection with an interest in real or personal property or otherwise, including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by Debtor (collectively referred to as the "**Debts**");
 - D. all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
 - E. all contractual rights and insurance claims; and
 - F. all patents, industrial designs, trade-marks, trade secrets and know-how, including without limitation, environmental technology and biotechnology, confidential information, trade-names, goodwill, copyrights, personality rights, integrated circuit topographies, software and all other forms of intellectual and industrial property, and any registrations and applications for registration of any of the foregoing (collectively referred to as "**Intellectual Property**");
- (ii) a mortgage and charge as and by way of a floating charge, in all of Debtor's present and after acquired interest in property, assets and

- undertaking not secured in (i) above, including all real, immovable and leasehold property and all easements, rights-of-way, privileges, benefits, licences, improvements and rights whether connected therewith or appurtenant thereto or separately owned or held, including without limitation, all structures, plants and other fixtures now owned or hereafter owned or acquired by or on behalf of Debtor (collectively referred to as "**Real Property**"); and
- (iii) a security interest in all property described in Schedule "C" annexed hereto or any replacement or additional Schedule "C" now or hereafter annexed hereto; and
- (iv) a Security Interest in all proceeds and renewals thereof, accretions thereto and substitutions therefor, all of the foregoing being hereinafter collectively referred to as the "**Collateral**".
- (b) The Security Interest granted hereby shall not extend or apply to, and Collateral shall not include, the last day of the term of any lease or agreement therefor, but upon the enforcement of the Security Interest, Debtor shall stand possessed of such last day in trust to assign the same to any person acquiring such term.
- (c) The terms "Goods", "Chattel Paper", "Document of Title", "Instrument", "Intangible", "Investment Property", "proceeds", "Inventory", "equipment", "accessions", "Money", "Account", "financing statement" and "financing change statement" whenever used herein shall be interpreted pursuant to their respective meanings when used in The *Personal Property Security Act* of the province where the herein mentioned office of the Debtor is located, which Act, including amendments thereto and any Act substituted therefor and amendments thereto is herein referred to as the "P.P.S.A.". Provided always that the term "Goods" when used herein shall not include "consumer goods" of Debtor as that term is defined in the P.P.S.A. and the term "Inventory" when used herein shall include livestock and the young thereof after conception and crops that become such during the term of this Security Agreement. Any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof".

2. **INDEBTEDNESS SECURED**

The Security Interest granted hereby secures payment and performance of any and all obligations, indebtedness and liability of Debtor to Century (including interest thereon) present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether Debtor be bound alone or with another or others and whether as principal or surety (collectively referred to as the "**Indebtedness**"). If the Security Interest in the Collateral is not sufficient, in the event of default, to satisfy all Indebtedness of Debtor, Debtor acknowledges and agrees that Debtor shall continue to be liable for any Indebtedness remaining outstanding and Century shall be entitled to pursue full payment thereof.

3. REPRESENTATIONS AND WARRANTIES OF DEBTOR

Debtor represents and warrants, and so long as this General Security Agreement remains in effect shall be deemed to continuously represent and warrant that:

- (a) the Collateral is genuine and owned by Debtor free of all security interests, mortgages, liens, claims, charges, licences, leases, infringements by third parties, encumbrances or other adverse claims or interests (collectively referred to as the "**Encumbrances**"), save for the Security Interest and those Encumbrances shown on Schedule "A" annexed hereto or hereafter approved in writing by Century prior to their creation or assumption;
- (b) all Intellectual Property applications and registrations are valid and in good standing and Debtor is the owner of the applications and registrations;
- (c) each Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "**Account Debtor**"), and the amount represented by Debtor to Century from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount actually and unconditionally owing by such Account Debtor or Account Debtors, except for normal cash discounts where applicable, and no Account Debtor will have any defence, set off, claim or counterclaim against Debtor which can be asserted against Century, whether in any proceeding to enforce Collateral or otherwise;
- (d) the locations specified in Schedule "B" annexed hereto as to business operations and records are accurate and complete and with respect to Real Property and Goods (including Inventory) constituting Collateral, the locations specified in Schedule "B" are accurate and complete save for Goods in transit to such locations and Inventory on lease or consignment; and all buildings, fixtures or Goods about to become fixtures, and all oil, gas or other minerals to be extracted and all timber to be cut which forms part of the Collateral will be situate at one of such locations;
- (e) Debtor has disclosed to Century all environmental and other matters which could have a material effect on the financial condition or operations of Debtor; and
- (f) the execution, delivery and performance of the obligations under this General Security Agreement and the creation of any security interest in or assignment hereunder of Debtor's rights in the Collateral to Century will not result in a breach of the constating documents or by-laws of the Debtor, or any agreement to which Debtor is a party.

4. COVENANTS OF THE DEBTOR

So long as this General Security Agreement remains in effect, Debtor covenants and agrees:

- (a) to defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to diligently initiate and prosecute legal action against all infringers of Debtor's rights in Intellectual Property; to take all reasonable action to keep the Collateral free from all Encumbrances, except for the Security Interest, licences which are compulsory under federal or provincial

legislation and those shown in Schedule "A" or hereafter approved in writing by Century, prior to their creation or assumption; and not to sell, exchange, transfer, assign, lease, license or otherwise dispose of Collateral or any interest therein without the prior written consent of Century; provided always that, until default, Debtor may, in the ordinary course of Debtor's business, sell or lease Inventory and, subject to Clause 7 hereof, use Money available to Debtor;

- (b) to notify Century promptly of:
 - (i) any change in the information contained herein or in the Schedules hereto relating to Debtor, Debtor's business or Collateral;
 - (ii) the details of any significant acquisition of Collateral;
 - (iii) the details of any claims or litigation affecting Debtor or Collateral;
 - (iv) any loss or damage to Collateral;
 - (v) any default by any Account Debtor in payment or other performance of its obligations with respect to Collateral; and
 - (vi) the return to or repossession by Debtor of Collateral;
- (c) to keep Collateral in good order, condition and repair and not to use Collateral in violation of the provisions of this General Security Agreement or any other agreement relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance; to keep all agreements, registrations and applications relating to Intellectual Property and intellectual property used by Debtor in its business in good standing and to renew all agreements and registrations as may be necessary or desirable to protect Intellectual Property, unless otherwise agreed in writing, by Century; to apply to register all existing and future copyrights, trade-marks, patents, integrated circuit topographies and industrial designs whenever it is commercially reasonable to do so;
- (d) to do, execute, acknowledge and deliver such financing statements, financing change statements and further assignments, transfers, caveats, mortgages, notices, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by Century of or with respect to Collateral in order to give effect to these presents and to pay all costs for searches and filings in connection therewith;
- (e) to pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of Debtor or Collateral as and when the same become due and payable;
- (f) to insure Collateral for such periods, in such amounts, on such terms and against loss or damage by fire and such other risks as Century shall reasonably direct with loss payable to Century and Debtor, as insureds, as their respective interests may appear, and to pay all premiums therefor;

- (g) to prevent Collateral, save Inventory sold or leased as permitted hereby, from being or becoming an accession to other property not covered by this General Security Agreement;
- (h) to carry on and conduct the business of Debtor in accordance with all applicable laws, in a proper and efficient manner and so as to protect and preserve Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such records and Collateral at Century's request so as to indicate the Security Interest; and
- (i) to deliver to Century from time to time promptly upon request:
 - (i) any Documents of Title, Instruments, Investment Property, Chattel Paper and duplicate certificates of title to Real Property constituting, representing or relating to Collateral;
 - (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to Collateral for the purpose of inspecting, auditing or copying the same;
 - (iii) all financial statements prepared by or for Debtor regarding Debtor's business;
 - (iv) all policies and certificates of insurance relating to Collateral; and
 - (v) such information concerning Collateral, Debtor and Debtor's business and affairs as Century may reasonably request.

5. USE AND VERIFICATION OF COLLATERAL

Subject to compliance with Debtor's covenants contained herein and Clause 7 hereof, Debtor may, until default, possess, operate, collect, use and enjoy and deal with Collateral in the ordinary course of Debtor's business in any manner not inconsistent with the provisions hereof; provided always that Century shall have the right at any time and from time to time to verify compliance by Debtor with Debtor's obligations under this General Security Agreement (including through inquiries with governmental agencies) and the existence and state of the Collateral in any manner Century may consider appropriate and Debtor agrees to furnish all assistance and information and to perform all such acts as Century may reasonably request in connection therewith and for such purpose to grant to Century or its agents access to all places where Collateral may be located and to all premises occupied by Debtor.

6. INVESTMENT PROPERTY

If Collateral at any time includes Investment Property, Debtor authorizes Century to transfer the same or any part thereof into its own name or that of its nominee(s) so that Century or its nominee(s) may appear of record as the sole owner thereof; provided that, until default, Century shall deliver promptly to Debtor all notices or other communications received by it or its nominee(s) as such registered owner and, upon demand and receipt of payment of any necessary expenses thereof, shall issue to Debtor or its order a proxy to vote and take all action with respect to such Investment Property. After default, Debtor waives all rights to receive any

notices or communications received by Century or its nominee(s) as such registered owner and agrees that no proxy issued by Century to Debtor or its order as aforesaid shall thereafter be effective.

7. **COLLECTION OF DEBTS**

Before or after default under this General Security Agreement, Century may notify all or any Account Debtors of the Security Interest and may also direct such Account Debtors to make all payments on Collateral to Century. Debtor acknowledges that any payments on or other proceeds of Collateral received by Debtor from Account Debtors, whether before or after notification of this Security Interest to Account Debtors and whether before or after default under this General Security Agreement shall be received and held by Debtor in trust for Century and shall be turned over to Century upon request.

8. **INCOME FROM AND INTEREST ON COLLATERAL**

- (a) Until default, Debtor reserves the right to receive any Money constituting income from or interest on Collateral and if Century receives any such Money prior to default, Century shall either credit the same against the Indebtedness or pay the same promptly to Debtor.
- (b) After default, Debtor will not request or receive any Money constituting income from or interest on Collateral and if Debtor receives any such Money without any request by it, Debtor will pay the same promptly to Century.

9. **INCREASES, PROFITS, PAYMENTS OR DISTRIBUTIONS**

- (a) Whether or not default has occurred, Debtor authorizes Century:
 - (i) to receive any increase in or profits on Collateral (other than Money) and to hold the same as part of Collateral. Money so received shall be treated as income for the purposes of Clause 8 hereof and dealt with accordingly; and
 - (ii) to receive any payment or distribution upon redemption or retirement or upon dissolution and liquidation of the issuer of Collateral; to surrender such Collateral in exchange therefor; and to hold any such payment or distribution as part of Collateral.
- (b) If Debtor receives any such increase or profits (other than Money) or payments or distributions, Debtor will deliver the same promptly to Century to be held by Century as herein provided.

10. **DISPOSITION OF MONEY**

Subject to any applicable requirements of the P.P.S.A. or other applicable law, all Money collected or received by Century pursuant to or in exercise of any right it possesses with respect to Collateral shall be applied on account of Indebtedness in such manner as Century deems best or, at the option of Century, may be held unappropriated in a collateral account or released to Debtor, all without prejudice to the liability of Debtor or the rights of Century hereunder, and any surplus shall be accounted for as required by law.

11. **EVENTS OF DEFAULT**

The happening of any of the following events or conditions shall constitute default hereunder which is herein referred to as "default":

- (a) nonpayment when due, whether by acceleration or otherwise, of any principal or interest forming part of Indebtedness or the failure of Debtor to observe or perform any obligation, covenant, term, provision or condition contained in this General Security Agreement or any other agreement between Debtor and Century;
- (b) the death of or a declaration of incompetency by a court of competent jurisdiction with respect to Debtor, if an individual;
- (c) the bankruptcy or insolvency of Debtor; the filing against Debtor of a petition in bankruptcy; the making of an authorized assignment for the benefit of creditors by Debtor; the appointment of a receiver or trustee for Debtor or for any assets of Debtor or the institution by or against Debtor of any other type of insolvency proceeding under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or otherwise;
- (d) the institution by or against Debtor of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of Debtor;
- (e) if any Encumbrance affecting Collateral becomes enforceable against Collateral;
- (f) if Debtor ceases or threatens to cease to carry on business or makes or agrees to make a sale of a substantial portion of Debtor's assets or commits or threatens to commit an act of bankruptcy;
- (g) if any execution, sequestration, extent or other process of any court becomes enforceable against Debtor or if a distress or analogous process is levied upon the assets of Debtor or any part thereof; and
- (h) if any certificate, statement, representation, warranty or audit report heretofore or hereafter furnished by or on behalf of Debtor pursuant to or in connection with this General Security Agreement or otherwise (including, without limitation, the representations and warranties contained herein) or as an inducement to Century to extend any credit to or to enter into this or any other agreement with Debtor, proves to have been false in any material respect at the time as of which the facts therein set forth were stated or certified, or proves to have omitted any substantial contingent or unliquidated liability or claim against Debtor; or if upon the date of execution of this General Security Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty or audit report, which change shall not have been disclosed to Century at or prior to the time of such execution.

12. ACCELERATION

Century, in its sole discretion, may declare all or any part of Indebtedness which is not by its terms payable on demand to be immediately due and payable, without demand or notice of any kind, in the event of default, or, if Century considers itself insecure or that the Collateral is in jeopardy. The provisions of this clause are not intended in any way to affect any rights of Century with respect to any Indebtedness which may now or hereafter be payable on demand.

13. REMEDIES

- (a) Upon default, Century may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of Century or not, to be a receiver or receivers (hereinafter called a "Receiver", which term when used herein shall include a receiver and manager) of Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in its stead. Any such Receiver shall, so far as concerns responsibility for its acts, be deemed the agent of Debtor and not Century, and Century shall not be in any way responsible for any misconduct, negligence or non-feasance on the part of any such Receiver, its servants, agents or employees. Subject to the provisions of the instrument appointing it, any such Receiver shall have power to take possession of Collateral, to preserve Collateral or its value, to carry on or concur in carrying on all or any part of the business of Debtor and to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including Debtor, enter upon, use and occupy all premises owned or occupied by Debtor constituting Collateral or wherein Collateral may be situate, maintain Collateral upon such premises, borrow money on a secured or unsecured basis and use Collateral directly in carrying on Debtor's business or as security for loans or advances to enable the Receiver to carry on Debtor's business or otherwise, as such Receiver shall, in its discretion, determine. Except as may be otherwise directed by Century, all Money received from time to time by such Receiver in carrying out its appointment shall be received in trust for and paid over to Century. Every such Receiver may, in the discretion of Century, be vested with all or any of the rights and powers of Century.
- (b) Upon default, Century may, either directly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing sub-clause (a).
- (c) Century may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, Century may sell, lease, license or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to Century may seem reasonable.
- (d) In addition to those rights granted herein and in any other agreement now or hereafter in effect between Debtor and Century and in addition to any other rights Century may have at law or in equity, Century shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. provided always, that Century shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease, license or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, Century shall have no obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper or prior encumbrancers on any Real Property whether Collateral or proceeds and whether or not in Century's possession and shall not be liable or accountable for failure to do so.

- (e) Debtor acknowledges that Century or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and Debtor agrees upon request from Century or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed.
- (f) Debtor agrees to be liable for and to pay all costs, charges and expenses incurred by Century or any Receiver or agent appointed by it, whether directly or for services rendered (including solicitors costs on a solicitor and his own client basis and auditors costs and other legal expenses and Receiver and agent remuneration), in operating Debtor's accounts, preparing or enforcing this General Security Agreement, inspecting and determining the state of the Collateral, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting Indebtedness and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by Century or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.
- (g) Century will give Debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made as may be required by the P.P.S.A. or other applicable law.
- (h) Upon default and receiving written demand from Century, Debtor shall take such further action as may be necessary to evidence and effect an assignment or licensing of Intellectual Property to whomever Century directs, including to Century. Debtor appoints any officer or director or branch manager of Century upon default to be its attorney in accordance with applicable legislation with full power of substitution and to do on Debtor's behalf anything that is required to assign, license or transfer, and to record any assignment, licence or transfer of the Collateral. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.

14. MISCELLANEOUS

- (a) Debtor hereby authorizes Century to file such financing statements, financing change statements, caveats, mortgages, forms, security notices and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any permitted Encumbrances affecting Collateral or identifying the locations at which Debtor's business is carried on and Collateral and records relating thereto are situate) as Century may deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest and Debtor hereby irrevocably constitutes and appoints any officer of Century the true and lawful attorney of Debtor, with full power of substitution, to do any of the foregoing in the name of Debtor whenever and wherever it may be deemed necessary or expedient.
- (b) Without limiting any other right of Century, whenever Indebtedness is immediately due and payable or Century has the right to declare Indebtedness to be immediately due and payable (whether or not it has so declared), Century may, in its sole discretion, set off against Indebtedness any and all amounts then owed to Debtor by Century in any capacity, whether or not due, and Century

shall be deemed to have exercised such right to set off immediately at the time of making its decision to do so even though any charge therefor is made or entered on Century's records subsequent thereto.

- (c) Upon Debtor's failure to perform any of its duties hereunder, Century may, but shall not be obligated to, perform any or all of such duties, and Debtor shall pay to Century, forthwith upon written demand therefor, an amount equal to the expense incurred by Century in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate of 24% per annum.
- (d) Century may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with Debtor, debtors of Debtor, sureties and others and with Collateral and other security as Century may see fit without prejudice to the liability of Debtor or Century's right to hold and realize the Security Interest. Furthermore, Century may demand, collect and sue on Collateral in either Debtor's or Century's name, at Century's option, and may endorse Debtor's name on any and all cheques, commercial paper, and any other Instruments pertaining to or constituting Collateral.
- (e) No delay or omission by Century in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, Century may remedy any default by Debtor hereunder or with respect to any Indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by Debtor. All rights and remedies of Century granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.
- (f) Debtor waives protest of any Instrument constituting Collateral at any time held by Century on which Debtor is in any way liable and, subject to Clause 13 (g) hereof, notice of any other action taken by Century.
- (g) This General Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns. In any action brought by an assignee of this General Security Agreement and the Security Interest or any part thereof to enforce any rights hereunder, Debtor shall not assert against the assignee any claim or defence which Debtor now has or hereafter may have against Century. If more than one Debtor executes this General Security Agreement the obligations of such Debtors hereunder shall be joint and several and, unless the context otherwise requires, a reference to "Debtor" herein shall be deemed to be a reference to each of the undersigned.
- (h) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this General Security Agreement shall be made except by a written agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.

- (i) Subject to the requirements of Clauses 13 (g) and 14 (j) hereof, whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given, in the case of Century, if delivered to it or sent by prepaid registered mail addressed to it at its address herein set forth or as changed pursuant hereto and, in the case of Debtor, if delivered to it or if sent by prepaid registered mail addressed to it at its last address known to Century. Either party may notify the other pursuant hereto of any change in such party's principal address to be used for the purposes hereof.
- (j) This General Security Agreement and the security afforded hereby is in addition to and not in substitution for any other security now or hereafter held by Century and is intended to be a continuing Security Agreement.
- (k) The headings used in this General Security Agreement are for convenience only and are not to be considered a part of this General Security Agreement and do not in any way limit or amplify the terms and provisions of this General Security Agreement.
- (l) When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.
- (m) In the event any provisions of this General Security Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this General Security Agreement shall remain in full force and effect.
- (n) Nothing herein contained shall in any way obligate Century to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute Indebtedness.
- (o) The Security Interest created hereby is intended to attach when this General Security Agreement is signed by Debtor and delivered to Century.
- (p) Debtor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Debtor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby:
 - (i) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating companies and the amalgamated company at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated company; and
 - (ii) shall secure the "Indebtedness" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to Century at the time of amalgamation and any "Indebtedness" of the amalgamated company to Century thereafter arising.

The Security Interest shall attach to "Collateral" owned by each company amalgamating with Debtor, and by the amalgamated company, at the time of amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated company when such becomes owned or is acquired.

- (q) In the event that Debtor is a body corporate, it is hereby agreed that *The Limitation of Civil Rights Act* of the Province of Saskatchewan, or any provision thereof, shall have no application to this General Security Agreement or any agreement or instrument renewing or extending or collateral to this General Security Agreement. In the event that Debtor is an agricultural corporation within the meaning of *The Saskatchewan Farm Security Act*, Debtor agrees with Century that all of Part IV (other than Section 46) of that Act shall not apply to Debtor.
- (r) This General Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the province where the herein mentioned office of the Debtor is located including, where applicable, the P.P.S.A. and the *Land Titles Act* (Alberta).

15. COPY OF AGREEMENT AND FINANCING STATEMENT

- (a) Debtor hereby acknowledges receipt of a copy of this General Security Agreement.
- (b) Debtor waives Debtor's right to receive a copy of any financing statement or financing change statement registered by Century or any verification statement pertaining to a registration by Century.

16. CENTURY OFFICE ADDRESS:

#310, 318 – 11th Avenue S.E., Calgary, Alberta T2G 0Y2

17. NAME AND ADDRESS OF DEBTOR

Debtor represents and warrants that the following information is accurate:

NAME OF BUSINESS DEBTOR	TELEPHONE NUMBER	FAX NUMBER	
DUFFY HOLDINGS LTD.	403-279-5655	403-279-8997	
ADDRESS OF BUSINESS DEBTOR	CITY	PROVINCE	POSTAL CODE
10403 – 50 Street SE	Calgary	AB	T2C 3E3

IN WITNESS WHEREOF Debtor has executed this General Security Agreement as of the 4 day of March, 2015.

DUFFY HOLDINGS LTD.

Per:  c/s
Name:
Title:

SCHEDULE "A"

(ENCUMBRANCES AFFECTING COLLATERAL)

NIL.

SCHEDULE "B"

1. Locations of Debtor's Business Operations

10403 – 50 Street SE
Calgary, AB T2C 3E3

2. Locations of Records relating to Collateral

Same as above

3. Locations of Collateral

Same as above.

SCHEDULE "C"


(DESCRIPTION OF PROPERTY)

All present and after-acquired personal property of the Debtor.

EXHIBIT

J

This is Exhibit "J" referred to
in the Affidavit of Josh Coonan
Sworn before me this 16 day of December, 2015


Commissioner for Oaths
In and for the Province of Alberta

ISABELLE GAGNE
A Commissioner for Oaths in and for Alberta
My Commission Expires on April 18, 2017

GENERAL SECURITY AGREEMENT

1. SECURITY INTEREST

- (a) For value received, the undersigned ("**Debtor**") hereby grants to Century Services LP ("**Century**") a security interest, mortgage and charge (hereinafter collectively referred to as the "**Security Interest**") as hereinafter provided:
- (i) a security interest in the undertaking of Debtor and all of Debtor's present and after acquired personal property including, without limitation, all Goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, Money and Investment Property now owned or hereafter owned or acquired by or on behalf of Debtor (including such as may be returned to or repossessed by Debtor) and including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of Debtor:
- A. all Inventory of whatever kind and wherever situate;
 - B. all equipment (other than Inventory) of whatever kind and wherever situate, including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles of whatsoever nature or kind;
 - C. all Accounts and book debts and generally all debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured and whether arising in connection with an interest in real or personal property or otherwise, including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by Debtor (collectively referred to as the "**Debts**");
 - D. all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
 - E. all contractual rights and insurance claims; and
 - F. all patents, industrial designs, trade-marks, trade secrets and know-how, including without limitation, environmental technology and biotechnology, confidential information, trade-names, goodwill, copyrights, personality rights, integrated circuit topographies, software and all other forms of intellectual and industrial property, and any registrations and applications for registration of any of the foregoing (collectively referred to as "**Intellectual Property**");
- (ii) a mortgage and charge as and by way of a floating charge, in all of Debtor's present and after acquired interest in property, assets and

undertaking not secured in (i) above, including all real, immoveable and leasehold property and all easements, rights-of-way, privileges, benefits, licences, improvements and rights whether connected therewith or appurtenant thereto or separately owned or held, including without limitation, all structures, plants and other fixtures now owned or hereafter owned or acquired by or on behalf of Debtor (collectively referred to as "**Real Property**"); and

- (iii) a security interest in all property described in Schedule "C" annexed hereto or any replacement or additional Schedule "C" now or hereafter annexed hereto; and
 - (iv) a Security Interest in all proceeds and renewals thereof, accretions thereto and substitutions therefor, all of the foregoing being hereinafter collectively referred to as the "**Collateral**".
- (b) The Security Interest granted hereby shall not extend or apply to, and Collateral shall not include, the last day of the term of any lease or agreement therefor, but upon the enforcement of the Security Interest, Debtor shall stand possessed of such last day in trust to assign the same to any person acquiring such term.
- (c) The terms "Goods", "Chattel Paper", "Document of Title", "Instrument", "Intangible", "Investment Property", "proceeds", "Inventory", "equipment", "accessions", "Money", "Account", "financing statement" and "financing change statement" whenever used herein shall be interpreted pursuant to their respective meanings when used in The *Personal Property Security Act* of the province where the herein mentioned office of the Debtor is located, which Act, including amendments thereto and any Act substituted therefor and amendments thereto is herein referred to as the "P.P.S.A.". Provided always that the term "Goods" when used herein shall not include "consumer goods" of Debtor as that term is defined in the P.P.S.A. and the term "Inventory" when used herein shall include livestock and the young thereof after conception and crops that become such during the term of this Security Agreement. Any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof".

