

AFFIDAVIT OF AUBREY WELLS
SWORN May 15, 2008.

Action No. _____

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

BETWEEN:

ALBERTA TREASURY BRANCHES

Plaintiff

-and-

**PENN-TEK TRUSS & FLOOR SYSTEMS INC.,
1006495 ALBERTA LTD., ARNOLD PENNER and
DOROTHY PENNER**

Defendants

AFFIDAVIT OF AUBREY WELLS

I, Aubrey Wells, of the Town of Cochrane, in the Province of Alberta, **MAKE OATH
AND SAY THAT:**

1. I am the General Manager, Asset Management of Alberta Treasury Branches ("ATB"), the Plaintiff herein and as such have a personal knowledge of the matters herein and facts hereinafter deposed to, save and except where stated to be upon information and belief and, where so stated, I do verily believe the same to be true.

2. The Defendant, Penn-Tek Truss & Floor Systems Inc. ("Penn-Tek") is a corporation incorporated pursuant to the laws of the Province of Alberta. Attached hereto and marked as Exhibit "A" to this my Affidavit is a copy of an Alberta Corporate Registry Search for Penn-Tek dated May 8, 2008. Penn-Tek operates a truss and floor joists manufacturing business in the Town of Olds, in the Province of Alberta.

3. Pursuant to a commitment letter made in writing and dated April 4, 2007 (the "Commitment Letter"), ATB extended the following credit facilities to Penn-Tek:

- (a) \$500,000.00 (maximum) Independent Business Revolving Line of Credit;

- (b) \$750,000.00 Independent Business Loan;
- (c) \$50,000.00 Business MasterCard;

(collectively hereinafter referred to as the "Credit Facilities"). Attached hereto and marked as Exhibit "B" to this my Affidavit is a copy of the Commitment Letter.

4. The Credit Facilities are payable on demand by the ATB.

5. 1006495 Alberta Ltd. (an affiliate of Penn-Tek), Arnold Penner and Dorothy Penner (the shareholders and principals of Penn-Tek) have all provided ATB with individual guarantees guaranteeing all of the indebtedness of Penn-Tek to ATB.

6. As security for repayment of the indebtedness arising under and pursuant to the Credit Facilities, Penn-Tek executed and delivered a general security agreement dated April 4, 2007 (the "GSA") granting ATB a security interest in all of Penn-Tek's property, assets and undertaking; and in all proceeds and renewals thereof, accessions thereto and substitutions therefore (collectively, the "Collateral"). Attached hereto and marked as Exhibit "C" to this my Affidavit is a copy of the GSA.

7. ATB perfected the security interest in the personal property that forms the subject matter of the security interest in the GSA by registering a financing statement with the Alberta Personal Property Registry on April 18, 2007 under registration no.07041810149. Attached hereto and marked as Exhibit "D" to this my Affidavit is a copy of an Alberta Personal Property search dated May 14, 2008, evidencing the said security interest registration.

8. On April 28, 2008, a formal demand for payment of Penn-Tek's indebtedness arising under and pursuant to the Credit Facilities was issued by ATB on the Penn-Tek (the "Demand"), as well as accompanying notices to enforce security issued under and pursuant to Section 244 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3 (the "BIA"). Attached hereto and marked as Exhibit "E" to this my Affidavit is a copy of the Demand. The Demand was received by Penn-Tek on April 29, 2008.

9. The GSA provides, *inter alia*, that:

"7. DEFAULT

The happening of any of the following shall constitute default (a **"Default"**) under this Agreement:

- (a) the Debtor fails to pay, when due, the Indebtedness or any part thereof;

8. REMEDIES

On Default:

- (c) ATB may apply to court for the appointment of a Receiver, or may appoint by instrument any person or persons, to be a Receiver of any Collateral, and may remove any person so appointed and appoint another in his stead. The term "Receiver" as used in this Agreement includes a Receiver-Manager;"

10. As of the date this Affidavit was sworn, Penn-Tek has not complied with the Demand.

11. On May 8, 2008, counsel to Penn-Tek delivered a letter to ATB advising that Penn-Tek had retained Deloitte & Touche Inc. to assist with the development of a business plan. Counsel to Penn-Tek further advised that the business plan would be available on May 15, 2008 and that a proposal would be forthcoming by May 19, 2008. Counsel for Penn-Tek requested that ATB take no further steps until receipt of the proposal or upon reasonable notice to counsel. Attached hereto and marked as Exhibit "F" to this my Affidavit is a true copy of the said May 8, 2008 letter.

12. I instructed ATB's counsel, McCarthy Tétrault LLP, to respond in writing to Penn-Tek counsel's May 8, 2008 letter. In a letter dated May 9, 2008 from McCarthy Tétrault LLP to counsel to Penn-Tek, it was indicated on behalf of ATB, among other things, that no further advances would be permitted under the Credit Facilities of any nature and that ATB neither waived nor undertook to not enforce the various securities held by ATB. ATB also sought certain financial information and an asset listing from the Borrowers. Attached hereto and marked as Exhibit "G" is a copy of the said May 9, 2008 letter.

13. Counsel to Penn-Tek responded to the May 9, 2008 letter from McCarthy Tétrault LLP by acknowledging that the terms and conditions as set out therein were acceptable to "our client" and that it was expected that the information requested would be provided by the end of business on May 14, 2008. Attached hereto and marked as Exhibit "H" is a true copy of Penn-Tek counsel's May 9, 2008 letter.

14. On May 12, 2008, counsel to Penn-Tek delivered a further letter to McCarthy Tétrault LLP advising that Penn-Tek, in fact, was not agreeable to having all of the funds on deposit and any future receipts applied in permanent reduction of Penn-Tek's indebtedness to ATB. Counsel to Penn-Tek advised, in part, that: "Our clients need access to funds to pay their on-going suppliers. If that is not possible, then our clients cannot maintain their business operations in any capacity." Attached hereto and marked as Exhibit "I" is a true copy of Penn-Tek counsel's May 12, 2008 letter.

15. The financial information and information relative to Penn-Tek's collateral has not been received. I am advised by Sean Collins, and do verily believe, that counsel to Penn-Tek indicated that certain of the financial information is in Penn-Tek counsel's possession but that not all of the information has been provided to counsel for Penn-Tek. In any event, ATB has not received the financial information or collateral listing requested of Penn-Tek as at the date of this my Affidavit.

16. In addition to Penn-Tek's statement that Penn-Tek cannot "maintain its business operation in any capacity" I note the following:

- (a) Penn-Tek has provided financial statements for the year end December 31, 2007 representing results from Penn-Tek's first year of operations. Attached hereto and marked as Exhibit "J" is a true copy of the said financial statements. I note that the financial statements report a net loss of \$486,786, deficit equity of \$486,686 and a working capital deficiency of \$366,567. The working capital deficiency does not account for the adverse impact of the current portion of the long term debt not recorded within the financial statements. The financial statements also note current liabilities with respect to employee deductions payable in the amount of \$159,436;
- (b) ATB has prepared an internal accounts receivable inventory margin control spreadsheet with respect to Penn-Tek's Revolving Line of Credit. As at March 31, 2008, the total loan value for the purposes of margining Penn-Tek's Revolving Line of Credit was \$279,612. Attached hereto and marked as Exhibit "K" to this my Affidavit is a true copy of ATB's accounts receivable and inventory margin control with liquidity recap document;
- (c) Penn-Tek has provided ATB with a customer aged accounts payable summary as at April 9, 2008 evidencing total accounts payable of \$352,886.53 of which \$171,352.14 is stated to be current, \$116,840.67 is stated to be aged between 31 and 60 days, \$21,291.92 is stated to be aged 61 to 90 days, and \$43,401.80 is stated to be aged 91 days or greater. Attached hereto and marked as Exhibit "L" to this my Affidavit is a true copy of the Penn-Tek account payable summary;
- (d) Penn-Tek is indebted to Canada Revenue Agency on account of unremitted source deductions, employment insurance premiums and Canada Pension Plan premiums in

the amount of \$133,445.96. Attached hereto and marked as Exhibit "M" is a true copy of a statement dated April 30, 2008 from Canada Revenue Agency;

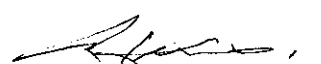
- (e) On May 13, 2008 I received an electronic mail from Dorothy Penner, one of the principals of Penn-Tek. In her electronic mail Ms. Penner enquired as to whether a deposit in the amount of \$11,503.11 made by Penn-Tek would be credited toward cheques that had been returned by ATB on May 13, 2008. I responded to Ms. Penner's electronic mail by indicating that the deposit would be subject to ATB's security and would be expected to be applied against the debt such that cheques drawn on Penn-Tek's account will be returned; and
- (f) In my electronic mail of May 13, 2008 I also indicated to Ms. Penner the fact that ATB had instructed McCarthy Tétrault LLP to retain Stewart Belland & Associates Inc. for the purpose of effecting a seizure of Penn-Tek's assets. I am advised by Lyle Stewart, and do verily believe, that Stewart Belland & Associates Inc. attended at the premises of Penn-Tek on May 14, 2008 for the purpose of effecting a seizure. Attached hereto and marked as Exhibit "N" to this my Affidavit is a true copy of the electronic mails between myself and Ms. Penner in this regard.

17. I am advised by Victor P. Kroeger and do verily believe that Deloitte & Touche Inc. has not been retained by Penn-Tek in any capacity. Mr. Kroeger advises that Penn-Tek did, in fact, contact Deloitte & Touche Inc. to discuss a potential engagement but that engagement did not proceed. Accordingly, Victor P. Kroeger of Deloitte & Touche Inc., a licensed trustee in bankruptcy, has consented to act as Receiver and Manager should the Court be inclined to grant the relief sought by the Plaintiff herein.

18. I make this Affidavit in support of an application for the appointment of a receiver and manager over all of the property, assets and undertaking of Penn-Tek.

SWORN BEFORE ME at the City of
Calgary, in the Province of Alberta this
15 day of May, 2008.


AUBREY WELLS


A Commissioner for Oaths in and for the
Province of Alberta

ROBERT KELLAS
MY COMMISSION EXPIRES
MARCH 17, 2010

Alberta Corporation/Non-Profit Search Corporate Registration System

Date of Search: 2008/05/08
Time of Search: 09:34 AM
Search provided by: MCCARTHY TETRAULT LLP

Service Request Number: 11561723
Customer Reference Number: 174791-402846

Corporate Access Number: 2013102278

Legal Entity Name: PENN-TEK TRUSS & FLOOR SYSTEMS INC.

Legal Entity Status: Active

Alberta Corporation Type: Named Alberta Corporation

Registration Date: 2007/03/25 YYYY/MM/DD

Registered Office:

Street: 600, 4911 - 51 STREET
City: RED DEER
Province: ALBERTA
Postal Code: T4N 6V4

Directors:

Last Name: PENNER
First Name: ARNOLD
Middle Name: R.
Street/Box Number: R.R. 1, SITE 4, BOX 13
City: OLDS
Province: ALBERTA
Postal Code: T4H 1P2

Last Name: PENNER
First Name: DOROTHY
Middle Name: E.
Street/Box Number: R.R. 1, SITE 4, BOX 13

THIS IS EXHIBIT "A"
referred to in the Affidavit of
Hobrey Wells
Sworn before me this 15
day of May A.D. 2008

[Signature]
A Commissioner for Oaths KELLAS
in and for the Province of Alberta
MY COMMISSION EXPIRES
MARCH 17, 2010

City: OLDS
Province: ALBERTA
Postal Code: T4H 1P2

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE SCHEDULE "A" ATTACHED
Share Transfers Restrictions: NO SHARES OF THE CORPORATION SHALL BE TRANSFERRED WITHOUT THE PRIOR APPROVAL OF THE BOARD OF DIRECTORS BY RESOLUTION
Min Number Of Directors: 1
Max Number Of Directors: 9
Business Restricted To: NONE
Business Restricted From: NONE
Other Provisions: SEE SCHEDULE "B" ATTACHED

Other Information:

Outstanding Returns:

Annual returns are outstanding for the 2008 file year(s).

