

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

BETWEEN:

HSBC BANK CANADA

Applicant

- and -

INNOVATIVE STEAM TECHNOLOGIES INC. and
IST BOILER COMPONENTS INC.

Respondents

MOTION RECORD OF DELOITTE RESTRUCTURING INC.
(Returnable June 27, 2018)

June 15, 2018

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THE SERVICE LIST

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

BETWEEN:

HSBC BANK CANADA

Applicant

- and -

**INNOVATIVE STEAM TECHNOLOGIES INC. and
IST BOILER COMPONENTS INC.**

Respondents

**MOTION RECORD OF DELOITTE RESTRUCTURING INC.
(Returnable June 27, 2018)**

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Tab 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

B E T W E E N:

HSBC BANK CANADA

Applicant

- and -

**INNOVATIVE STEAM TECHNOLOGIES INC. and
IST BOILER COMPONENTS INC.**

Respondents

**NOTICE OF MOTION
(Returnable June 27, 2018)**

DELOITTE RESTRUCTURING INC., in its capacity as the court-appointed receiver and manager (the "**Receiver**") of Innovative Steam Technologies Inc. ("**IST**") and IST Boiler Components Inc. ("**IST Boiler**" and together the "**Company**"), will make a motion to a judge presiding over the Commercial List, on Wednesday, June 27, 2018, at 10:00 a.m. or as soon after that time as the motion can be heard, at the Court House at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR AN ORDER:

- (a) abridging the time for service of the Notice of Motion and the Motion Record and validating service thereof, if necessary;
- (b) approving the sale of IST's assets, authorizing the Receiver to execute the agreement between the Receiver and Propak Systems Ltd. ("**Propak**") dated June 14, 2018 (the "**IST APA**"), with such minor amendments as the Receiver

may deem necessary, and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the sale of the Purchased Assets (as described in the IST APA) to the purchaser;

- (c) sealing (i) a non-binding letter of intent from private investor received prior to the receivership; (ii) an appraisal of the IST's assets by Infinity Asset Solutions; (iii) the Receiver's Comparison of Offers and (iv) the unredacted IST APA attached as **Confidential Appendices "1", "2", "3" and "4"** in the Confidential Brief filed with this Court until the closing of the transaction or August 31, 2018;
- (d) approving the activities and conduct of the Receiver as set out in the First Report to the Court of the Receiver (the "**First Report**");
- (e) approving the activities and conduct of the Receiver as set out in the Second Report to the Court of the Receiver (the "**Second Report**");
- (f) approving the Receiver's Interim Statement of Receipts and Disbursements for the period of May 1, 2018 to June 1, 2018; and
- (g) such other relief as this Honourable Court deems just.

THE GROUNDS FOR THE MOTION ARE:

BACKGROUND

1. By Order of this Honourable Court, dated May 1, 2018, Deloitte Restructuring Inc. was appointed the Receiver over the assets, properties and undertakings of the Company (the "**Appointment Order**").
2. IST is an Ontario corporation and is the main operating company. IST holds 100% of the shares of IST Boiler, a company incorporated in Alberta which operates in Delta, British

Columbia. IST is a supplier of heat recovery steam generators for medium size steam generators and IST Boiler is a supplier of emergency boiler parts used in steam boiler applications.

3. Due to the financial losses incurred by the Company before the receivership, the ordinary course operations ceased as of the opening of business on May 1, 2018, and the employment of all of the employees of the Company was terminated by the Receiver.
4. The application to appoint the Receiver was brought by HSBC Bank Canada ("**Lender**") and was not opposed by the Company or the other secured creditor Fulcrum Capital Partners (Collector) V, LP ("**Fulcrum**"). Fulcrum is also the majority shareholder of IST and subordinated its claims to the Lender.
5. Overall, the anticipated recoveries from the sale of the Company's assets will result in a significant shortfall to the Lender, and there are no projected recoveries for Fulcrum or unsecured creditors.

SALE OF THE ASSETS

6. From its pre-receivership engagement as financial advisor to the Lender, the Receiver determined that in order to preserve and maximize value, the sale process must be concluded on an expedited basis given the expected low value of the assets and the high risk of dissipation of asset value in light of the business cessation.
7. In undertaking the sale and marketing process, the Receiver broadly solicited potential purchasers to maximize value for the benefit of the Company's stakeholders. Specifically, the Receiver initiated contact with and responded to inquiries from a total of thirty-four interested parties. Nine parties submitted letters of intent by the deadline of May 16, 2018, with varying attributes and timelines, including six auctioneers.

8. Following review and analysis of the letters of intent received and consultation with the Lender, the Receiver elected to proceed with the transaction proposed by Propak for the assets of IST.
9. The Receiver negotiated a separate purchase agreement with Canerector Inc. for the assets that Propak did not want to purchase (which related to the assets of IST Boiler). On June 12, 2018, the Receiver attended Court and obtained approval of the transaction for the sale of the assets of IST Boiler.
10. The Receiver and Propak have now negotiated a satisfactory asset purchase agreement, the IST APA, which is conditional on approval of the Court.
11. The transaction contemplated by the proposed sale would see the re-start of IST's operations. Propak will rehire some of IST's employees, will be assigned the of the leases for the premises in Cambridge where IST is located, and will assume some of IST's contracts with its customers.
12. While the recovery from all of the Company's assets is anticipated to yield a shortfall to the Lender, the Receiver is of the view that the value was maximized given the circumstances of the Company.
13. The Lender strongly supports the sale of IST's assets to Propak.

SEALING ORDER

14. The Receiver is also of the view that it is appropriate that this Honourable Court order the sealing of the Confidential Appendices to prevent that information from affecting the market prices of the assets in the event that either proposed sale does not close.

OTHER RELIEF

15. The Receiver has prepared a statement of receipts and disbursements for the period commencing May 1, 2018 to June 12, 2018.
16. Rules 1.04, 2.03, 3.02, 16.08 and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, section 100 of the *Courts of Justice Act* R.S.O. 1990, c. C-43, and sections 243, 249-250 of the *Bankruptcy and Insolvency Act* R.S.C. 1985, c. B-3.
17. Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing for the motion:

- (a) the Second Report, and the Appendices thereto; and
- (b) such further and other evidence as counsel may submit and this Honourable Court may consider.

June 15, 2018

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INNOVATIVE STEAM TECHNOLOGIES INC. et al.
Respondents

Court File No. CV-18-596878-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

PROCEEDING COMMENCED AT TORONTO

NOTICE OF MOTION
(Returnable June 27, 2018)

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Tab 2

Court File No. CV-18-596878-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE**

(COMMERCIAL LIST)

BETWEEN:

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Respondents

**SECOND REPORT OF THE RECEIVER
DATED JUNE 15, 2018**

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- Appendix “B”: Receiver’s First Report dated June 7, 2018 (with appendices)
- Appendix “C”: Teaser document for the sale of assets of IST and IST Boiler
- Appendix “D”: Approval and Vesting Order of IST Boiler dated June 12, 2018
- Appendix “E”: Asset Purchase Agreement with Propak Systems Ltd.
- Appendix “F”: Receiver’s Interim Statement of Receipts and Disbursements for the period May 1, 2018 to June 12, 2018

INTRODUCTION

1. By Order of Mr. Justice Wilton-Siegel of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated May 1, 2018 (the “**Appointment Order**”), Deloitte Restructuring Inc. was appointed receiver and manager (the “**Receiver**”) of all the assets, undertakings and properties (“**Property**”) of Innovative Steam Technologies Inc. (“**IST**”) and IST Boiler Components Inc. (“**IST Boiler**”) (collectively, the “**Company**”). A copy of the Appointment Order is attached hereto as **Appendix “A”**.

2. IST is an Ontario corporation and is the main operating company. IST holds 100% of the shares of IST Boiler, a company incorporated in Alberta which operates in Delta, British Columbia. IST is a supplier of heat recovery steam generators for medium size steam generators and IST Boiler is a supplier and installer of emergency boiler parts used in steam boiler applications. The predecessor corporation of the IST business was founded in 1991.

3. The ordinary course operations of the Company ceased as of the opening of business on May 1, 2018, and the employment of all of the employees of the Company was terminated by the Receiver on the Company’s behalf as provided for under the Appointment Order. This was due to the financial losses of approximately \$1.7 million incurred by the Company for the three months ended March 31, 2018 (which in aggregate are approximately \$19 million under the current ownership structure), erosion of the customer sales pipeline, ongoing cash flow losses projected, deteriorating customer relationships and contract defaults. There was insufficient funds to sustain the Company's operations.

4. As set out in the Affidavit of John Borch sworn April 27, 2018 (the “**Borch Affidavit**”) that is attached as an appendix to the First Report, Fulcrum Capital Partners (Collector) V, LP (“**Fulcrum**”) is the majority shareholder of IST which in turn wholly owns the subsidiary, IST Boiler. Fulcrum is the subordinated secured creditor to the Applicant, HSBC Bank Canada (the “**Lender**”). A copy of the Receiver’s First Report (with appendices) is attached hereto as **Appendix “B”**.
5. As of the Appointment Order, the Lender had secured indebtedness of \$13.1 million and \$3.0 million USD. The Receiver has been advised that in early June, the Lender obtained an insurance recovery of \$3.0 million USD from an EDC Performance Security Guarantee relating to the liquidated damages claims against IST on an unsuccessful contract with its customer, Petrofac International Ltd. of United Arab Emirates.
6. Overall, the anticipated recoveries from the sale of the Company's assets will result in a significant shortfall to the Lender, and there are no projected recoveries for Fulcrum or unsecured creditors.
7. The nature of the IST business model involved multi-year contracts. The Company provided warranty, parts and product support for its customers following installation of its steam generators. Collectability of the accounts receivable without a going-concern solution was highly uncertain due to the breaches of the multi-year contracts and the nature of the installment billing practices of IST. For example, IST’s largest customer on its accounts receivable list, with a balance of over \$1.1 million, related to the first milestone payment due at the time materials were ordered from its supplier. In light of the early stage of this contract, the Receiver would only yield a recovery on this account if a purchaser could step in to complete the contract for IST before the customer would find

an alternate supplier. As such, this receivable and contract would yield minimal or no value in a liquidation scenario, and the customer would have an unliquidated damages claim against IST.

8. The Company does not own any real property and operates out of three leased locations:
 - i. 549 Conestoga Boulevard, Cambridge, Ontario;
 - ii. 1 Natura Way, Suite 100, Cambridge, Ontario; and
 - iii. Suite 100, 6425 River Road, Delta, British Columbia.

9. Prior to the Appointment Order, IST engaged approximately 68 non-unionized employees and IST Boiler engaged 8 employees, including 5 employees pursuant to a Collective Agreement with the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers & Helpers Lodge 359.

10. The Appointment Order authorized the Receiver to, among other things, take possession of, and exercise control over the Property and any and all proceeds, receipts and disbursements, arising out of, or from, the Property. In addition, the Receiver was authorized to sell, convey, transfer, lease or assign the Property or any part thereof out of the ordinary course of business:
 - i. without the approval of the Court in respect of any transaction not exceeding \$250,000 provided that the aggregate consideration for all such transactions does not exceed \$1,000,000; and
 - ii. with the approval of the Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause.

10. The Appointment Order, together with related Court documents, the Notice to Creditors, previous reports to the Court and this Second Report have been posted to the Receiver's website at www.insolvencies.deloitte.ca/en-ca/ist.
11. The purpose of this Second Report of the Receiver (the "**Second Report**") is to:
 - i. seek a Court Order ("**IST Approval and Vesting Order**") approving the transaction detailed in the asset purchase agreement (the "**IST APA**") between the Receiver and Propak Systems Ltd. ("**Propak**") in respect of the assets and undertaking of IST and vesting the Company's right, title and interest, if any, in and to the Purchased Assets, as defined in the IST APA, in and to Propak upon the closing of the transaction ("**IST Sale Transaction**");
 - ii. request a sealing order for: (i) a non-binding letter of intent from private investor received prior to the receivership; (ii) an appraisal of the machinery and equipment of IST by Infinity Asset Solutions; (iii) the Receiver's Comparison of Offers; and (iv) the unredacted IST APA attached as **Confidential Appendices "1", "2", "3" and "4"** in the Confidential Brief filed with this Court until the closing of the IST Sale Transaction or August 31, 2018, subject to further order of this Court;
 - iii. approve the Receiver's Interim Statement of Receipts and Disbursements from the period May 1, 2018 to June 12, 2018; and
 - iv. approve the Receiver's activities and the Receiver's First and Second Reports.

TERMS OF REFERENCE

12. In preparing this Second Report, the Receiver has been provided with, and has relied upon unaudited, draft and/or internal financial information, the Company's books and records, discussions with former management of the Company, and information from third-party sources (collectively, the "**Information**"). The Receiver has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards ("**CAS**") pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance contemplated under CAS in respect of the Information. The Receiver has prepared this Second Report in its capacity as a Court-appointed officer to support the Court's approval of the relief being sought. Parties using the Second Report, other than for the purposes outlined herein, are cautioned that it may not be appropriate for their purposes.
13. Unless otherwise stated, all dollar amounts contained in this Second Report are expressed in Canadian dollars.
14. Unless as otherwise stated, all capitalized terms not otherwise defined in this Second Report are as defined in the Appointment Order or the First Report.
15. The Receiver has sought the advice of Dentons Canada LLP ("**Dentons**"), counsel to the Lender, for general legal matters that have arisen in respect of the receivership to avoid

additional legal expense. Where the Receiver has required independent legal advice, the Receiver has sought the counsel of Baker McKenzie LLP (“**Baker McKenzie**”).

SALE AND MARKETING PROCESS

16. Prior to the Appointment Order, during the 10-day notice period, the Lender received a non-binding letter of intent from a private investor to acquire all of the Company’s assets on an *en bloc* basis which was supported by the management team of the Company. The Receiver (then acting as financial advisor to the Lender) was advised by the potential purchaser that it was interested in re-hiring approximately a third of the employees and continuing the Company's operations without disruption.
17. Due to the significant potential value dissipation risk resulting from a cessation of the business in a receivership and the defaults with customers at the time, the Lender and the Receiver seriously considered the viability of the offer. Ultimately, a transaction could not be successfully negotiated. The value of this offer was materially less than the IST APA. A copy of this non-binding letter of intent is attached as **Confidential Appendix “1”** that is subject to a sealing order request. It is the Receiver’s view that the appendices in the Confidential Brief should remain sealed until the IST Sale Transaction is completed to allow for the possibility that the IST Sale Transaction does not close and another transaction must be pursued.
18. During its pre-receivership engagement as financial advisor to the Lender, the Receiver obtained an appraisal in April 2018 of IST's assets located in the two premises in Cambridge, Ontario. The appraisal by Infinity Asset Solutions was performed in accordance with the standards of the Canadian Personal Property Appraisers Group and set out the forced (“**FLV**”) and orderly liquidation values (“**OLV**”) of the machinery and

equipment. The appraisal amount was premised on an auctioneer selling the machinery and equipment over a period of between 4 months in the FLV scenario and 6 to 8 months in the OLV scenario. The high range of the gross liquidation value of the machinery and equipment of IST in Cambridge was materially lower than the amount payable under the IST APA. A copy of the appraisal is attached hereto as **Confidential Appendix “2”** in the Confidential Brief.

19. As described in the First Report and detailed further herein, it was in light of:
- a) the low value of the pre-receivership offer;
 - b) the appraised value of the Company's assets;
 - c) the risk of value dissipation of the Company's assets due to contractual defaults with customers and suppliers, and the risk of contracts being completed by other competitors as a result of the business interruption; and
 - d) the termination of the employees and the risk of the permanent loss of important employees needed for running the Company's business,

that the Receiver took steps to complete an expedited marketing process for the assets of the Company.

20. In consultation with the Lender, the Receiver adopted a sale and marketing process consistent with the powers in the Appointment Order and principles set out in *Royal Bank v. Soundair Corp.* It was and is the Receiver's view that a medium to longer duration, court-approved sale and investor solicitation process would not have provided higher value to the Company's stakeholders given to the expected low value of the assets and the high risk of dissipation of asset value in light of the business cessation.

21. In undertaking the sale and marketing process, the Receiver communicated with thirty-four (34) parties that had expressed interest in carrying on some or all parts of the business or acquiring the assets of the Company, the larger ongoing customers of the business, as well as other parties identified through market research. Due to the urgency of the situation created by the fact that work on all ongoing projects was halted on May 1, 2018, the Receiver provided a teaser document to interested parties, attached hereto as **Appendix “C”** and advised that it had established a deadline of 5 p.m. EDT on May 16, 2018 for the submission of letters of intent (“**EOI Deadline**”) to the Receiver which should include details of:
- i. the specific assets of the business of the Company to be purchased or assigned;
 - ii. the conditions associated with such offer including third party consents;
 - iii. the cash and other consideration to be received by the Receiver;
 - iv. minimum 15% deposit to be posted;
 - v. expected closing date; and
 - vi. evidence of financial ability to close the transaction.
22. As noted above, the Receiver initiated contact with and responded to inquiries from a total of thirty-four (34) interested parties and provided them with the process timeline and form of non-disclosure agreement (“**NDA**”). Nineteen parties executed an acceptable NDA and were given access to an electronic data room set up by the Receiver. Site visits were conducted by nine (9) parties or their representatives. Nine parties submitted letters of intent by the deadline with varying attributes and timelines, including six auctioneers.

From this process, the Receiver received a viable expression of interest from Propak for the Property of IST which excluded the assets and undertaking of IST Boiler.

23. The Receiver prepared a summary of the bids received, including one bid that was received after the EOI Deadline (“**Receiver’s Comparison of Offers for IST**”), which is attached as **Confidential Appendix “3”** in the Confidential Brief.

ASSESSMENT OF PROPAK OFFER

24. Following review and analysis of the letters of intent received and consultation with the Lender, the Receiver elected to proceed with the transaction proposed by Propak for the assets of IST.
25. The Receiver negotiated a separate purchase agreement with Canerector Inc. for the assets that Propak did not want to purchase (which related to the assets of IST Boiler). On June 12, 2018, the Receiver attended Court to obtain the IST Boiler Approval and Vesting Order approving the transaction detailed in the IST Boiler APA between the Receiver and Canerector Inc. in trust for its assignee 8882703 Canada Inc. in respect of the assets and undertaking of IST Boiler and vesting the Company’s right, title and interest, if any, in and to the Purchased Assets, as defined in the IST Boiler APA, in and to Canerector upon the closing of the transaction. Attached as **Appendix "D"** is a copy of the IST Boiler Approval and Vesting Order.
26. The Receiver and Propak have since negotiated a satisfactory asset purchase agreement, the IST APA, which is conditional on approval of the Court. A copy of the IST APA is attached hereto as **Appendix “E”** which redacts the purchase price, the deposit paid and allocation of the purchase price in the event that the transaction does not close and

another transaction has to be pursued. Attached as **Confidential Appendix "4"** in the Confidential Brief is the unredacted IST APA.

27. Propak was one of the largest customers of IST and at the time of the Appointment Order, it had a significant incomplete order in progress in the amount of approximately \$500,000 and the total remaining portion of an incomplete contract of approximately \$3.9 million. Since May 17, 2018, Propak has been working diligently with the Receiver to negotiate an asset purchase agreement, complete its due diligence, create a going forward business plan, make offers of employment to certain former employees of IST, and obtain third-party consents (including landlords).
28. The Receiver is advised that Propak will re-hire up to 20 employees initially. In addition, the Receiver is advised that Propak will be able to work with at least two of IST's customers.
29. The Receiver and Propak have also now completed agreements assigning the two leases in Cambridge, Ontario, which benefits the two landlords in question if the IST Sale Transaction is completed.
30. Propak has advised the Receiver that it requires service of the motion for the Approval and Vesting Order to include approximately 60 unsecured creditors to ensure that the parties are aware of the IST Sale Transaction.
31. Set out below are the considerations that have been taken into account in recommending the IST APA:
 - i. The Receiver is of the view that a transaction must be concluded expeditiously given the severely distressed state of the business in

order to preserve the IST business for the purchaser and the other stakeholders of the Company. In addition, it is the Receiver's view that (a) the expedited marketing process undertaken has maximized the value for all of the interested parties; and (b) that the IST APA represents the best available result for all stakeholders in the difficult financial circumstances of the Company.

- ii. As noted in Confidential Appendix "3", the Receiver has disclosed the other offers for the Property and the proposed purchase price of the IST APA represents a premium over the offers provided by auctioneers and other strategic bidders, including the value of the *en bloc* conditional offer received after the Bid Deadline.
- iii. It is the Receiver's view that the expected net proceeds of the IST APA will be more beneficial than a liquidation as the timeframe to close the transaction will be shorter in duration resulting in lower administration costs, including occupancy costs and professional fees.
- iv. The Receiver provided the Lender with information about the marketing process and discussed the IST Sale Transaction. The Lender has approved the Receiver completing the IST Sale Transaction and has supported the sale and marketing approach throughout the process and is very satisfied with the projected outcome. The Lender will suffer a significant shortfall on its senior secured indebtedness even with the closing of the IST Sale Transaction. The Receiver has not been contacted by the subordinated

creditor, Fulcrum, with respect to any matters related to the sales and marketing process or the other matters in the receivership.

- v. The transaction contemplated by the IST Sale Transaction would see the re-start of the Company's business. It is the Receiver's view that there will be a very positive impact on all the Company's stakeholders, including employees, landlords, suppliers and customers that can benefit from future operations of the business.
 - vi. It is the Receiver's opinion that the value has been maximized given the circumstances of the Company. This opinion is founded on its pre-receivership engagement experience, its analysis of the Company and its assets, and the results of the marketing process.
32. The Receiver is strongly of the opinion that the IST APA with Propak represents the best transaction for the stakeholders of the Company, including the Lender, customers, employees, key suppliers and landlords. Propak has delivered a sufficient deposit to the Receiver to support its offer and it has the appropriate resources to complete the IST Sale Transaction. The IST Sale Transaction is targeted to close within three days following approval of the Court and issuance of the IST Approval and Vesting Order.
33. The Receiver recommends that the Court approve the IST APA and that the Receiver do all such further acts and things and execute and deliver all such further instruments, documents, matters, papers and assurances as may be reasonably requested to complete the sale transaction with Propak.

INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

34. The receipts and disbursements of the Receiver from the period May 1, 2018 to June 12, 2018 are summarized in the Receiver's Interim Statement of Receipts and Disbursements as shown in **Appendix "F"**. As reflected therein, as at June 12, 2018, approximately \$2.1 million was being held in trust by the Receiver, before accrued amounts owing for certain receivership liabilities and professional fees and costs.
35. The approval of the Court for distributions to the Lender will be sought by the Receiver at a later date. The approval of the professional fees of the Receiver and its legal counsel at Dentons and Baker McKenzie will also be sought at a later date.
36. Since the date of the First Report, the Receiver has been engaged principally in the activities related to the negotiation and associated tasks related to completing the IST Boiler Sale Transaction and the IST Sale Transaction.

RECEIVER'S REQUEST TO THE COURT

37. The Receiver is respectively seeking an order (or orders, as appropriate):
- i. approving the IST APA and ratifying the Receiver's execution of the IST APA;
 - ii. approving the IST Sale Transaction and authorizing and directing the Receiver to carry out the terms of the IST APA, together with any amendments thereto deemed necessary by the Receiver in its sole discretion;
 - iii. vesting, upon the delivery of the Receiver's Certificate to Propak, the Company's right, title and interest in and to the Purchased Assets (as term defined in IST APA) in and to Propak and issuing the IST Approval and Vesting Order;

- iv. sealing the (i) non-binding letter of intent from private investor received prior to the receivership; (ii) an appraisal of the machinery and equipment of IST by Infinity Asset Solutions; (iii) the Receiver's Comparison of Offers; and (iv) the IST APA attached as **Confidential Appendices "1", "2", "3" and "4"** in the Confidential Brief filed with this Court until the closing of the IST Sale Transaction or August 31, 2018, subject to further order of this Court;
- v. approving the Receiver's Interim Statement of Receipts and Disbursements from the period May 1, 2018 to June 12, 2018;
- vi. approving the activities and the First Report for the period from May 1, 2018 to June 7, 2018; and
- vii. approving this Second Report and the actions and activities of the Receiver for the period up to June 13, 2018 as described herein.

All of which is respectfully submitted at Burlington, Ontario this 15th day of June, 2018.

Deloitte Restructuring Inc.,
solely in its capacity as the
Court-appointed receiver of
Innovative Steam Technologies Inc. and
IST Boiler Components Inc., and not in its
personal capacity



Per: _____
Rob Biehler, CPA, CA, CIRP, LIT
Senior Vice-President

TAB A

Court File No. CV-18-596878-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE MR.)
JUSTICE H. J. WILTON-SIBER)

TUESDAY, THE 1ST)
DAY OF MAY, 2018)

B E T W E E N :

HSBC BANK CANADA

Applicant

- and -

**INNOVATIVE STEAM TECHNOLOGIES and
IST BOILER COMPONENTS INC.**

Respondents



**ORDER
(appointing Receiver)**

THIS APPLICATION made by HSBC Bank Canada (the “**Applicant**”), for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”) appointing Deloitte Restructuring Inc. (“**Deloitte**”) as receiver and manager (in such capacities, the “**Receiver**”) without security, of all of the assets, undertakings and properties of Innovation Steam Technologies Inc. and IST Boiler Components Inc. (together, the “**Debtors**”) acquired for, or used in relation to a business carried on by the Debtors, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of John Borch, sworn April 27, 2018 and the Exhibits thereto, and the Notice of Application, issued April 30, 2018, and on hearing the submissions of counsel for the Applicant, no other party appearing, and on reading the Consent of Deloitte to act as the Receiver,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application is hereby abridged and validated so that this application is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, Deloitte is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (the "**Property**").

RECEIVER'S POWERS

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors;

- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the Debtors;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
- (i) without the approval of this Court in respect of any transaction not exceeding \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$1,000,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;
- and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.
- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;

- (p) to negotiate the termination of any interests encumbering the Property and undertake such actions necessary to maximize the value of the Debtors' assets;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have; and
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. **THIS COURT ORDERS** that (i) the Debtors, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, and any computer programs, computer tapes, computer disks, or other data

storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

7. **THIS COURT ORDERS** that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

9. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. **THIS COURT ORDERS** that all rights and remedies against the Debtors, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any “eligible financial contract” as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

11. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized

banking services, payroll services, insurance, transportation services, utility or other services to the Debtors are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

14. **THIS COURT ORDERS** that all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

15. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a “**Sale**”). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, “**Possession**”) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, the *Ontario Occupational Health and Safety Act*, the *British Columbia Fisheries Act*, the *British Columbia Environmental Management Act*, or the *British Columbia Fish Protection Act*, and regulations thereunder (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver’s duties and powers under this

Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

17. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

18. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

19. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

20. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

21. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$300,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the “**Receiver's Borrowings Charge**”) as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver’s Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. **THIS COURT ORDERS** that neither the Receiver’s Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

23. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule “A” hereto (the “**Receiver’s Certificates**”) for any amount borrowed by it pursuant to this Order.

24. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver’s Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

25. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service->

protocol/) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol, ~~with the following UPI [●],~~ *with the following UPI [●]*.

26. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the Debtors and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

RETENTION OF COUNSEL

27. **THIS COURT ORDERS** that the Receiver may retain counsel to represent and advise the Receiver in connection with the exercise of the Receiver's powers and duties, including without limitation, those conferred by this Order. Such counsel may include Dentons Canada LLP, lawyers for the Applicant herein, in respect of any matter where there is no conflict of interest. The Receiver shall, however, retain independent counsel in respect of any legal advice or services where a conflict exists, or may arise.

GENERAL

28. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

29. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.

30. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

31. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

32. **THIS COURT ORDERS** that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtors' estate with such priority and at such time as this Court may determine.

33. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

W. Han - Mr J.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

MAY 01 2018

PER / PAR:

MJ

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Deloitte Restructuring Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties of Innovative Steam Technologies Inc. and IST Boiler Components Inc. (together, the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the ____ day of April 2018 (the "**Order**") made in an action having Court file number __-CL-_____, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the ____ day of each month] after the date hereof at a notional rate per annum equal to the rate of ____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at _____.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

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

DATED the ____ day of _____, 20__.

Deloitte Restructuring Inc., solely in its capacity as Receiver of the Property, and not in its personal or corporate capacity

Per: _____
Name:
Title:

HSBC BANK CANADA

- and -

INNOVATIVE STEAM TECHNOLOGIES and
IST BOILER COMPONENTS INC.

Applicant

Respondents

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

PROCEEDING COMMENCED AT TORONTO

**ORDER
(appointing Receiver)**

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Lawyers for HSBC Bank Canada

HSBC BANK CANADA

- and -

INNOVATIVE STEAM TECHNOLOGIES INC. and
IST BOILER COMPONENTS INC.

Applicant

May 1 / 18

Respondents

May 1 / 18

S. Van Allen for Van V. Ginic for the applicant
Council advised that none of the
Borrower, the Guarantor or the shareholder
of the Borrower oppose the order sought.
Order to go in the form attached.
L. Van Allen

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

APPLICATION RECORD
(Volume 1 of 2)

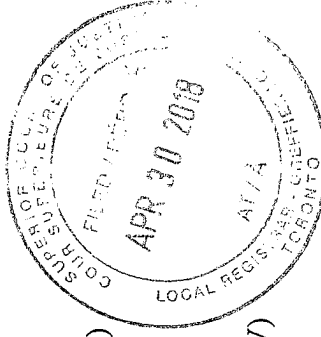
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Lawyers for HSBC Bank Canada



TAB B

Court File No. CV-18-596878-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE**

(COMMERCIAL LIST)

BETWEEN:

HSBC BANK CANADA

Applicant

- and -

**INNOVATIVE STEAM TECHNOLOGIES INC. and
IST BOILER COMPONENTS INC.**

Respondents

**FIRST REPORT OF THE RECEIVER
DATED JUNE 7, 2018**

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SALE AND MARKETING PROCESS	9
INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS	14
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APPENDICES

Appendix "A": Appointment Order dated May 1, 2018

Appendix "B": Affidavit of John Borch sworn April 27, 2018

Appendix "C": Teaser document for the sale of assets of IST and IST Boiler

Confidential Appendix "D": Receiver's Comparison of Offers for IST Boiler

Confidential Appendix "E": Asset Purchase Agreement with Canerector Inc.

Appendix "F": Receiver's Interim Statement of Receipts and Disbursements for the period
May 1, 2018 to June 1, 2018

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INTRODUCTION

1. By Order of Mr. Justice Wilton-Siegel of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated May 1, 2018 (the “**Appointment Order**”), Deloitte Restructuring Inc. was appointed receiver and manager (the “**Receiver**”) of all the assets, undertakings and properties (“**Property**”) of Innovative Steam Technologies Inc. (“**IST**”) and IST Boiler Components Inc. (“**IST Boiler**”) (collectively, the “**Company**”). A copy of the Appointment Order is attached hereto as **Appendix “A”**.
2. IST is an Ontario corporation and is the main operating company. IST holds 100% of the shares of IST Boiler, a company incorporated in Alberta which operates in Delta, British Columbia. IST is a supplier of heat recovery steam generators for medium size steam generators and IST Boiler is a supplier of emergency boiler parts used in steam boiler applications.
3. The Company does not own any real property and operates out of three leased locations:
 - i. 549 Conestoga Boulevard, Cambridge, Ontario;
 - ii. 1 Natura Way, Suite 100, Cambridge, Ontario; and
 - iii. Suite 100, 6425 River Road, Delta, British Columbia.
4. Prior to the Appointment Order, IST engaged approximately 68 non-unionized employees and IST Boiler engaged 8 employees, including 5 employees pursuant to a Collective Agreement with the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers & Helpers Lodge 359.

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5. As set out in the Affidavit of John Borch sworn April 27, 2018 (the “**Borch Affidavit**”), Fulcrum Capital Partners (Collector) V, LP (“**Fulcrum**”) is the majority shareholder of IST which in turn wholly owns the subsidiary, IST Boiler. Fulcrum is the subordinated secured creditor to the Applicant, HSBC Bank Canada (the “**Lender**”). A copy of the Borch Affidavit (without exhibits) is attached hereto as **Appendix "B"**.

5. The Appointment Order authorized the Receiver to, amongst other things, take possession of, and exercise control over the Property and any and all proceeds, receipts and disbursements, arising out of, or from, the Property. In addition, the Receiver was authorized to sell, convey, transfer, lease or assign the Property or any part thereof out of the ordinary course of business:
 - i. without the approval of the Court in respect of any transaction not exceeding \$250,000 provided that the aggregate consideration for all such transactions does not exceed \$1,000,000; and
 - ii. with the approval of the Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause.

6. The Appointment Order, together with related Court documents, the Notice to Creditors and this First Report have been posted to the Receiver’s website at www.insolvencies.deloitte.ca/en-ca/ist.

7. Due to the financial losses incurred by the Company before the receivership, the ordinary course operations ceased as of the opening of business on May 1, 2018 and the employment

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of all of the employees of the Company was terminated by the Receiver on the Company's behalf as provided for under the Appointment Order.

8. The purpose of this First Report of the Receiver (the "**First Report**") is to:
- i. update the Court on the activities of the Receiver as described in this First Report including, without limitation, the steps taken by the Receiver in the collection of accounts receivable, the sale of inventory, attending to employee matters and the conduct of the sales and marketing process;
 - ii. seek a Court Order ("**IST Boiler Approval and Vesting Order**") approving the transaction detailed in the Asset Purchase Agreement (the "**IST Boiler APA**") between the Receiver and Canerector Inc. in trust for its assignee 8882703 Canada Inc. ("**Canerector**" or "**IST Boiler Purchaser**") in respect of the assets and undertaking of IST Boiler and vesting the Company's right, title and interest, if any, in and to the Purchased Assets, as defined in the IST Boiler APA, in and to Canerector upon the closing of the transaction ("**IST Boiler Sale Transaction**");
 - iii. approve the Receiver's Interim Statement of Receipts and Disbursements from the period May 1, 2018 to June 1, 2018;
 - iv. authorize and direct the Receiver, *nunc pro tunc*, to redact from the version of the First Report served on any party other than this Court, (i) the unredacted Receiver's Comparison of Offers for IST Boiler (as defined herein), attached as **Confidential Appendix "D"** and (ii) the unredacted

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version of the IST Boiler APA, attached as **Confidential Appendix “E”**;

and

- v. seal the unredacted version of the First Report, including Confidential Appendices “D” and “E” filed with this Court, from the public record until the closing of the IST Boiler Sale Transaction or further order of this Court.

TERMS OF REFERENCE

9. In preparing this First Report, the Receiver has been provided with, and has relied upon unaudited, draft and/or internal financial information, the Company’s books and records, discussions with former management of the Company, and information from third-party sources (collectively, the **“Information”**). The Receiver has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (**“CAS”**) pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance contemplated under CAS in respect of the Information. The Receiver has prepared this First Report in its capacity as a Court-appointed officer to support the Court’s approval of the relief being sought. Parties using the First Report, other than for the purposes outlined herein, are cautioned that it may not be appropriate for their purposes.
10. Unless otherwise stated, all dollar amounts contained in this First Report are expressed in Canadian dollars.

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11. Unless as otherwise stated, all capitalized terms not otherwise defined in this First Report are as defined in the Appointment Order.
12. The Receiver has sought the advice of Dentons Canada LLP (“**Dentons**”), counsel to the Lender, for general legal matters that have arisen in respect of the receivership to avoid additional legal expense. Where the Receiver has required independent legal advice, the Receiver has sought the counsel of Baker McKenzie LLP (“**Baker McKenzie**”).

RECEIVER’S ACTIVITIES

13. Immediately following the Appointment Order, the Receiver attended at the Company’s manufacturing facilities in Cambridge, Ontario and Delta, British Columbia (the “**Premises**”) and took possession of the Company’s assets located there. All access to the Premises was restricted to the Receiver and contractors retained by the Receiver. Access from non-authorized external users to the Company’s computer systems was restricted. Digital imaging and backup of the Company’s computer systems were completed.
14. The Receiver negotiated the retention of key human resources and finance staff to assist with the preparation, data compilation, communication and distribution of Records of Employment (“**ROE**”), Wage Earner Protection Program (“**WEPP**”) information, Proofs of Claim, and 2018 T4s.
15. On May 1, 2018, the Receiver communicated with all employees present and also via email (for those employees on project sites) advising of the receivership, termination of their employment, the information available on the Receiver’s website

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(www.deloitte.com/ca/insolvencies), that the Receiver would be preparing their ROE and WEPP information, requesting address change information, and provided information for employees to attend to return Company property and collect their personal belongings from the Premises. The Receiver has responded to employee inquiries as they were received.

16. All ROEs were mailed on or before May 7, 2018.
17. All WEPP information packages were mailed on or before May 16, 2018. This package consisted of a cover letter with detailed instructions for employees on how to file their WEPP claim, the Government of Canada WEPP Employee Information Summary of Questions and Answers personalized for each employee, and a completed Proof of Claim Form for each specific employee. This individual's Proof of Claim Form 31 with supporting Schedule A was calculated and populated with the specific wage and other amounts owing to each employee from the books and records of the Company.
18. During the receivership proceedings, the Receiver contacted the customers who owed amounts to the Company and sought payment of the outstanding invoices. In addition, the Receiver received communications from customers requesting the completion of work orders.
19. In the case of one IST customer, Manx Utilities Authority, the Receiver made arrangements with former employees to complete the packing of the completed order and arranged for the customer's retrieval of the inventory and the Receiver was paid approximately \$ 464,000. In the case of another IST customer, BC Hydro, the Receiver was paid approximately \$ 190,000 as compensation for the status of the work-in-progress as of the date of the Appointment

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Order and the customer was released from its purchase order so that it could complete the contract with another party due to the urgency of the situation.

20. In the case of one IST Boiler customer, Teck Metals Ltd., the Receiver received approximately \$ 86,000 on account of accounts receivable and work-in-progress and the customer was released from its purchase order so it could complete the contract due to the urgency of the situation.

21. The Receiver commenced a sale and marketing process for the assets of the Company as detailed below.

SALE AND MARKETING PROCESS

22. The Receiver communicated with parties that had expressed interest in carrying on some or all parts of the business or acquiring the assets of the Company, as well as other parties identified through market research. Due to the urgency of the situation created by the fact that work on all ongoing projects was halted on May 1, 2018, the Receiver provided a teaser document to interested parties, attached hereto as **Appendix “C”**, and advised that it had established a deadline of 5 p.m. EDT on May 16, 2018 for the submission of letters of intent to the Receiver which should include details of:

- i. the specific assets of the business of the Company to be purchased or assigned;
- ii. the conditions associated with such offer including third party consents;
- iii. the cash and other consideration to be received by the Receiver;
- iv. minimum 15% deposit to be posted;

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- v. expected closing date; and
 - vi. evidence of financial ability to close the transaction.
14. The Receiver advised these parties that it was under no obligation to accept any offer and that any transaction would be subject to court approval.
15. The Receiver initiated contact with and responded to inquiries from a total of thirty-four (34) interested parties and provided them with the process timeline and form of non-disclosure agreement (“**NDA**”). Nineteen parties executed an acceptable NDA and were given access to an electronic data room set up by the Receiver. Site visits were conducted by nine (9) parties or their representatives. Nine parties submitted letters of intent by the deadline with varying attributes and timelines, six of which were from auctioneers. From this process, the Receiver received a viable expression of interest from a prospective purchaser for the Property of IST (“**Prospective IST Purchaser**”) which excluded the assets of IST Boiler. The Receiver and Prospective IST Purchaser are continuing to negotiate an asset purchase agreement which would be subject to court approval at a later date.
16. From its pre-receivership engagement as financial advisor to the Lender, the Receiver determined that in order to preserve and maximize value, the sale of assets and assignment of certain contracts must be concluded on an expedited basis because: i) the Company was in a severely distressed state of the business at that time; ii) there had been no advancement of new long-term equipment manufacturing contracts; and iii) customer and supplier relationships continued to deteriorate. A sale transaction may enable the purchaser to carry

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on the Company's business with limited interruption and this would be a successful outcome for customers, suppliers, employees and other stakeholders, including the Lender.

17. The insolvency of the Company was very public from the outset. All potential interested parties previously contacted by the Company's management were contacted as well as other industry players identified through research and discussions. Even if time permitted a longer sales process, the Receiver is of the opinion that a broader advertising of the opportunity would not have identified further parties who could have undertaken such a transaction on an expedited basis to preserve going concern value. From the nature and diversity of the letters of intent received, the Receiver believes that the market was sufficiently aware of this unique opportunity.
18. Since the Prospective IST Purchaser was not interested in the assets of IST Boiler, the Receiver requested certain interested parties, who previously submitted letters of intent for all of the Property, to re-submit their offer only for the assets of IST Boiler by May 23, 2018. Two parties submitted letters of intent with varying attributes and timelines. A summary of the two bids received ("**Receiver's Comparison of Offers for IST Boiler**") is attached as **Confidential Appendix "D"**.
19. Following review and analysis of the letters of intent received and consultation with the Lender and legal counsel, the Receiver elected to proceed with the transaction proposed by Canerector for the assets of IST Boiler. The Receiver and Canerector have since negotiated a satisfactory asset purchase agreement, the IST Boiler APA, which is conditional on approval

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of the Court. A copy of the IST Boiler APA is attached hereto as **Confidential Appendix “E”**.