2. **INDEBTEDNESS SECURED**

The Security Interest granted hereby secures payment and performance of any and all obligations, indebtedness and liability of Debtor to Century (including interest thereon) present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether Debtor be bound alone or with another or others and whether as principal or surety (collectively referred to as the "**Indebtedness**"). If the Security Interest in the Collateral is not sufficient, in the event of default, to satisfy all Indebtedness of Debtor, Debtor acknowledges and agrees that Debtor shall continue to be liable for any Indebtedness remaining outstanding and Century shall be entitled to pursue full payment thereof.

3. REPRESENTATIONS AND WARRANTIES OF DEBTOR

Debtor represents and warrants, and so long as this General Security Agreement remains in effect shall be deemed to continuously represent and warrant that:

- (a) the Collateral is genuine and owned by Debtor free of all security interests, mortgages, liens, claims, charges, licences, leases, infringements by third parties, encumbrances or other adverse claims or interests (collectively referred to as the "**Encumbrances**"), save for the Security Interest and those Encumbrances shown on Schedule "A" annexed hereto or hereafter approved in writing by Century prior to their creation or assumption;
- (b) all Intellectual Property applications and registrations are valid and in good standing and Debtor is the owner of the applications and registrations;
- (c) each Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "**Account Debtor**"), and the amount represented by Debtor to Century from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount actually and unconditionally owing by such Account Debtor or Account Debtors, except for normal cash discounts where applicable, and no Account Debtor will have any defence, set off, claim or counterclaim against Debtor which can be asserted against Century, whether in any proceeding to enforce Collateral or otherwise;
- (d) the locations specified in Schedule "B" annexed hereto as to business operations and records are accurate and complete and with respect to Real Property and Goods (including Inventory) constituting Collateral, the locations specified in Schedule "B" are accurate and complete save for Goods in transit to such locations and Inventory on lease or consignment; and all buildings, fixtures or Goods about to become fixtures, and all oil, gas or other minerals to be extracted and all timber to be cut which forms part of the Collateral will be situate at one of such locations;
- (e) Debtor has disclosed to Century all environmental and other matters which could have a material effect on the financial condition or operations of Debtor; and
- (f) the execution, delivery and performance of the obligations under this General Security Agreement and the creation of any security interest in or assignment hereunder of Debtor's rights in the Collateral to Century will not result in a breach of the constating documents or by-laws of the Debtor, or any agreement to which Debtor is a party.

4. COVENANTS OF THE DEBTOR

So long as this General Security Agreement remains in effect, Debtor covenants and agrees:

- (a) to defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to diligently initiate and prosecute legal action against all infringers of Debtor's rights in Intellectual Property; to take all reasonable action to keep the Collateral free from all Encumbrances, except for the Security Interest, licences which are compulsory under federal or provincial

legislation and those shown in Schedule "A" or hereafter approved in writing by Century, prior to their creation or assumption; and not to sell, exchange, transfer, assign, lease, license or otherwise dispose of Collateral or any interest therein without the prior written consent of Century; provided always that, until default, Debtor may, in the ordinary course of Debtor's business, sell or lease Inventory and, subject to Clause 7 hereof, use Money available to Debtor;

- (b) to notify Century promptly of:
 - (i) any change in the information contained herein or in the Schedules hereto relating to Debtor, Debtor's business or Collateral;
 - (ii) the details of any significant acquisition of Collateral;
 - (iii) the details of any claims or litigation affecting Debtor or Collateral;
 - (iv) any loss or damage to Collateral;
 - (v) any default by any Account Debtor in payment or other performance of its obligations with respect to Collateral; and
 - (vi) the return to or repossession by Debtor of Collateral;
- (c) to keep Collateral in good order, condition and repair and not to use Collateral in violation of the provisions of this General Security Agreement or any other agreement relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance; to keep all agreements, registrations and applications relating to Intellectual Property and intellectual property used by Debtor in its business in good standing and to renew all agreements and registrations as may be necessary or desirable to protect Intellectual Property, unless otherwise agreed in writing, by Century; to apply to register all existing and future copyrights, trade-marks, patents, integrated circuit topographies and industrial designs whenever it is commercially reasonable to do so;
- (d) to do, execute, acknowledge and deliver such financing statements, financing change statements and further assignments, transfers, caveats, mortgages, notices, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by Century of or with respect to Collateral in order to give effect to these presents and to pay all costs for searches and filings in connection therewith;
- (e) to pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of Debtor or Collateral as and when the same become due and payable;
- (f) to insure Collateral for such periods, in such amounts, on such terms and against loss or damage by fire and such other risks as Century shall reasonably direct with loss payable to Century and Debtor, as insureds, as their respective interests may appear, and to pay all premiums therefor;

- (g) to prevent Collateral, save Inventory sold or leased as permitted hereby, from being or becoming an accession to other property not covered by this General Security Agreement;
- (h) to carry on and conduct the business of Debtor in accordance with all applicable laws, in a proper and efficient manner and so as to protect and preserve Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such records and Collateral at Century's request so as to indicate the Security Interest; and
- (i) to deliver to Century from time to time promptly upon request:
 - (i) any Documents of Title, Instruments, Investment Property, Chattel Paper and duplicate certificates of title to Real Property constituting, representing or relating to Collateral;
 - (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to Collateral for the purpose of inspecting, auditing or copying the same;
 - (iii) all financial statements prepared by or for Debtor regarding Debtor's business;
 - (iv) all policies and certificates of insurance relating to Collateral; and
 - (v) such information concerning Collateral, Debtor and Debtor's business and affairs as Century may reasonably request.

5. USE AND VERIFICATION OF COLLATERAL

Subject to compliance with Debtor's covenants contained herein and Clause 7 hereof, Debtor may, until default, possess, operate, collect, use and enjoy and deal with Collateral in the ordinary course of Debtor's business in any manner not inconsistent with the provisions hereof; provided always that Century shall have the right at any time and from time to time to verify compliance by Debtor with Debtor's obligations under this General Security Agreement (including through inquiries with governmental agencies) and the existence and state of the Collateral in any manner Century may consider appropriate and Debtor agrees to furnish all assistance and information and to perform all such acts as Century may reasonably request in connection therewith and for such purpose to grant to Century or its agents access to all places where Collateral may be located and to all premises occupied by Debtor.

6. INVESTMENT PROPERTY

If Collateral at any time includes Investment Property, Debtor authorizes Century to transfer the same or any part thereof into its own name or that of its nominee(s) so that Century or its nominee(s) may appear of record as the sole owner thereof; provided that, until default, Century shall deliver promptly to Debtor all notices or other communications received by it or its nominee(s) as such registered owner and, upon demand and receipt of payment of any necessary expenses thereof, shall issue to Debtor or its order a proxy to vote and take all action with respect to such Investment Property. After default, Debtor waives all rights to receive any

notices or communications received by Century or its nominee(s) as such registered owner and agrees that no proxy issued by Century to Debtor or its order as aforesaid shall thereafter be effective.

7. **COLLECTION OF DEBTS**

Before or after default under this General Security Agreement, Century may notify all or any Account Debtors of the Security Interest and may also direct such Account Debtors to make all payments on Collateral to Century. Debtor acknowledges that any payments on or other proceeds of Collateral received by Debtor from Account Debtors, whether before or after notification of this Security Interest to Account Debtors and whether before or after default under this General Security Agreement shall be received and held by Debtor in trust for Century and shall be turned over to Century upon request.

8. **INCOME FROM AND INTEREST ON COLLATERAL**

- (a) Until default, Debtor reserves the right to receive any Money constituting income from or interest on Collateral and if Century receives any such Money prior to default, Century shall either credit the same against the Indebtedness or pay the same promptly to Debtor.
- (b) After default, Debtor will not request or receive any Money constituting income from or interest on Collateral and if Debtor receives any such Money without any request by it, Debtor will pay the same promptly to Century.

9. **INCREASES, PROFITS, PAYMENTS OR DISTRIBUTIONS**

- (a) Whether or not default has occurred, Debtor authorizes Century:
 - (i) to receive any increase in or profits on Collateral (other than Money) and to hold the same as part of Collateral. Money so received shall be treated as income for the purposes of Clause 8 hereof and dealt with accordingly; and
 - (ii) to receive any payment or distribution upon redemption or retirement or upon dissolution and liquidation of the issuer of Collateral; to surrender such Collateral in exchange therefor; and to hold any such payment or distribution as part of Collateral.
- (b) If Debtor receives any such increase or profits (other than Money) or payments or distributions, Debtor will deliver the same promptly to Century to be held by Century as herein provided.

10. **DISPOSITION OF MONEY**

Subject to any applicable requirements of the P.P.S.A. or other applicable law, all Money collected or received by Century pursuant to or in exercise of any right it possesses with respect to Collateral shall be applied on account of Indebtedness in such manner as Century deems best or, at the option of Century, may be held unappropriated in a collateral account or released to Debtor, all without prejudice to the liability of Debtor or the rights of Century hereunder, and any surplus shall be accounted for as required by law.

11. **EVENTS OF DEFAULT**

The happening of any of the following events or conditions shall constitute default hereunder which is herein referred to as "default":

- (a) nonpayment when due, whether by acceleration or otherwise, of any principal or interest forming part of Indebtedness or the failure of Debtor to observe or perform any obligation, covenant, term, provision or condition contained in this General Security Agreement or any other agreement between Debtor and Century;
- (b) the death of or a declaration of incompetency by a court of competent jurisdiction with respect to Debtor, if an individual;
- (c) the bankruptcy or insolvency of Debtor; the filing against Debtor of a petition in bankruptcy; the making of an authorized assignment for the benefit of creditors by Debtor; the appointment of a receiver or trustee for Debtor or for any assets of Debtor or the institution by or against Debtor of any other type of insolvency proceeding under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or otherwise;
- (d) the institution by or against Debtor of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of Debtor;
- (e) if any Encumbrance affecting Collateral becomes enforceable against Collateral;
- (f) if Debtor ceases or threatens to cease to carry on business or makes or agrees to make a sale of a substantial portion of Debtor's assets or commits or threatens to commit an act of bankruptcy;
- (g) if any execution, sequestration, extent or other process of any court becomes enforceable against Debtor or if a distress or analogous process is levied upon the assets of Debtor or any part thereof; and
- (h) if any certificate, statement, representation, warranty or audit report heretofore or hereafter furnished by or on behalf of Debtor pursuant to or in connection with this General Security Agreement or otherwise (including, without limitation, the representations and warranties contained herein) or as an inducement to Century to extend any credit to or to enter into this or any other agreement with Debtor, proves to have been false in any material respect at the time as of which the facts therein set forth were stated or certified, or proves to have omitted any substantial contingent or unliquidated liability or claim against Debtor; or if upon the date of execution of this General Security Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty or audit report, which change shall not have been disclosed to Century at or prior to the time of such execution.

12. ACCELERATION

Century, in its sole discretion, may declare all or any part of Indebtedness which is not by its terms payable on demand to be immediately due and payable, without demand or notice of any kind, in the event of default, or, if Century considers itself insecure or that the Collateral is in jeopardy. The provisions of this clause are not intended in any way to affect any rights of Century with respect to any Indebtedness which may now or hereafter be payable on demand.

13. **REMEDIES**

- (a) Upon default, Century may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of Century or not, to be a receiver or receivers (hereinafter called a "**Receiver**", which term when used herein shall include a receiver and manager) of Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in its stead. Any such Receiver shall, so far as concerns responsibility for its acts, be deemed the agent of Debtor and not Century, and Century shall not be in any way responsible for any misconduct, negligence or non-feasance on the part of any such Receiver, its servants, agents or employees. Subject to the provisions of the instrument appointing it, any such Receiver shall have power to take possession of Collateral, to preserve Collateral or its value, to carry on or concur in carrying on all or any part of the business of Debtor and to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including Debtor, enter upon, use and occupy all premises owned or occupied by Debtor constituting Collateral or wherein Collateral may be situate, maintain Collateral upon such premises, borrow money on a secured or unsecured basis and use Collateral directly in carrying on Debtor's business or as security for loans or advances to enable the Receiver to carry on Debtor's business or otherwise, as such Receiver shall, in its discretion, determine. Except as may be otherwise directed by Century, all Money received from time to time by such Receiver in carrying out its appointment shall be received in trust for and paid over to Century. Every such Receiver may, in the discretion of Century, be vested with all or any of the rights and powers of Century.
- (b) Upon default, Century may, either directly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing sub-clause (a).
- (c) Century may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, Century may sell, lease, license or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to Century may seem reasonable.
- (d) In addition to those rights granted herein and in any other agreement now or hereafter in effect between Debtor and Century and in addition to any other rights Century may have at law or in equity, Century shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. provided always, that Century shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease, license or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, Century shall have no obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper or prior encumbrancers on any Real Property whether Collateral or proceeds and whether or not in Century's possession and shall not be liable or accountable for failure to do so.

- (e) Debtor acknowledges that Century or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and Debtor agrees upon request from Century or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed.
- (f) Debtor agrees to be liable for and to pay all costs, charges and expenses incurred by Century or any Receiver or agent appointed by it, whether directly or for services rendered (including solicitors costs on a solicitor and his own client basis and auditors costs and other legal expenses and Receiver and agent remuneration), in operating Debtor's accounts, preparing or enforcing this General Security Agreement, inspecting and determining the state of the Collateral, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting Indebtedness and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by Century or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.
- (g) Century will give Debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made as may be required by the P.P.S.A. or other applicable law.
- (h) Upon default and receiving written demand from Century, Debtor shall take such further action as may be necessary to evidence and effect an assignment or licensing of Intellectual Property to whomever Century directs, including to Century. Debtor appoints any officer or director or branch manager of Century upon default to be its attorney in accordance with applicable legislation with full power of substitution and to do on Debtor's behalf anything that is required to assign, license or transfer, and to record any assignment, licence or transfer of the Collateral. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.

14. MISCELLANEOUS

- (a) Debtor hereby authorizes Century to file such financing statements, financing change statements, caveats, mortgages, forms, security notices and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any permitted Encumbrances affecting Collateral or identifying the locations at which Debtor's business is carried on and Collateral and records relating thereto are situate) as Century may deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest and Debtor hereby irrevocably constitutes and appoints any officer of Century the true and lawful attorney of Debtor, with full power of substitution, to do any of the foregoing in the name of Debtor whenever and wherever it may be deemed necessary or expedient.
- (b) Without limiting any other right of Century, whenever Indebtedness is immediately due and payable or Century has the right to declare Indebtedness to be immediately due and payable (whether or not it has so declared), Century may, in its sole discretion, set off against Indebtedness any and all amounts then owed to Debtor by Century in any capacity, whether or not due, and Century

shall be deemed to have exercised such right to set off immediately at the time of making its decision to do so even though any charge therefor is made or entered on Century's records subsequent thereto.

- (c) Upon Debtor's failure to perform any of its duties hereunder, Century may, but shall not be obligated to, perform any or all of such duties, and Debtor shall pay to Century, forthwith upon written demand therefor, an amount equal to the expense incurred by Century in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate of 24% per annum.
- (d) Century may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with Debtor, debtors of Debtor, sureties and others and with Collateral and other security as Century may see fit without prejudice to the liability of Debtor or Century's right to hold and realize the Security Interest. Furthermore, Century may demand, collect and sue on Collateral in either Debtor's or Century's name, at Century's option, and may endorse Debtor's name on any and all cheques, commercial paper, and any other Instruments pertaining to or constituting Collateral.
- (e) No delay or omission by Century in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, Century may remedy any default by Debtor hereunder or with respect to any Indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by Debtor. All rights and remedies of Century granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.
- (f) Debtor waives protest of any Instrument constituting Collateral at any time held by Century on which Debtor is in any way liable and, subject to Clause 13 (g) hereof, notice of any other action taken by Century.
- (g) This General Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns. In any action brought by an assignee of this General Security Agreement and the Security Interest or any part thereof to enforce any rights hereunder, Debtor shall not assert against the assignee any claim or defence which Debtor now has or hereafter may have against Century. If more than one Debtor executes this General Security Agreement the obligations of such Debtors hereunder shall be joint and several and, unless the context otherwise requires, a reference to "Debtor" herein shall be deemed to be a reference to each of the undersigned.
- (h) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this General Security Agreement shall be made except by a written agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.

- (i) Subject to the requirements of Clauses 13 (g) and 14 (j) hereof, whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given, in the case of Century, if delivered to it or sent by prepaid registered mail addressed to it at its address herein set forth or as changed pursuant hereto and, in the case of Debtor, if delivered to it or if sent by prepaid registered mail addressed to it at its last address known to Century. Either party may notify the other pursuant hereto of any change in such party's principal address to be used for the purposes hereof.
- (j) This General Security Agreement and the security afforded hereby is in addition to and not in substitution for any other security now or hereafter held by Century and is intended to be a continuing Security Agreement.
- (k) The headings used in this General Security Agreement are for convenience only and are not to be considered a part of this General Security Agreement and do not in any way limit or amplify the terms and provisions of this General Security Agreement.
- (l) When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.
- (m) In the event any provisions of this General Security Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this General Security Agreement shall remain in full force and effect.
- (n) Nothing herein contained shall in any way obligate Century to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute Indebtedness.
- (o) The Security Interest created hereby is intended to attach when this General Security Agreement is signed by Debtor and delivered to Century.
- (p) Debtor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Debtor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby:
 - (i) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating companies and the amalgamated company at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated company; and
 - (ii) shall secure the "Indebtedness" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to Century at the time of amalgamation and any "Indebtedness" of the amalgamated company to Century thereafter arising.

The Security Interest shall attach to "Collateral" owned by each company amalgamating with Debtor, and by the amalgamated company, at the time of amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated company when such becomes owned or is acquired.

- (q) In the event that Debtor is a body corporate, it is hereby agreed that *The Limitation of Civil Rights Act* of the Province of Saskatchewan, or any provision thereof, shall have no application to this General Security Agreement or any agreement or instrument renewing or extending or collateral to this General Security Agreement. In the event that Debtor is an agricultural corporation within the meaning of *The Saskatchewan Farm Security Act*, Debtor agrees with Century that all of Part IV (other than Section 46) of that Act shall not apply to Debtor.
- (r) This General Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the province where the herein mentioned office of the Debtor is located including, where applicable, the P.P.S.A. and the *Land Titles Act* (Alberta).

15. **COPY OF AGREEMENT AND FINANCING STATEMENT**

- (a) Debtor hereby acknowledges receipt of a copy of this General Security Agreement.
- (b) Debtor waives Debtor's right to receive a copy of any financing statement or financing change statement registered by Century or any verification statement pertaining to a registration by Century.

16. **CENTURY OFFICE ADDRESS:**

#310, 318 – 11th Avenue S.E., Calgary, Alberta T2G 0Y2

17. **NAME AND ADDRESS OF DEBTOR**

Debtor represents and warrants that the following information is accurate:

NAME OF BUSINESS DEBTOR	TELEPHONE NUMBER	FAX NUMBER	
DUFFY BUILDING CORPORATION	403-279-5655	403-279-6997	
ADDRESS OF BUSINESS DEBTOR	CITY	PROVINCE	POSTAL CODE
10403 – 50 Street SE	Calgary	AB	T2C 3E3

IN WITNESS WHEREOF Debtor has executed this General Security Agreement as of the 4 day of March, 2015.

DUFFY BUILDING CORPORATION

Per:  c/s
Name:
Title:

SCHEDULE "A"

(ENCUMBRANCES AFFECTING COLLATERAL)

NIL.

SCHEDULE "B"

1. Locations of Debtor's Business Operations

10403 – 50 Street SE
Calgary, AB T2C 3E3

2. Locations of Records relating to Collateral

Same as above

3. Locations of Collateral

Same as above.

SCHEDULE "C"

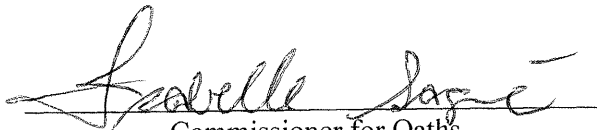
(DESCRIPTION OF PROPERTY)

All present and after-acquired personal property of the Debtor.

EXHIBIT

K

This is Exhibit "K" referred to
in the Affidavit of Josh Coonan
Sworn before me this 16 day of December, 2015

A handwritten signature in cursive script, reading "Isabelle Gagne", written over a horizontal line.

Commissioner for Oaths
In and for the Province of Alberta

ISABELLE GAGNE
A Commissioner for Oaths in and for Alberta
My Commission Expires on April 18, 2017

ALBERTA LAND TITLES ACT

PROVINCE OF ALBERTA

MORTGAGE

DUFFY BUILDING CORPORATION

(hereinafter referred to as the "Mortgagor"), having an address at 10403 – 50 Street SE, Calgary, Alberta T2C 3E3 being registered owner of an estate in fee simple, in possession, subject to such encumbrances, liens and interests as are notified by memorandum written or endorsed on the Certificate of Title, in all the piece of land situate in the Province of Alberta and described as follows:

PLAN 0714070
BLOCK 14
LOT 19
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 0.809 HECTARES (2 ACRES) MORE OR LESS

(hereinafter referred to as "the land"), **IN CONSIDERATION OF** the premises herein and other valuable consideration, the receipt and sufficiency of which is acknowledged, hereby covenants with **CENTURY SERVICES INC.**, an Alberta corporation (hereinafter referred to as the "Mortgagee") and having an office at 310, 318 – 11th Avenue SE, Calgary, Alberta T2G 0Y2 as follows:

- (1) **Charging Clause:** The Mortgagor hereby encumbers, mortgages and charges the land and each and every building and improvement on the land (the "premises") which now or hereafter may be erected thereon (the land and the premises being hereinafter referred to as the "mortgaged property") with payment of:
 - (a) the Liabilities (as hereinafter defined) other than the Enforcement Obligations (as hereinafter defined), up to the amount of **FIVE MILLION FIVE HUNDRED FORTY-THREE THOUSAND FIVE HUNDRED DOLLARS (\$5,543,500.00)** plus interest thereon calculated from the date of demand for payment of the Liabilities at a rate equal to 12% per annum, calculated and payable monthly not in advance, before and after maturity, default and judgment (resulting in an effective annual rate of 12.6825%) (hereinafter referred to as the "Mortgage Rate"), with interest on overdue interest at the rate aforesaid; and
 - (b) the "Enforcement Obligations" (as hereinafter defined) plus interest thereon calculated from the date each such obligation arises or is incurred at a rate equal to the Mortgage Rate with interest on overdue interest at the rate aforesaid.

"Enforcement Obligations" means all amounts payable hereunder which are stated to constitute Enforcement Obligations.

"Liabilities" means all amounts owing to the Mortgagee from time to time and all indebtedness, liabilities and obligations of the Mortgagor to the Mortgagee (which includes for greater certainty all Enforcement Obligations) whether present or future, direct or indirect, absolute or contingent, matured or not, and whether incurred or arising before, during or after the time that the Mortgagor is the owner of the mortgaged property, and whether arising within or outside Canada, and whether incurred by or arising from any agreement or dealing between the Mortgagee and the

Mortgagor or by or from any agreement or dealing with any third party by which the Mortgagee may be or become in any manner whatsoever a creditor of the Mortgagor, or however otherwise incurred or arising, and whether the Mortgagor be bound alone or with another or others, and whether as principal, guarantor or surety and including without limitation the loan agreement made between the Mortgagor and Chris Mechanical Services Ltd., as borrower, and the Mortgagee, Duffy Holdings Ltd. and James Patrick Hickey, as guarantors, dated March 2, 2015, as such loan agreement may be amended, restated or supplemented from time to time.