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2007/03/25	Incorporate Alberta Corporation

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2007/03/25
Other Rules or Provisions	ELECTRONIC	2007/03/25

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

Alberta Treasury Branches, Olds Branch, 4905 - 50th Avenue, Olds, Alberta T4H 1P5 (Lender) has approved and offers financial assistance to **PENN-TEK TRUSS & FLOOR SYSTEMS INC.** (Borrower) on the terms and conditions described below. If this loan offer is acceptable please return this letter, signed as indicated below. This offer will automatically expire April 26, 2007, unless accepted. We reserve the right to cancel our offer at any time prior to acceptance. If you have any questions or concerns, feel free to contact us.

THIS IS EXHIBIT B
referred to in the Affidavit of
Aubrey Wells
Sworn before me this 15
day of May A.D. 2008

NEW CREDIT FACILITIES:

CUSTOMER #852 1177583

\$500,000.00 (maximum) Independent Business Revolving Line of Credit - Variable Rate

- Interest calculated on daily outstanding principal at 2.00% above Prime will be payable on the 15th day of each month.
- Principal advances and repayments to be in the minimum sum of \$50,000.00 or multiple of it.
- Advances will be limited to the least of:
 - (a) The maximum principal of line of credit and;
 - (b) The excess in value of current assets over current liabilities, and;
 - (c) 75% of the manager's value of unencumbered accounts receivable under 90 days, in each case approved by Lender. Borrower to provide to Lender monthly aged lists of accounts receivable and payable, and in house balance sheets and profit/loss statements within 20 days after each month end period.
- If advances exceed the maximum amount of credit available as established by the above formula, Lender may treat the excess as an overdraft. The Lender's overdraft interest rate in effect will be charged on the full amount of the excess.
- Lender is authorized to debit Borrower's account #852 1177583-01 with monthly interest payments at the end of each month.
- This line of credit is subject to periodic (and at least annual) review. The next scheduled review date is March 31, 2008.
- This line of credit will expire and all outstanding amounts under it will be payable in full on demand by Lender.

\$750,000.00 Independent Business Loan - Variable Rate Advance

- Capital loan granted to fund the purchase of the equipment needed to build trusses and floor joists.
- Lender is authorized to advance loan in draws against paid receipts at 75% of purchase price excluding GST.
- Advance interest calculated on daily outstanding principal at 2.00% above Prime per annum will be payable on the last day of each month.
- Interest only monthly, thereafter.
- Blended payments of \$13,200.00 per month will be payable on the last day of each month commencing four months following the first advance on this loan, to be applied at Lender's option firstly to accrued interest and secondly in reduction of principal.
- Lender is authorized to charge monthly payments to Borrower's account # 852 1177583-01.
- Monthly payments are subject to adjustments on notice to Borrower by Lender to reflect changes in interest rates while maintaining amortization period of 6 years.
- Conversion Privilege: Borrower may apply at any time to Lender to change the applicable interest rate as follows:
 - (a) Application may be made for the purpose of converting from a variable rate loan to a fixed rate loan. If approval is granted, the Borrower will pay an administration fee of \$1,000.00, together with all out of pocket expenses incurred by Lender;
 - (b) Borrower will execute and deliver all amending agreements, renewal promissory notes and any other documents required by Lender;
 - (c) All accrued interest to conversion date will be paid by Borrower.
- This loan is subject to periodic (and at least annual) review. The next scheduled review date is March 31, 2008.
- This loan will expire and all outstanding amounts under it will be payable in full on demand by Lender or March 31, 2008.

\$50,000.00 Alberta Business Card MasterCard

- Interest calculated on daily outstanding principal at 3.00% above Prime.
- Minimum monthly payment of 3.00% of the balance outstanding at billing date is required.
- Other terms & conditions as outlined in the ATB MasterCard Cardholder Agreement.

Covenants:

The Borrower will:

- Provide to Lender within 90 days after the end of each of its fiscal years, Review Engagement financial statements prepared by a firm of qualified accountants and signed by appropriate officers of Borrower. Lender reserves the right to require audited financial statements.
- Pay and remit all sums when due to tax and other governmental authorities (including, without limitation, any sums in respect of employees) and provide proof to Lender upon request.
- Provide Lender with such information and documentation as Lender may reasonably require from time to time in respect of the collection and payment of GST including, without limitation, information concerning the amount of taxable supplies, GST collected, input tax credits received and GST paid during each of Borrower's reportable periods.
- Forward to Lender copy of any GST election forms filed with Canada Customs and Revenue Agency.
- Advise Lender of any transfer or exchange of assets with a related party where no funds are exchanged (i.e. nil consideration).

Covenants: Cont'd

Borrower will not, without the prior written consent of Lender:

- Borrow money from or grant security to anybody other than Lender.
- Amalgamate with anybody else or voluntarily wind up the affairs of Borrower.
- Pay any sums to shareholders or related persons, whether in the form of salaries, bonuses, dividends, management fees, repayment of loans or otherwise that would cause an operating loss, cashflow deficit or breach of covenant for each fiscal year of Borrower.
- Permit its Working Capital Ratio (current assets divided by current liabilities) to reduce below a level of 1.25 to 1, excluding current portion of long-term debt.
- Permit its Debt to Equity Ratio (total debt divided by total equity (less goodwill/intangibles/amounts owing from affiliates)) to increase above a level of 3 to 1 to be achieved by next corporate year-end.
- Reduce the Shareholder Equity (postponed shareholders loans plus retained earnings (less goodwill/intangibles) plus share capital) below a level of \$500,000.00.
- Permit its debt service coverage ratio to decrease below a level of 1.25 to 1, to be achieved by next corporate year-end.

Fees:

- Non-refundable application fee of \$6,250.00.
- Non-refundable monthly administration fee of \$50.00.
- Non-refundable annual fee for Alberta Business MasterCard of \$65.00 for the first card and \$35.00 for each additional card.
- Any amount in excess of established credit facilities will be subject to a FEE of 1.00% (minimum \$50.00) of such excess for each minimum 30 day period, where Lender in its discretion permits excess borrowings, if any.
- Non-refundable fee of \$50.00 per report period for late delivery to the branch of inventory listings, accounts receivable and accounts payable listings and interim financial statements.
- Non-refundable fee of \$100.00 per report period for late delivery to the branch of company annual financial statements.
- Non-refundable fee of \$35.00 for each NSF or dishonoured loan payment.
- Alberta Treasury Branches reserves the right to levy a renewal fee at the expiry of each credit facility.

Security Documents:

The Security Documents (whether now held or hereafter delivered) will secure all Credit Facilities unless and until otherwise agreed in writing by Lender:

The following security is required:

- Corporate documentation.
- Demand Promissory Note in the amount of \$750,000.00 drawn at 2.00% above the Prime Lending rate.
- Revolving Line of Credit Agreement and related Demand Promissory Note in the amount of \$500,000.00 drawn at 2.00% above the Prime Lending rate.
- General Security Agreement covering all of the debtors present and after acquired personal property and proceeds.
- General Security Agreement covering all of the debtors present and after acquired personal property and proceeds registered in the name of 1006495 Alberta Ltd.
- Deposit of Security Agreement.
- Fire and extended coverage insurance policy for the full insurable value of Borrower's assets, with loss payable to Lender as its interest warrants, containing acceptable mortgage clause shall be maintained by Borrower.
- General Liability Insurance for the amount of \$2,000,000.00 will be required.
- Unlimited Continuing Guarantee and Postponement of Claim signed by Arnold Penner.
- Unlimited Continuing Guarantee and Postponement of Claim signed by Dorothy Penner.
- Unlimited Continuing Guarantee and Postponement of Claim signed by 1006495 Alberta Ltd. and supported by Corporate Guarantee Resolution and corporate documentation.
- Assignment of Key man Life Insurance for Arnold Penner and Dorothy Penner.
- Environmental Questionnaire and Disclosure Statement.
- Authority to Debit account.
- Bills of sale and/or invoices.
- Credit information and Alberta Land Titles Office name search consent form.
- Group Creditor Loan Insurance to be offered.
- Such additional securities and other documents as Lender may reasonably require/Lender's solicitor may recommend

Conditions Precedent:

None of the Credit Facilities will be available and the availability of further advances on any of the loans will be curtailed until the following conditions precedent have been satisfied, unless waived by Lender in writing:

- Lender is satisfied that no prior liens, mortgages, charges, encumbrances, writs or other security interests are registered relative to a project or against borrower's assets.
- Lender has received all Security Documents and all registrations and filings have been completed, in all cases in form and substance satisfactory to Lender.
- Borrower has provided all financial statements, appraisals, environmental reports and any other information that Lender may require.
- Lender is satisfied as to the value of Borrower's assets and financial condition, and Borrower's ability to carry on business and repay any amount owed to Lender from time to time.
- All credit facilities listed are subject to annual review by Lender.
- There is no Event of Default.
- Borrower to provide evidence of the original shareholder equity in the minimum amount of \$500,000.00 Funds are either to be on deposit with Alberta Treasury Branches or held in trust with solicitor or may be evidenced by way of paid invoices in the company name.

Conditions Precedent: Cont'd

- Borrower to provide four "Letters of Intent" to state:
Outside Investors will only receive repayment in the form of company dividends.
Outside investors will be seen on the balance sheet as a shareholder loans, with no repayment schedule set.
Outside investors will only receive payment once Penn-Tech Truss Co. makes a profit.
Outside investors have no voting privileges; Arnold and Dorothy will be viewed as sole owners of Penn-Tech Truss Co.
- Outside investors to be approved by Alberta Treasury Branches.
- Postponements of Claim to be obtained from any additional/outside investors.

Events of Default:

Without restricting Lender's right to demand payment at any time as described under Details of Credit Facilities, Lender may, by notice to Borrower, terminate any or all of the Credit Facilities and demand immediate payment and, failing such immediate payment, Lender may realize under the Security Documents as Lender thinks fit, in any of the following events:


- If Borrower defaults in payment of any sum when due;
- If Borrower defaults in the observance or performance of any covenant or other obligation it has to Lender.
- If any other creditor of Borrower or a Guarantor (if any) takes collection steps against Borrower or its assets.
- If control of Borrower ceases to be vested either directly or indirectly in the existing shareholders. In the foregoing "control" means the right to elect a majority of the Board of Directors of Borrower.
- If a judgement is entered against Borrower or a Guarantor (if any).
- If any action is taken to wind up the affairs of Borrower or a Guarantor (if any) or to put Borrower or a Guarantor (if any) into bankruptcy or to appoint a receiver for Borrower or a Guarantor (if any) or any of its property.
- If Borrower or a Guarantor (if any) becomes insolvent.
- If Borrower ceases to carry on its business or makes a bulk sale of its assets.
- If, in the opinion of Lender, any material adverse change occurs in the business, management, prospects, assets, liabilities or condition (financial or otherwise) of Borrower or a Guarantor (if any).

Miscellaneous:

- These facilities will expire and all amounts under it will be payable in full on demand by Lender.
- All legal and other costs and expenses incurred by Lender in respect of the Credit Facilities, the Security Documents and other related matters will be paid or reimbursed by Borrower on demand by Lender.
- Lender, without restriction, may waive the satisfaction, observance or performance of any of the Conditions or Covenants contained in this Outline of Credit. Except to the extent that such waiver relates to an obligation of a Guarantor, the obligations of Guarantors (if any) will not be diminished, discharged or otherwise affected by or as a result of any such waiver.
- In accepting this letter, the directors acknowledge they have reviewed and accepted the annual financial statements for year-end

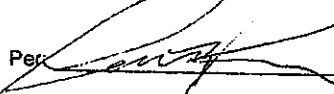
Interpretation:

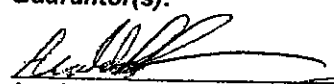
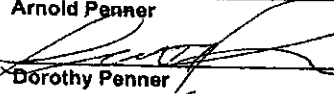
"Prime" means the prime lending rate per annum established by Lender from time to time. Where the interest rate for credit is based on Prime, the applicable rate on any day will depend on the Prime in effect on that day. The statement by Lender as to Prime and as to the rate of interest applicable to a credit on any day will be binding and conclusive for all purposes; All interest rates specified are nominal annual rates. The effective annual rate in any case will vary with payment frequency.