20. Major considerations taken into account in recommending the IST Boiler APA include:

- i. *The sale process was reasonable* – There would be substantial risk associated with a marketing process with a long duration, since any process other than an expedited process could result in a further deterioration of enterprise value while requiring increased occupancy and other operating costs. The IST Boiler business in 2017 generated sales revenue of approximately \$ 3.3 million, which represented approximately 10% of the consolidated revenue of the Company. As a small component of the overall Company, a short marketing process for IST Boiler was reasonable in the circumstances.
- ii. *Whether the Receiver approved the sale process* – As stated above, the Receiver is of the view that any transaction must be concluded expeditiously given the severely distressed state of the business at this time.
- iii. *Sale more beneficial* – Prior to the receivership, the Company incurred substantial losses and created an unrecoverable deficit on its consolidated balance sheet. As set out in Confidential Appendix “D”, the IST Boiler APA represents a significant premium over the only other offer which was from an auctioneer/liquidator. It is the Receiver’s view that the proposed purchase price significantly exceeds the net liquidation value of the business

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- as a liquidation will require time to market and sell the assets resulting in additional operating costs and professional fees.
- iv. *The extent to which creditors were consulted* – The Receiver provided the Lender with information about the sale and marketing process and discussed the IST Boiler Sale Transaction. The Lender has approved the Receiver completing the IST Boiler Sale Transaction. It is expected that the Lender will suffer a significant shortfall on its senior secured indebtedness with the closing of the IST Boiler Sale Transaction even if the transaction being negotiated with the Prospective IST Purchaser is successfully completed. The Receiver has not been contacted by Fulcrum with respect to any matters related to the sales and marketing process.
- v. *The effect of the proposed sale on the creditors and interested parties* – The transaction contemplated by the IST Boiler Sale Transaction and the potential transaction with the Proposed IST Purchaser would see the re-start of the Company's business. The Receiver has been advised by Canerector that operations will be continued which will benefit the former employees that are able to obtain employment offers. Certain of the Company's stakeholders, including suppliers and customers can benefit from future operations of the business.
- vi. *Whether consideration is reasonable and fair* – The Receiver is of the view that the value was maximized given the circumstances of the Company.

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Canerector has delivered a sufficient deposit to the Receiver to support its offer.

24. The Receiver is strongly of the opinion that the IST Boiler APA with Canerector represents the best transaction for the stakeholders of the Company, including the Lender, customers, employees, key suppliers and landlords. The IST Boiler APA is targeted to close within three days following approval of the Court and issuance of the IST Boiler Approval and Vesting Order.
25. The Receiver recommends that the Court approve the IST Boiler APA and that the Receiver do all such further acts and things and execute and deliver all such further instruments, documents, matters, papers and assurances as may be reasonably requested to complete the sale transaction with Canerector.

INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

26. The receipts and disbursements of the Receiver from the period May 1, 2018 to June 1, 2018 are summarized in the Receiver's Interim Statement of Receipts and Disbursements, exclusive of deposits received from the Prospective IST Purchaser and Canerector, as shown in **Appendix "F"**. As reflected therein, as at June 1, 2018, approximately \$ 1.4 million was being held in trust by the Receiver, before accrued amounts owing for certain receivership liabilities and professional fees and costs.
27. The approval of the Court for distributions to the Lender will be sought by the Receiver in the future.

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28. The Receiver and legal counsel are not seeking to pass its accounts at this time but will do so at a later date.

RECEIVER'S REQUEST TO THE COURT

29. The Receiver is respectively seeking an order (or orders, as appropriate):

- i. approving this First Report and the actions and activities of the Receiver for the period up to June 7, 2018 as described herein;
- ii. approving the IST Boiler APA and ratifying the Receiver's execution of the IST Boiler APA;
- iii. approving the IST Boiler Sale Transaction and authorizing and directing the Receiver to carry out the terms of the IST Boiler APA, together with any amendments thereto deemed necessary by the Receiver in its sole discretion;
- iv. vesting, upon the delivery of the Receiver's Certificate to IST Boiler Purchaser, the Company's right, title and interest in and to the Purchased Assets (as term defined in IST Boiler APA) in and to IST Boiler Purchaser and issuing the IST Boiler Approval and Vesting Order;
- v. approving the Receiver's Interim Statement of Receipts and Disbursements;
- vi. authorizing and directing the Receiver, *nunc pro tunc*, to redact from the version of the First Report served on any party other than this Court, (i) the unredacted Receiver's Comparison of Offers for IST Boiler (as defined herein), attached as Confidential Appendix "D" and (ii) the unredacted version of the IST Boiler APA, attached as Confidential Appendix "E"; and

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- vii. sealing the unredacted version of the First Report, including Confidential Appendices “D” and “E” filed with this Court from the public record until the closing of the transactions or further order of this Court.

All of which is respectfully submitted at Burlington, Ontario this 7th day of June, 2018.

Deloitte Restructuring Inc.,
solely in its capacity as the
Court-appointed receiver of
Innovative Steam Technologies Inc. and
IST Boiler Components Inc., and not in its
personal capacity



Per: _____
Rob Biehler, CPA, CA, CIRP, LIT
Senior Vice-President

**Appendix A - included as Appendix A
to the Second Report of the Receiver**

Appendix B

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

BETWEEN:

HSBC BANK CANADA

Applicant

- and -

**INNOVATIVE STEAM TECHNOLOGIES INC. and
IST BOILER COMPONENTS INC.**

Respondents

**AFFIDAVIT OF JOHN BORCH
(Sworn April 27, 2018)**

I, John Borch, of the City of Markham, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am Assistant Vice President, Loan Management Unit, HSBC Bank Canada (the "**Bank**").
2. As such, I have personal knowledge of the matters to which I hereinafter depose. Where I do not have personal knowledge of the matters set out herein, I have stated the source of my information and, in all such cases, believe it to be true.
3. I swear this affidavit in support of the Bank's Application for an order appointing Deloitte Restructuring Inc. ("**Deloitte**") as receiver and manager of all of the assets, undertakings and properties (the "**Property**") of each of the Respondents.

DESCRIPTION OF THE RESPONDENTS

4. Innovative Steam Technologies Inc. (the "**Borrower**") is the parent company and is the main operating company. It is an Ontario corporation and holds 100% of the shares of IST Boiler Components Inc. (the "**Guarantor**"). The Borrower's registered office address is located at 549 Conestoga Boulevard, Cambridge, Ontario. A copy of the Borrower's corporate profile report, dated April 24, 2018, is attached as Exhibit "**A**" to this Affidavit.

5. Attached hereto as Exhibit “B” is a corporate organization chart that, to the best of my knowledge, is current.
6. The Guarantor is incorporated under the laws of the Province of Alberta. The Guarantor’s registered office address is located at 1600, 520 – 3rd Avenue SW, Calgary Alberta. A copy of the Guarantor’s corporate profile report, dated April 24, 2018, is attached as Exhibit “C” to this Affidavit.
7. Fulcrum Capital Partners (Collector) V, LP (“Fulcrum”) is the majority shareholder of the Borrower, which is in turn the sole shareholder of the Guarantor.
8. The Respondents are suppliers of heat recovery steam generators for medium size steam generators and are involved in the following businesses:
 - (a) Once through steam generators to capture and utilize steam for the Power Generation Industry;
 - (b) Enhanced Oil Recovery steam generators; and
 - (c) Boiler repair components.
9. The Respondents operate out of leased manufacturing facilities located at:
 - (a) 549 Conestoga Boulevard, Cambridge, Ontario – the Borrower leases approximately 96,495 square feet from Skyline Commercial Real Estate Holdings Inc., pursuant to a lease dated July 20, 2015;
 - (b) 1 NaturaWay, Suite 100, City of Cambridge, Ontario – the Borrower leases approximately 61,918 square feet from 1 NaturaWay Limited Partnership, pursuant to a lease dated May 23, 2013; and
 - (c) Suite 100, 6425 River Road, Delta, British Columbia – the Guarantor leases offices and warehouse space from Husby Forest Products Ltd, pursuant to a lease dated May 26, 2014.

10. I am informed by Deloitte that the Respondents have approximately 76 employees with 8 employed by the Guarantor and 68 employed by the Borrower. The Guarantor's employees are unionized pursuant to a collective bargaining agreement between the Guarantor and International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers & Helpers Lodge 359 dated May 19, 2017.

THE LOANS

11. On April 10, 2015, the Bank issued a facility letter dated of even date (the "**2015 Facility Letter**") in favour of 2460623 Ontario Inc. ("**246**"). On April 10, 2015, 246 amalgamated with Innovative Steam Technologies Inc. ("**Pre-Amalco**") with the resultant entity continuing as the Borrower. The 2015 Facility Letter is attached hereto as Exhibit "**D**".

12. On March 9, 2016, the Bank issued a letter to the Respondents (the "**March 2016 Letter**") advising them that as of September 30, 2015, the Borrower was in breach of certain financial covenants pursuant to the 2015 Facility Letter and that the Bank would forbear from taking any enforcement steps as a result of such breach, provided that, among other things, that the Respondents agreed to replace the 2015 Facility Letter with the 2016 Facility Letter (as defined below). A copy of the March 2016 Letter is attached hereto as Exhibit "**E**".

13. On March 28, 2016, the Respondents and the Bank executed the amended and restated facility letter dated March 28, 2016 (the "**2016 Facility Letter**"). The 2016 Facility Letter continued the credit facilities previously provided pursuant to the 2015 Facility Letter. A copy of the 2016 Facility Letter is attached hereto as Exhibit "**F**",

14. The balances of the Borrower's credit facilities with the Bank, as of the close of business on April 27, 2018 are set out in Exhibit "**G**" attached hereto. The Borrower's total indebtedness, as of April 27, 2018, was CAD\$13,122,309.32 and US\$2,998,840 (together, the "**Loans**").

15. As of today's date, the Loans have not been repaid and remain due and owing.

SECURITY DOCUMENTS

246 Documents

16. The obligations of 246 (as predecessor-in interest to the Borrower) to the Bank pursuant to the 2015 Facility Letter, were secured by, *inter alia*, by the following security agreements each dated April 10, 2015 (collectively, the “**246 Security Documents**”):

- (a) Assignment of Share Purchase Agreement executed by 246 in favour of the Bank;
- (b) General Security Agreement executed by 246 in favour of the Bank;
- (c) General Assignment of Book Debts executed by 246 in favour of the Bank;
- (d) Security over Cash, Credit Balances and Deposit Instruments executed by 246 in favour of the Bank;
- (e) Trade Financing General Agreement executed by 246 in favour of the Bank;
- (f) Indemnity regarding Letters of Guarantee executed by 2460323 in favour of the Bank;
- (g) Assignment of all Risk Insurance executed by 246 in favour of the Bank, together with the related Certificate of Insurance;
- (h) Agreement for Foreign Exchange Contracts executed by 246 in favour of the Bank;
- (i) Depository Bills Agreement (Banker's Acceptances) executed by 246 in favour of the Bank;
- (j) Power of Attorney re: Depository Bills Agreement executed by 246 in favour of the Bank; and
- (k) MasterCard Indemnity Agreement executed by 246 in favour of the Bank.

Copies of the 246 Security Documents are attached hereto as “Exhibit **H**”.

17. On April 2, 2015, the Bank registered a financing statement pursuant to the *Personal Property Security Act* (Ontario) (“**OPPSA**”) against 246 in respect of all collateral classifications except “consumer goods” for a period of 5 years (the “**246 Registration**”). Pursuant to financing change statements, registered on April 7, 2015 and April 10, 2015, the 246 Registration was renewed for one additional year and an amendment was filed in order to reflect the amalgamation of 246 with Pre-Amalco yielding the resultant Borrower.

Pre-Amalco

18. Pre-Amalco provided an unlimited guarantee dated April 10, 2015 of the obligations 246 pursuant to the 2015 Facility Letter (the “**Pre-Amalco Guarantee**”).

19. The obligations of Pre-Amalco (as predecessor-in-interest to the Borrower) to the Bank were secured by, *inter alia*, the following security agreements, each dated April 10, 2015 (collectively with the Pre-Amalco Guarantee, the “**Pre-Amalco Security Agreements**”), pursuant to which Pre-Amalco granted a security interest over all of its present and after-acquired property:

- (a) General Security Agreement executed by Pre-Amalco in favour of the Bank;
- (b) Security over Cash, Credit Balances and Deposit Instruments executed by Pre-Amalco in favour of the Bank;
- (c) Intellectual Property Security Agreement executed by Pre-Amalco in favour of the Bank;
- (d) Assignment of all Risk Insurance executed by Pre-Amalco in favour of the Bank and Certificate of Insurance; and
- (e) Negative Pledge Agreement executed by Pre-Amalco in favour of the Bank.

Copies of the Pre-Amalco Security Agreements are attached hereto as Exhibit “I”.

20. On April 2, 2015 the Bank registered a OPPSA financing statement against Pre-Amalco in respect of all collateral classifications except “consumer goods” for a period of 5 years (the “**Pre-Amalco Registration**”). Pursuant to financing change statements, registered on each of

April 7, 2015 and April 10, 2015, the Pre-Amalco Registration was renewed for an additional year and an amendment was filed to reflect the amalgamation of 246 and Pre-Amalco yielding the resultant Borrower. The certified OPPSA search for the Borrower (which includes the Pre-Amalco Registration and 246 Registration) with a currency date of April 23, 2018 is attached hereto as Exhibit “**J**”.

21. Following the amalgamation of 246 and Pre-Amalco, the Borrower executed the following security agreements, each dated April 10, 2015 (collectively, the “**Borrower Security Agreements**”):

- (a) Assumption and Confirmation Agreement executed by the Borrower in favour of the Bank;
- (b) Pledge of Securities executed by the Borrower in favour of the Bank; and
- (c) Copy of share certificate with respect to shares of the Guarantor, together with power of attorney executed in blank by the Borrower.

Copies of the Borrower Security Agreements are attached hereto as Exhibit “**K**”.

GUARANTOR

22. The Guarantor guaranteed the obligations of the Borrower (including Borrower’s predecessors 246 and Pre-Amalco) to the Bank pursuant to a Guarantee dated April 10, 2015 (the “**Guarantee**”). A copy of the Guarantee is attached hereto as Exhibit “**L**”.

23. As security for its obligations pursuant to the Guarantee, the Guarantor executed the following security documents all dated April 10, 2015 (the “**Guarantor Security Agreements**”, collectively with the 246 Security Agreements, the Pre-Amalco Security Agreements and the Borrower Security Agreements, the “**Security Agreements**”):

- (a) General Security Agreement executed by Boiler in favour of the Bank;
- (b) Security over Cash, Credit Balances and Deposit Instruments executed by Boiler in favour of the Bank; and

- (c) Assignment of all Risk Insurance executed by Boiler in favour of the Bank and a Certificate of Insurance.

Copies of the Guarantee and the Guarantor Security Agreements are attached hereto as Exhibit “M”.

24. On April 2, 2015 the Bank registered an OPPSA financing statement against Guarantor in respect of all collateral classifications except “consumer goods” for a period of 5 years (the “**Guarantor Registration**”). Pursuant to a financing change statement registered on April 7, 2015, the Guarantor Registration was renewed for one year. A copy of the certified OPPSA search results for Guarantor, with a file currency date of April 23, 2018, is attached hereto as Exhibit “N”.

25. On April 2, 2015, the Bank registered a financing statement pursuant to the *Personal Property Security Act* (British Columbia) (“**BCPPSA**”), in respect of the Guarantor for a period of five years. A copy of the certified BCPPSA search with a file currency date of April 24, 2018 is attached hereto as Exhibit “O”.

26. On April 6, 2015, the Bank registered a financing statement pursuant to the *Personal Property Security Act* (Alberta) (“**APPSA**”, and together with the OPPSA and PPSA, the “**PPSA**”) in respect of the Guarantor for a period of six years. A copy of the certified APPSA search with a file currency date of April 24, 2018, is attached hereto as Exhibit “P”.

OTHER SECURED CREDITORS

Fulcrum

27. The only other party to register a security interest in respect of the Respondents in any of Ontario, British Columbia or Alberta is Fulcrum. Fulcrum’s PPSA registrations are subordinate to the Bank’s registrations in each jurisdiction both from a statutory PPSA perspective but also pursuant to an Intercreditor Agreement dated April 2, 2015 between Fulcrum, the Bank, 246 Pre-Amalco and the Guarantor, pursuant to which all indebtedness of the Respondents to Fulcrum and all security held by Fulcrum in respect of such indebtedness is subordinated to the indebtedness of the Respondents to the Bank and the security held by the Bank in respect of such indebtedness.

DEFAULT AND FORBEARANCE

28. During the nine-month period ending September 2017, the Respondents defaulted on the terms of the 2016 Facility Agreement by failing to observe certain financial covenants prescribed therein.

29. Following the default, Deloitte was appointed as the Bank's consultant on September 27, 2017 pursuant to an Engagement Letter dated September 27, 2017 (the "**Deloitte Engagement Letter**"). The Respondents consented to Deloitte's appointment as the Bank's consultant and executed the Deloitte Engagement Letter in respect thereof. A copy of the Deloitte Engagement Letter is attached hereto as Exhibit "**Q**".

30. As a result of the default, the Bank, the Borrower and the Guarantor entered into a Standstill Agreement, dated January 26, 2018 (the "**First Standstill Agreement**"). A copy of the First Standstill Agreement is attached hereto as Exhibit "**R**".

31. The purpose of the First Standstill Agreement was to grant time to the Respondents to (a) continue negotiating material new contracts with four of its major customers (the "**New Contracts**"); and to (b)(i) advise the Bank of the status, value and timing of the New Contracts by February 28, 2018, or (ii) failing that, provide the Bank with a business plan (the "**Business Plan**") in substance satisfactory to the Bank, acting reasonably, by February 28, 2018, which Business Plan would provide that the Bank would be repaid in full within a reasonable time frame. In addition, pursuant to the terms of the First Standstill Agreement, the Respondents re-affirmed their agreement to the engagement by the Bank of Deloitte pursuant to the Deloitte Engagement Letter. The Standstill Period pursuant to the First Standstill Agreement expired on February 28, 2018.

32. In addition, certain reporting requirements and covenants set out in the 2016 Facility Letter were augmented pursuant to the First Standstill Agreement inclusive of the provision of cash flow projections ("**Cash Flow Projections**") relating to the period January 20, 2018 to March 3, 2018. The Respondents failed to provide the appropriate advice regarding the New Contracts and also failed to provide the Business Plan by February 28, 2018.

33. As such, on March 1, 2018 the Bank agreed to the First Standstill Extension Agreement extending the Standstill Period to March 7, 2018, on the basis that:

- (a) the Business Plan would be provided to the Bank by March 7, 2018,
- (b) the Respondents would remain in material compliance with the Cash Flow Projections relating to the period January 20, 2018 to March 10, 2018; and
- (c) the Bank, the Respondents, Fulcrum and their respective counsel were to meet on March 8, 2018.

The March 8, 2018 meeting unfolded without counsel and resulted in the parties agreeing, in principle, upon further standstill terms that were eventually memorialized in the Second Standstill Agreement (as hereafter defined). A copy of the First Standstill Extension Agreement is attached hereto as Exhibit “S”.

34. On March 9, 2018 the Bank entered into a second Standstill Extension Agreement (the “**Second Standstill Agreement**”) in which it agreed to extend the Standstill Period to March 16, 2018 as long as the Respondents (a) maintained material compliance with their Cash Flow Projections relating to the period March 3, 2018 to March 17, 2018, (b) agreed to the engagement of a qualified appraiser by Deloitte to conduct a forced liquidation sale of the Respondents’ assets, and (c) agreed to a meeting with the Bank, Fulcrum and respective counsel for March 14, 2018. A copy of the Second Standstill Agreement is attached hereto as Exhibit “T”.

35. The March 14, 2018, the meeting unfolded without counsel and resulted in the Bank and Respondents agreeing, in principle, to the terms of a further Standstill Extension Agreement (the “**Third Standstill Agreement**”) dated March 22, 2018 (and final) extending the Standstill Period to April 16, 2018 on the terms laid out therein. A copy of the Third Standstill Agreement is attached hereto as Exhibit “U”.

36. The most salient points of the Third Standstill Agreement were the delivery by the Respondents of each of the following:

- (a) a copy of a Notice to Proceed from Siemens (a major customer of the Respondents) in respect of New Shore 1 (in the approximate amount of CDN\$17,700,000), to be obtained and delivered to the Bank by April 16, 2018;

- (b) an EDC Performance Security Guarantee in favour of the Bank in the amount of CDN\$3,540,000, to be obtained by April 16, 2018;
- (c) a copy of all letters of intent/expressions of interest regarding the IST Boiler divestiture process to be undertaken to be delivered to the Bank by April 12, 2018;
- (d) a guarantee or guarantees in favour of the Bank of a minimum of 60% of the authorized amount (i.e. CAD\$6,500,000) of the Operating Facility (as such term is defined in the 2016 Facility Letter) by April 16, 2018; and
- (e) the Respondents' consents to appointment of a Receiver (the "**Receiver Consents**").

37. In addition, pursuant to the Third Standstill Agreement the Respondents agreed to:

- (a) make the regularly scheduled CAD\$450,000 payment on account of the Term Loan (as defined in the 2016 Facility Letter) by April 10, 2018 (the "**Term Debt Payment**");
- (b) remain in material compliance with their Cash Flow Projections relating to the period March 3, 2018 to April 14, 2018; and
- (c) meet with the Bank and Fulcrum, together with their respective legal advisors, on April 12, 2018 (the "**April 12 Meeting**").

38. Other than delivering the Receiver Consents and making the Term Debt Payment, the Respondents did not fulfill their obligations as outlined in the Third Standstill Agreement. Since the principals of the Respondents communicated to the Bank that the Respondents would not be able to fulfil any of the remaining covenants in the Third Standstill Agreement, the April 12 Meeting was cancelled. As such, the Standstill Period lapsed on April 16, 2018. Copies of the Receiver Consents are attached hereto as Exhibit "V".

39. The Borrowers acknowledged, pursuant to the First Standstill Agreement and each subsequent amendment, that they continued to be in default of the terms of the 2016 Facility Letter.

DEMANDS AND NITES

40. Due to the continuing defaults under the 2016 Facility Letter, the First Standstill Agreement, and each subsequent amendment including, the Respondents' inability to satisfy the covenants agreed to therein, after the ultimate expiry of the Standstill Period, by letters, dated April 17, 2018 (the "**Demand Letters**"), the Bank demanded repayment of the Loans.

41. The Demand Letters were accompanied by Notices of Intention to Enforce Security (the "**NITES**") addressed to each of the Respondents pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"). Copies of the Demand Letters and NITES are attached hereto as Exhibit "**W**".

42. The ten (10) day notice period prescribed by subsection 244(1) of the BIA expires today.

FINANCIAL POSITION OF THE RESPONDENTS

43. Based on current financial information and information provided to the Bank by the Respondents, the prospect of the Respondents achieving positive cash flow is bleak. I am informed by Deloitte that the following are examples of facts which illustrate the Respondents' poor prospects for recovery or of becoming financially viable companies in the foreseeable future:

- (a) for the three-month period ended March 31, 2018, the Respondents suffered a loss of approximately \$1.7 million as illustrated in their unaudited interim financial reports. Attached hereto as Exhibit "**X**", is the March 2018 Financial Statements provided to Deloitte by Christopher Ritchie, the Respondents' Vice-President of Finance and Administration, on April 17, 2018;
- (b) as of March 31, 2018, the Respondents' reported working capital deficit is approximately \$139,000. However, excluding recoverable income taxes in the amount of approximately \$4.6 million, which can only be applied to reduce future corporate income tax, the immediate working capital deficit is in excess of \$4 million;

- (c) as of March 31, 2018, the Respondents reported a deficit of assets to liabilities (i.e. total equity) of \$11.2 million. The reported assets include intangible assets and goodwill of \$9.5 million; and
- (d) despite several extensions of the Standstill Period, the Respondents have been unable to restructure their operations to reduce their costs and financial burden.

44. The inability to contract new long-term projects from major customers and obtain further financial support from its shareholders is catastrophic for the Respondents, particularly in light of the Respondents' considerable debt obligations. Deloitte has informed me that the Respondents do not have the working capital resources to pay the following debts immediately due and becoming due:

- (a) as of March 31, 2018, the Respondents have approximately \$6.7 million owing as accounts payable, of which approximately \$3.9 million was aged over 90 days (separate and apart from the approximately \$13.0 million currently owing to the Bank). I am further informed by Deloitte that two critical suppliers are withholding shipment of products until payment of outstanding invoices is made;
- (b) the Respondents' payroll obligations are approximately \$257,000 bi-weekly for salary employees and \$44,000 weekly for hourly employees. Monthly benefits payments are approximately \$80,000;
- (c) the Respondents' have engaged contractors for sales efforts and to complete servicing work on certain contracts. Monthly payments to contractors are approximately \$471,000 or over \$120,000 per week; and
- (d) the Respondents' total rent obligation is approximately \$126,000 per month, with the next payment due on May 1, 2018. Monthly utilities payments are approximately \$47,000.

45. Given the Respondents' considerable current and ongoing debt obligations, the business cannot continue in operation without a further erosion of HSBC's position, the Respondents'

enterprise value and any possibility of an *en bloc* sale of the assets and undertakings of the Respondents.

46. Based on the most recent 13-week cash flow forecast provided by Christopher Ritchie on April 13, 2018, the Respondents require additional equity or borrowings of approximately \$1.5 million during the next 3 weeks simply to meet their ongoing payroll, fixed costs and minimum supplier payments to obtain continued supply. The Borrower's availability under its current facility, net of cash balances, with the Bank is less than \$400,000.

47. Fulcrum has repeatedly informed me that they are unwilling to inject any further equity into the Respondents.

APPOINTMENT OF RECEIVER

48. The Respondents are unable to pay their debts as they become due, and their assets are materially less than their liabilities.

49. Pursuant to the Security Agreements, the Bank is entitled to appoint a receiver in respect of the Property of each of the Respondents.

50. The Respondents are insolvent. They have insufficient cash from their operations to meet their obligations as they fall due. They currently have no access to revolving credit line or other credit facilities to fund their working capital requirements.

51. The Respondents cannot maintain their operations during this time without continued financial support from a third party. The Bank is under no obligation to advance additional funds to the Borrowers and it is not prepared to fund the Respondents' ongoing business operations outside of a receivership.

52. Fulcrum has confirmed to the Bank that it will not provide the Respondents with any additional financial support.

53. A Receiver is required at this juncture to minimize future cash outflow from the continued operation of the Respondents in the ordinary course, and to immediately commence a summary

process to offer the assets and undertakings of the Respondents for sale on a going concern and/or liquidation basis to maximize recoveries to creditors.

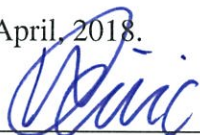
54. The Respondents have executed the Receiver Consents.

55. The ten (10) day notice period set out in the NITES and Demand Letters expires today.

56. The Applicant proposes that Deloitte be appointed as receiver and manager of the Borrower and the Guarantor. Deloitte is a licensed trustee in bankruptcy and has consented to act as receiver should the Court so appoint it. A copy of Deloitte's Consent to Act is attached to the Application Record herein.

57. This Affidavit is made in support of the within application, and for no other or improper purpose.

SWORN before me in the City of Toronto,
in the Province of Ontario, this 27th day of
April, 2018.



A Notary Public, etc.



JOHN BORCH

**Appendix C - included as Appendix C
to the Second Report of the Receiver**

Appendix D

CONFIDENTIAL APPENDIX "D"

**This document is subject to a Sealing Order request
by the Court-appointed Receiver, Deloitte Restructuring Inc.**

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Appendix E

**DELOITTE RESTRUCTURING INC.
IN ITS CAPACITY AS COURT-APPOINTED RECEIVER AND MANAGER OF THE ASSETS,
PROPERTIES AND UNDERTAKINGS OF INNOVATIVE STEAM TECHNOLOGIES INC.
AND IST BOILER COMPONENTS INC, AND NOT IN ITS PERSONAL OR CORPORATE
CAPACITY**

and

CANERECTOR INC.

ASSET PURCHASE AGREEMENT

June 6, 2018

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ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT is dated as of June 6, 2018,

BETWEEN:

DELOITTE RESTRUCTURING INC., a corporation incorporated under the federal laws of Canada, in its capacity as the court-appointed receiver and manager of the assets, properties and undertakings of Innovative Steam Technologies Inc. and IST Boiler Components Inc., and not in its personal or corporate capacity (the "**Vendor**")

- and -

CANRECTOR INC., a corporation incorporated under the laws of the Province of Ontario, holding the rights and obligations under this Agreement in trust for the benefit of the Assignee at Effective Time (the "**Purchaser**")

WHEREAS:

- A. pursuant to the Receivership Order, among other things, the Vendor was appointed as receiver and manager of all of the assets, undertaking and properties of the Debtor acquired for, or used in relation to, the Business, including all proceeds thereof; and
- B. the Vendor has determined that it is in the best interests of the creditors and stakeholders of the Debtor to sell to the Purchaser, and the Purchaser desires to purchase from the Vendor, the Purchased Assets, subject to the terms and conditions set forth herein and subject to the Court Approval,

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and adequacy of which are acknowledged by each Party to the other, the Parties covenant and agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement:

- (a) "**Affiliate**" means, with respect to any specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with that specified Person. For the purposes of this definition, "control" (including with correlative meanings, controlling, controlled by and under common control with) means the power to direct or cause the direction of the management and policies of that Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise and, it being understood and agreed that with respect to a corporation or partnership, control shall mean direct or indirect ownership of more than 50% of the voting shares in any such corporation or of the general partnership interest or voting interest in any such partnership;

- (b) "**Agreement**" means this asset purchase agreement (including the recitals hereto) and any schedules attached hereto which are referred to in this agreement, together with any amendment or supplement thereto;
- (c) "**Applicable Law**" means, in respect of any Person, asset, transaction, event or circumstance: (i) statutes (including regulations enacted thereunder); (ii) judgments, decrees and orders of courts of competent jurisdiction (including the common law); (iii) regulations, orders, ordinances and directives issued by Governmental Authorities; and (iv) the terms and conditions of all permits, licenses, approvals and authorizations, in each case which are applicable to such Person, asset, transaction, event or circumstance;
- (d) "**Approval and Vesting Order**" means an order of the Court approving the Transaction in accordance with the provisions of this Agreement, and vesting all of the Debtor's right, title and interest in, to and under the Purchased Assets in the Purchaser, such order to be substantially in the form attached hereto as Schedule "A" together with such modifications and amendments to such form as may be approved by the Vendor and the Purchaser, acting reasonably;
- (e) "**Assignee**" means 8882703 Canada Inc.;
- (f) "**Assignee's Employees**" has the meaning ascribed to that term in Section 9.4;
- (g) "**BIA**" has the meaning ascribed thereto in Section 9.4;
- (h) "**Books and Records**" means all of the Debtor's books and records in its or the Vendor's possession at the Closing Date relating to the Purchased Assets and/or the Business, including all lists, files, data and information relating to customers and suppliers and prospective customers and suppliers of the Business, technical and Business records, all Contracts, licenses, approvals, warranties, manuals, accounting records, copies of insurance policies (excluding copies of insurance policies relating to directors' and officers' insurance), maintenance and usage logs related to the Purchased Assets, all programs and procedures of the Debtor related to its maintenance, usage, or operations related to the ownership, operation or conduct of the Purchased Assets and the Business whether in hard copy or electronic format but specifically excluding any Personal Information regarding employees, officers or directors of the Debtor;
- (i) "**Business**" means the business of supplying boiler components for planned and emergency repairs, including: lower furnaces, superheater sections, generator banks, economizers, air heaters and airport tube openings;
- (j) "**Business Day**" means any day other than a Saturday, Sunday or a statutory holiday in the City of Toronto in the Province of Ontario;
- (k) "**Business Intellectual Property**" means all right, title and interest of the Debtor to the name "IST Boiler Components Inc." and in any intellectual property, including the product drawings prepared by the Debtor that relate to and are delivered with the products supplied by the Debtor to its customers;
- (l) "**Claim**" means any right, claim, cause of action or complaint of any Person that may be asserted or made in whole or in part against the Vendor, its Affiliates and their respective Representatives, whether or not asserted or made, in connection with any indebtedness,

liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not any right, claim, cause of action or complaint is executory or anticipatory in nature;

- (m) "**Closing**" means the completion of the Transaction and the completion of all other transactions contemplated by this Agreement that are to occur contemporaneously with such purchase and sale, all subject to and in accordance with the terms and conditions of this Agreement;
- (n) "**Closing Cash Payment**" has the meaning ascribed to that term in Section 3.3(b);
- (o) "**Closing Date**" means the date on which Closing occurs, being the later of June 15, 2018 or the date that is three Business Days following the date upon which all conditions in Sections 10.1, 10.2 and 10.3 have been satisfied or waived, *provided, however*, that the Closing Date shall not be later than the Outside Date;
- (p) "**Consequential Damages**" has the meaning ascribed to that term in Section 13.5;
- (q) "**Court**" means the Ontario Superior Court of Justice (Commercial List);
- (r) "**Court Approval**" means both the issuance of the Approval and Vesting Order by the Court approving the sale of the Purchased Assets, and such Approval and Vesting Order having become a Final Order;
- (s) "**Court Orders**" means, collectively, the Receivership Order and the Approval and Vesting Order;
- (t) "**Contracts**" means all contracts, agreements, leases, understandings and arrangements (whether oral or written) related to the Business to which the Debtor is a party or by which the Debtor or any of the Purchased Assets is bound or under which the Debtor has rights;
- (u) "**Debtor**" means IST Boiler Components, Inc.;
- (v) "**Deposit**" has the meaning ascribed to that term in Section 3.2(a);
- (w) "**Effective Time**" means 12:01 a.m. (Toronto time) on the Closing Date;
- (x) "**Encumbrances**" means any pledges, liens, encumbrances, claims, charges, options or other security interests of any kind or other agreement or arrangement having the effect of conferring any of the foregoing;

- (y) "**Environmental Laws**" means all statutes, regulations, ordinances, by-laws, and codes, now or hereafter in existence in Canada (whether federal, provincial or municipal) relating to the protection and preservation of the environment, occupational health and safety, transportation of dangerous goods or hazardous substances;
- (z) "**Equipment**" means, collectively, all of the equipment (including office equipment), machinery, motor vehicles, rolling stock, implements, tools, furniture, fixtures and other personal tangible property of the Debtor used in the Business, including the Equipment listed and described in Schedule "B";
- (aa) "**Excluded Assets**" means the property and assets of the Debtor listed and described in Schedule "C";
- (bb) "**Final Order**" means an order of the Court that has not been vacated, stayed, set aside, amended, reversed, annulled or modified, as to which no appeal or application for leave to appeal therefrom has been filed and the applicable appeal period with respect thereto shall have expired without the filing of any appeal or application for leave to appeal, or if any appeal(s) or application(s) for leave to appeal therefrom have been filed, any (and all) such appeal(s) or application(s) have been dismissed, quashed, determined, withdrawn or disposed of with no further right of appeal and all opportunities for rehearing, reargument, petition for certiorari and appeal being exhausted or having expired without any appeal, motion or petition having been filed and remaining pending, any requests for rehearing have been denied, and no order having been entered and remaining pending staying, enjoining, setting aside, annulling, reversing, remanding, or superseding the same, and all conditions to effectiveness prescribed therein or otherwise by Applicable Law or order having been satisfied;
- (cc) "**Governmental Authority**" means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, tribunal, commission, bureau, board, court (including the Court) or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government, having jurisdiction over a Party, the Purchased Assets or this Transaction;
- (dd) "**GST**" means taxes, interest, penalties and fines imposed under Part IX of the *Excise Tax Act* (Canada) and the regulations made thereunder; and "**GST Legislation**" means such act and regulations collectively;
- (ee) "**Harmonized Sales Tax**" means the applicable component of any harmonized sales taxes imposed under any provincial legislation similar to the GST Legislation;
- (ff) "**Inventory**" means all tangible personal property, substances and consumable goods of any kind or nature (other than the Equipment) owned by the Debtor, including all materials, supplies, tooling, spare parts, service parts, pipes, tubing, steel sheets and accessories (including those in possession of suppliers, customers and other Third Parties) including all items listed and described in Schedule "D", but excluding, for greater certainty, any Work In Progress;
- (gg) "**Lease**" means the Indenture made as of May 26, 2014 between Husby Forest Products Ltd. and the Debtor for a lease of the Premises.

- (hh) **"Legal Proceeding"** means any litigation, action, suit, investigation, hearing, claim, complaint, grievance, arbitration proceeding or other proceeding and includes any appeal or review or retrial of any of the foregoing and any application for same;
- (ii) **"Listed Employees"** has the meaning ascribed to that term in Section 9.4;
- (jj) **"Losses and Liabilities"** means any and all assessments, charges, costs, damages, debts, expenses, fines, liabilities, losses, obligations and penalties, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or determinable, including those arising under any Applicable Law, Claim by any Governmental Authority or any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority, and those arising under any contract, agreement, arrangement, commitment or undertaking and costs and expenses of any Legal Proceeding, assessment, judgment, settlement or compromise relating thereto, and all interest, fines and penalties and reasonable legal fees and expenses incurred in connection therewith (on a full indemnity basis);
- (kk) **"Non-Disclosure Agreement"** means the non-disclosure agreement dated May 15, 2018 between the Vendor and the Purchaser, as amended;
- (ll) **"Notice Period"** has the meaning ascribed to that term in Section 8.2(b);
- (mm) **"Outside Date"** means June 30, 2018 or such other date as the Parties may agree;
- (nn) **"Parties"** means, collectively, the Purchaser and the Vendor, and **"Party"** means any one of them;
- (oo) **"Person"** means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executory, Governmental Authority, or other entity however designated or instituted;
- (pp) **"Premises"** means the leased premises located at Suite 100, 6425 River Road, Delta, British Columbia;
- (qq) **"Purchased Assets"** means all of the tangible and intangible assets, undertaking and properties of the Debtor related to the Business (other than the Excluded Assets), whenever located, as of the Effective Time, including all of the following Assets of the Debtor, if any:
 - (i) Books and Records (except, in the case of those required by Applicable Law to be retained by the Debtor as copies thereof) and, in the case of any Books and Records that are stored in electronic form, the media on which the Books and Records are stored and any back-up related thereto;
 - (ii) Business Intellectual Property;
 - (iii) Equipment;
 - (iv) Inventory;
 - (v) Work In Progress.

- (rr) "**Purchase Price**" has the meaning ascribed to that term in Section 3.1;
- (ss) "**Purchaser**" has the meaning ascribed to that term in the preamble hereto;
- (tt) "**Purchaser's Solicitors**" means Loopstra Nixon LLP, or such other firm or firms of solicitors as are retained or engaged by the Purchaser from time to time and notice of which is provided to the Vendor;
- (uu) "**Receivership Order**" means the order of the Court, dated May 1, 2018, pursuant to which, among other things, the Vendor was appointed as the receiver and manager of all of the assets, undertaking and properties of the Debtor acquired for, or used in relation to, the Business, including all proceeds thereof;
- (vv) "**Receivership Proceedings**" means the court proceedings brought in the Court in Court File No. CV-18-596878-00CL;
- (ww) "**Representative**" means, in respect of a Person, each director, officer, employee, agent, legal counsel, accountant, consultant, contractor, professional advisor and other representative of such Person and its Affiliates;
- (xx) "**Tax**" means all taxes, assessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind lawfully levied, assessed or imposed by any Governmental Authority under any applicable federal, provincial, territorial, municipal and local, foreign, or other statutes, ordinances or regulations imposing a tax, including income, capital, capital gains, goods and services, sales, use, consumption, excise, value added (including GST and any Harmonized Sales Tax), business, real property, personal property, transfer, franchise, withholding, payroll, or employer health taxes, Canada Pension Plan contributions, employment insurance premiums, and provincial workers' compensation payments, levy, assessment, whether computed on a separate, combined, unitary, or consolidated basis or any other manner, including any interest, penalties and fines associated therewith;
- (yy) "**Tax Act**" means the *Income Tax Act* (Canada);
- (zz) "**Tax Return**" shall mean any report, return, information statement, schedule, attachment, payee statement or other information required to be provided to any Governmental Authority with respect to Taxes or any amendment thereof;
- (aaa) "**Third Party**" means any Person who is not a Party;
- (bbb) "**Third Party Claim**" means any Claim by a Third Party asserted against the Vendor for which the Purchaser has indemnified the Vendor or is otherwise responsible pursuant to this Agreement;
- (ccc) "**Transaction**" means the transaction for the purchase and sale of the Purchased Assets as contemplated in this Agreement;
- (ddd) "**Transfer Taxes**" means all present and future transfer Taxes, sales Taxes, use Taxes, production Taxes, value-added Taxes, goods and services Taxes, land transfer Taxes, registration and recording fees, and any other similar or like Taxes and charges imposed

by a Governmental Authority in connection with the sale, transfer or registration of the transfer of the Purchased Assets, including GST and Harmonized Sales Tax;

- (eee) "**Vendor**" has the meaning ascribed to that term in the preamble hereto;
- (fff) "**Vendor's Solicitors**" means the law firm of Dentons Canada LLP, or such other firm or firms of solicitors as are retained or engaged by the Vendor from time to time and notice of which is provided to the Purchaser.
- (ggg) "**WEPPA**" has the meaning ascribed to that term in Section 9.4;
- (hhh) "**Work In Progress**" means, in connection with the Business, any work, project or purchase order to which actual materials or labour or both have been assigned, as set out in Schedule "E"

1.2 Interpretation

The following rules of construction shall apply to this Agreement unless the context otherwise requires:

- (a) All references to monetary amounts, unless indicated to the contrary, are to the lawful currency of Canada.
- (b) Words importing the singular include the plural and vice versa, and words importing gender include the masculine, feminine and neuter genders.
- (c) Derivatives of a defined term shall have a corresponding meaning.
- (d) The words "include" and "including" and derivatives thereof shall be read as if followed by the phrase "without limitation".
- (e) The words "hereto", "herein", "hereof", "hereby", "hereunder" and similar expressions refer to this Agreement and not to any particular provision of this Agreement.
- (f) The headings contained in this Agreement are for convenience of reference only, and shall not affect the meaning or interpretation hereof.
- (g) Reference to any Article, Section or Schedule means an Article, Section or Schedule of this Agreement unless otherwise specified. References to Articles and Sections are used interchangeably in this Agreement.
- (h) If any provision of a Schedule hereto conflicts with or is at variance with any provision in the body of this Agreement, the provisions in the body of this Agreement shall prevail to the extent of the conflict.
- (i) All documents executed and delivered pursuant to the provisions of this Agreement are subordinate to the provisions hereof and the provisions hereof shall govern and prevail in the event of a conflict.
- (j) This Agreement has been negotiated by each Party with the benefit of legal representation, and any rule of construction to the effect that any ambiguities are to be resolved against the drafting Party does not apply to the construction or interpretation of this Agreement.

- (k) Reference to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof.
- (l) References to an Applicable Law means such Applicable Law as amended from time to time and includes any successor Applicable Law thereto and any regulations promulgated thereunder.