- (2) **Liabilities:** These presents are given and taken as general and continuing collateral security to secure payment of the Liabilities and this mortgage shall obtain priority for all Liabilities notwithstanding that at any time there may not be any Liabilities then outstanding. The Mortgagor covenants to pay to the Mortgagee each and every amount, indebtedness, liability and obligation forming part of the Liabilities in the manner agreed to in respect of such amount, indebtedness, liability or obligation.
- (3) **No Merger:** Neither the granting of this mortgage nor any proceeding taken hereunder or with respect hereto or under any securities or evidences of securities taken by the Mortgagee, nor any judgment obtained in such proceeding, shall operate as a merger of the Liabilities or of any simple contract debt or in any way suspend payment of, affect or prejudice the rights, remedies or powers, legal or equitable, which the Mortgagee may hold in connection with the Liabilities and any securities which may be taken by the Mortgagee in addition to, by way of renewal of, or in substitution for any present or future bill, promissory note, obligation or security evidencing the Liabilities or a part thereof, or be deemed a payment or satisfaction of the Liabilities or any part thereof or merger therein and any right reserved to the Mortgagee under any document may be exercised by the Mortgagee concurrently or consecutively with or to any other rights reserved to it.
- (4) **Further Covenants:** The Mortgagor further covenants with the Mortgagee that the Mortgagor:
 - (a) has a good title to the land and premises;
 - (b) has the right to mortgage the land and premises and that on default the Mortgagee shall have quiet possession of the land and premises free from all encumbrances;
 - (c) will execute such further assurances of the land and premises as may be requisite; and
 - (d) has done no act to encumber the land and premises, other than Alberta Land Titles Office Registration Number 071 615 665.
- (5) **Covenants:** The Mortgagor further covenants with the Mortgagee that:
 - (a) **Insurance:** The Mortgagor will forthwith insure and during the continuance of this mortgage keep insured in favour of the Mortgagee against loss or damage by the perils of Fire and such other perils as the Mortgagee may require, the premises, both during erection and thereafter, for a total amount not less than the lesser of the replacement cost of the premises and the amount of the Mortgagee's interest therein, with an insurance company and under policies satisfactory to the Mortgagee; and each policy of insurance shall provide that every loss shall be payable to the Mortgagee as its interest may appear in accordance herewith, subject to a standard form of mortgage clause approved by the Mortgagee; and each policy of insurance shall provide that the Mortgagee shall receive at least thirty (30) days prior notice of any cancellation or material alteration thereof; and

the Mortgagor will forthwith assign, transfer and deliver to the Mortgagee the policies of insurance and all renewal receipts pertaining thereto; and no insurance will be carried on the premises other than such as is made payable to the Mortgagee in accordance with the provisions of this paragraph; and the Mortgagor will not do or omit or cause anything to be done, omitted or caused whereby the policies of insurance may become void; and the Mortgagor will pay all premiums necessary for such purposes promptly as the same shall become due and will deliver evidence of renewal to the Mortgagee at least three (3) days prior to the expiration of any policy of insurance; and, in the event of any breach of the foregoing covenants respecting insurance, the Mortgagee, without prejudice to its other rights hereunder, may, at its option, effect such insurance to a value deemed, in the sole opinion of the Mortgagee, adequate to protect the Mortgagee's insurable interest and any amount paid therefor by the Mortgagee shall be payable on demand with interest at the Mortgage Rate until paid and shall constitute an Enforcement Obligation; and forthwith on the happening of any loss or damage, the Mortgagor will furnish at its own expense all necessary proofs and do all necessary acts to enable the Mortgagee to obtain payment of the insurance monies and the production of this mortgage shall be sufficient authority for the insurance company to pay every such loss to the Mortgagee, and the insurance company is hereby directed thereupon to pay the same to the Mortgagee; and any insurance monies received may, at the option of the Mortgagee, be applied in rebuilding, reinstating or repairing the premises or be paid to the Mortgagor or be applied or paid partly in one way and partly in another, or it may be applied, in the sole discretion of the Mortgagee, in whole or in part on the Liabilities or any part thereof whether due or not then due; and the Mortgagor hereby releases to the Mortgagee all its claims upon the mortgaged property subject to the said provisos;

- (b) **Taxes and Encumbrances:** The Mortgagor will pay when and as the same fall due all taxes, rates, levies, assessments, liens, charges, encumbrances or claims which are or may be or become charges or claims against the mortgaged property or on this mortgage or on the Mortgagee in respect of this mortgage; and in default of payment, the Mortgagee may pay the amount of such taxes, rates, levies, assessments, liens, charges, encumbrances and claims, and all monies so paid shall be payable on demand with interest at the Mortgage Rate until paid and shall constitute an Enforcement Obligation;
- (c) **Assignment of Rents and Leases:** For the better securing to the Mortgagee the payment of the Liabilities, the Mortgagor hereby gives, grants, assigns, transfers and sets over unto the Mortgagee all leases, agreements, quotas and licenses which affect the mortgaged property whether written, verbal or otherwise howsoever, including all renewals or extensions thereof, together with all rents and other monies payable thereunder and all rights, benefits and advantages to be derived therefrom; provided that nothing done in pursuance hereof shall have or be deemed to have the effect of making the Mortgagee responsible for the collection of rent, or of any part thereof, or any income or revenue whatsoever of and from the mortgaged property, or for the performance or observance of any provision of such leases and agreements;
- (d) **Fixtures:** Without restricting the generality of the term "fixtures", fences, plumbing, air-conditioning, ventilating, lighting and water heating equipment, cooking and refrigeration equipment, window blinds, storm windows and storm doors, window screens and screen doors, and all appliances and appurtenances relating thereto which now are or may hereafter be placed upon the mortgaged property by the Mortgagor or which now are or may hereafter be attached to the mortgaged property by the Mortgagor, and all farm machinery, improvements and irrigation systems, fixed or otherwise, and even though not

attached to the land otherwise than by their own weight, shall be deemed to be fixtures and a part of the mortgaged property and charged by and subject to this mortgage;

- (e) **Good Repair:** Subject to conducting renovations on the lands approved by the Mortgagee which may include the removal of certain fixtures, the Mortgagor will not remove any fixtures of any kind from the mortgaged property, and will keep the premises and all fixtures, gates, fences, drains and improvements for the time being subject to this mortgage in good and substantial repair, and will at all times make such repairs to, and if incomplete, will complete such buildings and improvements as may be required by the Mortgagee in writing; and will not without the consent in writing of the Mortgagee, commit or permit any kind of waste on the mortgaged property; and in default of any of the foregoing the Mortgagee may at its option enter upon the mortgaged property from time to time in order to inspect, and may at its option complete, repair and keep in repair the said premises, fixtures, gates, fences, drains and improvements without thereby becoming liable as mortgagee in possession and the amount expended in doing all or any of the foregoing things shall be paid by the Mortgagor to the Mortgagee on demand with interest at the Mortgage Rate until paid and shall constitute an Enforcement Obligation;
- (f) **Erection of Improvements:** The Mortgagor will not, without the consent of the Mortgagee in writing, erect or permit to be erected on the mortgaged property any improvement, or enter into any contract that may cause the mortgaged property to be encumbered by a lien for work done, labor provided, services performed or material supplied and will keep the mortgaged property free from same;
- (g) **Inspection:** The Mortgagee, its agents, employees, and independent contractors may at any time enter upon the mortgaged property to inspect the mortgaged property, and where deemed necessary and/or advisable by the Mortgagee, to conduct investigations thereon, including, without limiting the generality of the foregoing, intrusive testing and sampling on the mortgaged property for the purpose of determining the presence of or the potential for environmental Pollution, and the reasonable cost of such inspection and investigations including any intrusive testing and sampling shall be payable by the Mortgagor to the Mortgagee on demand with interest at the Mortgage Rate until paid and shall constitute an Enforcement Obligation;
- (h) **No Other Encumbrances:** Except as consented to in writing by the Mortgagee, the Mortgagor will not, without the consent of the Mortgagee in writing, grant, create, assume or suffer to exist any mortgage, charge, lien or other encumbrance against the mortgaged property, whether ranking in priority to or subsequent to this mortgage, and the Mortgagee may pay the amount of any mortgage, charge, lien or other encumbrance, now or hereafter existing upon the mortgaged property having or claiming priority over this mortgage. All monies so paid shall bear interest at the Mortgage Rate until paid and shall constitute an Enforcement Obligation; and
- (i) **Compliance with Laws:** The Mortgagor covenants with the Mortgagee to at all times promptly observe, perform, execute and comply with all applicable laws, rules, requirements, orders, directions, by-laws, ordinances, work orders, regulations and equivalent of every government authority, including without limiting the generality of the foregoing, those dealing with zoning, use, occupancy, subdivision, parking, historical designations, fire, access, loading facilities, landscaped area, building construction, builders' liens, or public health and safety, and all private covenants and restrictions affecting the mortgaged property or any portion thereof and the Mortgagor will from time

to time, upon request of the Mortgagee, provide to the Mortgagee evidence of such observance and compliance and will at its own expense make any and all improvements thereon or alterations to the mortgaged property structural or otherwise and will take all such other action as may be required at any time by any such present or future law, rule, requirement, order, direction, by-law, ordinance, work order, regulation, covenant or equivalent; and the Mortgagor will cause its tenants, agents and invitees to comply with all the foregoing at their own expense.

(6) **Environmental Provisions:** The Mortgagor represents and warrants to the Mortgagee that:

- (a) there is not, in, on or about the mortgaged property any product or substance (including, without restriction, contaminants, wastes or toxic or hazardous materials), equipment or anything else which contravenes any statute, regulation, by-law, order, direction or equivalent relating to the protection of the environment or which is not being dealt with according to best recognized practices relating to the environment;
- (b) to the best of the knowledge of the Mortgagor, no circumstance has existed on the mortgaged property or exists or has existed on any property adjacent to the mortgaged property which constitutes or could reasonably constitute a contravention of any statute, regulation, order, bylaw, direction or equivalent relating to the protection of the environment;
- (c) no claim or notice of any action, investigation or proceeding of any kind has been threatened, made or issued or is pending relating to an environmental condition on the mortgaged property; and
- (d) the mortgaged property is being used in compliance with all statutes, regulations, orders, by-laws, directions and equivalent relating to the protection of the environment.

The Mortgagor covenants with the Mortgagee that:

- (a) the Mortgagor will give to the Mortgagee immediate notice of any material change in circumstances in respect of the mortgaged property or adjacent property which would cause any of the representations and warranties contained in the immediately preceding subparagraphs (a) to (d) to become untrue; and
- (b) the Mortgagor will not permit or create, and will not allow anyone else to permit or create, any circumstance on the mortgaged property which constitutes or could reasonably constitute a contravention of any statute, regulation, order, by-law, direction or equivalent relating to the protection of the environment.

The Mortgagor further covenants with the Mortgagee to at all times promptly observe, perform, execute and comply with all applicable laws, rules, requirements, orders, directions, by-laws, ordinances, work orders, regulations and equivalent of every government authority relating to pollution of the environment, contaminants, wastes or toxic or hazardous materials, and all private covenants and restrictions affecting the mortgaged property or any portion thereof and the Mortgagor will from time to time, upon request of the Mortgagee, provide to the Mortgagee evidence of such observance and compliance and pay immediately when due the cost of removal of any such contaminants, wastes and materials, and will at its own expense make any and all improvements thereon or alterations to the mortgaged property structural or otherwise and will take all such other action as may be required at any time by any such present or future law, rule,

requirement, order, direction, by-law, ordinance, work order, regulation, covenant or equivalent; and the Mortgagor will cause its tenants, agents and invitees to comply with all the foregoing at their own expense.

The Mortgagor will indemnify and hold harmless the Mortgagee (and its directors, officers, employees and agents) from and against all loss, cost, damage or expenses (including, without limitation, legal fees and costs incurred in the investigation, defence and settlement of any claim) due to the Mortgagor's failure to comply with any of the covenants and agreements in this clause, or due to the presence of any contaminant, waste or toxic or hazardous material referred to in this clause, as well as any lien or priority asserted with respect thereto, and this indemnity shall survive the discharge of this mortgage or the release from this mortgage of part or all of the mortgaged property.

(7) **Remedies for Breach of Covenants:** In the event of non-payment when due of the Liabilities or a part thereof, or upon breach of or default under any provision of any agreement evidencing or relating to the Liabilities or a part thereof, or upon breach of or default in any provision hereof:

(a) **Liabilities Due:** The Liabilities shall immediately become due and payable at the option of the Mortgagee unless such non-payment, breach or default is waived or postponed by the Mortgagee;

(b) **May Enter on to Mortgaged Property to Lease or Sell:** The Mortgagee may on giving the minimum notice, if any, according to applicable law, enter on and lease or sell the mortgaged property; and the Mortgagee may collect the rents and profits and lease or sell as aforesaid without entering into possession of the mortgaged property; and the Mortgagee is hereby irrevocably appointed the attorney of the Mortgagor for the purpose of making such lease or sale, and for recovering all rents and sums of money that may become or are due or owing to the Mortgagor in respect of the mortgaged property, and for enforcing all agreements binding on any lessee or occupier of the mortgaged property or on any other person in respect of it, and for taking and maintaining possession of the mortgaged property, and for protecting it from waste, damage or trespass, and for making arrangements for completing the construction of, repairing or putting into order any buildings or other improvements on the mortgaged property, and for harvesting, threshing and marketing any crops on the land, keeping down and destroying any noxious weeds, summer fallowing, and working, breaking and otherwise farming any farm land, and for conducting remediation to bring the mortgaged property in compliance with recognized environmental standards, statutory or otherwise, and for executing all instruments, deeds and documents pertaining thereto, and for doing all acts, matters and things that may be necessary for carrying out the powers hereby given; and any such sale may be either for cash or on credit, or part cash and part credit, and by private sale or public auction, and at such sale the whole or any part of the mortgaged property may be sold; and the Mortgagee may vary or rescind any contract of sale made by virtue of these presents, and may buy in and resell the mortgaged property or any part thereof, without being responsible for any loss or deficiency on resale or expense occasioned thereby, and may sell on such terms as to credit or otherwise as to it shall seem appropriate, and for such prices as can reasonably be obtained therefor, and may make any stipulation as to title or evidence or commencement of title or otherwise as to it may seem proper, and no purchaser or lessee under such power shall be bound to inquire into the legality or regularity of any sale or lease under the said power, or to see to the application of the proceeds thereof, nor shall any omission, irregularity or want of notice invalidate or in any way affect the legality of any such sale or lease; and out of the money arising from

such sale or lease the Mortgagee shall be entitled to retain an amount equal to the Liabilities together with all expenses incurred in or about taking, recovering or keeping possession of the mortgaged property, selling or leasing the same or otherwise by reason of any default of the Mortgagor hereunder, including solicitors' fees and disbursements as between a solicitor and his own client, and any balance of monies remaining after the satisfaction of all claims of the Mortgagee, as hereinbefore provided, shall be paid to the Mortgagor but the Mortgagee shall in no event be liable to pay to the Mortgagor any monies except those actually received by the Mortgagee; and in addition the Mortgagee may take foreclosure proceedings in respect of the mortgaged property in accordance with the provisions of the laws of the Province of Alberta in that behalf; and in the event of any deficiency on account of the Liabilities remaining due to the Mortgagee after realizing all the mortgaged property, then the Mortgagor will pay to the Mortgagee on demand the amount of the deficiency with interest at the Mortgage Rate until paid;

- (c) **Distraint:** The Mortgagee may distraint for arrears of the Liabilities, and as part of the consideration for any advance or creation of the Liabilities, the Mortgagor agrees to waive, and hereby waives, on the exercise of any such right of distress all rights to exemptions from seizure and distress under any statute of the Province of Alberta;
- (d) **Receivership:** The Mortgagee may appoint a receiver of the mortgaged property and of the income of the mortgaged property, or any part thereof, and every such receiver shall be the agent of the Mortgagor and the Mortgagor shall be solely responsible for the receiver's acts or defaults; and such receiver shall have power to demand, recover and receive all the income of the mortgaged property, by action, distress or otherwise, either in the name of the Mortgagor or of the Mortgagee, and to give effectual receipts for the same; and the receiver may lease the mortgaged property and execute contracts in the name of the Mortgagor; provided that such receiver may be removed and a new receiver appointed from time to time by the Mortgagee, by writing under the hand of any authorized agent or solicitor; and it is further agreed that such receiver shall be entitled to retain out of the monies received by it a commission of five percent (5%) of the gross receipts, or such higher rate as any judge of any court having jurisdiction may allow upon application by it for that purpose, and also its disbursements in the collection of such income, and thereafter shall apply all monies received by it as such receiver as follows: namely, in discharge of all taxes, rates and accounts payable whatsoever affecting the mortgaged property and all liens, charges (including, without limitation, those imposed under environmental laws), annual sums or other payments and interest thereon, if any, having priority to this mortgage; in payment of the premiums on insurance payable under this mortgage; in payment of the cost of all necessary or proper repairs to the mortgaged property; and the balance, if any, thereafter upon the Liabilities; provided further that neither the existence of the foregoing relating to attornment, to distraint for arrears, to entry upon the mortgaged property, to foreclosure and to the said receivership, nor anything done by virtue thereof, shall render the Mortgagee a mortgagee in possession so as to be accountable for any monies except those actually received; and
- (e) **Performance of Obligations:** The Mortgagee, at its option, may by and on behalf of the Mortgagor and at the sole cost and expense of the Mortgagor, and to such extent as the Mortgagee deems advisable, observe and perform or cause to be observed and performed, any provision with respect to which default has occurred and for such purpose make such payments as are contemplated herein, and all monies expended by the Mortgagee for any such purpose shall be payable on demand by the Mortgagor to the Mortgagee, and if not demanded or if not paid forthwith on demand, shall bear interest at the Mortgage Rate

and shall be compounded, the rests being made semi-annually until paid, and shall constitute an Enforcement Obligation; provided however that nothing herein contained shall be deemed to hold the Mortgagee responsible for and the Mortgagee shall not be responsible for any loss arising out of its or its agents' or employees' observance or performance of any such provision.

No remedy herein conferred is intended to be exclusive of any other remedy or remedies hereunder or under any security collateral hereto, and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under any security collateral hereto or now or hereafter existing at law or in equity.

- (8) **Bankruptcy:** If the Mortgagor shall commit an act of bankruptcy within the meaning of the *Bankruptcy and Insolvency Act*, become bankrupt or shall be subject to the provisions of the *Bankruptcy and Insolvency Act*, or the *Winding-up and Restructuring Act* or make a general assignment for the benefit of its creditors, the same shall constitute a breach of covenant pursuant to this mortgage.
- (9) **Costs to Protect Security:** All fees, charges, costs (including solicitors' costs as between a solicitor and his own client) or expenses levied or charged by any solicitors or inspectors retained by or on behalf of the Mortgagee for the preparation, taking, registration, maintenance, protection or enforcement of this mortgage and any other securities which may be taken by the Mortgagee in connection with the Liabilities or any part thereof, together with the costs of any abortive sale and of taking, recovering and keeping possession of the mortgaged property, the costs of inspecting or managing the same and generally any costs in any other proceeding, matter or thing taken or done in connection with or for completing the construction of, repairing or putting in order any buildings or other improvements on the mortgaged property, or for remediation to bring the mortgaged property into compliance with recognized environmental standards, statutory or otherwise, or to protect or realize upon this mortgage or any other security taken in connection with the Liabilities, or to perfect the title of the mortgaged property, or relating to expropriation of part or all of the mortgaged property, shall be payable by the Mortgagor to the Mortgagee on demand, and shall bear interest at the Mortgage Rate until paid and shall constitute an Enforcement Obligation. If the Mortgagor shall default in payment of any Enforcement Obligation on demand, the Liabilities shall at the option of the Mortgagee forthwith become due and payable unless such default is waived or postponed by the Mortgagee.
- (10) **Extension or Replacement of Covenants:** The Mortgagee may, in its discretion and with or without the consent of the Mortgagor or any guarantor or surety, in respect of the Liabilities or any part thereof give an extension of time, take the covenant of any purchaser of the equity of redemption of the mortgaged property or any part thereof, or any security whatsoever from them or from any other person, for the assumption and payment of the whole or any part of the Liabilities or for the due performance of any of the provisions hereof and any such action on the part of the Mortgagee shall not release the Mortgagor or any guarantor or surety from payment of the Liabilities or any part thereof or the performance of the said provisions or any of them; and the Mortgagee may also, in its discretion, compound with or release the Mortgagor or any one claiming under it, or any other person liable for payment of the Liabilities, or surrender, release or abandon or omit to perfect or enforce any securities, remedies or proceedings which the Mortgagee may now or hereafter hold, take or acquire, and may pay all monies received from the Mortgagor or others, or from securities upon such part of the Liabilities as the Mortgagee may think best without prejudice to or in any way limiting or lessening the liability of the mortgaged property or of any surety or obligor or any other person liable for payment of the Liabilities; and the Mortgagee shall incur no liability to any person by reason of anything aforesaid; any

provision or liability aforesaid shall continue in full force as long as any of the Liabilities remain unpaid, but the Mortgagee shall not be bound to exhaust its recourse or remedies against the mortgaged property or the Mortgagor or other parties or the securities it may hold before being entitled to payment from any guarantor or surety of the Liabilities.

- (11) **Release of Lands:** The Mortgagee may, in its discretion and with or without the consent of the Mortgagor or any guarantor or surety, release any part of the mortgaged property or any other security for the Liabilities either with or without any consideration therefor, and without being accountable for the value thereof or for any monies except those actually received by it and without thereby releasing any other part of the mortgaged property, or any provision hereof, including any covenants or agreements on the part of any guarantor or surety for the payment of the Liabilities and the performance of the provisions hereof.
- (12) **No Waiver:** The permitting of or the acquiescence in the non-performance or non-observance of or the extension of time for the performance of any of the provisions of this mortgage shall not be or constitute any waiver of or cure any continuing or subsequent default, and shall not justify any default or delay on any other occasion and no waiver shall be inferred from or implied by anything done or omitted by the Mortgagee, except by express agreement.
- (13) **No Apportionment:** Every part, lot or unit into which the mortgaged property is or may hereafter be divided stands charged with the whole of the Liabilities and no person shall have any right to require the Liabilities to be apportioned on or in respect of any such part, lot or unit, or to require the charge of this mortgage to be released or discharged in respect of any such part, lot or unit, and the Mortgagor hereby waives any provision of any legislation which provides for such right.
- (14) **All Taxes Paid:** Except as disclosed in writing to the Mortgagee and consented to by the Mortgagee, the Mortgagor represents and warrants that it has paid all taxes, interest and penalties payable by it under the provisions of federal, provincial and municipal statutes or by-laws relating thereto, and which may create a charge or lien upon the mortgaged property.
- (15) **Expropriation:** In the event that the whole or any material portion of the mortgaged property is expropriated by any entity empowered to do so, then at the option of the Mortgagee all Liabilities shall forthwith become due and payable. The Mortgagor acknowledges Section 49 of the *Expropriation Act* (Alberta), as such Act may be amended from time to time, whereby the Mortgagee may be restricted to recovering the market value (as defined therein) of this mortgage at the date of any expropriation if the market value is then less than the amount of the Liabilities, and the Mortgagor hereby waives the provisions of the said Act insofar as they relate to such restriction. In the event such market value is less than the amount of the Liabilities and the Mortgagee receives from the expropriating authority the market value of this mortgage, the Mortgagor shall forthwith pay to the Mortgagee the remaining portion as a separate debt together with interest at the Mortgage Rate notwithstanding the provisions of the Expropriation Act. The proceeds from any expropriation affecting the whole or any part of the mortgaged property shall be paid to the Mortgagee in priority to the claims of any other person.
- (16) **Discharge:** The Mortgagor shall not be entitled to a discharge of this mortgage unless and until the Liabilities have been paid in full, the Mortgagee has no further obligations in respect of any Liabilities and the Mortgagor has kept and performed all of the provisions hereof, whether the Mortgagee has taken legal proceedings thereon and recovered judgment or likewise; and the Mortgagee shall have a reasonable time after payment of the Liabilities within which to prepare or have prepared all executed discharge of this mortgage, and interest shall continue to run and accrue until all Liabilities have been paid and actual payment in full has been received by the

Mortgagee and all legal and other expenses for the preparation and execution of such discharge shall be borne by the Mortgagor.

- (17) **Condominium Units:** Notwithstanding anything to the contrary herein contained, as the mortgaged property constitutes a condominium or a unit in a condominium:
- (a) The Mortgagor covenants with the Mortgagee that the Mortgagor will observe and perform each and every provision required to be observed and performed under or pursuant to the terms of this mortgage, the *Condominium Property Act* (Alberta) and any amendments thereto and any legislation passed in substitution therefor, and the by-laws and any amendments thereto of the condominium corporation of which the Mortgagor is a member by virtue of the Mortgagor's ownership of the condominium being charged by this mortgage (hereafter referred to as the "Condominium Corporation");
 - (b) Without limiting the generality of the foregoing subparagraph, the Mortgagor covenants to pay promptly when due any and all unpaid assessments, instalments or payments due to the Condominium Corporation;
 - (c) In addition to the Mortgagors' obligations herein to insure the mortgaged property, the Mortgagor covenants and agrees to provide the Mortgagee, from time to time upon the Mortgagee's request, with evidence satisfactory to the Mortgagee that the Condominium Corporation keeps the condominium insured in favour of the Mortgagee against all risks of direct physical loss or damage on a replacement cost basis for an amount equal to the full replacement value of the condominium; provided that, if the Condominium Corporation neglects to keep the condominium insured as aforesaid, the Mortgagee shall be entitled but shall not be obligated to insure the condominium to a value deemed, in the sole opinion of the Mortgagee, adequate to protect the Mortgagee's insurable interest and any amount paid therefor by the Mortgagee shall be payable on demand with interest at the Mortgage Rate until paid and shall constitute an Enforcement Obligation;
 - (d) As a member of the Condominium Corporation, the Mortgagor covenants and agrees to seek the full compliance by the Condominium Corporation with the requirement that the Condominium Corporation insure the condominium; and the Mortgagor hereby releases to the Mortgagee all of the Mortgagor's claim upon the Condominium Corporation, subject to the terms of the said insurance policy;
 - (e) The Mortgagee authorizes the Mortgagor to vote respecting all matters relating to the affairs of the Condominium Corporation, provided that the Mortgagee may at any time upon written notice to the Mortgagor and the Condominium Corporation, revoke this authorization, in which case all power to vote shall rest in the Mortgagee, although the Mortgagee shall be under no obligation to vote to protect the interests of the Mortgagor or to vote in any particular manner;
 - (f) The Mortgagor further covenants that, where the Mortgagor defaults in the Mortgagor's obligations to pay any assessment, instalment or payment due to the Condominium Corporation, or upon breach of any provision contained in this paragraph, regardless of any other action or proceeding taken or to be taken by the Condominium Corporation, the Mortgagee, at its option and without notice to the Mortgagor, may deem such default to be default under the terms of this mortgage and proceed to exercise its rights herein;

- (g) Upon default herein and notwithstanding any other right or action of the Condominium Corporation or the Mortgagee, the Mortgagee may distrain for arrears of any assessment, instalment or payment due to the Condominium Corporation or arising under this paragraph; and
- (h) The Mortgagor covenants to request the Condominium Corporation to send to the Mortgagee copies of all notices sent to the Mortgagor, and the Mortgagor covenants to notify the Mortgagee of any breaches by the Condominium Corporation that come to the attention of the Mortgagor.
- (18) **Due on Sale or on Change in Ownership:** In the event that the Mortgagor shall sell, convey, transfer or otherwise dispose of the mortgaged property, or enter into any agreement to sell, convey, transfer or otherwise dispose of or lose title thereto, the Liabilities shall forthwith become due and payable at the option of the Mortgagee. In the event that the Mortgagor is a corporation, and in the event that there is a sale or sales which result in a transfer of the legal or beneficial interest of a majority of the shares in the capital of the Mortgagor or there is a change in the effective control of a majority of the voting shares in the capital of the Mortgagor, then the Liabilities shall forthwith become due and payable at the option of the Mortgagee.
- (19) **Cross Default:** In the event that the Mortgagor makes default under any mortgage, charge, lien or other encumbrance against the mortgaged property ranking or claiming priority over this mortgage, the same shall constitute default under this mortgage and the Liabilities shall at the option of the Mortgagee forthwith become due and payable, and the Mortgagee shall be at liberty to exercise its rights under this mortgage.
- (20) **No Obligation to Advance:** Neither the execution nor registration of this mortgage nor the advancing or creation of any part of the Liabilities shall bind the Mortgagee to advance or create any further Liabilities; and notwithstanding anything herein contained, all payments to be made on or by virtue of this mortgage shall be made in lawful money of Canada to the Mortgagee at its address specified on page 1 hereof or at such other place as the Mortgagee may, from time to time, in writing designate.
- (21) **Lawful Interest Rate:** In the event interest chargeable or payable on principal or interest or on arrears of principal or interest as provided for in this mortgage is in excess of that permitted by the *Interest Act* (Canada) or any other applicable law, then in such event, interest payable and chargeable on such principal or interest or on arrears of principal or interest under this mortgage shall be chargeable and payable at the highest lawful rate permitted by the *Interest Act* (Canada) or such other applicable law and no other interest on principal or interest or on arrears of principal or interest shall be chargeable or payable hereunder.
- (22) **Severability:** If any provision of this mortgage or the application thereof to any person is to any extent held invalid or unenforceable, the remainder of this mortgage or the application of such provision to persons other than those with respect to which it is held invalid or unenforceable shall not be affected thereby and shall continue to be enforceable to the fullest extent permitted by law.
- (23) **Interpretation:** The words used herein which import the singular number and neuter shall be read and construed as plural and feminine or masculine, as the case may be, and shall apply to the party's heirs, executors, administrators, successors or assigns, as applicable, and in case of more than one Mortgagor, the terms and conditions hereof shall be construed and held to be several as well as joint.