Alberta Treasury Branches: Per: 
Graham Miller - Account Manager
Phone: (403) 507-4083

Penn-Tek Truss & Floor Systems Inc.
R.R. #1, Site 4, Box 13
Olds, Alberta T4H 1P2

Per:  Date Accepted: Apr 4/07

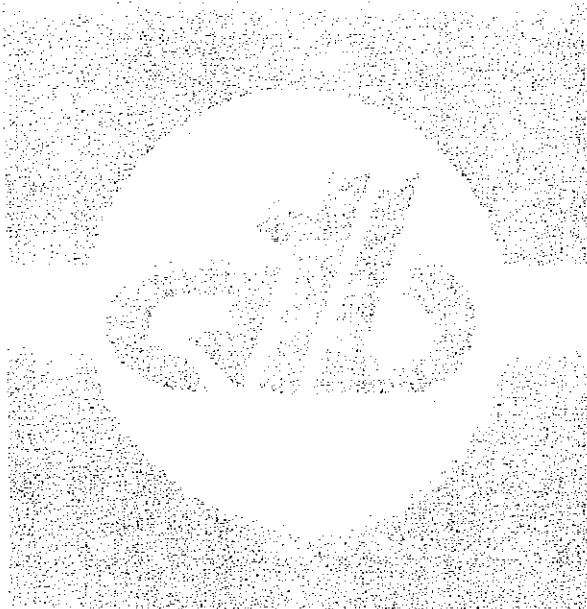
Per:  Date Accepted: APR 4/07

Guarantor(s):
 Date Accepted: APR 4/07
Arnold Penner
 Date Accepted: APR 4/07
Dorothy Penner

1006495 Alberta Ltd.

Per: *[Signature]* Date Accepted: APR 4/07

Per: *[Signature]* Date Accepted: APR 4/07



GENERAL SECURITY AGREEMENT
Non-Consumer

TO: Alberta Treasury Branches
("ATB")

BRANCH: Olds Branch, 4905 - 50th Avenue, Olds, Alberta T4H 1P5

FROM: Penn-Tek Truss & Floor Systems Inc. (the "Debtor")

THIS IS EXHIBIT "C"
referred to in the Affidavit of
Hubrey Wells
Sworn before me this 17
day of May A.D. 2008
[Signature]
A Commissioner for Oaths
In and for the Province of Alberta

1. DEFINITIONS

All capitalized terms used in this Agreement and in any schedules attached hereto shall, except where defined herein, be interpreted pursuant to their respective meanings when used in the Personal Property Security Act of Alberta, as in force at the date of this Agreement, which Act including amendments thereto and any Act substituted therefor and amendments thereto is herein defined as the "PPSA".

2. SECURITY INTEREST AND CHARGE

- (a) As continuing security for the payment and performance of all debts, liabilities and obligations of the Debtor to ATB howsoever arising (present and future, absolute and contingent, direct and indirect) (the "Indebtedness"), the Debtor hereby grants a mortgage, pledge, charge and security interest (which, in the case of any Collateral not subject to the PPSA, shall be a mortgage as and by way of a floating charge) to and in favour of ATB in all property, assets and undertaking of the Debtor referred to in Schedule "A" (including any such property, assets and undertaking whether owned or leased by the Debtor) and in all Proceeds and renewals thereof, accessions thereto and substitutions therefor (hereinafter collectively called the "Collateral").
- (b) The mortgages, pledges, charges, security interests and floating charges (if applicable) granted hereunder are hereinafter collectively called the "Security Interests". The Debtor warrants and acknowledges to and in favour of ATB that:
- (i) the parties intend the Security Interest hereby constituted in any of the Debtor's existing property which is subject to the PPSA to attach upon execution and delivery hereof;
 - (ii) the parties intend the Security Interest created in any of the Debtor's after-acquired property which is subject to the PPSA to attach at the same time as it acquires rights in the after-acquired property; and
 - (iii) value has been given.
- (c) For greater certainty, where the Collateral includes all of the Debtor's present and after-acquired personal property, and any of such Collateral is or becomes located on lands or premises leased or subleased by the Debtor, the Collateral includes the Debtor's interest as tenant or lessee under any and all of such leases and subleases of the lands or premises.

3. CONTINUOUS INTEREST

The Security Interest hereby created shall be a continuous charge notwithstanding the Indebtedness may be fluctuating and even may from time to time, and at any time, be reduced to a nil balance and notwithstanding monies advanced may be repaid and future advances made to or to the order of the Debtor or in respect of which the Debtor is liable. The Security Interest obtains priority for all advances and obligations secured hereby whether any such advances and obligations are made after the registration or creation of any Encumbrance (as hereinafter defined) and notwithstanding that at any time there may not be any Indebtedness then outstanding.

4. AUTHORIZED DEALING WITH COLLATERAL

Until Default, or until ATB provides written notice to the contrary to the Debtor, the Debtor may deal with the Collateral in the ordinary course of the Debtor's business in any manner not inconsistent with the provisions of this Agreement, provided that the Debtor may not, without the prior written consent of ATB:

- (a) sell or dispose of any of the Collateral other than inventory being sold or disposed of for fair market value in the ordinary course of the Debtor's business as it is presently conducted and for the purpose of carrying on that business, or
- (b) create or incur any security interest, mortgage, lien, claim, charge or other encumbrance upon any of the Collateral whether it would rank or purport to rank in priority to, equally with or behind the Security Interest granted under this Agreement, except operating leases incurred in the ordinary course of the Debtor's business.

Nothing in this Agreement or otherwise creates a postponement or subordination of any priority of ATB in any of the Collateral in favour of any present or future holder of a security interest (including without limitation, a holder of a lease) in any of the Collateral.

If the Collateral comprises any Security, Chattel Paper, Instruments, Money or Documents of Title, the Debtor will, upon request, deliver the same to ATB and will allow ATB to retain possession of the same.

5. REPRESENTATIONS AND WARRANTIES OF THE DEBTOR

The Debtor hereby represents and warrants to ATB that:

- (a) the Collateral is owned by the Debtor free of all security interests, mortgages, liens, claims, charges or other encumbrances (hereinafter collectively called "Encumbrances"), save for those Encumbrances agreed to in writing between ATB and the Debtor and those shown on Schedule "B" hereto;

- (b) each Account, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor") and the amount represented by the Debtor to ATB from time to time as owing by each Account Debtor will be the correct amount actually and unconditionally owing from such Account Debtor;
- (c) the description of the Collateral in Schedule "A" hereto is complete and accurate and all serial numbers affixed to or ascribed to any of the Collateral have been provided to ATB;
- (d) the Debtor has full power and authority to conduct its business and own its properties in all jurisdictions in which the Debtor carries on business, except to the extent any failure to do so would not reasonably be expected to have a material adverse effect on its business, operations or financial condition, and has full power and authority to execute, deliver and perform all of its obligations under this Agreement;
- (e) this Agreement when duly executed and delivered by the Debtor will constitute a legal, valid and binding obligation of the Debtor, subject only that such enforcement may be limited by bankruptcy, insolvency and any other laws of general application affecting creditors' rights and by rules of equity governing enforceability by specific performance;
- (f) there is no provision in any agreement to which the Debtor is a party, nor to the knowledge of the Debtor is there any statute, rule or regulation, or any judgement, decree or order of any court, binding on the Debtor which would be contravened by the execution and delivery of this Agreement;
- (g) there is no litigation, proceeding or dispute pending, or to the knowledge of the Debtor threatened, against or affecting the Debtor or the Collateral, the adverse determination of which might materially and adversely affect the Debtor's financial condition or operations or impair the Debtor's ability to perform its obligations hereunder;
- (h) the names of the Debtor are accurately and fully set out below, and the Debtor is not nor has it been known by any other names;
- (i) the Collateral is located in the Province of Alberta unless otherwise indicated on Schedule "A" hereto. With respect to Goods (including Inventory) constituting Collateral, the locations specified in Schedule "A" are accurate and complete save for Goods in transit to such locations and Inventory on lease or consignment; and all buildings, fixtures or Goods about to become fixtures and all crops and all oil, gas or other minerals to be extracted and all timber to be cut which forms part of the Collateral will be situated at one of such locations;
- (j) the Collateral, except as previously communicated to ATB in writing, does not consist of Goods that are of a kind that are normally used in more than one jurisdiction; and
- (k) the Debtor's place of business, or if more than one place of business, the Debtor's chief executive office, is located in the Province of Alberta (unless otherwise advised to ATB in writing).

6. COVENANTS OF THE DEBTOR

The Debtor hereby covenants with ATB that:

- (a) the Debtor owns and will maintain the Collateral free of Encumbrances, except those agreed to in writing between ATB and the Debtor and those described in Schedule "B" hereto, or hereafter approved in writing by ATB prior to their creation or assumption and will defend title to the Collateral for the benefit of ATB against the claims and demands of all persons;
- (b) the Debtor will maintain the Collateral in good condition and repair and will not allow the value of the Collateral to be materially impaired and will permit ATB or such person as ATB may from time to time appoint to enter into any premises during business hours (or at such other time as may be reasonably requested by ATB or such person) where the Collateral may be kept to view its condition;
- (c) the Debtor will conduct its business in a proper and business-like manner and will keep proper books of account and records of its business, and upon request will furnish access to its books and records at all reasonable times, and will give to ATB any information which it may reasonably require relating to the Debtor's business;
- (d) the Debtor will punctually pay all rents, taxes, rates and assessments lawfully assessed or imposed upon any property or income of the Debtor and will punctually pay all debts and obligations to labourers, workmen, employees, contractors, subcontractors, suppliers of materials and other debts which, when unpaid, might under the laws of Canada or any province of Canada have priority over the Security Interest granted by this Agreement;
- (e) the Debtor will punctually make all payments and perform all of its obligations arising in its capacity as tenant under any lease and in its capacity as mortgagor under any agreement charging property of the Debtor;
- (f) the Debtor will immediately give notice to ATB of:
 - (i) any change in the location of the Collateral from that specified in Section 5(i) hereof;
 - (ii) the details of any material acquisition or disposition of Collateral (whether authorized by ATB or not);
 - (iii) any material loss of or damage to Collateral;
 - (iv) the details of any claims or litigation affecting materially the Debtor or Collateral;
 - (v) any change of its name; and
 - (vi) any change of its place of business, or if it has more than one place of business, of its chief executive office;
- (g) the Debtor will insure and keep insured the Collateral (or, in the case of real property, the buildings located on and constituting a part of the Collateral) against loss or damage by fire or other insurable hazards to the extent of its full insurable value, and will maintain all such other insurance as ATB may reasonably require. The loss under the policies of insurance will be made payable to ATB as its interest may appear and will be written by an insurance company approved by ATB on terms reasonably satisfactory to ATB and the Debtor will provide ATB with copies of the same. The Debtor will pay all premiums and other sums of money necessary for such purposes as they become due and deliver to ATB proof of said payment, and will not allow anything to be done by which the policies may become vitiated. Upon the happening of any loss or damage the Debtor will furnish at its expense all necessary proofs and will do all necessary acts to enable ATB to obtain payment of the insurance monies;
- (h) the Debtor will observe the requirements of any regulatory or governmental authority with respect to the Collateral, except to the extent any failure to do so would not reasonably be expected to have a material adverse effect on its business, operations or financial condition;
- (i) the Debtor will not remove any of the Collateral from Alberta (or such other jurisdiction or jurisdictions as the Debtor and ATB may agree upon in writing) without prior written consent of ATB;
- (j) ATB may pay or satisfy any Encumbrance created in respect of any Collateral, or any sum necessary to be paid to clear title to such Collateral, and the Debtor agrees to repay the same on demand, plus interest thereon at a rate equal to the highest rate of interest payable by the Debtor on any portion of the Indebtedness;

- (k) ATB and Debtor may from time to time agree in writing as to affirmative covenants and restrictions to be performed and observed by the Debtor in respect of provision of financial information, payment of dividends, capital expenditures, incurring of additional obligations, reduction of capital, distribution of assets, amalgamation, repayment of loans, lending of money, sale and other disposition of assets and/or such other matters as ATB and Debtor may think fit, and the Debtor agrees to perform and observe such affirmative and negative covenants and restrictions to the same extent and effect as if the same were fully set forth in this Agreement; and
- (l) the Debtor will not permit the Collateral constituting personal property to become affixed to real or other personal property (unless the Debtor owns such real or other personal property subject only to those Encumbrances agreed to in writing between ATB and the Debtor and those shown in Schedule "B" hereto, and ATB has a Security Interest therein having the same priority as in respect of the Collateral becoming so affixed) without the prior consent of ATB in writing, and will obtain and deliver to ATB such waivers regarding the Collateral as ATB may reasonably request from any owner, landlord or mortgagee of the premises where Collateral is or may be located.

