



<b>COURT FILE NUMBER</b>	<b>1501-06320</b>
<b>COURT</b>	<b>COURT OF QUEEN'S BENCH OF ALBERTA</b>
<b>JUDICIAL CENTRE</b>	<b>CALGARY</b>
<b>PLAINTIFF</b>	<b>WELLS FARGO FOOTHILL CANADA ULC</b>
<b>DEFENDANTS</b>	<b>BIG EAGLE HYDRO-VAC INC., BIG EAGLE LIMITED PARTNERSHIP, BIG EAGLE HYDRO-VAC (NORTH) INC., and BIG EAGLE (NORTH) LIMITED PARTNERSHIP</b>
<b>DOCUMENT</b>	<b>FIRST REPORT OF THE COURT APPOINTED RECEIVER AND MANAGER OF BIG EAGLE HYDRO-VAC INC., BIG EAGLE LIMITED PARTNERSHIP, BIG EAGLE HYDRO-VAC (NORTH) INC., and BIG EAGLE (NORTH) LIMITED PARTNERSHIP</b> <b>DATED JUNE 26, 2015</b> <b>PREPARED BY DELOITTE RESTRUCTURING INC.</b>
<b>ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT</b>	<b>Counsel</b> <b>Gowling Lafleur Henderson LLP</b> <b>1600, 421 7th Avenue SW</b> <b>Calgary, Alberta T2P 4K9</b> <b>Attention: Jeffrey Oliver</b>  <b>Telephone/ Facsimile: 403-298-1000 / 403-263-9193</b> <b>Email: Jeffrey.Oliver@gowlings.com</b>  <b>Receiver and Manager</b>  <b>Deloitte Restructuring Inc.</b> <b>700 Bankers Court, 850 – 2<sup>nd</sup> Street SW</b> <b>Calgary, AB T2P 0R8</b> <b>Attention: Jeff Keeble</b>  <b>Telephone/Facsimile: 403-503-1485 / 587-774-5398</b> <b>Email: jkeeble@deloitte.ca</b>

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# Introduction and background

## Introduction

1. Pursuant to an Order (the “**Receivership Order**”) granted by the Court of Queen’s Bench of Alberta (the “**Court**”) on June 8, 2015 (the “**Date of Receivership**”), Deloitte Restructuring Inc. (“**Deloitte**”) was appointed as receiver and manager (the “**Receiver**”) of Big Eagle Hydro-Vac Inc., Big Eagle Limited Partnership, Big Eagle Hydro-Vac (North) Inc., and Big Eagle (North) Limited Partnership (collectively “**Big Eagle**” or the “**Companies**”). A copy of the Receivership Order and other information regarding these proceedings can be accessed on Deloitte’s website at <http://www.insolvencies.deloitte.ca/en-ca/Pages/Big-Eagle-Group.aspx>.
2. The Receivership Order was granted as a result of an application by Wells Fargo Foothill Canada ULC (“**Wells Fargo**”), who holds registered security over all of the Companies’ present and after-acquired personal property (“**Wells’ Security**”).
3. The Receiver’s independent legal counsel, Gowling Lafleur Henderson LLP (“**Gowlings**”), will conduct an independent review of the validity and enforceability of Wells’ Security in the normal course.

## Notice to reader

4. In preparing this report, Deloitte has relied on unaudited financial information, the Companies’ books and records and discussions with former management, Realization Services, Inc. (“**RSI**”), interested parties and the Companies’ stakeholders. The Receiver has not performed an independent review or audit of the information provided.
5. All amounts in this First Report are in Canadian dollars unless otherwise indicated.

## Background

6. Big Eagle provided industrial and oilfield service solutions across the energy sector in Western Canada and the Northwest Territories. With its fleet of over 450 units, which included Nitrogen, Coiled Tubing, Super Heaters, Vac, Water, Hydro-vac, Combo, Heating and Pressure Equipment, Tank Cleaning, Pipeline and Plant Turn-around support crews and equipment, the Companies provided a comprehensive range of recurring and non-discretionary facility services, including facility turnaround and maintenance, industrial cleaning, hydroexcavating, and tank cleaning. The Companies also provided extensive upstream services, including nitrogen pumping, fluid management, and frac water heating.

7. Wells Fargo is the principal lender to the Companies and holds various first ranking security positions as against the Companies and their assets. Wells Fargo were owed approximately \$18,952,000 at the Date of Receivership. Apollo Global Management LLC et al ("**Apollo**") is the majority shareholder of Big Eagle and also had junior participation interests in certain loans to the Companies and was owed approximately \$34,931,000 at the Date of Receivership. Wells Fargo and Apollo are the most significant economic stakeholders in Big Eagle (the "**Stakeholders**").
8. Big Eagle Limited Partnership was the operating entity which owned the Companies' assets and retained the employees. Big Eagle (North) Limited Partnership ("**Big Eagle North**") did not own any of the Companies' assets and, as at the Date of Receivership, Big Eagle North had no active employees.
9. This report constitutes the first report of the Receiver (the "**First Report**"). The First Report is filed in support of the Receiver's application to this Honourable Court on June 29, 2015 seeking the following:
  - a) Approval of the reported actions of the Receiver to date in respect of administering these receivership proceedings;
  - b) Approval of the Coil Tubing Sale (as defined later in this First Report);
  - c) Approval of the Great American ASA (as defined later in this First Report); and
  - d) Approval of the Auction and Asset Purchase Solicitation Procedures (as defined later in this First Report).

### **Powers of the Receiver**

10. The Receiver's powers are detailed in Paragraph 4 of the Receivership Order. They include the power to take and maintain possession and control of the assets of the Companies; the power to manage, operate and carry on the business of the Companies; and the power to market and sell the Companies' assets (subject to Court approval if one sale exceeds \$400,000 or if in the aggregate the sales exceed \$2,000,000), among others.
11. The Receivership Order also empowers the Receiver 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 \$3,000,000 (or such greater amount as the Court may by further Order authorize) (the "**Borrowing Facility**").

### **Possession and Control**

12. Big Eagle's corporate head office was located in leased premises at 900, 444-5<sup>th</sup> Avenue SW in Calgary (the "**Calgary Office**"). At the Date of Receivership the Companies also conducted operations from the following owned or leased locations in Alberta and Saskatchewan (collectively the "**Big Eagle Locations**"):
  - a) Grande Prairie Shop and Office (leased) – 9319 – 81 Avenue, Clairmont, Alberta ("**Grande Prairie**");
  - b) Medicine Hat Shop and Office (leased) – 2450 South Highway Drive, Red Cliff, Alberta ("**Medicine Hat**");

- c) Nisku Shop and Office (leased) – 5916 36 Street East, Edmonton International Airport, Edmonton, Alberta (“**Edmonton**”);
  - d) Rainbow Lake Shop, Office and Housing (leased) – 15, 18 and 21 Mobile Avenue, Rainbow Lake, Alberta (“**Rainbow Lake**”);
  - e) Swift Current Shop and Office (leased) – 2747 North Service Road West, Highway #1, Swift Current, Saskatchewan (“**Swift Current**”); and
  - f) Zama City Shop, Office and Housing (owned) – 1007 Oilmen Road, Zama City, Alberta (“**Zama City**”)
13. The bulk of the equipment owned and leased by the Companies was located at the various Big Eagle Locations.
14. The Receiver has taken the following steps to take possession, maintain control, preserve, and/or protect the Companies’ assets:
- a) Attended the Calgary Office and all Big Eagle Locations on June 8, 2015 and June 9, 2015 to take possession, secure the assets, inventory the assets, meet with employees and post notices of the receivership proceedings;
  - b) Retained locksmiths to change the locks at all Big Eagle Locations, with the exception of the Calgary Office which has pass cards that were cancelled for the terminated employees;
  - c) Secured the manual and electronic books and records of the Companies;
  - d) Arranged to have third party security in place at all Big Eagle Locations, with the exception of the Calgary Office, to monitor the sites and the assets thereon effective at 5:00 PM MST on June 8, 2015;
  - e) Terminated all Big Eagle employees effective 5:00 PM MST on June 8, 2015 in accordance with paragraph 16 of the Receivership Order;
  - f) Arranged to retain key employees to continue certain of the Companies’ operations and to assist with administrative duties, financial reporting and the locating, transporting and securing of the Companies’ assets;
  - g) Arranged to maintain the insurance coverage over the Companies’ assets and had the Receiver added as a loss payee on the existing insurance policy of the Companies; and
  - h) Engaged third party transportation companies to assist with moving assets from Rainbow Lake, Zama City, Medicine Hat, and the Canadian Natural Resources Ltd. horizon mine site near Fort Mackay (“**CNRL**”) and began consolidating the equipment at the Edmonton, Swift Current and Grande Prairie locations.

# Agency and Consulting Agreements

## Agency Agreement

15. Pursuant to a letter agreement dated May 29, 2015 (the “**Consulting Agreement**”) between RSI and the Companies, Big Eagle retained RSI as a consultant to develop and implement a strategy to liquidate the Companies’ property and assets. In accordance with paragraph 4(d)(i) of the Receivership Order, the Receiver was authorized to adopt the Consulting Agreement on the terms and subject to the provisions of the Asset Realization Agreement (the “**Asset Realization Agreement**”) between the Receiver and RSI. RSI is defined as the Sale Agent in the Asset Realization Agreement. The Receiver was authorized to enter into the Asset Realization Agreement pursuant to the Receivership Order.
16. Significant terms and conditions of the Asset Realization Agreement are as follows:
  - a) The Receiver granted to the Sale Agent the right to provide the Services as defined under the Asset Realization Agreement (the “**Services**”) and to supervise, manage and operate the Swift Current location, CNRL, and Drilling, Vacuum and Water divisions (collectively the “**Operating Divisions**”) while efforts were made to sell the Operating Divisions as a going concern;
  - b) RSI is to report to the Receiver as to its activities in connection with the Services and the Operating Divisions;
  - c) The Receiver is entitled to provide RSI with advice, directions and instructions from time to time as the Receiver deemed appropriate, acting reasonably, and the Sale Agent is to follow or implement such advice, direction or instructions; and
  - d) The Sale Agent is required to obtain approval for certain actions, sales and expenses and the Sales Agent is subject to the overall direction and control of the Receiver.
17. The Consulting Agreement outlines the fees and expenses of RSI which are subject to a cap for a 3 (three) month period. In addition to the fixed weekly fees, RSI is entitled to receive a percentage compensation based on 3.5% of the gross collections in excess of \$15,000,000 that the Companies collect or otherwise receive from and after May 23, 2015 (the “**RSI Compensation**”). The RSI Compensation was unchanged in the Asset Realization Agreement.
18. Pursuant to the Asset Realization Agreement, RSI has been handling, among other things, the Auction Proposal Solicitation Process (as defined and further described later in this First Report) and related asset tracking and lists, potential sales of the operating divisions and other equipment, monitoring and reporting on the 13-week budget prepared by RSI prior to the receivership (the “**Budget**”), and accounts receivable collections. The Receiver and RSI are coordinating the various activities and duties required under the receivership and are in regular communication.

## Consulting Agreements

19. In accordance with paragraph 4(d)(ii) of the Receivership Order, the Receiver was authorized to engage the services of the former Chief Executive Officer, Chris Anderson (“**Anderson**”) and the former Chief Financial Officer, Morley Myden (“**Myden**”) as consultants to the Receiver to assist the Receiver and RSI in maximizing sales and recoveries of the Companies’ assets.
20. The consulting agreement with Anderson (the “**Anderson Agreement**”) is appended to the Receivership Order. Anderson’s general duties are to assist the Receiver and RSI in maximizing sales and recoveries of the Companies’ assets. In accordance with the Anderson Agreement, Anderson is receiving daily base compensation of \$1,637 and will receive a success bonus of 5% of the gross proceeds (net of any sale tax and buyer’s premium) for any sale transaction that the Receiver completes which he sourced. Anderson has been co-operative with the Receiver and RSI to date.
21. The consulting agreement with Myden (the “**Myden Agreement**”) is also appended to the Receivership Order. Myden’s general duties are to assist the Receiver and RSI in maximizing sales and recoveries of the Companies’ assets. In accordance with the Myden Agreement, Myden is receiving daily base compensation of \$1,384 and will receive a success bonus of 2.5% of the gross proceeds (net of any sale tax and buyer’s premium) for any sale transaction that the Receiver completes which he sourced. Additionally, Myden received an initial retainer of \$15,000 and will receive a further \$15,000 retention bonus on July 2, 2015 if certain conditions are met. Myden has been co-operative with the Receiver and RSI to date.