- (24) **Statutory Mortgage Clause:** And for better securing to the Mortgagee the repayment in the manner aforesaid of the Liabilities, the Mortgagor hereby mortgages to the Mortgagee all of the Mortgagor's estate and interest in the mortgaged property.
- (25) **Land Titles Act:** It is understood and intended that this mortgage is made with reference to and under the *Land Titles Act* of the Province of Alberta.

IN WITNESS WHEREOF this mortgage is signed, sealed and delivered this 4 day of March, 2015.

Witness: MB

DUFFY BUILDING CORPORATION

Per: [Signature]
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

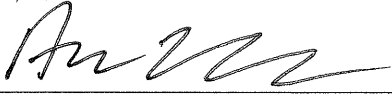
AFFIDAVIT OF EXECUTION

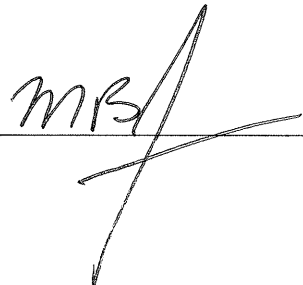
CANADA)
) I, Mark Johnson
)
PROVINCE OF ALBERTA) of Calgary
)
TO WIT:) in the Province of Alberta

MAKE OATH AND SAY:

1. That I was personally present and did see Jim Hickey named in the within instrument who is (are) known to me to be the person(s) named therein, duly sign, seal and execute the same for the purposes named therein.
2. That the same was executed at Calgary in the Province of Alberta, and that I am the subscribing witness thereto.
3. That I know the said parties and he is in my belief of the full age of eighteen years.

SWORN BEFORE ME at the City of Calgary,)
in the Province of Alberta, this 4, day of)
March, 2015.)

)
(A Commissioner for Oaths in and for the)
Province of Alberta)



ARON BALAKRISHNAN
Barrister & Solicitor

**AFFIDAVIT VERIFYING
CORPORATE SIGNING AUTHORITY**

I, Sim Hickey, of Calgary, Alberta
MAKE OATH AND SAY:

1. I am an officer or a director of DUFFY BUILDING CORPORATION named in the within instrument.
2. I am authorized by the corporation to execute the instrument without affixing a corporate seal.

SWORN BEFORE ME at the City of Calgary,)
in the Province of Alberta, this 4 day)
of March, 2015.)

MBJ)
(A Commissioner for Oaths in and for the)
Province of Alberta))

MARK BENNETT JOHNSON
A Notary Public and Commissioner for Oaths
in and for the Province of Alberta.
My Appointment expires at the Pleasure
of the Lieutenant Governor.

Sim Hickey

**AFFIDAVIT VERIFYING
CORPORATE SIGNING AUTHORITY**

I, Sim Hickey, of Calgary, Alberta
MAKE OATH AND SAY:

3. I am an officer or a director of DUFFY BUILDING CORPORATION named in the within instrument.
4. I am authorized by the corporation to execute the instrument without affixing a corporate seal.

SWORN BEFORE ME at the City of Calgary,)
in the Province of Alberta, this 4 day)
of March, 2015.)

MBJ)
(A Commissioner for Oaths in and for the)
Province of Alberta))

MARK BENNETT JOHNSON
A Notary Public and Commissioner for Oaths
in and for the Province of Alberta.
My Appointment expires at the Pleasure
of the Lieutenant Governor.

Sim Hickey

EXHIBIT

L

This is Exhibit "L" referred to
in the Affidavit of Josh Coonan
Sworn before me this 16 day of December, 2015

A handwritten signature in cursive script that reads "Isabelle Gagne". The signature is written in black ink and is positioned above the printed name and title.

Commissioner for Oaths
In and for the Province of Alberta

ISABELLE GAGNE
A Commissioner for Oaths in and for Alberta
My Commission Expires on April 18, 2017

INTERCREDITOR AGREEMENT

This Agreement is made as of the 28 day of ~~August~~ ^{July}, 2015 among

CENTURY SERVICES LP
("Century")

and

1784761 ALBERTA LTD.
("1784761")

and

CHRIS MECHANICAL SERVICES LTD.
("Company")

and each of

DUFFY BUILDING CORPORATION

and

DUFFY HOLDINGS LTD.

and

JAMES PATRICK HICKEY
(collectively, the "Guarantors")

WHEREAS the Company and the Guarantors are or may become indebted or obligated to the Creditors, and the Creditors desire to enter into this Agreement to confirm their respective rights and obligations as creditors of the Loan Parties, including the respective priorities of the Creditors in connection with the indebtedness and obligations of the Loan Parties to the Creditors and the security therefor.

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follow:

SECTION 1 - INTERPRETATION

1.1 **Definitions.** In this Agreement, the following defined terms will have the following meanings unless the context expressly or by necessary implication otherwise requires:

- (1) 1784761 Loan Agreements means the commitment letter dated July 23, 2015 between 1784761, as lender, and the Company, as borrower, and the Guarantors, as guarantors, and all other documents, instruments and agreements

(including security agreements) now or hereafter executed in connection therewith, in each case as the same may be amended, modified, supplemented, restated or replaced from time to time.

- (2) **1784761** means 1784761 Alberta Ltd. and its successors and assigns.
- (3) **1784761 Obligations** means all debts, obligations and liabilities, present or future, direct or indirect, absolute or contingent, matured or unmatured, and whether as principal debtor, guarantor, surety or otherwise at any time owing under any of the 1784761 Loan Agreements by the Loan Parties to 1784761 or remaining unpaid by the Loan Parties to 1784761 and includes any extension, renewal, restatement, refunding or refinancing of any 1784761 Obligations.
- (4) **1784761 Collateral** means the Accounts Receivable granted by the Company to 1784761 as security for all or any party of the 1784761 Obligations.
- (5) **Accounts Receivable** means all trade and other accounts receivable, notes receivable and other debts due or accruing due to the Company from time to time, other than accounts receivable in respect of the sale, disposition or lease proceeds of or from any of Century Specific Collateral.
- (6) **Assets** means the undertaking and all of the present and future properties and assets, real and personal, moveable and immovable, of whatsoever nature and kind and wheresoever situate, of the Company.
- (7) **Business Day** means any day on which banks are generally open for business in Calgary, Alberta, other than a Saturday, Sunday or statutory holiday.
- (8) **Cash Proceeds of Realization** means the aggregate of (i) all Proceeds of Realization in the form of cash, and (ii) all cash proceeds of the sale or other disposition of non-cash Proceeds of Realization.
- (9) **Century** means Century Services LP and its successors and assigns.
- (10) **Century Loan Agreements** means the commitment letter dated February 26, 2015 between Century, as lender, and the Company, as borrower, and the Guarantors, as guarantors, and all other documents, instruments and agreements (including security agreements) now or hereafter executed in connection therewith, in each case as the same may be amended, modified, supplemented, restated or replaced from time to time.
- (11) **Century Obligations** means all debts, obligations and liabilities, present or future, direct or indirect, absolute or contingent, matured or unmatured, and whether as principal debtor, guarantor, surety or otherwise at any time owing under any of the Century Loan Agreements by the Loan Parties to Century or remaining unpaid by the Loan Parties to Century, and includes any extension, renewal, restatement, refunding or refinancing of any Century Obligations.
- (12) **Century Security** means any and all Liens now or hereafter granted by the Loan Parties to Century from time to time as security for all or any part of the Century Obligations, in each

case as the same may be amended, modified, supplemented, restated or replaced from time to time.

(13) **Century Specific Collateral** means the collateral and assets listed in Schedule "A" attached hereto including all additions, modifications or accretions thereto and any replacements, trade-ins or substitutions therefor.

(14) **Company** means Chris Mechanical Services Ltd. and its successors and permitted assigns.

(15) **Creditors** means Century and 1784761, and **Creditor** means any one of them.

(16) **Default** means the occurrence of any of the defaults or events of default specified in any Loan Agreement or in any Security entitling a Creditor to Demand or accelerate payment of any Obligation, either immediately or after a cure period or grace period, or failure of a Loan Party to pay any amount which is payable to a Creditor on demand within the time specified for payment in a Demand made by such Creditor.

(17) **Demand** means any notification by a Creditor to a Loan Party of a demand for payment under any Loan Agreement or any Security.

(18) **GAAP** means generally accepted accounting principles in Canada consistently applied as of the date hereof.

(19) **Guarantors** means Duffy Building Corporation, Duffy Holdings Ltd. and James Patrick Hickey, and **Guarantor** means any one of them.

(20) **Lien** means any mortgage, hypothec, title retention, pledge, lien, right of set-off, charge, security interest, assignment or other encumbrance of whatsoever nature or kind, whether fixed or floating and howsoever created or arising.

(21) **Loan Agreements** means the Century Loan Agreements and the 1784761 Loan Agreements and **Loan Agreement** means either one of them.

(22) **Loan Parties** means collectively the Company and the Guarantors, and **Loan Party** means any one of them.

(23) **Obligations** means the Century Obligations and the 1784761 Obligations.

(24) **Person** means an individual, partnership, joint venture, trust, corporation, unincorporated organization or any other judicial entity or a governmental state or agency or political subdivision thereof.

(25) **Proceeds of Realization** means all proceeds (including money, choses in action, securities, investment property, assets and other property) derived from any sale or disposition of, or other enforcement or realization proceedings with respect to, any of the Assets (a) after any Demand, (b) upon any dissolution, liquidation, winding-up, reorganization (including any

proposal under the *Bankruptcy and Insolvency Act* (Canada) and any reorganization under the *Companies' Creditors Arrangement Act* (Canada), bankruptcy, insolvency or receivership of a Loan Party or any other arrangement or marshalling of the Assets that is similar thereto, (c) upon the enforcement of, or any action taken with respect to, any of the Security, (d) as insurance or expropriation proceeds or any other payment representing indemnity or compensation for loss of, damage to or interruption in the business, operation or enjoyment of all or any part of the Assets or any proceeds thereof (including money, choses in action, securities, assets and other property), or (e) as a result of the exercise of any right of set off or other similar right or remedy, in each case net of all costs, charges and expenses or liabilities incurred in connection with such sale, disposition, enforcement or realization, including legal fees and all proper costs, charges, expenses and liabilities of any Receiver.

(26) **Receiver** means a receiver, a manager, bailiff, receiver-manager, receiver and manager, an agent or other person having similar powers or authority appointed by Century or 1784761, whether by way of a private or court appointment in respect of any Loan Party or any of the Assets.

(27) **Security** means the Century Security and the 1784761 Security.

1.2 **References.** References to "this Agreement", "the Agreement", "hereof", "herein", "hereto" and like references refer to this Intercreditor Agreement and not to any particular Article, Section or other subdivision of this Intercreditor Agreement. Any references to "this Agreement", "the Agreement", "hereof", "herein", "hereto" and like references refer to this Intercreditor Agreement, as amended, modified, supplemented or restated from time to time in accordance with the terms hereof. In this Agreement, the word "includes" or "including" means "includes without limitation" or "including without limitation". Where the context so requires, words importing the singular number will include the plural and *vice versa*. The division of this Agreement into Articles, Sections and the insertion of headings in this Agreement are for convenience of reference only and will not affect the construction or interpretation of this Agreement. Time is of the essence of this Agreement.

1.3 **Applicable Law.** This Agreement will be governed by and construed and interpreted in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

1.4 **Paramountcy.** If there is a conflict or inconsistency between the provisions of this Agreement and the provisions of any other agreement which is referred to herein or delivered pursuant hereto, as between the Creditors, the provisions of this Agreement will prevail, provided that nothing in this Agreement is intended to or will impair, as between the Loan Parties and either of the Creditors, the obligations of the Loan Parties to pay the Obligations when due. For greater certainty, as between each Creditor and the Loan Parties, the applicable Loan Agreements shall prevail.

1.5 **No Rights Conferred on Loan Parties.** Nothing in this Agreement will be construed as conferring any rights upon the Loan Parties or any third party. The terms and conditions hereof are and will be for the sole and exclusive benefit of the Creditors. The Loan Parties, by their execution of this Agreement, hereby agree to be bound by, and will act in accordance with, the

terms, provisions and intent of this Agreement; however, the Loan Parties will not take any right, benefit or advantage in the Loan Parties being party to this Agreement, and this Agreement may be amended, modified, supplemented or restated without notice to, or the consent of, the Loan Parties.

1.6 **Consent.** Each of the Loan Parties hereby irrevocably consents to each Creditor providing the other Creditor with such information, financial or otherwise, regarding the Loan Parties, the Obligations and the Security as may be deemed advisable by the Creditors from time to time.

SECTION 2 - CONSENT

2.1 **Consent of Creditors.** Each Creditor consents to the incurring or assuming by the Loan Parties of the Obligations and the granting or assuming by the Loan Parties of the Security and confirms that such action does not and will not constitute a default under or otherwise contravene any of the Loan Agreements or any of the Security (except for any default which may result from the Loan Parties incurring Obligations under one Creditor's Loan Agreements which exceeds the amount permitted under the other Creditor's Loan Agreements).

SECTION 3 - PRIORITY OF OBLIGATIONS AND SECURITY

3.1 **Priority of Obligations.** 1784761 agrees that, except as otherwise expressly provided herein, the 1784761 Obligations are fully subordinated to the Century Obligations with respect to the Century Specific Collateral.

3.2 **Priority of Security.** 1784761 hereby agrees that Century has priority over the Century Security, other than the 1784761 Security, such that Century shall have a prior claim to the Assets, other than Accounts Receivable, with and to the intent that the interest of 1784761 in the Assets, other than Accounts Receivable, shall rank subsequent and subject in all respects to the interests of Century in such Assets and the rights of Century under the Century Security. Century hereby agrees that 1784761 has priority over the 1784761 Security, such that 1784761 shall have a prior claim to the Accounts Receivable, with and to the intent that the interest of Century in the Accounts Receivable, shall rank subsequent and subject in all respects to the interests of 1784761 in the Accounts Receivable.

3.3 **No Challenge.** Neither Creditor will, in any manner, challenge, contest or bring into question the validity, priority, perfection or enforceability of any of the Obligations or the Security or take any action whereby the priorities set within this Agreement might be impaired or defeated.

SECTION 4 - ENFORCEMENT AND REMEDIES

4.1 **Presumption.** For the purpose of any determination hereunder, if there is any dispute between Century and 1784761 as to whether any Asset or account is an Account Receivable, such Asset or account shall be deemed to form part of the Century Collateral until such time as 1784761 has established, to the satisfaction of Century, acting reasonably, that such Asset or

account is an Account Receivable and forms part of the 1784761 Collateral. 1784761 shall have the burden of establishing that a particular Asset or account is an Account Receivable.

4.2 **Notice.** Each of the Creditors agrees to give the other (a) concurrent notice of the occurrence of a Default under its Loan Agreements if notice thereof is given to or received from a Loan Party, (b) concurrent notice of a Demand made by it under its Loan Agreement, and (c) prior notice of the exercise of enforcement remedies; provided that a Creditor shall not incur any liability for failure to provide such notice (except as provided by any applicable law). A demand or the commencement of enforcement proceedings by 1784761 against the Company or any of the Loan Parties shall constitute an Event of Default under the Century Loan Agreement and Century Security.

4.3 **Remedies.** Each Creditor acknowledges that all covenants, provisions and restrictions contained herein are necessary and fundamental in order to establish the respective priorities of the Creditors in connection with the Obligations and the Security, and that a breach of any such covenant, provision or restriction would result in damages that could not adequately be compensated by monetary award. Accordingly, it is expressly agreed that, in addition to all other remedies available to it, including any action for damages, a Creditor will be entitled to the immediate remedy of a restraining order, interim injunction, injunction or other form of injunctive or other relief as may be decreed or issued by any court of competent jurisdiction to restrain or enjoin the other Creditor from breaching any such covenant, provision or restriction.

4.4 **Application of Proceeds of Realization.** Proceeds of Realization and all Cash Proceeds of Realization will be in accordance with the priorities set out in this Agreement.

SECTION 5 - REPRESENTATIONS AND WARRANTIES OF CREDITORS

5.1 **Representations and Warranties.** To induce each Creditor to continue to extend credit to the Loan Parties under the Loan Agreements, each Creditor hereby represents and warrants to the other Creditor as follows and acknowledges and confirms that each Creditor is relying upon such representations and warranties in continuing to extend credit to the Loan Parties under the Loan Agreements:

- (a) each Creditor has all requisite capacity, power and authority to enter into and carry out the transactions contemplated by this Agreement;
- (b) all necessary action, corporate or otherwise, has been taken to authorize the execution, delivery and performance of this Agreement by each Creditor and each Creditor has duly executed and delivered this Agreement; and
- (c) this Agreement is a legal, valid and binding obligation of each Creditor, enforceable against each Creditor by the other Creditor in accordance with its terms subject to limitations with respect to enforcement imposed by law in connection with bankruptcy or similar proceedings affecting creditors' rights generally and to the extent that equitable remedies such as specific performance and injunction are in the discretion of the court from which they are sought.

SECTION 6 - MISCELLANEOUS

6.1 **Application of this Agreement.** The rights of the Creditors and the priorities of the Security and the Obligations set out in this Agreement will apply irrespective of any matter or thing, including:

- (a) the validity or enforceability of any provision of the Security and the Loan Agreements or any agreement forming part of the Obligations;
- (b) the time of creation, granting, execution, delivery, attachment, registration (to the extent registration is required), filing, perfection, crystallization or enforcement of any of the Obligations or the Security or any part thereof;
- (c) the jurisdictions where any of the Security is registered or the failure of either Creditor to properly register or perfect any of the Security in any particular jurisdiction;
- (d) the time of any loan, advance or other extension of credit made to a Loan Party by either Creditor;
- (e) the time of Default or Demand;
- (f) any priority otherwise accorded to the Obligations and the Security under applicable law;
- (g) the provisions of the instruments or documents creating any of the Security; or
- (h) any other matter whatsoever.

Any action taken or thing done by a Creditor in contravention of this Agreement will be null and void and of no effect.

6.2 **Continuing Agreement.** This Agreement shall constitute a continuing agreement, even though at times a Loan Party may not be indebted to a Creditor under the applicable Loan Agreements and each Creditor may continue, without notice to the other Creditor, to lend money, extend credit and make other financial accommodations to or for the account of the Loan Parties on the faith hereof.

6.3 **Waivers and Amendments.** None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the Creditors. Neither Creditor will by any act or delay, be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of either Creditor, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder will preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by either

Creditor of any right or remedy hereunder on any one occasion will not be construed as a bar to any right or remedy which such Creditor would otherwise have on any future occasion.

6.4 **Severability.** Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and will be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

6.5 **Counterparts.** This Agreement may be executed in any number of counterparts, all of which will be deemed to be an original and such counterparts taken together will constitute one agreement and any of the parties hereto may execute this Agreement by signing any such counterpart.

6.6 **Further Assurances.** The Creditors agree to execute and deliver such further and other documents and perform and cause to be performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part thereof, including all acts, deeds and agreements as may be necessary or desirable for the purpose of registering or filing notice of the terms of this Agreement.

6.7 **Communication.** Any communication required or permitted to be given under this Agreement will be in writing and will be effectively made and given if (a) delivered personally, (b) sent by prepaid courier service or mail, or (c) sent prepaid by facsimile transmission or other similar means of electronic communication, in each case to the address or facsimile number of the relevant Creditor set out on the signature pages to this Agreement. Any communication so given will be deemed to have been given and to have been received on the day of delivery if so delivered, or on the day of facsimile transmission or sending by other means of recorded electronic communication provided that such day is a Business Day and the communication is so delivered or sent prior to 4:30 p.m. (local time at the place of receipt). Otherwise, such communication will be deemed to have been given and to have been received on the following Business Day. Any communication sent by mail will be deemed to have been given and to have been received on the fifth Business Day following mailing, provided that no disruption of postal service is in effect. Either Creditor may from time to time change their respective addresses or facsimile numbers for notice by giving notice to the other in accordance with the provisions of this Section.

6.8 **Successors and Assigns.** This Agreement will enure to the benefit of, and be binding on, the Creditors, the Loan Parties and their successors and permitted assigns; provided, however, that neither Creditor will assign any of its right, title or interest in respect of any of the Obligations or the Security unless the assignee agrees in writing with the other Creditor to be bound by this Agreement.

6.9 **Entire Agreement.** This Agreement contains the entire understanding of the parties with respect to the priority of the Obligations and the Security and supersedes any prior agreements, undertakings, declarations, representations and understandings, both written and verbal, in respect of the priority of the Obligations and the Security. There are no restrictions, agreements,

promises, warranties, covenants or undertakings relating to the priority of the Obligations and the Security other than those set forth in this Agreement.

6.10 **Termination.** This Agreement will terminate upon indefeasible payment in full of all Century Obligations and 1784761 Obligations and cancellation or termination of the Century Loan Agreements and the 1784761 Loan Agreements.

The parties have executed this Agreement as of the day and year first written above.

310, 318 – 11th Avenue SE
Calgary, AB T2G 0Y2
Attention: Rod Hudson, CFO
Fax No. (403) 294-9409

[Address]
Attention: •
Fax No. •

10403 – 50 Street SE
Calgary, AB T2C 3E3

Attention: Jim Hickey
Fax No. •

10403 – 50 Street SE
Calgary, AB T2C 3E3
Attention: Jim Hickey
Fax No. •

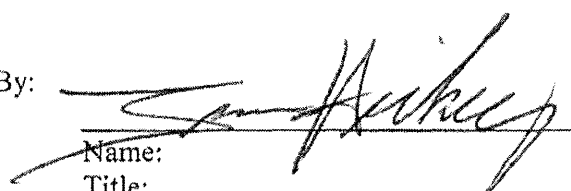
10403 – 50 Street SE
Calgary, AB T2C 3E3
Attention: Jim Hickey
Fax No. •

CENTURY SERVICES LP, by its general partner, Century Services Inc.

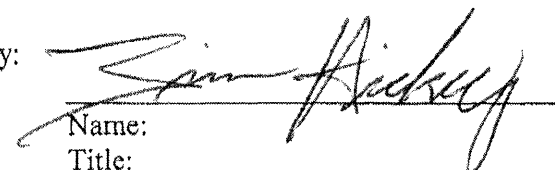
By: 
Name: **JOSH COONAN**
Title: **Senior Manager Lending Operations**

1784761 ALBERTA LTD.
By: 
Name: **SHAWN YOUNG**
Title: **PRESIDENT**

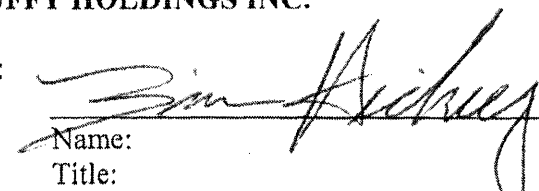
CHRIS MECHANICAL SERVICES LTD.