7. DEFAULT

The happening of any of the following shall constitute default (a "Default") under this Agreement:

- (a) the Debtor fails to pay, when due, the Indebtedness or any part thereof;
- (b) the Debtor fails, when due, to perform any obligation (other than payment of the Indebtedness or any part thereof) to ATB, and such failure is not cured within 5 days of the date the Debtor first knew or should have known of such failure;
- (c) the Debtor fails when due to perform any obligation to any other person, and such failure is not cured within 7 days of the date the Debtor first knew or should have known of such failure;
- (d) any representation or warranty made in this Agreement or any other document or report furnished to ATB in respect of the Debtor or the Collateral proves to have been or to have become false or misleading in a material respect;
- (e) the Debtor ceases or demonstrates an intention to cease to carry on business or disposes or purports to dispose of all or a substantial part of its assets;
- (f) any of the licenses, permits or approvals granted by any government or any government authority and material to the business of the Debtor is withdrawn, cancelled or significantly altered;
- (g) an order is made or a resolution passed for winding up the Debtor, or a petition is filed for the winding up, dissolution, liquidation or amalgamation of the Debtor;
- (h) the Debtor becomes insolvent or makes an assignment or proposal for the benefit of its creditors, or a bankruptcy petition or receiving order is filed or made against the Debtor, or a Receiver of the Debtor or any part of its property is appointed, or the Debtor commits or demonstrates an intention to commit any act of bankruptcy, or the Debtor otherwise becomes subject to the provisions of the Bankruptcy and Insolvency Act or any other act for the benefit of its creditors;
- (i) any execution, sequestration, extent or distress or any other like process is levied or enforced against any property of the Debtor, or a Secured Party takes possession of any of the Debtor's property;
- (j) any material adverse change occurs in the financial position of the Debtor; and
- (k) ATB considers that it is insecure, or that the prospect of payment or performance by the Debtor of the Indebtedness is or is about to be impaired, or that the Collateral is or is about to be placed in jeopardy.

8. REMEDIES

On Default:

- (a) ATB may seize or otherwise take possession of the Collateral or any part thereof and sell the same by public or private sale at such price and upon such terms as ATB in its sole discretion may determine and the proceeds of such sale less all costs and expenses of ATB (including costs as between a solicitor and its own client on a full indemnity basis) shall be applied on the Indebtedness and the surplus, if any, shall be disposed of according to law;
- (b) ATB has the right to enforce this Agreement by any method provided for in this Agreement or otherwise as permitted by law, and to dispose of the Collateral by any method permitted by law, including disposal by lease or deferred payment;
- (c) ATB may apply to court for the appointment of a Receiver, or may appoint by instrument any person or persons, to be a Receiver of any Collateral, and may remove any person so appointed and appoint another in his stead. The term "Receiver" as used in this Agreement includes a Receiver-Manager;
- (d) any Receiver will have the power:
 - (i) to take possession of any Collateral and for that purpose to take any proceedings, in the name of the Debtor or otherwise;
 - (ii) to carry on or concur in carrying on the business of the Debtor;
 - (iii) to sell or lease any Collateral;
 - (iv) to make any arrangement or compromise which he may think expedient in the interest of ATB;
 - (v) to pay all liabilities and expenses connected with the Collateral, including the cost of insurance and payment of taxes or other charges incurred in obtaining, maintaining possession of and preserving the Collateral, and the same shall be added to the Indebtedness and secured by the Collateral;
 - (vi) to hold as additional security any increase or profits resulting from the Collateral;
 - (vii) to exercise all rights that ATB has under this Agreement or otherwise at law;
 - (viii) with the consent of ATB in writing, to borrow money for the purpose of carrying on the business of the Debtor or for the maintenance of the Collateral or any part thereof or for other purposes approved by ATB, and any amount so borrowed together with interest thereon shall form a charge upon the Collateral in priority to the Security Interest created by this Agreement; and
 - (ix) to enter into and to occupy any premises in which the Debtor has any interest;
- (e) the Debtor hereby appoints each Receiver appointed by ATB to be its attorney to effect sale or lease of any Collateral and any deed, lease, agreement or other document signed by a Receiver under his seal pursuant hereto will have the same effect as if it were under the seal of the Debtor;
- (f) any Receiver will be deemed to be the agent of the Debtor, and the Debtor will be solely responsible for his acts or defaults and for his remuneration and expenses, and ATB will not be in any way responsible for any misconduct or negligence on the part of any Receiver;

- (g) neither ATB nor any civil enforcement agent, sheriff, Receiver or person having similar responsibilities will be required to take any steps to preserve any rights against other parties pursuant to any Chattel Paper, Security or Instrument constituting the Collateral or any part of it. Furthermore, ATB shall have no obligation to take any steps to preserve prior encumbrances on any Collateral whether or not in ATB's possession and shall not be liable or accountable for failure to do so;
- (h) neither ATB nor any civil enforcement agent, sheriff, Receiver or person having similar responsibilities is required to keep Collateral identifiable; and
- (i) ATB may use the Collateral in any manner as it in its sole discretion deems advisable.

9. COLLECTION OF DEBTS

Before or after Default, ATB may notify all or any Account Debtors of the Security Interest and may also direct such Account Debtors to make all payments on Collateral to ATB. The Debtor acknowledges that any payments on or other proceeds of Collateral received by the Debtor from Account Debtors after Default under this Agreement and whether before or after notification of this Security Interest to Account Debtors shall be received and held by the Debtor in trust for ATB and shall be turned over to ATB on request. The Debtor shall furnish ATB with all information which may assist in the collection of all Accounts and any other monies or debts due to the Debtor.

10. SECURITIES

If Collateral at any time includes Securities, the Debtor irrevocably authorizes and appoints ATB as its attorney and agent to transfer the same or any part thereof into its own name or that of its nominee(s) so that ATB or its nominee(s) may appear on record as the sole owner thereof; provided that, until Default, ATB shall deliver promptly to the Debtor all notices or other communications received by it or its nominee(s) as such registered owner and, upon demand and receipt of payment of any necessary expenses thereof, shall issue to the Debtor or its order a proxy to vote and take all action with respect to such Securities. After Default, the Debtor waives all rights to receive any notices or communications received by ATB or its nominee(s) as such registered owner and agrees that no proxy issued by ATB to the Debtor or to its order as aforesaid shall thereafter be effective.

11. COLLATERAL IN POSSESSION OF ATB

Collateral held in possession of ATB pursuant to this Agreement is in this clause referred to as "Retained Collateral". The Debtor agrees with ATB that:

- (a) ATB's responsibility with regard to the Retained Collateral shall be limited to exercising the same degree of care which it gives to similar property held by ATB at the branch where the Retained Collateral is held. ATB shall not in any event be obligated to protect the Retained Collateral from depreciating or becoming worthless, or to present, protest, collect, enforce or realize on any of the Retained Collateral;
- (b) ATB shall not be obliged to collect or see to the payment of revenues, incomes, interest or dividends upon any of the Retained Collateral, but all such revenues, incomes, interest or dividends, if any, when received by the Debtor, shall immediately be paid to ATB. ATB, in its sole discretion, may hold such monies as Collateral or appropriate it to any portion of the Indebtedness;
- (c) the Debtor irrevocably appoints ATB as its attorney and agent, with full powers of substitution, to sell, transfer, surrender, redeem, endorse or otherwise deal with any of the Retained Collateral as ATB, in its sole discretion, may see fit; and
- (d) ATB shall have all rights and powers, but shall not be required to exercise any right or benefit which the holder or owner of the Retained Collateral may at any time have in connection with the Retained Collateral.

12. ACCELERATION

In the event of Default, ATB, in its sole discretion, may without demand or notice of any kind, declare all or any of the Indebtedness which is not by its terms payable on demand, to be immediately due and payable.

13. NOTICE

Any notice or demand required or permitted to be made or given by ATB to the Debtor may be validly served by leaving the same or by mailing the same prepaid registered mail addressed to the Debtor at the last known address of the Debtor or of any officer or director thereof, as shown on the records of ATB, and in the case of mailing, such notice or demand shall be deemed to have been received by the Debtor on the third business day following the date of mailing.

14. COSTS AND EXPENSES

The Debtor agrees to pay all costs, charges and expenses reasonably incurred by ATB or any Receiver appointed by it (including without restricting the generality of the foregoing, legal costs as between a solicitor and his own client on a full indemnity basis and also an allowance for the time, work and expenses of ATB or of any agent, solicitor, or servant of ATB for any purpose herein provided at such rates as ATB may establish in its sole discretion from time to time), in preparing, registering or enforcing this Agreement, taking custody of, preserving, maintaining, repairing, processing, preparing for disposing of Collateral and in enforcing or collecting the Indebtedness and all such costs, disposition and charges and expenses shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.

15. REAL PROPERTY (ONLY APPLICABLE IF OPTION (b) IN SCHEDULE A HAS BEEN SELECTED OR DEEMED TO HAVE BEEN SELECTED)

- (a) For all purposes, including without limitation any application to register a crystallized floating charge under the Land Title Act (British Columbia) against any real property, the floating charge created by this Agreement shall be crystallized and become a fixed charge upon the earliest of:
 - (i) any one of the events described in Section 7 hereof occurring;
 - (ii) a declaration by ATB pursuant to Section 12; or

- (iii) ATB taking any action pursuant to Section 8 hereof to appoint a Receiver or to enforce its Security Interest or to realize upon all or any part of the Collateral.
- (b) In accordance with the Property Law Act (British Columbia), the doctrine of consolidation applies to this Agreement.
- (c) Nothing contained in this Section 15 or otherwise shall affect ATB's ability to register this Agreement or a caveat or other instrument in respect thereof at any real property registry or office prior to crystallization.

16. MISCELLANEOUS

- (a) Without limiting any other right of ATB, whenever the debts and liabilities of the Debtor to ATB are immediately due and payable, or ATB has the right to declare the debts and liabilities to be immediately due and payable, whether or not it has so declared, ATB may, in its sole discretion, set-off against the debts and liabilities any and all monies then owed to the Debtor by ATB in any capacity, whether due or not due, and ATB shall be deemed to have exercised such right of set-off immediately at the time of making its decision to do so even though any charge therefor is made or entered on ATB's records subsequent thereto.
- (b) ATB may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with the Debtor, sureties and others and with Collateral and other security as ATB may see fit without prejudice to the liability of the Debtor or ATB's right to hold and realize the Security Interest. ATB may demand, collect and sue on Collateral in either the Debtor's or ATB's name, at ATB's option, and may endorse the Debtor's name on any and all cheques, commercial paper and any other instruments pertaining to or constituting Collateral.
- (c) Upon the Debtor's failure to perform any of its duties under this Agreement, ATB may, but shall not be obligated to, perform any such duties, and the Debtor will pay to ATB, upon demand, an amount equal to the expense incurred by ATB in so doing with interest thereon from the date such expense is incurred at a rate equal to the highest rate of interest payable by the Debtor on any portion of the Indebtedness.
- (d) This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns. In any action brought by an assignee of this Agreement or the Security Interest created hereunder or any part thereof, the Debtor shall not assert against the assignee any claim or defense which the Debtor now has or hereafter may have against ATB.
- (e) If more than one person executes this Agreement as the Debtor:
 - (i) the obligations of such persons hereunder shall be joint and several;
 - (ii) the Security Interests shall secure the Indebtedness of each Debtor, whether or not any other Debtor or any other person is also liable therefor; and
 - (iii) the Collateral shall include any interest of any Debtor in the property, assets and undertaking constituting Collateral owned or otherwise held by such Debtor, whether or not any other Debtor also has an interest therein.
- (f) This agreement is in addition to and not in substitution for any other security or securities now or hereafter held by ATB and all such other securities shall remain in full force and effect.
- (g) The Debtor further agrees to execute and deliver to ATB such further assurances and conveyances and supplemental deeds as may be necessary to properly carry out the intention of this Agreement, as determined by ATB, or as may be required by ATB from time to time, in each case acting reasonably.
- (h) After Default, ATB may from time to time apply and re-apply, notwithstanding any previous application, in any such manner as it, in its sole discretion, sees fit, any monies received by it from the Debtor or as a result of any enforcement or recovery proceedings, in or toward payment of any portion of the Indebtedness.
- (i) In the event that the Debtor is a body corporate, it is hereby agreed that The Limitation of Civil Rights Act of the Province of Saskatchewan, or any provision thereof, shall have no application to this Agreement or any agreement or instrument renewing or extending or collateral to this Agreement. In the event that the Debtor is an agricultural corporation within the meaning of The Saskatchewan Farm Security Act, the Debtor agrees with ATB that all of Part IV (other than Section 46) of that Act shall not apply to the Debtor.
- (j) In the event that the Debtor is a body corporate, the Debtor further agrees that The Land Contracts (Actions) Act of the Province of Saskatchewan shall have no application to an action, as defined in that Act, with respect to this Agreement.
- (k) For the purpose of assisting ATB in assessing the creditworthiness of the Debtor or the ownership or description of any of the Collateral, and for the purpose of collecting all or any portion of the Indebtedness owing by the Debtor to ATB, the Debtor consents to the disclosure and release to ATB of personal information, including without limitation, motor vehicle information from Alberta Registries (or any other provincial government department having jurisdiction in that area). This consent is effective from the effective date of this Agreement and shall remain in effect until all indebtedness; liabilities and other obligations of the Debtor to ATB are fully satisfied.