# Operations

## Operating Divisions

22. In an effort to maximize realizations from the assets of the Companies, it was determined prior to the receivership that the Operating Divisions would continue to operate in an effort to sell the Operating Divisions as a going concern.
23. Accordingly, the Receiver retained 27 staff in Swift Current, 15 staff at CNRL, 18 staff on three (3) Drilling Vacuum and Water work sites, and 17 staff in administration. Anderson has been managing the Operating Divisions and has ongoing contact with the employees, customers and suppliers.
24. For the two week period subsequent to the Date of Receivership (the period of June 8, 2015 to June 21, 2015), the Receiver understands that total revenues generated by the Operating Divisions approximated \$382,000, while total operating costs approximated \$83,000. Invoices for some operating costs have not yet been received, so it is expected that these amounts will increase. The Budget for the Operating Divisions contemplated sales and costs of approximately \$452,000 and \$340,000, respectively, during this same timeframe.
25. Since the Date of Receivership, RSI, Anderson and Myden have been engaged in soliciting interest for the Operating Divisions and other assets of the Companies. To date, no acceptable offers have been received for any of the Operating Divisions and no offers are expected in the near future. Employees and customers of these Operating Divisions have expressed some discomfort with the receivership, and competitors have been attempting to assume the Operating Division's contracts and employees. In these circumstances, the Receiver and RSI made the determination that all operations have or will cease as follows:
  - a) Drilling Vacuum and Water on June 24, 2015 (with the exception of the Enerplus Corporation job which will cease on June 26, 2015);
  - b) CNRL on June 25, 2015; and
  - c) Swift Current on June 26, 2015.
26. The Receiver has been coordinating the orderly shut-down of the Operating Divisions, including the termination of the retained employees and gathering and transporting the related assets.



# Assets

## Cash in bank

27. In accordance with paragraph 14 of the Receivership Order, the Companies were entitled to retain and administer a reserve account (the “**Statutory Payment Reserve**”) for the sole purpose of enabling Big Eagle to pay certain pre-filing statutory obligations, namely:
- a) Employee wages and vacation pay not to exceed \$615,000;
  - b) Payroll source deductions not to exceed \$336,000; and
  - c) Goods and Services Tax (“**GST**”) and/or Harmonized Sales Tax and/or provincial sales tax not to exceed \$89,000.
28. In the event that the funds placed into the Statutory Payment Reserve were insufficient to cover the aggregate statutory obligations, the Receiver was obligated to pay and discharge such residual obligations from estate funds pursuant to the Receivership Order (the “**Statutory Payment Reserve Shortfall**”).
29. To date, Big Eagle has paid approximately \$1,029,000 for employee wages, accrued vacation, and payroll source deductions. The only outstanding statutory obligation relates to GST and this obligation has not yet been finalized and therefore remains unpaid. The residual balance in the Statutory Payment Reserve account approximates \$10,000. The Receiver has reviewed and approved the payments made to date and expects the Statutory Payment Reserve Shortfall to be approximately \$80,000 once the GST obligation is paid.
30. The Companies continue to maintain their deposit account with Bank of Montreal (“**BMO**”) in order to allow for the timely collection of wire payments and transfers from customers. Subsequent to the Date of Receivership, all daily receipts were being swept to Wells Fargo while the Receiver was making arrangements with BMO to have the daily receipts swept to the Receiver’s trust account. As such, prior to June 17, 2015, approximately \$1,231,000 in funds were swept to Wells Fargo. Funds have subsequently been transferred by Wells Fargo to the Receiver’s account. Subsequent to June 17, 2015 all cash receipts were being swept to the Receiver’s account on a daily basis and the Receiver has received approximately \$643,000 in cash sweeps from the BMO account.

## Accounts receivable

31. At the Date of Receivership, the Receiver obtained a copy of the Companies’ accounts receivable sub-ledger, which indicated that Big Eagle was owed approximately \$3,700,000 from various parties.

32. As Big Eagle continued operations post June 8, 2015 in the Operating Divisions, additional sales were generated and pre-receivership services were invoiced, collectively resulting in an increase of approximately \$710,000 to the accounts receivable balance.
33. With the assistance of former Big Eagle staff retained by the Receiver, to date, RSI and the Receiver have collected approximately \$1,875,000 in accounts receivable. Customers have been offered nominal discounts to pay their entire accounts on a timely or accelerated basis and this has resulted in increased collections compared to the Budget.
34. As at the date of the First Report, Big Eagle has outstanding accounts receivable balances totaling approximately \$2,534,000, net of customer credits and offsets. The Receiver, RSI and the retained employees are taking steps to pursue collection on these remaining balances that are outstanding.

### Inventory

35. According to the Companies' records, as at April 30, 2015 there was approximately \$848,000 in parts inventories located across the various Big Eagle Locations. Since the Date of Receivership, the Receiver has ensured that the inventory at the Big Eagle Locations was secured. The Receiver and RSI intend to complete an assessment of the value of the inventory, and to develop a strategy to realize upon the inventory in the normal course.

### Equipment and vehicles

36. The equipment and vehicles of Big Eagle (the "**Equipment and Vehicles**") were in various locations throughout Alberta and Saskatchewan at the Date of Receivership. While the majority of the equipment was held at Big Eagle's various yards and maintenance facilities, a number of units were on various project sites.
37. The Equipment and Vehicles consist of approximately 540 pieces of service equipment including service trucks, skid steers, sour seals, steam trucks, tractors, trailers, vacuum trucks, pickup trucks, pressure trucks, water trucks, fuel trucks, hydro-vac trucks, heaters, forklifts and other machinery used in the various business lines of Big Eagle.
38. According to the Companies' records as at April 30, 2015, the approximate book value of the Equipment and Vehicles was \$31,913,000.
39. Following its appointment, the Receiver sought to consolidate all of the Equipment and Vehicles to three (3) central locations in order to secure them, as well as to make them accessible for the necessary inspections by various auction companies and other interested parties in preparation for the sale of the assets. Accordingly, the Receiver engaged transport companies to assist with moving the Equipment and Vehicles to one of three locations (depending on proximity and yard space), namely Edmonton, Swift Current, or Grande Prairie.
40. At the Date of Receivership, certain of the Equipment and Vehicles were located at mechanic shops in Medicine Hat and Edmonton and the service providers had either registered liens or were claiming a

mechanic's lien and/or possessory rights. The Receiver has reviewed the value of these assets and, after determining that there was equity in certain of the assets, settled, or is in the process of settling, with the creditors for payment by the Receiver of the outstanding charges on the specific assets being held by the facility. The Receiver has arranged, or is arranging, for that equipment to be moved to the Companies' facilities.

41. Certain of the Equipment and Vehicles of the Companies are leased. The Receiver is working with its counsel to review the lease agreements and determine the nature of the lessor's interest and whether there is equity in the specific equipment or vehicle. For the leased Equipment and Vehicles in which there is no equity, the Receiver has been releasing its interest in the leased equipment and it is being returned to the lessor.
42. Since the Date of Receivership, RSI has been working with Anderson and Myden and has recommended the following three sales transactions for certain equipment:
  - a) Pitbull Energy Services - Six (6) Mountain View Units - \$58,500 plus GST;
  - b) 2015 DHS Capital Co. ("DHS") - One (1) Blowout Preventer Unit - \$35,000 plus GST; and
  - c) 2015 DHS - Five (5) Coil Tubing Units and Trailers - \$490,000 plus GST (the "**Coil Tubing Sale**").
43. All sales transactions have been assessed in relation to appraisal information in possession of the Receiver and all transactions exceed the appraised values. In addition, the Receiver has reviewed the impact of these sales on the Great American ASA and the Net Minimum Guarantee Adjustment (both terms as defined later in this First Report), as well as the related compensation payable to Anderson, Myden and RSI, and all of these sales result in a positive return to the estate. Wells Fargo and Apollo are in agreement with these sales, including the Coil Tubing Sale.
44. Accordingly two (2) of the sales will be closed by the Receiver as they are below the Court authorized limit of \$400,000 per transaction. The Coil Tubing Sale requires Court approval as is further requested below.
45. The balance of the Equipment and Vehicles will likely be sold in an auction or otherwise, as described in more detail below.

## Real estate

46. The Companies own three (3) pieces of real estate (the "**Owned Properties**"), specifically:
  - a) 1007 Oilmen Road in Zama City, Alberta;
  - b) 10700 – 93<sup>rd</sup> Street in High Level, Alberta; and
  - c) 5101 – 44<sup>th</sup> Avenue in Fort Nelson, British Columbia.
47. The Receiver has retained Colliers International to perform full narrative valuations of the Owned Properties. The Receiver has also approached environmental consultants to obtain quotes for Phase I environmental assessments on the High Level and Fort Nelson properties. Once the valuations and

environmental assessments are completed, the Receiver will develop a realization strategy for the Owned Properties. The Receiver has also approached the existing tenants in High Level and Fort Nelson to determine if they have any interest in purchasing the properties.

# Auction Proposal Solicitation Process

48. On October 14, 2014, Big Eagle engaged Houlihan Lokey Inc. ("**Houlihan Lokey**") to undertake a sales process for the Companies. A teaser and Confidential Information Memorandum ("**CIM**") were developed in late 2014.
49. The Receiver understands from Big Eagle that commencing in January 2015 the teaser was sent to a group of targeted potential purchasers. Any party expressing an interest was required to sign a Confidentiality Agreement ("**CA**"), subsequent to which the parties received the CIM.
50. According to Big Eagle, as of February 12, 2015, the following had transpired in relation to that process:
- a) 176 financial buyers and 63 strategic buyers had been contacted;
  - b) 40 interested parties executed the CA;
  - c) 117 parties declined to participate;
  - d) Six parties were interested in the CIM and requested management presentations; and
  - e) After the presentations, only one party expressed interest and Big Eagle continued to provide further detailed information over the ensuing weeks, but no transaction ever materialized.
51. Accordingly, as no party expressed any interest in an en bloc purchase of the Companies during the solicitation process conducted by Houlihan Lokey, the Stakeholders, RSI and the Receiver agreed that it was not feasible or economic to carry on the entire business of the Companies in an attempt to obtain a going concern sale transaction.
52. Immediately after its appointment, the Receiver initiated a physical count of all Equipment and Vehicles at the Big Eagle Locations. Physical count details were provided to RSI, and RSI compiled the data into an initial comprehensive equipment list (the "**Auction List**").
53. The Receiver and RSI began an auction proposal solicitation process on June 11, 2015 (the "**Auction Proposal Solicitation Process**") whereby RSI, acting as the Sale Agent on behalf of the Receiver, invited nine (9) auctioneers (the "**Auctioneers**") to submit proposals for auction services with respect to the Auction List. The salient terms of the Auction Proposal Solicitation Process were as follows:
- a) The actual auction was to be held by no later than September 4, 2015;
  - b) The assets included in the asset list were to be offered for sale on an "as is, where is" basis;
  - c) RSI and the Receiver would not be obligated to accept the highest proposal, or any proposal; and
  - d) Proposals were to be submitted by June 23, 2015 (the "**Proposal Submission Deadline**").