By: 
Name:
Title:

DUFFY BUILDING CORPORATION

By: 
Name:
Title:

DUFFY HOLDINGS INC.

By: 
Name:
Title:

10403 – 50 Street SE
Calgary, AB T2C 3E3
Fax No. ●


JAMES PATRICK HICKEY

[Faint, illegible text]

EXHIBIT

M

This is Exhibit "M" referred to
in the Affidavit of Josh Coonan
Sworn before me this 16 day of December, 2015

A handwritten signature in black ink, appearing to read "Isabelle Gagne", written over a horizontal line.

Commissioner for Oaths
In and for the Province of Alberta

ISABELLE GAGNE
A Commissioner for Oaths in and for Alberta
My Commission Expires on April 18, 2017

Search ID#: Z07353240

Transmitting Party

BORDEN LADNER GERVAIS LLP

Centennial Place, East Tower
1900, 520-3rd Avenue SW
CALGARY, AB T2P 0R3

Party Code: 50008002
Phone #: 403 232 9500
Reference #: 426418/000118

Search ID #: Z07353240

Date of Search: 2015-Nov-12

Time of Search: 14:18:26

Business Debtor Search For:

CHRIS MECHANICAL SERVICES LTD.

Exact Result(s) Only Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.

Be sure to read the reports carefully.



Search ID#: Z07353240

Business Debtor Search For:

CHRIS MECHANICAL SERVICES LTD.

Search ID #: Z07353240

Date of Search: 2015-Nov-12

Time of Search: 14:18:26

Registration Number: 15030416618

Registration Type: SECURITY AGREEMENT

Registration Date: 2015-Mar-04

Registration Status: Current

Expiry Date: 2018-Mar-04 23:59:59

Exact Match on: Debtor

No: 1

Debtor(s)

Block

Status

1	CHRIS MECHANICAL SERVICES LTD. 10403 - 50 STREET SE CALGARY, AB T2C 3E3	Current
---	---	---------

Secured Party / Parties

Block

Status

1	CENTURY SERVICES INC. 310, 318 - 11TH AVENUE SE CALGARY, AB T2G 0Y2	Current
---	---	---------

Block

Status

2	CENTURY SERVICES INC. AS GENERAL PARTNER OF CENTURY SERVICES LP 310, 318 - 11TH AVENUE SE CALGARY, AB T2G 0Y2	Current
---	---	---------

Block

Status

3	CENTURY SERVICES LP 310, 318 - 11TH AVENUE SE CALGARY, AB T2G 0Y2	Current
---	---	---------

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	4P5DE2023?055158	2003	PJ TANDEM AXLE FLAT DECK	TR - Trailer	Current
2	Y106501678952FB	1900	CLARK GPH70 FORKLIFT	MV - Motor Vehicle	Current

Search ID#: Z07353240

3	1M2K197C87M036298	2007	MACK FLUSHBY UNIT	MV - Motor Vehicle	Current
4	1NPFXBEX47D686482	2006	PETERBUILT 378	MV - Motor Vehicle	Current
5	1NPFXBEX47D686482	2007	PETERBUILT 378	MV - Motor Vehicle	Current
6	2PLC047357BF12840	2006	PEERLESS TRIDEM TRAILER	TR - Trailer	Current
7	1XPFDDB0X77N675721	2006	PETERBUILT 378	MV - Motor Vehicle	Current
8	1XPFDDB0X77N675721	2007	PETERBUILT 378	MV - Motor Vehicle	Current
9	2PLC046397BF13197	2006	PEERLESS TRIDEM TRAILER	TR - Trailer	Current
10	1M2K197CX5M027731	2005	MACK FLUSHBY UNIT	MV - Motor Vehicle	Current
11	A3EC240357	1900	CAT EC20K FORKLIFT	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.	Current

Search ID#: Z07353240

Business Debtor Search For:

CHRIS MECHANICAL SERVICES LTD.

Search ID #: Z07353240

Date of Search: 2015-Nov-12

Time of Search: 14:18:26

Registration Number: 15030416827

Registration Type: LAND CHARGE

Registration Date: 2015-Mar-04

Registration Status: Current

Registration Term: Infinity

Exact Match on: Debtor

No: 1

Debtor(s)

Block

Status

1 CHRIS MECHANICAL SERVICES LTD.
10403 - 50 STREET SE
CALGARY, AB T2C 3E3

Current

Secured Party / Parties

Block

Status

1 CENTURY SERVICES INC.
310, 318 - 11TH AVENUE SE
CALGARY, AB T2G 0Y2

Current

Block

Status

2 CENTURY SERVICES INC. AS GENERAL PARTNER OF CENTURY SERVICES LP
310, 318 - 11TH AVENUE SE
CALGARY, AB T2G 0Y2

Current

Block

Status

3 CENTURY SERVICES LP
310, 318 - 11TH AVENUE SE
CALGARY, AB T2G 0Y2

Current

Search ID#: Z07353240

Business Debtor Search For:

CHRIS MECHANICAL SERVICES LTD.

Search ID #: Z07353240

Date of Search: 2015-Nov-12

Time of Search: 14:18:26

Registration Number: 15072317572

Registration Type: SECURITY AGREEMENT

Registration Date: 2015-Jul-23

Registration Status: Current

Expiry Date: 2025-Jul-23 23:59:59

Exact Match on: Debtor

No: 1

Debtor(s)

Block

Status

1	CHRIS MECHANICAL SERVICES LTD 10403 - 50 STREET SE CALGARY, AB T2C3E3	Current
---	---	---------

Secured Party / Parties

Block

Status

1	1784761 ALBERTA LTD 221, 2770 - 3RD AVE NE CALGARY, AB T2A2L5	Current
---	---	---------

Collateral: General

Block

Description

Status

1	THE DEBTOR HEREBY TRANSFERS, MORTGAGES, CHARGES, ASSIGNS AS AND BY WAY OF A FIXED AND SPECIFIC MORTGAGE AND CHARGE AND GRANTS TO THE SECURED PARTY A SECURITY INTEREST IN: (I) ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR, AND (II) CHARGES AS AND BY WAY OF A FLOATING CHARGE TO AND IN FAVOUR OF THE SECURED PARTY ALL ITS UNDERTAKING, PROPERTY AND ASSETS, BOTH PRESENT AND AFTER-ACQUIRED, OF EVERY NATURE AND KIND AND WHEREVER SITUATE (INCLUDING WITHOUT LIMITATION ALL REAL PROPERTY OF THE DEBTOR), OTHER THAN SUCH OF ITS UNDERTAKING, PROPERTY AND ASSETS AS ARE OTHERWISE VALIDLY AND EFFECTIVELY SUBJECT TO THE TRANSFER, MORTGAGE, CHARGE, ASSIGNMENT AND SECURITY INTEREST CONTAINED IN PARAGRAPH (I) ABOVE	Current
---	---	---------

Search ID#: Z07353240

Business Debtor Search For:

CHRIS MECHANICAL SERVICES LTD.

Search ID #: Z07353240

Date of Search: 2015-Nov-12

Time of Search: 14:18:26

Registration Number: 15092437373

Registration Type: WRIT OF ENFORCEMENT

Registration Date: 2015-Sep-24

Registration Status: Current

Expiry Date: 2017-Sep-24 23:59:59

Issued in Calgary Judicial Centre

Court File Number is 1501-08637

Judgment Date is 2015-Jul-28

This Writ was issued on 2015-Jul-28

Type of Judgment is Other

Original Judgment Amount: \$5,645.88

Costs Are: \$110.50

Post Judgment Interest: \$0.00

Current Amount Owing: \$5,756.38

Exact Match on: Debtor

No: 1

Solicitor / Agent

BLUE MOON
112-1500-14 STREET SW
CALGARY, AB T3C 1C9

Phone #: 403 269 6904

Reference #: 15-081

Debtor(s)

Block

1 CHRIS MECHANICAL SERVICES LTD.
12 SIGNATURE WAY SW
CALGARY, AB T3H 2V8

Status

Current

Creditor(s)

Block

1

Status

Current

Search ID#: Z07353240

CONCORD SCREEN INC.
112-1500-14 STREET SW
CALGARY, AB T3C 1C9

EXHIBIT

N

This is Exhibit "N" referred to
in the Affidavit of Josh Coonan
Sworn before me this 16 day of December, 2015

A handwritten signature in cursive script, appearing to read "Isabelle Gagne", written over a horizontal line.

Commissioner for Oaths
In and for the Province of Alberta

ISABELLE GAGNE
A Commissioner for Oaths in and for Alberta
My Commission Expires on April 18, 2017

Michael A. Loberg Professional Corporation
Barrister & Solicitor

1000 Bankers Hall West Direct: (403) 668-6561
888 – 3rd Street SW Office: (403) 444-6935
Calgary, AB T2P 5C5 Fax: (403) 668-6505

November 25, 2015

By Fax: +1 (403) 279-6997
By E-mail: Jim@chrismech.ca

Chris Mechanical Services Ltd.
12 Signature Way SW
Calgary, AB T3H 2V8

Attention: Mr. James Hickey

Dear Sir:

Re: 1784761 Alberta Ltd. o/a ARP Factoring (the “Bank”)
Demand Letter with Notice of Intention to Enforce Security (2nd Copy)

We are the solicitors for the Bank.

We are instructed by the Bank that you are indebted to it as at **November 25, 2015** in the amount of **\$873,733.09** (the “**Indebtedness**”) and on the instructions of the Bank we hereby make formal demand for payment of the Indebtedness, plus all accruing interest after today’s date at the rate of \$796.62 per day to and including the date payment is received in our offices by certified cheque or bank draft.

On behalf of the Bank we affirm that the prior demand and Notice of Intention to Enforce Security served upon you on October 14, 2015 (copy included) remains fully in force and we confirm that the 10 day period in the October 14, 2015 Notice of Intention to Enforce Security has expired. We include and serve herewith a further Notice of Intention to Enforce Security for the purpose of ensuring certainty, affirming however that the October 14, 2015 Notice of Intention to Enforce Security is fully in force.

This demand is delivered electronically pursuant to sections 27 and 30 of the *Electronic Transactions Act*, Statutes of Alberta, 2001 Chapter E-5.5.

Given the October 14, 2015 demand and your non-payment thereof, we are instructed to commence legal proceedings and enforcement steps against you immediately to enforce recovery of the amounts outstanding, all without further notice to you.

If it is your intention to pay the Indebtedness without requiring legal proceedings and enforcement steps you must do so immediately.

Yours truly,

Michael A. Loberg Professional Corporation

Per:



Michael A. Loberg

MAL/dd

File no: 47,051-001

Encl: Copy of October 14, 2015 Demand and Notice of Intention to Enforce Security
Notice of Intention to Enforce Security - Chris Mechanical Services Ltd. (2nd Copy)

**DEMAND LETTER UNDER A GENERAL SECURITY AGREEMENT (ENCLOSING A
NOTICE OF INTENTION TO ENFORCE SECURITY) [§4.7]**

Re: 1784761 Alberta Ltd. (the "Bank")

We are the solicitors for the Bank.

We are instructed by the Bank that you are indebted to it as at in the following amounts:

Facility: Credit Facility \$1,000,000.00
Principal amount: \$ 763,205.05

Accrued interest to October 14, 2015: \$29,117.14

Interest rate: 36.5% per annum

Per diem rate: \$763.32

Total due as at October 14, 2015: \$792,322.19


On the instructions of the Bank, we hereby make formal demand for payment of the above indebtedness, inclusive of interest from and including *October 14, 2015*, to and including the date payment is received in our offices by certified cheque or bank draft. Unless the total amount demanded is received in our offices on or before the close of business on *October 26, 2015*, we are instructed to commence legal proceedings against you to enforce recovery of the amounts outstanding without further notice to you.

We also enclose with this letter a Form 86 Notice of Intention to Enforce Security pursuant to section 244(1) of the *Bankruptcy and Insolvency Act* confirming our client's intention to enforce its security on the expiration of ten days following the date of this letter *[unless you consent to an earlier enforcement. If you wish to provide such a consent, please advise us immediately]*.

Notwithstanding the foregoing, we also confirm that our client specifically reserves its right to make application to the court to appoint an interim receiver under the *Bankruptcy and Insolvency Act* to protect its security during the demand period.

Unless payment of the indebtedness is received or a consent to an earlier enforcement is received from you, and subject to our client's rights as noted above, we confirm our client's present intention to proceed with the enforcement of its security without further notice to you.

Yours truly,



Shawn Young, Director
c: James Patrick Hickey
c: Chris Mechanical Services Ltd.

F. NOTICE OF INTENTION TO ENFORCE SECURITY [§4.8]

Form 86

NOTICE OF INTENTION TO ENFORCE A SECURITY
(Rule 124)

To: Chris Mechanical Services Ltd., an insolvent person

Take notice that:

1. 1784761 Alberta Ltd., a secured creditor, intends to enforce its security on the property of the insolvent person described below:

All real and personal property of the insolvent person charged by the security granted by the insolvent person to the secured creditor.

2. The security that is to be enforced is in the form of

General Security Agreement dated July 23, 2015

3. The total amount of indebtedness secured by the security as at October 14, 2015 is the sum of \$792,322.19
4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

DATED at Calgary AB, on October 14, 2015

[or]

Mike Loberg Professional Corporation

1784761 Alberta Ltd.

Shawn Young, Director

Chris Mechanical Services Ltd. hereby waives the 10-day notice period provided for in this Notice of Intention to Enforce Security and consents to the immediate enforcement by 1784761 Alberta Ltd. of all security above-noted.

Chris Mechanical Services Ltd.

Form 86
NOTICE OF INTENTION TO ENFORCE A SECURITY
(Rule 124)

To: **Chris Mechanical Services Ltd.**, an insolvent person

Take notice that:

1. **1784761 Alberta Ltd. o/a ARP Factoring**, a secured creditor, intends to enforce its security on the property of the insolvent person described below:

All present and after-acquired personal property; Proceeds.

2. The security that is to be enforced is in the form of

General Security Agreement dated July 23, 2015

3. The total amount of indebtedness secured by the security as at November 25, 2015 is the sum of **\$873,733.09**, plus interest thereafter and all costs of enforcement.
4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

DATED at Calgary, Alberta, on November 25, 2015.



Michael A. Loberg
Solicitor and Agent for the Secured Creditor

Chris Mechanical Services Ltd. hereby waives the 10-day notice period provided for in this Notice of Intention to Enforce Security and consents to the immediate enforcement by **1784761 Alberta Ltd. o/a ARP Factoring** of all security above-noted.

Chris Mechanical Services Ltd.
Per:

Michael A. Loberg Professional Corporation
Barrister & Solicitor

1000 Bankers Hall West Direct: (403) 668-6561
888 – 3rd Street SW Office: (403) 444-6935
Calgary, AB T2P 5C5 Fax: (403) 668-6505

November 25, 2015

By Regular Mail
By Fax: +1 (403) 279-6997
By E-mail: Jim@chrismech.ca

Duffy Building Corporation

12 Signature Way SW
Calgary, AB T3H 2V8

Attention: Mr. James Hickey

Dear Sir:

Re: Guarantee of the Indebtedness of Chris Mechanical Services Ltd. (“Chris Mechanical”) to 1784761 Alberta Ltd. o/a ARP Factoring (the “Bank”)
Demand Letter with Notice of Intention to Enforce Security
(s. 244 Bankruptcy and Insolvency Act)

We are the solicitors for the Bank.

We are instructed that pursuant to your secured guarantee of the indebtedness of Chris Mechanical to the Bank dated October 16, 2015 (the “**Chris Mechanical Guarantee**”) you have jointly and severally guaranteed all obligations of Chris Mechanical to the Bank and to better secure the Bank for payment of all liabilities and performance of all obligations under the Chris Mechanical Guarantee you have provided a security interest in all of your present and after-acquired personal property and a land charge and mortgage over all of your real property.

By letters dated October 14, 2015 and November 25, 2015 demand was made to Chris Mechanical for payment of its indebtedness to the Bank, a copy of which we enclose (the October 14, 2015 demand is included in the November 25, 2015 demand).

Chris Mechanical had failed to make payment on the demand

On behalf of the Bank, we hereby make formal demand on you for payment of the amount outstanding under the Chris Mechanical Guarantee which presently amounts to the sum of **\$873,733.09** plus interest accruing thereon from and including November 25, 2015 to the date of actual payment, calculated at the per diem rate of \$796.62 (collectively, the “**Indebtedness**”).

Unless payment of the Indebtedness is received in our offices on or before the close of business on the 10th day following receipt of this Demand Letter, we are instructed to commence legal proceedings and enforce all security given by the Chris Mechanical Guarantee to collect the Indebtedness, together with all interest and legal costs thereon, all without further notice to you.

We also enclose with this letter a Form 86 *Notice of Intention to Enforce Security* pursuant to section 244(1) of the *Bankruptcy and Insolvency Act* further to our clients' instructions to enforce its security on the expiration of ten days following the date of this letter (the "**Demand Period**") unless you consent to an earlier enforcement. If you wish to provide such consent please advise us immediately.

Notwithstanding the foregoing, we also confirm that our client specifically reserves its right to make application to the Court to appoint an interim receiver under the *Bankruptcy and Insolvency Act* to protect its security during the Demand Period.

Unless payment of the Indebtedness is received or a consent to an earlier enforcement is received from you, and subject to our client's rights as noted above, we confirm our clients' present intention to proceed with the enforcement of its security without further notice to you.

This demand is delivered electronically pursuant to sections 27 and 30 of the *Electronic Transactions Act*, Statutes of Alberta, 2001 Chapter E-5.5, as well as by regular post.

Yours truly,

Michael A. Loberg Professional Corporation

Per:



Michael A. Loberg

MAL/dd

File no: 47,051-001

Encl: Copy of Demand and Notice of Intention to Enforce Security
Notice of Intention to Enforce Security

Michael A. Loberg Professional Corporation
Barrister & Solicitor

1000 Bankers Hall West Direct: (403) 668-6561
888 – 3rd Street SW Office: (403) 444-6935
Calgary, AB T2P 5C5 Fax: (403) 668-6505

November 25, 2015

By Fax: +1 (403) 279-6997
By E-mail: Jim@chrismech.ca

Chris Mechanical Services Ltd.
12 Signature Way SW
Calgary, AB T3H 2V8

Attention: Mr. James Hickey

Dear Sir:

Re: 1784761 Alberta Ltd. o/a ARP Factoring (the “Bank”)
Demand Letter with Notice of Intention to Enforce Security (2nd Copy)

We are the solicitors for the Bank.

We are instructed by the Bank that you are indebted to it as at **November 25, 2015** in the amount of **\$873,733.09** (the “**Indebtedness**”) and on the instructions of the Bank we hereby make formal demand for payment of the Indebtedness, plus all accruing interest after today’s date at the rate of \$796.62 per day to and including the date payment is received in our offices by certified cheque or bank draft.

On behalf of the Bank we affirm that the prior demand and Notice of Intention to Enforce Security served upon you on October 14, 2015 (copy included) remains fully in force and we confirm that the 10 day period in the October 14, 2015 Notice of Intention to Enforce Security has expired. We include and serve herewith a further Notice of Intention to Enforce Security for the purpose of ensuring certainty, affirming however that the October 14, 2015 Notice of Intention to Enforce Security is fully in force.

This demand is delivered electronically pursuant to sections 27 and 30 of the *Electronic Transactions Act*, Statutes of Alberta, 2001 Chapter E-5.5.

Given the October 14, 2015 demand and your non-payment thereof, we are instructed to commence legal proceedings and enforcement steps against you immediately to enforce recovery of the amounts outstanding, all without further notice to you.

If it is your intention to pay the Indebtedness without requiring legal proceedings and enforcement steps you must do so immediately.

Yours truly,

Michael A. Loberg Professional Corporation

Per:



Michael A. Loberg

MAL/dd

File no: 47,051-001

Encl: Copy of October 14, 2015 Demand and Notice of Intention to Enforce Security
Notice of Intention to Enforce Security - Chris Mechanical Services Ltd. (2nd Copy)

**DEMAND LETTER UNDER A GENERAL SECURITY AGREEMENT (ENCLOSING A
NOTICE OF INTENTION TO ENFORCE SECURITY) [§4.7]**

Re: 1784761 Alberta Ltd. (the "Bank")

We are the solicitors for the Bank.

We are instructed by the Bank that you are indebted to it as at in the following amounts:

Facility: Credit Facility \$1,000,000.00

Principal amount: \$ 763,205.05

Accrued interest to October 14, 2015: \$29,117.14

Interest rate: 36.5% per annum

Per diem rate: \$763.32

Total due as at October 14, 2015: \$792,322.19


On the instructions of the Bank, we hereby make formal demand for payment of the above indebtedness, inclusive of interest from and including *October 14, 2015*, to and including the date payment is received in our offices by certified cheque or bank draft. Unless the total amount demanded is received in our offices on or before the close of business on *October 26, 2015*, we are instructed to commence legal proceedings against you to enforce recovery of the amounts outstanding without further notice to you.

We also enclose with this letter a Form 86 Notice of Intention to Enforce Security pursuant to section 244(1) of the *Bankruptcy and Insolvency Act* confirming our client's intention to enforce its security on the expiration of ten days following the date of this letter [*unless you consent to an earlier enforcement. If you wish to provide such a consent, please advise us immediately*].

Notwithstanding the foregoing, we also confirm that our client specifically reserves its right to make application to the court to appoint an interim receiver under the *Bankruptcy and Insolvency Act* to protect its security during the demand period.

Unless payment of the indebtedness is received or a consent to an earlier enforcement is received from you, and subject to our client's rights as noted above, we confirm our client's present intention to proceed with the enforcement of its security without further notice to you.

Yours truly,



Shawn Young, Director
c: James Patrick Hickey
c: Chris Mechanical Services Ltd.

F. NOTICE OF INTENTION TO ENFORCE SECURITY [§4.8]

Form 86

**NOTICE OF INTENTION TO ENFORCE A SECURITY
(Rule 124)**

To: Chris Mechanical Services Ltd., an insolvent person

Take notice that:

1. 1784761 Alberta Ltd., a secured creditor, intends to enforce its security on the property of the insolvent person described below:

All real and personal property of the insolvent person charged by the security granted by the insolvent person to the secured creditor.

2. The security that is to be enforced is in the form of
General Security Agreement dated July 23, 2015
3. The total amount of indebtedness secured by the security as at October 14, 2015 is the sum of \$792,322.19
4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

DATED at Calgary AB, on October 14, 2015

[or]

Mike Loberg Professional Corporation

1784761 Alberta Ltd.

Shawn Young, Director

Chris Mechanical Services Ltd. hereby waives the 10-day notice period provided for in this Notice of Intention to Enforce Security and consents to the immediate enforcement by 1784761 Alberta Ltd. of all security above-noted.

Chris Mechanical Services Ltd.

Form 86
NOTICE OF INTENTION TO ENFORCE A SECURITY
(Rule 124)

To: **Chris Mechanical Services Ltd.**, an insolvent person

Take notice that:

1. **1784761 Alberta Ltd. o/a ARP Factoring**, a secured creditor, intends to enforce its security on the property of the insolvent person described below:

All present and after-acquired personal property; Proceeds.

2. The security that is to be enforced is in the form of

General Security Agreement dated July 23, 2015

3. The total amount of indebtedness secured by the security as at November 25, 2015 is the sum of **\$873,733.09**, plus interest thereafter and all costs of enforcement.
4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

DATED at Calgary, Alberta, on November 25, 2015.



Michael A. Loberg
Solicitor and Agent for the Secured Creditor

Chris Mechanical Services Ltd. hereby waives the 10-day notice period provided for in this Notice of Intention to Enforce Security and consents to the immediate enforcement by **1784761 Alberta Ltd. o/a ARP Factoring** of all security above-noted.

Chris Mechanical Services Ltd.
Per:

Form 86
NOTICE OF INTENTION TO ENFORCE A SECURITY
(Rule 124)

To: **Duffy Building Corporation**, an insolvent person

Take notice that:

1. **1784761 Alberta Ltd. o/a ARP Factoring**, a secured creditor, intends to enforce its security on the property of the insolvent person described below:

**All present and after-acquired personal property; Proceeds
Land Charge**

2. The security that is to be enforced is in the form of

Guarantee and Postponement of Claim (secured) dated October 16, 2015

3. The total amount of indebtedness secured by the security as at November 25, 2015 is the sum of **\$873,733.09**, plus interest thereafter and all costs of enforcement.
4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

DATED at Calgary, Alberta, on November 25, 2015.



Michael A. Loberg
Solicitor and Agent for the Secured Creditor

Duffy Building Corporation hereby waives the 10-day notice period provided for in this Notice of Intention to Enforce Security and consents to the immediate enforcement by 1784761 Alberta Ltd. o/a ARP Factoring of all security above-noted.

Duffy Building Corporation
Per:

Michael A. Loberg Professional Corporation
Barrister & Solicitor

1000 Bankers Hall West Direct: (403) 668-6561
888 – 3rd Street SW Office: (403) 444-6935
Calgary, AB T2P 5C5 Fax: (403) 668-6505

November 25, 2015

By Regular Mail
By Fax: +1 (403) 279-6997
By E-mail: Jim@chrismech.ca

Duffy Holdings Ltd.
12 Signature Way SW
Calgary, AB T3H 2V8

Attention: Mr. James Hickey

Dear Sir:

**Re: Guarantee of the Indebtedness of Chris Mechanical Services Ltd. (“Chris Mechanical”) to 1784761 Alberta Ltd. o/a ARP Factoring (the “Bank”)
Demand Letter with Notice of Intention to Enforce Security
(s. 244 *Bankruptcy and Insolvency Act*)**

We are the solicitors for the Bank.