17. INTERPRETATION

- (a) If a portion of this Agreement is wholly or partially invalid, then this Agreement will be interpreted as if the invalid portion had not been a part of it.
- (b) Where the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary depending upon the person referred to being male, female or body corporate.
- (c) The last day of any term reserved by any lease or agreement to lease is excepted out of the Security Interest hereby created and does not form part of the Collateral, but the Debtor shall stand possessed of such last day in trust to assign same to any person acquiring such term.
- (d) This Agreement will be interpreted in accordance with the laws of the Province of Alberta, and the Debtor irrevocably agrees that any suit or proceeding with respect to any matters arising out of or in connection with this Agreement may be brought in the courts of the Province of Alberta or in any court of competent jurisdiction, as ATB may elect, and the Debtor agrees to attorn to the same.

SCHEDULE A

Description of Collateral:

Select appropriate box or boxes. If no box is selected, the Debtor shall be deemed to have selected box (b).

- (a) All of the Debtor's present and after-acquired personal property.
- (b) All of the Debtor's present and after-acquired property, assets and undertaking, including without limitation all present and after-acquired personal property, and all present and after-acquired real, immoveable and leasehold property.
- (c) All of the Debtor's present and after-acquired personal property except:
- (d) All ~~xxxx~~ equipment of whatever kind and wherever situated including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles of whatever nature.
- (e) All accounts, instruments, debts and chattel paper which are now due, owing or accruing due, or which may hereafter become due, owing or accruing due, to the Debtor, together with all records (whether in writing or not) and other documents of any kind which in any way evidence or relate to any or all of the accounts, instruments, debts or chattel paper.
- (f) All of the Debtor's present and after-acquired inventory, wherever located.
- (g) The following described personal property:
- (h) All harvested and unharvested crops whether growing or matured, and whether grain, roots, seeds, leaves or otherwise howsoever, and any interest of the Debtor therein, wherever located.
- (i) All _____, male or female, born or unborn, branded or unbranded, of whatever age or stage of growth, wherever located.
- (j) All of the Debtor's present and after-acquired inventory, wherever located.
- (k) All _____, male and female, of whatever age or stage of growth, whenever located.

Listing of Serial Numbers:

The registration mark (for aircraft only) and the serial numbers of any motor vehicles, trailers, mobile homes, manufactured homes, boats, outboard motors for boats, or aircraft (other than those held as inventory for sale or lease by the Debtor) constituting Collateral are as follows:

<u>Make</u>	<u>Model</u>	<u>Year of Manufacture</u>	<u>Serial Number (and Registration Mark for aircraft only)</u>
-------------	--------------	--------------------------------	--

Locations of Collateral (Only complete if Collateral is located outside the Province of Alberta.)

The Collateral is located at the following location(s):

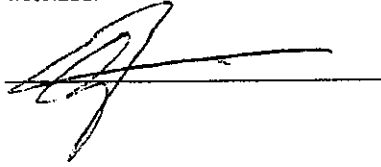
**SCHEDULE B
PERMITTED ENCUMBRANCES**

18. COPY OF AGREEMENT

The Debtor hereby acknowledges receipt of a copy of this Agreement, and waives any right it may have to receive a Financing Statement, Financing Change Statement or Verification Statement relating to it.

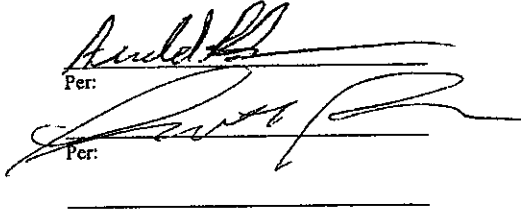
IN WITNESS WHEREOF the Debtor has executed this Agreement this 4 day of APR, 2007.

WITNESS:



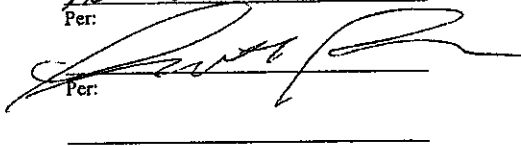
A handwritten signature in black ink, appearing to be a stylized 'J' or 'G', written over a horizontal line.

DEBTOR: Penn-Tek Truss & Floor Systems Inc.



A handwritten signature in black ink, appearing to be 'Hendricks', written over a horizontal line.

Per:



A second handwritten signature in black ink, appearing to be 'Lester', written over a horizontal line.

Per:



Personal Property Registry
Search Results Report

Search ID#: Z00342437

Transmitting Party

MCCARTHY TETRAULT LLP

3300 421 7 AVE SW
CALGARY, AB T2P 4K9

Party Code: 50087121
Phone #: 403 260 3500
Reference #: 174791-402846

Search ID #: Z00342437

Date of Search: 2008-May-14

Time of Search: 16:24:24

Business Debtor Search For:

PENN-TEK TRUSS & FLOOR SYSTEMS INC.

THIS IS EXHIBIT " D " referred to in the Affidavit of Aubrey Wells Sworn before me this 15 day of May A.D. 2008

[Signature]
A Commissioner for Oaths KELLAS
in and for the Province of Alberta
MY COMMISSION EXPIRES
MARCH 17, 2020

Exact Result(s) Only Found

NOTE:
A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.





**Personal Property Registry
Search Results Report**

Search ID#: Z00342437

Business Debtor Search For:

PENN-TEK TRUSS & FLOOR SYSTEMS INC.

Search ID #: Z00342437

Date of Search: 2008-May-14

Time of Search: 16:24:24

Registration Number: 07061436205

Registration Type: SECURITY AGREEMENT

Registration Date: 2007-Jun-14

Registration Status: Current

Expiry Date: 2011-Jun-14 23:59:59

Exact Match on: Debtor

No: 1

Amendments to Registration

07062240788

Amendment

2007-Jun-22

Debtor(s)

Block

1 PENN TEK TRUSS & FLOOR SYSTEMS INC
RR 1 SITE 4 BOX 13
OLDS, AB T4H 1P2

Status

Current

Block

2 1006495 AB LTD OA PENNER CONSTRUCTION
RR 1 SITE 4 BOX 13
OLDS, AB T4H 1P2

Status

Current

Block

3 PENNER, ARNOLD
RR1 SITE 4 BOX 13
OLDS, AB T4H 1P2

Status

Current

Birth Date:
1963-Oct-26

Secured Party / Parties

Block

1 941315 ALBERTA LTD.
1428 BEARSPAW DRIVE E
EDMONTON, AB T6J 5E3

Status

Deleted by
07062240788



**Personal Property Registry
Search Results Report**

Search ID#: Z00342437

<u>Block</u>		<u>Status</u>
2	598109 AB LTD GINGRAS ENTERPRISES LTD 4505 - 101 ST EDMONTON, AB T6E 5C6	Current

<u>Block</u>		<u>Status</u>
3	941315 ALBERTA LTD. 214, 3132 PARSONS ROAD EDMONTON, AB T6N 1L6	Current by 07062240788

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	ALL PRESENT AND AFTER ACQUIRED PROPERTY AND GOODS PER LEASE	Current
2	PCC060707 TOGETHER WITH ALL ATTACHMENTS ACCESSORIES ACCESSIONS	Current
3	REPLACEMENTS SUBSTITUTIONS, ADDITIONS AND IMPROVMENTS THERETO	Current
4	AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM	Current
5	ANY DEALING WITH THE COLLATERAL OR PROCEEDS THEREOF AND WITHOUT	Current
6	LIMITATION, MONEY CHEQUES, DEPOSITS IN DEPOSIT TAKING INSTITUTION	Current
7	GOODS ACCOUNTS RECEIVABLE RENTS OR OTHER PAYMENTS ARISING FROM	Current
8	THE LEASE OF THE COLLATERAL , CHATTEL PAPER, INSTRUMENTS	Current
9	INTANGIBLES, DOCUMENTS OF TITLE, SECURITES AND RIGHTS OF	Current
10	INSURANCE PAYMENTS OR ANY OTHER PAYMENTS AS INDEMNITY OR	Current
11	COMPENSATION FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF	Current
12	THE COLLATERAL INCLUDING BUT NOT LIMITED TO: 1 -2007 ZOOM BOOM	Current
13	DSL 8000LB 4WD 36'-44' MODEL ZB8044, MAKE CARELIFT,	Current
14	SN B8044T248470E	Current



**Personal Property Registry
Search Results Report**

Search ID#: Z00342437

Business Debtor Search For:

PENN-TEK TRUSS & FLOOR SYSTEMS INC.

Search ID #: Z00342437

Date of Search: 2008-May-14

Time of Search: 16:24:24

Registration Number: 07080123792

Registration Type: SECURITY AGREEMENT

Registration Date: 2007-Aug-01

Registration Status: Current

Expiry Date: 2013-Aug-01 23:59:59

Exact Match on: Debtor

No: 1

Debtor(s)

Block

1 PENN-TEK TRUSS & FLOOR SYSTEMS INC.
RR#1 SITE 4, BOX 13
OLDS, AB T4H 1P2

Status

Current

Block

2 1006495 ALBERTA LTD.
RR#1 SITE 4, BOX 13
OLDS, AB T4H 1P2

Status

Current

Block

3 PENNER CONSTRUCTION AND PENNER
RR#1 SITE 4, BOX 13
OLDS, AB T4H 1P2

Status

Current

Block

4 PENNER, DOROTHY
RR#1 SITE 4, BOX 13
OLDS, AB T4H 1P2

Status

Current

Block

5 PENNER, ARNOLD
RR#1 SITE 4, BOX 13
OLDS, AB T4H 1P2

Status

Current

Secured Party / Parties

Block

Status



**Personal Property Registry
Search Results Report**

Search ID#: Z00342437

1 NATIONAL LEASING GROUP INC.
1558 WILLSON PLACE
WINNIPEG, MB R3T 0Y4

Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	ALL SAWS OF EVERY NATURE OR KIND DESCRIBED IN LEASE NUMBER	Current
2	2385974 BETWEEN LEASE LINK CANADA CORP., AS ORIGINAL LESSOR AND	Current
3	THE DEBTOR AS LESSEE, WHICH LEASE WAS ASSIGNED BY THE ORIGINAL	Current
4	LESSOR TO THE SECURED PARTY, AS AMENDED FROM TIME TO TIME,	Current
5	TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES AND SUBSTITUTIONS.	Current



**Personal Property Registry
Search Results Report**

Search ID#: Z00342437

Business Debtor Search For:

PENN-TEK TRUSS & FLOOR SYSTEMS INC.