54. On June 12, 2015, a revised Auction List (the “**Revised Auction List**”) was distributed to all Auctioneers who received the initial request for auction proposals as it was determined that certain equipment was inadvertently omitted from the Auction List.
55. On June 17, 2015, the Receiver was advised by RSI that Great American Global Partners, LLC, (“**Great American**”), one of the Auctioneers, had expressed an interest to RSI in negotiating in short order a binding auction guarantee agreement as a stalking horse subject to a break fee.
56. The Receiver participated in various calls with the Stakeholders and their respective counsel during the period from June 18, 2015 to June 21, 2015 to discuss the concept of a stalking horse process and the positions of the Stakeholders.
57. At the request of certain Auctioneers and due to a delay in moving certain units to Grande Prairie from Zama City and Rainbow Lake, on June 22, 2015, RSI sent a letter to the Auctioneers advising that the Proposal Submission Deadline was being extended from June 23, 2015 to June 26, 2015. The letter further advised that changes had been made to the Revised Auction List, and that a final auction list (the “**Final Auction List**”) would be provided during the week of June 22, 2015.
58. On June 25, 2015, an Auction Services Agreement was executed between the Receiver and Great American (the “**Great American ASA**”) which is attached as Appendix A. The salient terms of the Great American ASA are as follows:
- a) Great American guarantees that the proceeds (net of any sales taxes and buyer’s premium collected) to be paid to the Receiver shall not be less than \$18,700,000 (the “**Net Minimum Guarantee Amount**”);
  - b) If the Receiver includes in a sale any property of Big Eagle that is not an asset or excludes any assets made available for sale from the transaction, the Net Minimum Guarantee Amount shall be increased or reduced as applicable by the lesser of (i) 100% of the average of the “low” and “high” estimated value for such asset set out in the Great American appraisal, and (ii) the actual proceeds of the sale of the such asset (the “**Net Minimum Guarantee Adjustment**”);
  - c) Upon or immediately following execution of the agreement, Great American will pay the Receiver a deposit in an amount equal to 20% of the Net Minimum Guarantee Amount (the “**Deposit**”). The Receiver is in receipt of the Deposit;
  - d) Great American is entitled to charge a 15% buyer’s premium to purchasers upon the sale of the assets;
  - e) Great American will, in a commercially reasonable manner, sell the assets for and on behalf of the Receiver by way of public auction or auctions to be held no later than forty-five (45) days after court approval of the Great American ASA as the successful bid and will exit the Edmonton, Grande Prairie and Swift Current locations (collectively the “**Remaining Premises**”) of Big Eagle within thirty (30) days thereafter;
  - f) The Receiver is responsible to pay when due all of the following costs and expenses during the auction liquidation period:

- i) Security, rent and other occupancy costs relating to the Remaining Premises;
    - ii) All utilities and other reasonable overhead expenses, including trash and dumpster services, relating the Remaining Premises;
    - iii) Costs and expenses to move all of the assets to the Remaining Premises for purposes of the auction(s);
    - iv) Pro-rated property taxes in respect of the Remaining Premises; and
    - v) All make-ready repair costs, not to exceed \$200,000 without the prior written consent of the Receiver.
  - g) Disbursements from the auction sale funds, to be held in a joint trust account to be established by the Receiver and Great American, shall occur as follows:
    - i) To the Receiver, until the Receiver receives payment of the Net Minimum Guarantee Amount (net of sales taxes but after crediting the deposit and all interest earned thereon);
    - ii) Thereafter to Great American until Great American has received the expense reimbursement amount of \$500,000 (the “**Expense Reimbursement**”) and the 15% buyer’s premium, net of sales tax; and
    - iii) Thereafter the Receiver will receive 100% of such funds net of sales taxes.
  - h) In the event that the Court determines that an offer submitted pursuant to the stalking horse sales process is a superior bid and approves such offer, the Receiver shall pay Great American a break-fee in the amount of 1% of the Net Minimum Guarantee Amount (the “**Break Fee**”) and the Great American appraisal costs in the amount of \$50,000. The Receiver is not required to pay the Expense Reimbursement in such circumstances.
59. On June 25, 2015, RSI advised the Auctioneers through correspondence that the Auction Proposal Solicitation Process had changed and that the Receiver had entered into the Great American ASA. RSI also provided a final auction list to the Auctioneers at that time.
60. RSI also advised the Auctioneers in that correspondence that the Receiver would be appearing in Court on Monday June 29, 2015, in order to obtain a Court Order approving the Great American ASA and approving the Auction and Asset Purchase Solicitation Procedures (the “**Auction and Asset Purchase Solicitation Procedures**”), attached hereto as Appendix B. The Auction and Asset Purchase Solicitation Procedures provide for:
- a) A deadline of July 15, 2015 for qualified bidders to submit a qualified bid that is superior (the “**Superior Bid**”) to the Great American ASA (which is a 19 day extension from the Revised Bid Deadline of June 26, 2015);
  - b) The process by which qualified bidders are determined and by which qualified bids are to be submitted for consideration; and

- c) In the event that the Receiver receives at least one superior qualified bid, an auction will occur on July 17, 2015 (the “**Auction**”) at which time all qualified bidders (including Great American) would be invited to submit further offers for the purpose of determining the successful bidder.
- 61. At the conclusion of the Auction, or before if the Auction is not required, an application will be made to Court to approve the successful bidder’s qualified bid.
  - 62. The Great American ASA and the Auction and Asset Purchase Solicitation Procedures have been posted on the Receiver’s website.
  - 63. Based on the Receiver’s experience, the current state of the oilfield services industry, the uncertainty around asset values, and the previous sale process undertaken by Houlihan Lokey, the Receiver is of the view that the Great American ASA and the Auction and Asset Purchase Solicitation Procedures contain commercially reasonable terms and should help facilitate a competitive bidding process.
  - 64. The Receiver also has the following comments on the Great American ASA and the Auction and Asset Purchase Solicitation Procedures:
    - a) The Break Fee and the Overbid Amount of \$200,000 (as defined in the Great American ASA) appear reasonable compared to other market transactions and should not impair the sales process;
    - b) Although the Receiver recognizes that the Auction Proposal Solicitation Process changed, the Auction and Asset Purchase Solicitation Procedures will allow the Auctioneers and other bidders additional time in which to continue and/or complete their due diligence and consider a Superior Bid;
    - c) The Solicitation Procedures will allow the Receiver to contact potential new bidders in the market;
    - d) The Stakeholders support this approach as it allows for the market to be fully canvassed in a timely, efficient, transparent and economic manner, with the security and benefit of a binding agreement;
    - e) The Auction may create a more competitive process if there is more than one qualified bidder; and
    - f) The Auction and Sales Solicitation Procedures allow the Receiver the flexibility to terminate and accelerate the process after July 7, 2015 if it is unlikely that there will be any qualified bidders.



# Creditor claims

65. As at the Date of Receivership and as noted previously, Wells Fargo was owed a principal balance of approximately \$18,952,000 and Apollo was owed approximately \$34,931,000. As noted above, Gowlings will conduct an independent legal review on the validity and enforceability of the security in the normal course.
66. Other secured creditors include several leasing companies who hold specific security over pieces of equipment, vehicles, and office equipment. The Receiver and its counsel are reviewing the security agreements in place between the Companies and the respective secured creditors and are assessing priority claims.
67. All wages, vacation pay and statutory remittances have been provided for by the Statutory Payment Reserve set up by the Companies and approved by the Court. As previously outlined, the Receiver has reviewed and approved the payments made to date and expects the Statutory Payment Reserve Shortfall to be approximately \$80,000 once the GST obligation is paid. The Canada Revenue Agency has not yet conducted a payroll and GST audit on the Companies as at the date of this First Report and additional liabilities may be assessed.
68. At the Date of Receivership, there were outstanding employee claims for severance and termination pay. Pursuant to the *Wage Earner's Protection Program Act*, Human Resources and Skills Development Canada will not have a priority claim over the current assets of the Companies as claims for severance and termination pay do not have any priority.
69. As at the Date of Receivership, Big Eagle listed unsecured creditors with claims of approximately \$3,295,000.

# Statement of Receipts and Disbursements

70. The Receiver has prepared a Statement of Receipts and Disbursements for the period of June 8, 2015 to June 26, 2015 for Big Eagle, as shown in Appendix C.
71. As at the date of this First Report, the Receiver has realized sufficient funds from the collection of accounts receivable and without drawing on the Court authorized Borrowing Facility to fund the receivership proceedings.

# Approvals sought

72. As a result of the foregoing, the Receiver respectfully requests the following:

- a) Approval of the reported actions of the Receiver to date in respect of administering these receivership proceedings;
- b) Approval of the Coil Tubing Sale;
- c) Approval of the Great American ASA; and
- d) Approval of the Auction and Asset Purchase Solicitation Procedures.

**DELOITTE RESTRUCTURING INC.,**

in its capacity as Receiver and Manager of  
Big Eagle Hydro-Vac Inc, Big Eagle Limited  
Partnership, Big Eagle Hydro-Vac (North) Inc.,  
and Big Eagle (North) Limited Partnership  
and not in its personal capacity.



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Jeff Keeble, CA • CIRP, CBV  
Senior Vice President

# Appendix A – Auction Services Agreement with Great American

## AUCTION SERVICES AGREEMENT

This Agreement is made as of June 25, 2015 between

**DELOITTE RESTRUCTURING INC.**, in its capacity as Receiver and Manager of the property, assets and undertaking of Big Eagle Hydro-Vac Inc., Big Eagle Limited Partnership, Big Eagle Hydro-Vac (North) Inc., and Big Eagle (North) Limited Partnership and not in its personal capacity (the **"Receiver"**)

and

**GREAT AMERICAN GLOBAL PARTNERS, LLC** (the **"Agent"**)

### RECITALS

A. Pursuant to an order of the Honourable Madam Justice Strekaf sitting as a Judge of the Court of Queen's Bench of Alberta (the **"Court"**) dated June 8, 2015 (the **"Receivership Order"**), the Receiver was appointed as receiver and receiver and manager of all of the assets, undertaking and property of Big Eagle Hydro-Vac Inc., Big Eagle Limited Partnership, Big Eagle Hydro-Vac (North) Inc., and Big Eagle (North) Limited Partnership (collectively, the **"Debtor"**) pursuant to section 243(1) of the *Bankruptcy and Insolvency Act* and section 13(2) of the *Judicature Act (Alberta)* under Court File No. 1501-06320 (the **"Receivership"**).

B. Subject to the terms therein, the Receivership Order authorizes the Receiver to sell or otherwise dispose of the assets, property and undertaking of the Debtor, or any part thereof. Exercising its powers pursuant to the Receivership Order and subject to the approval of the Court, the Receiver has agreed to retain the Agent to sell the Assets (as hereinafter defined).

C. The Authorization and Approval Order is expected to contemplate that upon execution of bills of sale issued by the Agent or the Receiver to the ultimate purchasers of the Assets, title to the Assets will vest in the ultimate purchasers thereof free and clear of all liens, security interests, assignments, actions, levies, taxes, mortgages, charges, encumbrances, trust claims and all other adverse claims whatsoever of any person.

FOR VALUE RECEIVED, the parties agree as follows:

### SECTION 1- INTERPRETATION

#### 1.1 Definitions

In this Agreement:

- (1) *Account* has the meaning ascribed to it in Section 2.6;
- (2) *Accounting Deadline* has the meaning ascribed to it in Section 2.7(2);
- (3) *Accounting Items* has the meaning ascribed to it in Section 2.7(1);
- (4) *Agent's Expense Reimbursement* means the amount of \$500,000 payable to the Agent in accordance with this Agreement on account of the Agent's out of pocket expenses in relation to the execution and performance of this Agreement.
- (5) *Appraisal* has the meaning ascribed to it in Section 2.3;
- (6) *Appraisal Costs* means the costs in the aggregate amount of \$50,000 incurred by the Agent to conduct an inspection of the Assets and prepare the Appraisal;
- (7) *Approval Date* means the date on which the Authorization and Approval Order is granted by the Court;
- (8) *Assets* means the right, title and interest of the Debtor and the Receiver in and to (i) the vehicles, rolling stock, machinery and equipment located at the Debtor's Premises or used by the Debtor in carrying on its Business listed on Schedule 1.1(8), (ii) the office equipment and office furniture located at the Debtor's Premises, and (iii) all trademarks, patents, industrial designs, trade names, domain names and other intellectual property, but, for greater certainty, does not include the Excluded Assets;
- (9) *Auction* has the meaning ascribed to it in Section 2.1;
- (10) *Auction Date* has the meaning ascribed to it in Section 2.1;
- (11) *Authorization and Approval Order* has the meaning ascribed to it in Section 4.1(b);
- (12) *Bid Solicitation Process* means the process designed by the Receiver consistent with the principles set out in the seminal decision of the Ontario Court of Appeal in *Royal Bank v. Sound Air Corp.* regarding sale processes and sale approval;
- (13) *Break-up Fee* has the meaning ascribed to it in Section 2.20;
- (14) *Business Day* means a day on which banks are open for business in the City of Calgary but does not include a Saturday, Sunday or statutory holiday in the Province of Alberta;
- (15) *Buyer's Premium* means the 15% fee charged to purchasers by the Agent upon sale of the Assets;
- (16) *Commencement Date* has the meaning ascribed to it in Section 1.1(27);
- (17) *Court* has the meaning ascribed to it in Recital A;
- (18) *Debtor* has the meaning ascribed to it in Recital A;