1.3 Schedules

The following are the Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

Schedule "A"	Form of Approval and Vesting Order
Schedule "B"	Equipment
Schedule "C"	Excluded Assets
Schedule "D"	Inventory
Schedule "E"	Work In Progress
Schedule "F"	Allocation of Purchase Price
Schedule "G"	Form of Bring Down Certificate

1.4 Interpretation if Closing Does Not Occur

If Closing does not occur, each provision of this Agreement which presumes that the Purchaser has acquired the Purchased Assets shall be construed as having been contingent upon Closing having occurred.

ARTICLE 2 **PURCHASE AND SALE**

2.1 Agreement of Purchase and Sale

Subject to the terms and conditions of this Agreement, and in consideration of the Purchase Price, the Vendor hereby agrees to sell, assign and transfer to the Purchaser, and the Purchaser hereby agrees to purchase, accept and receive from the Vendor, all of the Purchased Assets, in each case free and clear of all Encumbrances, effective as of the Effective Time. For certainty, the Excluded Assets are not part of the Transaction, are excluded from Purchased Assets and remain the exclusive property of the Debtor or third parties as applicable.

2.2 Transfer of Purchased Assets

Provided that Closing occurs and subject to the terms and conditions of this Agreement, possession, risk, and legal and beneficial ownership of the Purchased Assets shall transfer from the Vendor to the Purchaser on the Closing Date effective as of the Effective Time.

ARTICLE 3

PURCHASE PRICE

3.1 Purchase Price

The consideration payable by the Purchaser for the Purchased Assets shall be the sum of [REDACTED] (together, the "**Purchase Price**"). The Purchase Price shall be satisfied in accordance with Section 3.3.

3.2 Deposit

- (a) The Vendor acknowledges and confirms that the sum of [REDACTED] (the "**Deposit**"), has been paid in cash by the Purchaser to the Vendor as a deposit in respect of the Purchase Price.
- (b) If Closing occurs in accordance with the terms and conditions of this Agreement, the Deposit shall be credited against the Purchase Price, in partial satisfaction of the Purchaser's obligation to pay the Purchase Price at Closing.
- (c) If this Agreement is terminated:
 - (i) (A) pursuant to Section 12.1(a) by mutual agreement of the Parties, or (B) pursuant to Sections 12.1(b) or 12.1(c) by the Purchaser, then the Deposit shall be returned to the Purchaser; or
 - (ii) pursuant to Section 12.1(d) or 12.1(e) by the Vendor, the full amount of the Deposit shall be forfeited to the Vendor,

and, subject to Section 12.2, each Party shall be released from all obligations and liabilities under or in connection with this Agreement. In the event of termination of this Agreement under Section 3.2(c)(ii) pursuant to which the Vendor shall be entitled to retain the Deposit, the Parties agree that the amount of the Deposit constitutes a genuine pre-estimate of liquidated damages representing the Vendor's Losses and Liabilities as a result of Closing not occurring and agree that the Vendor shall not be entitled to recover from the Purchaser any amounts that are in excess of the Deposit as a result of Closing not occurring. The Purchaser hereby waives any claim or defence that the amount of the Deposit is a penalty or is otherwise not a genuine pre-estimate of the Vendor's damages.

3.3 Satisfaction of the Purchase Price

At Closing, the Purchase Price shall be paid and satisfied as follows:

- (a) as to the amount of the Deposit, by crediting and set-off of the Deposit against the amount of the Purchase Price by an amount equal to the Deposit; and
- (b) as to the balance of the Purchase Price (the "**Closing Cash Payment**"), the Purchaser shall pay to the Vendor or the Vendor's Solicitors (in trust for and on behalf of the Vendor) such amount by certified cheque, bank draft, solicitor's certified trust cheque or electronic wire transfer.

3.4 Allocation of Purchase Price

The Purchase Price shall be allocated in the manner provided in Schedule "F". The Vendor and the Purchaser shall file their respective Tax Returns based upon and in accordance with such allocation and will not make any inconsistent statements or take any inconsistent positions on any Tax Returns, in any refund claims or during the course of any audits by any taxing authorities.

ARTICLE 4 **TRANSFER TAXES**

4.1 Transfer Taxes

The Parties agree that:

- (a) the Purchase Price does not include Transfer Taxes and the Purchaser shall be liable for and shall pay, and be solely responsible for, any and all Transfer Taxes pertaining to the Purchaser's acquisition of the Purchased Assets; and
- (b) the Purchaser shall indemnify the Vendor for, from and against any Transfer Taxes (including any interest or penalties imposed by a Governmental Authority) that the Vendor is required to pay or for which the Vendor may become liable as a result of any failure by the Purchaser to pay or remit such Transfer Taxes (including GST and Harmonized Sales Tax in accordance with Section 4.2).

4.2 GST and Harmonized Sales Tax Election

To the extent permitted by Applicable Law, the Purchaser and Vendor shall jointly elect under subsection 167(1) of GST Legislation in respect of the purchase and sale of the Purchased Assets and jointly prepare and execute such election in prescribed form and within the time limits contained in the GST Legislation and the Purchaser shall, on a timely basis, file such election in compliance with the requirements of the GST Legislation.

ARTICLE 5 **REPRESENTATIONS AND WARRANTIES**

5.1 Vendor's Representations and Warranties

The Vendor hereby represents and warrants to the Purchaser as of the date hereof and as of the Closing Date that:

- (a) the Vendor has, among other things, been appointed by the Court as receiver and manager of the property, assets and undertakings of the Debtor pursuant to the Receivership Order, and such appointment is valid and subsisting as not been varied or amended, except as set forth in the Receivership Order;
- (b) except for: (i) the Court Approval and (ii) as otherwise expressly provided in this Agreement, the execution, delivery and performance of this Agreement by it does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Authority, except where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would not prevent or materially delay the consummation by the Vendor of the Transaction;

- (c) subject to Court Approval being obtained, this Agreement has been duly executed and delivered by the Vendor and constitutes a legal, valid and binding obligation of the Vendor and is enforceable against the Vendor in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar Applicable Laws relating to creditors' rights generally and subject to general principles of equity;
- (d) each of the Vendor and the Debtor is not a non-resident of Canada within the meaning of such term under the Tax Act and is not an agent or trustee for anyone with an interest in the Purchased Assets who is a non-resident of Canada within the meaning of such term under the Tax Act (or a partnership that is not a Canadian partnership within the meaning of such term under the Tax Act);
- (e) the Debtor is a registrant for GST or Harmonized Sales Tax purposes and will continue to be a registrant at the Closing Date in accordance with the provisions of the GST Legislation or similar provincial legislation and that its HST registration number is 100782762 RT0001; and
- (f) the Purchaser will not be liable for any brokerage commission, finder's fee or other similar payment in connection with the Transaction because of any action taken by, or agreement or understanding reached by the Vendor.

5.2 Purchaser's Representations and Warranties

The Purchaser hereby represents and warrants to the Vendor as of the date hereof and as of the Closing Date that:

- (a) it is a corporation duly incorporated and validly subsisting under the laws of the jurisdiction of its incorporation and has the requisite power and authority to enter into this Agreement and to complete the Transaction;
- (b) it has taken all necessary corporate or other acts to authorize the execution, delivery and performance by it of this Agreement;
- (c) neither the execution of this Agreement nor its performance by the Purchaser will result in a breach of any term or provision or constitute a default under any indenture, mortgage, deed of trust or any other agreement to which the Purchaser is a party or by which it is bound which breach could materially affect the ability of the Purchaser to perform its obligations hereunder;
- (d) the execution, delivery and performance of this Agreement by it does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Authority, except where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would not prevent or materially delay the consummation by the Purchaser of this Transaction;
- (e) this Agreement has been duly executed and delivered by it and constitutes a legal, valid and binding obligation of the Purchaser and is enforceable against the Purchaser in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar Applicable Laws relating to creditors' rights generally and subject to general principles of equity;

- (f) the Purchaser is not a non-Canadian Person within the meaning of the *Investment Canada Act* (Canada) nor a non-resident of Canada for the purposes of the Tax Act;
- (g) the Purchaser is a registrant for GST or Harmonized Sales Tax purposes and will continue to be a registrant at the Closing Date in accordance with the provisions of the GST Legislation or similar provincial legislation and that its HST registration number is 100782762 RT0001;
- (h) the Vendor will not be liable for any brokerage commission, finder's fee or other similar payment in connection with the Transaction because of any action taken by, or agreement or understanding reached by, the Purchaser;
- (i) the Purchaser will have the financial resources necessary to pay, as and when due from the Purchaser, the Purchase Price, the Transfer Taxes and any other amounts payable by the Purchaser pursuant hereto; and
- (j) the Purchaser or its Affiliates have the financial resources necessary to post or satisfy all necessary security, deposits, letters of credit, guarantees or other financial assurances necessary to take possession of the Purchased Assets.

5.3 Enforcement of Representations and Warranties

- (a) The representations and warranties of each Party contained in this Agreement shall merge on Closing and shall thereafter be of no further force and effect. Effective upon the occurrence of Closing, each Party hereby releases and forever discharges each other Party from any breach of any representations and warranties set forth in this Agreement. For greater certainty, none of representations and warranties contained in this Article 5 shall survive Closing and, the Purchaser's sole recourse for any material breach of representation or warranty by the Vendor shall be for the Purchaser to not complete the Transaction in accordance with this Agreement.
- (b) The representations and warranties of the Vendor made herein or pursuant hereto are made for the exclusive benefit of the Purchaser, and the representations and warranties of the Purchaser made herein or pursuant hereto are made for the exclusive benefit of the Vendor, as the case may be, and are not transferable and may not be made the subject of any right of subrogation in favour of any other Person.
- (c) The Parties expressly acknowledge and agree that the provisions of this Section 5.3 and the limit on each Party's liability set out in this Section 5.3 are intended by the Parties as a limitation of liability that represents a fair and equitable allocation of the risks and liabilities that each Party has agreed to assume in connection with the subject matter hereof.

ARTICLE 6

"AS IS, WHERE IS" AND NO ADDITIONAL REPRESENTATIONS AND WARRANTIES

6.1 Due Diligence Acknowledgement

The Purchaser acknowledges and agrees that:

- (a) it was solely responsible to perform any inspections it deemed pertinent to the purchase of the Purchased Assets and to be satisfied as to the condition of the Purchased Assets prior to entering into this Agreement with the Vendor;
- (b) notwithstanding the fact that it was permitted to review any diligence materials and disclosures provided by the Vendor, the Vendor assumes no liability for errors or omissions in such diligence materials and disclosure or any other property listings or advertising, promotional or publicity statements and materials, and makes no representations or warranties in respect thereof;
- (c) by entering into this Agreement with the Vendor, the Purchaser shall be deemed to represent, warrant and agree with respect to the Purchased Assets that:
 - (i) the Purchaser has inspected the Purchased Assets and is familiar and satisfied with the physical condition thereof and has conducted such investigation of the Purchased Assets as the Purchaser has determined appropriate;
 - (ii) none of the Vendor or its Representatives have made any oral or written representation, warranty, promise or guarantee whatsoever to the Purchaser, expressed or implied, and in particular, that no such representations, warranties, guarantees, or promises have been made with respect to the physical condition, operation, or any other matter or thing affecting or related to the Purchased Assets and/or the offering or sale of the Purchased Assets;
 - (iii) the Purchaser has not relied upon any representation, warranty, guarantee or promise or upon any statement made or any information provided concerning the Purchased Assets, made available to the Purchaser by the Vendor or its Representatives;
 - (iv) the Purchaser has entered into this Agreement after having relied solely on its own independent investigation, inspection, analysis, appraisal and evaluation of the Purchased Assets and the facts and circumstances related thereto;
 - (v) any information provided or to be provided by or on behalf of the Vendor with respect to the Purchased Assets, was obtained from information provided to the Vendor and the Vendor has not made any independent investigation or verification of such information, and makes no representations as to the accuracy or completeness of such information;
 - (vi) without limiting the generality of the foregoing, the Vendor was not under any obligation to disclose to the Purchaser, and shall have no liability for its failure to disclose to the Purchaser, any information known to it relating to the Purchased Assets except as may be required by any Applicable Law; and
 - (vii) none of the Vendor or its Representatives are liable or bound in any manner by any oral or written statements, representations or information pertaining to the Purchased Assets, or the operation thereof, made or furnished by any real estate broker, agent, employee, or other Person.

6.2 "As Is, Where Is", No Additional Representations

- (a) Without limiting any other provision of this Agreement, the Purchaser acknowledges and agrees that it is acquiring the Purchased Assets on an "as is, where is" and "without recourse" basis with all defects, both patent and latent, and with all faults, whether known or unknown, presently existing or that may hereafter arise. The Purchaser acknowledges and agrees that the Vendor and its Representatives have not made, do not make and specifically negate and disclaim any representation, warranty, promise, covenant, agreement or guaranty of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to the Purchased Assets. For greater certainty, but without limitation, except as expressly set forth in this Agreement, none of the Vendor or any of its Representatives make any condition, representation or warranty whatsoever, express or implied, with respect to:
- (i) the value of any of the Purchased Assets or the future cash flows therefrom;
 - (ii) the nature, manner, quantity, quality, title condition or state of repair of the Purchased Assets;
 - (iii) the merchantability, suitability, marketability, profitability, serviceability or fitness for a particular purpose of the Purchased Assets;
 - (iv) any regulatory approvals, consents or authorizations that may be needed to conduct the Business or complete the purchase of the Purchased Assets contemplated by this Agreement;
 - (v) the compliance of or by the Purchased Assets or their operation with any Applicable Law (including Environmental Laws); and
 - (vi) any other matter with respect to the Purchased Assets.
- (b) The Purchaser acknowledges that the release and disclaimer described in this Section 6.2 is intended to be very broad and the Purchaser expressly waives and relinquishes any rights or benefits it may have under any Applicable Law designed to invalidate releases of unknown or unsuspected claims.
- (c) Except for its express rights under this Agreement, the Purchaser hereby waives all rights and remedies (whether now existing or hereinafter arising and including all common law, tort, contractual and statutory rights and remedies) against the Vendor and its Representatives in respect of the Purchased Assets and any representations or statements made or information or data furnished to the Purchaser or its Representatives in connection herewith (whether made or furnished orally or by electronic, faxed, written or other means). Such waiver is absolute, unlimited, and includes, but is not limited to, waiver of express warranties, implied warranties, any warranties contained in the *Sale of Goods Act* (Ontario) (or similar applicable statutes, all as may be amended, repealed or replaced), warranties of fitness for a particular use, warranties of merchantability, warranties of occupancy, strict liability and claims of every kind and type, including claims regarding defects, whether or not discoverable or latent, product liability claims, or similar claims, and all other claims that may be later created or conceived in strict liability or as strict liability type claims and rights.

6.3 Lease

The Purchaser acknowledges and agrees that the Vendor will disclaim the Lease on the Closing Date.

ARTICLE 7 RISK AND INSURANCE

7.1 Risk

The Purchased Assets will be at the sole risk and responsibility of the Vendor until Closing. Upon Closing, all title and risk with respect to the Purchased Assets shall pass to the Purchaser effective as of the Effective Time.

7.2 Insurance

Any property, liability and other insurance maintained by the Vendor shall not be transferred at Closing, but shall remain the responsibility of the Vendor until the Closing Date. The Purchaser shall be responsible for placing its own property, liability and other insurance coverage with respect to the Purchased Assets in respect of the period from and after the Effective Time.

ARTICLE 8 INDEMNIFICATION

8.1 Indemnification Given by Purchaser

If Closing occurs, the Purchaser shall be liable to the Vendor and its Representatives for, and as a separate covenant, indemnify and save harmless the Vendor and its Representatives from and against:

- (a) all Losses and Liabilities suffered, sustained, paid or incurred by the Vendor or its Representatives to the extent arising or accruing on or after the Effective Time and which are attributable to the ownership, operation, use, construction or maintenance of the Purchased Assets following the Effective Time; and
- (b) any other Losses and Liabilities for which the Purchaser has agreed to indemnify the Vendor pursuant to this Agreement.

The Purchaser's indemnity obligations set forth in this Section 8.1 shall survive the Closing Date indefinitely pursuant to Section 13.3.

8.2 Third Party Claims

- (a) If the Vendor receives written notice of the commencement or assertion of any Third Party Claim for which the Purchaser is liable (or has otherwise agreed to indemnify the Vendor and its Representatives against) pursuant to this Agreement, the Vendor shall, subject to its discharge, give the Purchaser reasonably prompt notice thereof, but in any event no later than ten (10) days after receipt of such notice of such Third Party Claim. Such notice to the Purchaser shall describe the Third Party Claim in reasonable detail and shall indicate, if reasonably practicable, the estimated amount (or the method of computation of the amount) of the Losses and Liabilities that have been or may be sustained by the Vendor and its Representatives, and a reference to the provisions of this Agreement upon which such claim is based.

- (b) The Purchaser may participate in the defence of any Third Party Claim by giving notice to that effect to the Vendor not later than ten (10) days after receiving notice of that Third Party Claim (the "**Notice Period**") so long as: (i) the Purchaser first acknowledges to the Vendor, in writing, liability to the Vendor under this Agreement with respect to such Third Party Claim and that the outcome of such Third Party Claim does not alter or diminish the Purchaser's obligation to indemnify the Vendor and its Representatives pursuant to this Agreement, subject to the Purchaser's right to contest in good faith the Third Party Claim; (ii) the Purchaser has the financial resources to defend against the Third Party Claim and fulfill any indemnification obligations and has provided the Vendor with evidence thereof; (iii) the Third Party Claim involves monetary damages; and (iv) the Purchaser participates in the defence of the Third Party Claim actively and diligently. The Purchaser's right to do so shall be subject to the rights of any insurer or other third party who has potential liability in respect of that Third Party Claim. The Purchaser shall pay all of its own expenses of participating in or assuming such defence. In the event that the Purchaser elects to participate in the defence of a Third Party Claim pursuant to this Section 8.2(b), then the Vendor shall, subject to its discharge, cooperate in good faith in the defence of each Third Party Claim and may participate in such defence assisted by counsel of its own choice at its own expense.
- (c) If the Vendor has not received notice within the Notice Period that the Purchaser has elected to participate in the defence of such Third Party Claim in accordance with Section 8.2(b), or if the Purchaser has given such notice but thereafter fails or is unable to participate in the defence of such Third Party Claim actively and diligently, the Vendor may, at its option, and subject to its discharge, elect to settle or compromise the Third Party Claim on terms of its choosing, or assume such defence assisted by counsel of its own choosing, and the Purchaser shall be liable for all reasonable costs and expenses paid or incurred in connection therewith and any Losses and Liabilities suffered or incurred by the Vendor and its Representatives with respect to such Third Party Claim.

8.3 Failure to Give Timely Notice

Notwithstanding that time is of the essence, a failure to give timely notice as provided in Section 8.2 shall not affect the rights or obligations of any Party except and only to the extent that, as a result of such failure, any Party which was entitled to receive such notice was deprived of its right to recover any payment under any applicable insurance coverage or was otherwise prejudiced as a result of such failure.

8.4 No Merger

There shall not be any merger of any liability or indemnity hereunder in any assignment, conveyance, transfer or document delivered pursuant hereto notwithstanding any rule of law, equity or statute to the contrary and all such rules are hereby waived.

ARTICLE 9 **COVENANTS**

9.1 Court Approval

- (a) The Vendor shall prepare all materials, and shall as soon as reasonably practicable after execution of this Agreement: (i) bring a motion for the issuance of the Approval and Vesting Order in the Court; and (ii) serve such parties as the Court and the Purchaser, acting reasonably, may require for motions seeking the entry of the Approval and Vesting

Order. The Purchaser, at its own expense, shall promptly provide to the Vendor all such information and assistance within the Purchaser's power as the Vendor may reasonably request to obtain the Approval and Vesting Order, including such information as may be required to reasonably evaluate the Purchaser's financial ability to perform its obligations hereunder. The motion for the Approval and Vesting Order may be adjourned or rescheduled by the Vendor or its Representatives upon notice to the Purchaser.

- (b) In the event an appeal is taken, or a stay pending appeal is requested, from the Court Orders, the Vendor shall promptly notify the Purchaser of such appeal or stay request and shall provide to the Purchaser a copy of the related notice of appeal or order of stay. The Vendor shall also provide the Purchaser with written notice of any motion or application filed in connection with any appeal from either of such orders.
- (c) From and after the date of execution of this Agreement and prior to the Closing or the termination of this Agreement in accordance with Section 12.1, the Vendor shall not take any action that is intended to (or is reasonably likely to), or fail to take any action the intent (or the reasonably likely result) of which failure to act is to, result in the reversal, voiding, modification or staying of the Approval and Vesting Order, or this Agreement.

9.2 Court Filings

- (a) From and after the date of execution of this Agreement and until the Closing Date, the Vendor shall use commercially reasonable efforts to deliver to the Purchaser copies of all pleadings, motions, notices, statements, schedules, applications, reports and other papers that relate, in whole or in part, to this Agreement, or to the Purchaser or its Representatives, that are to be filed by the Vendor in connection with the Court Approval in advance of their filing, before the filing of such papers, and shall provide the Purchaser with a reasonable opportunity to review and comment thereon.
- (b) The Vendor shall act reasonably and in good faith in considering any comments provided by the Purchaser to such papers; *provided, however* that, subject in each case to the foregoing good faith obligations of the Vendor, the Vendor shall have no obligation to accept and incorporate the Purchaser's comments to such papers and neither the Vendor's inadvertent failure to comply with this Section 9.2, nor the Vendor's failure to comply with this Section 9.2 due to emergency circumstances, shall constitute a breach under this Agreement.

9.3 Possession of Purchased Assets

- (a) On Closing, the Purchaser shall take possession of the Purchased Assets at the Premises, and the Vendor shall deliver to the Purchaser all keys, key cards, access codes, passwords, and any other similar items or information necessary to access and/or use the Purchased Assets. The Purchaser acknowledges that the Vendor has no further obligation to deliver physical possession of the Purchased Assets to the Purchaser.
- (b) The Vendor shall either remove, or clearly mark, any Excluded Assets which will be left on the Premises at Closing. With respect to any other Excluded Assets, the Purchaser shall promptly notify the Vendor of such Excluded Assets which may come into the possession or control of the Purchaser, whether before or after Closing, and thereupon shall promptly release such Excluded Assets to the Vendor, or to such other Person as the

Vendor may direct in writing. For greater certainty, title shall not be deemed to vest to the Purchaser in respect of any Excluded Assets.

9.4 Employee Matters

- (a) At least four (4) Business Days prior to the Closing Date (or such other date as is mutually agreeable by the Parties) the Assignee shall provide to the Receiver a list of all the individuals who were previously employed in the Business that it has determined shall be offered new employment by the Assignee upon the Closing (the “**Listed Employees**”). The term “**Assignee’s Employees**” means those employees who receive an offer of employment from the Assignee and accept the Assignee’s offer of employment. Within two (2) Business Days of the earlier of: (a) the Closing Date; and (b) the date upon which a Listed Employee becomes a Assignee’s Employee, the Assignee shall notify the Receiver that a Listed Employee has become an Assignee’s Employee.
- (b) The parties hereby agree that the Receiver shall have no liability or responsibility for any obligation of any nature owing, including, without limitation, any salary, wages, bonuses, commission, wrongful dismissal, termination and severance by the Debtor or the Receiver, except in respect to Claims in accordance with the *Wage Earner Protection Program Act* (Canada) (“**WEPPA**”) or the *Bankruptcy and Insolvency Act* (Canada) (“**BIA**”), and that the information regarding the Listed Employees and Assignee’s Employees is being provided solely to assist the Receiver in its statutory obligations pursuant to the WEPPA and the BIA.

ARTICLE 10 **COVENANTS**

10.1 Mutual Conditions

The respective obligations of the Parties to complete the purchase and sale of the Purchased Assets are subject to the following conditions being fulfilled or performed as at or prior to the Closing Date:

- (a) the Court shall have granted the Approval and Vesting Order and the Approval and Vesting Order shall be a Final Order;
- (b) no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable order or Applicable Law which has the effect of: (i) making any of the transactions contemplated by this Agreement illegal; or (ii) otherwise prohibiting, preventing or restraining the Vendor from the sale of the Purchased Assets; and
- (c) the Closing is not otherwise prohibited by Applicable Law.

The foregoing conditions are for the mutual benefit of the Vendor and the Purchaser and may be asserted by the Vendor or the Purchaser regardless of the circumstances and may be waived only with the agreement of both the Vendor and the Purchaser.

10.2 Conditions for the Benefit of the Purchaser

The obligation of the Purchaser to complete the purchase of the Purchased Assets is subject to the following conditions being fulfilled or performed as at or prior to the Closing Date:

- (a) all representations and warranties of the Vendor contained in Section 5.1 of this Agreement shall be true and correct in all material respects as at the Closing Date with the same force and effect as if made at and as of such time, and the Vendor shall have delivered to the Purchaser a certificate to that effect substantially similar in form to that attached hereto as Schedule “G”;
- (b) the Vendor shall have complied with and performed, in all material respects, all of its covenants and obligations contained in this Agreement; and
- (c) the Vendor shall have executed and delivered or caused to have been executed and delivered to the Purchaser at or before the Closing all the documents contemplated in Section 11.2.

The foregoing conditions are for the exclusive benefit of the Purchaser and may be waived by it in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Purchaser may have.

10.3 Conditions for the Benefit of the Vendor

The obligation of the Vendor to complete the sale of the Purchased Assets is subject to the following conditions being fulfilled or performed as at or prior to the Closing Date:

- (a) all representations and warranties of the Purchaser contained in Section 5.2 of this Agreement shall be true and correct in all material respects as at the Closing Date with the same force and effect as if made at and as of such time, and the Purchaser shall have delivered to the Vendor a certificate to that effect substantially similar in form to that attached hereto as Schedule “G”;
- (b) the Purchaser shall have complied with and performed in all material respects all of its covenants and obligations contained in this Agreement;
- (c) the Purchaser shall have executed and delivered or caused to have been executed and delivered to the Vendor at or before the Closing all the documents contemplated in Section 11.3;
- (d) the Vendor has not lost its ability to convey the Purchased Assets due to an order of the Court or otherwise.

The foregoing conditions are for the exclusive benefit of the Vendor and may be waived by it in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Vendor may have.

10.4 Satisfaction of Conditions

Each of the Parties shall proceed diligently and in good faith and use all commercially reasonable efforts to fulfill and assist in the fulfillment of the conditions set forth in Sections 10.1, 10.2 and 10.3. In addition, each of the Parties agrees not to take any action that could reasonably be expected to preclude, delay or have an adverse effect on the Transaction or would render, or may reasonably be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect.

ARTICLE 11
CLOSING

11.1 Closing Date and Place of Closing

Subject to the conditions set out in this Agreement, the Transaction shall close and be completed on the Closing Date, or at such other time as the Parties may agree in writing.

11.2 Deliveries on Closing by the Vendor

The Vendor shall deliver (or cause to be delivered) to the Purchaser's Solicitor on or before the Closing Date:

- (a) the issued and entered Approval and Vesting Order;
- (b) all other conveyances, assurances, transfers, bills of sale and assignments and any other instruments or documents necessary or reasonably required by the Purchaser to assign, transfer and convey the Purchased Assets to the Purchaser with good title, free and clear of all Encumbrances, in registrable form if required, each in form and substance acceptable to the Purchaser, acting reasonably
- (c) all documents listed in Section 11.3 which contemplate execution by the Vendor;
- (d) the certificate of the Vendor referred to in Section 10.2(a); and
- (e) any other documents, resolutions and certificates as is referred to in this Agreement or as the Purchaser may reasonably require to give effect to this Agreement.

11.3 Deliveries on Closing by the Purchaser

The Purchaser shall deliver (or cause to be delivered) to the Vendor's Solicitor on or before the Closing Date:

- (a) the Closing Cash Payment in accordance with Section 3.3(b);
- (b) payment of all Transfer Taxes payable on Closing to the Vendor (or evidence of payment by the Purchaser thereof to the relevant Governmental Authorities);
- (c) all documents listed in Section 11.2 which contemplate execution by the Purchaser;
- (d) the certificate of the Purchaser referred to in Section 10.3(a); and
- (e) any other documents, resolutions and certificates as is referred to in this Agreement or as the Vendor may reasonably require to give effect to this Agreement.

ARTICLE 12
TERMINATION

12.1 Grounds for Termination

This Agreement may be terminated at any time prior to Closing:

- (a) by the mutual written agreement of the Vendor and the Purchaser, provided however that if this Agreement has been approved by the Court, any such termination shall require approval of the Court;
- (b) by the Purchaser, upon written notice to the Vendor, if there has been a material breach by the Vendor of any material representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Purchaser, and: (i) such breach is not curable and has rendered the satisfaction of any condition in Section 10.2 impossible by the Outside Date; or (ii) if such breach is curable, the Purchaser has provided prior written notice of such breach to the Vendor, and such breach has not been cured within ten (10) days (or, if not curable within ten (10) days, such longer period as is reasonable under the circumstances, not to exceed thirty (30) days) following the date upon which the Vendor received such notice;
- (c) by the Purchaser, upon written notice to the Vendor, any time after the Outside Date, if the Closing has not occurred by the Outside Date and such failure to close was not caused by or as a result of the Purchaser's breach of this Agreement;
- (d) by the Vendor, upon written notice to the Purchaser, if there has been a material breach by the Vendor of any material representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Vendor, and: (i) such breach is not curable and has rendered the satisfaction of any condition in Section 10.3 impossible by the Outside Date; or (ii) if such breach is curable, the Vendor has provided prior written notice of such breach to the Purchaser, and such breach has not been cured within ten (10) days (or, if not curable within ten (10) days, such longer period as is reasonable under the circumstances, not to exceed thirty (30) days) following the date upon which the Purchaser received such notice; or
- (e) by the Vendor, upon written notice to the Purchaser, any time after the Outside Date, if the Closing has not occurred by the Outside Date and such failure to close was not caused by or as a result of the Vendor's breach of this Agreement.

12.2 Effect of Termination

Notwithstanding any termination of this Agreement by the Vendor or the Purchaser as permitted under Section 12.1, the provisions of Sections 1.2 (Interpretation), 1.4 (Interpretation if Closing Does Not Occur), 3.2 (Deposit), 13.1 (Public Announcements), 13.4 (Governing Law), 13.5 (Consequential Damages), 13.11 (Costs and Expenses), 13.12 (Entire Agreement) and 13.15 (Third Party Beneficiaries) shall remain in full force and effect following any such permitted termination, and the Deposit shall be governed by Section 3.2.

ARTICLE 13 GENERAL

13.1 Public Announcements

- (a) Subject to Section 13.1(b), if a Party intends to issue a press release or other public disclosure of this Agreement, the terms hereof or the Transaction, the disclosing Party shall provide the other Parties with an advance copy of any such press release or public disclosure with sufficient time to enable the other Parties to review such press release or other public disclosure and provide any comments. The disclosing Party shall not issue

such press release or other public disclosure without the prior written consent of the other Parties, such consent not to be unreasonably withheld.

- (b) Notwithstanding Section 13.1(a): (i) this Agreement may be filed by the Vendor with the Court; and (ii) the Transaction may be disclosed by the Vendor to the Court, subject to redacting confidential or sensitive information as permitted by Applicable Law. The Parties further agree that:
- (i) the Vendor may prepare and file reports and other documents with the Court containing references to the Transaction and the terms of such Transaction; and
 - (ii) the Vendor and its professional advisors may prepare and file such reports and other documents with the Court containing references to the Transaction contemplated by this Agreement and the terms of such Transaction as may reasonably be necessary to obtain the Court Approval and to complete the Transaction contemplated by this Agreement or to comply with their obligations to the Court.

13.2 Dissolution of Debtor

The Purchaser acknowledges and agrees that nothing in this Agreement shall operate to prohibit or diminish in any way the right of the Debtor or the Receiver to dissolve, wind-up, make an assignment in bankruptcy or otherwise cease operations of the Business in any manner or at any time subsequent to the Closing Date as it may determine in their sole discretion, which may be exercised without regard to the impact any such action may have on the Vendor's ability to fulfil its obligations under this Agreement that survive Closing.

13.3 Survival

Upon Closing, the obligations, covenants, representations and warranties of the Parties set out in this Agreement shall expire, be terminated and extinguished and of no further force or effect, provided that notwithstanding the Closing contemplated hereunder or the delivery of documents pursuant to this Agreement, the obligations and covenants of the Parties set out in Sections 1.2 (Interpretation), 5.3 (Enforcement of Representations and Warranties), 9.3 (Possession of Purchased Assets and Expenses for Removal), and Article 4 (Transfer Taxes), Article 6 ("As Is, Where Is" and No Additional Representations and Warranties), Article 8 (Indemnification), and Article 13 (General), shall survive Closing, shall remain in full force and effect, shall not merge as a result of Closing and shall be binding on the Parties indefinitely thereafter except as expressly stated to the contrary therein.

13.4 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario, and the federal laws of Canada applicable therein (excluding any conflict of law rule or principle of such laws that might refer such interpretation or enforcement to the laws of another jurisdiction). The Parties consent to the jurisdiction and venue of the courts of Ontario for the resolution of any such dispute arising under this Agreement.

13.5 Consequential Damages

Under no circumstance shall either of the Parties or their respective Representatives be liable for any punitive, exemplary, consequential or indirect damages (including for greater certainty, any loss of

profits) (collectively, "**Consequential Damages**") that may be alleged to result, in connection with, arising out of, or relating to this Agreement or the Transaction, other than Consequential Damages for which the Vendor is liable as a result of a Third Party Claim (which liability of the Vendor shall be subject to and recoverable under Article 8 (Indemnification)).

13.6 Further Assurances

Subject to the Vendor's discharge, each of the Parties hereto from and after the date hereof shall, from time to time, and at the request and expense of the Party requesting the same, do all such further acts and things and execute and deliver such further instruments, documents, matters, papers and assurances as may be reasonably requested to complete the Transaction and for more effectually carrying out the true intent and meaning of this Agreement.

13.7 Assignment

The Purchaser shall not, without the Vendor's prior written consent, assign any right or interest in this Agreement, which consent may be withheld in the Vendor's sole and absolute discretion, except that the Purchaser shall have the right to assign any or all of its rights, interests or obligations hereunder to the Assignee and one or more Affiliates of the Purchaser, provided that: (a) the Assignee and such Affiliate agrees to be bound by the terms of this Agreement; (b) the Purchaser shall remain liable hereunder for any breach of the terms of this Agreement by the Assignee and such Affiliate; (c) such assignment shall not release the Purchaser from any obligation or liability hereunder in favour of the Vendor; and (d) the Purchaser shall acknowledge and confirm its continuing obligations in favour of the Vendor in an assignment and assumption agreement in form and substance satisfactory to the Vendor.

13.8 Waiver

No failure on the part of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any right or remedy in law or in equity or by statute or otherwise conferred. No waiver by any Party of any breach (whether actual or anticipated) of any of the terms, conditions, representations or warranties contained herein shall take effect or be binding upon that Party unless the waiver is expressed in writing under the authority of that Party. Any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other or future breach.

13.9 Amendment

This Agreement shall not be varied in its terms or amended by oral agreement or by representations or otherwise other than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of each Party.

13.10 Time of the Essence

Time is of the essence in this Agreement.

13.11 Costs and Expenses

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

Transaction. Notwithstanding any other provision of this Agreement, the Purchaser shall pay the cost of all surveys, title insurance policies and title reports ordered by the Purchaser.

13.12 Entire Agreement

This Agreement and the Non-Disclosure Agreement (the terms and conditions of which are incorporated by reference into this Agreement, and binding upon the Parties, as if such agreement were signed directly by the Parties) constitute the entire agreement between the Parties with respect to the subject matter hereof and cancel and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof. There are no conditions, covenants, agreements, representations, warranties or other provisions, whether oral or written, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof other than those contained in this Agreement or in the Non-Disclosure Agreement.

13.13 Notices

Any notice, direction or other communication given regarding the matters contemplated by this Agreement must be in writing, sent by personal delivery, courier or electronic mail and addressed:

- (a) in the case of the Vendor:

Deloitte Restructuring Inc.
8 Adelaide Street West, Suite 200
Toronto, ON M5H 0A9

Attention: Robert Biehler
Email: rbiehler@deloitte.ca

With a copy to the Vendor's Solicitors:

Dentons Canada LLP
77 King Street West, Suite 400
Toronto, ON M5K 0A1

Attention: John Salmas
Email: john.salmas@dentons.com

- (b) In the case of the Purchaser and Assignee:

Canerector Inc.
1 Sparks Avenue
North York, ON M2H 2W1

Attention: Tim Buckland
Email: tbuckland@canerector.com

A notice is deemed to be given and received if: (i) sent by personal delivery or courier, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day; or (ii) email, on the date of transmission if it is a Business Day and the transmission was made prior to 4:00 p.m. (local time in place of receipt), and otherwise on the next Business Day. A Party may change its address for service from time to time by

providing a notice in accordance with the foregoing. Any subsequent notice must be sent to the Party at its changed address. Any element of a Party's address that is not specifically changed in a notice will be assumed not to be changed. **Sending a copy of a notice to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice to that Party. The failure to send a copy of a notice to legal counsel does not invalidate delivery of that notice to a Party.**

13.14 Enurement

This Agreement shall be binding upon, and enure to the benefit of, the Parties and their respective successors and permitted assigns.

13.15 Third Party Beneficiaries

Except as otherwise provided for in Article 8 (Indemnification) and in respect of the Assignee, each Party intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any Person other than the Parties and their successors and permitted assigns, and, except for the Representatives indemnified by the Purchaser pursuant to Article 8 (Indemnification), no Person, other than the Parties and their successors and permitted assigns shall be entitled to rely on the provisions hereof in any action, suit, proceeding, hearing or other forum. Despite the foregoing, the Purchaser acknowledges to each of the Vendor's Representatives its direct rights against them under Article 8 (Indemnification) of this Agreement. To the extent required by Applicable Law to give full effect to these direct rights, the Purchaser agrees and acknowledges that the Vendor is acting as agent and/or as trustee of its Representatives.

13.16 Severability

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

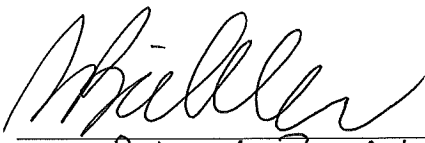
13.17 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by facsimile or other electronic means of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

IN WITNESS WHEREOF this Agreement has been properly executed by the Parties as of the date first above written.

DELOITTE RESTRUCTURING INC.
IN ITS CAPACITY AS COURT-APPOINTED
RECEIVER AND MANAGER OF THE ASSETS,
PROPERTIES AND UNDERTAKINGS OF
INNOVATIVE STEAM TECHNOLOGIES INC.
AND IST BOILER COMPONENTS INC., AND
NOT IN ITS PERSONAL OR CORPORATE
CAPACITY

Per: 
Name: Robert Biehler
Title: Senior Vice President

CANERECTOR INC.

Per: _____
Name:
Title:

The undersigned hereby acknowledges and agrees to the terms of this Agreement as of the date first written above.

8882703 CANADA INC.

Per: _____
Name:
Title:

IN WITNESS WHEREOF this Agreement has been properly executed by the Parties as of the date first above written.

DELOITTE RESTRUCTURING INC.
IN ITS CAPACITY AS COURT-APPOINTED
RECEIVER AND MANAGER OF THE ASSETS,
PROPERTIES AND UNDERTAKINGS OF
INNOVATIVE STEAM TECHNOLOGIES INC.
AND IST BOILER COMPONENTS INC., AND
NOT IN ITS PERSONAL OR CORPORATE
CAPACITY

Per: _____
Name:
Title:

CANERECTOR INC.

Per: Tim Buckland
Name: *Tim Buckland*
Title: *Secretary*

The undersigned hereby acknowledges and agrees to the terms of this Agreement as of the date first written above.

8882703 CANADA INC.

Per: Tim Buckland
Name: *Tim Buckland*
Title: *Secretary*

Schedule "A"

FORM OF APPROVAL AND VESTING ORDER

(attached)

Court File No. CV-18-596878-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE	)	TUESDAY, THE 12th
)	
JUSTICE	)	DAY OF JUNE, 2018

B E T W E E N:

HSBC BANK CANADA

Applicant

- and -

**INNOVATIVE STEAM TECHNOLOGIES INC. and
IST BOILER COMPONENTS INC.**

Respondents

APPROVAL AND VESTING ORDER

THIS MOTION, made by Deloitte Restructuring Inc., in its capacity as the Court-appointed receiver and manager (in such capacities, the "**Receiver**"), without security, of all of the assets, undertakings and properties of Innovative Steam Technologies Inc. ("**IST**") and IST Boiler Components Inc. (the "**Debtor**", and together with IST, the "**Debtors**") acquired for or used in relation to a business carried on by the Debtors, for an order approving the transaction (the "**Transaction**") contemplated by the Asset Purchase Agreement (the "**Sale Agreement**") between the Receiver and Canerector Inc. ("**Canerector**") dated June ●, 2018, to be assigned by Canerector to 8882703 Canada Inc. (the "**Purchaser**") immediately before the Closing of the Transaction pursuant to an [Assignment Agreement dated June ●, 2018] and is appended to the Report of the Receiver dated June ●, 2018 (the "**● Report**"), and vesting in the Purchaser the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the • Report and on hearing the submissions of counsel for the Receiver, [NAMES OF OTHER PARTIES APPEARING], no one appearing for any other person on the service list, although properly served as appears from the affidavit of [NAME] sworn [DATE] filed:

1. THIS COURT ORDERS AND DECLARES that any capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Sale Agreement.
2. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.
3. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Receiver's Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Wilton-Siegel dated May 1, 2018; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system (all of which are collectively referred to as the "**Encumbrances**") and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.
4. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all

Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. THIS COURT ORDERS AND DIRECTS the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

6. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

7. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

8. THIS COURT ORDERS that the **Confidential Appendix “●”** to the ● Report shall be sealed, kept confidential and not form part of the public record, but shall be placed separate and apart from all other contents of the Court file, in a sealed envelope attached to a notice that sets out the title of these proceedings and a statement that the contents are subject to a sealing order and shall only be opened upon completion of the Transaction or upon further order of the Court.

9. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

Schedule A – Form of Receiver’s Certificate

Court File No. CV-18-596878-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE	)	_____	, THE _____
)		
JUSTICE	)		DAY OF _____, 2018

B E T W E E N:

HSBC BANK CANADA

Applicant

- and -

**INNOVATIVE STEAM TECHNOLOGIES INC. and
IST BOILER COMPONENTS INC.**

Respondents

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Mr. Justice H. J. Wilton-Siegel of the Ontario Superior Court of Justice (the "**Court**") dated May 1, 2018, Deloitte Restructuring Inc. was appointed as the receiver and manager (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of Innovative Steam Technologies Inc. ("**IST**") and IST Boiler Components Inc. (the "**Debtor**", and together with IST, the "**Debtors**") acquired for or used in relation to a business carried on by the Debtors.