Search ID #: Z00342437

Date of Search: 2008-May-14

Time of Search: 16:24:24

Registration Number: 07042415229

Registration Type: SECURITY AGREEMENT

Registration Date: 2007-Apr-24

Registration Status: Current

Expiry Date: 2010-Apr-24 23:59:59

Exact Match on: Debtor

No: 1

Debtor(s)

Block

Status

1 PENN-TEK TRUSS & FLOOR SYSTEMS INC
RR1 SITE 4 BOX 13
OLDS, AB T4H 1P2

Current

Secured Party / Parties

Block

Status

1 MCAP LEASING INC.
5575 NORTH SERVICE RD, STE 300
BURLINGTON, ON L7L 6M1

Current

Collateral: General

Block

Description

Status

- 1 (1)KAESER ROTARTY SCREW COMPRESSOR 15HP, 208V/3/60HZ SIGMA
- 2 CONTROL BASIC S/N 1024 (1)KAESER TWIN TOWER AIR DRYER RATED
- 3 FOR 60 CFM @100 PSIG S/N 1271859-001-1 (1)WATER SEPARATOR
- 4 FILTER RATED FOR 60 CFM @ 100 PSIG (1)OIL COALESCRING FILTER
- 5 RATED FOR 60 CFM @ 100 PSIG (1)FULL FEATURE 120 GAL.
- 6 VERTICAL AIR RECEIVER

Current

Current

Current

Current

Current

Current



**Personal Property Registry
Search Results Report**

Search ID#: Z00342437

Business Debtor Search For:

PENN-TEK TRUSS & FLOOR SYSTEMS INC.

Search ID #: Z00342437

Date of Search: 2008-May-14

Time of Search: 16:24:24

Registration Number: 07041810149

Registration Type: SECURITY AGREEMENT

Registration Date: 2007-Apr-18

Registration Status: Current

Expiry Date: 2012-Apr-18 23:59:59

Exact Match on: Debtor

No: 1

Amendments to Registration

07081317260

Amendment

2007-Aug-13

08050731019

Amendment

2008-May-07

Debtor(s)

Block

Status

1 PENN-TEK TRUSS & FLOOR SYSTEMS INC
RR 1 SITE BOX 13
OLDS, AB T4H1P2

Current

Secured Party / Parties

Block

Status

1 ALBERTA TREASURY BRANCHES-08529
BOX 3839 STN M
OLDS, AB T4H 1A9

Current

Collateral: General

Block

Description

Status

1 ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY

Current

2 PROCEEDS: ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY

Current

3 EQUIPMENT

Current By
07081317260

4 Mango Truss Automation with Apollo Saw c/w 16" wide by 10' long roll case conveyer,
Ajustable Pedestal, Laser 110 volt, spare 18" blade for Appolo Saw

Current By
08050731019



Personal Property Registry Search Results Report

Page 8 of 11

Search ID#: Z00342437

5	Kaeser Heavy-duty single stage, oil flooded, rotary screw air compressor model#SK15B	Current By 08050731019
6	Trackless Jack Gantry (2) 7' pParkers, Feeston, Wire Cable, Tumbuckle, Eye Bolts(2) 12'Electric Pole, (1) 10' Gantry, (1) Swivel Pole w/Wheel, (4) Guide Wheels	Current By 08050731019
7	6 10' Steel Slotted Trackless Tables	Current By 08050731019
8	6 Roller Type Steel Slotted Table Ejectors (end Off)	Current By 08050731019
9	1 Reconditioned 14'X24" Roller Press to 2007 Specifications	Current By 08050731019
10	14'X122'9" 105' of Steel Slotted Talbe Surface Side Eject System w/150' outside conveyor (2) Roof Stackers	Current By 08050731019
11	2 Reconditioned 36" Gantry to 2006 Specifications	Current By 08050731019
12	125(ft) 85# Crane Rail with shims and 5/8in Anchor Bolt	Current By 08050731019
13	1 16'X24" Diameter Roller Press with Soft Start	Current By 08050731019
14	16 Steel Slotted Truss Tables	Current By 08050731019
15	16 Steel Slotted Table Skate Wheel Ejectors	Current By 08050731019
16	105' Inside Conveyer (22) Roller-5' O/C-4/5 Rollers Pwrd(125' Pwrd) w/(62) Adj 26" Adj Stands (62) Adj Slider Plates (4) Jack Shaft Assembly's with all hardware	Current By 08050731019
17	150' Outside Conveyer (31) Roller-5O/C-4/5 Rollers Pwrd (125'Pwrd w/(62) Adj 26" Stands (62) Adj Slider Plates with Hardware, Motors and Belts	Current By 08050731019
18	2 Roof Truss Stacker (4) Receiver Stands, (8) Stacker Arms, (1) Gear Motor and Chain with Mounting Plate, (1) Stacker Shaft and Pillow Block Stand (1) Stacker Panel	Current By 08050731019
19	1 Saw Unit Desawyer 2000, Serial #20070513, with (1) set of spare blades (4) 16" and (1) 30" and (1) 12" incline conveyer	Current By 08050731019



Personal Property Registry Search Results Report

Search ID#: Z00342437

Business Debtor Search For:

PENN-TEK TRUSS & FLOOR SYSTEMS INC.

Search ID #: Z00342437

Date of Search: 2008-May-14

Time of Search: 16:24:24

Registration Number: 07042424635

Registration Type: SECURITY AGREEMENT

Registration Date: 2007-Apr-24

Registration Status: Current

Expiry Date: 2012-Apr-24 23:59:59

Exact Match on: Debtor

No: 1

Debtor(s)

Block

1 PENN-TEK TRUSS & FLOOR SYSTEMS INC.
RR 1 SITE 4 BOX 13
OLDS, AB T4P 1P2

Status

Current

Block

2 PENNER, ARNOLD, ROY
RR 1 SITE 4 BOX 13
OLDS, AB T4P 1P2

Status

Current

Birth Date:
1963-Oct-26

Block

3 PENNER, DOROTHY
RR 1 SITE 4 BOX 13
OLDS, AB T4H 1P2

Status

Current

Birth Date:
1963-Jul-13

Secured Party / Parties

Block

1 NATIONAL LEASING GROUP INC.
1558 WILLSON PLACE
WINNIPEG, MB R3T 0Y4

Status

Current

Collateral: General



Personal Property Registry Search Results Report

Page 10 of 11

Search ID#: Z00342437

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	ALL SAWS OF EVERY NATURE OR KIND DESCRIBED IN LEASE NUMBER	Current
2	2372462 BETWEEN LEASE LINK CANADA CORP., AS ORIGINAL	Current
3	LESSOR AND THE DEBTOR, AS LESSEE, WHICH LEASE WAS ASSIGNED	Current
4	BY THE ORIGINAL LESSOR TO THE SECURED PARTY, AS AMENDED FROM	Current
5	TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS,	Current
6	ACCESSORIES AND SUBSTITUTIONS.	Current



Personal Property Registry
Search Results Report

Search ID#: Z00342437

Business Debtor Search For:

PENN-TEK TRUSS & FLOOR SYSTEMS INC.

Search ID #: Z00342437

Date of Search: 2008-May-14

Time of Search: 16:24:24

Registration Number: 08021925822

Registration Type: WORKERS' COMPENSATION BOARD CHARGE

Registration Date: 2008-Feb-19

Registration Status: Current

Registration Term: Infinity

The WCB Charge Amount is \$26,719.10

Exact Match on: Debtor

No: 1

Debtor(s)

Block

1 PENN-TEK TRUSS & FLOOR SYSTEMS INC.
RR1, SITE 4, BOX 13
OLDS, AB T4H1P2

Status

Current

Secured Party / Parties

Block

1 WORKERS' COMPENSATION BOARD/COLLECTION UNIT
9925 - 107 STREET, 8TH FLOOR
EDMONTON, AB T5J 2S5

Status

Current

Phone #: 780 498 7709

Fax #: 780 498 7871

Collateral: General

Block

1 ALL PRESENT AND AFTER-ACQUIRED PROPERTY AND ALL PROPERTY USED IN
CONNECTION PURSUANT TO WCB ACT S129

Status

Current

Result Complete

ASSET MANAGEMENT

Phone: (403) 974 - 5182
Fax: (403) 974 - 5143

ATB Financial
2nd Floor
217 - 16th Avenue NW
Calgary, Alberta
T2M 0H5

April 28, 2008

THIS IS EXHIBIT "E"
referred to in the Affidavit of
Aubrey Wells
Sworn before me this 15
day of May A.D. 2008

Penn-Tek Truss & Floor Systems Inc
600 4911 51st Street
Red Deer, AB T4N 6V4

A Commissioner for Oaths
in and for the Province of Alberta
ROBERT KELLAS
MY COMMISSION EXPIRES
MAY 17, 2010

VIA REGISTERED MAIL

Dear Sir and Madam:

RE: DEMAND FOR PAYMENT

Penn-Tek Truss & Floor Systems Inc (the "Company") is indebted to ATB Financial ("ATB") as at April 28, 2008 as follows:

Loan 852-1177583-01
Principal Balance: \$750,000.00
Interest: \$ 4,119.86
Per diem interest: \$ 138.70

(based on an interest rate of 6.75% per annum, being 2.00% above our prime lending rate presently in effect. Any change in our prime lending rate will affect the daily rate)

Loan 852-1177583-02
Principal Balance: \$500,000.00
Interest: \$ 2,738.64
Per diem interest: \$ 92.47

(based on an interest rate of 6.75% per annum, being 2.00% above our prime lending rate presently in effect. Any change in our prime lending rate will affect the daily rate)

Loan Alberta BusinessCard MasterCard #5475 1140 0448 7884
Principal Balance: \$ 49,986.39
Interest: \$ 31.83
Per diem interest: \$ 10.61

(based on an interest rate of 7.75% per annum, being 3.00% above our prime lending rate presently in effect. Any change in our prime lending rate will affect the daily rate)

Loan 852-1177583-30 Expenses
Principal Balance: \$ 100.00
Interest: \$ 0.00
Per diem interest: \$ 0.01

(based on an interest rate of 6.75% per annum, being 2.00% above our prime lending rate presently in effect. Any change in our prime lending rate will affect the daily rate)

Loan 852-1177583 Irrevocable Letter of Credit
Principal Balance: \$ 5,000.00
Interest: \$ 0.00
Per diem interest: \$ 0.00

(based on an interest rate of 6.75% per annum, being 2.00% above our prime lending rate presently in effect. Any change in our prime lending rate will affect the daily rate)

ATB Financial

ATB hereby demands payment in the sum of \$1,311,976.72 plus interest and costs as at the date of this letter.

Payment is to be directed to:

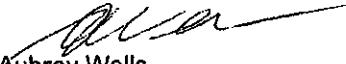
ATB Financial
2nd Floor
217 - 16th Avenue NW
Calgary, Alberta
T2M 0H5
ATTENTION: Aubrey Wells

Within 10 days of receipt of this letter, failing which legal action will be commenced to recover same.

ATB reserves the right to accelerate the above demand period in the event it becomes aware of the facts or circumstances which cause it to believe that the prospect for repayment of the above loans or any security is in jeopardy.

Please find enclosed a Notice of Intention to Enforce Security pursuant to the *Bankruptcy and Insolvency Act* for service upon the Company.

Yours truly,
ATB FINANCIAL


Aubrey Wells
General Manager
Asset Management
AW/rk

Encl.

FORM 86

NOTICE OF INTENTION TO ENFORCE SECURITY
(subsection 244 (1))

To: Penn-Tek Truss & Floor Systems Inc, an insolvent person:

Take notice that:

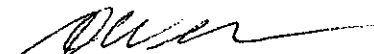
1. Alberta Treasury Branches, a secured creditor, intends to enforce its security on the property of the insolvent person described below:

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

2. The security that is to be enforced is in the form of a General Security Agreement dated April 4, 2007.
3. The total amount of indebtedness secured by the security is \$1,311,976.72 as of April 28, 2008.
4. The secured creditor will not have the right to enforce the security until after the expiry of the 10 day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

Dated at Calgary this 28th day of April 2008.