- (19) **Debtor's Premises** means the following premises:
- (a) 5916 36 Street East, Edmonton International Airport, Leduc, Alberta;
  - (b) 9319 81 Avenue, Clairmont, Alberta; and
  - (c) 2747 North Service Road West, Swift Current, Saskatchewan;
- (20) **Deposit** has the meaning ascribed to it in Section 2.4(1);
- (21) **Deposit Recovery** has the meaning ascribed to it in Section 2.6(1)(b);
- (22) **Distributions** has the meaning ascribed to it in Section 2.4(2);
- (23) **Employees** has the meaning ascribed to it in Section 2.12;
- (24) **Excluded Assets** means (i) all of the Debtor's real property; (ii) all fixtures including, all components of the building's electrical (other than, with the consent of the Receiver acting reasonably, any electrical components installed by the Debtor and exclusively dedicated to the Assets), mechanical, plumbing, heating and air-conditioning systems, fire extinguishers and other fire safety equipment, and (iii) all motor vehicles and office equipment leased by the Debtor;
- (25) **Indemnified Parties** has the meaning ascribed to it in Section 2.9(6);
- (26) **Interim Inspection** has the meaning ascribed to it in Section 2.9(4);
- (27) **Liquidation Period** means the period commencing on the date upon which the conditions in Section 4.1 are satisfied or waived in accordance with this Agreement (the "**Commencement Date**"), unless the Receiver and the Agent agree in writing to a later date and ending at 12 noon (Calgary time) on the Termination Date;
- (28) **Make-Ready Repair Costs** means the costs and expenses approved, in advance, by the Receiver and the Agent, acting reasonably, to prepare the Assets for auction, which cost may include, in the discretion of the Receiver and the Agent, the costs to conduct exterior and interior cleaning, painting, welding and metal work, light mechanical repair (excluding the labour costs of up to three (3) of the Debtor's mechanics during regular business hours), decal replacement, glass work and upholstery repair, provided that the Agent acknowledges that in no event will the Make Ready Repair Costs exceed \$200,000 without prior written consent of the Receiver, which consent may be withheld in the Receiver's sole and unfettered discretion.
- (29) **Net Minimum Guaranteed Amount** means the amount referred to in Section 2.3;
- (30) **Person** means any natural person, sole proprietorship, partnership, corporation, trust, joint venture, any governmental authority or any incorporated or unincorporated entity or association of any nature;
- (31) **Purchaser Bill of Sale** has the meaning ascribed to it in Section 4.1(b);



- (32) *Receiver* has the meaning ascribed to it in first page of this Agreement;
- (33) *Receiver's Recovery Amount* has the meaning ascribed to it in Section 2.6(1)(c);
- (34) *Receivership* has the meaning ascribed to it in Recital A;
- (35) *Receivership Order* has the meaning ascribed to it in Recital A;
- (36) *Sales Taxes* has the meaning ascribed thereto in Section 2.15;
- (37) *Superior Bid* has the meaning ascribed to it in Section 2.20.
- (38) *Termination Date* means thirty (30) days after the Auction Date.
- (39) *Transaction* means the liquidation, sale and removal of the Assets contemplated by this Agreement; and
- (40) *Weekly Sale Reconciliation* has the meaning ascribed to it in Section 2.7(1);
- (41) *Wells Fargo* has the meaning ascribed to it in Section 2.4(2).

## 1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. Unless otherwise indicated, all references to a "Section" followed by a number and/or a letter refer to the specified section of this Agreement. The terms "this Agreement", "hereof", "herein" and "hereunder" and similar expressions refer to this Agreement and not to any particular section hereof.

## 1.3 Extended Meanings

Words importing the singular include the plural and *vice versa*, words importing gender include all genders and words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations, corporations and governmental authorities. The term "including" means "including, without limitation," and such terms as "includes" have similar meanings.

# SECTION 2 – SALE OF ASSETS AND EXCLUDED EQUIPMENT

## 2.1 Sale of Assets

The Receiver shall use its reasonable efforts to seek all court orders contemplated herein in a timely manner. Effective upon the issuance of the Authorization and Approval Order, the Receiver hereby appoints the Agent, and the Agent hereby agrees to serve, as the Receiver's agent for the limited purpose of conducting the Auction pursuant to the terms of this Agreement. The Agent, in a commercially reasonable manner and otherwise in accordance with the terms and conditions of this Agreement, shall sell the Assets for and on behalf of the Receiver, by way



of public auction or auctions (the “**Auction**”) to be held by no later than forty-five (45) days after the granting of the Authorization and Approval Order or such later date as may be agreed to in writing by the Receiver and the Agent (the “**Auction Date**”) or, by private sale from the Debtor’s Premises, but in any event by no later than the expiry of the Liquidation Period. The Agent further agrees that payment terms for all sales shall be by cash, debit, credit card, wire transfer, certified cheque or a draft drawn on a major Canadian bank. Without limiting any other rights of the Receiver pursuant to this Agreement but subject to the Agent’s rights under Section 2.3(2) the Agent acknowledges that the Receiver may, in its sole and unfettered discretion, exclude any Assets made available for sale from the Transaction if such Assets are subject to an actual, pending or threatened claim by a third party or if the Receiver determines in its sole and unfettered discretion, such Assets are damaged, provided the Receiver provides written notice to the Agent describing such Assets prior to the sale of such Assets by the Agent.

## 2.2 As Is, Where Is

The Agent acknowledges that it has made such inspections of the Assets as it deems appropriate and it is understood that the Assets are to be sold by the Agent on an “as is, where is” basis, at the Agent’s and purchaser’s own risk, and that the Receiver has not and will not make any representation, warranty or condition, whether statutory (including, without limitation, under the *Sale of Goods Act* or similar legislation), express or implied, oral or written, legal, equitable, collateral or otherwise, as to title, encumbrances, fitness for purpose, marketability, condition, quantity or quality thereof or in respect of any other matter or thing whatsoever. Any descriptions provided to purchasers or prospective purchasers by the Agent’s sales staff, which may include former employees of the Debtor hired by the Agent, shall be given solely on behalf of the Agent in its own capacity and not as agent for the Receiver, and the Receiver shall have no obligations with respect thereto. The Agent agrees that the auction terms will provide that all sales are final, and that signs will be prominently displayed at the Debtor’s Premises advising purchasers that all sales are final.

## 2.3 Net Minimum Guarantee

(1) The Agent guarantees that the proceeds (net of any Sales Taxes and Buyer’s Premium collected) to be paid to the Receiver for the Receiver’s account as a result of the sale of the Assets shall not be less than **\$18,700,000.00**, subject to adjustment as set out in Section 2.3(2) (the “**Net Minimum Guaranteed Amount**”), notwithstanding that the actual proceeds generated from the sale of the Assets may be less than the Net Minimum Guaranteed Amount.

(2) If the Receiver includes any property of the Debtor that is not an “Asset” or excludes any Assets otherwise to be made available for sale from the Transaction pursuant to Section 2.1, the Net Minimum Guaranteed Amount shall be increased or reduced, as applicable, by the lesser of (i) 100% of the average of the “low” and “high” estimated value for such Asset set out in the appraisal of substantially all of the material Assets provided by the Agent on June 17, 2015 (the “**Appraisal**”), and (ii) the actual proceeds of the sale of such Asset. In the event that the Appraisal does not include an appraised value for the subject assets, the Agent and the Receiver shall negotiate in good faith in an attempt to reach agreement as to such adjustments. Except in the limited circumstances set out in this Section 2.3(2) determined by the Receiver in its sole



discretion, there shall be no downward adjustment to the Net Minimum Guaranteed Amount for any reasons whatsoever.

## 2.4 Payment of Net Minimum Guaranteed Amount

(1) Upon or within two (2) Business Days of the execution of this Agreement and in any event prior to 3:30 p.m. Calgary time on June 29, 2015, the Agent shall pay the Receiver an amount equal to twenty percent (20%) of the Net Minimum Guaranteed Amount (the “**Deposit**”). The Deposit (and any interest accrued thereon) shall be credited as a partial payment of the Net Minimum Guaranteed Amount and will be immediately released to the Receiver upon issuance of the Authorization and Approval Order. The Deposit shall, at all times prior to its release or return in accordance with the terms of this Agreement, be held by the Receiver in escrow in a segregated interest bearing account and in accordance with the terms of this Agreement, and, except for interest collected on the Deposit, no other money or funds shall be commingled in such account.

(2) The Agent acknowledges that the Receiver intends to, at the same time as making the application for the Authorization and Approval Order, make an application to the Court to distribute the Deposit and all other amounts payable to the Receiver under this Agreement (collectively, the “**Distributions**”) to Wells Fargo Bank, National Association, as administrative agent for Debtor’s senior secured lenders (“**Wells Fargo**”) or such other persons entitled to receive any portion of the Distributions in priority to Wells Fargo. The Agent agrees that it shall have no claims against the Receiver or Wells Fargo and no right to trace all or any portion of the Distributions from the Receiver or Wells Fargo. The Agent further agrees that it shall not, at any hearing for the purpose of obtaining Court approval for a distribution by the Receiver of all or any portion of the Distributions, protest the distribution of all or any portion of the Distributions to Wells Fargo regardless of the nature of any claim or priority to the Distributions that the Agent may assert.

(3) In the event that (i) this Agreement is not approved by the Court on terms satisfactory to the Agent, acting reasonably, at the time of the initial application to the Court as contemplated in Section 4.1(a); or (ii) a Superior Bid is approved by the Court in lieu of this Agreement, as contemplated herein; or (iii) the Authorization and Approval Order is not issued by the Court within ten (10) Business Days after the Court hears the Receiver’s motion seeking the Authorization and Approval Order on the approval hearing date contemplated in the Bid Solicitation Process, then the Deposit (and any interest accrued thereon) shall be returned in full to the Agent in accordance with Section 2.20 and the Agreement shall be deemed to be terminated. If the Agent commits any material breach of its obligations under this Agreement that is not cured within five (5) Business Days of receiving written notice of the breach by the Receiver, then the Agent shall have forfeited the Deposit to the Receiver. Delivery of the Deposit to the Receiver in accordance with the foregoing shall not constitute full compensation of any and all losses and expenses incurred by the Receiver, shall not constitute liquidated damages, and Receiver reserves the right to pursue any and all other remedies available at law or equity.

(4) The balance of the Net Minimum Guaranteed Amount and the Receiver’s Recovery Amount, if any, shall be paid by the Agent to the Receiver as part of the Weekly Sale Reconciliation in accordance with Section 2.6. The Agent shall have paid the balance of the Net

Minimum Guaranteed Amount to the Receiver before the Agent shall be entitled to receive any payments or amounts from the proceeds of the Assets other than the Buyer's Premium actually collected. Notwithstanding any other term or condition or the failure of the Auction to generate any proceeds, the Agent shall pay the balance of the Net Minimum Guaranteed Amount and the Receiver's Recovery Amount, if any, to the Receiver no later than the earlier of (a) ten (10) Business Days after the completion of the auction, and (b) September 25, 2015.

(5) All monies payable to the Receiver shall be paid to the Receiver by certified cheque, wire transfer or draft drawn on a chartered Canadian bank.

## 2.5 Buyer's Premium

The Agent shall be entitled to charge the Buyer's Premium to purchasers upon the sale of the Assets. The amounts payable to the Agent on account of Buyer's Premium shall be retained and paid over by the Receiver and the Agent in accordance with this Agreement.

## 2.6 Trust Account

(1) The Agent and the Receiver shall establish one or more joint accounts with a Canadian chartered bank used exclusively in connection with receipts and disbursements made in accordance with this Agreement (the "**Account**"). The Account shall be in the name of both the Agent and the Receiver. All proceeds (including Sales Taxes, Buyer's Premium, and any deposits paid to the Agent by purchasers) from the sale of Assets, whether by auction or private sale, shall be deposited on a daily basis to the Account. Disbursements from the Account, including for remittance of Sales Taxes, may only be made by cheque or wire transfer signed by the Receiver and the Agent. The Agent and the Receiver will distribute all funds on deposit in the Account representing proceeds from the sale of Assets as follows:

- (a) to the Receiver, until the Receiver receives payment of the Net Minimum Guaranteed Amount (net of Sales Taxes but after crediting the Deposit and all interest earned thereon);
- (b) thereafter, to the Agent until the Agent has received the Agent's Expense Reimbursement and the Buyer's Premium net of Sales Taxes;
- (c) thereafter, the Receiver shall receive 100 % of such funds, net of Sales Taxes.

(2) The Agent shall distribute the funds owed to the Receiver hereunder without setoff, deduction or withholding of any kind, on a regular basis, but not less than weekly.

## 2.7 Accounting for Sale Proceeds

(1) On each Wednesday during the Liquidation Period, commencing on the second Wednesday after the Commencement Date (the "**Weekly Sale Reconciliation**"), the Agent and the Receiver shall cooperate to reconcile all receipts, Sales Taxes, Buyer's Premium collected from the sale of Assets, the Agent's Expense Reimbursement, and such other sale-related items as either party shall reasonably request (collectively, "**Accounting Items**"), in each case for the prior week or partial week (i.e. Sunday through Saturday), all pursuant to procedures agreed



upon by the Receiver and the Agent. Proceeds shall be paid to the Receiver and the Agent weekly on the last Business Day of the week by wire transfer, commencing on the second Friday after the Commencement Date. Proceeds shall be disbursed to the Receiver and the Agent in accordance with Section 2.6.

(2) The Agent shall provide the Receiver with a complete and detailed final accounting with respect to the sale of all Assets and other Accounting Items within twenty-one (21) days following the end of the Liquidation Period (the “**Accounting Deadline**”).

(3) The Agent acknowledges that the Receiver intends to share with Wells Fargo and potentially other secured creditors of the Debtor all weekly reconciliations and the final accounting provided for in Subsections (1) and (2) above and the Agent hereby consents to the Receiver’s disclosure of such information to Wells Fargo and such other secured creditors.