B. Pursuant to an Order of the Court dated June 12, 2018, the Court approved the Asset Purchase Agreement (the "**Sale Agreement**") between the Receiver and Canarector Inc.

("Canerector"), which was assigned by Canerector to 8882703 Canada Inc. (the "Purchaser"), and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by Canerector of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section 11 of the Sale Agreement have been satisfied or waived by the Receiver and Canerector; and (iii) the Transaction has been completed to the satisfaction of the Receiver..

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. Canerector has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in section 11 of the Sale Agreement have been satisfied or waived by the Receiver and Canerector; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

DELOITTE RESTRUCTURING INC., in its capacity as receiver and manager of the undertaking, property and assets of INNOVATIVE STEAM TECHNOLOGIES and IST BOILER COMPONENTS INC., and not in its personal or corporate capacity

Per: _____

Name:

Title:

Schedule “B”

EQUIPMENT

(attached)

IST Boiler Components Inc.
Equipment Listing
May 1, 2018

Category	Description	Model	Serial Number	Comments
Prep	GBS BOILER PREP TOOL		8110	
Washer	STEAM CLEANER	Webster 253	20273	Out of service
Belt Sander	GALLANT ROTO BELT		25891	
Belt Sander	GALLANT ROTO BELT		27094	
Lathe	DEAN SMITH 24" LATHE		30780	
Man Lift	Skyjack Scissor Lift Model	Model 3219 Unit#1811	221811	
I.W.	KINGSLAND IRON WORKER	60XS	870797	
Saw	HYD - MECH SAW	S 20P	4069076	
Saw	HYD - MECH SAW	S 20P	4089328	
Drill	NIDER DRILL PRESS	N170	7670490	
Prep	WACHS PREP TOOL	135 D7L 2 908	00-1873	
Prep	WACHS PREP TOOL	MB	00-246	
Prep	WACHS PREP TOOL	15ML 1.68 837	00-587	
Compressor	RED COMPRESSOR		09E79015	
Forklift	TCM FORKLIFT	FG30N7	444 31098	
Welder	Welding positioner	LMEC 1406-603	5000-700	
Plasma Cutter	PLASMA CUTTER	LTEC PCM 100	A89B - 04189	
Welder	Lincoln	R3R - 400	AC3533465	Out of service
Welder	Lincoln	R3R - 400	AC353510	Out of service
Lathe	LEBOUND LATHE		B02055	
Forklift	Nissan	Forklift Optimum 50	CP J02-9W4920	
Compressor	MAX AIR	CJ160VI	E142770	Unused
Washer	Hot's Cleaner	Hotsy 555 SSREL8	H1101-74105	
Welder	MILLER	GOLD STAR 300 SS	JC602891	
Welder	MILLER	GOLD STAR	JC609893	
Welder	MILLER	GOLD STAR 300 SS	JC631716	
Welder	MILLER	GOLD STAR 300 SS	JC631719	
Welder	MILLER	GOLD STAR 300 SS	JC631721	
Welder	MILLER	GOLD STAR 300 SS	JC659428	
Welder	MILLER	DELTA WELD 450	JE820788	
Welder	MILLER	SYNCROWAVE 300	JH171222	
Welder	MILLER	DELTA WELD 651	JJ436848	
Welder	MILLER	DELTA WELD 651	JJ441592	
Welder	MILLER	DELTA WELD 651	JJ441593	Under repair with Red-D-Arc Weldrentals
Welder	MILLER	DELTA WELD 651	JJ441594	
Welder	MILLER	DELTA WELD 651	JK571678	
Welder	MILLER	DELTA WELD 651	JK571679	
Welder	MILLER	DELTA WELD 651	JK665486	
Welder	MILLER	SYNCROWAVE 250	KD522664	
Welder	MILLER	SYNCROWAVE 250	KD544358	
Welder	MILLER	SYNCROWAVE 250	KE556333	
Welder	MILLER	SYNCROWAVE 250	KE560688	
Welder	MILLER	MAX TRON 450	KE674340	
Welder	MILLER	MAX TRON 450	KG286122	
Welder	MILLER	DELTA WELD	KJ441596	
Other	MILLER Induction machine	903469	LB316071	
Washer	Pressure Washer	Honda 3X 390	P5G 4001B	
Welder	Welding positioner	PRESTON EASTIN PA 15HDA	PA15HD 300	
Welder	Welding positioner	PRESTON EASTIN PA5M	PA5 - 701	
Prep	GBS BOILER PREP TOOL		R2568	
Other	Floor Sweeper	TENANT	S8	
Other	Floor Sweeper	NOBLES	Scout 28	
Saw	WALTER COLD CUT SAW	CS 300	VO 528	
Welder	MILLER	CHICAGO BRIDGE	WS36817	Out of service
Man Lift	Genie Articulating Booms Man Lift	Model- Z45 / 25E	Z45-012097	
Bender	COIL BENDER			
Bender	#3 WALLACE BENDER			

IST Boiler Components Inc.
 Equipment Listing
 May 1, 2018

Category	Description	Model	Serial Number	Comments
Compressor	White			
Copier	XEROX buleprint copier	Xerox 2515		
Fume Extractor	NEDERMAN EXTRACTOR			Defunct
Fume Extractor				Custom built and fixed to building
Other	Spray foam machine			Obsolete
Other	Microprocessor controller	Pipemaster		Obsolete
Other	Pressure tank			
Other	Rod Oven	DRY ROD 15D		
Other	Hydraulic fluid (2 cans)			
Other	Hydraulic hand pumps (6)			
Other	Hydraulic pump			
Plasma Cutter	LTEC			Out of service
Prep	BIRKESTRAND PREP	TMC 600 AUTO 3F		
Prep	BIRKESTRAND PREP	TMC 500		
Press	PANEL TRACKER			Custom built
Pump	PRESSURE TESTER			Custom built
Swager	AMERICAN MACHINE SWAGER			Custom built
Welder	JETLINE			Custom built
Welder	MEMCO 250	S-250		Out of service
Welder	NELSON STUD WELDING	NELWELD 4000		
Welder	JETLINE - Flux Heater			Part of Jetline

Reception Area		
Quantity	Description	Serial Numbers
1 x 3 pc	corner desk unit	
	1 small curved desk top	
	1 small cabinet desk top	
	1 x 3 drawer under desk cabinet	
1 x 5 pc	reception desk unit	
	2 curved desk tops	
	2 small desk tops	
	1 under desk 3 drawer cabinet	
1	GBC Heat Seal H425	S/N UH07000X
1	Swingline Classic Cut - paper cutter	P122861
1	Pelouze Model 5055 Postal Scale	1000001154
1	water bottle cooler/heater dispenser	
1	Rapid large stapler	
1	3 hole punch	
1	2 hole punch	
1	ASTRA phone set	
1	Brother P-Touch Labeller	Model PT-1230 PC
1	Packaging Tape Gun	
3	Global 4 drawer filing cabinets	
1	Nortel phone set	
1	Dell lap top - (for phone system managemnt	Tag 7MDM6G1 Model PP05XA P/N TF729 A03 CT443A00
1	Canon Image Runner Advance	Serial RRB16906
1	Fellowes Paper Shredder	
1	desk chair	
1	office/courtesy chair	
1	round end table	

Boardroom		
Quantity	Description	Serial Number
10	boardroom chairs	(1 chair in storage closet off boardroom)
1	board room table	
1	roller TV stand	
1	Sony TV mounted on wall	Model KDL-60EX500 S/N 8504913
1	Samsung Blu Ray Disc Player	Model 8D-D5100 S/N ZRL16V4BB01196D
1	Samsung remote	
1	Sony remote	

Manager's Office		
Quantity	Description	Serial Number
1	round meeting table	
4	courtesy chairs	
1	credenza 5 door	
1 x 9 pc	U shape desk unit	
	3 desk tops	
	2 x 3 drawer underdesk cabinets	
	1 x 4 drawer underdesk cabinets	
	1 x 2 drawer filing cabinets	
	1 tall 2 translucent door cupboard	
	1 over desk riser w/4 translucent doors	
1	HP monitor	S/N CNK01509FK
1	Dell keyboard	C/N-oDJ331-71616-7C3-1LLX
1	Nortel phone set	
1	paper shredder	
1	Logitech stereo/radio	

Kim's Office		
Quantity	Description	Serial Number
1 - 9 Pc	Modular U Shaped Desk Unit	N/A
	3 pcs - desk tops	N/A
	2 pcs 3 drawer cabinets	N/A
	2 pcs 2 drawer file cabinets	N/A
	1 pc tall 2 door cupboard	N/A
	1 pc high rise over desk top/w 4 doors	N/A
1	Free standing 2 door cabinet	N/A
1	Dell computer	IST PC#1414 tag#CWXQK02 Code: 28112971970
1	Dell monitor	CN-DM5OOF-74261-8CJ ORMU
1	Logitech keyboard	S/N 1602MR11B038
1	Logitech mouse	S/N 1602HS07GMV8
1	set of 2 Logitech Speakers Z130	M/N S-00098 P/N 880-000146
1	HP Laserjet pringer P1505	S/N VND3G48488
1	Sharp Calculator EL-2607R III	8D00829X
1	desk chair	
1	courtesy chair	
1	Nortel phone	

Ladies Washroom kitchen supply storage		
1	open shelf unit	
1	Rival Stainless Steel Roaster Oven	
1	chrome garbage receptacle	
	Styrofoam cups	
	Kleenex boxes	
	Paper Towels	
	Coffee	
	Sugar	
	creamer	
	Bee Mop	
	Coat Rack	
	Lysol Wipes	
	Bleach	
	Gargabe bags	

Glen's Office		
Quantity	Description	Serial Number
2	Credenzas	
1	desk 2 pcs with 5 drawers in all	
1	desk chair	
2	courtesy chairs	
1	table	
1	Lenova Think Pad W540 computer	A16014 (Aecon#) No S/N
1	Samsung Monitor	S/N CM24HVCSC00144B
1	HP Laserjet P1505 printer	S/N VND3G46603
1	Dell keyboard	CN-DDJ 331-71616-83E-20PN
1	Dell mouse	M/N M055UO
1	wall clock	
1	tall metal stand	

Dave's Office		
Quantity	Description	Serial Number
1	credenza	
2	4 drawer filing cabinets	
1	desk with 6 drawers	
1	desk chair	
2	courtesy chairs	
1	Nortel phone set	
2	2 shelf bookshelves	
1	Samsung monitor	S/N CM24HVCS00143T
1	Dell computer	Tag CWXLK02 Code: 28112738690
1	HP light scribe DVD1170	S/N 290909408578 3744222004
1	Logitech keyboard	K120 S/N 1550MAR02C5F8
1	Logitech mouse	M100 S/N 1603HS00C288
1	Rigid Seesnake Micro (gun/cord in case)	
1	Geek Squad 1500VA (power source)	
1	HP Desingject 800 Plotter	S/N SG44K7105V

Spare Office

Quantity	Description	Serial Number
1	Desk	
1	desk chair	
1	5 drawer file cabinet	
1	Nortel phone set	
1	Dell Computer Model DCTA V:100-240V	GM010R1 Tag 36158820877 DP/N Y937RA04
2	Dell monitors	1 S/N CN-0M39MD-74445-16B-EISL & 1 CN-0M39MD-77745-16B-EIBL

Mike's Office		
Quantity	Description	Serial Number
1	Sanyo Fridge	S/N 010501401
1	Wooden (shop made) drafting/layout table	
2	5 drawer drawing file cabinets	
1	Canon Copier	QNR03990
1	Black 4 drawer tall file cabinet	
1	Black 4 drawer shorter file cabinet	
1	desk	
1	desk chair	
1	Nortel phone set	
1	Dell computer	28111152386
1	Samsung monitor	S/N CM24HVLSC0039R
1	Logitech keyboard K120	S/N 1550MR02C608
1	Logitech mouse M100	S/N 1602HS07GMS8
1	set of 2 Logitech speakers	P/D SN418 P/N880-000146

Office Kitchen		
Quantity	Description	Serial Number
1	DeLonghi Convection Toaster Oven	S/N 71715S09
1	Oster Coffee Maker	
1	Keurig (not working)	
1	LG Fridge/freezer	S/N 802MRRH19750
1	Panasonic Inverter Microwave	S/N 6C68021207
1	Frigidaire dishwasher	S/N TH72650319

Shop Kitchen & changeroom		
Quantity	Descripton	Serial Number
6	lunch tables	
20	stackable chairs	
6	office chairs	
1	wall clock	
1	pull down viewing screen	
1	water cooler	
1	Frigidaire dishwasher	S/N TH72650313
1	Delonghi Convection Toaster Oven	S/N 71715 S09
2	GE Microwaves	1-8114-334-720 (can't find # on 2nd)
1	Oster Coffee Maker	
1	Black & Decker Toaster Oven	no #
1	Frigidaire Fridge	S/N WA32501646
1	knife block containing 8 knives	
1	Nortel phone set	
	Outside of lunchroom	
3	sets of lockers (2 X 4 lockers 1x3 lockers)	
	Change Room	
5	Wooden Benches	

Shop Office		
Quantity	Description	Serial Number
1	old wooden desk	
1	old chair	
1	Nortel phone set	
1	wall clock	
1	4 drawer filing cabinet	
1	set of 2 lockers	

Server Room		
Quantity	Description	Serial Number
3	Nortel phone sets (2 non working)	
4	APC Back ups XS1300 3 working 1 dead	
1	Dell Precsion T3400 not working	IST 919
1	Plastic Crate of cables	
1	Plastic Tool Kit - parts	
1	Dell monitor	CN 0G433H 74445-970-F9UL
1	HP kepboard	BC2AA0FCPXF00G
1	HP mouse	C/T F93AA0W5DWO01E
1	sonic wall	192.168.64.1
1	D-Link	DGS-1248T
1	HP Prliant ML150G6 KOSKOV	192.168.64.10
1	small black component non descript	S/N WCASU1693839
1	Bogen Challenger Solid State Model C-100	Ownership unknown

Drawing Room		
Quantity	Description	Serial Number
1	Xerox 2515	can't move to get #
1	desk	
3	chairs	
5	4 drawer file cabinets	
1	4 drawer black file cabinet	
6	4 drawer beige file cabinets	
1	wooden drafting/layout table	
1	drawing organizer racking system	
	Outside of room	
1	2 door closet cabinet	
1	GABS drawing safe file cabinet	
1	lunch table	

QC Room		
Quantity	Description	Serial Number
1	tall black 2 door closet cabinet	ASME Calibrated Equipment
1	table	
1	beige 4 drawer filing cabinet QC Files	
2	stackable lunch room chairs	
1	blue box electrical component unidentifiable	
1	drafting/drawing layout table	

First Aid Room		
Quantity	Description	Serial Number
1	desk	
1	chair	
1	patient (neck support) chair	
1	roll-a-way bed	
1	oxygen cabinet 2 green cases	
1	extendable magnifying mirror	
1	2 drawer black file cabinet	
1	sink	
1	foot pedal garbage receptacle	
	first aid supplies	

Schedule "C"**EXCLUDED ASSETS**

All of the following assets of the Debtor:

1. All Contracts.
2. Equity and debt securities legally or beneficially owned by the Debtor.
3. Cash, cash equivalents, deposits, including, without limitation, any deposits pursuant to the Lease, accounts receivable and bank accounts of the Debtor.
4. Policies of insurance or assurance (including directors and officers insurance and claims against insurance and insurance settlements) (except for the right to receive the proceeds of insurance in respect of Purchased Assets and all books and records related thereto which shall not constitute Excluded Assets);
5. Rights to receive a refund of, and/or credit in respect of, Taxes paid by or on behalf of the Debtor.
6. Tax returns of the Debtor.
7. Tax installments paid by or on behalf of any Debtor.
8. The general ledger, financial statements, accounting and Tax records, minute books, corporate seal, taxpayer and other identification numbers and other corporate records of the Debtor relating to the organization, maintenance and existence of the Debtor.
9. Any Books and Records that the Debtor is required by Applicable Law to retain in its possession, provided however, the Purchaser shall be provided with copies of all such Books and Records that pertain to the Business.
10. All properties, assets and rights of the Debtor not related to the Business.
11. Assets located at the Premises that are owned by third parties;

Schedule “D”

INVENTORY

(attached)

New ID # 9 digits Material Location Amt. OUN Size Unit \$ Total \$ PO #

TUBES

R40xxxxxx ROUND BAR

R40000001	15/16" Round Bar - SA479 TP304 x 12'-2" (8pcs)	ERG	97.33			7.76000	755.28	
R40000002	3/8" Round Bar - SA479 TP304 x 12 (51 pcs)	ERG	612			1.32000	807.84	
R40000003	3/8" Round Bar - SA479 TP309x 12'-7" (15 pcs)	ERG	188			4.36037	819.75	
R40000004	3/8" Round Bar - SA479 TP347 x 12 (16 pcs)	ERG	192			2.49000	478.08	
R40000005	1/4" Round Bar SA479 304L x 12' (2 pcs)	ERF	24			0.95000	22.80	
R40000006	1/2" Round Bar - SA479 TP310 x 12' (4 pcs)	ERF	48			9.57000	459.36	
R40000007	5/16" Round Bar C1018 19 @ 20'	ERC	380			1.04000	395.20	
R40000008	1/4" Round Bar C1018 3 @ 20'	ERF	60			0.30000	18.00	

R42xxxxxx BENDS - HOT BENDS - Wall thickness measurements taken at thinnest area of bend

R42000001	1 1/2" X .180" SA213TP310 3/4" CLR 1'-7" LEGS	4B	6			203.00	1,218.00	
R42000002	1 1/2" X .180" SA213TP310 3/4" CLR 1'-11" & 3'-5"	4B	11			268.35	2,951.85	
R42000003	1 1/2" X .180" SA213TP310 3/4" CLR 1'-2" legs	4B	2			175.00	350.00	
R42000004	2 1/4" x .203" SA213 TP 310H on 1 1/4" CLR 65" le	5A	8			975.80	7,806.40	
R42000005	2" x .180 SA178A 1 3/8" CLR 54" Legs	4A	52			90.00	4,680.00	
R42000006	2" x .180 SA178A 1 3/8" CLR 54" & 30 1/2" Legs	4A	1			90.00	90.00	
R42000007	2" x .165 x 12" SA178 CLR 2-1/4"	6B	8			75.00	600.00	
R42000008	2" X .165" SA213 T11 bent 180° on 1 1/4" CLR c/w	5B	4			260.00	1,040.00	
R42000009	2" X .220" SA213T22 1" CLR 36" LEGS	5B	10			80.00	800.00	
R42000010	2" X .220" SA213T22 2" CLR 36" LEGS	4D	17			70.00	1,190.00	
R42000011	2 1/2" x .220" SA213T22 bent 180 deg on 2" CLR c	4B	12			180.00	2,160.00	
R42000012	SA213 TP 304H 2 1/4" x .200" with 54" legs on 1 1/4"	4B	2			600.00	1,200.00	
R42000013	SA213 T22 1 1/2" X .180" with 9' & 22'-8" legs	24G	2			272.00	544.00	
R42000014	SA213 T22 1 1/2" x .180" with 12-7" & 19'-1 1/2" leg	24G	2			272.00	544.00	
R42000015	SA213 T22 1 1/2" x .180" with 10" & 30'-11" legs	24G	1			272.00	272.00	
R42000016	SA213 T22 2 1/2" x .203" on 1 3/8" CLR c/w 21" leg	9C	4			150.00	600.00	
R42000017	2" X .180" SA210-A1 bent 180 deg on 2" CLR 24" l	5B	5			102.00	510.00	
R42000018	SA210-A1 2 1/4" X .203" with 54" legs on 1 1/4" CL	5A	14			345.00	4,830.00	
R42000019	SA210-A1 2 1/2" x .203" on 1 1/2" CLR c/w 45" legs	4B	2			200.00	400.00	
R42000020	SA210-A1 2" x .220" on 1" CLR c/w 36" legs	5B	20			140.00	2,800.00	
R42000021	SA210-A1 2" x .220" on 1 3/8" CLR c/w 36" legs	5B	19			130.00	2,470.00	
R42000022	SA210-A1 2 1/8" X .220 27" LEGS 1 1/16"R	4B	16			80.00	1,280.00	
R42000023	2" x .200 x 23" SA209 T1A CLR 1"	9C	9			115.00	1,035.00	
R42000024	2" x .203 SA213 T11 bent 180 deg. On 2" CLR with	5C	2			260.00	520.00	
R42000025	2" x .203 SA213 T22 1 3/8" CLR 15" Legs	6B	5			180.00	900.00	
R42000026	2 1/8" X .220 SA213T11 13" LEGS 1 1/16"R	4B	-			100.00	-	
R42000027	2" x .220 SA192 bent 180 deg. On 2" CLR with 48"	5C	2			210.00	420.00	
R42000028	2" x .240 SA192 bent 180 deg. On 2" CLR with 48"	5C	2			245.78	491.56	
R42000029	2-1/2" x .203 x 4' SA178A CLR 1-3/8"	5B	48			135.00	6,480.00	

R45xxxxxx CASTINGS

R45000001	310 S/S CAS-003	16A	312			11.00000	3,432.00	
R45000002	F11 CAS-003	16A	215			8.75000	1,881.25	
R45000003	F11 CAS-002	15A	124			11.45000	1,419.80	
R45000004	310 S/S CAS-001	22A	136			11.76000	1,599.36	
R45000005	CAS-005 Type 2A Male	9B	-			3.60000	-	
R45000006	CAS-005 Type 2B Male	10B	-			4.38000	-	
R45000007	CAS-005 Type 2 Female	10B	-			9.05000	-	

R47xxxxxx FILLER BARS

R47000001	3/16 2" OD on 2 1/2" c/c x 2" long	25B	2			4.50000	9.00	
R47000003	3/16" X 2 1/2" ON 3" X 3 1/2" LONG	32B	148			4.50000	666.00	CB2643
R47000002	3/16" x 3" OD x 4" C-C x 3 1/2" Long	32B	81			6.48293	525.12	

R48xxxxxx HANDHOLE CAPS

R48000001	A 105 Hand Hole Plates	21A	-			-	-	
R48000002	CE - A105 Hand Hole Plates	7C	9			197.65	1,778.85	

New ID #	Material	Location	Amt.	OUN	Size	Unit \$	Total \$	PO #
R49xxxxxx	HANDHOLE PLUGS							
R49000001	Handhole Plugs B&W 3 1/2" x 80 mm	8C	4			135.00	540.00	
R49000002	Handhole Plugs B&W 4" x 80 mm	8C	-			284.35	-	
R55xxxxxx	HINGE PINS - COMPLETE SETS							
R55000001	Standard 3 barrel C/S SA106B	17B	58			5.97000	346.26	
R55000002	4 Barrel Standard SA106B C1018 Pins	17C	382			5.74950	2,196.31	CB17905A
R55000003	4 barrel with hooks C/S SA106B	17B	225			6.40000	1,440.00	
R55000004	4 barrel straight SA 335 P22/304 SS Barrels	17C	106			11.16000	1,182.96	
R55000005	4 barrel straight SA 335 P11/304 SS Barrels	17B	10			9.62000	96.20	
R55000006	4 Barrel 310 Pins - P22 HOOKED	20B	36			2.25000	81.00	
R55000007	4 Barrel 310 S Hinge Pins bent	16B	50			26.00000	1,300.00	
R55000008	3 barrel 1/2"Dia. Pin C/S	16B	30			9.80000	294.00	
R55000009	4 Barrel Std. Hinge Pins (bar.SA312TP347/pin SA479)	16B	150			15.49007	2,323.51	CB17904A
R56xxxxxx	HINGE PIN PARTS							
R56000001	SA106B 3/8" SCH 80 X 1 1/2" LONG SLEEVES	20B	-			1.00000	-	
R56000002	C1018 3/8" PINS 8 5/8" LONG	26A	852			1.00000	852.00	
R56000003	C1018 3/8" PINS 9 1/4" LONG	17B	66			1.00000	66.00	
R60xxxxxx	LUGS							
R60000001	B & W lugs	16A	-			-	-	
R60000002	3-1/2" long HF 264	16A	31			4.94000	153.14	
R61xxxxxx	LUGS & TEES							
R61000001	TYPE 2A MALE SA351 CK20 spacer slips	9B	115			3.46000	397.90	
R61000002	TYPE 2 FEMALE	0	-			-	-	
R61000003	TYPE 2 FEMALE SA351 CK20 spacer slips	10B	16			9.31000	148.96	
R61000004	TYPE 2B MALE	10B	458			3.35000	1,534.30	
R63xxxxxx	SUPERHEATER CLIPS "D LINK"							
			-			-	-	
R65xxxxxx	PANELS							
R65000001	10 Tube x17' 2 1/2" x 3" Panels SA210-A1 x .220 M	23 TOP	1			4,975.00	4,975.00	
R70xxxxxx	PLATE - membrane							
					Lengths		\$/foot	
R70000001	SA516 GR70 3/16" X 1.040" x 10'	ERD	2			2.750000	55.00	
R70000002	SA516 GR70 3/16" X 1 3/4" x 8'	ERD	1			2.750000	22.00	
R70000003	SA516 GR70 3/16" X 2" X 8'	ERD	12			2.750000	264.00	
R70000004	SA516 GR70 3/16" X 2" X 8'-8"	ERD	4			2.749650	95.36	
R70000005	SA516 GR70 1/4" X 2" X 9'	ERC	3			1.80000	48.60	
R70000006	SA516 GR70 1/4" X .250" X 9'-10"	ERE	30			1.96974	581.05	CB17009A
R70000048	SA516 GR70 1/4" X .275" X 9'-10"	ERE	13			0.19950	25.50	CB17009A
R70000007	SA516 GR70 1/4" X .280" X 8'	ERE	33			1.80000	475.20	
R70000008	SA516 GR70 1/4" X .375" (3/8") X 9'-10"	ERE	18			3.78622	670.14	CB2261
R70000009	SA516 GR70 1/4" X .500" X 9'-10"	ERE	35			2.530655	870.94	CB2744
R70000010	SA516 GR70 1/4" X .562" X 9'-10"	ERE	65			1.750235	1,118.65	
R70000011	SA516 GR70 1/4" X .587" X 9'-10"	ERE	13			1.750205	223.73	
R70000012	SA516 GR70 1/4" X .625" X 9'-10"	ERE	10			1.750250	172.10	
R70000013	SA516 GR70 1/4" X .625" X 10'	ERE	21			1.750000	367.50	
R70000014	SA516 GR70 1/4" X .695" X 10'	ERE	1			1.750000	17.50	
R70000015	SA516 GR70 1/4" X .750" X 9'-10"	ERE	15			2.559150	377.46	CB2364/2543
R70000016	SA516 GR70 1/4" X .786" X 9'-10"	ERE	5			2.100000	103.25	
R70000017	SA516 GR70 1/4" X .938" X 9'-10"	ERE	6			3.600200	212.40	
R70000018	SA516 GR70 1/4" X 1.000" X 9'-10"	ERE	24			27.931040	670.34	2-CB2708/30-CB2770
R70000047	SA516 GR70 1/4" X 1.000" slotted X 9'-10"	ERE	-			3.557170	-	
R70000019	SA516 GR70 1/4" X 1.125" x 10'	ERE	-			2.250000	-	
R70000020	SA516 GR70 1/4" X 1.5" X 9'-10" 1.5" bevelled bott	ERD	5			2.249600	110.60	
R70000051	SA516-70 1/4" x 1.562" x 9'-10" slotted membrane	ERC	20			5.939720	1,168.11	CB2710
R70000050	SA516-70 1/4" x 6" x 10' Scallop Bars	SHP FLR	2			64.929060	129.86	CB2708
R70000021	Composite 516-70 / 304 / 5/16" x .250 X 9'-10"	ERD	14			3.386810	466.09	CB2677

New ID #	Material	Location	Amt.	OUN	Size	Unit \$	Total \$	PO #
R70000022	Composite 516-70 / 304 / 5/16" x .425 x 7'-10"	ERD	6			11.50070	540.30	
R70000023	Composite 516-70 / 304 / 5/16" x .500 x 9'-10"	ERD	-			2.886200	-	
R70000049	Composite 516-70 / 304 / 5/16" x .750 x 9'-10"	ERD	10			3.337700	328.10	CB2677
R70000024	Composite 516-70 / 304 / 5/16" x .875 x 9'-10"	ERD	-			6.200380	-	
R70000044	Composite 516-70 / 304 / 5/16" x 1.000 x 9'-10"	ERD	2			6.842300	134.52	CB2553
R70000052	Composite 516-70 / 304 / 5/16" x .516 x 9'-11"	ERD	4			3.340000	131.33	CB2886-407
R70000053	Composite 516-70 / 304 / 5/16" x .500 x 9'-11"	ERD	9			3.240000	286.64	CB2886-407
R70000054	Composite 516-70 / 304 / 5/16" x .250 x 9'-11"	ERD	8			2.480000	195.03	CB2886-407
R70000025	Composite 516-70 / 304 / 5/16" x 1" x 10'	ERD	4			6.749700	265.40	
R70000045	Composite 516-70 / 304 / 5/16" x 1.016 x 9'-10"	ERD	-			6.840000	-	
R70000026	Composite 516-70 / 304 / 5/16" x 1.060 x 96" (8')	ERD	5			6.600000	264.00	
R70000027	Composite 516-70 / 304 / 5/16" x 1 1/2" x 10'	ERD	1			10.750000	107.50	
R70000046	Composite 516-70/825 5/16" x .250 X 75" x 120"	ERE	2			424.235000	848.47	
R70000028	Inconel 625 1/4" x 2" x 7'-11"	ERG	7			11.50057	637.35	
R70000029	Inconel 625 1/4" x 15/16" x 4'-10"	ERG	1			11.50000	55.20	
R70000030	Inconel 625 1/4" x 15/16" x 5'-9"	ERG	5			11.50090	330.65	
R70000031	Inconel 625 1/4" x .500" x 8'	ERF	5			14.50000	580.00	
R70000032	SB443 625 Inconel 1/4" x .500" x 7'-11"	ERE	6	pcs		14.50050	688.80	CB1951-194
R70000033	SB443 625 Inconel 1/4" x .750" x 7'-11"	ERE	6	pcs		20.50010	973.80	CB1951-194
R70000034	SB443 625 Inconel 1/4" x 31" x 96"	RACK	0	pcs	SQ FT	284.22	-	
R70000035	Cold rolled flat bar 1/4" x 1/4" C1018 STRIP COIL	2 & 3 A	36,332			0.18000	6,539.76	
R70000036	Cold rolled flat bar 1/4" x .516" STRIP COIL	2A	23,240			0.43000	9,993.20	
R70000037	Cold rolled flat bar 1/4" x .578" STRIP COIL	2A	14,962			0.40000	5,984.80	
R70000038	Cold rolled flat bar 1/4" X .375" X 12'	ERF	16			1.10000	211.20	
R70000039	Cold rolled flat bar 1/4" X 3/4" X 10'	ERE	27			1.80000	486.00	
R70000040	Cold rolled flat bar 1/4" x 1" x 12'	ERE	6			1.20000	86.40	
R70000041	Cold rolled flat bar 1/4" x 1.016" STRIP COIL	4A	2,545			0.70000	1,781.50	
R70000042	A-108 C1018 1/4" x 1/2" x 12'	ERF	25			1.33000	399.00	
R70000043	Cold rolled flat bar C1018 1/4" x 1.250" x 12'-4" (16	ERF	197	6 PC	SQ FT	0.70009	137.92	
R71xxxxxx	PLATE - SA516 GR70 - CODE					Sq. Ft.	\$/Sq.Ft.	
R71000002	SA516 GR70 - 1/4" 5' X 10'	Plate Rack	50.00			10.366400	518.32	CB2766
R71000002	SA516 GR70 - 1/4" 5' X 10'	Plate Rack	50.00			10.366400	518.32	CB2766
R71000002	SA516 GR70 - 1/4" 5' X 10'	Plate Rack	50.00			10.366400	518.32	CB2766
R71000002	SA516 GR70 - 1/4" 5' X 10'	Plate Rack	50.00			10.366400	518.32	CB2766
R71000002	SA516 GR70 - 1/4" 5' X 10'	Plate Rack	50.00			10.366400	518.32	CB2766
R71000002	SA516 GR70 - 1/4" 5' X 10'	Plate Rack	50.00			10.366400	518.32	CB2766
R71000002	SA516 GR70 - 1/4" 5' X 10'	Plate Rack	50.00			10.366400	518.32	CB2766
R71000021	SA516 GR70 - 1/4" 60" x 100"	Plate Rack	-			10.20	-	
R71000024	SA516 GR70 - 1/4" 30" x 120"	Plate Rack	-			10.681819	-	
R71000026	SA516 GR70 - 1/4" 35" x 120"	Plate Rack	-			10.366400	-	
R71000020	SA516 GR70 - 1/2" 60" x 95"	Plate Rack	-			15.98	-	
R71000003	SA516 GR70 - 1/2" 5' X 10'	Plate Rack	50.00			16.60140	830.07	
R71000003	SA516 GR70 - 1/2" 5' X 10'	Plate Rack	50.00			16.60140	830.07	CB2766
R71000003	SA516 GR70 - 1/2" 5' X 10'	Plate Rack	50.00			16.60140	830.07	CB2766
R71000027	SA516-70 3/8" X 42" X 120"	Plate Rack	35.00			13.65520	477.93	CB18027A
R71000001	SA516 GR70 - 3/8" 5' X 10'	Plate Rack	-			13.20	-	
R71000022	SA516 GR70 - 3/8" 60" x 70"	Plate Rack	-			13.20	-	
R71000023	SA516 GR70 - 3/8" X 60" X 120"	Plate Rack	50.00			13.65520	682.76	CB2766
R71000023	SA516 GR70 - 3/8" X 60" X 120"	Plate Rack	50.00			13.65520	682.76	CB2766
R71000004	SA516 GR70 - 3/16" 60" x 120" (5' x 10')	Plate Rack	50.00			10.382700	519.14	CB17405A
R71000004	SA516 GR70 - 3/16" 60" x 120" (5' x 10')	Plate Rack	50.00			10.382700	519.14	CB17405A
R71000004	SA516 GR70 - 3/16" 60" x 120" (5' x 10')	Plate Rack	50.00			10.382700	519.14	CB17405A
R71000004	SA516 GR70 - 3/16" 60" x 120" (5' x 10')	Plate Rack	50.00			10.382700	519.14	CB17405A

New ID #	Material	Location	Amt.	OUN	Size	Unit \$	Total \$	PO #
R71000005	SA516 GR70 - 3/16" 58" x 60"	Plate Rack	-			8.65	-	
R71000006	SA516 GR70 - 3/4" x 60" x 60" (5' x 5')	Plate Rack	-			24.90	-	
R71000025	SA516 GR70 - 3/4" x 60" x 120" (5 X 10)	Plate Rack	50.00			25.11070	1,255.54	CB2766
R71000019	SA516 GR70 - 5/16" x 35" x 60"	Plate Rack	14.60			12.23	178.56	CB17900A
R71000007	SA516 GR70 - 5/16" 60" x 120" (5' x 10')	Plate Rack	50.00			11.82	591.00	CB2580
R71000008	SA516 GR70 - 5/16" 60" x 87"	Plate Rack	-			12.23	-	
R71000009	SA516 GR70 - 1" X 48" x 96"	Plate Rack	32.0			25.62	819.84	
R71000010	SA516 GR70 - 1 1/2" 48" x 48"	Plate Rack	16			68.75	1,100.00	
R71000011	SA516 GR70 - 1" x 1" x 24"	1A	0			22.00	-	
R71000012	SA516 GR70 - 1 1/4" x 1 1/4" x 24"	1A	7			15.00	105.00	
R71000013	SA516 GR70 - 1 1/2" x 1 1/2" x 48"	1A	4			51.00	204.00	
R71000014	SA516 GR70 - 2" x 2" x 24"	1A	20			42.00	840.00	CB2650
R71000015	SA516 GR70 - 2 1/4" x 2 1/4" x 24"	1A	8			46.00	368.00	
R71000016	SA516 GR70 - 2 1/2" x 2 1/2" x 24"	1A	4			62.00	248.00	
R71000017	SA516 GR70 - 3" x 3" x 24"	1A	1			78.00	78.00	
R71000018	SA516 GR70 - 3" x 4" x 5"	1A	1			250.00	250.00	
R72xxxxxx	PLATE - MISCELLANEOUS							
			Sq. Ft.			\$/Sq.Ft		
R72000001	Composite 5/16" code SA516-70/SA240 304 4 @	Plate Rack	160			25.21	4,033.60	
R72000002	Composite 5/16" code SA516-70 SA240 0 @ 3'x10	Plate Rack	-			25.21	-	
R72000003	Composite 5/16" code SA516-70/SA240 304 1 @	Plate Rack	40			27.21	1,088.40	
R72000014	Composite 5/16" code SA516-70 SA240 0 @ 41" x	Plate Rack	-			25.21	-	
R72000015	Composite 5/16" code SA516-70 SA240 1 @ 14" x	Plate Rack	-			25.21	-	
R72000004	SA240 TP310S 1/2" x 40" x 48" Plate	Rack	0			-	-	
R72000005	SA240 TP310S 1/2" x 41" x 48" Plate	Rack	0			-	-	
R72000006	SA387 GR11 1/4" X 3'-5" X 8	Rack	27			15.93	430.11	
R72000012	SA387 GR22 3/8" X 4' X 4'-8"	Rack	18.68			29.62	553.30	10/15 Audit
R72000007	SA387 GR11 3/8" X 4' X 8'	Rack	32			26.21	838.72	
R72000008	SA387 GR11 1/2" X 4' X 7'-4"	Rack	29			33.10	959.90	
R72000009	SA387 GR11 1/2" X 4' X 8'	Rack	32			33.10	1,059.20	
R72000010	SA387 GR22 1/4" X 4' X 8'	Rack	32			29.62	947.84	
R72000011	SA387 GR22 3/8" X 4' X 8'	Rack	32			29.62	947.84	
R72000013	SA387 GR22 5/16" X 60" X 96"	Rack	40			36.50	1,460.00	
R72000013	SA387 GR22 5/16" X 60" X 96"	Rack	40			36.50	1,460.00	
R80xxxxxx	Refractory Anchors							
R80000001	Refractory Anchors	23A	1260	pcs		1.14	1,436.40	
R81xxxxxx	Roaster Cooler Coil							
R81000001	Roaster Cooler Coil	Shop Flr	-			12,438.65	-	
R82xxxxxx	Quadrants & Handles (sets)							
R82000001	Sets of Quadrants & Handles	24C	27			204.00	5,508.00	
R82000002	Quadrants Only	24C	7			95.50	668.50	
R82000003	Handles Only	24C	5			95.50	477.50	
R90xxxxxx	SMELT SPOUTS							
R90000001	1000 SERIES B & W BAFFLE	1C	1		1164	4,151.59	4,151.59	
R90000002	1000 SERIES B & W BAFFLE	1C	1		1165	4,151.59	4,151.59	
R90000003	1000 SERIES B & W BAFFLE	1C	1		1166	4,135.34	4,135.34	
R90000004	1000 SERIES B & W BAFFLE	1C	1		1167	4,135.34	4,135.34	
R90000005	1000 SERIES SMELT SPOUT	1A	1		1168	4,135.34	4,135.34	
R90000006	1000 SERIES SMELT SPOUT	1B	1		1169	4,135.34	4,135.34	
R90000007	1000 SERIES SMELT SPOUT	1C	1		1170	4,135.34	4,135.34	