We are instructed that pursuant to your secured guarantee of the indebtedness of Chris Mechanical to the Bank dated July 24, 2015 (the “**Chris Mechanical Guarantee**”) you have jointly and severally guaranteed all obligations of Chris Mechanical to the Bank and to better secure the Bank for payment of all liabilities and performance of all obligations under the Chris Mechanical Guarantee you have provided a security interest in all of your present and after-acquired personal property and a land charge and mortgage over all of your real property.

By letters dated October 14, 2015 and November 25, 2015 demand was made to Chris Mechanical for payment of its indebtedness to the Bank, a copy of which we enclose (the October 14, 2015 demand is included in the November 25, 2015 demand).

Chris Mechanical had failed to make payment on the demand.

On behalf of the Bank, we hereby make formal demand on you for payment of the amount outstanding under the Chris Mechanical Guarantee which presently amounts to the sum of **\$873,733.09** plus interest accruing thereon from and including November 25, 2015 to the date of actual payment, calculated at the per diem rate of \$796.62 (collectively, the “**Indebtedness**”).

Unless payment of the Indebtedness is received in our offices on or before the close of business on the 10th day following receipt of this Demand Letter, we are instructed to commence legal proceedings and enforce all security given by the Chris Mechanical Guarantee to collect the Indebtedness, together with all interest and legal costs thereon, all without further notice to you.

We also enclose with this letter a Form 86 *Notice of Intention to Enforce Security* pursuant to section 244(1) of the *Bankruptcy and Insolvency Act* further to our clients' instructions to enforce its security on the expiration of ten days following the date of this letter (the "**Demand Period**") unless you consent to an earlier enforcement. If you wish to provide such consent please advise us immediately.

Notwithstanding the foregoing, we also confirm that our client specifically reserves its right to make application to the Court to appoint an interim receiver under the *Bankruptcy and Insolvency Act* to protect its security during the Demand Period.

This demand is delivered electronically pursuant to sections 27 and 30 of the *Electronic Transactions Act*, Statutes of Alberta, 2001 Chapter E-5.5, as well as by regular post.

Yours truly,

Michael A. Loberg Professional Corporation

Per:



Michael A. Loberg

MAL/dd

File no: 47,051-001

Encl: Copy of Demand and Notice of Intention to Enforce Security
Notice of Intention to Enforce Security

Michael A. Loberg Professional Corporation
Barrister & Solicitor

1000 Bankers Hall West Direct: (403) 668-6561
888 – 3rd Street SW Office: (403) 444-6935
Calgary, AB T2P 5C5 Fax: (403) 668-6505

November 25, 2015

By Fax: +1 (403) 279-6997
By E-mail: Jim@chrismech.ca

Chris Mechanical Services Ltd.
12 Signature Way SW
Calgary, AB T3H 2V8

Attention: Mr. James Hickey

Dear Sir:

Re: 1784761 Alberta Ltd. o/a ARP Factoring (the “Bank”)
Demand Letter with Notice of Intention to Enforce Security (2nd Copy)

We are the solicitors for the Bank.

We are instructed by the Bank that you are indebted to it as at **November 25, 2015** in the amount of **\$873,733.09** (the “**Indebtedness**”) and on the instructions of the Bank we hereby make formal demand for payment of the Indebtedness, plus all accruing interest after today’s date at the rate of \$796.62 per day to and including the date payment is received in our offices by certified cheque or bank draft.

On behalf of the Bank we affirm that the prior demand and Notice of Intention to Enforce Security served upon you on October 14, 2015 (copy included) remains fully in force and we confirm that the 10 day period in the October 14, 2015 Notice of Intention to Enforce Security has expired. We include and serve herewith a further Notice of Intention to Enforce Security for the purpose of ensuring certainty, affirming however that the October 14, 2015 Notice of Intention to Enforce Security is fully in force.

This demand is delivered electronically pursuant to sections 27 and 30 of the *Electronic Transactions Act*, Statutes of Alberta, 2001 Chapter E-5.5.

Given the October 14, 2015 demand and your non-payment thereof, we are instructed to commence legal proceedings and enforcement steps against you immediately to enforce recovery of the amounts outstanding, all without further notice to you.

If it is your intention to pay the Indebtedness without requiring legal proceedings and enforcement steps you must do so immediately.

Yours truly,

Michael A. Loberg Professional Corporation

Per:



Michael A. Loberg

MAL/dd

File no: 47,051-001

Encl: Copy of October 14, 2015 Demand and Notice of Intention to Enforce Security
Notice of Intention to Enforce Security - Chris Mechanical Services Ltd. (2nd Copy)

**DEMAND LETTER UNDER A GENERAL SECURITY AGREEMENT (ENCLOSING A
NOTICE OF INTENTION TO ENFORCE SECURITY) [§4.7]**

Re: 1784761 Alberta Ltd. (the "Bank")

We are the solicitors for the Bank.

We are instructed by the Bank that you are indebted to it as at in the following amounts:

Facility: Credit Facility \$1,000,000.00

Principal amount: \$ 763,205.05

Accrued interest to October 14, 2015: \$29,117.14

Interest rate: 36.5% per annum

Per diem rate: \$763.32

Total due as at October 14, 2015: \$792,322.19

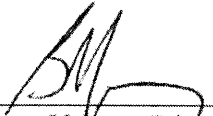
On the instructions of the Bank, we hereby make formal demand for payment of the above indebtedness, inclusive of interest from and including *October 14, 2015*, to and including the date payment is received in our offices by certified cheque or bank draft. Unless the total amount demanded is received in our offices on or before the close of business on *October 26, 2015*, we are instructed to commence legal proceedings against you to enforce recovery of the amounts outstanding without further notice to you.

We also enclose with this letter a Form 86 Notice of Intention to Enforce Security pursuant to section 244(1) of the *Bankruptcy and Insolvency Act* confirming our client's intention to enforce its security on the expiration of ten days following the date of this letter [*unless you consent to an earlier enforcement. If you wish to provide such a consent, please advise us immediately*].

Notwithstanding the foregoing, we also confirm that our client specifically reserves its right to make application to the court to appoint an interim receiver under the *Bankruptcy and Insolvency Act* to protect its security during the demand period.

Unless payment of the indebtedness is received or a consent to an earlier enforcement is received from you, and subject to our client's rights as noted above, we confirm our client's present intention to proceed with the enforcement of its security without further notice to you.

Yours truly,



Shawn Young, Director
c: James Patrick Hickey
c: Chris Mechanical Services Ltd.

F. NOTICE OF INTENTION TO ENFORCE SECURITY [§4.8]

Form 86

NOTICE OF INTENTION TO ENFORCE A SECURITY
(Rule 124)

To: Chris Mechanical Services Ltd., an insolvent person

Take notice that:

1. 1784761 Alberta Ltd., a secured creditor, intends to enforce its security on the property of the insolvent person described below:

All real and personal property of the insolvent person charged by the security granted by the insolvent person to the secured creditor.

2. The security that is to be enforced is in the form of
General Security Agreement dated July 23, 2015
3. The total amount of indebtedness secured by the security as at October 14, 2015 is the sum of \$792,322.19
4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

DATED at Calgary AB, on October 14, 2015

[or]

Mike Loberg Professional Corporation

1784761 Alberta Ltd.

Shawn Young, Director

Chris Mechanical Services Ltd. hereby waives the 10-day notice period provided for in this Notice of Intention to Enforce Security and consents to the immediate enforcement by 1784761 Alberta Ltd. of all security above-noted.

Chris Mechanical Services Ltd.

Form 86
NOTICE OF INTENTION TO ENFORCE A SECURITY
(Rule 124)

To: **Chris Mechanical Services Ltd.**, an insolvent person

Take notice that:

1. **1784761 Alberta Ltd. o/a ARP Factoring**, a secured creditor, intends to enforce its security on the property of the insolvent person described below:

All present and after-acquired personal property; Proceeds.

2. The security that is to be enforced is in the form of

General Security Agreement dated July 23, 2015

3. The total amount of indebtedness secured by the security as at November 25, 2015 is the sum of **\$873,733.09**, plus interest thereafter and all costs of enforcement.
4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

DATED at Calgary, Alberta, on November 25, 2015.



Michael A. Loberg
Solicitor and Agent for the Secured Creditor

Chris Mechanical Services Ltd. hereby waives the 10-day notice period provided for in this Notice of Intention to Enforce Security and consents to the immediate enforcement by **1784761 Alberta Ltd. o/a ARP Factoring** of all security above-noted.

Chris Mechanical Services Ltd.
Per:

Form 86
NOTICE OF INTENTION TO ENFORCE A SECURITY
(Rule 124)

To: **Duffy Holdings Ltd.**, an insolvent person

Take notice that:

1. **1784761 Alberta Ltd. o/a ARP Factoring**, a secured creditor, intends to enforce its security on the property of the insolvent person described below:

**All present and after-acquired personal property; Proceeds
Land Charge**

2. The security that is to be enforced is in the form of

Guarantee and Postponement of Claim (secured) dated July 24, 2015

3. The total amount of indebtedness secured by the security as at November 25, 2015 is the sum of **\$873,733.09**, plus interest thereafter and all costs of enforcement.
4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

DATED at Calgary, Alberta, on November 25, 2015.



Michael A. Loberg
Solicitor and Agent for the Secured Creditor

Duffy Holdings Ltd. hereby waives the 10-day notice period provided for in this Notice of Intention to Enforce Security and consents to the immediate enforcement by 1784761 Alberta Ltd. o/a ARP Factoring of all security above-noted.

Duffy Holdings Ltd.
Per:

Michael A. Loberg Professional Corporation
Barrister & Solicitor

1000 Bankers Hall West Direct: (403) 668-6561
888 - 3rd Street SW Office: (403) 444-6935
Calgary, AB T2P 5C5 Fax: (403) 668-6505

November 25, 2015

By Regular Mail
By Fax: +1 (403) 279-6997
By E-mail: Jim@chrismech.ca

Mr. James Hickey
425 Sunlake Rd SE
Calgary, AB T2X 3J2

Dear Sir:

**Re: Guarantee of the Indebtedness of Chris Mechanical Services Ltd. ("Chris Mechanical") to 1784761 Alberta Ltd. o/a ARP Factoring (the "Bank")
Demand Letter with Notice of Intention to Enforce Security
(s. 244 Bankruptcy and Insolvency Act)**

We are the solicitors for the Bank.

We are instructed that pursuant to your secured guarantee of the indebtedness of Chris Mechanical to the Bank dated July 24, 2015 (the "**Chris Mechanical Guarantee**") you have jointly and severally guaranteed all obligations of Chris Mechanical to the Bank and to better secure the Bank for payment of all liabilities and performance of all obligations under the Chris Mechanical Guarantee you have provided a security interest in all of your present and after-acquired personal property and a land charge over all of your interests in real property.

By letters dated October 14, 2015 and November 25, 2015 demand was made to Chris Mechanical for payment of its indebtedness to the Bank, a copy of which we enclose (the October 14, 2015 demand is included in the November 25, 2015 demand).

Chris Mechanical had failed to make payment on the demand.

On behalf of the Bank, we hereby make formal demand on you for payment of the amount outstanding under the Chris Mechanical Guarantee which presently amounts to the sum of **\$873,733.09** plus interest accruing thereon from and including November 25, 2015 to the date of actual payment, calculated at the per diem rate of \$796.62 (collectively, the "**Indebtedness**").

We are instructed to immediately commence legal proceedings and enforce all security given by the Chris Mechanical Guarantee to collect the Indebtedness, together with all interest and legal costs thereon, all without further notice to you.

If you wish to avoid immediate legal proceedings and the enforcement of all security you must pay this Indebtedness immediately.

This demand is delivered electronically pursuant to sections 27 and 30 of the *Electronic Transactions Act*, Statutes of Alberta, 2001 Chapter E-5.5, as well as by regular post.

Yours truly,

Michael A. Loberg Professional Corporation

Per:



Michael A. Loberg

MAL/dd

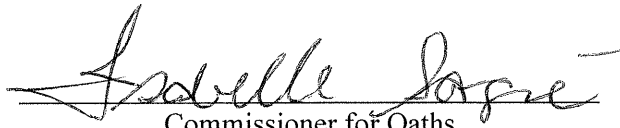
File no: 47,051-001

Encl: Copy of Demand and Notice of Intention to Enforce Security

EXHIBIT

0

This is Exhibit "O" referred to
in the Affidavit of Josh Coonan
Sworn before me this 16 day of December, 2015

A handwritten signature in cursive script, reading "Isabelle Gagne", written over a horizontal line.

Commissioner for Oaths
In and for the Province of Alberta

ISABELLE GAGNE

**A Commissioner for Oaths in and for Alberta
My Commission Expires on April 18, 2017**

Robyn Gurofsky
T (403) 232-9774
F (403) 266-1395
RGurofsky@blg.com

Borden Ladner Gervais LLP
Centennial Place, East Tower
1900, 520 - 3rd Ave S W
Calgary, AB, Canada T2P 0R3
T 403.232.9500
F 403.266.1395
blg.com



File No. 418656-000208

November 16, 2015

Delivered by Courier

Chris Mechanical Services Ltd.
10403 50th Street SE
Calgary, AB
T2C 3E3

Attention: James Hickey, President

Dear Sir

Re: Loan Facility granted by Century Services LP. ("Century") to Chris Mechanical Services Ltd. ("CMS ")

Please be advised that this firm represents Century with respect to a non-revolving term facility granted by Century to CMS in the principal amount of \$5,543,500CAD (the "**Loan Facility**") pursuant to a Commitment Letter dated February 26, 2015 and a Loan Agreement dated March 2, 2015 (the "**Loan Agreement**").

As security for the amounts outstanding under the Loan Facility, CMS granted to Century, among other things, a first charge security interest in all of its present and after acquired personal and real property pursuant to a General Security Agreement dated March 4, 2015 duly registered at the Personal Property Registry in Alberta on March 4, 2015 (the "**Security**"). In addition, the Loan Facility was unconditionally guaranteed pursuant to the following:

- a) a guarantee and postponement of claim from Duffy Building Corporation ("**Duffy**") dated March 4, 2015, secured by among other things, a general security agreement also dated March 4, 2015;
- b) a guarantee and postponement of claim from Duffy Holdings Ltd. ("**Holdings**") dated March 4, 2015, secured by among other things, a general security agreement also dated March 4, 2015 and a collateral mortgage dated March 4, 2015 in the principal amount of \$5,543,500 charging the lands legally described as Plan 0714070, Block 14, Lot 19;
- c) a guarantee and postponement of claim, limited to the principal amount of \$2,726,750, from James Patrick Hickey ("**Hickey**") dated March 4, 2015 and delivered pursuant to the *Guarantees Acknowledgment Act* (Alberta), secured by among other things, a general security agreement also dated March 4, 2015;
- d) a postponement and assignment of claim agreement from Golden Canada Ltd. dated March 11, 2015;

- f) a postponement and assignment of claim agreement from James Patrick Hickey dated March 2, 2015; and
- g) a postponement and assignment of claim agreement from Evelyn Hickey dated March 2, 2015.

CMS is currently in default of its obligations to Century under the Loan Agreement and the Security. In particular, CMS is in breach of its warranty under the Loan Agreement to keep all collateral subject to the Security free and clear of all liens and encumbrances by permitting the registration of a judgment against CMS at the Personal Property Registry on September 24, 2015.

Furthermore, Century received notice that 1784761 Alberta Ltd. ("178") has issued demand for payment against CMS under the factoring facility granted by 178 to CMS. The issuance of a demand by 178 under the factoring facility or otherwise constitutes an event of default under the Loan Agreement and the Security pursuant to Article 4.2 of the Intercreditor Agreement entered into by Century, 178, CMS, Duffy, Holdings and Hickey.

In view of the foregoing, Century hereby formally demands immediate repayment of all amounts outstanding under the Loan Facility. As of November 16, 2015, there remains **\$5,570,417.76** due and owing by CMS to Century pursuant to the Loan Facility, together with legal fees, other chargeable costs and interest continuing to accrue thereon.

In the event that repayment of the Loan Facility and all amounts properly due and owing to Century are not made by **4:30 p.m. on November 26, 2015**, Century will take all steps that it considers appropriate to protect its position, including but not limited to, commencing legal proceedings to realize on the Security. In that regard, enclosed herewith is a Notice of Intention to Enforce Security together with a form of Acknowledgment and Waiver pursuant to section 244 of the *Bankruptcy and Insolvency Act*.

We trust you will find the foregoing to be in order and look forward to the immediate payment of all above-mentioned outstanding amounts due and owing by CMS to Century.

Yours Truly,

BORDEN LADNER GERVAIS LLP

Robyn Gurofsky

encl.

BANKRUPTCY AND INSOLVENCY ACT
Form 86

NOTICE OF INTENTION TO ENFORCE A SECURITY
Subsection 244(1)

TO: Chris Mechanical Services Ltd.
10403 50th Street SE
Calgary, AB T2C 3E3

TAKE NOTICE THAT:

1. Century Services LP ("Century"), a secured creditor, intends to enforce its security on or against the property of Chris Mechanical Services Ltd. (the "Debtor") described below:
 - a) all presently owned and after acquired personal and real property of whatsoever nature and kind and wheresoever situated and all proceeds thereof and therefrom;
2. The security that is to be enforced is in the form of, *inter alia*:
 - a) a general security agreement dated March 4, 2015 (the "Security").
3. The total amount of indebtedness secured by the Security is as of November 16, 2015, the sum of \$5,570,417.76, plus interest, legal fees and other recoverable costs.
4. Century will not have the right to enforce the Security until after the expiry of the 10 day period following the sending of this notice, unless the Debtor consents to an earlier enforcement.

DATED at Calgary, Alberta this 16 day of November, 2015.

CENTURY SERVICES LP

Per: 

By its solicitors, Borden Ladner Gervais LLP
Notary Public in and for the Province of Alberta

ACKNOWLEDGMENT AND WAIVER

CHRIS MECHANICAL SERVICES LTD. hereby acknowledges and agrees that it has received a copy of a Notice of Intention to Enforce Security dated November 16, 2015 pursuant to section 244(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") in respect of the security granted by Chris Mechanical Services Ltd. in favour of Century Services LP.

CHRIS MECHANICAL SERVICES LTD., with full knowledge and understanding of the effect of s. 244 of the *BIA*, hereby consents to the enforcement by Century Services LP of all security held by Century Services LP for the indebtedness referred to in the Notice of Intention, either prior to the expiry of the 10 day period referred to in the Notice of Intention, or at any time thereafter.

DATED at Calgary, Alberta, this ____ day of November, 2015.

CHRIS MECHANICAL SERVICES LTD.


Name of Signatory: _____

Capacity: _____

EXHIBIT

P

This is Exhibit "P" referred to
in the Affidavit of Josh Coonan
Sworn before me this 16 day of December, 2015

A handwritten signature in cursive script, reading "Isabelle Gagne", written over a horizontal line.

Commissioner for Oaths
In and for the Province of Alberta

ISABELLE GAGNE

**A Commissioner for Oaths in and for Alberta
My Commission Expires on April 18, 2017**

Robyn Gurofsky
T (403) 232-9774
F (403) 266-1395
RGurofsky@blg.com

Borden Ladner Gervais LLP
Centennial Place, East Tower
1900, 520 - 3rd Ave S W
Calgary, AB, Canada T2P 0R3
T 403.232.9500
F 403.266.1395
blg.com



File No. 418656-000208

November 16, 2015

Delivered by Courier

Duffy Holdings Ltd.
10403 – 50 Street SE
Calgary, AB
T2C 3E3

Attention: James Hickey

Dear Sir

Re: Loan Facility granted by Century Services LP. ("Century") to Chris Mechanical Services Ltd. ("CMS ") guaranteed by Duffy Holdings Ltd. ("Holdings")

Please be advised that this firm represents Century with respect to a non-revolving term facility granted to CMS in the principal amount of \$5,543,500CAD (the "**Loan Facility**") pursuant to a Commitment Letter dated February 26, 2015 and a Loan Agreement dated March 2, 2015 (the "**Loan Agreement**").

The Loan Facility was guaranteed by Holdings pursuant to a guarantee and postponement of claim dated March 4, 2015 (the "**Holdings Guarantee**"). Pursuant to the terms of the Holdings Guarantee, Holdings unconditionally guaranteed all present and future debts and liabilities, direct or indirect, due by CMS to Century. As security for the Holdings Guarantee, among other things, Holdings granted a security interest to Century in all of its present and after acquired personal and real property pursuant to a general security agreement dated March 4, 2015.

Pursuant to the terms of the Loan Agreement, Century has the ability to demand repayment of all the amounts outstanding pursuant to the Loan Facility in the event of a default by CMS or any of the guarantors.

CMS is in default of its obligations to Century under the Loan Agreement. In particular, CMS is in breach of its warranty under the Loan Agreement to keep all collateral free and clear of all liens and encumbrances by permitting the registration of a judgment against CMS at the Personal Property Registry on September 24, 2015.

Furthermore, Century received notice that 1784761 Alberta Ltd. ("**178**") has issued demand for payment against CMS under the factoring facility granted by 178 to CMS. The issuance of a demand by 178 under the factoring facility or otherwise constitutes an event of default under the Loan Agreement pursuant to Article 4.2 of the Intercreditor Agreement entered into by Century, 178, CMS, Duffy Building Corporation, Holdings and Mr. Hickey.

In view of the foregoing, Century has issued formal demand upon CMS for the immediate repayment of all amounts outstanding under the Loan Facility. A copy of the demand issued upon CMS is enclosed herewith.

Please accept this correspondence as a formal demand by Century upon Holdings for repayment of all amounts outstanding under the Loan Facility, pursuant to the terms of the Holdings Guarantee. The total indebtedness owing by Holdings pursuant to the Loan Facility and the Holdings Guarantee is, as of November 16, 2015, **\$5,570,417.76**, together with legal fees, other chargeable costs and interest continuing to accrue thereon. Century hereby demands that Holdings pay the amounts under this demand letter, no later than 4:30 pm (MST) on November 26, 2015.

In the event that repayment of the Loan Facility and all amounts properly due and owing to Century are not made by the aforesaid date, Century will take all steps that it considers appropriate to protect its position, including but not limited to, commencing an action against Holdings under the Holdings Guarantee and realizing upon the security granted thereunder. In that regard, enclosed herewith is a Notice of Intention to Enforce Security, together with a form of Acknowledgment and Waiver issued pursuant to section 244 of the *Bankruptcy and Insolvency Act*.

We trust you will find the foregoing to be in order and look forward to the immediate payment of all above-mentioned outstanding amounts due and owing by Holdings to Century.

Yours Truly,

BORDEN LADNER GERVAIS LLP

Rebyn Gurofsky

encl.

BANKRUPTCY AND INSOLVENCY ACT
Form 86

NOTICE OF INTENTION TO ENFORCE A SECURITY
Subsection 244(1)

TO: Duffy Holdings Ltd.
10403 50th Street SE
Calgary, AB T2C 3E3

TAKE NOTICE THAT:

1. Century Services LP (“Century”), a secured creditor, intends to enforce its security on or against the property of Duffy Holdings Ltd. (the “Debtor”) described below:
 - a) all presently owned and after acquired personal and real property of whatsoever nature and kind and wheresoever situated and all proceeds thereof and therefrom;
2. The security that is to be enforced is in the form of, *inter alia*:
 - a) a general security agreement dated March 4, 2015 (the “Security”).
3. The total amount of indebtedness secured by the Security is as of November 16, 2015, \$5,570,417.76, plus interest, legal fees and other recoverable costs.
4. Century will not have the right to enforce the Security until after the expiry of the 10 day period following the sending of this notice, unless the Debtor consents to an earlier enforcement.

DATED at Calgary, Alberta this 16 day of November, 2015.

CENTURY SERVICES LP

Per: _____

By its solicitors, Borden Ladner Gervais LLP

ACKNOWLEDGMENT AND WAIVER

DUFFY HOLDINGS LTD. hereby acknowledges and agrees that it has received a copy of a Notice of Intention to Enforce Security dated November 16, 2015 pursuant to section 244(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “*BIA*”) in respect of the security granted by Duffy Holdings Ltd. in favour of Century Services LP.

DUFFY HOLDINGS LTD., with full knowledge and understanding of the effect of s. 244 of the *BIA*, hereby consents to the enforcement by Century Services LP of all security held by Century Services LP for the indebtedness referred to in the Notice of Intention, either prior to the expiry of the 10 day period referred to in the Notice of Intention, or at any time thereafter:

DATED at Calgary, Alberta, this ____ day of November, 2015.

DUFFY HOLDINGS LTD.

Name of Signatory: _____

Capacity: _____

EXHIBIT

Q

This is Exhibit "Q" referred to
in the Affidavit of Josh Coonan
Sworn before me this 16 day of December, 2015

A handwritten signature in cursive script, reading "Isabelle Gagne", written over a horizontal line.