## **2.8 Access to Debtor’s Premises**

Subject to Section 2.9, the Receiver shall ensure that the Agent has access to the Assets and Debtor’s Premises, without charge during the Liquidation Period, for the purposes of carrying out the Transaction as contemplated under this Agreement during the Liquidation Period. For greater certainty and subject to Section 2.9, during the Liquidation Period, the Agent shall have rent-free use of the Debtor’s Premises.

## **2.9 Obligations with Respect to Debtor’s Premises and Assets**

(1) The Agent shall deliver vacant possession of each of the Debtor’s Premises on or before the Termination Date.

(2) The Agent agrees to leave the Debtor’s Premises in a clean and broom-swept condition and shall be responsible for all costs of clean-up of the Debtor’s Premises. Notwithstanding the foregoing, the Agent shall not be responsible for the costs of: (i) removal, clean-up or disposition of any of the Debtor’s books and records, (ii) the costs of waste disposal bins and dumping charges, and (iii) any environmentally hazardous chemicals or substances found at the Debtor’s Premises, save and except to the extent that any discharge or spill of any environmentally hazardous chemicals or substances is caused by the Agent or Persons for whom it is responsible.

(3) The Agent agrees to act in a prudent manner while at the Debtor’s Premises and the Debtor’s Premises and Assets shall be maintained by the Agent in the same state of repair as existed as at the commencement of the Liquidation Period, reasonable wear and tear excepted. The Agent undertakes to restore the Debtor’s Premises to their condition as at the commencement of the Liquidation Period and to repair any damages caused by the Agent, its invitees or anyone for whom it is in law responsible during the Liquidation Period at its sole expense forthwith but in any event, before the expiry of the Liquidation Period. For greater certainty, the Agent shall not be responsible for repairing any damages existing prior to the Commencement Date, except any such damages caused by the Agent, its invitees or anyone for whom it is in law responsible prior to the Commencement Date.

(4) The Receiver and the Agent, acting reasonably, agree to conduct periodic inspections of each of the Debtor’s Premises to identify any damage caused after the commencement of the

Liquidation Period and, without limiting the foregoing, in respect of each of the Debtor's Premises the Receiver and Agent shall conduct an interim inspection by not later than three (3) days prior to the date that the Agent is required to vacate such premises in accordance with Section 2.9(1) (the "**Interim Inspection**"). The Agent shall immediately conduct or cause to be conducted all repairs, restoration and clean-up of the Debtor's Premises identified as being required pursuant to the Interim Inspection and complete such work prior to the expiry of the Liquidation Period. After the Interim Inspection and on the final day of the Agent's intended occupancy of the applicable Debtor's Premises in accordance with Section 2.9(1), the Receiver and the Agent shall conduct a final inspection of the condition of each of the Debtor's Premises noting and identifying any deficiencies or damage to the Debtor's Premises caused during the Liquidation Period that has not been repaired, restored or completed by the Agent to the standard required pursuant to this Section 2.9.

(5) The Agent agrees to maintain the Assets in a prudent manner and the Agent undertakes to repair any damages caused to the Assets (reasonable wear and tear exempted) by the Agent, its invitees or anyone for whom it is in law responsible during the Liquidation Period at its sole expense forthwith but in any event, before the expiry of the Liquidation Period. For greater certainty, the Agent shall not be responsible for repairing any damage to the Assets existing prior to the Commencement Date, except any such damages caused by the Agent, its invitees or anyone for whom it is in law responsible prior to the Commencement Date.

(6) The Agent further agrees to indemnify, defend and hold the Receiver and the Debtor and their employees, agents and representatives (collectively, the "**Indemnified Parties**") harmless from and against all claims for damages, losses, injury or costs resulting from a breach of its obligations under this section and for damages, losses or injury caused to property or persons through the actions or negligence of the Agent, its invitees or anyone for whom it is in law responsible.

## **2.10 Payment of Occupancy Costs**

The Receiver shall be responsible to pay when due all of the following costs and expenses to the extent referable to the Liquidation Period:

- (a) security, rent and other occupancy costs relating to the Debtor's Premises;
- (b) all utilities and other reasonable overhead expenses, including trash and dumpster services, relating to the Debtor's Premises;
- (c) costs and expenses to move all of the Assets to the three Debtor's Premises, for purposes of the Auction;
- (d) pro-rated property taxes in respect of the Debtor's Premises; and
- (e) all Make-Ready Repair Costs.



## **2.11 Expenses**

Other than those expenses which are the responsibility of the Receiver as set out in Section 2.10 and elsewhere in this Agreement, the Agent shall be responsible for all expenses incurred in connection with the Transaction, including without limitation, costs associated with long distance telephone costs, postage, courier services, supplies needed by the Agent, bank and credit or debit card charges, cheque verification services and personnel hired or provided by the Agent. The Agent shall reimburse the Receiver to the extent that such expenses are incurred by the Agent and paid by the Receiver and such amounts paid to the Receiver are in addition to and shall not reduce or otherwise affect the amount of the Net Minimum Guaranteed Amount or the Receiver's entitlement pursuant to Section 2.6. Notwithstanding the foregoing, the Agent shall be entitled to receive payment of the Agent's Expense Reimbursement from the proceeds of the Asset sales in accordance with Section 2.6.

## **2.12 Personnel**

The Agent shall be responsible at its own cost for providing competent personnel to prepare for and perform all tasks relating to the Transaction. It is understood that the Receiver is not and will not in any event be an employer of any such personnel or liable to pay any amounts to or with respect to such personnel. The Receiver does not assume any responsibilities whatsoever with respect to the continuation of the employment of any existing employees of the Debtor (the "**Employees**") pursuant to this Section. In particular, the Receiver does not warrant or guarantee that the employment of any Employees can be continued for all or any part of the Liquidation Period.

## **2.13 Trade Names**

The Agent shall be permitted and is hereby granted a non-exclusive, temporary licence to use the name Big Eagle and make reference to "Deloitte Restructuring Inc. as Receiver of "Big Eagle" and to the receivership of the Debtor solely for the purposes of this Agreement and any advertising pursuant to Section 2.14 during the Liquidation Period.

## **2.14 Advertising**

The Agent, at its own expense, shall advertise and otherwise promote the liquidation and auction of the Assets by all appropriate means, as approved by the Receiver, in order to give adequate exposure to the Assets to the maximum number of potential purchasers. All advertising copy is to be submitted initially to the Receiver for approval (which approval shall not be unreasonably withheld) not less than five (5) Business Days prior to its first publication and use by the Agent. If the Receiver has not objected to the Agent's proposed advertising within two (2) Business Days after receipt of the Agent's proposal, the Receiver will be deemed to have approved such advertising. The Agent shall be responsible for paying all costs of advertising.

## **2.15 Authorizations and Remittance of Taxes**

The Agent shall be responsible for ensuring that all necessary governmental or other approvals, permits or authorizations are obtained in order to conduct its liquidation program in compliance with all applicable laws. In addition, the Agent shall ensure that all applicable taxes

and duties including, without limitation, Goods and Services Tax and provincial retail sales tax (collectively, the “**Sales Taxes**”) are collected and remitted to the proper authorities when due. The Agent agrees to indemnify and save the Receiver harmless from and against all claims for payment of the above-mentioned taxes including penalties and interest thereon and any liability or costs incurred as a result of any failure to pay such taxes when due and all claims arising out of any failure to obtain all necessary government or other approvals, permits or authorizations.

## **2.16 Insurance**

(1) The Agent will be responsible for arranging third-party liability insurance with respect to the Agent’s access to and use of the Debtor’s Premises during the Liquidation Period and shall be responsible for the costs of such insurance. The third party liability insurance shall provide for not less than \$2,000,000.00 coverage per occurrence. The Agent shall provide proof of such insurance to the Receiver.

(2) The Receiver shall maintain the existing insurance coverage against loss of or damage to the Assets and shall be responsible for the costs of such insurance until the earlier of (i) the date the Agent has vacated the Debtor’s Premises, and (ii) the expiry of the Liquidation Period.

(3) In the event that all or any material part of the Assets are destroyed or damaged by fire or other casualty or stolen at any time prior to the sale of such Assets, the insurance proceeds attributable to such damaged Assets shall be deemed to be the proceeds of the sale of such Assets for the purposes of this Agreement and, for greater certainty, shall be included for the purposes of distributing funds in accordance with Section 2.6. The Receiver and the Agent agree not to settle any insurance claim without the prior written consent of the other, such consent not to be unreasonably withheld.

## **2.17 Extension of Credit**

In the event that the Agent extends credit (other than by way of credit cards) to any purchaser, the Agent will be responsible for all related credit risks and costs thereof.

## **2.18 Extended Sales**

In the event there are any unsold Assets remaining at the end of the Liquidation Period, the Agent shall, at its own cost, move such Assets to a location or locations to be agreed upon with the Receiver for subsequent sale and the proceeds (net of any Sales Taxes collected) shall be treated as sale proceeds in accordance with Section 2.6 hereof. Once the Agent has paid to the Receiver the Net Minimum Guaranteed Amount, the Receiver and the Agent may agree that the Receiver shall transfer title in and to any unsold Asset to the Agent. The form of any Bill of Sale to be delivered to the Agent in the event that the Receiver exercises this option shall be in the form attached hereto as Schedule 2.18. The Authorization and Approval Order shall provide that title to any such remaining Assets sold to the Agent shall vest in the Agent free and clear.

## **2.19 Movement of Assets**

The Agent shall not remove any Assets from the Debtor’s Premises prior to sale without the prior written consent of the Receiver, which consent shall not be unreasonably withheld. The



Agent agrees to indemnify, defend and hold the Indemnified Parties harmless from and against any losses, damages, costs or claims caused by or resulting from the removal or transportation of the Assets. The Agent shall be responsible for the costs of any such move, including without limitation, any insurance, permit or licence costs.

## **2.20 Break-Up Fee; Superior Bid; Appraisal Costs**

This Agreement is subject to other offers presented to the Receiver in accordance with the Bid Solicitation Process. In the event that the Court determines that an offer submitted pursuant to the Bid Solicitation Process is a Superior Bid (as defined below) and approves such offer in lieu of this Agreement, then Receiver shall within one (1) Business Day return the Deposit (and any interest accrued thereon) to the Agent and pay to the Agent, by wire transfer of immediately available funds, a break-up fee in the amount of one percent (1%) of the Net Minimum Guaranteed Amount under this Agreement (the “**Break-Up Fee**”) and the Appraisal Costs. The Break-Up Fee, the return of the Deposit and a reimbursement of the Appraisal Costs by the Receiver shall be the Agent’s sole remedy as a result of the Receiver proceeding with a Superior Bid in lieu of the Transactions contemplated by this Agreement. For purposes of this Agreement, a “**Superior Bid**” shall mean (1) in the case of a superior net minimum guarantee auction proposal, a credible offer that (i) is a higher or better bid than set out in this Agreement provided that the net minimum guaranteed amount in such bid exceeds the Net Minimum Guaranteed Amount in this Agreement by not less than the amount of the Break-Up Fee plus \$200,000 with no materially unfavourable changes having been made to the other economic terms in this Agreement (ii) made by a recognized, reputable and credit worthy North American liquidator, (iii) otherwise incorporates all or substantially all of the terms and conditions of this Agreement, and (iv) otherwise complies with the Bid Solicitation Process, and (2) in the case of a superior Asset purchase bid, a credible offer to acquire all or substantially all of the Assets (i) that is an all cash offer the Receiver reasonably believes should realize net cash proceeds greater than the net cash proceeds reasonably expected to be realized by the Transaction, (ii) made by a creditworthy bidder determined by the Receiver to be qualified to participate in the process by the Receiver, (iii) is on a “as is, where is” basis with no more onerous representations or warranties by the Receiver than contained in this Agreement and contains no material holdbacks or downward purchase price adjustments that could lead to a lower realization of net proceeds than contemplated by this Agreement, (iv) is reasonably expected by the Receiver to be completed prior to the Termination Date set out in this Agreement.

## **2.21 Auction**

In the event that the Receiver receives one or more Superior Bid(s) prior to the bid deadline set out in the Bid Solicitation Process, the Receiver shall invite the bidder(s) that submitted such Superior Bid(s) and the Agent to an auction and such auction shall be conducted by the Receiver at the Receiver’s offices on July 17, 2015 in accordance with auction procedures to be established by Receiver.



## SECTION 3 – REPRESENTATIONS AND WARRANTIES

### 3.1 Representation and Warranty of the Receiver

The Receiver represents and warrants to the Agent that it has been duly appointed as the and receiver and manager of the property, assets and undertaking of the Debtor pursuant to the Receivership Order and, subject to the granting of the Authorization and Approval Order, will have the right to enter into and carry out its obligations under this Agreement.