New ID #	Material	Location	Amt.	OUN	Size	Unit \$	Total \$	PO #
R90000008	1000 SERIES SMELT SPOUT	1C	1		1171	4,135.34	4,135.34	
R90000009	1000 SERIES SMELT SPOUT	1C	1		1172	4,135.34	4,135.34	
R90000010	2000 SERIES SMELT SPOUT	1B	-		2145	2,995.79	-	
R90000011	2000 SERIES SMELT SPOUT	1B	-		2146	2,995.79	-	
R90000012	2000 SERIES SMELT SPOUT	1B	-		2147	2,865.79	-	
R90000013	2000 SERIES SMELT SPOUT	1B	-		2148	2,865.79	-	
R90000014	2000 SERIES C.E. PIPE FRAME	1D	1		2156	3,257.22	3,257.22	
R90000015	2000 SERIES C.E. PIPE FRAME	1D	1		2157	3,257.22	3,257.22	
R90000016	2000 SERIES C.E. PIPE FRAME	1D	1		2158	3,257.23	3,257.23	
R90000017	2000 SERIES C.E. PIPE FRAME	1D	1		2159	3,257.23	3,257.23	
R90000018	2000 SERIES C.E. PIPE FRAME	1A	1		2160	4,105.52	4,105.52	
R90000019	2000 SERIES C.E. PIPE FRAME	1A	1		2161	4,105.52	4,105.52	
R90000020	2000 SERIES C.E. PIPE FRAME	1A	1		2162	4,105.51	4,105.51	
R90000021	2000 SERIES C.E. PIPE FRAME	1C	1		2163	4,105.51	4,105.51	
R90000022	2000 SERIES C.E. PIPE FRAME	1C	1		2164	4,089.26	4,089.26	
R90000023	2000 SERIES C.E. PIPE FRAME	1C	1		2165	4,089.27	4,089.27	
R90000024	2000 SERIES C.E. PIPE FRAME	1C	1		2166	4,089.27	4,089.27	
R90000025	2000 SERIES C.E. PIPE FRAME	1D	1		2167	4,089.26	4,089.26	
R90000026	2000 SERIES C.E. PIPE FRAME	1D	1		2168	4,089.26	4,089.26	
R90000027	2000 SERIES C.E. PIPE FRAME	1D	1		2169	4,089.26	4,089.26	
R90000028	3000 SERIES SMELT SPOUTS	SHP FLR	-		3056	7,123.68	-	
R90000040	3000 SERIES SMELT SPOUTS	SHP FLR	-		3057	7,123.67	-	
R90000041	3000 SERIES SMELT SPOUTS	SHP FLR	-		3058	7,107.41	-	
R90000029	4000 SERIES SMELT SPOUT # 2145	Rack	-		4000	4,080.00	-	
R90000030	5000 SERIES SMELT SPOUTS #5089	1D	1		5000	3,994.15	3,994.15	
R90000031	5000 SERIES SMELT SPOUTS #5090	1D	1		5000	3,977.90	3,977.90	
R90000032	5000 SERIES SMELT SPOUTS #5091	1D	1		5000	3,977.89	3,977.89	
R90000033	6000 SERIES TIGER TOOTH PIPE BODY	2D	2		6000	4,000.00	8,000.00	
R90000034	8000 SERIES HD SERIES PIPE FRAME 24 DEGR	1C	2		8000	3,628.00	7,256.00	
R90000035	9000 SERIES SMELT SPOUT #	SHP FLR	-		9000	10,104.87	-	
R90000036	9000 SERIES SMELT SPOUT #	SHP FLR	-		9000	10,104.87	-	
R90000037	9000 SERIES SMELT SPOUT #	SHP FLR	-		9000	10,088.63	-	
R90000038	9000 SERIES SMELT SPOUT #	SHP FLR	-		9000	10,088.63	-	
R90000039	9000 SERIES SMELT SPOUT #	SHP FLR	-		9000	10,088.62	-	
	9000 SERIES L&HI (GOTAVERKEN) AXTON HOC	24B	-		L&HI/AX	8,500.00	-	
R91xxxxxx	SMELT SPOUT PARTS							
R91000001	Smelt Spout Chutes	Shop Floor	3			1,708.393	5,125.18	CB18901A
R91000002	Smelt Spout Inserts	Shop Floor	3			890.00	2,670.00	CB18901A
R91000003	Liquor Gun Inserts	Shop Floor	4			890.00	3,560.00	CB18901A
	STUDS NBL Studs 1/2" x 1" Concave	14B	-			0.41	-	
R75xxxxxx	TUBE PADS - SA516 GR70							
R75000001	2" ID x 3/16" x 1 1/4" x 50 1/2"	11B	10			11.27	112.70	
R75000002	2" OD x 2-1/2" X 2 1/4" WIDE	8B	11			2.00	22.00	
R75000003	2" OD x 3" X 2 3/4" WIDE	12B	20			2.00	40.00	
R75000004	2" OD x 3-1/2" X 2 1/4" WIDE	7B	26			2.40	62.40	
R75000005	2" OD x 4" X 1 1/16" WIDE	12B	60			2.80	168.00	
R75000006	2" OD x 4-1/2" X 2 1/2" WIDE	20A	356			3.20	1,139.20	
R75000007	2" OD x 5" X 2 1/2" WIDE	12B	3			3.20	9.60	
R75000008	2" OD x 6" X 2 1/2" WIDE	17A	26			3.50	91.00	
R75000009	2-1/8" OD x 3" X 2 1/2" WIDE	7B	15			2.40	36.00	
R75000010	2-1/8" OD x 3" 2 7/8" WIDE	20A	250			2.40	600.00	
R75000011	2-1/8" OD x 6" 2 7/8" WIDE	20A	250			3.50	875.00	
R75000012	2 1/2" ID x 3/16" x 1 1/4" x 50 1/2"	11B	10			11.27	112.70	
R75000013	2 1/2" ID x 3" x 4 1/4" Wide	7B	12			3.50	42.00	
R75000014	2-3/4" OD x 2 1/4" X 2" WIDE	8B	22			3.40	74.80	
R75000015	3" ID x 3/16" x 1 1/4" x 50 1/2"	11B	10			11.27	112.70	
R75000016	3" ID x 4 1/2" x 1 1/4" wide	8C	111			1.75	194.25	
R75000017	3" ID x 2" x 2" Wide	12B	237			1.50	355.50	
R75000018	3" OD x 3" X2" WIDE	7B	53			2.50	132.50	
R75000019	3" OD x 3" X 2 3/4" WIDE	17A	165			2.50	412.50	
R75000020	3" OD x 6" X 2 7/8" WIDE	8B	14			4.50	63.00	
R76xxxxxx	TUBE PADS - CORTEN							
R76000001	2-1/8" OD x 2" x 2"	7B	81			2.25	182.25	
R76000002	2-1/2" OD x 2 1/2" X 3 1/8" Wide	8B	1,000			2.30	2,300.00	
R95xxxxxx	TAPERED FROST PLUGS (Tube Plugs)						-	

New ID #	Material	Location	Amt.	OUN	Size	Unit \$	Total \$	PO #
R95000001	1 7/8" > 1 1/2" X 1 1/4" Long Frost Plugs	32C	1,301			1.50	1,951.50	
R95000002	2-1/8" > 1 5/8"	32C	210			0.60	126.00	
R95000003	2 1/4 > 1 5/8 X 1 1/4 LONG	18A	143			1.77	253.11	
R95000004	2 1/2 > 1 5/8 X 1 1/4 LONG	18A	57			1.85	105.45	
	ECONOMIZER PLUGS							
R96000001	SA516-70 2.170" X 1 1/2" counter bore	19B	5			18.96	94.80	
	R97xxxxxx TUBE PLUGS - TAPERED							
R97000001	.968">.750" x 1.6" Long SA516-70	18C	5			21.26	106.30	
R97000002	1">5/8" x 3" L c/w counter bore SA516-70	19B	16			18.05	288.80	
R97000003	1.75">1.25" x 3" counter bore SA516-70	18B	162			19.11580	3,096.76	
R97000004	1.875">1.5" x 3" counter bore SA516-70	18B	90			18.73807	1,686.43	
R97000005	1.935">1.625" X 2" LONG SA479/304L	19B	1			15.70	15.70	
R97000006	2.1" x 1.25" Cup Style Tube Plugs	19B	62			22.24	1,378.88	
R97000007	2 1/2">2" x 3"L c/w counter bore SA516-70	18B	39			37.39539	1,458.42	CB2721
R97000009	2.625">2.375" x 3" c/w counter bore SA516-70	19B	14			39.85693	558.00	CB2721
R97000008	3">2 1/2" x 3"L c/w counter bore SA516-70	19B	11			37.30	410.30	
TOTAL INVENTORY			91,010				\$307,822.77	

COST AVERAGING



TUBE INVENTORY

May 1, 2018

<u>GRADE</u>	<u>QTY</u>	<u>WEIGHT</u>	<u>\$</u>
SA 178A	8695.33	33856.00	\$ 45,612.62
SA 179	100.00	91.74	\$ 185.00
SA 192	2418.73	10231.33	\$ 11,828.05
SA 209-T1A	1760.67	6659.91	\$ 14,669.11
SA 210-A1	11386.83	52660.19	\$ 83,128.55
SA 210 C	0.00	0.00	\$ -
SA 213 T2	270.00	833.47	\$ 2,785.40
SA 213-T11	12411.67	52396.63	\$ 90,850.47
SA 213-T9	115.00	649.16	\$ 2,635.80
SA213 T12	250.00	1071.88	\$ 4,140.80
SA 213-T22	16114.67	62458.33	\$ 154,930.56
COMPOSITE	2013.42	15004.91	\$ 125,978.59
SA 213-TP304L	100.50	641.22	\$ 2,753.00
SA269 TP 304	64.08	234.47	\$ 1,443.79
SA 335-P5	0.00	0.00	\$ -
SA 335-P11	41.33	128.12	\$ 356.60
SA 335-P22	99.00	487.50	\$ 2,079.72
BRASS	0.00	0.00	\$ -
CARBON STEEL	15310.00	50306.40	\$ 54,229.87
SA 106B	2710.17	6248.77	\$ 7,062.81
SA 53	84.00	628.45	\$ 342.93
SA 312-316	60.00	277.18	\$ 861.60
ORNAMENTAL	0.00	0.00	\$ -
SA 312-304	592.50	1723.72	\$ 3,558.78
904L	0.00	0.00	\$ -
SA 312-TP310	0.00	0.00	\$ -
SA 213-TP316	200.00	84.24	\$ 762.40
SA 213 304H	26.00	129.31	\$ 820.30
SA 213 310H	1198.83	4929.98	\$ 62,241.60
SA 213 321H	0.00	0.00	\$ -
SA 213-347	148.00	1001.80	\$ 7,262.00
SA312-347H	171.25	182.78	\$ 2,739.99
<u>TOTAL</u>	76341.98	302917.51	\$ 683,260.35

SA 178A															
Tube ID #	Length ID#	TYPE	FINISH	OD	MWT	FT	IN	QTY	TOTAL QTY	BIN NO.	LBS/FT.	\$/FT.	TOTAL/\$.	PO #	Length in "
R04453038	24100	SA 178A	ERW	1.75	0.180	20	1	1	20.08	24G	3.366	1.76	35.34		241
R04453038	30000	SA 178A	ERW	1.75	0.180	25	0	4	100.00	24G	3.366	1.76	176.00		300
R04453610	24000	SA 178A	ERW	2	0.095	20	0	12	240.00	17E	2.155	3.60	864.00		240
R04453610	28800	SA 178A	ERW	2	0.095	24	0	3	72.00	17E	2.155	3.60	259.20		288
R04453612	28800	SA 178A	ERW	2	0.105	24	0	24	576.00	4D	2.370	3.01	1733.76		288
R04453624	48600	SA 178A	ERW	2	0.135	40	6	14	567.00	6 TOP	2.999	3.68	2086.56		486
R04453632	24300	SA 178A	ERW	2	0.150	20	3	20	405.00	8A	3.305	6.37	2580.69	CB2631	243
R04453632	29000	SA 178A	ERW	2	0.150	24	2	2	48.33	2D	3.305	4.68	226.20		290
R04453632	44400	SA 178A	ERW	2	0.150	37	0	1	37.00	18 TOP	3.305	3.72	137.64		444
R04453632	48600	SA 178A	ERW	2	0.150	40	6	1	40.50	18 TOP	3.305	4.20	170.10		486
R04453636	24300	SA 178A	ERW	2	0.165	20	3	13	263.25	18B	3.606	6.88	1810.46	CB2631	243
R04453638	48600	SA 178A	ERW	2	0.180	40	6	2	81.00	6 TOP	3.902	4.73	383.14		486
R04453646	36000	SA 178A	ERW	2	0.203	30	0	30	900.00	8F	4.345	4.11	3699.00		360
R04453652	38500	SA 178A	ERW	2	0.220	32	1	32	1026.67	5F	4.664	3.46	3552.32		385
R04455108	31200	SA 178A	ERW	2.5	0.085	26	0	19	494.00	10E	2.445	2.54	1254.76		312
R04455116	33600	SA 178A	ERW	2.5	0.120	28	0	3	84.00	14G	3.401	2.52	211.68		336
R04455116	33600	SA 178A	ERW	2.5	0.120	28	0	33	924.00	11 TOP	3.401	2.52	2328.48		336
R04455124	30200	SA 178A	ERW	2.5	0.135	25	2	15	377.50	3E	3.803	2.73	1030.65		302
R04455124	36000	SA 178A	ERW	2.5	0.135	30	0	4	120.00	18A	3.803	3.20	384.00		360
R04455124	38400	SA 178A	ERW	2.5	0.135	32	0	2	64.00	18A	3.803	4.02	257.28		384
R04055132	24000	SA 178A	.375-FIN	2.5	0.150	20	0	7	140.00	15D	4.198	30.00	4200.00		240
R04455132	24300	SA 178A	ERW	2.5	0.150	20	3	20	405.00	4E	4.198	8.09	3275.94	CB2631	243
R04455132	48600	SA 178A	ERW	2.5	0.150	40	6	3	121.50	13 TOP	4.198	5.25	637.89	CB1604	486
R04455136	24300	SA 178A	ERW	2.5	0.165	20	3	20	405.00	2B	4.589	8.89	3602.44	CB2631	243
R04455138	36000	SA 178A	ERW	2.5	0.180	30	0	6	180.00	4F	4.974	3.34	601.20		360
R04455152	48600	SA 178A	ERW	2.5	0.220	40	6	17	688.50	15 TOP	5.974	11.11	7649.32	CB1434	486
R04456018	51000	SA 178A	ERW	3	0.125	42	6	2	85.00	10 TOP	4.280	4.88	414.80		510
R04456024	48600	SA 178A	ERW	3	0.135	40	6	1	40.50	22 TOP	4.606	6.00	243.00	CB1604(230)	486
R04456036	48600	SA 178A	ERW	3	0.165	40	6	0	0.00	22 TOP	5.571	7.04	0.00		486
R04456336	24300	SA 178A	ERW	3.25	0.165	20	3	6	121.50	12B	6.062	10.41	1264.80		243
R04456932	24000	SA 178A	ERW	4	0.150	20	0	1	20.00	22D	6.878	7.97	159.40		240
R04456932	28800	SA 178A	ERW	4	0.150	24	0	2	48.00	22D	6.878	7.97	382.56		288
									8695.33				45612.62		

SA 179															
Tube ID #	Length ID#	TYPE	FINISH	OD	MWT	FT	IN	QTY	TOTAL QTY	BIN NO.	LBS/FT.	\$/FT.	TOTAL/\$.	PO #	Length in "
R06001504	24000	SA 179		1.25	0.065	20	0	5	100.00	26D	0.917	1.85	185.00		240
	0	SA 179							0.00		0.000		0.00		0
	0	SA 179							0.00		0.000		0.00		0
	0	SA 179							0.00		0.000		0.00		0
	0	SA 179							0.00		0.000		0.00		0
	0	SA 179							0.00		0.000		0.00		0
	0	SA 179							0.00		0.000		0.00		0
	0	SA 179							0.00		0.000		0.00		0
	0	SA 179							0.00		0.000		0.00		0
	0	SA 179							0.00		0.000		0.00		0
	0	SA 179							0.00		0.000		0.00		0
									100				185.00		

SA 192															
Tube ID #	Length ID#	TYPE	FINISH	OD	MWT	FT	IN	QTY	TOTAL QTY	BIN NO.	LBS/FT.	\$/FT.	TOTAL/\$.	PO #	Length in "
R07002132	26600	SA 192		1.5	0.150	22	2	2	44.33	10G	2.412	4.75	210.58		266
R07002432	36000	SA 192		1.6	0.150	30	0	5	150.00	8B	2.590	5.50	825.00		360
R07003652	30000	SA 192		2	0.220	25	0	2	50.00	22G	4.664	6.82	341.00		300
R07003656	26700	SA 192		2	0.240	22	3	5	111.25	13C	5.031	7.10	789.90		267
R07003684	24000	SA 192		2	0.375	20	0	7	140.00	19E	7.258	5.75	805.00		240
R07003944	36000	SA 192		2.125	0.200	30	0	22	660.00	5C	4.585	2.87	1894.20		360
R07005124	31200	SA 192		2.5	0.135	26	0	1	26.00	12A	3.803	4.25	110.50		312
R07005124	36000	SA 192		2.5	0.135	30	0	27	810.00	12A	3.803	4.25	3442.50		360
R07005124	42000	SA 192		2.5	0.135	35	0	8	280.00	15G	3.803	6.25	1750.00		420
R07005136	24000	SA 192		2.5	0.165	20	0	3	60.00	19C	4.589	15.98	958.80	CB1853	240
R07005146	25200	SA 192		2.5	0.203	21	0	3	63.00	7D	5.553	7.64	481.32		252
R07006038	28975	SA 192		3	0.180	24	1.75	1	24.15	3C	6.045	9.08	219.24		289.75
	0	SA 192							0.00		0.000		0.00		0
									2418.7				11828.05		

SA 209 T1A															
Tube ID #	Length ID#	TYPE	FINISH	OD	MWT	FT	IN	QTY	TOTAL QTY	BIN NO.	LBS/FT.	\$/FT.	TOTAL/\$.	PO #	Length in "
R08653336	24000	SA 209 T1A	SML	1.875	0.165	20	0	5	100.00	10E	3.360	11.50	1150.00		240
R08653930	24000	SA 209 T1A	SML	2.125	0.148	20	0	24	480.00	16A	3.485	9.68	4646.40		240
R08653936	36000	SA 209 T1A	SML	2.125	0.165	30	0	18	540.00	5D	3.852	10.64	5745.60		360
R08653938	27200	SA 209 T1A	SML	2.125	0.180	22	8	1	22.67	6G	4.170	12.31	279.03		272
R08653938	28800	SA 209 T1A	SML	2.125	0.180	24	0	2	48.00	6G	4.170	12.31	590.88		288
R08655136	36000	SA 209 T1A	SML	2.500	0.165	30	0	19	570.00	9E	4.589	3.96	2257.20		360
	0	SA 209 T1A	SML						0.00		0.000		0.00		0
	0	SA 209 T1A	SML						0.00		0.000		0.00		0
	0	SA 209 T1A	SML						0.00		0.000		0.00		0
	0	SA 209 T1A	SML						0.00		0.000		0.00		0
	0	SA 209 T1A	SML						0.00		0.000		0.00		0
	0	SA 209 T1A	SML						0.00		0.000		0.00		0
	0	SA 209 T1A	SML						0.00		0.000		0.00		0
	0	SA 209 T1A	SML						0.00		0.000		0.00		0
									1760.67				14669.11		

SA 210-A1

Tube ID#	Length ID#	TYPE	FINISH	OD	MWT	FT	IN	QTY	TOTAL QTY	BIN NO.	LBS/FT.	\$/FT.	TOTAL\$.	PO #	Length in "
R09001838	36300	SA 210-A1		1.375	0.180	30	3	16	484.00	5F	2.562	2.96	1432.64		363
R09002138	29100	SA 210-A1		1.5	0.180	24	3	0	0.00	8C	2.830	11.41	0.00		291
R09502152	30000	SA 210-A1	HF	1.5	0.220	25	0	5	125.00	3D	3.354	6.43	803.75	CB1850	300
R09503038	29700	SA 210-A1	HF	1.75	0.180	24	9	4	99.00	2E	3.366	5.25	519.76	CB1604	297
R09503038	30000	SA 210-A1	HF	1.75	0.180	25	0	3	75.00	2E	3.366	5.86	439.50	CB1604	300
R09503046	30000	SA 210-A1	HF	1.75	0.203	25	0	14	350.00	18C	3.740	7.19	2516.50	CB1850	300
R09003336	36000	SA 210-A1		1.87	0.165	30	0	4	120.00	14C	3.351	6.44	772.80		360
R09003338	24300	SA 210-A1		1.87	0.180	20	3	1	20.25	19C	3.623	5.75	116.44		243
R09503636	28900	SA 210-A1	HF	2	0.165	24	1	20	481.67	SFLR	3.606	6.6851	3219.99	CB2862	289
R09503636	29300	SA 210-A1	HF	2	0.165	24	5	0	0.00		3.606	6.15	0.00		293
R09503636	29400	SA 210-A1	HF	2	0.165	24	6	0	0.00		3.606	6.15	0.00		294
R09503636	30000	SA 210-A1	HF	2	0.165	25	0	6	150.00	5E	3.606	8.32	1247.28	CB2774	300
R09003638	24000	SA 210-A1		2	0.180	20	0	15	300.00	14F	3.902	6.49	1947.00	CB2774	240
R09003638	24300	SA 210-A1		2	0.180	20	3	0	0.00		3.902	8.74	0.00		243
R09503638	28300	SA 210-A1	HF	2	0.180	23	7	0	0.00		3.902	6.62	0.00		283
R09503638	36000	SA 210-A1	HF	2	0.180	30	0	0	0.00		3.902	3.19	0.00		360
R09003646	24300	SA 210-A1		2	0.203	20	3	15	303.75	14D	4.345	9.56	2905.08	CB2631	243
R09003652	26400	SA 210-A1		2	0.220	22	0	20	440.00	12C	4.664	5.73	2521.20	CB1225	264
R09003652	28900	SA 210-A1		2	0.220	24	1	1	24.08	11A	4.664	6.09	146.67		289
R09003652	36000	SA 210-A1		2	0.220	30	0	8	240.00	11A	4.664	3.71	890.40		360
R09003666	30000	SA 210-A1		2	0.260	25	0	1	25.00	19C	5.388	16.03	400.75		300
R09003936	36000	SA 210-A1		2.125	0.165	30	0	27	810.00	10B	3.852	3.00	2430.00		360
R09003938	32000	SA 210-A1		2.125	0.180	26	8	1	26.67	8E	4.170	4.42	117.87		320
R09003938	36000	SA 210-A1		2.125	0.180	30	0	48	1440.00	8E	4.170	4.42	6364.80		360
R09503946	36000	SA 210-A1	HF	2.125	0.203	30	0	25	750.00	14B	4.647	3.08	2310.00		360
R09503952	36000	SA 210-A1	HF	2.125	0.220	30	0	16	480.00	17A	4.991	3.27	1569.60		360
R09504238	27300	SA 210-A1	HF	2.25	0.180	22	9	1	22.75	19B	4.438	8.60	195.65	CB1850	273
R09504238	27800	SA 210-A1	HF	2.25	0.180	23	2	1	23.17	19B	4.438	8.60	199.23	CB1850	278
R09504238	28500	SA 210-A1	HF	2.25	0.180	23	9	8	190.00	19B	4.438	8.60	1634.00	CB1850	285
R09504252	29600	SA 210-A1	HF	2.25	0.220	24	8	0	0.00		5.319	10.20	0.00		296
R09004544	24000	SA 210-A1		2.374	0.200	20	0	4	80.00	20C	5.178	10.76	860.80		240
R09505138	26200	SA 210-A1	HF	2.5	0.180	21	10	3	65.50	SFLR	4.974	7.9043	517.73	CB2862	262
R09505138	26300	SA 210-A1	HF	2.5	0.180	21	11	17	372.58	SFLR	4.974	7.9043	2945.01	CB2862	263
R09505138	48000	SA 210-A1	HF	2.5	0.180	40	0	0	0.00		4.974	7.31	0.00		480
R09503146	31200	SA 210-A1	HF	2.5	0.203	26	0	10	260.00	14A	5.553	8.41	2186.60	CB1225	312
R09503146	48600	SA 210-A1	HF	2.5	0.203	40	6	6	243.00	18 TOP	5.553	11.33	2753.22	CB1434	486
R09505152	26900	SA 210-A1	HF	2.5	0.220	22	5	20	448.33	16E	5.974	10.3681	4648.36	CB2862	269
R09505152	28600	SA 210-A1	HF	2.5	0.220	23	10	0	0.00	6C	5.974	10.06	0.00		286
R09505152	29600	SA 210-A1	HF	2.5	0.220	24	8	0	0.00	6C	5.974	10.06	0.00		296
R09503152	29800	SA 210-A1	HF	2.5	0.220	24	10	3	74.50	6C	5.974	10.06	749.46	CB1850	298
R09003156	40200	SA 210-A1		2.5	0.240	33	6	7	234.50	11 E	6.460	11.96	2804.62	CB0759	402
R09003166	36000	SA 210-A1		2.5	0.260	30	0	1	30.00	17F	6.936	12.93	387.90		360
R09503170	36000	SA 210-A1	HF	2.5	0.280	30	0	22	660.00	6B	7.403	7.44	4910.40		360
R09503174	30000	SA 210-A1	HF	2.5	0.300	25	0	5	125.00	10B	7.860	10.37	1296.25		300
R09006036	27700	SA 210-A1		3	0.165	23	1	0	0.00		5.571	13.00	0.00		277

SA 210-A1															
Tube ID#	Length ID#	TYPE	FINISH	OD	MWT	FT	IN	QTY	TOTAL QTY	BIN NO.	LBS/FT.	\$/FT.	TOTAL\$.	PO #	Length in "
R09006036	28100	SA 210-A1		3	0.165	23	5	21	491.75	10A	5.571	10.5759	5200.70	CB2862	281
R09006036	30700	SA 210-A1		3	0.165	25	7	0	0.00		5.571	8.47	0.00		307
R09006036	30800	SA 210-A1		3	0.165	25	8	0	0.00		5.571	8.47	0.00		308
R09006038	30300	SA 210-A1		3	0.180	25	3	0	0.00		6.045	11.21	0.00		303
R09006038	24300	SA 210-A1		3	0.180	20	3	0	0.00		6.045	12.15	0.00		243
R09006038	30000	SA 210-A1		3	0.180	25	0	20	500.00	4B	6.045	13.66215	6831.08	CB2901	300
R09906046	31800	SA 210-A1	w/ht abraded	3	0.203	26	6	3	79.50	11C	6.762	8.90	707.55	CB1652	318
R09006046	31800	SA 210-A1		3	0.203	26	6	5	132.50	19F	6.762	12.12	1605.90	CB1740	318
R09006052	24300	SA 210-A1		3	0.220	20	3	15	303.75	14A	7.284	18.67	5672.24	CB2631	243
R09006060	30400	SA 210-A1		3	0.250	25	4	1	25.33	10G	8.188	13.89	351.88		304
R09006074	36000	SA 210-A1		3	0.300	30	0	5	150.00	10F	9.647	13.60	2040.00		360
R09006338	26100	SA 210-A1		3.25	0.180	21	9	1	21.75	13D	6.581	12.76	277.53	CB1856	261
R09006338	26300	SA 210-A1		3.25	0.180	21	11	1	21.92	13D	6.581	12.76	279.66	CB1856	263
R09006338	27000	SA 210-A1		3.25	0.180	22	6	1	22.50	13D	6.581	12.76	287.10	CB1856	270
R09006338	28900	SA 210-A1		3.25	0.180	24	1	1	24.08	14B	6.581	5.55	133.66		289
R09007252	24000	SA 210-A1		4.5	0.220	20	0	2	40.00	23G	11.214	24.50	980.00		240
	0	SA 210-A1							0.00		0.000		0.00		0
									11386.83				83128.55		

SA 210 C															
TUBE ID#	Length ID #	TYPE	FINISH	OD	MWT	FT	IN	QTY	TOTAL QTY	BIN NO.	LBS/FT.	\$/FT.	TOTAL/\$.	PO #	Length in "
	0	SA 210 C	SML					0	0.00		0.000		0.00		0
	0	SA 210 C	SML					0	0.00		0.000		0.00		0
	0	SA 210 C	SML						0.00		0.000		0.00		0
	0	SA 210 C	SML						0.00		0.000		0.00		0
	0	SA 210 C	SML						0.00		0.000		0.00		0
	0	SA 210 C	SML						0.00		0.000		0.00		0
	0	SA 210 C	SML						0.00		0.000		0.00		0
	0	SA 210 C	SML						0.00		0.000		0.00		0
	0	SA 210 C	SML						0.00		0.000		0.00		0
	0	SA 210 C	SML						0.00		0.000		0.00		0
	0	SA 210 C	SML						0.00		0.000		0.00		0
	0	SA 210 C	SML						0.00		0.000		0.00		0
	0	SA 210 C	SML						0.00		0.000		0.00		0
	0	SA 210 C	SML						0.00		0.000		0.00		0
	0	SA 210 C	SML						0.00		0.000		0.00		0
	0	SA 210 C	SML						0.00		0.000		0.00		0
	0	SA 210 C	SML						0.00		0.000		0.00		0
	0	SA 210 C	SML						0.00		0.000		0.00		0
	0	SA 210 C	SML						0.00		0.000		0.00		0
	0	SA 210 C	SML						0.00		0.000		0.00		0

SA 213 T11

TUBE ID#	Length ID #	TYPE	FINISH	OD	MWT	FT	IN	QTY	TOTAL QTY	BIN NO.	LBS/FT.	\$/FT.	TOTAL/\$.	PO #	Length in "
R15001536	24000	SA 213 T11		1.25	0.165	20	0	26	520.00	13G	2.132	11.25	5850.00		240
R15002124	25500	SA 213 T11		1.5	0.135	21	3	3	63.75	26D	2.195	5.97	380.58		255
R15002136	36000	SA 213 T11		1.5	0.165	30	0	50	1500.00	6A	2.623	7.50	11250.00		360
R15003038	30000	SA 213 T11		1.75	0.180	25	0	5	125.00	18D	3.366	9.47	1183.75		300
R15003046	29900	SA 213 T11		1.75	0.203	24	11	3	74.75	9E	3.740	7.35	549.42		299
R15003636	36000	SA 213 T11		2	0.165	30	0	1	30.00	15C	3.606	6.13	183.90		360
R15003636	36000	SA 213 T11		2	0.165	30	0	16	480.00	8 TOP	3.606	6.13	2942.40		360
R15003638	26300	SA 213 T11		2	0.180	21	11	1	21.92	15A	3.902	9.35	204.92		263
R15003638	26400	SA 213 T11		2	0.180	22	0	4	88.00	15A	3.902	9.35	822.80		264
R15003638	27000	SA 213 T11		2	0.180	22	6	11	247.50	15A	3.902	9.35	2314.18		270
R15003638	27600	SA 213 T11		2	0.180	23	0	7	161.00	15A	3.902	9.35	1505.35		276
R15003638	27800	SA 213 T11		2	0.180	23	2	0	0.00	15F	3.902	9.35	0.00		278
R15003638	28200	SA 213 T11		2	0.180	23	6	0	0.00	15A	3.902	9.35	0.00		282
R15003638	28800	SA 213 T11		2	0.180	24	0	2	48.00	15A	3.902	9.35	448.80		288
R15003638	30000	SA 213 T11		2	0.180	25	0	1	25.00	15F	3.902	9.35	233.75		300
R15003638	31200	SA 213 T11		2	0.180	26	0	1	26.00	15F	3.902	9.35	243.10		312
R15003638	32400	SA 213 T11		2	0.180	27	0	1	27.00	15F	3.902	9.35	252.45		324
R15003638	36000	SA 213 T11		2	0.180	30	0	34	1020.00	12F	3.902	5.02	5118.87		360
R15003638	36000	SA 213 T11		2	0.180	30	0	46	1380.00	15F	3.902	5.02	6925.53		360
R15003652	24600	SA 213 T11		2	0.220	20	6	17	348.50	SFLR	4.664	12.78	4454.21	CB2862	246
R15003652	36000	SA 213 T11		2	0.220	30	0	2	60.00	4E	4.664	5.34	320.40		360
R15003936	36000	SA 213 T11		2.125	0.165	30	0	4	120.00	17F	3.852	3.47	416.40		360
R15003938	26200	SA 213 T11		2.125	0.180	21	10	1	21.83	7A	4.170	5.25	114.63		262
R15003938	26500	SA 213 T11		2.125	0.180	22	1	1	22.08	7A	4.170	5.25	115.94		265
R15003938	30600	SA 213 T11		2.125	0.180	25	6	13	331.50	7A	4.170	9.31	3086.33		306
R15003938	36000	SA 213 T11		2.125	0.180	30	0	39	1170.00	7A	4.170	3.75	4387.50		360
R15003946	30000	SA 213 T11		2.125	0.203	25	0	4	100.00	7F	4.647	11.22	1122.00		300
R15003946	36000	SA 213 T11		2.125	0.203	30	0	10	300.00	7F	4.647	4.18	1254.00		360
R15003952	36000	SA 213 T11		2.125	0.220	30	0	16	480.00	9A	4.991	4.50	2160.00		360
R15005138	36000	SA 213 T11		2.5	0.180	30	0	2	60.00	15B	4.974	4.89	293.40		360
R15005146	36000	SA 213 T11	HF	2.5	0.203	30	0	45	1350.00	19A	5.553	4.52	6102.00		360
R15005146	33600	SA 213 T11		2.5	0.203	28	0	2	56.00	19A	5.553	5.14	287.84		336
R15005152	36000	SA 213 T11		2.5	0.220	30	0	14	420.00	15E	5.974	12.69	5327.82		360
R15005152	36000	SA 213 T11		2.5	0.220	30	0	1	30.00	13 TOP	5.974	12.69	380.56		360
R15005152	39600	SA 213 T11		2.5	0.220	33	0	40	1320.00	13 TOP	5.974	10.05	13266.00		396
R15005152	39900	SA 213 T11		2.5	0.220	33	3	4	133.00	15E	5.974	10.05	1336.64		399
R15005156	30100	SA 213 T11		2.5	0.240	25	1	10	250.83	18F	6.460	23.98	6015.00		301
									12411.67				90850.47		

SA 213 T22

Tube ID #	Length	ID#	TYPE	FINISH	OD	MWT	FT	IN	QTY	TOTAL QTY	BIN NO.	LBS/FT.	\$/FT.	TOTAL \$.	PO #	Length in "
R17001546	26400	SA 213 T22			1.25	0.203	22	0	4	88.00	13G	2.531	9.22	811.36		264
R17002132	28800	SA 213 T22			1.5	0.150	24	0	1	24.00	10G	2.412	7.21	173.04		288
R17002136	33600	SA 213 T22			1.5	0.165	28	0	18	504.00	13C	2.623	7.47	3764.88		336
R17202138	24000	SA 213 T22	625		1.5	0.180	20	0	2	40.00	16F	2.830	55.09	2203.60		240
R17202138	27600	SA 213 T22	625		1.5	0.180	23	0	7	161.00	21C	2.830	55.09	8869.49		276
R17202138	28500	SA 213 T22	625		1.5	0.180	23	9	7	166.25	16F	2.830	55.09	9158.73		285
R17502138	30000	SA 213 T22	HF		1.5	0.180	25	0	5	125.00	10C	2.830	10.22	1277.50	CB1850	300
R17502146	30000	SA 213 T22	HF		1.5	0.203	25	0	5	125.00	11C	3.136	11.20	1400.00	CB1850	300
R17002152	29400	SA 213 T22			1.5	0.220	24	6	2	49.00	15C	3.354	12.29	602.22		294
R17002152	36000	SA 213 T22			1.5	0.220	30	0	8	240.00	15C	3.354	11.81	2834.40		360
R17003038	33700	SA 213 T22			1.75	0.180	28	1	7	196.58	7G	3.366	20.50	4029.97		337
R17003332	37200	SA 213 T22			1.875	0.150	31	0	6	186.00	14E	3.082	11.03	2051.58	CB12424A	372
R17003632	28900	SA 213 T22			2	0.150	24	1	2	48.17	11F	3.305	8.91	429.16		289
R17003632	32500	SA 213 T22			2	0.150	27	1	7	189.58	11F	3.305	8.91	1689.17		325
R17003632	34800	SA 213 T22			2	0.150	29	0	30	870.00	11F	3.305	8.91	7751.70		348
R17003632	36000	SA 213 T22			2	0.150	30	0	1	30.00	11F	3.305	8.91	267.30		360
R17003636	36000	SA 213 T22			2	0.165	30	0	26	780.00	11B	3.606	5.99	4673.00		360
R17003636	36000	SA 213 T22			2	0.165	30	0	19	570.00	13B	3.606	5.99	3414.88		360
R17503638	36000	SA 213 T22	HF		2	0.180	30	0	59	1770.00	7B	3.902	6.92	12248.40		360
R17503638	46800	SA 213 T22	HF		2	0.180	39	0	4	156.00	18 TOP	3.902	9.18	1432.08		468
R17003646	36000	SA 213 T22			2	0.203	30	0	0	0.00	8B	4.345	4.65	0.00		360
R17003646	31500	SA 213 T22			2	0.203	26	3	1	26.25	15B	4.345	12.95	339.84	CB2862	315
R17003646	31400	SA 213 T22			2	0.203	26	2	2	52.33	15B	4.345	12.95	677.52	CB2862	314
R17003646	30000	SA 213 T22			2	0.203	25	0	1	25.00	15B	4.345	12.95	323.66	CB2862	300
R17003646	29700	SA 213 T22			2	0.203	24	9	2	49.50	15B	4.345	12.95	640.84	CB2862	297
R17003646	29600	SA 213 T22			2	0.203	24	8	2	49.33	15B	4.345	12.95	638.68	CB2862	296
R17003652	34600	SA 213 T22			2	0.220	28	10	61	1758.83	5A	4.664	3.25	5716.31		346
R17003652	36000	SA 213 T22			2	0.220	30	0	31	930.00	18E	4.664	12.35	11485.50		360
R17003652	37800	SA 213 T22			2	0.220	31	6	17	535.50	7 TOP	4.664	3.25	1740.46		378
R17003652	40800	SA 213 T22			2	0.220	34	0	40	1360.00	7 TOP	4.664	3.25	4420.00		408
R17003692	12000	SA 213 T22			2	0.460	10	0	1	10.00	17A	8.437	41.40	414.00		120
R17003692	24000	SA 213 T22			2	0.460	20	0	4	80.00	17A	8.437	41.40	3312.00		240
R17003932	26400	SA 213 T22			2.125	0.150	22	0	1	22.00	19E	3.528	9.75	214.50		264
R17003932	36000	SA 213 T22			2.125	0.150	30	0	3	90.00	19E	3.528	11.09	998.10		360
R17003936	29900	SA 213 T22			2.125	0.165	24	11	1	24.92	9F	3.852	10.48	261.13		299
R17003936	36000	SA 213 T22			2.125	0.165	30	0	30	900.00	9F	3.852	4.97	4473.00		360
R17003938	25600	SA 213 T22			2.125	0.180	21	4	1	21.33	5B	4.170	6.89	146.99		256
R17003938	30000	SA 213 T22			2.125	0.180	25	0	10	250.00	5B	4.170	6.89	1722.50		300
R17003938	36000	SA 213 T22			2.125	0.180	30	0	28	840.00	5B	4.170	6.89	5787.60		360
R17003946	24000	SA 213 T22			2.125	0.203	20	0	2	40.00	12C	4.647	11.70	468.00		240
R17503946	30100	SA 213 T22	HF		2.125	0.203	25	1	15	376.25	11A	4.647	18.88	7103.55	CB1850	301
R17503952	29400	SA 213 T22	HF		2.125	0.220	24	6	9	220.50	12E	4.991	20.23	4460.76	CB1850	294

SA 213 T22															
Tube ID #	Length ID#	TYPE	FINISH	OD	MWT	FT	IN	QTY	TOTAL QTY	BIN NO.	LBS/FT.	\$/FT.	TOTAL\$.	PO #	Length in "
R17003966	31200	SA 213 T22		2.125	0.260	26	0	10	260.00	14C	5.775	17.85	4641.00	CB1740	312
R17004236	29800	SA 213 T22		2.25	0.165	24	10	1	24.83	6F	4.097	17.37	431.36		298
R17004238	24300	SA 213 T22		2.25	0.180	20	3	10	202.50	10D	4.438	19.11	3870.61	CB2631	243
R17504238	30000	SA 213 T22	HF	2.25	0.180	25	0	3	75.00	19G	4.438	11.69	876.75	CB1850	300
R17504252	30000	SA 213 T22	HF	2.25	0.220	25	0	10	250.00	17D	5.319	18.02	4505.00	CB1850	300
R17505136	30000	SA 213 T22	HF	2.5	0.165	25	0	4	100.00	4C	4.589	12.10	1210.00	CB1850	300
R17005138	24300	SA 213 T22		2.5	0.180	20	3	10	202.50	13A	4.974	16.57	3354.88	CB2631	243
R17005138	32400	SA 213 T22		2.5	0.180	27	0	7	189.00	13A	4.974	7.47	1411.83		324
R17005138	36000	SA 213 T22		2.5	0.180	30	0	1	30.00	16D	4.974	7.47	224.10		360
R17005138	26400	SA 213 T22		2.5	0.180	22	0	2	44.00	13A	4.974	7.47	328.68		264
R17005146	24300	SA 213 T22		2.5	0.203	20	3	10	202.50	16D	5.553	24.91	5045.23	CB2631	243
R17505152	28500	SA 213 T22	HF	2.5	0.220	23	9	0	0.00	4B	5.974	12.40	0.00		285
R17505152	36000	SA 213 T22	HF	2.5	0.220	30	0	0	0.00	4B	5.974	8.30	0.00		360
R17505152	38500	SA 213 T22	HF	2.5	0.220	32	1	0	0.00	4B	5.974	12.40	0.00		385
R17505160	30000	SA 213 T22	HF	2.5	0.250	25	0	0	0.00	15B	6.699	26.63	0.00	CB2018	300
R17005180	30000	SA 213 T22		2.5	0.340	25	0	0	0.00	14B	8.747	14.93	0.00		300
R17505456	32400	SA 213 T22	HF	2.75	0.240	27	0	1	27.00	6E	7.174	8.31	224.37		324
R17505456	37200	SA 213 T22	HF	2.75	0.240	31	0	17	527.00	6E	7.174	8.31	4379.37		372
									16114.67				154930.56		