ALBERTA TREASURY BRANCHES



Aubrey Wells
General Manager
Asset Management

Your File No:
Our File No:

E-mail: dsinclair@warrensinclair.com
Assistant: Tracey Andersen
E-mail: tandersen@warrensinclair.com

May 8, 2008

Via E-Mail AWells@atb.com

ATB Financial
217 - 16th Avenue N.W.
Calgary, Alberta T2M 0H5

Attention: Aubrey G. Wells

Dear Madam:

Re: Penn-Tek Truss & Floor Systems Inc. (Penn-Tek)

We advise that we are the solicitors for Penn-Tek.

We further advise that we have met with the principals of Penn-Tek, Arnold and Dorothy Penner. They inform us that they have retained Greg Stevens of Deloitte Touche, who is working with their corporate accountant to develop a business plan for next year. This will include a cash flow forecast and a plan of how to reduce the indebtedness to ATB. We are informed that this plan would be available on May 15, 2008. If completed, our clients would review the plan on May 16, 2008 with ourselves and a proposal could be provided to ATB by May 19, 2008.

Based on the foregoing, we request that ATB take no further steps until receipt of this proposal or upon receipt of reasonable notice to this office.

Our client remains determined to deal with all of the issues at hand quickly and reasonably.

We thank you in advance for your prompt consideration to this matter.

Yours truly,

WARREN SINCLAIR LLP

Donald J. Sinclair
DJS/ta
Encl.

c.c. Penn-Tek Truss & Floor Systems Inc. (dpenner@penn-tektruss.ca)
c.c. Greg Stevens (gstevens@deloitte.ca)

WARREN SINCLAIR LLP

Barristers, Solicitors, Notaries Public,
Patent and Trade-Mark Agents

Barry M. Wilson Q.C.
Donald J. Sinclair
Christopher R. Warren Q.C.
Gordon G. Yake
Donna C. Purcell
Michael D. Keyes
Rhonda M. Elder
Sander R. Gelsing*
Matthew R. Park
Kaylea G. Lax**
James C. Possin**

Robert H. Scammell Q.C.- Retired

* Practice restricted to intellectual property law
** Student at Law

THIS IS EXHIBIT " F " referred to in the Affidavit of Aubrey Wells Sworn before me this 15 day of May A.D. 2008

Notary Public
A Commissioner for Oaths
in and for the Province of Alberta
MARCH 17, 2008

Barristers & Solicitors
Patent & Trade-mark Agents

McCarthy Tétrault

McCarthy Tétrault LLP
Suite 3300, 421-7th Avenue S.W.
Calgary AB T2P 4K9
Canada
Telephone: 403 260-3500
Facsimile: 403 260-3501
mccarthy.ca

Sean F. Collins
Direct Line: 403 260-3531
E-Mail: scollins@mccarthy.ca

Assistant: Sue Scarlett
Direct Line: 403 260-3546
E-Mail: sscarlett@mccarthy.ca

May 9, 2008

VIA FACSIMILE

Warren Sinclair LLP
600, 4911-51 Street
Red Deer AB T4N 6V4

Attention: Donald J. Sinclair

Dear Sirs:

Re: Alberta Treasury Branches ("ATB") - Credit Facilities granted to Penn-Tek Truss & Floor Systems Inc. ("Penn-Tek") and 1006495 Alberta Ltd. o/a Penner Construction ("Penner Construction") (collectively, the "Borrowers")

We are counsel to ATB with respect to the credit facilities granted to Penn-Tek and Penner Construction. We have been provided with a copy of your correspondence addressed to ATB dated May 8, 2008.

ATB issued formal demand upon the Borrowers (the "Demands") for payment with accompanying notices issued under and pursuant to Section 244 of the *Bankruptcy and Insolvency Act* on April 28, 2008, received April 29, 2008. The time period referenced in the Demands expires today and ATB will soon be in a position to immediately enforce the various securities it holds.

In response to Penn-Tek's request that ATB take no further steps until receipt of its proposal or receipt of reasonable notice to your office, ATB instructs us to advise that it will agree to forbear from taking steps to enforce the securities it holds as against Penn-Tek and Penner Construction on the following conditions:

- (a) as previously advised, no further advances will be permitted under and pursuant to the Revolving Line of Credit granted to Penn-Tek or under the Borrowers' Mastercard accounts;

THIS IS EXHIBIT "9" referred to in the Affidavit of Aubrey Wells Sworn before me this 15 day of May A.D. 2008

A Commissioner for Oaths
In and for the Province of Alberta
MY COMMISSION EXPIRES
MARCH 27, 2010

- (b) all funds presently on deposit and all payments of any nature received by either of the Borrowers on account of receivables or otherwise will forthwith be deposited into the applicable account by Penn-Tek or Penner Construction as a permanent reduction in their respective indebtedness owing to ATB;
- (c) each of the Borrowers shall immediately provide an updated list of their assets, inclusive of equipment and vehicles indicating make, model, serial number, purchase price and any registered security interests (apart from ATB) in such collateral;
- (d) each of the Borrowers shall immediately provide an updated aged list of accounts receivable including contact details with respect to the account debtors; and
- (e) each of the Borrowers shall immediately provide an updated aged list of accounts payable together with advice with respect to amounts outstanding to Canada Revenue Agency, Workers' Compensation Board of Alberta and the landlord of any and all commercial premises.

To be clear, ATB will not permit further advances under the credit facilities of any nature whatsoever and expects the Borrowers to continue to comply with the covenants and agreements arising under and pursuant to the respective commitment letters and security held by ATB. The immediate attention of the Borrowers to the other matters raised herein will be a factor ATB takes into consideration in determining whether to take steps to enforce the security it holds and we advise on behalf of ATB that nothing herein nor any discussions ATB may have had or have with representatives of Penn-Tek or Penner Construction or any of the guarantors shall constitute a waiver or undertaking on the part of ATB to not enforce the various securities ATB holds in such fashion as ATB may deem necessary or advisable without further notice to Penn-Tek or Penner Construction.

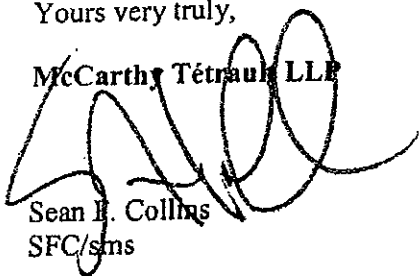
Please confirm by the end of the day today as to the Borrowers' acknowledgement of the matters set out herein together with your advice as to when ATB may expect to receive the information requested herein.

McCarthy Tétrault

- 3 -

Yours very truly,

McCarthy Tétrault LLP

A handwritten signature in black ink, appearing to read "Sean P. Collins". The signature is written in a cursive style with several loops and flourishes. It is positioned over the typed name and title of the signatory.

Sean P. Collins
SFC/sms

c: Client

WARREN SINCLAIR

LLP

Barristers, Solicitors, Notaries Public,
Patent and Trade-Mark Agents

Harry M. Wilson Q.C.
Donald J. Sinclair
Christopher R. Warren Q.C.
Gordon G. Yako
Donna C. Purcell
Michael D. Keyes
Rhonda M. Elder
Sander R. Gelsing*
Matthew R. Park
Kaylea G. Law**
James C. Possin**

Robert H. Scammell Q.C. - Retired

*Practice restricted to intellectual property law
**Student at Law

Your File No:
Our File No: 66765DJS/ta

E-mail: dsinclair@warrensincclair.com
Assistant: Tracey Andersen
E-mail: tandersen@warrensincclair.com

May 9, 2008

Via Fax (403)260-3501

McCarthy Tetrault LLP
Barristers & Solicitors
Suite 3300, 421 - 7 Avenue S.W.
Calgary, Alberta
T2P 4K9

Attention: Sean F. Collins

Dear Sir:

Re: Alberta Treasury Branches ("ATB") - Credit Facilities granted to
Penn-Tek Truss & Floor Systems Inc. and 1006495 Alberta Ltd. o/a
Penner Construction

THIS IS EXHIBIT " H "
referred to in the Affidavit of
Aubrey Wells
Sworn before me this 15
day of May A.D. 2008

Robert H. Scammell
A Commissioner for Oaths
in and for the Province of Alberta
MY COMMISSION EXPIRES
MARCH 17, 2019

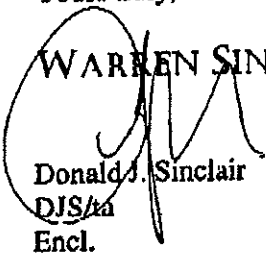
Further to your letter of today's date, we advise that our client acknowledges and is acceptable to all conditions set out therein.

Our client further advises that they expect to be in a position to provide ATB with all of the requested information by the end of business May 14, 2008.

We trust you find the foregoing and enclosed to be in order.

Yours truly,

WARREN SINCLAIR LLP


Donald J. Sinclair
DJS/ta
Encl.

First Red Deer Place
600, 4911 - 51 Street
Red Deer, Alberta T4N 6V4
Telephone (403) 343-3320
Fax (403) 343-6069
(Delburne: 749-3650)
www.warrensincclair.com

WARREN SINCLAIR

LLP

Barristers, Solicitors, Notaries Public,
Patent and Trade-Mark Agents

Barry M. Wilson Q.C.

Donald J. Sinclair

Christopher R. Warren Q.C.

Gordon G. Yake

Donna C. Purcell

Michael D. Keyes

Rhonda M. Elder

Sander R. Gotsing*

Matthew R. Park

Kaylea G. Lax**

James C. Poeslin**

Your File No:
Our File No: 66765DJS/ta

E-mail: dsinclair@warrensincclair.com
Assistant: Tracey Andersen
E-mail: tandersen@warrensincclair.com

May 12, 2008

Via Fax (403)260-3501

McCarthy Tetrault LLP
Barristers & Solicitors
Suite 3300, 421 - 7 Avenue S.W.
Calgary, Alberta
T2P 4K9

Attention: Sean F. Collins

Dear Sir:

Re: Alberta Treasury Branches ("ATB") - Credit Facilities granted to
Penn-Tek Truss & Floor Systems Inc. and 1006495 Alberta Ltd. o/a
Penner Construction

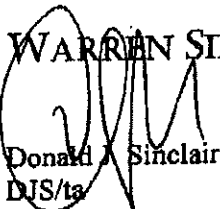
THIS IS EXHIBIT " I " referred to in the Affidavit of
Abrey Wells
Sworn before me this 15 day of May A.D. 2008
Robert H. Scammell Q.C. - Retired
Practice restricted to intellectual property law
**Student at Law

Robert Kellas
A Commissioner for Oaths
in and for the Province of Alberta
MY COMMISSION EXPIRES
MARCH 17, 2010

Further to our letter of May 9, 2008, we advise that our clients are not agreeable to paragraph (b) of your letter dated May 9, 2008. Our clients need access to funds to pay their on-going suppliers. If that is not possible, then our clients cannot maintain their business operations in any capacity.

Yours truly,

WARREN SINCLAIR LLP


Donald J. Sinclair
DJS/ta
Encl.

First Red Deer Place
600, 4911 - 51 Street
Red Deer, Alberta T4N 6V4
Telephone (403) 343-3320
Fax (403) 343-6069
(Delburne: 749-3650)
www.warrensincclair.com

PENN-TEK TRUSS & FLOOR SYSTEM INC.

FINANCIAL STATEMENTS

(Unaudited - See Notice To Reader)

DECEMBER 31, 2007

THIS IS EXHIBIT " J
referred to in the Affidavit of
..... Aubrey Walls
Sworn before me this 15
day of May A.D. 2008
.....
A Commissioner of the PROVINCE OF ONTARIO
in and for the Province of ONTARIO EXPIRES
MY COMMISSION MARCH 17, 2010

PENN-TEK TRUSS & FLOOR SYSTEM INC.