### 3.2 Representation and Warranty of the Agent

The Agent represents and warrants to the Receiver that it has full right, power and authority to enter into and carry out its obligations under this Agreement and this Agreement has been duly and validly authorized, executed and delivered by the Agent.

## SECTION 4 – CONDITIONS

### 4.1 Mutual Conditions

The obligations of the Receiver and the Agent are subject to the conditions that:

- (a) on or before July 6, 2015 an order in form and substance acceptable to the Receiver and the Agent, each acting reasonably, shall have been made by the Court approving (i) and authorizing the Receiver entering into this Agreement and approving this Agreement as the stalking-horse agreement for the purposes of the Bid Solicitation Process, (ii) the Bid Solicitation Process, the Break-up Fee and Appraisal Cost reimbursement and (iii) a court ordered charge to secure the payment of the Break-up Fee and the Appraisal Cost reimbursement by the Receiver ranking in priority to all other liens, encumbrances charges other than the Receiver's Charge and the Receiver's Borrowing Charge as defined in the Receivership Order;
- (b) after the conclusion of the Bid Solicitation Process and on or before the commencement of the Liquidation Period, an order in form and substance acceptable to the Receiver and the Agent, each acting reasonably, shall have been made by the Court (i) declaring this Agreement to be the successful bid (ii) authorizing and approving this Agreement and the Transaction, (ii) providing that upon the Agent completing the sale of any of the Assets to a purchaser, in accordance with the terms of the this Agreement, and delivering a bill of sale to the purchaser (the "**Purchaser Bill of Sale**"), all right, title and interest of the Debtor in and to the asset(s) described in the Purchaser Bill of Sale shall be vested in such purchaser, free and clear of all claims and encumbrances, and (iii) approving and authorizing, at the Receiver's election, the vesting of any remaining unsold Assets in and to the Agent pursuant to Section 2.18 (Extended Sales) (the "**Authorization and Approval Order**") and such order shall have been obtained by no later than July 29, 2015; and

- (c) as at the commencement of the Liquidation Period, the Authorization and Approval Order shall not have been stayed, varied or vacated, and no order shall have been issued and no action or proceeding shall be pending to restrain or prohibit the completion of the Transaction.

If the conditions set out above are not satisfied by the time provided therefore (or have not been waived by the Receiver or the Agent as applicable), then this Agreement shall be terminated without any penalty or liability whatsoever to the Receiver or the Agent, other than the return of the Deposit and Appraisal Costs reimbursement by the Receiver to the Agent, but without cost or other compensation.

## SECTION 5 – GENERAL

### 5.1 Notices

Any demand, notice or other communication to be given in connection with this Agreement shall be given in writing and shall be given by personal delivery (in which case it shall be left with a responsible officer of the recipient) or by electronic communication addressed to the recipient as follows:

in the case of the Receiver:

Deloitte Restructuring Inc.  
700, 850 - 2 Street SW  
Calgary, Alberta T2P 0R8  
Attention: Jeff Keeble, CA, CIRP, CBV  
Email: jkeeble@deloitte.ca  
Tel No.: 403-503-1458

with a copy to:

McMillan LLP  
Attention: Adam Maerov  
Telephone No: (403) 215-2752  
Facsimile No.: (403) 531-4720

in the case of the Agent:

Great American Global Partners, LLC  
21860 Burbank Blvd. #300  
Woodland Hills, California  
91367  
Attention: Adam Alexander  
Telephone No: (818) 884 3737

with a copy to:

590 Madison Avenue, 29<sup>th</sup> Floor  
New York, New York  
10022

Attention: Alan N. Forman  
Telephone No: (212) 457-9947  
and with a further copy to:  
Miller Thomson LLP  
Suite 5800 – 40 King Street West  
Toronto, Ontario  
M5H 3S1  
Attention: Jeffrey Carhart  
Telephone No: (416) 595-8615  
Facsimile No: (416) 595-8695

or to such other address, individual or electronic communication number as may be designated by notice given by either party to the other. Any demand, notice or other communication shall be conclusively deemed to have been given, if given by personal delivery, on the day of actual delivery thereof and, if given by electronic communication, on the day of transmittal thereof if transmitted during normal business hours of the recipient on a Business Day and on the Business Day following the transmittal thereof if not so transmitted.

## **5.2 Disputes**

In the event any dispute arises between the parties concerning the subject matter of this Agreement, the parties agree that the Court shall have exclusive jurisdiction to resolve any and all such disputes. Prior to filing any motion, application with the Court or commencing any proceeding the moving party shall issue a written notice (with all relevant particulars of the dispute) of its intention to do so five (5) Business Days prior to taking any steps to file or commence any such motion, application or proceeding, as applicable. Such written notice will not replace the required notice period under the rules of civil procedure of Alberta.

## **5.3 Time of Essence**

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Receiver and the Agent or by their respective solicitors.

## **5.4 Currency**

All references herein to money amounts are in Canadian currency.

## **5.5 Agreement Costs**

The parties agree to bear their own respective legal and other expenses for preparing, negotiating and executing this Agreement and any related documents.

## **5.6 Further Assurances**

Each party shall, at the other party's expense, from time to time execute and deliver, or cause to be executed and delivered, all such documents and instruments and do, or cause to be done, all such acts and things as the other party may, either before or after the Transaction,



reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement. Without limitation, the Receiver will use reasonable efforts to provide all documentation necessary to evidence conveyance of title to all motor vehicles which are included in the Assets.

#### **5.7 Obligations to Survive**

The obligations, representations and warranties of the parties hereto shall survive the completion of the Transaction.

#### **5.8 Entire Agreement**

This Agreement constitutes the only agreement between the parties with respect to the subject matter hereof and supersedes any and all prior negotiations and understandings. No amendment of this Agreement shall be binding unless in writing and signed by the parties. No waiver by a party of any breach of this Agreement shall take effect or be binding upon the party unless it is in writing and signed by the party and, unless otherwise expressly stated therein, any such waiver shall be limited to the specific breach waived.

#### **5.9 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein and each of the parties hereby irrevocably attorns to the exclusive jurisdiction of the Courts of the Province of Alberta.

#### **5.10 Benefit of Agreement**

This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns; provided that the Agent shall not assign the benefit of this Agreement (other than to an affiliate of the Agent) without the prior written consent of the Receiver. In the event that Agent assigns this Agreement to an affiliate, the Agent shall remain jointly and severally liable hereunder with such affiliate assignee.

#### **5.11 Severability**

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provisions validity or enforceability in any other jurisdiction.

#### **5.12 Capacity**

Deloitte Restructuring Inc. is acting solely in its capacity as Receiver of Big Eagle Hydro-Vac Inc., Big Eagle Limited Partnership, Big Eagle Hydro-Vac (North) Inc., and Big Eagle (North) Limited Partnership and shall have no corporate or personal liability under this Agreement or for any other matter whatsoever relating to the Transaction.

**5.13 Agency Relationship**

The Agent acknowledges that it will not hold itself out as agent of the Receiver except as specifically provided for in this Agreement and that the Agent's authority as agent for the Receiver is limited to the powers specifically provided for in this Agreement.


**5.14 Counterparts Electronic Execution and Transmission**

This Agreement may be executed in counterparts and delivered via facsimile or pdf via email or other electronic transmission, and all counterparts, when taken together, shall constitute one Agreement and electronic transmission of an executed copy of this Agreement will be deemed to be receipt of an original.

***[SIGNATURE PAGE FOLLOWS]***

The parties have executed this Agreement.

**DELOITTE RESTRUCTURING INC.,** in its capacity as Receiver of the property, assets and undertaking of the Debtor and not in its personal capacity

By:   
Name: JEFF KEBLE  
Title: SENIOR VICE PRESIDENT

**GREAT AMERICAN GLOBAL PARTNERS, LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

The parties have executed this Agreement.

**DELOITTE RESTRUCTURING INC.**, in its capacity as Receiver of the property, assets and undertaking of the Debtor and not in its personal capacity

By: \_\_\_\_\_

Name:

Title:

**GREAT AMERICAN GLOBAL PARTNERS, LLC**

By: \_\_\_\_\_

Name:

Title:

Adam F. Alexander  
Managing Member

## **Schedule 1.1(8) – Assets**

Please see attached.



## Schedule 2.18 – Bill of Sale

THIS AGREEMENT made as of the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

B E T W E E N:

**DELOITTE RESTRUCTURING INC.** in its capacity as Receiver and Manager of the property, assets and undertaking of Big Eagle Hydro-Vac Inc., Big Eagle Limited Partnership, Big Eagle Hydro-Vac (North) Inc., and Big Eagle (North) Limited Partnership and not in its personal capacity

hereinafter called the “**Vendor**”

- and -

**GREAT AMERICAN GLOBAL PARTNERS, LLC**

hereinafter called the “**Purchaser**”

### RECITALS

A. The Vendor was appointed as receiver and manager of Big Eagle Hydro-Vac Inc., Big Eagle Limited Partnership, Big Eagle Hydro-Vac (North) Inc., and Big Eagle (North) Limited Partnership (the “**Debtor**”) pursuant to an order of the Court made on June 8, 2015 (the “**Order**”).

B. The Vendor and the Purchaser have entered into an auction services agreement dated as of June 24, 2015 whereby the Purchaser was authorized to sell the assets of the Debtor as agent for the Vendor (the “**Auction Services Agreement**”). All terms not otherwise defined herein have the meanings given to them in the Auction Services Agreement.

C. The delivery of this bill of sale is required upon the Vendor exercising its option to transfer title to any unsold assets of the Debtor to the Purchaser pursuant to Section 2.18 of the Auction Services Agreement.

D. On [ ], the Authorization and Approval Order (as such term is defined in the Auction Sales Agreement) was granted by the Court.

E. The Vendor has agreed to sell to the Purchaser all of the Debtor right, title and interest, if any, in and to the assets of the Debtor more particularly described in Schedule “A” hereto (the “**Assets**”) in accordance with Section 2.18 of the Auction Services Agreement.

**NOW THEREFORE THIS AGREEMENT WITNESSETH** that in consideration of the premises and mutual covenants and agreements contained herein, the sum of Ten Dollars (\$10.00) now paid to the Vendor and other good and valuable consideration, the receipt and

sufficiency of which each party hereby acknowledges, the parties do covenant and agree as follows:

## **1.1 SALE OF ASSETS**

(1) The Assets are being sold on an "as is, where is basis", at the Purchaser's risk and peril. The Purchaser has had an opportunity to inspect the Assets and to investigate the title thereto and the right of the Vendor to sell same. The Purchaser has conducted such inspections and investigations concerning those matters as the Purchaser decided were appropriate, and has satisfied itself concerning those matters and concerning the existence of and the condition of the Assets. No representation, warranty or condition either express or implied has been or will be given by the Vendor as to the existence, description, condition, cost, size, quality, fitness for purpose or merchantability of the Assets. Without limiting the foregoing, any and all representations, conditions or warranties express or implied pursuant to the *Sale of Goods Act* of Alberta and similar legislation do not apply hereto and have been waived by the Purchaser. The description of the Assets contained in Schedule "A" annexed hereto is for the purposes of identification only and no representation, condition or warranty has or will be given by the Vendor concerning the accuracy of that description.

(2) The Vendor hereby sells, assigns and transfers to the Purchaser, pursuant to the power of sale contained in the Order and the Authorization and Approval Order, all of the Debtor's right, title and interest, if any, in and to the Assets, to hold such right, title and interest of the Debtor in and to the Assets to and to the uses of the Purchaser.

(3) The Vendor hereby remises, releases and forever discharges to the Purchaser all of its claims and demands upon the Assets.

(4) The Purchaser hereby covenants to pay any Sales Taxes, and agrees to indemnify and save the Vendor harmless from any claims or demands arising from or connected to any failure to pay such Sales Taxes.

(5) The Purchaser agrees to take possession of the Assets at their existing locations (the "Premises") and to remove the Assets from the Premises by the close of business on [ ]. The Purchaser further agrees to indemnify the Vendor with respect to any damages caused to the Premises upon the removal of the Assets by the Purchaser, its employees or agents. The Purchaser agrees that the Vendor has no obligation to deliver the Assets to the Purchaser.

## **2.0 MISCELLANEOUS**

(1) This indenture and all of its provisions shall enure to the benefit of and be binding upon the parties and their respective successors and assigns.

(2) This indenture shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

(3) This Agreement may be executed in counterparts, each of which when so executed shall be an original but all such counterparts shall together constitute one and the same instrument.

**IN WITNESS WHEREOF** the parties hereto have executed this agreement.

The parties have executed this Agreement.