Commissioner for Oaths
In and for the Province of Alberta

ISABELLE GAGNE

**A Commissioner for Oaths in and for Alberta
My Commission Expires on April 18, 2017**

Robyn Gurofsky
T (403) 232-9774
F (403) 266-1395
RGurofsky@blg.com

Borden Ladner Gervais LLP
Centennial Place, East Tower
1900, 520 - 3rd Ave S W
Calgary, AB, Canada T2P 0R3
T 403.232.9500
F 403.266.1395
blg.com



File No. 418656-000208

November 16, 2015

Delivered by Courier

Duffy Building Corporation
10403 – 50 Street SE
Calgary, AB
T2C 3E3

Attention: James Hickey

Dear Sir

Re: Loan Facility granted by Century Services LP. ("Century") to Chris Mechanical Services Ltd. ("CMS ") guaranteed by Duffy Building Corporation ("Duffy")

Please be advised that this firm represents Century with respect to a non-revolving term facility granted to CMS in the principal amount of \$5,543,500CAD (the "**Loan Facility**") pursuant to a Commitment Letter dated February 26, 2015 and a Loan Agreement dated March 2, 2015 (the "**Loan Agreement**").

The Loan Facility was guaranteed by Duffy pursuant to a guarantee and postponement of claim dated March 4, 2015 (the "**Duffy Guarantee**"). Pursuant to the terms of the Duffy Guarantee, Duffy unconditionally guaranteed all present and future debts and liabilities, direct or indirect, due by CMS to Century. As security for the Duffy Guarantee, among other things, Duffy granted a security interest to Century in all of its present and after acquired personal and real property pursuant to a general security agreement dated March 4, 2015. Additionally, Duffy granted a collateral mortgage to Century, in the principal amount of \$5,543,500.00, charging the lands legally described as Plan 0714070 Block 14, Lot 19 (the "**Lands**"), dated March 4, 2015 (the "**Collateral Mortgage**").

Pursuant to the terms of the Loan Agreement, Century has the ability to demand repayment of all the amounts outstanding pursuant to the Loan Facility in the event of a default by CMS or any of the guarantors.

CMS is in default of its obligations to Century under the Loan Agreement. In particular, CMS is in breach of its warranty under the Loan Agreement to keep all collateral free and clear of all liens and encumbrances by permitting the registration of a judgment against CMS at the Personal Property Registry on September 24, 2015.

Furthermore, Century received notice that 1784761 Alberta Ltd. (“178”) has issued demand for payment against CMS under the factoring facility granted by 178 to CMS. The issuance of a demand by 178 under the factoring facility or otherwise constitutes an event of default under the Loan Agreement pursuant to Article 4.2 of the Intercreditor Agreement entered into by Century, 178, CMS, Duffy, Duffy Holdings Ltd. and Mr. Hickey.

In view of the foregoing, Century has issued formal demand upon CMS for the immediate repayment of all amounts outstanding under the Loan Facility. A copy of the demand issued upon CMS is enclosed herewith.

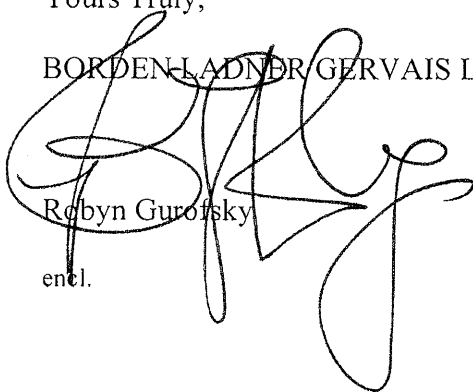
Please accept this correspondence as a formal demand by Century upon Duffy for repayment of all amounts outstanding under the Loan Facility, pursuant to the terms of the Duffy Guarantee and Collateral Mortgage. The total indebtedness owing by Duffy pursuant to the Loan Facility, the Duffy Guarantee and the Collateral Mortgage is, as of November 16, 2015, **\$5,570,417.76**, together with legal fees, other chargeable costs and interest continuing to accrue thereon. Century hereby demands that Duffy pay the amounts under this demand letter, no later than 4:30 pm (MST) on November 26, 2015.

In the event that repayment of the Loan Facility and all amounts properly due and owing to Century are not made by the aforesaid date, Century will take all steps that it considers appropriate to protect its position, including but not limited to, commencing an action against Duffy under the Duffy Guarantee and the Collateral Mortgage and realizing upon the security granted thereunder. In that regard, enclosed herewith is a Notice of Intention to Enforce Security, together with a form of Acknowledgment and Waiver issued pursuant to section 244 of the *Bankruptcy and Insolvency Act*.

We trust you will find the foregoing to be in order and look forward to the immediate payment of all above-mentioned outstanding amounts due and owing by Duffy to Century.

Yours Truly,

BORDEN LADNER GERVAIS LLP


Robyn Gurafsky

encl.

BANKRUPTCY AND INSOLVENCY ACT
Form 86

NOTICE OF INTENTION TO ENFORCE A SECURITY
Subsection 244(1)

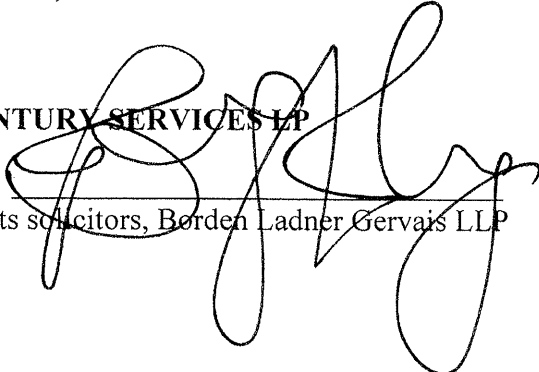
TO: Duffy Building Corporation
10403 50th Street SE
Calgary, AB T2C 3E3

TAKE NOTICE THAT:

1. Century Services LP (“Century”), a secured creditor, intends to enforce its security on or against the property of Duffy Building Corporation (the “Debtor”) described below:
 - a) all presently owned and after acquired personal and real property of whatsoever nature and kind and wheresoever situated and all proceeds thereof and therefrom;
2. The security that is to be enforced is in the form of, *inter alia*:
 - a) a general security agreement dated March 4, 2015; and
 - b) a collateral mortgage in the principal amount of \$5,543,500.00, charging the lands located at 10403 50 Street SE, Calgary, AB and legally described as Plan 0714070, Block 14, Lot 19, dated March 4, 2015 (together the “Security”).
3. The total amount of indebtedness secured by the Security is as of November 16, 2015, \$5,570,417.76, plus interest, legal fees and other recoverable costs.
4. Century will not have the right to enforce the Security until after the expiry of the 10 day period following the sending of this notice, unless the Debtor consents to an earlier enforcement.

DATED at Calgary, Alberta this 16 day of November, 2015.

CENTURY SERVICES LP

Per: 
By its solicitors, Borden Ladner Gervais LLP

ACKNOWLEDGMENT AND WAIVER

DUFFY BUILDING CORPORATION hereby acknowledges and agrees that it has received a copy of a Notice of Intention to Enforce Security dated November 16, 2015 pursuant to section 244(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “*BIA*”) in respect of the security granted by Duffy Building Corporation in favour of Century Services LP.

DUFFY BUILDING CORPORATION, with full knowledge and understanding of the effect of s. 244 of the *BIA*, hereby consents to the enforcement by Century Services LP of all security held by Century Services LP for the indebtedness referred to in the Notice of Intention, either prior to the expiry of the 10 day period referred to in the Notice of Intention, or at any time thereafter.

DATED at Calgary, Alberta, this ____ day of November, 2015.

DUFFY BUILDING CORPORATION

Name of Signatory: _____

Capacity: _____

EXHIBIT

R

This is Exhibit "R" referred to
in the Affidavit of Josh Coonan
Sworn before me this 16 day of December, 2015


Commissioner for Oaths
In and for the Province of Alberta

ISABELLE GAGNE
A Commissioner for Oaths in and for Alberta
My Commission Expires on April 18, 2017

FORBEARANCE AGREEMENT

THIS FORBEARANCE AGREEMENT is made as of the 30th day of November, 2015.

AMONG

Century Services LP by its general partner, Century Services Inc.
("Century")

- and -

Chris Mechanical Services Ltd., a corporation incorporated pursuant to the laws of the Province of Alberta (the "**Borrower**")

- and -

Duffy Building Corporation, a corporation incorporated pursuant to the laws of the Province of Alberta ("**Duffy**")

- and -

Duffy Holdings Ltd., a corporation incorporated pursuant to the laws of the Province of Alberta ("**Holdings**")

- and -

James Patrick Hickey, an individual residing in the Province of Alberta ("**Hickey**")

RECITALS:

- A. The Borrower is primarily engaged in the manufacturing industry, manufacturing products used in the petroleum, agriculture and food industries.
- B. The Borrower and Century are parties to a loan agreement dated March 2, 2015 (the "**Loan Agreement**"), which Loan Agreement was acknowledged and agreed to by the Borrower and Duffy, Holdings and Hickey (sometimes collectively referred to as the "**Guarantors**").
- C. Pursuant to the Loan Agreement, Century granted to the Borrower a non-revolving term loan in the principal amount of \$5,543,500 CAD for the purposes of providing interim financing for the Borrower.



D. Duffy unconditionally guaranteed all outstanding indebtedness, present or future, owing by the Borrower to Century pursuant to a Guarantee and Postponement of Claim dated March 4, 2015 (the "**Duffy Guarantee**").

E. Holdings unconditionally guaranteed all outstanding indebtedness, present or future, owing by the Borrower to Century pursuant to a Guarantee and Postponement of Claim dated March 4, 2015 (the "**Holdings Guarantee**").

F. Hickey unconditionally guaranteed the outstanding indebtedness, present or future, owing by the Borrower to Century, limited to the principal amount of \$2,727,750, pursuant to a Guarantee and Postponement of Claim dated March 4, 2015 and executed pursuant to the *Guarantees Acknowledgment Act* (Alberta).

G. The Borrower is liable to Century in respect of non-revolving term loan and related items described in the Loan Agreement as of November 30, 2015 in the amount of \$5,633,098.91 (the "**Century Indebtedness**").

H. The Century Indebtedness is secured by various security pledged by the Borrower, including without limitation, a promissory note dated March 4, 2015 in the principal amount of \$5,543,500 and a general security agreement dated March 4, 2015. In addition: (i) Duffy pledged a general security agreement dated March 4, 2015 and a collateral mortgage dated March 4, 2015 over lands legally described as Plan 0714070, Block 14, Lot 19 (the "**Mortgage**") to secure the Duffy Guarantee; (ii) Holdings pledged a general security agreement dated March 4, 2015 to security the Holdings Guarantee; and (iii) Hickey pledged a general security agreement dated March 4, 2015 to secure the Hickey Guarantee (all such security documents together with all other guarantee and security documentation granted by the Borrower or the Guarantors in favor of Century, referred to as the "**Century Security**").

I. Century, the Borrower, the Guarantors and 1784761 Alberta Ltd. ("**178**") have entered into an intercreditor agreement dated July 28, 2015 (the "**Intercreditor Agreement**") to establish the relative priority of the Century Security and security pledged by the Borrower in respect of a factoring facility granted by 178 (the "**178 Facility**").

J. The Borrower is in breach of certain terms of the Loan Agreement, including but not limited to allowing a demand for payment to be issued by 178, which in accordance with article 4.2 of the Intercreditor Agreement, constitutes an Event of Default under the Loan Agreement and Century Security.

K. Given the defaults committed by the Borrower under the Loan Agreement and Century Security, Century has issued demands for payment of the Century Indebtedness together with Notices of Intention pursuant to section 244 of the *Bankruptcy and Insolvency Act* (the "**BIA**") giving notice that Century intends to pursue its legal remedies under the Century Security for the collection of the Century Indebtedness. The Borrower and the Guarantors each acknowledge receipt of the demands and notices of intention and agree that Century is immediately entitled to enforce its rights under the Century Security.

L. Given its current financial difficulty, the Borrower has requested that Century forbear from pursuing its legal remedies for the collection of the Century Indebtedness for the specific period of time and on the specific terms and conditions set out herein, to allow the Borrower to attempt to obtain alternative financing to repay the Century Indebtedness in full.

J. Subject to the terms and conditions herein, and without waiving any rights to enforce the Century Indebtedness or Century Security, Century is prepared to forbear from demanding immediate payment of the Century Indebtedness and taking action pursuant to the Century Security for the Forbearance Period as defined below.

NOW THEREFORE for good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto), the parties agree as follows:

ARTICLE 1 INTERPRETATION

1.01 Capitalized Terms

All capitalized terms used herein and not otherwise defined herein have the meanings ascribed thereto in the Loan Agreement.

1.02 Interpretation

Except as the context requires otherwise, all references in this Forbearance Agreement to Articles, Sections, subsections and clauses are to Articles, Sections, subsections and clauses of the Loan Agreement.

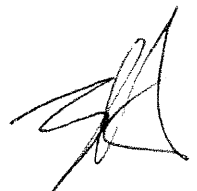
ARTICLE 2

OBLIGATIONS OF THE BORROWER AND GUARANTORS

2.01 Acknowledgements by the Borrower and Guarantors

The Borrower and the Guarantors each hereby acknowledge and agree that:

- (a) the implementation and performance of this Forbearance Agreement is intended solely to facilitate Century's management of its financial risk and does not constitute any form of management or control of any of the assets or operations of the Borrower or the Guarantors;
- (b) each of them is indebted to Century in the amount of the Century Indebtedness;



- (c) the Borrower is in default of the Loan Agreement and the Century Security, or certain security within the Century Security and Century has the right to immediately enforce the Century Security and take all such other steps as may be practicable to recover the Century Indebtedness from the Borrower and the Guarantors;
- (d) each of the Borrower and the Guarantors will during the Forbearance Period continue to operate their businesses and maintain their assets and in accordance with good business practice;
- (e) Century is under no obligation and shall not be required to make any further advances to the Borrower under the Loan Agreement;
- (f) each of the Borrower and the Guarantors will maintain all banking and related accounts with CIBC Commercial Bank and shall not conduct any banking or open any other accounts with any lending institution, other than with CIBC Commercial Bank, without prior written notice to Century.

2.02 Priority Payments

Each of the Borrower and the Guarantors represent, warrant, covenant and agree that each of them shall remit, in accordance with legal requirements: (i) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any province which are required to be deducted from employees' wages, including, without limitation, amounts in respect of employment insurance, Canada Pension Plan, Quebec Pension Plan and income taxes, where applicable; (ii) amounts payable by the Borrower in respect of employment insurance, Canada Pension Plan, Quebec Pension Plan and income taxes with respect to employees, where applicable; and (iii) all goods and services or sales taxes payable by the Borrower or its customers in connection with the retail sale of goods and services by the Borrower to such customers, and any amounts equivalent or similar to items (i), (ii) and (iii) above payable pursuant to jurisdictions where the Borrower and the Guarantors may conduct operations, as applicable and required by laws in force in such jurisdictions.

ARTICLE 3 FORBEARANCE

3.01 Forbearance

Century covenants and agrees that, so long as no Event of Default has occurred it will, for the Forbearance Period only and subject to Section 3.05 hereof, take no action to recover the Century Indebtedness or to enforce as against the Century Security against the Borrower, the Guarantors or any or all of their respective assets. Nothing in this provision or in this agreement shall affect or limit the right of Century to take steps to enforce as against the Century Security or commence an action for the repayment of the Century Indebtedness upon the expiry of the Forbearance Period or in the event of breaches of the Loan Agreement that are presently unknown by or undisclosed to Century.



3.02 Forbearance Period

Century's forbearance under Section 3.01 hereof shall remain in full force and effect from the effective date of this Agreement until the earlier of December 17, 2015 or the occurrence of an Event of Default, as hereinafter defined (the "**Forbearance Period**"). Century may, by further written agreement, extend the Forbearance Period from time to time on such terms as the parties may agree.

3.03 Consents, Acknowledgments and Waivers

As partial consideration for the forbearance granted by Century to the Borrower pursuant to this Agreement, together with the increased risk assumed by Century as a result of granting the within forbearance, the Borrower and where indicated the Borrower and the Guarantors or any of them, shall concurrently with the execution of this Agreement:

- (a) deliver to Century a duly executed copy of the Consent Receivership Order attached hereto as **Schedule "A"** (the "**Consent Receivership Order**") appointing FTI or such other party as Century in its discretion shall advise, as receiver and/or receiver and manager with respect to all of the assets;
- (b) deliver to Century a duly executed copy of the Acknowledgment and Waiver attached hereto as **Schedule "B"** pursuant to which the Borrower and the Guarantors acknowledge that the Bank has the right to the immediate enforcement by Century of the Century Security including but not limited to making use of the Consent Receivership Order; and
- (c) deliver to Century an executed copy of the Consent Orders attached hereto as **Schedule "C"** (the "**Consent Orders Lifting Stay**"), lifting any stay of proceedings as regards Century, which may be obtained in any filing by or in respect of the Borrower pursuant to the *Bankruptcy and Insolvency Act* (the "**BIA**") or the *Companies' Creditors Arrangement Act* (the "**CCAA**").

3.04 Forbearance Fee

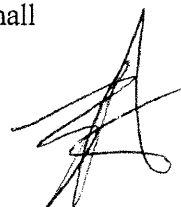
As consideration for the forbearance granted by Century pursuant to this Agreement, the Borrower shall pay to Century an extension fee of \$27,000.00 (the "**Forbearance Fee**"), which shall be fully earned by Century as of the date of this Forbearance Agreement. In the event the Borrower does not pay the Forbearance Fee prior to the expiry of the Forbearance Period, Century may apply the Forbearance Fee to the outstanding Century Indebtedness, secured by the Century Security.

3.05 Event of Default

An Event of Default shall occur in the event that any of the following shall occur during the Forbearance Period:

- (a) any of the Borrower or the Guarantors shall be in breach of any obligation under Sections 2 or 3 hereof or any provision of the Loan Agreement not otherwise described in this agreement or this Forbearance Agreement;
- (b) any of the Borrower or the Guarantors shall fail to comply with all reporting requirements established in the Loan Agreement or by Century from time to time;
- (c) any of the Borrower or the Guarantors shall sell property or assets without the prior written consent of Century;
- (d) the Borrower fails to provide Century with an executed commitment letter in accordance with Section 4.02 hereof;
- (e) the Borrower or any of the Guarantors shall be in breach of any term of the Century Security;
- (f) any property of the Borrower or the Guarantors having a fair value \$25,000 is seized or taken in execution, or any funds due to the Borrower or any Guarantors in an amount exceeding \$25,000 are garnished or otherwise frozen or held by any third party with respect to an obligation or alleged obligation;
- (g) a receiver, interim receiver or trustee in bankruptcy is appointed in respect of the Borrower or any of the Guarantors, or the Borrower or any of the Guarantors shall make an assignment in bankruptcy, shall be petitioned in bankruptcy, shall file a proposal or a notice of intention to file a proposal under the BIA, seek protection under the provisions of the CCAA or equivalent legislation in any other jurisdiction, or there shall be a receiver or interim receiver appointed of any of the assets or undertakings of the Borrower or any of the Guarantors;
- (h) any charge against the assets of the Borrower or any of the Guarantors in an amount exceeding \$25,000 and ranking in priority to the claims of Century pursuant to the Century Security shall exist, be allowed to continue to exist, or be created (except as otherwise permitted under the Intercreditor Agreement);
- (i) the Borrower or any Guarantors shall cease to conduct active operations or business in the ordinary course;
- (j) any judgment in the amount of \$25,000 or more shall be entered and allowed to subsist for a period of more than 14 days against the Borrower or any of the Guarantors;
- (k) any event occurs which in the opinion of Century materially endangers its security or materially impairs the value of the assets against which it holds security or there shall be, in the opinion of Century, a material adverse change in the financial situation of the Borrower or any of the Guarantors.

Immediately upon the occurrence of an Event of Default, the Forbearance Period shall terminate without further notice to the Borrower or the Guarantors, and Century shall

A handwritten signature in black ink, consisting of several overlapping, stylized strokes, located in the bottom right corner of the page.

be entitled to immediately enforce as against the Century Security and take all such other steps as Century deems necessary to recover the Century Indebtedness from the Borrower and the Guarantors, including but not limited to appearing before a Justice of the Court of Queen's Bench of Alberta or such other Court as the Bank or its legal counsel shall deem appropriate, to obtain and thereafter file the Consent Receivership Order.

ARTICLE 4 COVENANTS OF THE BORROWER AND GUARANTORS

4.01 Amendments to Loan Agreement

The Borrower and the Guarantors each hereby agree and acknowledge that the interest rate payable under the Loan Agreement has increased from 12% per annum to the default rate of interest, being an amount equal to 3% per annum above the interest rate, or 15% per annum.

4.02 Commitment Letter

Prior to the expiry of the Forbearance Period, the Borrower shall provide Century with an unconditionally executed commitment letter from a reputable lender in a form satisfactory to Century in its sole discretion, evidencing a commitment to refinance the Century Indebtedness in its entirety.

4.03 Payment of Legal and other Fees

The Borrower and each of the Guarantors acknowledge that in accordance with the terms of the Loan Agreement, the Borrower is liable to Century for all legal fees, costs and other amounts incurred by Century relative to the preparation of the Loan Agreement, the Century Security and other documentation and enforcement thereof, including but not limited to the preparation of this Forbearance Agreement and any further enforcement proceedings, and shall be paid such fees and costs as and when due. In the event such legal fees, costs and other amounts incurred by Century are not paid by the Borrower, such amounts shall be applied to the outstanding Century Indebtedness and secured by the Century Security.

ARTICLE 5 CONDITIONS PRECEDENT

5.01 Conditions Precedent

The agreement of Century to forebear from demanding payment of the Century Indebtedness and the exercise of its remedies under the Century Security pursuant to this Agreement is subject to and conditional upon the receipt, in form and substance satisfactory to Century of:

- (a) a duly executed copy of this Agreement;



- (b) a duly executed copy of the Consent Receivership Order pursuant to Section 3.03 above, attached hereto as **Schedule "A"**;
- (c) a duly executed copy of the Acknowledgment and Waiver pursuant to Section 3.03 above, attached hereto as **Schedule "B"**;
- (d) a duly executed copy of the Consent Orders Lifting Stay pursuant to Section 3.03, attached hereto as **Schedule "C"**; and,
- (e) appropriate resolutions, certificates of incumbency and officer's certificates relating to the authorization, execution and delivery of this Agreement, the Consent Receivership Order, the Acknowledgment and Waiver and the Consent Orders Lifting Stay by the Borrower and where appropriate, the Guarantors.

ARTICLE 6 WAIVER OF DUTY OF CONFIDENTIALITY

6.01 Waiver by Borrower and Guarantors

The Borrower and each of the Guarantors hereby authorize Century and its representatives, at any time after the effective date of this Agreement to communicate:

- (a) with Her Majesty in Right of Canada, Her Majesty in Right of Alberta, Her Majesty in Right of Alberta and all other relevant governmental authorities; and
- (b) any other secured creditors of the Borrower or the Guarantors,

in each case regarding the negotiation and establishment of security enforcement procedures, and the Borrower and the Guarantors waive their rights to lender confidentiality in respect of its financial affairs to the extent of the foregoing. The Borrower and the Guarantors shall provide such waivers and consents as may be required to ensure that such parties can fully and frankly discuss with Century and their representatives all matters touching on their respective relationships with the Borrower and the Guarantors.

ARTICLE 7 CONFIRMATION OF LOAN AGREEMENT

7.01 Confirmation by Borrower and Guarantors

Except as amended by this Forbearance Agreement all terms and conditions of the Loan Agreement and the Century Security shall continue in full force and effect unamended and are hereby ratified and confirmed in every respect. By execution hereof each of the Borrower and the Guarantors hereby acknowledge the terms of the Loan Agreement, as amended by this Forbearance Agreement, or as amended, modified, restated or replaced from time to time, as well as the terms and validity of the Century Security. The Guarantors also ratify and confirm the terms of their respective guarantees (together, the "**Guarantees**"), that their Guarantees guarantee the obligations of the Borrower under the Loan Agreement, and any security granted in connection therewith.



**ARTICLE 8
MISCELLANEOUS**

8.01 Time the Essence Hereof

Time shall be of the essence in this Agreement.

8.02 Notices

Any notices under this Forbearance Agreement or the Loan Agreement may be delivered by courier to the parties at the addresses set forth below, facsimile transmission or email, and, where so given, shall be deemed received by the recipient on the same business day as delivered, transmitted or emailed, if delivered, transmitted or emailed prior to 3:00 p.m. (Calgary time), otherwise on the next business day:

(a) if to Century:

Century Services Inc.
310, 318 – 11th Ave S.E.
Calgary, AB T2G 0Y2

Attention: Josh Coonan
Phone: 403-303-2623
Email: jcoonan@centuryservices.com

with a copy to :

Borden Ladner Gervais LLP
1900, 520 – 3rd Avenue SW
Calgary, AB T2P 0R3

Attention: Robyn Gurofsky
Phone: 403-232-9774
Email: Rgurofsky@blg.com

(b) if to the Borrower or Guarantors:

Chris Mechanical Services Ltd.
10403 50th Street SE
Calgary, AB T2C 3E3

Attention: James Patrick Hickey
Phone: _____
Email: Jim@chrismech.ca



8.03 Applicable Law

This Agreement shall be governed by the laws of the Province of Alberta and the federal laws of Canada applicable therein and the parties hereby attorn to the non-exclusive jurisdiction of the courts of competent jurisdiction in the Province of Alberta.