COMPOSITE

TUBE ID #	Length ID#	TYPE	FINISH	OD	MWT	FT	IN	QTY	TOTAL QTY	BIN NO.	LBS/FT.	\$/FT.	TOTAL\$.	PO#/RETURN	Length in "
R02305162	15000	SA210-A1 304	COMP	2.5	0.257	12	6	0	0.00	17B	6.865	54.47	0.00		150
R02305162	24000	SA210-A1 304	COMP	2.5	0.257	20	0	1	20.00	SFLR	6.865	53.55	1071.07	CB2669	240
R02305162	24500	SA210-A1 304	COMP	2.5	0.257	20	5	0	0.00	SFLR	6.865	53.55	0.00		245
R02305162	24700	SA210-A1 304	COMP	2.5	0.257	20	7	0	0.00	SFLR	6.865	53.55	0.00		247
R02305162	25000	SA210-A1 304	COMP	2.5	0.257	20	10	0	0.00	SFLR	6.865	53.55	0.00		250
R02305162	25300	SA210-A1 304	COMP	2.5	0.257	21	1	0	0.00	SFLR	6.865	53.55	0.00		253
R02305162	25500	SA210-A1 304	COMP	2.5	0.257	21	3	0	0.00	SFLR	6.865	53.55	0.00		255
R02305162	25600	SA210-A1 304	COMP	2.5	0.257	21	4	0	0.00	SFLR	6.865	53.55	0.00		256
R02305162	25700	SA210-A1 304	COMP	2.5	0.257	21	5	0	0.00	SFLR	6.865	53.55	0.00		257
R02305162	25800	SA210-A1 304	COMP	2.5	0.257	21	6	0	0.00	SFLR	6.865	53.55	0.00		258
R02305162	26000	SA210-A1 304	COMP	2.5	0.257	21	8	1	21.67	SFLR	6.865	53.55	1160.33	CB2669	260
R02305162	26100	SA210-A1 304	COMP	2.5	0.257	21	9	2	43.50	SFLR	6.865	53.55	2329.58	CB2669	261
R02305162	26300	SA210-A1 304	COMP	2.5	0.257	21	11	2	43.83	SFLR	6.865	53.55	2347.43	CB2669	263
R02305162	28500	SA210-A1 304	COMP	2.5	0.257	23	9	0	0.00	17B	6.865	54.47	0.00		285
R02305162	26400	SA210-A1 304	COMP	2.5	0.257	22	0	2	44.00	SFLR	6.865	53.55	2356.35	CB2669	264
R02305162	26500	SA210-A1 304	COMP	2.5	0.257	22	1	2	44.17	SFLR	6.865	53.55	2365.28	CB2669	265
R02305162	26600	SA210-A1 304	COMP	2.5	0.257	22	2	0	0.00		6.865	53.55	0.00		266
R02305162	26700	SA210-A1 304	COMP	2.5	0.257	22	3	2	44.50	SFLR	6.865	53.55	2383.13	CB2669	267
R02305162	26800	SA210-A1 304	COMP	2.5	0.257	22	4	1	22.33	SFLR	6.865	53.55	1196.03	CB2669	268
R02305162	26900	SA210-A1 304	COMP	2.5	0.257	22	5	0	0.00		6.865	53.55	0.00		269
R02305162	27000	SA210-A1 304	COMP	2.5	0.257	22	6	0	0.00		6.865	53.55	0.00		270
R02315162	27100	SA210-A1 304	Sanicro 67	2.5	0.257	22	7	0	0.00	17B	6.865	94.28	0.00		271
R02305162	27200	SA210-A1 304	COMP	2.5	0.257	22	8	1	22.67	SFLR	6.865	53.55	1213.88	CB2669	272
R02305162	27300	SA210-A1 304	COMP	2.5	0.257	22	9	2	45.50	SFLR	6.865	53.55	2436.68	CB2669	273
R02305162	27400	SA210-A1 304	COMP	2.5	0.257	22	10	2	45.67	SFLR	6.865	53.55	2445.61	CB2669	274
R02305162	27500	SA210-A1 304	COMP	2.5	0.257	22	11	26	595.83	SFLR	6.865	53.55	31908.95	CB2669	275
R02305162	27800	SA210-A1 304	COMP	2.5	0.257	23	2	1	23.17	SFLR	6.865	53.55	1240.66	CB2669	278
R02315162	27900	SA210-A1 304	Sanicro 67	2.5	0.257	23	3	0	0.00	17B	6.865	94.28	0.00		279
R02305162	28300	SA210-A1 304	COMP	2.5	0.257	23	7	1	23.58	SFLR	6.865	53.55	1262.97	CB2669	283
R02306064	7000	SA210-A1 304	COMP	3	0.259	5	10	6	35.00	S FLR	8.455	67.76	2371.60	CB18405A	70
R02306064	7700	SA210-A1 304	COMP	3	0.259	6	5	1	6.42	30C	8.455	67.76	434.79	CB16403A	77
R02306064	9200	SA210-A1 304	COMP	3	0.259	7	8	1	7.67	30C	8.455	67.76	519.49	CB17072A	92
R02326064	15500	SA210-A1 304	Sanicro 38	3	0.259	12	11	1	12.92	6C	8.455	403.00	5205.42	CB18057A	155
R02326064	20300	SA210-A1 304	Sanicro 38	3	0.259	16	11	0	0.00	6C	8.455	403.00	0.00		203
R02326064	22700	SA210-A1 304	Sanicro 38	3	0.259	18	11	0	0.00	S FLR	8.455	403.00	0.00		227
R02326064	24000	SA210-A1 304	Sanicro 38	3	0.259	20	0	0	0.00	S FLR	8.455	403.00	0.00		240

R02306064	29400	SA210-A1 304	COMP	3	0.259	24	6	1	24.50	6C	8.455	67.76	1660.12	CB18412A	294
R02306064	37500	SA210-A1 304	COMP	3	0.259	31	3	0	0.00	S FLR	8.455	67.76	0.00	CB18404A	375
R02306064	44100	SA210-A1 304	COMP	3	0.259	36	9	1	36.75	6C	8.455	67.76	2490.18	CB18010A	441
R02306064	54200	SA210-A1 304	COMP	3	0.259	45	2	1	45.17	1 TOP	8.455	67.76	3060.49	CB2229	542
R02306064	54700	SA210-A1 304	COMP	3	0.259	45	7	1	45.58	1 TOP	8.455	67.76	3088.73	CB2229	547
R02306064	56700	SA210-A1 304	COMP	3	0.259	47	3	1	47.25	1 TOP	8.455	67.76	3201.66	CB2229	567
R02306064	56800	SA210-A1 304	COMP	3	0.259	47	4	1	47.33	1 TOP	8.455	67.76	3207.31	CB2229	568
R02306064	56900	SA210-A1 304	COMP	3	0.259	47	5	8	379.33	1 TOP	8.455	67.76	25703.60	CB2229	569
R02306064	57000	SA210-A1 304	COMP	3	0.259	47	6	5	237.50	1 TOP	8.455	67.76	16093.00	CB2229	570
R02306064	57100	SA210-A1 304	COMP	3	0.259	47	7	1	47.58	1 TOP	8.455	67.76	3224.25	CB2229	571
R02306064	57200	SA210-A1 304	COMP	3	0.259	47	8	0	0.00	1 TOP	8.455	67.76	0.00	CB2229	572
	0	SA210-A1 304	COMP						0.00		0.000		0.00		0
	0	SA210-A1 304	COMP						0.00		0.000		0.00		0
	0	SA210-A1 304	COMP						0.00		0.000		0.00		0
	0	SA210-A1 304	COMP						0.00		0.000		0.00		0
	0	SA210-A1 304	COMP						0.00		0.000		0.00		0
									2013.42				125978.59		

47.58

SA213 TP304L															
TUBE ID #	Length ID#	TYPE	FINISH	OD	MWT	FT	IN	QTY	TOTAL QTY	BIN NO.	LBS/FT.	\$/FT.	TOTAL\$.	PO#	Length in "
R19652160	24000	SA 213 TP304L	SML	1.500	0.250	20	0	1	20.00	22B	3.722	8.85	177.00		240
R19655456	33000	SA 213 TP304L	SML	2.750	0.240	27	6	2	55.00	7D	7.174	32.00	1760.00		330
R19655456	30600	SA 213 TP304L	SML	2.750	0.240	25	6	1	25.50	7D	7.174	32.00	816.00		306
	0	SA 213 TP304L	SML						0.00		0.000		0.00		0
	0	SA 213 TP304L	SML						0.00		0.000		0.00		0
	0	SA 213 TP304L	SML						0.00		0.000		0.00		0
	0	SA 213 TP304L	SML						0.00		0.000		0.00		0
									100.50				2753.00		

SA269 TP304																
TUBE ID #	Length ID#	TYPE	FINISH	OD	MWT	FT	IN	QTY	TOTAL QTY	BIN NO.	LBS/FT.	LBS/EACH	\$/FT.	TOTAL/\$.	PO #	Length in "
R21002160	25500	SA269 TP304		1.5	0.250	21	3	2	42.50	22B	3.722	78.16	22.53	957.52		255.00
R21002160	25900	SA269 TP304		1.5	0.250	21	7	1	21.58	22B	3.722	78.16	22.53	486.27		259.00
	0								0.00		0.000	0.00	5.25	0.00		0.00
	0								0.00		0.000	0.00	5.25	0.00		0.00
	0								0.00		0.000	0.00	9.31	0.00		0.00
	0								0.00		0.000	0.00	3.75	0.00		0.00
	0								0.00		0.000	0.00	11.22	0.00		0.00
	0								0.00		0.000	0.00	4.18	0.00		0.00
	0								0.00		0.000	0.00	4.50	0.00		0.00
	0								0.00		0.000	0.00	4.89	0.00		0.00
	0								0.00		0.000	0.00	4.52	0.00		0.00
	0								0.00		0.000	0.00	5.14	0.00		0.00
	0								0.00		0.000	0.00	10.05	0.00		0.00
	0								0.00		0.000	0.00	12.86	0.00		0.00
	0								0.00		0.000	0.00	10.05	0.00		0.00
	0								0.00		0.000	0.00	10.05	0.00		0.00
	0								0.00		0.000	0.00	10.05	0.00		0.00
	0								0.00		0.000	0.00	23.98	0.00		0.00
									64.08					1443.79		

SA 335-P11															
TUBE ID #	Length ID#	TYPE	FINISH	SIZE	SCHEDULE	FT	IN	QTY	TOTAL QTY	BIN NO.	LBS/FT.	\$/FT.	TOTAL/\$.	PO #	Length in "
R26350697	24000	SA 335-P11	CRO-MO	0.5	160	20	0	1	20.00	23D	1.30	3.75	75.00		240
R26353695	25600	SA 335-P11	CRO-MO	2	80	21	4	1	21.33	22A	4.86	13.20	281.60		256
	0	SA 335-P11	CRO-MO						0.00		0.00		0.00		0
									41.33				356.60		

SA 335-P22															
TUBE ID #	Length ID#	TYPE	FINISH	SIZE	SCHEDULE	FT	IN	QTY	TOTAL QTY	BIN NO.	LBS/FT.	\$/FT.	TOTAL\$.	PO #	Length in "
R27650395	24000	SA 335-P22	SML	0.375	80	20	0	3	60.00	24C	0.739	9.91	594.60		240
R27356995	46800	SA 335-P22	CRO	4	80	39	0	1	39.00	18 TOP	12.500	38.08	1485.12		468
	0	SA 335-P22							0.00		0.000		0.00		0
	0	SA 335-P22							0.00		0.000		0.00		0
									99.00				2079.72		

CARBON STEEL																
TUBE ID #	Length	ID#	TYPE	FINISH	OD	MWT	FT	IN	QTY	TOTAL QTY	BIN NO.	LBS/FT.	\$/FT.	TOTAL\$.	PO #	Length in "
R01402160	25200		CARBON STEEL	DOM	1.5	0.250	21	0	1	21.00	12D	5.500	6.80	142.80		252
R01453614	24100		CARBON STEEL	ERW	2	0.109	20	1	48	964.00	25E	2.455	1.36	1,310.88		241
R01453616	24000		CARBON STEEL	ERW	2	0.120	20	0	1	20.00	5G	2.687	3.00	60.00		240
R01455116	24000		CARBON STEEL	ERW	2.5	0.120	20	0	4	80.00	20C	3.401	3.00	240.00		240
R01456040	26700		CARBON STEEL	ERW	3	0.188	22	3	1	22.25	25 TOP	6.296	3.30	73.43		267
	0															0
R31454818	14400		SMALL W2704	ERW	2.375	0.125	12	0	144	1,728.00	SHPFL	3.350	3.6530	6,312.35	CB2468	144
R32454818	14850		SIGN RACK W3606	ERW	2.375	0.125	12	4.50	134	1,658.25	SHPFL	3.350	3.47773	5,766.95	CB2224	148.5
R33454818	16200		MEDIUM W4508	ERW	2.375	0.125	13	6	200	2,700.00	SHPFL	3.350	3.67387	9,919.45	CB2468	162
R34454818	18900		LARGE W7510	ERW	2.375	0.125	15	9	440	6,930.00	SHPFL	3.350	3.8205770	26,476.60	CB2468	189
	0															0
R01456022	33900		CARBON STEEL	ERW	3	0.134	28	3	42	1,186.50	6 TOP	4.574	3.31	3,927.42		339
	0		CARBON STEEL	ERW						-			0.000	-		0
										15,310.00				54,229.87		

SA 106B																
TUBE ID #	Length	ID#	TYPE	FINISH	SIZE	SCHEDULE	FT	IN	QTY	TOTAL QTY	BIN NO.	LBS/FT.	\$/FT.	TOTAL/\$.	PO #	Length in "
R03650395		24000	SA 106B	SML	0.375	80	20	0	74	1480.00	26B	1.088	2.20	3256.00		240
R03650994		24000	SA 106B	SML	0.75	40	20	0	9	180.00	17F	1.474	2.66	479.25		240
R03650994		24000	SA 106B	SML	0.75	40	20	0	3	60.00	24D	1.474	2.66	159.75		240
R03650995		25200	SA 106B	SML	0.75	80	21	0	5	105.00	6G	1.474	2.10	220.50		252
R03650997		24000	SA 106B	SML	0.75	160	20	0	5	100.00	6G	1.937	2.70	270.00		240
R03651295		24000	SA 106B	SML	1	80	20	0	1	20.00	23D	14.620	4.40	88.00		240
R03651295		25200	SA 106B	SML	1	80	21	0	9	189.00	23D	14.620	2.85	538.65		252
R03651297		25200	SA 106B	SML	1	160	21	0	0	0.00	20D	14.620	3.40	0.00		252
R03652194		25200	SA 106B	SML	1.5	40	21	0	8	168.00	12G	3.631	1.97	330.96		252
R03652195		24000	SA 106B	SML	1.5	80	20	0	4	80.00	23D	3.631	5.60	448.00		240
R03652195		25200	SA 106B	SML	1.5	80	21	0	5	105.00	23D	3.631	5.21	547.05		252
R03653694		24200	SA 106B	SML	2	40	20	2	2	40.33	20D	3.653	2.05	82.68		242
R03653694		24600	SA 106B	SML	2	40	20	6	2	41.00	20D	3.653	2.05	84.06		246
R03653695		24000	SA 106B	SML	2	80	20	0	6	120.00	19B	5.020	3.15	378.00		240
R03656994		26200	SA 106B	SML	4	40	21	10	1	21.83	24D	14.980	8.24	179.91		262
										2710.17			7062.81			

SA 53															
TUBE ID #	Length ID#	TYPE	FINISH	SIZE	SCHEDULE	FT	IN	QTY	TOTAL QTY	BIN NO.	LBS/FT.	\$/FT.	TOTAL/\$.	PO #	Length in "
R29553694	25200	SA 53	N/C	2	40	21	0	3	63.00	24D	3.652	2.61	164.43		252
R29557894	25200	SA 53	N/C	6	40	21	0	1	21.00	23A	18.970	8.50	178.50		252
	0	SA 53							0.00		0.000		0.00		0
	0	SA 53							0.00		0.000		0.00		0
									84.00				342.93		

SA 312-316															
TUBE ID #	Length ID#	TYPE	FINISH	SIZE	SCHEDULE	FT	IN	QTY	TOTAL QTY	BIN NO.	LBS/FT.	\$/FT.	TOTAL/\$.	PO #	Length in "
R23751594	24000	SA312 TP316	SS PIPE	1.25	40	20	0	1	20.00	20D	2.273	6.20	124.00		240
R23755194	24000	SA312 TP316	SS PIPE	2.5	40	20	0	2	40.00	22B	5.793	18.44	737.60		240
	0								0.00		0.000		0.00		0
									60				861.60		

SA 312 304															
TUBE ID #	Length ID#	TYPE	FINISH	SIZE	SCHEDULE	FT	IN	QTY	TOTAL QTY	BIN NO.	LBS/FT.	\$/FT.	TOTAL/\$.	PO #	Length in "
R22750395	24000	SA 312-304L	SS PIPE	0.375	80	20	0	14	280.00	26C	2.273	4.05	1134.00	8/15 count	240
R22750395	26400	SA 312-304L	SS PIPE	0.375	80	22	0	9	198.00	22C	2.273	4.05	801.90		264
R22753694	18900	SA 312-304L	SS PIPE	2	40	15	9	6	94.50	ShpFir	5.793	13.41464	1267.68	1-CB2718/20-CB2	189
R22755194	24000	SA 312-304L	SS PIPE	2.5	40	20	0	1	20.00	22B	5.793	17.76	355.20		240
									592.5				3558.78		

904L															
TYPE	FINISH	SIZE	SCHEDULE	FT	IN	QTY	TOTAL QTY	BIN NO.	LBS/FT.	\$/FT.	TOTAL/\$.	PO #	TUBE ID #	Length in "	Length ID #
904L	SS PIPE	1	80				0.00		2.172	0.00	0.00			0	0
904L							0.00		0.000		0.00				
904L							0.00		0.000		0.00				
							0.00				0.00				

SA 312-310															
TYPE	FINISH	SIZE	SCHEDULE	FT	IN	QTY	TOTAL QTY	BIN NO.	LBS/FT.	\$/FT.	TOTAL/\$.	PO #	TUBE ID #	Length in "	Length ID#
SA 312-310	SS PIPE	0.375	SCH 80	0	0	0	0.00	0	1.088	15.25	0.00		R25750395	0	0
SA 312-310	SS PIPE	0.375	SCH 80	0	0	0	0.00	0	1.088	12.16	0.00		R25750395	0	0
SA 312-310	SS PIPE						0.00		5.793		0.00			0	0
SA 312-310	SS PIPE						0.00		4.332		0.00			0	0
SA 312-310	SS PIPE						0.00		4.332		0.00			0	0
SA 312-310	SS PIPE						0.00		7.576		0.00			0	0
							0.00		0.000		0.00			0	0
							0.00		0.000		0.00			0	0
							0.00		0.000		0.00			0	0
							0.00		0.000		0.00			0	0
							0.00		0.000		0.00			0	0
							0				0.00				

SA 213 TP316															
TUBE ID #	Length ID#	TYPE	FINISH	OD	MWT	FT	IN	QTY	TOTAL QTY	BIN NO.	LBS/FT.	\$/FT.	TOTAL/\$.	PO #	Length in "
R20000904	24000	SA 213 TP316		0.75	0.065	20	0	1	20.00	24B	0.530	4.62	92.40		240
R20000902	24000	SA 213 TP316		0.75	0.049	20	0	9	180.00	24B	0.409	3.72	670.00		240
	0	SA 213 TP316						0	0.00		0.000		0.00		0
	0	SA 213 TP316						0	0.00		0.000		0.00		0
	0	SA 213 TP316						0	0.00		0.000		0.00		0
									200				762.40		

SA 213 304H															
TUBE ID #	Length ID#	TYPE	FINISH	OD	MWT	FT	IN	QTY	TOTAL QTY	BIN NO.	LBS/FT.	\$/FT.	TOTAL/\$.	PO #	Length in "
R11005138	31200	SA 213 304H		2.50	0.180	26.00	0.00	1	26.00	26A	4.974	31.55	820.30		312
									26.00				820.30		

SA213 TP310H															
TUBE ID #	Length ID#	TYPE	FINISH	OD	MWT	FT	IN	QTY	TOTAL QTY	BIN NO.	LBS/FT.	\$/FT.	TOTAL/\$.	PO #	Length in "
R12652138	41400	SA213 TP310H	SML	1.500	0.180	34	6	8	276.00	25G	2.830	19.40	5354.40		414
R12652138	10900	SA213 TP310H	SML	1.500	0.180	9	1	18	163.50	29G	2.830	19.40	3171.96		109
R12654246	26800	SA213 TP310H	SML	2.250	0.203	22	4	34	759.33	25 TOP	4.949	70.74	53715.24		268
	0	SA213 TP310H	SML						0.00		0.000		0.00		0
	0	SA213 TP310H	SML						0.00		0.000		0.00		0
	0	SA213 TP310H	SML						0.00		0.000		0.00		0
	0	SA213 TP310H	SML						0.00		0.000		0.00		0
	0	SA213 TP310H	SML						0.00		0.000		0.00		0
	0	SA213 TP310H	SML						0.00		0.000		0.00		0
	0	SA213 TP310H	SML						0.00		0.000		0.00		0
									1198.83				62241.60		

SA 213 347H																	
TUBE ID #	Length	ID#	TYPE	FINISH	OD	MWT	FT	IN	QTY	TOTAL QTY	BIN NO.	LBS/FT.	\$/FT.	TOTAL/\$.	PO #	Length in "	
		0															0
R13003656	15600		SA 213 347H		2	0.240	13.00	0.00	1	13.00	21A	5.031	24.80	322.40		156	
R13003670	30000		SA 213 347H		2	0.280	25.00	0.00	3	75.00	21A	5.736	40.60	3045.00		300	
R13003692	24000		SA 213 347H		2	0.460	20.00	0.00	3	60.00	19A	8.437	64.91	3894.60		240	
		0								148				7262.00		0	

SA 312-347H															
TUBE ID #	Length ID#	TYPE	FINISH	SIZE	SCHEDULE	FT	IN	QTY	TOTAL QTY	BIN NO.	LBS/FT.	\$/FT.	TOTAL/\$.	PO #	Length in "
R24000395	23100	SA 312-347H		0.375	SCH 80	19	3	1	19.25	22C	1.088	16.00	308.00	CB2225	231
R24000395	25000	SA 312-347H		0.375	SCH 80	20	10	0	0.00	22C	1.088	16.00	0.00		250
R24000395	25400	SA 312-347H		0.375	SCH 80	21	2	1	21.17	22C	1.088	16.00	338.67	CB2225	254
R24000395	25800	SA 312-347H		0.375	SCH 80	21	6	0	0.00	22C	1.088	16.00	0.00		258
R24000395	25900	SA 312-347H		0.375	SCH 80	21	7	2	43.17	22C	1.088	16.00	690.66	CB2225	259
R24000395	26000	SA 312-347H		0.375	SCH 80	21	8	1	21.67	22C	1.088	16.00	346.67	CB2225	260
R24000395	26100	SA 312-347H		0.375	SCH 80	21	9	1	21.75	22C	1.088	16.00	348.00	CB2225	261
R24000395	26550	SA 312-347H		0.375	SCH 80	22	1.5	2	44.25	22C	1.088	16.00	708.00	CB2225	265.5
R24000395	27100	SA 312-347H		0.375	SCH 80	22	7	0	0.00	22C	1.088	16.00	0.00		271
R24000395	0	SA 312-347H		0.375	SCH 80				0.00	22C	1.088	0.00	0.00		0
									171.25				2739.99		

Schedule “E”

WORK IN PROGRESS

(attached)

Customer	Job Number	Description	PO value before taxes	Original Delivery Date (Subject to Change)	Deposit Received	Est. % Complete
Mackenzie	CB18039A	S/D Parts	\$95,156.00	June 1st		10%
Conifex	CB18050A	Shields	\$10,300.00	May 5th		5%
Conifex	CB18061A	Tubs	\$30,850.00	May 11th		0%
Conifex	CB18062A	Spout	\$14,680.00	July 1st		0%
Howe Sound Pulp & Paper	CB18407A	Panels	\$84,200.00	June 1st		95%
West Fraser	CB18409A	Gen Bank	\$153,000.00	Aug. 15th		0%
Howe Sound Pulp & Paper	CB17422A	Panels	\$806,850.00	Sept. 29th	25%	\$201,712.50
West Fraser	CB17423A	Roof Panels	\$586,300.00	Aug. 15th	15%	\$87,945.00
Total			\$1,781,836.00		\$289,657.50	

Schedule "F"

ALLOCATION OF PURCHASE PRICE

Equipment	
Inventory and Work-in Progress	
Books, Records, Business Intellectual Property	

Schedule "G"FORM OF BRING-DOWN CERTIFICATE

TO: [Name of Vendor/Purchaser] [(the "Vendor")] [(the "Purchaser")]

RE: Asset Purchase Agreement dated [•] between the Vendor and the Purchaser (the "Agreement")

Unless otherwise defined herein, the definitions provided for in the Agreement are adopted in this certificate (the "**Certificate**").

I, [Name], [Position] of [Name of Vendor/Purchaser] [(the "Vendor")] [(the "Purchaser")] hereby certify that as of the date of this Certificate:

1. The undersigned is personally familiar, in [his][her] capacity as an officer of [Vendor][Purchaser], with the matters hereinafter mentioned.
2. Each of the representations and warranties of the [Vendor][Purchaser] contained in Section [5.1 / 5.2] of the Agreement were true and correct in all material respects when made and are true and correct in all material respects as of the Closing Date.
3. All obligations of [Vendor][Purchaser] contained in the Agreement to be performed prior to or at Closing have been timely performed in all material respects.
4. This Certificate is made for and on behalf of the [Vendor][Purchaser] and is binding upon it, and I am not incurring, and will not incur, any personal liability whatsoever with respect to it.
5. This Certificate is made with full knowledge that the [Vendor][Purchaser] is relying on the same for the Closing of the Transaction.

IN WITNESS WHEREOF I have executed this Certificate this _____ day of _____, 2018.

[Name of Vendor/Purchaser]

Per:

Name:

Title:

Appendix F

**In the Matter of the Receivership of
Innovative Steam Technologies Inc. and IST Boiler Components Inc.
Interim Statement of Receipts and Disbursements
For the period from May 1, 2018 to June 1, 2018**

<u>Description</u>	<u>Amount</u>	<u>Notes</u>
Receipts		
Cash on hand - CAD\$	\$ 94,626	
Cash on hand - USD\$	156,946	1
Accounts receivable - CAD\$	500,604	
Accounts receivable - USD\$	127,401	1
Accounts receivable at HSBC - CAD\$	10,763	2
Sale of Inventory	665,019	3
Other	26,842	
Total actual receipts	<u>1,582,201</u>	
Disbursements		
Contract employees	30,256	4
Occupation rent	100,701	
Insurance	19,501	
HST paid post-receivership	8,316	
Miscellaneous disbursements - CAD\$	3,676	
Miscellaneous disbursements - USD\$	12	1
Total actual disbursements	<u>162,460</u>	
Excess of Receipts over Disbursements	<u><u>\$ 1,419,740</u></u>	5

Notes:

- 1 Balances translated at CAD/USD exchange rate of 1.30.
- 2 Accounts receivable paid directly to HSBC on May 25, 2018 and May 31, 2018 - payment in transit to Receiver account.
- 3 Sale of inventory represents orders that were completed post-receivership.
- 4 The Receiver contracted certain former employees to assist with records of employment, sale of inventory, computer systems backup and other receivership administration.
- 5 Net receipts recorded on cash basis; exclude certain expenses that are accruing but not paid (e.g. Receiver fees, contractors)

TAB C

COMPANIES OVERVIEW

The Companies’ head office is located in Cambridge, ON. IST’s core business is the manufacturing and after-market field service of Once Through Steam Generators (“**OSTG**”) and Enhanced Oil Recovery units (“**EOR**”). IST Boiler operates out of Delta, BC and manufactures emergency boiler parts used in steam boiler applications. On May 1, 2018, pursuant to an Order of the Ontario Superior Court of Justice (“**Appointment Order**”), Deloitte Restructuring Inc. (“**Deloitte**”) was appointed as receiver and manager of the Companies (the “**Receiver**”).

<p>IST – Cambridge, ON operations</p>	<ul style="list-style-type: none"> • IST employed 68 non-unionized, salaried and hourly employees. • 2 leased locations – 549 Conestoga Blvd. (approximately 96,495 square feet, expiry July 2025) and 1 Natura Way, Suite 100 (approximately 61,918 square feet expiry September 2018). • IST was founded in 1992.
<p>IST Boiler – Delta, BC operations</p>	<ul style="list-style-type: none"> • IST Boiler employed 8 employees (5 unionized and 3 salaried employees). • 1 leased location – 6425 River Road (approximately 33,000 square feet – multi-tenant - expiry June 2018). • IST Boiler has been a wholly owned subsidiary of IST since 2009. • Predecessor operations commenced in 1975. • Primary business is supplying boiler components for planned and emergency repairs, including: lower furnaces, superheater sections, generator banks, economizers, air heaters and airport tube openings. • Union contract with local 359 of International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers (expiry May 31, 2020). Union relations have been very good.
<p>Receivership Proceedings</p>	<ul style="list-style-type: none"> • All employees of the Companies were terminated on May 1, 2018. • Receiver temporarily engaged 10 former employees on a contract basis to assist with verifying assets, shipping customer orders, completing books and records, collecting accounts receivables and other activities. • Receiver will update interested parties who execute a Non-Disclosure Agreement about balances of the accounts receivable and other activities in the electronic directory containing Confidential Materials (as defined in the Non-Disclosure Agreement) • Court materials are available at www.insolvencies.deloitte.ca/en-ca/IST

Receivership Acquisition Opportunity

Innovative Steam Technologies Inc. (“IST”) and IST Boiler Components Inc. (“IST Boiler”, together the “Companies”)

FINANCIAL HIGHLIGHTS

(in thousands \$CAD)	2015 Actual	2016 Actual	2017 Actual
Sales - IST	\$43,196	\$51,395	\$26,816
EBITDA - IST	\$1,982	\$2,394	(\$12,280)
Sales - IST Boiler	\$2,858	\$1,881	\$3,319
EBITDA - IST Boiler	\$261	(\$11)	\$586

PROCESS

Deloitte has the authority to market and sell the assets of the Companies pursuant to the Appointment Order and the proposed transaction will be subject to Court Approval with the Receiver seeking an Approval and Vesting Order in that regard. Deloitte will deliver Confidential Materials to interested parties who execute a Non-Disclosure Agreement which will provide additional information about this opportunity.

DEADLINE FOR NON-BINDING OFFERS – WEDNESDAY MAY 16, 2018 5 P.M. EDT

TARGET CLOSING DATE – FRIDAY MAY 25, 2018

All inquiries should be directed to:

Rob Biehler
Senior Vice President
rbiehler@deloitte.ca

Warren Leung
Vice President
waleung@deloitte.ca

John Youn
Analyst
johnyoun@deloitte.ca

Deloitte Restructuring Inc.
8 Adelaide Street West, Suite 200, Toronto ON, M5H 0A9 Canada
416-601-6150

TAB D

Court File No. CV-18-596878-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE MR.	)	TUESDAY, THE 12th
)	
JUSTICE DUNPHY	)	DAY OF JUNE, 2018

BETWEEN:

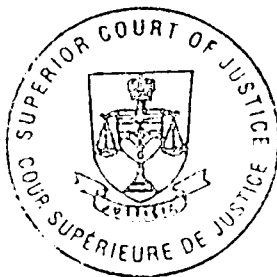
HSBC BANK CANADA

Applicant

- and -

**INNOVATIVE STEAM TECHNOLOGIES INC. and
IST BOILER COMPONENTS INC.**

Respondents



APPROVAL AND VESTING ORDER

THIS MOTION, made by Deloitte Restructuring Inc., in its capacity as the Court-appointed receiver and manager (in such capacities, the "**Receiver**"), without security, of all of the assets, undertakings and properties of Innovative Steam Technologies Inc. ("**IST**") and IST Boiler Components Inc. (the "**Debtor**", and together with IST, the "**Debtors**") acquired for or used in relation to a business carried on by the Debtors, for an order approving the transaction (the "**Transaction**") contemplated by the Asset Purchase Agreement (the "**Sale Agreement**") between the Receiver and Canerector Inc. ("**Canerector**") dated June 6, 2018, to be assigned by Canerector to 8882703 Canada Inc. (the "**Purchaser**") immediately before the Closing of the Transaction, appended to the First Report of the Receiver dated June 7, 2018 (the "**First Report**"), and vesting in the Purchaser the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the First Report and on hearing the submissions of counsel for the Receiver, HSBC Bank Canada, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Anastasia Markaroff sworn June 8, 2018 filed:

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record herein is hereby abridged, and that service of the redacted First Report as effected is hereby validated so that this motion is properly returnable today, and hereby dispenses with further service thereof.

2. THIS COURT ORDERS AND DECLARES that any capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Sale Agreement.

3. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

4. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Receiver's Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Wilton-Siegel dated May 1, 2018; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system (all of which are collectively referred to as the "**Encumbrances**) and, for greater certainty, this

Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

5. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

6. THIS COURT ORDERS AND DIRECTS the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

7. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

8. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or

voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

9. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

10. THIS COURT ORDERS that the unredacted First Report filed including Confidential Appendix "D" and "E" to the First Report shall be sealed, kept confidential and not form part of the public record, but shall be placed separate and apart from all other contents of the Court file, in a sealed envelope attached to a notice that sets out the title of these proceedings and a statement that the contents are subject to a sealing order and shall only be opened upon completion of the Transaction or ~~upon further order of the Court.~~ *June 30 2018 subject to further order.*

ADD

11. THIS COURT ORDERS ~~that the First Report of the Receiver is hereby approved and the activities of the Receiver as set out therein be and hereby are approved including the Receiver's Interim Statement of Receipts and Disbursements for the period May 1, 2018 to June 1, 2018.~~

APP.



ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

JUN 12 2018

PER / PAR:

MS

Schedule A – Form of Receiver’s Certificate

Court File No. CV-18-596878-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) _____, THE ____
JUSTICE)
) DAY OF _____, 2018

B E T W E E N:

HSBC BANK CANADA

Applicant

- and -

**INNOVATIVE STEAM TECHNOLOGIES INC. and
IST BOILER COMPONENTS INC.**

Respondents

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Mr. Justice H. J. Wilton-Siegel of the Ontario Superior Court of Justice (the "**Court**") dated May 1, 2018, Deloitte Restructuring Inc. was appointed as the receiver and manager (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of Innovative Steam Technologies Inc. ("**IST**") and IST Boiler Components Inc. (the "**Debtor**", and together with IST, the "**Debtors**") acquired for or used in relation to a business carried on by the Debtors.

B. Pursuant to an Order of the Court dated June 12, 2018, the Court approved the Asset Purchase Agreement (the "**Sale Agreement**") between the Receiver and Canerector Inc.

("Canerecator"), which was assigned by Canerecator to 8882703 Canada Inc. (the "Purchaser"), and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by Canerecator of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section 11 of the Sale Agreement have been satisfied or waived by the Receiver and Canerecator; and (iii) the Transaction has been completed to the satisfaction of the Receiver..

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. Canerecator has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in section 11 of the Sale Agreement have been satisfied or waived by the Receiver and Canerecator; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

DELOITTE RESTRUCTURING INC., in its capacity as receiver and manager of the undertaking, property and assets of INNOVATIVE STEAM TECHNOLOGIES and IST BOILER COMPONENTS INC., and not in its personal or corporate capacity

Per: _____

Name:

Title:

HSBC BANK CANADA
Applicant

-and-

INNOVATIVE STEAM TECHNOLOGIES INC. et al.
Respondents

Court File No. CV-18-596878-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

PROCEEDING COMMENCED AT TORONTO

APPROVAL AND VESTING ORDER

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Lawyers for the Receiver, Deloitte Restructuring Inc.

TAB E

EXECUTION VERSION

**DELOITTE RESTRUCTURING INC.
IN ITS CAPACITY AS COURT-APPOINTED RECEIVER AND MANAGER OF THE ASSETS,
PROPERTIES AND UNDERTAKINGS OF INNOVATIVE STEAM TECHNOLOGIES INC.
AND IST BOILER COMPONENTS INC, AND NOT IN ITS PERSONAL OR CORPORATE
CAPACITY**

and

PROPAK SYSTEMS LTD.

ASSET PURCHASE AGREEMENT

June 14, 2018

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ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT is dated as of June 14, 2018,

BETWEEN:

DELOITTE RESTRUCTURING INC., a corporation incorporated under the federal laws of Canada, in its capacity as the court-appointed receiver and manager of the assets, properties and undertakings of Innovative Steam Technologies Inc. and IST Boiler Components Inc., and not in its personal or corporate capacity (the "**Vendor**")

- and -

PROPAK SYSTEMS LTD., a corporation incorporated under the laws of the Province of Alberta (the "**Purchaser**")

WHEREAS:

- A. pursuant to the Receivership Order, among other things, the Vendor was appointed as receiver and manager of all of the assets, undertaking and properties of the Debtor acquired for, or used in relation to, the Business, including all proceeds thereof; and
- B. the Vendor has determined that it is in the best interests of the creditors and stakeholders of the Debtor to sell to the Purchaser, and the Purchaser desires to purchase from the Vendor, the Purchased Assets, subject to the terms and conditions set forth herein and subject to the Court Approval,

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and adequacy of which are acknowledged by each Party to the other, the Parties covenant and agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement:

- (a) "**Accounts Receivable**" means, with respect to the Debtor and without duplication, all accounts receivable, trade receivables, bills receivable, trade accounts, book debts, notes receivables, rebates, refunds and other receivables of the Debtor, including those more particularly listed and described in Schedule 1.1(a), whether current or overdue, together with all interests accrued on such items;
- (b) "**Affiliate**" means, with respect to any specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with that specified Person. For the purposes of this definition, "control" (including with correlative meanings, controlling, controlled by and under common control with) means the power to direct or cause the direction of the management and policies of that Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise

and, it being understood and agreed that with respect to a corporation or partnership, control shall mean direct or indirect ownership of more than 50% of the voting shares in any such corporation or of the general partnership interest or voting interest in any such partnership;

- (c) "**Agreement**" means this asset purchase agreement (including the recitals hereto) and any schedules attached hereto which are referred to in this agreement, together with any amendment or supplement thereto;
- (d) "**Applicable Law**" means, in respect of any Person, asset, transaction, event or circumstance: (i) statutes (including regulations enacted thereunder); (ii) judgments, decrees and orders of courts of competent jurisdiction (including the common law); (iii) regulations, orders, ordinances and directives issued by Governmental Authorities; and (iv) the terms and conditions of all permits, licenses, approvals and authorizations, in each case which are applicable to such Person, asset, transaction, event or circumstance;
- (e) "**Applicable Privacy Law**" means all Applicable Law relating to privacy and the collection, use and disclosure of Personal Information in all applicable jurisdictions, including the *Personal Information Protection and Electronic Documents Act* (Canada), and/or any comparable provincial law;
- (f) "**Approval and Vesting Order**" means an order of the Court approving the Transaction in accordance with the provisions of this Agreement, and vesting all of the Debtor's right, title and interest in, to and under the Purchased Assets in the Purchaser, such order to be substantially in the form attached hereto as Schedule 1.1(f) together with such modifications and amendments to such form as may be approved by the Vendor and the Purchaser, acting reasonably;
- (g) "**Assumed Contracts**" means the Contracts particularly listed and described in Schedule 1.1(g) (but excluding the Unassignable Contracts);
- (h) "**Assumed Liabilities**" means the liabilities and obligations of the Debtor set forth in Schedule 1.1(h);
- (i) "**Bill of Sale**" means a bill of sale in respect of the certain motor vehicle forming part of the Purchased Assets, substantially in the form attached hereto as Schedule 1.1(i);
- (j) "**Books and Records**" means all of the Debtor's books and records in its or the Vendor's possession at the Closing Date relating to the Purchased Assets and/or the Business, including all lists, files, data and information relating to customers and suppliers and prospective customers and suppliers of the Business, technical and Business records, all Contracts, Permits, licenses, approvals, warranties, manuals, accounting records, copies of insurance policies (excluding copies of insurance policies relating to directors' and officers' insurance), maintenance and usage logs related to the Purchased Assets, all programs and procedures of the Debtor related to its maintenance, usage, or operations and all Data Room Information related to the ownership, operation or conduct of the Purchased Assets and the Business whether in hard copy or electronic format but specifically excluding any Personal Information regarding employees, officers or directors of the Debtor;
- (k) "**Business**" means the business of designing, engineering, manufacturing, selling and installing Once Through Heat Recovery Steam Generators for the power generation and

enhanced oil recovery industries conducted by the Debtor;

- (l) "**Business Day**" means any day other than a Saturday, Sunday or a statutory holiday in the City of Toronto in the Province of Ontario or the City of Calgary in the Province of Alberta.
- (m) "**Business Intellectual Property**" any and all intellectual property (whether foreign or domestic, registered or unregistered) that is owned by, licensed to, used by or held for use by the Debtor in the operation, conduct or maintenance of the Business as it is currently and has historically been operated, conducted or maintained, including: (i) all inventions (whether patentable or unpatentable and whether or not reduced to practice) and all patents, patent applications and patent disclosures, together with all reissues, continuations, continuations-in-part, revisions, extensions and re-examinations thereof; (ii) all trademarks, trade-names, trade dress, logos, business names, corporate names, domain names, uniform resource locators (URL's) and the internet websites related thereto, and including all goodwill associated therewith and all applications, registrations and renewals in connection therewith; (iii) all copyrightable works of authorship, all copyrights and all applications, registrations and renewals in connection therewith; (iv) all designs, industrial designs, design patents and all applications, registrations and renewals in connection therewith; (v) all proprietary, technical or confidential information, including all trade secrets, processes, procedures, know-how, show-how, formulae, methods, data, compilations, databases and the information contained therein, together with all business and financial information relating to the Debtor; and (vi) all computer software (including all source code, object code and related documentation), together with: (A) all copies and tangible embodiments of the foregoing referred to in subsections (i) to (vi) (in whatever form or medium); (B) all improvements, modifications, translations, adaptations, refinements, derivations and combinations thereof; and (C) all Intellectual Property Rights related thereto, including the Business Intellectual Property listed and described in Schedule 1.1(m);
- (n) "**Claim**" means any right, claim, cause of action or complaint of any Person that may be asserted or made in whole or in part against the Vendor, its Affiliates and their respective Representatives, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not any right, claim, cause of action or complaint is executory or anticipatory in nature;
- (o) "**Closing**" means the completion of the Transaction and the completion of all other transactions contemplated by this Agreement that are to occur contemporaneously with such purchase and sale, all subject to and in accordance with the terms and conditions of this Agreement;
- (p) "**Closing Cash Payment**" has the meaning ascribed to that term in Section 3.3(b);

- (q) "**Closing Date**" means the date on which Closing occurs, being June 29, 2018 or such other date as the Parties may agree, *provided, however*, that the Closing Date shall not be later than the Outside Date;
- (r) "**Conestoga Landlord**" means Skyline Commercial Real Estate Holdings Inc.;
- (s) "**Conestoga Lease**" means the lease dated July 20, 2015 between the Conestoga Landlord and the Debtor in respect of the lease by the Debtor of approximately 96,495 square feet of the property located at 549 Conestoga Boulevard, Cambridge, Ontario and having a legal description of PT LT 19, 22 RCP 1382 CAMBRIDGE PTS 3 TO 5 67R2486; S/T 314742; CAMBRIDGE;
- (t) "**Consequential Damages**" has the meaning ascribed to that term in Section 14.5;
- (u) "**Court**" means the Ontario Superior Court of Justice (Commercial List);
- (v) "**Court Approval**" means both the issuance of the Approval and Vesting Order by the Court approving the sale of the Purchased Assets, and such Approval and Vesting Order having become a Final Order;
- (w) "**Court Orders**" means, collectively, the Receivership Order and the Approval and Vesting Order;
- (x) "**Contracts**" means all contracts, agreements, leases, understandings and arrangements (whether oral or written) related to the Business to which the Debtor is a party or by which the Debtor or any of the Purchased Assets is bound or under which the Debtor has rights;
- (y) "**Cure Costs**" means, in respect of any Assumed Contract, all amounts, costs and expenses required to be paid to remedy all of the Debtor's monetary defaults in relation to the Assumed Contracts or otherwise required to secure a counterparty's or any other necessary Person's consent to the assignment of an Assumed Contract or as may be required pursuant to the Approval and Vesting Order, and includes any other fees and expenses required to be paid to a counterparty or any other Person in connection with the assignment of an Assumed Contract;
- (z) "**Data Room Information**" means all information made available (by the Vendor or its Representatives or otherwise) for the Purchaser's review in electronic form in relation to the Debtor, the Business and/or the Purchased Assets;
- (aa) "**Debtor**" means Innovative Steam Technologies Inc.;
- (bb) "**Deposit**" has the meaning ascribed to that term in Section 3.2(a);
- (cc) "**Effective Time**" means 12:01 a.m. (Toronto time) on the Closing Date;
- (dd) "**Encumbrances**" means any pledges, liens, encumbrances, claims, charges, options or other security interests of any kind or other agreement or arrangement having the effect of conferring any of the foregoing;
- (ee) "**Environmental Laws**" means all statutes, regulations, ordinances, by-laws, and codes, now or hereafter in existence in Canada (whether federal, provincial or municipal) relating

to the protection and preservation of the environment, occupational health and safety, transportation of dangerous goods or hazardous substances;