**DELOITTE RESTRUCTURING INC.**, in its  
capacity as Receiver of the property, assets and  
undertaking of the Debtor and not in its personal  
capacity

By: \_\_\_\_\_

Name:

Title:

**GREAT AMERICAN GLOBAL  
PARTNERS, LLC**

By: \_\_\_\_\_

Name:

Title:

# Appendix B – Auction and Asset Purchase Solicitation Procedures

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# AUCTION AND ASSET PURCHASE SOLICITATION PROCEDURES

**BIG EAGLE HYDRO-VAC INC.,  
BIG EAGLE LIMITED PARTNERSHIP,  
BIG EAGLE HYDRO-VAC (NORTH) INC., AND  
BIG EAGLE (NORTH) LIMITED PARTNERSHIP**

## RECITALS

A. Pursuant to an order of the Honourable Madam Justice Strekaf sitting as a Justice of the Court of Queen's Bench of Alberta (the "**Court**") dated June 8, 2015 (the "**Receivership Order**"), Deloitte Restructuring Inc. (the "**Receiver**") was appointed as receiver and receiver and manager of all of the assets, undertaking and property of Big Eagle Hydro-Vac Inc., Big Eagle Limited Partnership, Big Eagle Hydro-Vac (North) Inc., and Big Eagle (North) Limited Partnership (collectively, the "**Debtor**") pursuant to section 243(1) of the *Bankruptcy and Insolvency Act* and section 13(2) of the *Judicature Act (Alberta)* under Court File No. 1501-06320.

B. On June 29, 2015, the Court granted an order (the "**AASP Approval Order**") approving an auction and asset purchase solicitation process (the "**AASP**") and the AASP procedures set forth herein (these "**AASP Procedures**").

C. All dollar amounts expressed herein, unless otherwise noted, are in Canadian currency. Unless otherwise indicated herein any event that occurs on a day that is not a **Business Day** shall be deemed to occur on the next Business Day.

## ARTICLE 1 – DEFINED TERMS

In these AASP Procedures:

- (1) **Approval Hearing** has the meaning ascribed to it in Section 5.8(1);
- (2) **Approval Order** has the meaning ascribed to it in Section 5.8(1);
- (3) **Asset Purchase Bid** has the meaning ascribed to it in Section 2.1;
- (4) **Assets** means the right, title and interest of the Debtor and the Receiver in and to (i) the vehicles, rolling stock, machinery and equipment located at the Debtor's Premises or used by the Debtor in carrying on its Business listed on Schedule "A", (ii) the office equipment and office furniture located at the Debtor's Premises, and (iii) all trademarks, patents, industrial designs, trade names, domain names and other intellectual property, but, for greater certainty, does not include the **Court** has the meaning ascribed to it in Recital A;
- (5) ;

- (6) **Auction** has the meaning ascribed to it in Section 5.6;
- (7) **Auction Bid** has the meaning ascribed to it in Section 2.1;
- (8) **Auction Date** means the date on which the Auction takes place and shall be no later than forty-five (45) days after the granting of the Approval Order or such later date as may be agreed to in writing by the Receiver;
- (9) **AASP** has the meaning ascribed to it in Recital B;
- (10) **AASP Approval Order** has the meaning ascribed to it in Recital B;
- (11) **AASP Procedures** has the meaning ascribed to it in Recital B;
- (12) **Backup Bid** has the meaning ascribed to it in Section 5.7;
- (13) **Backup Bid Expiration Date** has the meaning ascribed to it in Section 5.7;
- (14) **Backup Bidder** has the meaning ascribed to it in Section 5.7;
- (15) **Break-Up Fee** means the amount of one percent (1%) of the Net Minimum Guaranteed Amount;
- (16) **Business Day** means a day on which banks are open for business in the City of Calgary but does not include a Saturday, Sunday or statutory holiday in the Province of Alberta;
- (17) **Debtor** has the meaning ascribed to it in Recital A;
- (18) **Debtor's Premises** means the following premises:
  - (a) 5916 36 Street East, Edmonton International Airport, Leduc, Alberta;
  - (b) 9319 81 Avenue, Clairmont, Alberta; and
  - (c) 2747 North Service Road West, Swift Current, Saskatchewan;
- (19) **Court** has the meaning ascribed to it in Recital A;
- (20) **Excluded Assets** means (i) all of the Debtor's real property; (ii) all fixtures including, all components of the building's electrical (other than, with the consent of the Receiver acting reasonably, any electrical components installed by the Debtor and exclusively dedicated to the Assets), mechanical, plumbing, heating and air-conditioning systems, fire extinguishers and other fire safety equipment, and (iii) all motor vehicles and office equipment leased by the Debtor;
- (21) **GA** means Great American Global Partners, LLC;
- (22) **GA Auction Agreement** means the auction services agreement dated June 24, 2015 between Great American Global Partners, LLC, and the Receiver;



- (23) **Known Potential Bidders** has the meaning ascribed to it in Section 2.3;
- (24) **Net Minimum Guaranteed Amount** means **\$18,700,000.00**, subject to adjustment in accordance with the GA Auction Agreement;
- (25) **Participating Bidder** has the meaning ascribed to it in Section 3.1(2);
- (26) **Process Letter** has the meaning ascribed to it in Section 2.3;
- (27) **Purchase Price** has the meaning ascribed to it in Section 5.3;
- (28) **Qualified Asset Purchase Bid** has the meaning ascribed to it in Section 5.3;
- (29) **Qualified Auction Bid** has the meaning ascribed to it in Section 5.2;
- (30) **Qualified Bid** or **Qualified Bids** has the meaning ascribed to it in Section 5.4;
- (31) **Qualified Bid Deadline** has the meaning ascribed to it in Section 5.1;
- (32) **Qualified Bidder** has the meaning ascribed to it in Section 5.4;
- (33) **Receiver** has the meaning ascribed to it in Recital A;
- (34) **Receivership Order** has the meaning ascribed to it in Recital A;
- (35) **Solicitation Process** has the meaning ascribed to it in Section 2.1;
- (36) **Successful Bid** has the meaning ascribed to it in Section 5.7;
- (37) **Successful Bidder** has the meaning ascribed to it in Section 5.7;
- (38) **Superior Bid** shall mean (a) in the case of an Auction Bid, a credible offer that (i) is a higher or better bid than set out in the GA Auction Agreement provided that the net minimum guaranteed amount in such bid exceeds the **Net Minimum Guaranteed Amount** by not less than the amount of the **Break-Up Fee** plus \$200,000 and the appraisal costs in the amount of \$50,000 payable to GA under the GA Agreement with no materially unfavourable changes having been made to the other economic terms in the GA Auction Agreement (ii) made by a recognized, reputable and credit worthy North American liquidator, (iii) otherwise incorporates all or substantially all of the terms and conditions of the GA Auction Agreement, and (iv) otherwise complies with the AASP, and (2) in the case of a superior Asset Purchase Bid, a credible offer to acquire all or substantially all of the Assets (i) that is an all cash offer the Receiver reasonably believes should realize net cash proceeds greater than the net cash proceeds reasonably expected to be realized from the transactions contemplated by the GA Auction Agreement, (ii) made by a creditworthy bidder determined by the Receiver to be qualified to participate in the process by the Receiver, (iii) is on a “as is, where is” basis with no more onerous representations or warranties by the Receiver than contained in the GA Auction Agreement and contains no material holdbacks or downward purchase price adjustments that could lead to a lower realization of net proceeds than contemplated by the GA Auction Agreement, (iv) is reasonably expected by the Receiver to be completed prior to the Termination Date;

(39) *Target Asset Purchase Closing Date* means July 27, 2015; and

(40) *Termination Date* means 30 business days after the **Error! Reference source not found.**

## **ARTICLE 2– SOLICITATION**

### **Section 2.1 Solicitation Process**

(1) These AASP Procedures describe the process for soliciting and selecting bids (i) for a minimum guarantee auction bid in respect of the Assets

(2) or (ii) to purchase the Assets (an “**Asset Purchase Bid**”) and the approval thereof by the Court (collectively, the “**Solicitation Process**”).

### **Section 2.2 “As Is, Where Is”**

(1) Any Auction Bid or Asset Purchase Bid will be on an “as is, where is” basis and without surviving representations, warranties, covenants or indemnities of any kind, nature, or description, including without limitation, with respect to merchantability, physical or financial condition, description, or fitness for a particular purpose, by the Debtor or the Receiver or any of their agents, estates, advisors, professionals or otherwise, except to the extent set forth in the relevant agreement with the Successful Bidder. By participating in this Solicitation Process every Participating Bidder is deemed to have acknowledged and agreed that it: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the assets to be acquired and liabilities to be assumed in making its bid; (ii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the assets to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, including by the Receiver, or any of its advisors, except as expressly stated in the definitive document submitted by it; (iii) is a sophisticated party capable of making its own assessments in respect of making its bid; and (iv) has had the benefit of independent legal advice in connection with the preparation and submission of its bid in accordance with these Solicitation Procedures.

### **Section 2.3 Solicitation of Interest**

(1) Forthwith upon the granting of the AASP Approval Order, the Receiver will,

- (a) prepare a list of parties that may be interested in making an Auction Bid or a Asset Purchase Bid (the “**Known Potential Bidders**”); and
- (b) send a letter to the Known Potential Bidders in substantially the form attached hereto as Schedule “**B**” (the “**Process Letter**”) notifying Known Potential Bidders of the existence of the Solicitation Process and inviting the Known Potential Bidders to make an Auction Bid or an Asset Purchase Bid.



## **ARTICLE 3– PARTICIPATION REQUIREMENT**

### **Section 3.1 Participation Requirements**

(1) In order for an interested party to participate in the Solicitation Process, the interested party must deliver the following to the Receiver unless the Receiver waives the requirement for such information, acting reasonably:

- (a) a specific indication of the anticipated sources of capital for such Potential Bidder and preliminary evidence of the availability of such capital, or such other form of financial disclosure and credit support or enhancement that will allow the Receiver and its legal advisors, to make, in their reasonable business or professional judgment, a reasonable determination as to the Potential Bidder's financial and other capabilities to consummate an Auction Bid or an Asset Purchase Bid;
- (b) a letter setting forth the identity of the Potential Bidder, the contact information for such Potential Bidder, full disclosure of the direct and indirect owners of the Potential Bidder and their principals;
- (c) an indication of whether the Potential Bidder intends to make an Auction Bid or an Asset Purchase Bid;
- (d) a written acknowledgment of receipt of a copy of the AASP Approval Order (including these AASP Procedures) and agreeing to accept and be bound by the provisions contained therein.

(2) If the Receiver is satisfied with the reputation, creditworthiness and ability of the interested party to complete a transaction prior to the earlier **Termination Date** or **Target Asset Purchase Closing Date**, as applicable, then the interested party will be deemed to be a **“Participating Bidder”** and the Receiver will notify the interested party that they have qualified as a Participating Bidder.

## **ARTICLE 4– DUE DILIGENCE AND SITE VISITS**

### **Section 4.1 Due Diligence**

(1) The Receiver will provide Participating Bidders with information concerning the Assets and arrange for site visits at the **Debtor's Premises** and the opportunity to for the inspection of the Assets at times acceptable to the Receiver.

## **ARTICLE 5– SUBMISSION OF QUALIFIED BIDS**

### **Section 5.1 Continued Participation in the Solicitation Process**

(1) A Participating Bidder must deliver a Qualified Auction Bid or Qualified Asset Purchase Bid (or both) to the Receiver and such Qualified Auction Bid or Qualified Asset Purchase Bid, as applicable, must be received by the Receiver by no later than 5:00 p.m. (Calgary time) on July

15, 2015, or such later date or time as the Receiver may determine appropriate (the “**Qualified Bid Deadline**”).

## **Section 5.2 Qualified Auction Bid**

(1) An Auction Bid submitted by a Participating Bidder will be considered a “**Qualified Auction Bid**” only if the Auction Bid complies with all of the following:

- (a) it is a Superior Bid;
- (b) it includes a letter stating that the Auction Bid is irrevocable until the earlier of (a) the approval by the Court of a Successful Bid, and (b) 45 Business Days following the Bid Deadline; provided, however, that if such Auction Bid is selected as the Successful Bid or the Backup Bid, it shall remain irrevocable until the closing of the Successful Bid or the Backup Bid, as the case may be;
- (c) it includes a duly authorized and executed auction services agreement that is in substantially the same form as and incorporates all or substantially all of the same terms and conditions as the Great American Auction Services Agreement except as otherwise prescribed in these AASP Procedures;
- (d) it does not include any request or entitlement to any break-fee, expense reimbursement or similar type of payment in the event that it is not the Successful Bid;
- (e) it is not conditioned on (i) the outcome of unperformed due diligence by the bidder and/or (ii) obtaining any financing capital;
- (f) it is accompanied by a refundable deposit in the form of a wire transfer (to a trust account specified by the Receiver), or such other form acceptable to the Receiver, payable to the order of Deloitte Restructuring Inc., in trust, in an amount equal to 20% of the net minimum guaranteed amount as set out in the applicable auction services agreement included in such Auction Bid, to be held and dealt with in accordance with these AASP Procedures;
- (g) it contains other information reasonably requested by the Receiver; and
- (h) it is received by no later than the Qualified Bid Deadline.