8.04 Further Assurances

The Borrower and the Guarantors hereby covenant and agree to do such further and other things that Century may reasonably request to give full or better effect to the provisions of this Forbearance Agreement.

8.05 Whole Agreement

This Forbearance Agreement and the Loan Agreement and any agreements delivered pursuant to or referred to herein or therein constitute the whole and entire agreement between the parties and supersede any prior written or verbal agreements, and any undertakings, declarations or representations made with respect thereto.

8.06 Execution

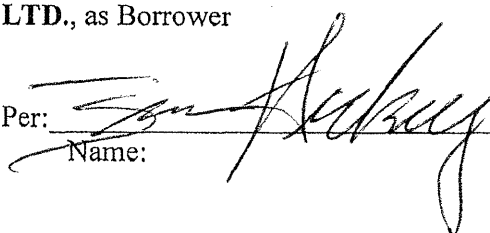
This Agreement may be executed in counterparts and delivered via electronic transmission, and all counterparts, when taken together, shall constitute one Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first above written.

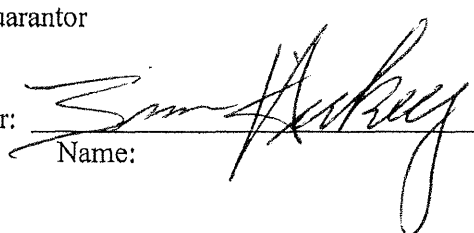
CENTURY SERVICES LP by its general partner CENTURY SERVICES INC.

Per: 
Name: **JOSH COONAN**
Title: **Senior Manager Lending Operations**

CHRIS MECHANICAL SERVICES LTD., as Borrower

Per: 
Name:


DUFFY BUILDING CORPORATION as Guarantor

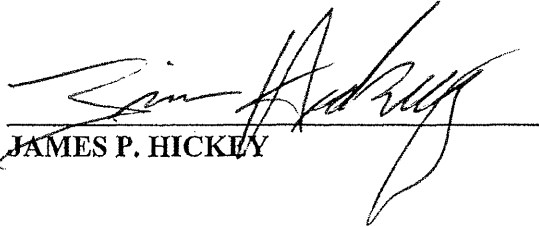
Per: 
Name:

Title:

Title:

**DUFFY HOLDINGS LTD. as
Guarantor**

Per: 
Name:
Title:


JAMES P. HICKEY

WITNESS

SCHEDULE A
CONSENT RECEIVERSHIP ORDER

Clerk's Stamp

COURT FILE NUMBER 1501-

BK No.

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE

Calgary

PLAINTIFF

**CENTURY SERVICES LP by its general partner
CENTURY SERVICES INC.**

DEFENDANTS

**CHRIS MECHANICAL SERVICES LTD., DUFFY
BUILDING CORPORATION and DUFFY
HOLDINGS LTD.**

DOCUMENT

RECEIVERSHIP ORDER

ADDRESS FOR SERVICE AND

Robyn Gurofsky

CONTACT INFORMATION OF

Borden Ladner Gervais LLP

PARTY FILING THIS

1900, 520 3rd Ave. S.W.

Calgary, AB T2P 0R3

DOCUMENT

Telephone: (403) 232-9774

Facsimile: (403) 266-1395

Email: RGurofsky@blg.com

File No. 418656-000208

DATE ON WHICH ORDER WAS PRONOUNCED: _____

LOCATION WHERE ORDER WAS PRONOUNCED: _____

NAME OF JUSTICE WHO MADE THIS ORDER: _____

UPON the application of Century Services LP by its general partner Century Services Inc. (the "**Lender**") in respect of Chris Mechanical Services Ltd., Duffy Building Corporation and Duffy Holdings Ltd. (together the "**Debtors**"); **AND UPON** having read the Application, the Affidavit of Josh Coonan, filed; **AND UPON** reading the consent of _____ to act as receiver and receiver and manager ("**Receiver**") of the Debtors, filed; **AND UPON** noting the consent endorsed hereon of counsel to the Debtors; **AND UPON** hearing counsel for the Lender and any other counsel in attendance at the Application;



IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. The time for service of the notice of application for this order is hereby abridged and service thereof is deemed good and sufficient.

APPOINTMENT

2. Pursuant to section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 ("BIA"), and sections 13(2) of the *Judicature Act*, R.S.A. 2000, c.J-2, 99(a) of the *Business Corporations Act*, R.S.A. 2000, c.B-9, and 65(7) of the *Personal Property Security Act*, R.S.A. 2000, c.P-7 _____ is hereby appointed Receiver, without security, of all of the Debtors' current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "Property").

RECEIVER'S POWERS

3. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
 - (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
 - (b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
 - (c) to manage, operate and carry on the business of the Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of



business, cease to carry on all or any part other business, or cease to perform any contracts of the Debtors;

- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to or by the Debtors;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtors;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding, and provided further that nothing in this Order shall authorize the Receiver to defend or settle the action in which this Order is made unless otherwise directed by this Court.
- (k) to market any or all the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate.



- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$500,000, provided that the aggregate consideration for all such transactions does not exceed \$1,000,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,

and in each such case notice under subsection 60(8) of the *Personal Property Security Act*, R.S.A. 2000, c. P-7 shall not be required.

- (m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have; and



- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

- 4. (i) The Debtors, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependant on maintaining possession) to the Receiver upon the Receiver's request.
- 5. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.



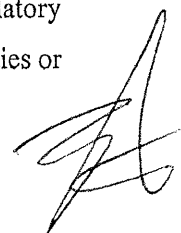
6. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. No proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

8. No Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court, provided, however, that nothing in this Order shall: (i) prevent any Person from commencing a proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such proceeding is not commenced before the expiration of the stay provided by this paragraph 8; and (ii) affect a Regulatory Body’s investigation in respect of the Debtors or an action, suit or proceeding that is taken in respect of the Debtors by or before the Regulatory Body, other than the enforcement of a payment order by the Regulatory Body or the Court. “**Regulatory Body**” means a person or body that has powers, duties or

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functions relating to the enforcement or administration of an Act of Parliament or of the legislature of a province.

NO EXERCISE OF RIGHTS OF REMEDIES

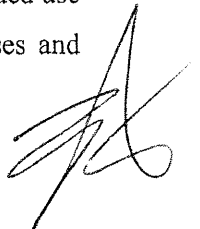
9. All rights and remedies (including, without limitation, set-off rights) against the Debtors, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" (as defined in the BIA), and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtors to carry on any business which the Debtors is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

10. No Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors, without written consent of the Receiver or leave of this Court. Nothing in this Order shall prohibit any party to an eligible financial contract from closing out and terminating such contract in accordance with its terms.

CONTINUATION OF SERVICES

11. All Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtors are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and this Court directs that the Receiver shall be entitled to the continued use of the Debtors' current telephone numbers, facsimile numbers, internet addresses and



domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

12. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the “**Post Receivership Accounts**”) and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

EMPLOYEES

13. Subject to employees’ rights to terminate their employment, all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors’ behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, S.C. 2005, c.47 (“**WEPPA**”).
14. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a “**Sale**”). Each prospective purchaser or bidder



to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. (a) Notwithstanding anything in any federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:
- (i) before the Receiver's appointment; or
 - (ii) after the Receiver's appointment unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.
- (b) Nothing in sub-paragraph (a) exempts a Receiver from any duty to report or make disclosure imposed by a law referred to in that sub-paragraph.
- (c) Notwithstanding anything in any federal or provincial law, but subject to sub-paragraph (a) hereof, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, the Receiver is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order,
- (i) if, within such time as is specified in the order, within 10 days after the order is made if no time is so specified, within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, or during the period of the stay referred to in clause (ii) below, the Receiver:



- A. complies with the order, or
 - B. on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;
- (ii) during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) above, within 10 days after the order is made or within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, by,
- A. the court or body having jurisdiction under the law pursuant to which the order was made to enable the Receiver to contest the order; or
 - B. the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or
- (iii) if the Receiver had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

LIMITATION ON THE RECEIVER'S LIABILITY

16. Except for gross negligence or wilful misconduct, as a result of its appointment or carrying out the provisions of this Order the Receiver shall incur no liability or obligation that exceeds an amount for which it may obtain full indemnity from the Property. Nothing in this Order shall derogate from any limitation on liability or other protection afforded to the Receiver under any applicable law, including, without limitation, Section 14.06, 81.4(5) or 81.6(3) of the BIA.

RECEIVER'S ACCOUNTS

17. The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case, incurred at their standard rates and charges. The Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's

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Charge”) on the Property, as security for such fees and disbursements, incurred both before and after the making of this Order in respect of these proceedings, and the Receiver’s Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person but subject to section 14.06(7), 81.4(4) and 81.6(2) of the BIA.

18. The Receiver and its legal counsel shall pass their accounts from time to time.
19. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including the legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

20. The Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$ _____ (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the “**Receiver's Borrowings Charge**”) as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges set out in sections 14.06(7), 81.4(4) and 81.6(2) of the BIA.
21. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.



22. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.
23. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

ALLOCATION

24. Any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the various assets comprising the Property.

GENERAL

25. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
26. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Receiver will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence.
27. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.
28. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

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29. The Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
30. The Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtors' estate with such priority and at such time as this Court may determine.
31. Any interested party may apply to this Court to vary or amend this Order on not less than 7 days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

FILING

32. This Order is issued and shall be filed in Court of Queen's Bench Action No. _____, and Court of Queen's Bench in Bankruptcy Action No. _____, which actions are not consolidated. All further proceedings shall be taken in both actions unless otherwise ordered.
33. The Receiver shall establish and maintain a website in respect of these proceedings at _____ and shall post there as soon as practicable:
 - (a) all materials prescribed by statute or regulation to be made publically available; and
 - (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, or served upon it, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.

CONSENTED TO THIS ____ DAY OF _____, 2015

CARSCALLEN LLP

David L. Sevalrud
Counsel for Chris Mechanical Services
Ltd., Duffy Building Corporation and
Duffy Holdings Ltd.

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that _____, the receiver and receiver and manager (the "Receiver") of all of the assets, undertakings and properties of CHRIS MECHANICAL SERVICES LTD., DUFFY BUILDING CORPORATION and DUFFY HOLDINGS LTD. appointed by Order of the Court of Queen's Bench of Alberta and Court of Queen's Bench of Alberta in Bankruptcy and Insolvency (collectively, the "Court") dated the ____ day of _____, _____ (the "Order") made in action numbers _____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily] [monthly not in advance on the ____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at ●.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property) as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 20__.

_____,
solely in its capacity as Receiver of the
Property (as defined in the Order), and not in
its personal capacity

Per: _____
Name:
Title:

SCHEDULE B
ACKNOWLEDGMENT AND WAIVER

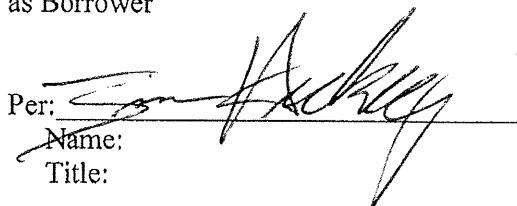
ACKNOWLEDGEMENT AND WAIVER

CHRIS MECHANICAL SERVICES LTD., DUFFY BUILDING CORPORATION and DUFFY HOLDINGS LTD. (together referred to herein as the “**Debtors**”) hereby acknowledge and agree that they have received a Notice of Intention to Enforce Security (the “**Notice of Intention**”) pursuant to s. 244(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) from Century Services LP by its general party Century Services Inc. (the “**Lender**”) in respect of the security granted by the Debtors, or any of them, to the Lender, such security including but not limited to, the security referred to in the Notice of Intention, as well as the security contained in the various security agreements and forbearance agreement granted by the Debtors or certain of them to the Lender from time to time.

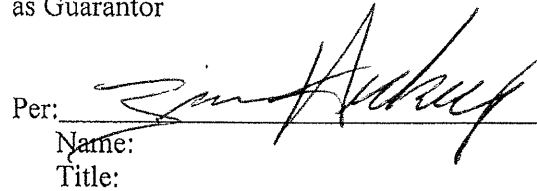
Further, the Debtors, with full knowledge and understanding of the effect of s. 244 of the *BIA* and having had the advice of independent legal counsel, hereby acknowledge that the notice period required pursuant to the *BIA* has expired and consent to the immediate enforcement by the Lender, including by way of the immediate appointment of an agent, receiver and/or receiver and manager, of all security held by the Lender as referred to herein.

DATED at Calgary, Alberta this 11 day of Dec, 2015.

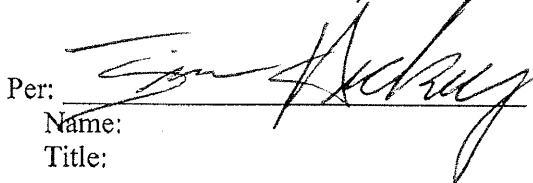
CHRIS MECHANICAL SERVICES LTD.,
as Borrower

Per: 
Name:
Title:

DUFFY BUILDING CORPORATION,
as Guarantor

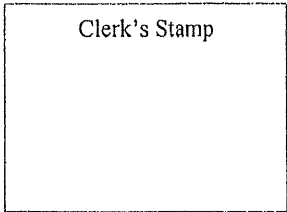
Per: 
Name:
Title:

DUFFY HOLDINGS LTD., as Guarantor

Per: 
Name:
Title:

SCHEDULE C
CONSENT ORDER LIFTING STAY

COURT FILE NUMBER 1501-
BK No.
COURT COURT OF QUEEN'S BENCH OF
ALBERTA
IN BANKRUPTCY AND INSOLVENCY
JUDICIAL CENTRE Calgary
**IN THE MATTER OF CHRIS
MECHANICAL SERVICES LTD.,
DUFFY BUILDING CORPORATION
AND DUFFY HOLDINGS LTD.**
DOCUMENT **CONSENT ORDER: LIFT STAY**



ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Robyn Gurofsky
Borden Ladner Gervais LLP
1900, 520 3rd Ave. S.W.
Calgary, AB T2P 0R3
Telephone: (403) 232-9774
Facsimile: (403) 266-1395
Email: RGurofsky@blg.com
File No. 418656-000208

DATE ON WHICH ORDER WAS PRONOUNCED: _____

LOCATION WHERE ORDER WAS PRONOUNCED: _____

NAME OF JUSTICE WHO MADE THIS ORDER: _____

UPON the application of Century Services LP by its general partner Century Services Inc. (the "**Lender**"), in respect of Chris Mechanical Services Ltd., Duffy Building Corporation and Duffy Holdings Ltd. (together the "**Debtors**"); **AND UPON** having read the Application and Affidavit of Josh Coonan, filed; **AND UPON** noting the consent of counsel for the Debtor endorsed hereon; **AND UPON** hearing the submissions of counsel for the Lender and any other parties in attendance;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. The time for service of notice of this application is abridged and service thereof is deemed good and sufficient;

2. The stay of proceedings obtained in the filing by or in respect of the Debtors pursuant to the provisions of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, is lifted and shall have no application as against the Lender and the Lender is granted leave to proceed to enforce any and all security, remedies, judgments or other awards it may have in respect of the Debtors' loan and related obligations to the Lender, including but not limited to an application to appoint a receiver, receiver and manager of the Debtors.

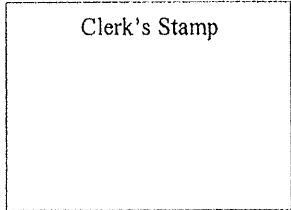
Justice of the Court of Queen's Bench of Alberta

CONSENTED TO THIS ___ DAY OF _____, 2015

CARSCALLEN LLP

David L. Sevalrud
Counsel for Chris Mechanical Services
Ltd., Duffy Building Corporation and
Duffy Holdings Ltd.

COURT FILE NUMBER COURT 1501- COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE Calgary



**IN THE MATTER OF THE COMPANIES'
CREDITORS ARRANGEMENT ACT, R.S.C.
1985, c. C-36, as amended;**

**AND IN THE MATTER OF THE
BUSINESS CORPORATIONS ACT, R.S.A.
2000, c. B-9;**

**AND IN THE MATTER OF
CHRIS MECHANICAL LTD., DUFFY
BUILDING CORPORATION and DUFFY
HOLDINGS LTD.**

DOCUMENT **CONSENT ORDER: LIFT STAY**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Robyn Gurofsky
Borden Ladner Gervais LLP
1900, 520 3rd Ave. S.W.
Calgary, AB T2P 0R3
Telephone: (403) 232-9774
Facsimile: (403) 266-1395
Email: RGurofsky@blg.com
File No. 418656-000208

DATE ON WHICH ORDER WAS PRONOUNCED: _____

LOCATION WHERE ORDER WAS PRONOUNCED: _____

NAME OF JUSTICE WHO MADE THIS ORDER: _____

UPON the application of Century Services LP by its general partner, Century Services Inc. (the "Lender"), in respect of Chris Mechanical Services Ltd., Duffy Building Corporation and Duffy Holdings Ltd. (together the "Debtors"); AND UPON having read the Application and Affidavit of Josh Coonan, filed; AND UPON noting the consent of counsel for the Debtors endorsed hereon; AND UPON hearing the submissions of counsel for the Lender and any other parties in attendance;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. The time for service of notice of this application is abridged and service thereof is deemed good and sufficient;
2. The stay of proceedings obtained in the filing by or in respect of the Debtors pursuant to the provisions of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, is lifted and shall have no application as against the Lender and the Lender is granted leave to proceed to enforce any and all security, remedies, judgments or other awards it may have in respect of the Debtors' loan and related obligations to the Lender, including but not limited to an application to appoint a receiver, receiver and manager of the Debtors.

Justice of the Court of Queen's Bench of Alberta

FORM AND CONTENT CONSENTED TO THIS ___ DAY OF _____, 2015

CARSCALLEN LLP

David L. Sevalrud
Counsel for Chris Mechanical Services
Ltd., Duffy Building Corporation and
Duffy Holdings Ltd.

EXHIBIT

S

This is Exhibit "S" referred to
in the Affidavit of Josh Coonan
Sworn before me this 16 day of December, 2015

A handwritten signature in cursive script, reading "Isabelle Gagne", written over a horizontal line.

Commissioner for Oaths
In and for the Province of Alberta

ISABELLE GAGNE
A Commissioner for Oaths in and for Alberta
My Commission Expires on April 18, 2017



LAND TITLE CERTIFICATE

S
LINC SHORT LEGAL TITLE NUMBER
0032 616 146 0714070;14;19 101 157 789

LEGAL DESCRIPTION
PLAN 0714070
BLOCK 14
LOT 19
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 0.809 HECTARES (2 ACRES) MORE OR LESS

ESTATE: FEE SIMPLE
ATS REFERENCE: 4;29;23;15;NE

MUNICIPALITY: CITY OF CALGARY

REFERENCE NUMBER: 071 406 708 +6

REGISTERED OWNER(S)				
REGISTRATION	DATE (DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
101 157 789	28/05/2010	TRANSFER OF LAND	\$1,060,000	\$1,060,000

OWNERS

DUFFY BUILDING CORPORATION.
OF 10403 - 50 STREET SE
CALGARY
ALBERTA T2C 3E3

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
071 615 665	27/12/2007	RESTRICTIVE COVENANT
151 079 126	23/03/2015	MORTGAGE MORTGAGEE - CENTURY SERVICES INC. 310, 318 - 11 AVE SE CALGARY ALBERTA T2G0Y2 ORIGINAL PRINCIPAL AMOUNT: \$5,543,500

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

PAGE 2
101 157 789

REGISTRATION
NUMBER DATE (D/M/Y) PARTICULARS

151 326 847 15/12/2015 CAVEAT
RE : AGREEMENT CHARGING LAND
CAVEATOR - 1784761 ALBERTA LTD.
MICHAEL A. LOBERG PROFESSIONAL CORPORATION
1000 BANKERS HALL WEST
888-3 STREET SW
CALGARY
ALBERTA T2P5C5
AGENT - SHAWN YOUNG

TOTAL INSTRUMENTS: 003

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN
ACCURATE REPRODUCTION OF THE CERTIFICATE OF
TITLE REPRESENTED HEREIN THIS 15 DAY OF
DECEMBER, 2015 AT 02:09 P.M.

ORDER NUMBER: 29817172

CUSTOMER FILE NUMBER: 418656-208



END OF CERTIFICATE

THIS ELECTRONICALLY TRANSMITTED LAND TITLES PRODUCT IS INTENDED
FOR THE SOLE USE OF THE ORIGINAL PURCHASER, AND NONE OTHER,
SUBJECT TO WHAT IS SET OUT IN THE PARAGRAPH BELOW.

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APPRAISAL OR OTHER ADVICE PREPARED BY THE ORIGINAL PURCHASER AS
PART OF THE ORIGINAL PURCHASER APPLYING PROFESSIONAL, CONSULTING
OR TECHNICAL EXPERTISE FOR THE BENEFIT OF CLIENT(S).

**ALBERTA GOVERNMENT SERVICES
LAND TITLES OFFICE**

IMAGE OF DOCUMENT REGISTERED AS:

151326847

ORDER NUMBER: 29817534

ADVISORY

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FORM 26
LAND TITLES ACT
(SECTION 130)

AGRC

CAVEAT FORBIDDING REGISTRATION

TAKE NOTICE that **1784761 ALBERTA LTD.** (the "Caveator"), of the Province of Alberta, claims an interest in the Lands described herein pursuant to an Agreement Charging Land securing \$873,733.09 as of November 15, 2015 plus simple interest thereon at the rate of 10.0% per year from November 15, 2012 made between the Caveator and Duffy Building Corporation as a legal owner of the lands:

PLAN 0714070
BLOCK 14
LOT 19
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 0.809 HECTARES (2 ACRES) MORE OR LESS

(herein the "Lands"), being lands described in a certificate of title number 101 157 789 standing in the register in the name of Duffy Building Corporation, and it forbids the registration of any person as transferee or owner of, or of any instrument affecting the said estate or interest, unless the instrument or certificate of title, as the case may be, is expressed to be subject to its claim.

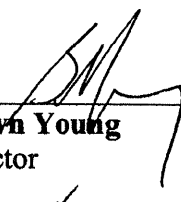
The Caveator appoints **Michael A. Loberg Professional Corporation**, 1000 Bankers Hall West, 888 - 3rd Street SW, Calgary, Alberta, T2P 5C5 as the place at which notices and proceedings relating hereto may be served.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 11th day of December, 2015.

1784761 ALBERTA LTD.

Per:

Witness

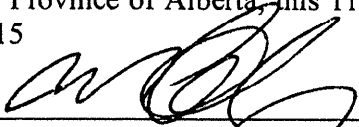

Shawn Young
Director

FORM 27
LAND TITLES ACT
(SECTION 131)
AFFIDAVIT IN SUPPORT OF CAVEAT


I, **Shawn Young**, of the City of Calgary, in the Province of Alberta make oath and say as follows:

1. I am the agent for the above-named Caveator.
2. I believe that the Caveator has a good and valid claim upon the said land and I say that this Caveat is not being filed for the purpose of delaying or embarrassing any person interested in or proposing to deal with it.

SWORN BEFORE ME at the City of Calgary, in)
the Province of Alberta, this 11th day of December,)
2015)



Michael A. Loberg)
Commissioner for Oaths)
in and for Alberta (Lawyer))



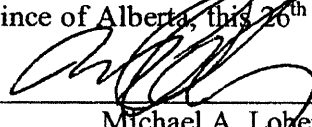
Shawn Young)

FORM 31.1
LAND TITLES ACT
(SECTION 161)
AFFIDAVIT VERIFYING CORPORATE SIGNING AUTHORITY

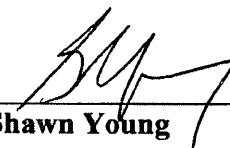
I, **SHAWN YOUNG**, of the City of Calgary, in the Province of Alberta, make oath and say:

1. I am a director of **1784761 ALBERTA LTD.** named in the within or annexed instrument (or caveat).
2. I am authorized by the corporation to execute the instrument (or caveat) without affixing a corporate seal.

SWORN BEFORE ME at the City of Calgary, in)
the Province of Alberta, this 20th day of November,)
2015)



Michael A. Loberg)
Commissioner for Oaths)
in and for Alberta (Lawyer))



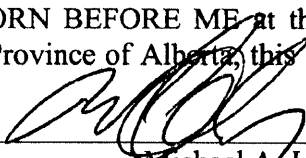
Shawn Young)

FORM 31
LAND TITLES ACT
(SECTIONS 155 AND 156)
AFFIDAVIT OF ATTESTATION OF AN INSTRUMENT

I, **Melodi Ulku**, of the City of Calgary, in the Province of Alberta, make oath and say:

1. I was personally present and did see Shawn Young who is known to me to be the person named in the within (or annexed) instrument, duly sign the instrument;
2. The instrument was signed at Calgary, Alberta and I am the subscribing witness thereto;
3. I believe the person whose signature I witnessed is at least eighteen (18) years of age.

SWORN BEFORE ME at the City of Calgary, in)
the Province of Alberta, this 11th day of December,)
2015)



Michael A. Loberg)
Commissioner for Oaths)
in and for Alberta (Lawyer))



Melodi Ulku



151326847

151326847 REGISTERED 2015 12 15

CAVE - CAVEAT

DOC 1 OF 1 DRR#: C10714E ADR/KLOREN

LINC/S: 0032616146