- (ff) "**Equipment**" means, collectively, all of the equipment (including office equipment), machinery, motor vehicles, rolling stock, implements, tools, furniture, fixtures and other personal tangible property of the Debtor used in the Business, including the Leased Equipment (if any) and the Equipment listed and described in Schedule 1.1(ff);
- (gg) "**Excluded Assets**" means all property and assets of the Debtor other than the Purchased Assets, including the assets listed and described in Schedule 1.1(gg);
- (hh) "**Excluded Contract**" means all contracts which are not Assumed Contracts and all Unassignable Contracts for which the required consent to assignment has not been obtained pursuant to Section 2.4(a);
- (ii) "**Excluded Liabilities**" means all Losses and Liabilities of the Debtor that are not expressly included as Assumed Liabilities, including the Losses and Liabilities of the Debtor listed and described in Schedule 1.1(ii);
- (jj) "**Final Order**" means an order of the Court that has not been vacated, stayed, set aside, amended, reversed, annulled or modified, as to which no appeal or application for leave to appeal therefrom has been filed and the applicable appeal period with respect thereto shall have expired without the filing of any appeal or application for leave to appeal, or if any appeal(s) or application(s) for leave to appeal therefrom have been filed, any (and all) such appeal(s) or application(s) have been dismissed, quashed, determined, withdrawn or disposed of with no further right of appeal and all opportunities for rehearing, reargument, petition for certiorari and appeal being exhausted or having expired without any appeal, motion or petition having been filed and remaining pending, any requests for rehearing have been denied, and no order having been entered and remaining pending staying, enjoining, setting aside, annulling, reversing, remanding, or superseding the same, and all conditions to effectiveness prescribed therein or otherwise by Applicable Law or order having been satisfied;
- (kk) "**General Conveyance, Assignment and Assumption Agreement**" means a general conveyance, assignment and assumption agreement, substantially in the form attached hereto as Schedule 1.1(kk), evidencing the conveyance to the Purchaser of the Purchased Assets and the assumption by the Purchaser of the Assumed Liabilities;
- (ll) "**Governmental Authority**" means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, tribunal, commission, bureau, board, court (including the Court) or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government, having jurisdiction over a Party, the Purchased Assets or this Transaction;
- (mm) "**GST**" means taxes, interest, penalties and fines imposed under Part IX of the *Excise Tax Act* (Canada) and the regulations made thereunder; and "**GST Legislation**" means such act and regulations collectively;
- (nn) "**Harmonized Sales Tax**" means the applicable component of any harmonized sales taxes imposed under any provincial legislation similar to the GST Legislation;

- (oo) "**Intellectual Property Rights**" means any and all rights or protections existing from time to time in a specific jurisdiction, whether registered or not, under any patent law or other invention or discovery law, copyright law, performance or moral rights law, trade secret law, confidential information law (including breach of confidence), trademark law, passing off or unfair competition law, domain name law, industrial design law or other similar laws, and includes legislation by competent Governmental Authorities and judicial decisions under common law or equity, and for greater certainty includes the right to file any applications, and the right to claim for the same the priority rights derived from any applications filed under any treaty, convention, or any domestic laws of a country in which a prior application is filed;
- (pp) "**Inventory**" means all tangible personal property, substances and consumable goods of any kind or nature (other than the Equipment) owned by the Debtor, including all materials, supplies, tooling, spare parts, service parts, pipes, tubing, steel sheets and accessories (including those in possession of suppliers, customers and other Third Parties) including all such items listed and described in Schedule 1.1(pp), but excluding, for greater certainty, any Work In Progress;
- (qq) "**Leased Equipment**" means the Debtor's interest, to the extent it is assignable, in all equipment, motor vehicles, rolling stock, implements, tools, furniture and other personal tangible property which is leased by the Debtor from a Third Party (if any) as more particularly listed and described in Schedule 1.1(qq);
- (rr) "**Leases**" means, collectively, the Conestoga Lease and Natura Way Lease;
- (ss) "**Legal Proceeding**" means any litigation, action, suit, investigation, hearing, claim, complaint, grievance, arbitration proceeding or other proceeding and includes any appeal or review or retrial of any of the foregoing and any application for same;
- (tt) "**Listed Employees**" has the meaning ascribed to that term in Section 10.4(a);
- (uu) "**Losses and Liabilities**" means any and all assessments, charges, costs, damages, debts, expenses, fines, liabilities, losses, obligations and penalties, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or determinable, including those arising under any Applicable Law, Claim by any Governmental Authority or any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority, and those arising under any contract, agreement, arrangement, commitment or undertaking and costs and expenses of any Legal Proceeding, assessment, judgment, settlement or compromise relating thereto, and all interest, fines and penalties and reasonable legal fees and expenses incurred in connection therewith (on a full indemnity basis);
- (vv) "**Natura Way Landlord**" means 1 Natura Way Limited Partnership;
- (ww) "**Natura Way Lease**" means the lease of industrial space dated May 23, 2013 between the Natura Way Landlord and the Debtor in respect of the lease by the Debtor of approximately 61,918 square feet on the ground floor and 2,469 square feet on the second floor of the property located at 1 Natura Way, Suite 100, Cambridge, Ontario and having a legal description of PT LT 6-7 3 CON BEASLEY'S LOWERBLK TWP OF WATERLOO PT 2 & 3, 67R2945 & PT 1, 67R2501 EXCEPT PT 2, 67R22703 & PT 1 & 21 67R3374; S/T WS693032; CAMBRIDGE;

- (xx) "**Non-Disclosure Agreement**" means the non-disclosure agreement dated May 4, 2018 between the Vendor and the Purchaser, as amended;
- (yy) "**Notice Period**" has the meaning ascribed to that term in Section 9.2(b);
- (zz) "**Outside Date**" means July 6, 2018 or such other date as the Parties may agree;
- (aaa) "**Parties**" means, collectively, the Purchaser and the Vendor, and "**Party**" means any one of them;
- (bbb) "**Patent Assignment**" means a registrable patent assignment substantially in the form attached hereto as Schedule 1.1(bbb);
- (ccc) "**Permitted Encumbrances**" means:
- (i) Encumbrances given as security to a public utility or any Governmental Authority when required in the ordinary course of business but only insofar as they relate to any obligations or amounts not due as at the Closing Date;
 - (ii) Encumbrances in favour of any lessor, licensor or permitter for rent to become due or for other obligations or acts, the performance of which is required under contracts of the Vendor (including in respect of the Leased Equipment, if any) so long as the payment or the performance of such other obligation or act is not delinquent and provided that such Encumbrances or privileges do not materially affect the use or the operation of the assets affected thereby; and
 - (iii) the Encumbrances set forth and described in Schedule 1.1(ccc), if any;
- (ddd) "**Permits**" means all franchises, licences, qualifications, authorizations, consents, certificates, certificates of authorization, decrees, orders-in-council, registrations, exemptions, consents, variances, waivers, filings, grants, notifications, privileges, rights, orders, judgments, rulings, directives, permits and other approvals, obtained from, issued by or required by a Governmental Authority with respect to the Business, including the Permits as more particularly listed and described in Schedule 1.1(ddd);
- (eee) "**Person**" means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executory, Governmental Authority, or other entity however designated or instituted;
- (fff) "**Personal Information**" means information about an identifiable individual (other than any information that is used for the purpose of communicating or facilitating communication with an individual in relation to their employment, business or profession such as the individual's name, position name or title, work address, work telephone number, work fax number or work electronic address);
- (ggg) "**Prepaid Expenses**" means all prepaid expenses, deposits or insurance of the Debtor, (but excluding prepaid expenses in respect of directors' and officers' insurance, Taxes related to the Business and workers' compensation prepayments), in all cases to the extent such amounts are transferable to the Purchaser, including as more particularly listed and described in Schedule 1.1(ggg);

- (hhh) **"Purchased Assets"** means all of the tangible and intangible assets, undertaking and properties of the Debtor related to the Business (other than the Excluded Assets), whenever located, as of the Effective Time, including all of the following Assets of the Debtor, if any:
- (i) Accounts Receivable;
 - (ii) Assumed Contracts;
 - (iii) Books and Records (except, in the case of those required by Applicable Law to be retained by the Debtor as copies thereof) and, in the case of any Books and Records that are stored in electronic form, the media on which the Books and Records are stored and any back-up related thereto;
 - (iv) Business Intellectual Property;
 - (v) Equipment;
 - (vi) Inventory;
 - (vii) Permits;
 - (viii) Prepaid Expenses;
 - (ix) Work-In Progress;
 - (x) all goodwill of the Business, together with the exclusive right of the Purchaser to represent itself as carrying on the Business in continuation of and in succession to the Debtor;
 - (xi) any benefits payable under all insurance policies relating to the Business or the Purchased Assets;
 - (xii) all rights, claims or causes of action of the Debtor related to the Purchased Assets, whether choate, inchoate, known or unknown, contingent or otherwise, including all rights to bring any cause of action related to past, present or future infringement, misappropriation, misuse or other violation of the Business Intellectual Property; and
 - (xiii) all transferrable rights of the Debtor in any telephone numbers used by the Debtor in connection with the Business;
- (iii) **"Purchase Price"** has the meaning ascribed to that term in Section 3.1;
- (jjj) **"Purchaser"** has the meaning ascribed to that term in the preamble hereto;
- (kkk) **"Purchaser's Solicitors"** means Bennett Jones LLP, or such other firm or firms of solicitors as are retained or engaged by the Purchaser from time to time and notice of which is provided to the Vendor;
- (III) **"Receivership Order"** means the order of the Court, dated May 1, 2018, pursuant to which, among other things, the Vendor was appointed as the receiver and manager of all of the

assets, undertaking and properties of the Debtor acquired for, or used in relation to, the Business, including all proceeds thereof;

- (mmm) "**Receivership Proceedings**" means the court proceedings brought in the Court in Court File No. CV-18-596878-00CL;
- (nnn) "**Representative**" means, in respect of a Person, each director, officer, employee, agent, legal counsel, accountant, consultant, contractor, professional advisor and other representative of such Person and its Affiliates;
- (ooo) "**Statement of Adjustments**" has the meaning ascribed to that term in Section 4.1;
- (ppp) "**Tax**" means all taxes, assessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind lawfully levied, assessed or imposed by any Governmental Authority under any applicable federal, provincial, territorial, municipal and local, foreign, or other statutes, ordinances or regulations imposing a tax, including income, capital, capital gains, goods and services, sales, use, consumption, excise, value added (including GST and any Harmonized Sales Tax), business, real property, personal property, transfer, franchise, withholding, payroll, or employer health taxes, Canada Pension Plan contributions, employment insurance premiums, and provincial workers' compensation payments, levy, assessment, whether computed on a separate, combined, unitary, or consolidated basis or any other manner, including any interest, penalties and fines associated therewith;
- (qqq) "**Tax Act**" means the *Income Tax Act* (Canada);
- (rrr) "**Tax Return**" shall mean any report, return, information statement, schedule, attachment, payee statement or other information required to be provided to any Governmental Authority with respect to Taxes or any amendment thereof;
- (sss) "**Third Party**" means any Person who is not a Party;
- (ttt) "**Third Party Claim**" means any Claim by a Third Party asserted against the Vendor for which the Purchaser has indemnified the Vendor or is otherwise responsible pursuant to this Agreement;
- (uuu) "**Trademark Assignment**" means a registrable trademark assignment substantially in the form attached hereto as Schedule 1.1(uuu);
- (vvv) "**Transaction**" means the transaction for the purchase and sale of the Purchased Assets as contemplated in this Agreement;
- (www) "**Transaction Personal Information**" means any Personal Information disclosed or conveyed by the Vendor or any of its Representatives to the Purchaser in anticipation of, as a result of, or in conjunction with the Transaction;
- (xxx) "**Transferred Employees**" has the meaning ascribed to that term in Section 10.5;
- (yyy) "**Transfer Taxes**" means all present and future transfer Taxes, sales Taxes, use Taxes, production Taxes, value-added Taxes, goods and services Taxes, land transfer Taxes, registration and recording fees, and any other similar or like Taxes and charges imposed

by a Governmental Authority in connection with the sale, transfer or registration of the transfer of the Purchased Assets, including GST and Harmonized Sales Tax;

- (zzz) "**Unassignable Contracts**" has the meaning ascribed to that term in Section 2.4(a);
- (aaaa) "**Vendor**" has the meaning ascribed to that term in the preamble hereto;
- (bbbb) "**Vendor's Solicitors**" means the law firm of Dentons Canada LLP, or such other firm or firms of solicitors as are retained or engaged by the Vendor from time to time and notice of which is provided to the Purchaser.
- (cccc) "**Work In Progress**" means, in connection with the Business, any work, project or purchase order to which actual materials or labour or both have been assigned.

1.2 Interpretation

The following rules of construction shall apply to this Agreement unless the context otherwise requires:

- (a) All references to monetary amounts, unless indicated to the contrary, are to the lawful currency of Canada.
- (b) Words importing the singular include the plural and vice versa, and words importing gender include the masculine, feminine and neuter genders.
- (c) Derivatives of a defined term shall have a corresponding meaning.
- (d) The words "include" and "including" and derivatives thereof shall be read as if followed by the phrase "without limitation".
- (e) The words "hereto", "herein", "hereof", "hereby", "hereunder" and similar expressions refer to this Agreement and not to any particular provision of this Agreement.
- (f) The headings contained in this Agreement are for convenience of reference only, and shall not affect the meaning or interpretation hereof.
- (g) Reference to any Article, Section or Schedule means an Article, Section or Schedule of this Agreement unless otherwise specified.
- (h) If any provision of a Schedule hereto conflicts with or is at variance with any provision in the body of this Agreement, the provisions in the body of this Agreement shall prevail to the extent of the conflict.
- (i) All documents executed and delivered pursuant to the provisions of this Agreement are subordinate to the provisions hereof and the provisions hereof shall govern and prevail in the event of a conflict.
- (j) This Agreement has been negotiated by each Party with the benefit of legal representation, and any rule of construction to the effect that any ambiguities are to be resolved against the drafting Party does not apply to the construction or interpretation of this Agreement.

- (k) Reference to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof.
- (l) References to an Applicable Law means such Applicable Law as amended from time to time and includes any successor Applicable Law thereto and any regulations promulgated thereunder.

1.3 Schedules

The following are the Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

Schedule 1.1(a)	Accounts Receivable
Schedule 1.1(f)	Form of Approval and Vesting Order
Schedule 1.1(g)	Assumed Contracts
Schedule 1.1(h)	Assumed Liabilities
Schedule 1.1(i)	Form of Bill of Sale
Schedule 1.1(m)	Business Intellectual Property
Schedule 1.1(ff)	Equipment
Schedule 1.1(gg)	Excluded Assets
Schedule 1.1(ii)	Excluded Liabilities
Schedule 1.1(kk)	Form of General Conveyance, Assignment and Assumption Agreement
Schedule 1.1(pp)	Inventory
Schedule 1.1(qq)	Leased Equipment
Schedule 1.1(bbb)	Form of Patent Assignment
Schedule 1.1(ccc)	Permitted Encumbrances
Schedule 1.1(ddd)	Permits
Schedule 1.1(ggg)	Prepaid Expenses
Schedule 1.1(uuu)	Form of Trademark Assignment
Schedule 11.2(a)	Form of Bring-Down Certificate

1.4 Interpretation if Closing Does Not Occur

If Closing does not occur, each provision of this Agreement which presumes that the Purchaser has acquired the Purchased Assets shall be construed as having been contingent upon Closing having occurred.

ARTICLE 2 **PURCHASE AND SALE**

2.1 Agreement of Purchase and Sale

Subject to the terms and conditions of this Agreement, and in consideration of the Purchase Price and the assumption of the Assumed Liabilities, the Vendor hereby agrees to sell, assign and transfer to the Purchaser, and the Purchaser hereby agrees to purchase, accept and receive from the Vendor, all of the Purchased Assets, in each case free and clear of all Encumbrances (other than Permitted Encumbrances), effective as of the Effective Time. For certainty, the Excluded Assets are not part of the Transaction, are excluded from Purchased Assets and remain the exclusive property of the Debtor.

2.2 Transfer of Purchased Assets

Provided that Closing occurs and subject to the terms and conditions of this Agreement, possession, risk, and legal and beneficial ownership of the Purchased Assets shall transfer from the Vendor to the Purchaser on the Closing Date effective as of the Effective Time.

2.3 Assumption of Liabilities

Subject to the terms and conditions of this Agreement, the Purchaser hereby agrees to assume, discharge, perform and fulfil the Assumed Liabilities from and after the Effective Time. Notwithstanding any other provision of this Agreement, the Purchaser does not assume and shall not be responsible or liable, directly or indirectly, in any way or manner whatsoever for any Excluded Liabilities.

2.4 Assignment of Assumed Contracts and Third Party Consents

- (a) In the event that there are any Assumed Contracts which are not assignable by the Vendor to the Purchaser in whole or in part without the consent, approval or waiver of any party or parties to them, if any such consents, approvals or waivers therefor have not yet been obtained as of the Closing Date (any such Assumed Contracts, collectively, the "**Unassignable Contracts**"), then:
- (i) each of the Parties shall use reasonable commercial efforts to obtain, as may be required by the terms of such Assumed Contracts, consents or approvals to the assignment of such Assumed Contracts; provided that to the extent that any Cure Costs are payable with respect to any Assumed Contract, the Purchaser shall be responsible for and shall pay all such Cure Costs, which shall be paid directly to the applicable counterparty at or prior to Closing, which Cure Costs shall be in addition to the Purchase Price for the Purchased Assets;
 - (ii) pending the effective transfer or assignment of the relevant Unassignable Contracts, the Debtor shall hold the rights, entitlements, benefits, remedies, duties and obligations under such Unassignable Contracts in trust for the exclusive benefit of the Purchaser as bare trustee and agent;
 - (iii) until its discharge, the Vendor will, at the request and expense and under the direction of the Purchaser, in the name of the Vendor, the Debtor or otherwise as the Purchaser shall, reasonably specify, take all such reasonable actions and do all such reasonable things as shall, in the reasonable opinion of the Vendor, be necessary or desirable in order that the rights, entitlements, benefits, remedies, duties and obligations of the Debtor under any such Unassignable Contract may be enjoyed, received or performed, as the case may be, in accordance with the terms of such Unassignable Contract, including that all monies receivable under such Unassignable Contract may be received by the Purchaser and that all rights and licenses under such Unassignable Contracts may be exercised by the Purchaser;
 - (iv) subject to its discharge, the Vendor shall, no later than 60 days after receipt of funds and determination of all application costs or expenses, pay over to the Purchaser all such monies collected by the Vendor in respect of such Unassignable Contracts following the Closing Date, net of any unpaid related costs or expenses (including any Taxes that are payable in respect of the receipt of such amounts);

- (v) to the extent permitted by the applicable Unassignable Contract:
 - (A) the Purchaser will pay, perform and discharge the duties and obligations under such Unassignable Contract, on behalf of the Debtor, until such time as the effective transfer or assignment of the relevant Unassignable Contracts to the Purchaser; and
 - (B) until its discharge the Vendor will use reasonable efforts to exercise the rights, entitlements, benefits and remedies under such Unassignable Contracts, on behalf of the Purchaser until such time as the effective transfer or assignment of the relevant Unassignable Contracts to the Purchaser, or such Unassignable Contracts expire or otherwise terminate;
- (vi) the Vendor shall have no liability as a consequence of the Vendor taking any action or causing anything to be done under this Section 2.4, and the Purchaser shall be responsible and liable for, and, as a separate covenant, shall hereby indemnify and save harmless the Vendor and its Representatives against, all costs and expenses reasonably incurred by the Vendor or its Representatives as a consequence of or in connection with this Section 2.4; and
- (vii) the Vendor shall cause the Debtor to maintain its existence, and to continue to be licensed, registered or otherwise qualified and authorized to conduct its affairs and carry on business as is necessary to fulfill its obligations as set out in this Section 2.4 until the earlier of the expiry or assignment of the last Unassignable Contract; *provided, however*, that the Vendor's obligations under this Section 2.4 shall expire and terminate and cease to be in effect on the date that is 60 days following Closing, at which time all Unassignable Contracts for which consent is required for the assignment of such Unassignable Contract which has not been obtained by such date shall be deemed to be an Excluded Contract under this Agreement, without any adjustment of any kind whatsoever to the Purchase Price.
- (b) Nothing in this Agreement shall constitute an agreement to assign, and shall not be construed as an assignment of, or an attempt to assign to the Purchaser, any Unassignable Contract until such time as the necessary consents or approvals with respect to the assignment are obtained.
- (c) Both before and after Closing, each of the Parties shall use all reasonable efforts to obtain any and all approvals required under Applicable Law and any and all material consents of Third Parties required to permit this Transaction to be completed. The Parties acknowledge that, subject to Sections 11.1(b) and 11.1(c) in respect of the Leases, the acquisition of such consents shall not be a condition precedent to Closing. It shall be the sole obligation of the Purchaser, at the Purchaser's sole cost and expense, to provide any and all Cure Costs, financial assurances, deposits or security that may be required by Governmental Authorities or any Third Parties to permit the transfer of the Purchased Assets, including the Assumed Contracts, to the Purchaser.
- (d) Notwithstanding the generality of Section 2.4(c), the Purchaser shall, prior to Closing, post or satisfy, or cause to be posted and satisfied, all necessary security, deposits, letters of credit, guarantees or other financial assurances necessary to take possession of the Purchased Assets and to satisfy the security required by the Assumed Contracts.

- (e) Notwithstanding the foregoing provisions of this Section 2.4, if the Purchaser does not acquire all necessary and appropriate Permits, and other approvals to acquire certain of the Purchased Assets, then such Purchased Assets will:
- (i) be deemed to be "Excluded Assets";
 - (ii) remain the property of, and in the possession of, the Debtor regardless of whether the Closing occurs, subject to the provisions of Section 2.4(a) with respect to Unassignable Contracts; and
 - (iii) subject to the Vendor's discharge, be conveyed to the Purchaser when all such licenses, Permits, and other approvals are validly held by the Purchaser, subject to the provisions of Section 2.4(a) with respect to Unassignable Contracts.

ARTICLE 3

PURCHASE PRICE

3.1 Purchase Price

The consideration payable by the Purchaser for the Purchased Assets shall be the sum of \$ [REDACTED] (the "**Purchase Price**") and the assumption of the Assumed Liabilities as set forth in Section 2.3. The Purchase Price shall be satisfied in accordance with Section 3.3, and subject to adjustment only as set forth in Article 4, if applicable.

3.2 Deposit

- (a) The Vendor acknowledges and confirms that the sum of \$ [REDACTED] (the "**Deposit**") has been paid in cash by the Purchaser to the Vendor as a deposit in respect of the Purchase Price.
- (b) If Closing occurs in accordance with the terms and conditions of this Agreement, the Deposit shall be credited against the Purchase Price, in partial satisfaction of the Purchaser's obligation to pay the Purchase Price at Closing.
- (c) If this Agreement is terminated:
 - (i) (A) pursuant to Section 13.1(a) by mutual agreement of the Parties, or (B) pursuant to Sections 13.1(b) or 13.1(c) by the Purchaser, then the Deposit shall be returned to the Purchaser; or
 - (ii) pursuant to Section 13.1(d) or 13.1(e) by the Vendor, the full amount of the Deposit shall be forfeited to the Vendor,

and, subject to Section 13.2, each Party shall be released from all obligations and liabilities under or in connection with this Agreement. In the event of termination of this Agreement under Section 3.2(c)(ii) pursuant to which the Vendor shall be entitled to retain the Deposit, the Parties agree that the amount of the Deposit constitutes a genuine pre-estimate of liquidated damages representing the Vendor's Losses and Liabilities as a result of Closing not occurring and agree that the Vendor shall not be entitled to recover from the Purchaser any amounts that are in excess of the Deposit as a result of Closing not occurring. The Purchaser hereby waives any claim or defence that the amount of the Deposit is a penalty or is otherwise not a genuine pre-estimate of the Vendor's damages.

3.3 Satisfaction of the Purchase Price

At Closing, the Purchase Price shall be paid and satisfied as follows:

- (a) as to the amount of the Deposit, by crediting and set-off of the Deposit against the amount of the Purchase Price by an amount equal to the Deposit; and
- (b) as to the balance of the Purchase Price (as adjusted pursuant to Article 4, if applicable), the "**Closing Cash Payment**", the Purchaser shall pay to the Vendor or the Vendor's Solicitors (in trust for and on behalf of the Vendor) such amount by certified cheque, bank draft, solicitor's certified trust cheque or electronic wire transfer.

3.4 Allocation of Purchase Price

The Purchase Price shall be allocated in the manner specified by the Purchaser on or prior to the Closing Date. The Vendor and the Purchaser shall file their respective Tax Returns based upon and in accordance with such allocation and will not make any inconsistent statements or take any inconsistent positions on any Tax Returns, in any refund claims or during the course of any audits by any taxing authorities. For greater certainty, the Purchaser acknowledges and agrees that the Assumed Obligations are inextricably linked to the Purchased Assets.

ARTICLE 4 **ADJUSTMENTS**

4.1 Statement of Adjustments

The Vendor shall prepare and deliver to the Purchaser at least five (5) Business Days prior to Closing a statement setting forth the Vendor's good faith calculation of the adjustments to the Purchase Price contemplated by this Article 4 (the "**Statement of Adjustments**"). The Statement of Adjustments shall be used to calculate the Purchase Price payable at Closing in accordance with Section 3.3, and shall be deemed final and binding for all purposes in connection with the adjustments contemplated by this Article 4.

4.2 Adjustments

- (a) Items of revenue and expense, including, but not limited to, Taxes, utilities, interest and rents with respect to each Lease that is assigned to the Purchaser (if any), as would customarily be adjusted for in a similar transaction in Alberta, shall be adjusted between the Purchaser and the Vendor as of the Effective Time, provided that no adjustments shall be made in respect of the deposits made by the Debtor towards payment of the last month's rent under each Lease, as further detailed in Schedule 1.1(ggg).
- (b) The Purchase Price shall be reduced by an amount equal to the aggregate amount (if any) of Accounts Receivable outstanding on May 1, 2018 that have been collected by the Vendor prior to the Effective Time.

ARTICLE 5 **TRANSFER TAXES**

5.1 Transfer Taxes

The Parties agree that:

- (a) the Purchase Price does not include Transfer Taxes and the Purchaser shall be liable for and shall pay, and be solely responsible for, any and all Transfer Taxes pertaining to the Purchaser's acquisition of the Purchased Assets; and
- (b) the Purchaser shall indemnify the Vendor for, from and against any Transfer Taxes (including any interest or penalties imposed by a Governmental Authority) that the Vendor is required to pay or for which the Vendor may become liable as a result of any failure by the Purchaser to pay or remit such Transfer Taxes (including GST and Harmonized Sales Tax in accordance with Section 5.2).

5.2 GST and Harmonized Sales Tax Election

To the extent permitted by Applicable Law, the Purchaser and Vendor shall jointly elect under subsection 167(1) of GST Legislation in respect of the purchase and sale of the Purchased Assets and jointly prepare and execute such election in prescribed form and within the time limits contained in the GST Legislation and the Purchaser shall, on a timely basis, file such election in compliance with the requirements of the GST Legislation.

5.3 Accounts Receivable Election

If requested by the Purchaser, the Purchaser and the Vendor shall elect jointly in the prescribed form under section 22 of the Tax Act and under any similar provision of any other applicable provincial legislation as to the sale of the Accounts Receivable forming part of the Purchased Assets and described in section 22 of the Tax Act and shall in that election allocate an amount equal to the portion of the Purchase Price allocated to those assets as specified by the Purchaser as the consideration paid by the Purchaser for those assets. The Parties shall file timely such election forms, along with any documentation necessary or desirable to give effect to such election, with the applicable Governmental Authority.

5.4 Section 20(24) Election

To the extent that the Vendor is transferring a portion of the Purchased Assets to the Purchaser in consideration for the Purchaser assuming prepaid obligations of the Vendor to deliver goods or provide services in the future, if requested by the Purchaser, the Vendor and the Purchaser shall execute and file, on a timely basis and using the prescribed form, a joint election under subsection 20(24) of the Tax Act as to such assumption hereunder. The Vendor and Purchaser shall prepare and file their respective tax returns in a manner consistent with such joint election.

ARTICLE 6

REPRESENTATIONS AND WARRANTIES

6.1 Vendor's Representations and Warranties

The Vendor hereby represents and warrants to the Purchaser as of the date hereof and as of the Closing Date that:

- (a) the Vendor has, among other things, been appointed by the Court as receiver and manager of the property, assets and undertakings of the Debtor pursuant to the Receivership Order, and such appointment is valid and subsisting as not been varied or amended, except as set forth in the Receivership Order;

- (b) except for: (i) the Court Approval; (ii) consents, approvals or waivers that are required in connection with the assignment of an Assumed Contract; and (iii) as otherwise expressly provided in this Agreement, the execution, delivery and performance of this Agreement by it does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Authority, except where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would not prevent or materially delay the consummation by the Vendor of the Transaction;
- (c) subject to Court Approval being obtained, this Agreement has been duly executed and delivered by the Vendor and constitutes a legal, valid and binding obligation of the Vendor and is enforceable against the Vendor in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar Applicable Laws relating to creditors' rights generally and subject to general principles of equity;
- (d) each of the Vendor and the Debtor is not a non-resident of Canada within the meaning of such term under the Tax Act and is not an agent or trustee for anyone with an interest in the Purchased Assets who is a non-resident of Canada within the meaning of such term under the Tax Act (or a partnership that is not a Canadian partnership within the meaning of such term under the Tax Act);
- (e) the Debtor is a registrant for GST or Harmonized Sales Tax purposes and will continue to be a registrant at the Closing Date in accordance with the provisions of the GST Legislation or similar provincial legislation and that its GST registration number is 86335 9444 RT0001; and
- (f) the Purchaser will not be liable for any brokerage commission, finder's fee or other similar payment in connection with the Transaction because of any action taken by, or agreement or understanding reached by the Vendor.

6.2 Purchaser's Representations and Warranties

The Purchaser hereby represents and warrants to the Vendor as of the date hereof and as of the Closing Date that:

- (a) it is a corporation duly incorporated and validly subsisting under the laws of the jurisdiction of its incorporation and has the requisite power and authority to enter into this Agreement and to complete the Transaction;
- (b) it has taken all necessary corporate or other acts to authorize the execution, delivery and performance by it of this Agreement;
- (c) neither the execution of this Agreement nor its performance by the Purchaser will result in a breach of any term or provision or constitute a default under any indenture, mortgage, deed of trust or any other agreement to which the Purchaser is a party or by which it is bound which breach could materially affect the ability of the Purchaser to perform its obligations hereunder;
- (d) the execution, delivery and performance of this Agreement by it does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Authority, except where failure to obtain such consent,

approval, authorization or action, or to make such filing or notification, would not prevent or materially delay the consummation by the Purchaser of this Transaction;

- (e) this Agreement has been duly executed and delivered by it and constitutes a legal, valid and binding obligation of the Purchaser and is enforceable against the Purchaser in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar Applicable Laws relating to creditors' rights generally and subject to general principles of equity;
- (f) the Purchaser is not a non-Canadian Person within the meaning of the *Investment Canada Act* (Canada) nor a non-resident of Canada for the purposes of the Tax Act;
- (g) the Purchaser is a registrant for GST or Harmonized Sales Tax purposes and will continue to be a registrant at the Closing Date in accordance with the provisions of the GST Legislation or similar provincial legislation and that its GST registration number is 10432 8885 RT0001;
- (h) the Vendor will not be liable for any brokerage commission, finder's fee or other similar payment in connection with the Transaction because of any action taken by, or agreement or understanding reached by, the Purchaser;
- (i) the Purchaser will have the financial resources necessary to pay, as and when due from the Purchaser, the Purchase Price, the Transfer Taxes, the Cure Costs and any other amounts payable by the Purchaser pursuant hereto; and
- (j) the Purchaser or its Affiliates have the financial resources necessary to post or satisfy all necessary security, deposits, letters of credit, guarantees or other financial assurances necessary to take possession of the Purchased Assets and to satisfy the security required by the Assumed Contracts.

6.3 Enforcement of Representations and Warranties

- (a) The representations and warranties of each Party contained in this Agreement shall merge on Closing and shall thereafter be of no further force and effect. Effective upon the occurrence of Closing, each Party hereby releases and forever discharges each other Party from any breach of any representations and warranties set forth in this Agreement. For greater certainty, none of representations and warranties contained in this Article 6 shall survive Closing and, the Purchaser's sole recourse for any material breach of representation or warranty by the Vendor shall be for the Purchaser to not complete the Transaction in accordance with this Agreement.
- (b) The representations and warranties of the Vendor made herein or pursuant hereto are made for the exclusive benefit of the Purchaser, and the representations and warranties of the Purchaser made herein or pursuant hereto are made for the exclusive benefit of the Vendor, as the case may be, and are not transferable and may not be made the subject of any right of subrogation in favour of any other Person.
- (c) The Parties expressly acknowledge and agree that the provisions of this Section 6.3 and the limit on each Party's liability set out in this Section 6.3 are intended by the Parties as a limitation of liability that represents a fair and equitable allocation of the risks and liabilities that each Party has agreed to assume in connection with the subject matter hereof

and is not an agreement within the provision of subsection 7(2) of the *Limitations Act* (Alberta).

ARTICLE 7
"AS IS, WHERE IS" AND NO ADDITIONAL
REPRESENTATIONS AND WARRANTIES

7.1 Due Diligence Acknowledgement

The Purchaser acknowledges and agrees that:

- (a) it was solely responsible to perform any inspections it deemed pertinent to the purchase of the Purchased Assets and to be satisfied as to the condition of the Purchased Assets prior to entering into this Agreement with the Vendor;
- (b) notwithstanding the fact that it was permitted to review any diligence materials and disclosures provided by the Vendor, including the Data Room Information, the Vendor assumes no liability for errors or omissions in such diligence materials and disclosure or any other property listings or advertising, promotional or publicity statements and materials, and makes no representations or warranties in respect thereof;
- (c) by entering into this Agreement with the Vendor, the Purchaser shall be deemed to represent, warrant and agree with respect to the Purchased Assets that:
 - (i) the Purchaser has inspected the Purchased Assets and is familiar and satisfied with the physical condition thereof and has conducted such investigation of the Purchased Assets as the Purchaser has determined appropriate;
 - (ii) none of the Vendor or its Representatives have made any oral or written representation, warranty, promise or guarantee whatsoever to the Purchaser, expressed or implied, and in particular, that no such representations, warranties, guarantees, or promises have been made with respect to the physical condition, operation, or any other matter or thing affecting or related to the Purchased Assets and/or the offering or sale of the Purchased Assets;
 - (iii) the Purchaser has not relied upon any representation, warranty, guarantee or promise or upon any statement made or any information provided concerning the Purchased Assets, including the Data Room Information made available to the Purchaser by the Vendor or its Representatives;
 - (iv) the Purchaser has entered into this Agreement after having relied solely on its own independent investigation, inspection, analysis, appraisal and evaluation of the Purchased Assets and the facts and circumstances related thereto;
 - (v) any information provided or to be provided by or on behalf of the Vendor with respect to the Purchased Assets, including all Data Room Information, was obtained from information provided to the Vendor and the Vendor has not made any independent investigation or verification of such information, and makes no representations as to the accuracy or completeness of such information;

- (vi) without limiting the generality of the foregoing, the Vendor was not under any obligation to disclose to the Purchaser, and shall have no liability for its failure to disclose to the Purchaser, any information known to it relating to the Purchased Assets except as may be required by any Applicable Law; and
- (vii) none of the Vendor or its Representatives are liable or bound in any manner by any oral or written statements, representations or information pertaining to the Purchased Assets, or the operation thereof, made or furnished by any real estate broker, agent, employee, or other Person.

7.2 "As Is, Where Is", No Additional Representations

- (a) Without limiting any other provision of this Agreement, the Purchaser acknowledges and agrees that it is acquiring the Purchased Assets on an "as is, where is" and "without recourse" basis with all defects, both patent and latent, and with all faults, whether known or unknown, presently existing or that may hereafter arise. The Purchaser acknowledges and agrees that the Vendor and its Representatives have not made, do not make and specifically negate and disclaim any representation, warranty, promise, covenant, agreement or guaranty of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to the Purchased Assets. For greater certainty, but without limitation, except as expressly set forth in this Agreement, none of the Vendor or any of its Representatives make any condition, representation or warranty whatsoever, express or implied, with respect to:
 - (i) the value of any of the Purchased Assets or the future cash flows therefrom;
 - (ii) the nature, manner, quality, condition or state of repair of the Purchased Assets;
 - (iii) the merchantability, suitability, marketability, profitability, serviceability or fitness for a particular purpose of the Purchased Assets;
 - (iv) the validity or enforceability of the Assumed Contracts or Business Intellectual Property;
 - (v) the ability to assign any Unassignable Contracts or transfer any Permits;
 - (vi) any regulatory approvals, Permits, consents or authorizations that may be needed to conduct the Business or complete the purchase of the Purchased Assets contemplated by this Agreement;
 - (vii) the compliance of or by the Purchased Assets or their operation with any Applicable Law (including Environmental Laws);
 - (viii) the nature and quantum of the Assumed Liabilities; or
 - (ix) any other matter with respect to the Purchased Assets.
- (b) The Purchaser acknowledges that the release and disclaimer described in this Article 7 is intended to be very broad and the Purchaser expressly waives and relinquishes any rights or benefits it may have under any Applicable Law designed to invalidate releases of unknown or unsuspected claims.

- (c) Except for its express rights under this Agreement, the Purchaser hereby waives all rights and remedies (whether now existing or hereinafter arising and including all common law, tort, contractual and statutory rights and remedies) against the Vendor and its Representatives in respect of the Purchased Assets and any representations or statements made or information or data furnished to the Purchaser or its Representatives in connection herewith (whether made or furnished orally or by electronic, faxed, written or other means). Such waiver is absolute, unlimited, and includes, but is not limited to, waiver of express warranties, implied warranties, any warranties contained in the *Sale of Goods Act* (Alberta), *Sale of Goods Act* (Ontario) (or similar applicable statutes, all as may be amended, repealed or replaced), warranties of fitness for a particular use, warranties of merchantability, warranties of occupancy, strict liability and claims of every kind and type, including claims regarding defects, whether or not discoverable or latent, product liability claims, or similar claims, and all other claims that may be later created or conceived in strict liability or as strict liability type claims and rights.

ARTICLE 8

RISK AND INSURANCE

8.1 Risk

The Purchased Assets will be at the sole risk and responsibility of the Vendor until Closing. Upon Closing, all title and risk with respect to the Purchased Assets shall pass to the Purchaser effective as of the Effective Time.

8.2 Insurance

Any property, liability and other insurance maintained by the Vendor shall not be transferred at Closing, but shall remain the responsibility of the Vendor until the Closing Date. The Purchaser shall be responsible for placing its own property, liability and other insurance coverage with respect to the Purchased Assets in respect of the period from and after the Effective Time.

ARTICLE 9

INDEMNIFICATION

9.1 Indemnification Given by Purchaser

If Closing occurs, the Purchaser shall be liable to the Vendor and its Representatives for, and as a separate covenant, indemnify and save harmless the Vendor and its Representatives from and against:

- (a) all Losses and Liabilities suffered, sustained, paid or incurred by the Vendor or its Representatives to the extent arising or accruing: (i) on or after the Effective Time and which are attributable to the ownership, operation, use, construction or maintenance of the Purchased Assets following the Effective Time; or (ii) from or in respect of the Assumed Liabilities; and
- (b) any other Losses and Liabilities for which the Purchaser has agreed to indemnify the Vendor pursuant to this Agreement.

The Purchaser's indemnity obligations set forth in this Section 9.1 shall survive the Closing Date indefinitely pursuant to Section 14.3.

9.2 Third Party Claims

- (a) If the Vendor receives written notice of the commencement or assertion of any Third Party Claim for which the Purchaser is liable (or has otherwise agreed to indemnify the Vendor and its Representatives against) pursuant to this Agreement, the Vendor shall, subject to its discharge, give the Purchaser reasonably prompt notice thereof, but in any event no later than ten (10) days after receipt of such notice of such Third Party Claim. Such notice to the Purchaser shall describe the Third Party Claim in reasonable detail and shall indicate, if reasonably practicable, the estimated amount (or the method of computation of the amount) of the Losses and Liabilities that have been or may be sustained by the Vendor and its Representatives, and a reference to the provisions of this Agreement upon which such claim is based.
- (b) The Purchaser may participate in the defence of any Third Party Claim by giving notice to that effect to the Vendor not later than ten (10) days after receiving notice of that Third Party Claim (the "**Notice Period**") so long as: (i) the Purchaser first acknowledges to the Vendor, in writing, liability to the Vendor under this Agreement with respect to such Third Party Claim and that the outcome of such Third Party Claim does not alter or diminish the Purchaser's obligation to indemnify the Vendor and its Representatives pursuant to this Agreement, subject to the Purchaser's right to contest in good faith the Third Party Claim; (ii) the Purchaser has the financial resources to defend against the Third Party Claim and fulfill any indemnification obligations and has provided the Vendor with evidence thereof; (iii) the Third Party Claim involves monetary damages; and (iv) the Purchaser participates in the defence of the Third Party Claim actively and diligently. The Purchaser's right to do so shall be subject to the rights of any insurer or other third party who has potential liability in respect of that Third Party Claim. The Purchaser shall pay all of its own expenses of participating in or assuming such defence. In the event that the Purchaser elects to participate in the defence of a Third Party Claim pursuant to this Section 9.2(b), then the Vendor shall, subject to its discharge, cooperate in good faith in the defence of each Third Party Claim and may participate in such defence assisted by counsel of its own choice at its own expense.
- (c) If the Vendor has not received notice within the Notice Period that the Purchaser has elected to participate in the defence of such Third Party Claim in accordance with Section 9.2(b), or if the Purchaser has given such notice but thereafter fails or is unable to participate in the defence of such Third Party Claim actively and diligently, the Vendor may, at its option, and subject to its discharge, elect to settle or compromise the Third Party Claim on terms of its choosing, or assume such defence assisted by counsel of its own choosing, and the Purchaser shall be liable for all reasonable costs and expenses paid or incurred in connection therewith and any Losses and Liabilities suffered or incurred by the Vendor and its Representatives with respect to such Third Party Claim.