## **Section 5.3 Qualified Asset Purchase Bid**

(1) An Asset Purchase Bid submitted by a Participating Bidder will be considered a “**Qualified Asset Purchase Bid**” only if the Asset Purchase Bid complies with all of the following:

- (a) it is a Superior Bid;
- (b) it includes a letter stating that the Asset Purchase Bid is irrevocable until the earlier of (a) the approval by the Court of a Successful Bid, and (b) 45 Business Days following the Bid Deadline; provided, however, that if such Asset Purchase

Bid is selected as the Successful Bid or the Backup Bid, it shall remain irrevocable until the closing of the Successful Bid or the Backup Bid, as the case may be;

- (c) it includes a duly authorized and executed asset purchase agreement substantially consistent with the terms of the Receiver's form of asset purchase agreement provided to such bidder specifying the purchase price, expressed in Canadian dollars (the "**Purchase Price**"), together with all exhibits and schedules thereto, and such ancillary agreements as may be required by the Qualified Bidder with all exhibits and schedules thereto (or term sheets that describe the material terms and provisions of such ancillary agreements) and such ancillary agreements and the proposed orders to approve the sale by the Court;
- (d) it does not include any request or entitlement to any break-fee, expense reimbursement or similar type of payment in the event that it is not the Successful Bid.
- (e) it is not conditioned on (i) the outcome of unperformed due diligence by the bidder and/or (ii) obtaining any financing capital and includes an acknowledgement and representation that the bidder has had an opportunity to conduct any and all required due diligence prior to making its Asset Purchase Bid;
- (f) it fully discloses the identity of each entity that is bidding or otherwise that will be sponsoring or participating in the Asset Purchase Bid, including the identification of the Qualified Bidder's direct and indirect owners and their principals, and the complete terms of any such participation;
- (g) it is accompanied by a refundable deposit in the form of a wire transfer (to a trust account specified by the Receiver), or such other form acceptable to the Receiver, payable to the order of Deloitte Restructuring Inc., in trust, in an amount equal to 20% of the Purchase Price, to be held and dealt with in accordance with these AASP Procedures;
- (h) it provides for closing of the Asset Purchase Bid by no later than the Target Asset Purchase Closing Date;
- (i) if the Qualified Bidder is an entity newly formed for the purpose of the transaction, the bid shall contain an equity or debt commitment letter from the parent entity or sponsor, which is satisfactory to the Receiver, that names the Receiver as a third party beneficiary of any such commitment letter with recourse against such parent entity or sponsor;
- (j) it contains other information reasonably requested by the Receiver; and
- (k) it is received by no later than the Qualified Bid Deadline.

## **Section 5.4 Qualified Bids**

(1) Qualified Auction Bids and Qualified Asset Purchase Bids shall hereinafter be referred to as “**Qualified Bids**” and each a “**Qualified Bid**” and each bidder who has submitted a Qualified Bid shall hereinafter be referred to as a “**Qualified Bidder**”.

(2) Notwithstanding Section 5.2 and Section 5.3 hereof, the Receiver may waive compliance with any one or more of the Qualified Bid requirements specified herein, and deem such non-compliant bids to be Qualified Auction Bids and Qualified Asset Purchase Bids, as the case may be.

## **Section 5.5 No Qualified Bids**

(1) If the Receiver determines at any time after July 7, 2015, acting reasonably, that it is unlikely that there will be any Qualified Bidders or that any Qualified Bids will be received, the Receiver shall (a) forthwith terminate these AASP Procedures; (b) notify each Participating Bidder (if any) that these AASP Procedures have been terminated.

(2) The Receiver will assess the Qualified Bids received, if any, and will determine whether it is likely that the transactions contemplated by such Qualified Bids are likely to be consummated and whether proceeding with these AASP Procedures is in the best interests of the Debtor and its stakeholders. Such assessments will be made as promptly as practicable but no later than five (5) Business Days after the Qualified Bid Deadline, provided that such time period may be extended by the Receiver upon prior written notice to Qualified Bidders and GA or order of the Court upon application and appropriate notice.

(3) If the Receiver, in accordance with Section 5.5(1) and 5.5(2) above, determines that (a) it is unlikely that there will be any Qualified Bids or Qualified Bidders, (b) there are no Qualified Bids or Qualified Bidders, or (c) at least one Qualified Bid was received but it is not likely that the transactions contemplated in any such Qualified Bids will be consummated, the Receiver shall, within ten (10) Business Days of such determination, file an application with the Court for approval of the GA Auction Agreement.

## **Section 5.6 Auction**

(1) In the event that the Receiver receives at least one Qualified Bid that is an Auction Bid or at least one Qualified Bid that is an Asset Purchase Bid prior to the Bid Deadline, the Receiver shall invite the Qualified Bidders that submitted such Qualified Bids to an auction with **GA** (the “**Auction**”). The Auction shall be conducted by the Receiver at the Receiver’s offices on July 17, 2015 in accordance with auction procedures to be established by Receiver. Without limiting the foregoing, the Qualified Bid with the highest guaranteed net cash proceeds will form the base bid in the Auction and initial minimum bid increments will be set at \$200,000.

## **Section 5.7 Selection Criteria**

(1) The Receiver may select Qualified Bids for further negotiation and/or clarification of any terms or conditions of such Qualified Bids, including the amounts offered, before identifying the highest or otherwise best Qualified Bid(s) received (the “**Successful Bid**”).

(2) The Receiver will identify the Successful Bid and may identify a next highest or otherwise best Qualified Bid received (such offer, the “**Backup Bid**”). The Qualified Bidders(s) who made the Successful Bid is/are the “**Successful Bidder**” and the Qualified Bidder(s) who made the Backup Bid (if a Backup Bid is identified in accordance with these AASP Procedures) is/are the “**Backup Bidder**”). The Receiver will notify the Successful Bidder and any Backup Bidder that they are, respectively, the Successful Bidder and the Backup Bidder.

(3) The Receiver will finalize definitive agreements in respect of the Successful Bid and the Backup Bid (if a Backup Bid is identified in accordance with these AASP Procedures), if any, conditional upon approval by the Court.

(4) If a Backup Bid is identified in accordance with these AASP Procedures, then such Backup Bid shall remain open until the consummation of the transaction contemplated by the Successful Bid (the “**Backup Bid Expiration Date**”).

(5) All Qualified Bids (other than the Successful Bid and any Backup Bid identified in accordance with these AASP Procedures) shall be deemed rejected by the Receiver on and as of the date of approval of the Successful Bid or any Backup Bid by the Court.

### **Section 5.8 Approval Hearing**

(1) After definitive agreements in respect of a Successful Bid and Backup Bid (if a Backup Bid is identified in accordance with these AASP Procedures) have been finalized, in the case of the Successful Bid, signed (conditional on court approval) and, in the case of the Backup Bid signed (conditional on non-completion of the Successful Bid and on court approval) in accordance with these AASP Procedures, the Receiver shall seek a hearing as soon as practicable on a date to be scheduled by the Court that will permit not less than 2 full Business Days’ notice to the service list (the “**Approval Hearing**”) to approve the Successful Bid and the Backup Bid (such order, the “**Approval Order**”). The Approval Hearing may be adjourned or rescheduled by the Receiver in its sole discretion.

(2) If, following approval of the Successful Bid transaction by the Court, the Successful Bidder fails to consummate the transaction for any reason, then the Backup Bid, if there is one, will be deemed to be the Successful Bid hereunder and the Receiver shall effectuate a transaction with the Backup Bidder subject to the terms of the Backup Bid, without further order of the Court.

### **Section 5.9 Deposits**

(1) All deposits provided pursuant to Section 5.2 and Section 5.3 shall be retained by the Receiver and invested in an interest bearing trust account in a Schedule I Bank in Canada. If there is a Successful Bid, the Deposit (plus accrued interest) paid by the Successful Bidder whose bid is approved pursuant to the Approval Hearing shall be applied to the purchase price to be paid or investment amount to be made by the Successful Bidder upon closing of the Successful Bid. The Deposit (plus accrued interest) paid by the Backup Bidder, if there is one, shall be retained by the Receiver until the Backup Bid Expiration Date or, if the Backup Bid becomes the Successful Bid, shall be applied to the purchase price to be paid or investment amount to be made by the Backup Bidder upon closing of the Backup Bid. The Deposits (plus applicable interest) of all Qualified Bidders not selected as the Successful Bidder or Backup

Bidder shall be returned to such bidders with interest within five (5) Business Days of the later of the date upon which the Successful Bid and any Backup Bid are approved by the Court. If these AASP Procedures are terminated in accordance with the provisions hereof, all Deposits shall be returned to the bidders with interest within five (5) Business Days of the date upon which these AASP Procedures are terminated.

(2) If an entity selected as the Successful Bidder or Backup Bidder breaches its obligations to close or to pay the net minimum guarantee set out in its definitive agreement, it shall forfeit its Deposit to the Receiver; provided, however, that the forfeiture of such Deposit shall be in addition to, and not in lieu of, any other rights in law or equity that the Receiver has or may have against such breaching entity.

### **Section 5.10 Notice to the Receiver**

(1) Any notice or other communication to be given to the Receiver in connection with this AASP shall be given in writing and shall be given by personal delivery (in which case it shall be left with a responsible officer of the recipient) or by electronic communication addressed to the Receiver as follows:

Deloitte Restructuring Inc.  
700, 850 - 2 Street SW  
Calgary, Alberta T2P 0R8

Attention: Jeff Keeble, CA, CIRP, CBV  
Email: [jkeeble@deloitte.ca](mailto:jkeeble@deloitte.ca)  
Tel No.: 403-503-1458

with a copy to:

Gowling Lafleur Henderson LLP  
Suite 1600, 421 7th Avenue S.W.  
Calgary, Alberta T2P 4K9

Attention: Jeffrey Oliver  
Telephone No.: (403) 298-1818  
Facsimile No.: (403) 695-3558  
Email: [jeffrey.oliver@gowlings.com](mailto:jeffrey.oliver@gowlings.com)

### **Section 5.11 Reservation of Rights**

(1) The Receiver may (a) reject, at any time any bid that is (i) inadequate or insufficient, (ii) not in conformity with the requirements of these AASP Procedures or any orders of the Court applicable to the Debtor, or (iii) contrary to the best interests of the Debtor, its estate, and stakeholders as determined by the Receiver; (b) in accordance with the terms hereof accept bids not in conformity with these AASP Procedures to the extent that the Receiver determines, in its reasonable business judgment, that doing so would benefit the Debtor, its estate, and stakeholders; and (c) in accordance with the terms hereof extend the Qualified Bid Deadline and the Qualified Bid Deadline; and (d) reject all bids. The Receiver shall not be required to accept

the highest bid, but shall be entitled to recommend to the Court a transaction that in its view maximizes value for all stakeholders.

(2) These AASP Procedures do not, and shall not be interpreted to, create any contractual or other legal relationship between the Receiver on the one hand and any Known Potential Bidder, Potential Bidder, Participating Bidder, Qualified Bidder, Successful Bidder or Backup Bidder, on the other hand, except as specifically set forth in definitive agreements that may be executed by the Receiver.

#### **Section 5.12 Further Orders**

(1) At any time during the AASP, the Receiver may apply to the Court for directions with respect to the discharge of its powers and duties hereunder.

Appendix C –  
Statement of Receipts and  
Disbursements for the Period  
June 8, 2015 to June 26, 2015



**BIG EAGLE HYDRO-VAC INC., BIG EAGLE LIMITED PARTNERSHIP, BIG EAGLE HYDRO-VAC (NORTH) INC. and BIG EAGLE (NORTH) LIMITED PARTNERSHIP**  
**STATEMENT OF RECEIPTS AND DISBURSEMENTS**  
for the period of June 8, 2015 to June 26, 2015

Accounts receivable collections	\$	643,498
Funds swept by Wells Fargo prior to June 17, 2015		1,231,509
<b>Total Receipts</b>		<b>1,875,007</b>
Contract consultants		46,222
Employee expenses		3,475
Fuel deposit		25,000
Filing fee		70
GST paid on disbursements		1,120
Locksmith charges		4,479
Miscellaneous		710
Payments to secured creditors (equipment release)		36,477
Property taxes		27,739
PST paid on operations		31
Repairs and maintenance		8,205
Safety audit		7,918
Transportation costs		510
Wages		73,515
<b>Total Disbursements</b>		<b>235,471</b>
<b>Excess of Receipts over Disbursements</b>	<b>\$</b>	<b>1,639,536</b>