DECEMBER 31, 2007

CONTENTS

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FINANCIAL STATEMENTS	
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Statement of Income	3

Debbie Ramage

Professional Corporation

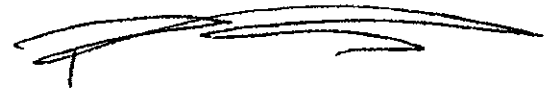
Certified Management Accountant

5116 - 58 Street
Red Deer, AB T4N 2L8
Ph: 403.343.1240
Fax: 403.347.3410

NOTICE TO READER

I have compiled the balance sheet of Penn-Tek Truss & Floor System Inc. as at December 31, 2007 and the statements of income and retained earnings for the nine month period then ended from information provided by management. I have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information. Readers are cautioned that these statements may not be appropriate for their purposes.

Red Deer, Alberta
April 12, 2008



Certified Management Accountant

PENN-TEK TRUSS & FLOOR SYSTEM INC.

STATEMENT OF RETAINED EARNINGS (Unaudited - See Notice To Reader)

FOR THE NINE MONTH PERIOD ENDED DECEMBER 31, 2007

	<u>2007</u>
NET (LOSS)	\$ <u>(486,786)</u>
DEFICIT, END OF YEAR	\$ <u>(486,786)</u>

PENN-TEK TRUSS & FLOOR SYSTEM INC.

BALANCE SHEET (Unaudited - See Notice To Reader)

AS AT DECEMBER 31, 2007

ASSETS

		<u>2007</u>
CURRENT		
Accounts receivable		\$ 351,893
Inventory & work in progress		290,139
Prepaid deposits and expenses		<u>11,431</u>
		653,463
EQUIPMENT		
	<u>Cost</u>	<u>Amortization</u>
		<u>Net</u>
Automotive	\$ 20,000	3,000
Furniture & fixtures	6,175	617
Computer	24,714	5,561
Leasehold improvements	85,457	7,121
Equipment	<u>896,218</u>	<u>89,622</u>
	<u>\$ 1,032,564</u>	<u>105,921</u>
		<u>\$ 1,580,106</u>

LIABILITIES

CURRENT		
Bank overdraft		\$ 480,956
Accounts payable and accrued liabilities		355,616
Employee deductions payable		159,436
Wages payable		7,141
Goods and services tax		<u>16,881</u>
		1,020,030
LONG TERM DEBT		769,333
DUE TO SHAREHOLDER		8,487
DUE TO 1006495 ALBERTA LTD.		268,942
		<u>2,066,792</u>

SHAREHOLDER EQUITY

SHARE CAPITAL	100
DEFICIT	<u>(486,786)</u>
	<u>(486,686)</u>
	<u>\$ 1,580,106</u>

PENN-TEK TRUSS & FLOOR SYSTEM INC.

STATEMENT OF INCOME (Unaudited - See Notice To Reader)

FOR THE NINE MONTH PERIOD ENDED DECEMBER 31, 2007

	<u>2007</u>
REVENUE	\$ 1,375,494
COST OF GOODS SOLD	
Purchases	826,162
Freight	<u>125,540</u>
	951,702
Inventory, end of year	<u>290,139</u>
	661,563
Direct wages	605,077
Equipment lease	53,079
Design costs	<u>51,598</u>
	1,371,317
GROSS MARGIN	<u>4,177</u>
EXPENSES	
Automotive	9,119
Advertising & promotion	3,555
Amortization	105,921
Bank charges and interest	23,010
Commissions	8,968
Insurance	10,399
Interest on long term debt	39,724
Management	80,210
Memberships and licences	4,975
Meals and entertainment	4,914
Office expenses	61,771
Professional fees	15,395
Rent	41,825
Repairs and maintenance	25,477
Supplies	6,073
Telephone	17,142
Travel	6,527
Utilities	3,470
Wages - administration	<u>22,488</u>
	490,963
LOSS FROM OPERATIONS	<u>(486,786)</u>
NET LOSS	\$ <u>(486,786)</u>

Penn-Tek Truss & Floor System, Inc.
Customer Aged Summary As at 04/09/2008

Name	Total	Current	31 to 60	61 to 90	91+
Alliance International LLC.	20,300.34	20,300.34	-	-	-
AKX Lumber	5,130.61	-	-	-	5,130.61
Alliance International LLC.	5,103.58	-	5,103.58	-	-
B&M Home Hardware Building C...	1,268.52	1,125.26	143.26	-	-
Black Dog Mountain Building & C...	19,384.98	-	-	19,384.75	0.23
Bonneville Homes	6,684.09	6,684.09	-	-	-
DeGray, Blaise	395.40	-	-	-	395.40
Dulbur, Leo	-47.99	-	-	-47.99	-
Inline Truss AB Ltd.	175,660.41	96,236.93	79,421.48	-	-
J & H Builders	2,384.28	2,384.25	-	-	-
Laebon Homes	13,057.43	13,057.43	-	-	-
Leo's Building Supplies Ltd.	83,117.58	-	87,450.90	574.35	25,092.33
Penner Construction	38,165.93	-	35,278.89	-	-2,887.38
Riverside Homes Inc.	16,532.88	-	-	-	16,532.88
Saskatoon Co-op	1,380.81	-	-	1,380.81	-
Stirton Betker	734.33	734.33	-	-	-
Strathmore Building Supplies	17,851.14	17,851.14	-	-	-
Trochu Home Hardware	-906.38	153.82	-	-	-1,060.00
Westland Customs Homes Ltd.	12,689.02	12,689.02	-	-	-
Wilde Home Hardware	233.73	233.73	-	-	-
Wolfgien Developments	197.73	-	-	-	197.73
Total outstanding:	352,886.53	171,362.14	116,840.67	21,291.92	43,401.80

out

3 91 050

$$\begin{array}{r}
 - 43,401 \\
 309,485 \\
 - 67,450 \\
 - 574 \\
 \hline
 \$ 241,461 \\
 \times 75\% \\
 \hline
 \$ 181,100 \\
 \text{Limit}
 \end{array}$$

$$\begin{array}{r}
 - 67,450.90 \\
 + 35,278.58 \\
 \hline
 84,669
 \end{array}$$

$$\begin{array}{r}
 - 574 \\
 + 2,887 \\
 \hline
 2,313
 \end{array}$$

$$\begin{array}{r}
 84,669 \\
 2,313 \\
 \hline
 86,982
 \end{array}$$

$$\begin{array}{r}
 20,717 \\
 + 574 \\
 \hline
 21,291
 \end{array}$$

$$\begin{array}{r}
 21,291 \\
 + 22,111 \\
 \hline
 43,402
 \end{array}$$

Multiples \$50,000
\$B \$150,000

THIS IS EXHIBIT L
 referred to in the Affidavit of
Hubrey Wells
 Sworn before me this 15
 day of May A.D. 2008

 A Commissioner for Oaths
 in and for the Province of Alberta
 MY COMMISSION EXPIRES
 MARCH 17, 2010

LAWRENCE
ALEXANDER
 1-403-974-4103
5197

From: PENN-TEK TRUSS & FLOOR SYSTEMS To: 14039745143

05/09/2008 15:47 #921 P.003/004

TAX DEDUCTION, CANADA PENSION PLAN AND EMPLOYMENT INSURANCE DISCREPANCY NOTICE

REVENUE AGENCY Agency REVENUE AGENCY du Canada

WINNIPEG MB R3C 3M2

PD4RE (06)

PENN-TEK TRUSS & FLOOR SYSTEMS INC Site 4 Box 13 RR 1 Stn Main Olds AB T4H 1P2

Date Apr 30 2008	Business number 85309 6386 RP0001	Taxation year 2007
Return address Winnipeg Tax Centre Winnipeg, MB R3C 3M2		

009814

	Amounts reported by employer	CRA Calculated amounts	Variance (Calculated - reported)
C.P.P. contributions deducted	28,362.92	28,362.92	
C.P.P. contributions Employer's share	28,362.92	28,362.92	
E.I. premiums deducted	11,355.81	11,355.81	
E.I. premiums Employer's share	15,898.13	15,898.13	
Tax deducted per slips	149,293.93	149,293.93	
	Adjusted summary total	233,273.71 Dr	
	Less balance in your account for the year	99,827.75 Cr	
	DIFFERENCE	133,445.96 Dr	

We have processed your T4 type return (summary and slips). According to our records, the total deductions you reported on your return are more than the total credit in your account (including paid remittances and amounts assessed during the year). This discrepancy appears in the "DIFFERENCE" box.

Attach any amended slips or payments required to balance your account. If your payment does not match the difference noted above, please explain the difference on the back of this notice; and return to the tax centre indicated above within 20 days.

If we do not receive an explanation, we will assess any overdue amounts as well as any penalties and interest that apply.


For enquiries contact the Winnipeg Tax Service Office at 1-800-724-9463. Facsimile (204) 984-4138.

THIS IS EXHIBIT M referred to in the Affidavit of Aubrey Wells Sworn before me this 15 day of May A.D. 2008

A Commissioner for Oaths In and for the Province of Alberta ROBERT ALLEN AS

Wells, Aubrey

From: Wells, Aubrey
Sent: Tuesday, May 13, 2008 10:21 AM
To: 'Dorothy Penner'
Cc: 'scollins@mccarthy.ca'
Subject: RE: Penn-Tek

THIS IS EXHIBIT " N " referred to in the Affidavit of Aubrey Wells
 Sworn before me this 15 day of May A.D. 2008

 A Commissioner for Oaths in and for the Province of Alberta
AUBREY WELLS
 MY COMMISSION EXPIRES MARCH 17, 2010

Our lawyer received a letter late yesterday from Mr. Sinclair about paragraph b). I suggest you contact Mr. Sinclair for a copy.

-----Original Message-----

From: Dorothy Penner [mailto:dpenner@penn-tektruss.ca]
Sent: Tuesday, May 13, 2008 10:13 AM
To: Wells, Aubrey
Subject: RE: Penn-Tek

I was wondering if you received a letter from Sinclair in regards to removal of paragraph'b'? I was told by our lawyer that Don had sent off the letter to your lawyers yesterday afternoon. I have requested they send us a copy. So far I have not received anything from them. Is it possible to have a copy of what Sinclair sent to your lawyers?

Dorothy

From: Wells, Aubrey [mailto:AWells@atb.com]
Sent: May 13, 2008 10:00 AM
To: Dorothy Penner
Cc: scollins@mccarthy.ca
Subject: RE: Penn-Tek

The deposit is subject to ATB's security, and is expected to be applied against the debt, via the company's deposit account. Cheques will be returned NSF.

A bailiff has been instructed to seize the company's assets and records. Your co-operation is requested in this regard.

If you have a proposal you wish to make, supported by a large and immediate injection into the company, I suggest you do so via your solicitor very soon.

Aubrey G. Wells BA AICB FICB
General Manager - Asset Management
217-16th Avenue N.W., Calgary, Alberta T2M 0H5
 Ph: 403.974.5182 Cell: 403.620.8823
 Fax: 403.974.5143 E-mail: awells@atb.com
ATB Financial
Where there's a way

-----Original Message-----

From: Dorothy Penner [mailto:dpenner@penn-tektruss.ca]

Sent: Tuesday, May 13, 2008 9:02 AM
To: Wells, Aubrey
Subject: Penn-Tek

Hi Aubrey,

I was wondering if I make that deposit Arnie was telling you about yesterday-total of \$11,503.11 will go towards the cheques that have overdrawn the account this morning? I can have the deposit done as soon as the branch opens.

Dorothy

The information contained in this e-mail is confidential and may contain privileged information. It is intended only for the person or persons named above. If you are not an intended recipient of this e-mail please be advised that any distribution or copying of this e-mail is prohibited. If you have received this e-mail in error, please notify us by return e-mail and delete all copies of the e-mail and any attachments

AFFIDAVIT OF AUBREY WELLS
SWORN May 15, 2008.

No. A.D. 2008

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

B E T W E E N:

ALBERTA TREASURY BRANCHES

Plaintiff

- and -

**PENN-TEK TRUSS & FLOOR
SYSTEMS INC., 1006495 ALBERTA
LTD., ARNOLD PENNER
and DOROTHY PENNER**

Defendants

AFFIDAVIT OF AUBREY WELLS

McCARTHY TÉTRAULT LLP
Barristers & Solicitors
Suite 3300, 421 – 7 Avenue S.W.
Calgary, Alberta T2P 4K9

Sean F. Collins /Dean A. Hutchison
Phone: 403 260 3500
Fax: 403 260 3501

File No.: 174792-402846