9.3 Failure to Give Timely Notice

Notwithstanding that time is of the essence, a failure to give timely notice as provided in this Article 9 shall not affect the rights or obligations of any Party except and only to the extent that, as a result of such failure, any Party which was entitled to receive such notice was deprived of its right to recover any payment under any applicable insurance coverage or was otherwise prejudiced as a result of such failure.

9.4 No Merger

There shall not be any merger of any liability or indemnity hereunder in any assignment, conveyance, transfer or document delivered pursuant hereto notwithstanding any rule of law, equity or statute to the contrary and all such rules are hereby waived.

ARTICLE 10 **COVENANTS**

10.1 Court Approval

- (a) The Vendor shall prepare all materials, and shall as soon as reasonably practicable after execution of this Agreement: (i) bring a motion for the issuance of the Approval and Vesting Order in the Court; and (ii) serve such parties as the Court and the Purchaser, acting reasonably, may require for motions seeking the entry of the Approval and Vesting Order. The Purchaser, at its own expense, shall promptly provide to the Vendor all such information and assistance within the Purchaser's power as the Vendor may reasonably request to obtain the Approval and Vesting Order, including such information as may be required to reasonably evaluate the Purchaser's financial ability to perform its obligations hereunder. The motion for the Approval and Vesting Order may be adjourned or rescheduled by the Vendor or its Representatives upon notice to the Purchaser.
- (b) In the event an appeal is taken, or a stay pending appeal is requested, from the Court Orders, the Vendor shall promptly notify the Purchaser of such appeal or stay request and shall provide to the Purchaser a copy of the related notice of appeal or order of stay. The Vendor shall also provide the Purchaser with written notice of any motion or application filed in connection with any appeal from either of such orders.
- (c) From and after the date of execution of this Agreement and prior to the Closing or the termination of this Agreement in accordance with Section 13.1, the Vendor shall not take any action that is intended to (or is reasonably likely to), or fail to take any action the intent (or the reasonably likely result) of which failure to act is to, result in the reversal, voiding, modification or staying of the Approval and Vesting Order, or this Agreement.

10.2 Court Filings

- (a) From and after the date of execution of this Agreement and until the Closing Date, the Vendor shall use commercially reasonable efforts to deliver to the Purchaser copies of all pleadings, motions, notices, statements, schedules, applications, reports and other papers that relate, in whole or in part, to this Agreement, or to the Purchaser or its Representatives, that are to be filed by the Vendor in connection with the Court Approval in advance of their filing, before the filing of such papers, and shall provide the Purchaser with a reasonable opportunity to review and comment thereon.
- (b) The Vendor shall act reasonably and in good faith in considering any comments provided by the Purchaser to such papers; *provided, however* that, subject in each case to the foregoing good faith obligations of the Vendor, the Vendor shall have no obligation to accept and incorporate the Purchaser's comments to such papers and neither the Vendor's inadvertent failure to comply with this Section 10.2, nor the Vendor's failure to comply with this Section 10.2 due to emergency circumstances, shall constitute a breach under this Agreement.

10.3 Conduct of Business Until Closing

- (a) Except: (A) as expressly provided in this Agreement; (B) with the prior written consent of the Purchaser (not to be unreasonably withheld, conditioned or delayed); (C) as necessary or advisable in connection with the Receivership Proceedings; or (D) as otherwise provided in the Court Orders or any other order of the Court in connection with the Receivership Proceedings; following the date hereof and prior to Closing, to the extent reasonably practicable having regard to the Receivership Proceedings, the Vendor shall use commercially reasonable efforts to:
- (i) preserve intact the Purchased Assets;
 - (ii) maintain any Permits currently in effect that form part of the Purchased Assets (if any) until Closing;
 - (iii) maintain any insurance currently in effect respecting the Purchased Assets until Closing;
 - (iv) other than Permitted Encumbrances, not convey, encumber or otherwise dispose of any part of the Purchased Assets, except in the ordinary course of normal day-to-day operations of the Business, consistent with good operating practice;
 - (v) not enter into any new agreements or amend any existing agreements relating to the Purchased Assets;
 - (vi) not agree to, authorize, approve, accept, propose or acquiesce to any release, waiver, surrender, cancellation, relinquishment or restriction of any material right or entitlement relating to the Purchased Assets or the Business, whether under contract or otherwise;
 - (vii) pay and discharge all liabilities or obligations of the Debtor in respect of the Purchased Assets or the Business in the ordinary and usual course of Business consistent with past practice, except for such liabilities or obligations: (i) as may be contested by the Vendor in good faith; or (ii) are specified by the Court as liabilities or obligations that the Debtor is not required to fulfil;
 - (viii) not authorize or agree, in writing or otherwise, to take any of the actions in respect of the foregoing; and
 - (ix) promptly provide the Purchaser with any material communication, notice, report, schedule or other document delivered, filed or received by the Vendor in connection with the Business or Purchased Assets or any filings under Applicable Law relating to the Business or the Purchased Assets.
- (b) Until the Closing Date, the Vendor shall provide the Purchaser with all access to the Purchased Assets as reasonably required by the Purchaser in order to allow for and assist the Purchaser with an orderly passing of the Purchased Assets to the Purchaser following Closing in accordance herewith.
- (c) The access to the Purchased Assets to be afforded to the Purchaser and its Representatives pursuant to this Section 10.3 will be subject to the Assumed Contracts and all of the

Debtor's health, safety and environmental rules, policies and procedures. Further, the Purchaser acknowledges and agrees that it shall:

- (i) be solely liable and responsible for any and all Losses and Liabilities which the Vendor or its Representatives may suffer, sustain, pay or incur; and
- (ii) as a separate covenant, indemnify and save harmless the Vendor and its Representatives harmless from any and all Claims or Losses and Liabilities whatsoever which may be brought against, suffered by or incurred thereby;

arising out of, resulting from, attributable to or in any way connected with any access provided to the Purchaser or its Representatives pursuant to this Section 10.3.

10.4 Possession of Purchased Assets

- (a) On Closing, the Purchaser shall take possession of the Purchased Assets where situate at Closing, and the Vendor shall deliver to the Purchaser all keys, key cards, access codes, passwords, and any other similar items or information necessary to access and/or use the Purchased Assets. The Purchaser acknowledges that the Vendor has no obligation to deliver physical possession of the Purchased Assets to the Purchaser.
- (b) The Purchaser shall promptly notify the Vendor of any Excluded Assets which may come into the possession or control of the Purchaser, whether before or after Closing, and thereupon shall promptly release such Excluded Assets to the Vendor, or to such other Person as the Vendor may direct in writing and, for greater certainty, title shall not be deemed to vest to the Purchaser in respect of any Excluded Assets.

10.5 Employee Matters

At least four (4) Business Days prior to the Closing Date (or such other date as is mutually agreeable by the Parties) the Purchaser shall provide to the Vendor a list of all the individuals who were previously employed in the Business that it has determined shall be offered employment by the Purchaser upon the Closing (the "**Listed Employees**"). The Purchaser may, but is not obligated to make written offers of employment to the Listed Employees on new terms and conditions determined in the sole discretion of the Purchaser. The term "**Transferred Employees**" means those employees who receive an offer of employment from the Purchaser and accept the Purchaser's offer of employment. Notwithstanding that the Purchaser may make offers of employment to the Listed Employees, all such offers made by the Purchaser, shall be conditional upon Closing and effective as of the Effective Time, unless otherwise agreed to in writing by the Vendor.

10.6 Personal Information and Privacy Laws

- (a) With respect to the Transaction Personal Information disclosed or conveyed to it, the Vendor and the Purchaser shall at all times: (i) use and disclose such Personal Information solely for the purposes for which such information was collected or permitted to be used or disclosed unless, to the extent required by Applicable Privacy Law, the Vendor or the Purchaser, as the case may be, has obtained the consent of or has given notice to the individual to whom the Personal Information relates of the additional purposes for which the Personal Information is to be used or disclosed, or such additional purposes are permitted or authorized by Applicable Privacy Law; (ii) protect such Personal Information using security safeguards that meet or exceed industry standards, taking into account the sensitivity of the Personal Information; and (iii) give effect to any withdrawal of consent

by the individual to whom such Personal Information relates where the Personal Information was collected with consent.

- (b) Each Party shall, and shall ensure that its Representatives shall, comply with Applicable Privacy Law in the course of their collection, use and disclosure of Transaction Personal Information pursuant to this Agreement.
- (c) Each Party agrees that the collection, use and disclosure of Transaction Personal Information is necessary for the purposes of determining if the Parties will proceed with the Transaction and completing the Transaction.
- (d) The Purchaser shall, and shall ensure that its Representatives shall, not use Transaction Personal Information for any purposes other than those related to evaluation of the Transaction and/or the completion of the Transaction.
- (e) If the Transaction proceeds, neither the Purchaser nor any of its Representatives shall, after Closing, without the consent of the individuals to whom such Personal Information relates, or as otherwise permitted or required by Applicable Law, use or disclose Transaction Personal Information for purposes other than those for which such Transaction Personal Information was originally collected prior to Closing.
- (f) In the event of the successful completion of the Transaction, the Vendor, if and only to the extent required by Applicable Privacy Law that governs the Personal Information of individuals whose Personal Information has become Transaction Personal Information, shall notify such individuals that the Transaction has taken place and that their Personal Information was disclosed by or on behalf of the Vendor to the Purchaser in connection with same.
- (g) If this Agreement is terminated as provided herein, the Purchaser shall promptly deliver to the Vendor all Transaction Personal Information in its possession or in the possession of its Representatives, including all copies, reproductions, summaries or extracts thereof.

10.7 Intellectual Property

Within five (5) Business Days of entering into this Agreement, the Vendor shall provide the Purchaser with a report containing: (i) a list of all of the material Business Intellectual Property; and (ii) a list of the current status of all applications, filings and proceedings within the Business Intellectual Property, in each case to the extent that such information is not disclosed in the Data Room Information.

10.8 Discharge of Vendor

The Vendor shall, at least 10 Business Days' prior to the date set for the Vendor's motion for the discharge of its status as receiver and manager of the assets, properties and undertakings of the Debtor and IST Boiler Components Inc. in the Court, provide written notice to the Purchaser of the date and time of such motion and shall promptly following the issuance of a discharge order by the Court deliver a copy thereof to the Purchaser.

ARTICLE 11 **CONDITIONS**

11.1 Mutual Conditions

The respective obligations of the Parties to complete the purchase and sale of the Purchased Assets are subject to the following conditions being fulfilled or performed as at or prior to the Closing Date:

- (a) the Court shall have granted the Approval and Vesting Order and the Approval and Vesting Order shall be a Final Order;
- (b) either (i) the Conestoga Landlord shall have consented to the assignment of the Conestoga Lease to the Purchaser and the Parties shall have entered into an assignment and assumption agreement, in form satisfactory to the Purchaser and the Vendor, providing for the assignment of the Conestoga Lease to the Purchaser, (ii) the Conestoga Lease shall have been assigned to the Purchaser as otherwise permitted by Applicable Law or (iii) the Purchaser shall have entered into a new lease with the Conestoga Landlord in respect of the property currently leased by the Debtor pursuant to the Conestoga Lease;
- (c) either (i) the Natura Way Landlord shall have consented to the assignment of the Natura Way Lease to the Purchaser and the Parties shall have entered into an assignment and assumption agreement, in form satisfactory to the Purchaser and the Vendor, providing for the assignment of the Natura Way Lease to the Purchaser, (ii) the Natura Way Lease shall have been assigned to the Purchaser as otherwise permitted by Applicable Law or (iii) the Purchaser shall have entered into a new lease with the Natura Way Landlord in respect of the property currently leased by the Debtor pursuant to the Natura Way Lease;
- (d) no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable order or Applicable Law which has the effect of: (i) making any of the transactions contemplated by this Agreement illegal; or (ii) otherwise prohibiting, preventing or restraining the Vendor from the sale of the Purchased Assets; and
- (e) the Closing is not otherwise prohibited by Applicable Law.

The foregoing conditions are for the mutual benefit of the Vendor and the Purchaser and may be asserted by the Vendor or the Purchaser regardless of the circumstances and may be waived only with the agreement of both the Vendor and the Purchaser.

11.2 Conditions for the Benefit of the Purchaser

The obligation of the Purchaser to complete the purchase of the Purchased Assets is subject to the following conditions being fulfilled or performed as at or prior to the Closing Date:

- (a) all representations and warranties of the Vendor contained in Section 6.1 of this Agreement shall be true and correct in all material respects as at the Closing Date with the same force and effect as if made at and as of such time, and the Vendor shall have delivered to the Purchaser a certificate to that effect substantially similar in form to that attached hereto as Schedule 11.2(a);
- (b) the Vendor shall have complied with and performed, in all material respects, all of its covenants and obligations contained in this Agreement; and

- (c) the Vendor shall have executed and delivered or caused to have been executed and delivered to the Purchaser at or before the Closing all the documents contemplated in Section 12.2.

The foregoing conditions are for the exclusive benefit of the Purchaser and may be waived by it in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Purchaser may have.

11.3 Conditions for the Benefit of the Vendor

The obligation of the Vendor to complete the sale of the Purchased Assets is subject to the following conditions being fulfilled or performed as at or prior to the Closing Date:

- (a) all representations and warranties of the Purchaser contained in Section 6.2 of this Agreement shall be true and correct in all material respects as at the Closing Date with the same force and effect as if made at and as of such time, and the Purchaser shall have delivered to the Vendor a certificate to that effect substantially similar in form to that attached hereto as Schedule 11.2(a);
- (b) the Purchaser shall have complied with and performed in all material respects all of its covenants and obligations contained in this Agreement;
- (c) the Purchaser shall have executed and delivered or caused to have been executed and delivered to the Vendor at or before the Closing all the documents contemplated in Section 12.3; and
- (d) the Vendor has not lost its ability to convey the Purchased Assets due to an order of the Court or otherwise.

The foregoing conditions are for the exclusive benefit of the Vendor and may be waived by it in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Vendor may have.

11.4 Satisfaction of Conditions

Each of the Parties shall proceed diligently and in good faith and use all commercially reasonable efforts to fulfill and assist in the fulfillment of the conditions set forth in Sections 11.1, 11.2 and 11.3. In addition, each of the Parties agrees not to take any action that could reasonably be expected to preclude, delay or have an adverse effect on the Transaction or would render, or may reasonably be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect.

ARTICLE 12 **CLOSING**

12.1 Closing Date and Place of Closing

Subject to the conditions set out in this Agreement, the Transaction shall close and be completed on the Closing Date, or at such other time as the Parties may agree in writing.

12.2 Deliveries on Closing by the Vendor

The Vendor shall deliver (or cause to be delivered) to the Purchaser's Solicitor on or before the Closing Date:

- (a) the issued and entered Approval and Vesting Order;
- (b) the General Conveyance, Assignment and Assumption Agreement duly executed by the Vendor;
- (c) the Bill of Sale duly executed by the Vendor;
- (d) a Patent Assignment duly executed by the Vendor in respect of each patent forming part of the Business Intellectual Property;
- (e) a Trademark Assignment duly executed by the Vendor in respect of each trademark forming part of the Business Intellectual Property;
- (f) an assignment and assumption agreement in respect of the Conestoga Lease, in form satisfactory to the Purchaser and the Conestoga Landlord, duly executed by the Vendor on behalf of the Debtor, unless (i) the Conestoga Lease is assigned to the Purchaser as otherwise permitted by Applicable Law or (ii) the Purchaser has entered into a new lease, in form satisfactory to the Purchaser, in respect of the property currently leased by the Debtor pursuant to the Conestoga Lease;
- (g) an assignment and assumption agreement in respect of the Natura Way Lease, in form satisfactory to the Purchaser and the Natura Way Landlord, duly executed by the Vendor on behalf of the Debtor, unless (i) the Natura Way Lease is assigned to the Purchaser as otherwise permitted by Applicable Law or (ii) the Purchaser has entered into a new lease, in form satisfactory to the Purchaser, in respect of the property currently leased by the Debtor pursuant to the Natura Way Lease;
- (h) all other conveyances, assurances, transfers, bills of sale and assignments and any other instruments or documents necessary or reasonably required by the Purchaser to assign, transfer and convey (or evidence or confirm the assignment, transfer and conveyance of) the Purchased Assets to the Purchaser with good title, free and clear of all Encumbrances (other than Permitted Encumbrances), in registrable form if required, each in form and substance acceptable to the Purchaser, acting reasonably;
- (i) all documents listed in Section 12.3 which contemplate execution by the Vendor;
- (j) the certificate of the Vendor referred to in Section 11.2(a); and
- (k) any other documents, resolutions and certificates as is referred to in this Agreement or as the Purchaser may reasonably require to give effect to this Agreement.

12.3 Deliveries on Closing by the Purchaser

The Purchaser shall deliver (or cause to be delivered) to the Vendor's Solicitor on or before the Closing Date:

- (a) the Closing Cash Payment in accordance with Section 3.3(b);
- (b) payment of all Transfer Taxes payable on Closing to the Vendor (or evidence of payment by the Purchaser thereof to the relevant Governmental Authorities);
- (c) evidence of payment by the Purchaser to the relevant counterparty of all Cure Costs payable on Closing;
- (d) the General Conveyance, Assignment and Assumption Agreement duly executed by the Purchaser;
- (e) the Bill of Sale duly executed by the Purchaser;
- (f) an assignment and assumption agreement in respect of the Conestoga Lease, in form satisfactory to the Vendor, duly executed by the Purchaser, unless (i) the Conestoga Lease is assigned to the Purchaser as otherwise permitted by Applicable Law or (ii) the Purchaser has entered into a new lease, in form satisfactory to the Purchaser, in respect of the property currently leased by the Debtor pursuant to the Conestoga Lease;
- (g) an assignment and assumption agreement in respect of the Natura Way Lease, in form satisfactory to the Vendor, duly executed by the Purchaser, unless (i) the Natura Way Lease is assigned to the Purchaser as otherwise permitted by Applicable Law or (ii) the Purchaser has entered into a new lease, in form satisfactory to the Purchaser, in respect of the property currently leased by the Debtor pursuant to the Natura Way Lease;
- (h) all documents listed in Section 12.2 which contemplate execution by the Purchaser;
- (i) the certificate of the Purchaser referred to in Section 11.3(a); and
- (j) any other documents, resolutions and certificates as is referred to in this Agreement or as the Vendor may reasonably require to give effect to this Agreement.

ARTICLE 13 **TERMINATION**

13.1 Grounds for Termination

This Agreement may be terminated at any time prior to Closing:

- (a) by the mutual written agreement of the Vendor and the Purchaser, provided however that if this Agreement has been approved by the Court, any such termination shall require approval of the Court;
- (b) by the Purchaser, upon written notice to the Vendor, if there has been a material breach by the Vendor of any material representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Purchaser, and: (i) such breach is not curable and has rendered the satisfaction of any condition in Section 11.2 impossible by the Outside Date; or (ii) if such breach is curable, the Purchaser has provided prior written notice of such breach to the Vendor, and such breach has not been cured within ten (10) days (or, if not curable within ten (10) days, such longer period as is reasonable under the

circumstances, not to exceed thirty (30) days) following the date upon which the Vendor received such notice;

- (c) by the Purchaser, upon written notice to the Vendor, any time after the Outside Date, if the Closing has not occurred by the Outside Date and such failure to close was not caused by or as a result of the Purchaser's breach of this Agreement;
- (d) by the Vendor, upon written notice to the Purchaser, if there has been a material breach by the Purchaser of any material representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Vendor, and: (i) such breach is not curable and has rendered the satisfaction of any condition in Section 11.3 impossible by the Outside Date; or (ii) if such breach is curable, the Vendor has provided prior written notice of such breach to the Purchaser, and such breach has not been cured within ten (10) days (or, if not curable within ten (10) days, such longer period as is reasonable under the circumstances, not to exceed thirty (30) days) following the date upon which the Purchaser received such notice; or
- (e) by the Vendor, upon written notice to the Purchaser, any time after the Outside Date, if the Closing has not occurred by the Outside Date and such failure to close was not caused by or as a result of the Vendor's breach of this Agreement.

13.2 Effect of Termination

Notwithstanding any termination of this Agreement by the Vendor or the Purchaser as permitted under Section 13.1, the provisions of Sections 1.2 (Interpretation), 1.4 (Interpretation if Closing Does Not Occur), 3.2 (Deposit), 14.1 (Public Announcements), 14.4 (Governing Law), 14.5 (Consequential Damages), 14.11 (Costs and Expenses), 14.12 (Entire Agreement) and 14.15 (Third Party Beneficiaries) shall remain in full force and effect following any such permitted termination, and the Deposit shall be governed by Section 3.2.

ARTICLE 14 **GENERAL**

14.1 Public Announcements

- (a) Subject to Section 14.1(b), if a Party intends to issue a press release or other public disclosure of this Agreement, the terms hereof or the Transaction, the disclosing Party shall provide the other Parties with an advance copy of any such press release or public disclosure with sufficient time to enable the other Parties to review such press release or other public disclosure and provide any comments. The disclosing Party shall not issue such press release or other public disclosure without the prior written consent of the other Parties, such consent not to be unreasonably withheld.
- (b) Notwithstanding Section 14.1(a): (i) this Agreement may be filed by the Vendor with the Court; and (ii) the Transaction may be disclosed by the Vendor to the Court, subject to redacting confidential or sensitive information as permitted by Applicable Law. The Parties further agree that:
 - (i) the Vendor may prepare and file reports and other documents with the Court containing references to the Transaction and the terms of such Transaction; and

- (ii) the Vendor and its professional advisors may prepare and file such reports and other documents with the Court containing references to the Transaction contemplated by this Agreement and the terms of such Transaction as may reasonably be necessary to obtain the Court Approval and to complete the Transaction contemplated by this Agreement or to comply with their obligations to the Court.

14.2 Dissolution of Debtor

Subject to the Vendor's obligations in Section 2.4, the Purchaser acknowledges and agrees that nothing in this Agreement shall operate to prohibit or diminish in any way the right of the Debtor or the Vendor to dissolve, wind-up, make an assignment in bankruptcy or otherwise cease operations of the Business in any manner or at any time subsequent to the Closing Date as it may determine in their sole discretion, which may be exercised without regard to the impact any such action may have on the Vendor's ability to fulfil its obligations under this Agreement that survive Closing.

14.3 Survival

Upon Closing, the obligations, covenants, representations and warranties of the Parties set out in this Agreement shall expire, be terminated and extinguished and of no further force or effect, provided that notwithstanding the Closing contemplated hereunder or the delivery of documents pursuant to this Agreement, the obligations and covenants of the Parties set out in Sections 1.2 (Interpretation), 2.4 (Assignment of Assumed Contracts and Third Party Consents), 6.3 (Enforcement of Representations and Warranties), 10.4 (Possession of Purchased Assets and Expenses for Removal), 10.5 (Employee Matters), 10.6 (Personal Information and Privacy Laws), and Article 5 (Transfer Taxes), Article 7 ("As Is, Where Is" and No Additional Representations and Warranties), Article 9 (Indemnification), and Article 14 (General), shall survive Closing, shall remain in full force and effect, shall not merge as a result of Closing and shall be binding on the Parties indefinitely thereafter except as expressly stated to the contrary therein.

14.4 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario, and the federal laws of Canada applicable therein (excluding any conflict of law rule or principle of such laws that might refer such interpretation or enforcement to the laws of another jurisdiction). The Parties consent to the jurisdiction and venue of the courts of Ontario for the resolution of any such dispute arising under this Agreement.

14.5 Consequential Damages

Under no circumstance shall either of the Parties or their respective Representatives be liable for any punitive, exemplary, consequential or indirect damages (including for greater certainty, any loss of profits) (collectively, "**Consequential Damages**") that may be alleged to result, in connection with, arising out of, or relating to this Agreement or the Transaction, other than Consequential Damages for which the Vendor is liable as a result of a Third Party Claim (which liability of the Vendor shall be subject to and recoverable under Article 9 (Indemnification)).

14.6 Further Assurances

Each of the Parties hereto from and after the date hereof until the Vendor's discharge shall, from time to time, and at the request and expense of the Party requesting the same, do all such further acts and things and execute and deliver such further instruments, documents, matters, papers and assurances as may be

reasonably requested to complete the Transaction and for more effectually carrying out the true intent and meaning of this Agreement.

14.7 Assignment

The Purchaser shall not, without the Vendor's prior written consent, assign any right or interest in this Agreement, which consent may be withheld in the Vendor's sole and absolute discretion, except that the Purchaser shall have the right to assign any or all of its rights, interests or obligations hereunder to one or more Affiliates of the Purchaser, provided that: (a) such Affiliate agrees to be bound by the terms of this Agreement; (b) the Purchaser shall remain liable hereunder for any breach of the terms of this Agreement by such Affiliate; (c) such assignment shall not release the Purchaser from any obligation or liability hereunder in favour of the Vendor; and (d) the Purchaser shall acknowledge and confirm its continuing obligations in favour of the Vendor in an assignment and assumption agreement in form and substance satisfactory to the Vendor.

14.8 Waiver

No failure on the part of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any right or remedy in law or in equity or by statute or otherwise conferred. No waiver by any Party of any breach (whether actual or anticipated) of any of the terms, conditions, representations or warranties contained herein shall take effect or be binding upon that Party unless the waiver is expressed in writing under the authority of that Party. Any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other or future breach.

14.9 Amendment

This Agreement shall not be varied in its terms or amended by oral agreement or by representations or otherwise other than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of each Party.

14.10 Time of the Essence

Time is of the essence in this Agreement.

14.11 Costs and Expenses

Unless otherwise provided for in this Agreement, each Party shall be responsible for all costs and expenses (including the fees and disbursements of legal counsel, bankers, investment bankers, accountants, brokers and other advisors) incurred by it in connection with this Agreement and the Transaction. Notwithstanding any other provision of this Agreement, the Purchaser shall pay the cost of all surveys, title insurance policies and title reports ordered by the Purchaser.

14.12 Entire Agreement

This Agreement and the Non-Disclosure Agreement (the terms and conditions of which are incorporated by reference into this Agreement, and binding upon the Parties, as if such agreement were signed directly by the Parties) constitute the entire agreement between the Parties with respect to the subject matter hereof and cancel and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof. There are no conditions, covenants,

agreements, representations, warranties or other provisions, whether oral or written, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof other than those contained in this Agreement or in the Non-Disclosure Agreement.

14.13 Notices

Any notice, direction or other communication given regarding the matters contemplated by this Agreement must be in writing, sent by personal delivery, courier or electronic mail and addressed:

- (a) in the case of the Vendor:

Deloitte Restructuring Inc.
8 Adelaide Street West, Suite 200
Toronto, ON M5H 0A9

Attention: Robert Biehler
Email: rbiehler@deloitte.ca

With a copy to the Vendor's Solicitors:

Dentons Canada LLP
77 King Street West, Suite 400
Toronto, ON M5K 0A1

Attention: John Salmas
Email: john.salmas@dentons.com

- (b) In the case of the Purchaser:

Propak Systems Ltd.
440 East Lake Road NE
Airdrie, AB T4A 2J8

Attention: Andrew McPike, Chief Financial Officer
Email: AMcPike@propaksystems.com

With a copy to the Purchaser's Solicitors:

Bennett Jones LLP
4500, 855-2nd Street SW
Calgary, AB T2P 4K7

Attention: Chris Simard
Email: SimardC@bennettjones.com

A notice is deemed to be given and received if: (i) sent by personal delivery or courier, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day; or (ii) email, on the date of transmission if it is a Business Day and the transmission was made prior to 4:00 p.m. (local time in place of receipt), and otherwise on the next Business Day. A Party may change its address for service from time to time by providing a notice in accordance with the foregoing. Any subsequent notice must be sent to the Party at its changed address. Any

element of a Party's address that is not specifically changed in a notice will be assumed not to be changed. **Sending a copy of a notice to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice to that Party. The failure to send a copy of a notice to legal counsel does not invalidate delivery of that notice to a Party.**

14.14 Enurement

This Agreement shall be binding upon, and enure to the benefit of, the Parties and their respective successors and permitted assigns.

14.15 Third Party Beneficiaries

Except as otherwise provided for in Article 9 (Indemnification), each Party intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any Person other than the Parties and their successors and permitted assigns, and, except for the = Representatives indemnified by the Purchaser pursuant to Article 9 (Indemnification), no Person, other than the Parties and their successors and permitted assigns shall be entitled to rely on the provisions hereof in any action, suit, proceeding, hearing or other forum. Despite the foregoing, the Purchaser acknowledges to each of the Vendor's Representatives its direct rights against them under Article 9 (Indemnification) of this Agreement. To the extent required by Applicable Law to give full effect to these direct rights, the Purchaser agrees and acknowledges that the Vendor is acting as agent and/or as trustee of its Representatives.

14.16 Severability

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

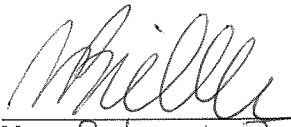
14.17 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by facsimile or other electronic means of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

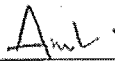
[Remainder of Page Intentionally Left Blank; Signature Page Follows]

IN WITNESS WHEREOF this Agreement has been properly executed by the Parties as of the date first above written.

DELOITTE RESTRUCTURING INC.
IN ITS CAPACITY AS COURT-APPOINTED
RECEIVER AND MANAGER OF THE ASSETS,
PROPERTIES AND UNDERTAKINGS OF
INNOVATIVE STEAM TECHNOLOGIES INC.
AND IST BOILER COMPONENTS INC., AND
NOT IN ITS PERSONAL OR CORPORATE
CAPACITY

Per: 
Name: Robert Biehler
Title: Senior Vice President

PROPAK SYSTEMS LTD.

Per: 
Name: Andy McPike
Title: CFO

SCHEDULE 1.1(a)

ACCOUNTS RECEIVABLE

All of the Accounts Receivable listed in the attached spreadsheet that are outstanding as of the Closing Date.

SCHEDULE 1.1(a)

ACCOUNTS RECEIVABLE

Date:	06/01/2018
CDN	1.0000
USD	1.2894
EURO	1.5867

IST Outstanding Accounts Receivable

Customer Name	Account	Invoice Number	Project #	Invoice Date DD/MM/YY	Currency	Domestic	Foreign	DAYS OUTSTANDING	Ending Balance CAD
<u>IST</u> PETROFAC	TRADE-USD	3003091	CF13049B	2/27/2018	USD	\$15,448.00	\$11,980.77	94	\$6,893.87
GUARACACHI	OTHER-CDN	3003097	F07100M	3/09/2018	CDN	\$11,388.20	\$11,388.20	82	\$11,388.20
SIEMENS	OTHER-USD	3003104	F02032AA	4/13/2018	USD	\$281,718.94	\$218,488.40	48	\$281,718.94
PROPAK 5	TRADE-CDN	3003108	CF17017A	4/20/2018	CDN	\$204,227.10	\$204,227.10	41	\$204,227.10
SIEMENS	OTHER-USD	3003111	F02032Z	4/25/2018	USD	\$6,349.01	\$4,924.00	36	\$6,349.01
SHELL OIL	OTHER-CDN	3003112	F12121K	4/30/2018	CDN	\$18,169.21	\$18,169.21	31	\$18,169.21
ATCO POWER	OTHER-CDN	3003107	F99071J	4/13/2018	CDN	\$659,645.28	\$659,645.28	48	\$659,645.28
									\$1,188,391.61

\$1,188,391.61

6/1/2018

SCHEDULE 1.1(f)

FORM OF APPROVAL AND VESTING ORDER

(attached)

Court File No. CV-18-596878-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE	)	WEDNESDAY, THE 27 TH
)	
JUSTICE	)	DAY OF JUNE, 2018

B E T W E E N:

HSBC BANK CANADA

Applicant

- and -

**INNOVATIVE STEAM TECHNOLOGIES INC. and
IST BOILER COMPONENTS INC.**

Respondents

APPROVAL AND VESTING ORDER

THIS MOTION, made by Deloitte Restructuring Inc., in its capacity as the Court-appointed receiver and manager (in such capacities, the "**Receiver**"), without security, of all of the assets, undertakings and properties of Innovative Steam Technologies Inc. (the "**Debtor**") and IST Boiler Components Inc. ("**Boiler**") used for, or used in relation to, a business carried on by the Debtor and Boiler, for an order approving the transaction (the "**Transaction**") contemplated by the Asset Purchase Agreement (the "**Sale Agreement**") between the Receiver and Propak Systems Ltd. (the "**Purchaser**") dated June ●, 2018 and appended to the Report of the Receiver dated June ●, 2018 (the "**● Report**"), and vesting in the Purchaser the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the • Report and on hearing the submissions of counsel for the Receiver, [NAMES OF OTHER PARTIES APPEARING], no one appearing for any other person on the service list, although properly served as appears from the affidavit of [NAME] sworn [DATE] filed:

1. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

2. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Receiver's Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Wilton-Siegel dated May 1, 2018; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system (all of which are collectively referred to as the "**Encumbrances**") and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the

same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

4. THIS COURT ORDERS AND DIRECTS the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

5. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

6. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

7. THIS COURT ORDERS that any person, creditor or party who has or may make a Claim or has or may make or register an Encumbrance as against or with respect to the Purchased Assets (an “**IST/Purchased Assets Claim**”), is hereby enjoined and prohibited from registering any Encumbrance with respect to such IST/Purchased Assets Claim and from advancing such IST/Purchased Assets Claim, whether against the Purchaser or any third-party customer or purchaser of part or all of the Purchased Assets from the Purchaser (a “**Customer**”) or against the property, estate or assets of the Purchaser or a Customer. This Court orders that any such Encumbrances filed or registered with respect to an IST/Purchased Assets Claim are hereby expunged and discharged as against the property, estate or assets of the Purchaser or a Customer.

8. THIS COURT ORDERS that the **Confidential Appendix “●”** to the ● Report shall be sealed, kept confidential and not form part of the public record, but shall be placed separate and apart from all other contents of the Court file, in a sealed envelope attached to a notice that sets out the title of these proceedings and a statement that the contents are subject to a sealing order and shall only be opened upon completion of the Transaction or upon further order of the Court.

9. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order, including assistance in enforcing the injunction ordered in paragraph 7 of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

Schedule A – Form of Receiver’s Certificate

Court File No. CV-18-596878-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) _____, THE _____
JUSTICE)
) DAY OF _____, 2018

B E T W E E N:

HSBC BANK CANADA

Applicant

- and -

**INNOVATIVE STEAM TECHNOLOGIES INC. and
IST BOILER COMPONENTS INC.**

Respondents

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Mr. Justice H. J. Wilton-Siegel of the Ontario Superior Court of Justice (the "**Court**") dated May 1, 2018, Deloitte Restructuring Inc. was appointed as the receiver and manager (in such capacities, the "**Receiver**"), without security, of all of the assets, undertakings and properties of Innovative Steam Technologies Inc. (the "**Debtor**") and IST Boiler Components Inc. ("**Boiler**") acquired for, or used in relation to, a business carried on by the Debtor and Boiler.

B. Pursuant to an Order of the Court dated June 27, 2018, the Court approved the Asset Purchase Agreement (the "**Sale Agreement**") between the Receiver and Propak Systems Ltd. (the

"Purchaser") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section 11 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in section 11 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

DELOITTE RESTRUCTURING INC., in its capacity as Receiver of the undertaking, property and assets of Innovative Steam Technologies Inc. and IST Boiler Components Inc., and not in its personal or corporate capacity

Per: _____

Name:

Title:

SCHEDULE 1.1(g)**ASSUMED CONTRACTS**

1. The Leases
2. The following customer contracts:

Contract No.	Counterparty	Description
CF16037A	PROPAK	EOR - PROPAK 4
CF17017A	PROPAK	EOR - PROPAK 5
CF18001A	PROPAK	EOR - PROPAK 6
F99071J	ATCO	FS - MATERIAL ORDER

SCHEDULE 1.1(h)

ASSUMED LIABILITIES

1. All obligations and liabilities of the Vendor under the Assumed Contracts, except those that relate to a breach by the Debtor of any such Assumed Contract at or prior to the Effective Time.
2. All obligations and liabilities of the Debtor under the Permits that are transferred to the Purchaser in accordance with Applicable Law, except those that relate to a breach or violation by the Debtor of any of the terms or conditions of such Permits at or prior to the Effective Time.

SCHEDULE 1.1(i)

FORM OF BILL OF SALE

(attached)

BILL OF SALE

THIS BILL OF SALE is dated June [●], 2018 between:

DELOITTE RESTRUCTURING INC., a corporation incorporated under the federal laws of Canada, in its capacity as the court-appointed receiver and manager of the assets, properties and undertakings of Innovative Steam Technologies Inc. (the "**Debtor**") and IST Boiler Components Inc., and not in its personal or corporate capacity (the "**Vendor**")

- and -

PROPAK SYSTEMS LTD., a corporation incorporated under the laws of the Province of Alberta (the "**Purchaser**", and together with the Vendor, the "**Parties**")

WHEREAS:

- A. Pursuant to an asset purchase agreement dated June 14, 2018 (the "**Purchase Agreement**") between the Vendor and the Purchaser: (i) the Vendor agreed to sell and the Purchaser agreed to purchase and accept from the Vendor the Purchased Assets; and (ii) the Purchaser agreed to assume the Assumed Liabilities on the terms and conditions set out in the Purchase Agreement (the "**Transaction**");
- B. Pursuant to the Order of the Ontario Superior Court of Justice (the "**Court**") dated [June ●, 2018] (the "**Approval and Vesting Order**"), the Court, among other things, approved the Transaction and vested all of the Debtor's right, title and interest in and to the Purchased Assets, in and to the Purchaser; and
- C. By entering into this Bill of Sale, the Parties wish to further evidence the sale, assignment and transfer of all of the Debtor's right, title and interest in and to the motor vehicle identified in Schedule "A" of this Bill of Sale (the "**Vehicle**");

NOW THEREFORE FOR VALUE RECEIVED the Parties agree as follows:

1. Capitalized terms used herein and not otherwise defined will have the meanings ascribed to them in the Purchase Agreement.
2. As of the Effective Time, the Vendor hereby sells, assigns and transfers to the Purchaser all of the Vendor's right, title and interest in and to the Vehicle, but only to the extent not otherwise expressly transferred or assigned to the Purchaser by the Approval and Vesting Order, and the Purchaser hereby receives and accepts the sale, assignment and transfer of the Vendor's right, title and interest in and to the Vehicle.
3. At any time after the date hereof but prior to the Vendor's discharge, the Vendor will, at the Purchaser's request and without further consideration, execute and deliver or cause to be executed and delivered such instruments of sale, transfer, conveyance, assignment and assumption and provide such materials and information and take such other actions as the Purchaser may reasonably request in order to effectively sell, assign and transfer to the Purchaser, and to confirm the

Purchaser's title to and under the Vehicle, and, to the full extent permitted by law, to put the Purchaser in actual possession and operating control of the Vehicle, to assist the Purchaser in exercising all rights with respect to the Vehicle, and to give full force and effect to the covenants and agreements contained in this Bill of Sale.

4. This Agreement is executed and delivered by the Parties pursuant and subject to the provisions of the Purchase Agreement. In the event of a conflict between the provisions of the Purchase Agreement and this Agreement, the provisions of the Purchase Agreement shall govern. This Agreement is not intended to supersede the Purchase Agreement or to vary, affect or effect a merger of any of the terms thereof but is entered into for the purpose only of effecting a conveyance, assignment and assumption and is ancillary and subordinate to the Purchase Agreement.
5. This Agreement shall be binding upon and enure to the benefit of the Parties and their respective successors and permitted assigns
6. Neither Party may assign in whole or in part its rights or obligations under this Agreement without the prior written consent of the other Party.
7. This Agreement shall be governed by and construed and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein (without reference to conflicts of law principles).
8. This Agreement may be executed and delivered by the Parties in separate counterparts and by facsimile, PDF or other electronic means, each of which when so executed and delivered shall be deemed an original, and all of which, when taken together, shall constitute one and the same agreement.

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

IN WITNESS WHEREOF the Parties have duly executed this Bill of Sale as of the date first mentioned above.

DELOITTE RESTRUCTURING INC.
IN ITS CAPACITY AS COURT-APPOINTED
RECEIVER AND MANAGER OF THE ASSETS,
PROPERTIES AND UNDERTAKINGS OF
INNOVATIVE STEAM TECHNOLOGIES INC. AND
IST BOILER COMPONENTS INC., AND NOT IN ITS
PERSONAL OR CORPORATE CAPACITY

Per: _____
Name:
Title:

PROPAK SYSTEMS LTD.

Per: _____
Name:
Title:

SCHEDULE "A"

VEHICLE

Description	Serial Number
Chevrolet W/T 1500 LS Silverado	[•]

SCHEDULE 1.1(m)

BUSINESS INTELLECTUAL PROPERTY**Patents**

TITLE	FILING DATE (ISSUE DATE)	NUMBER	STATUS	COUNTRY	FILE NO.
System and Method for Enhanced Oil Recovery with a Once-Through Steam Generator	(January 24, 2017)	2,711,628	Issued	Canada	K8000684 CA
System and Method for Enhanced Oil Recovery with a Once-Through Steam Generator	July 27, 2010	2010/16390	Pending	GCC	K8000684 GCC
System and Method for Enhanced Oil Recovery with a Once-Through Steam Generator	(January 21, 2014)	8,631,871	Issued	United States	K8000684 US1

Trademarks

H6304442CA	TMA943175	FOUND ENERGY	Registered	Properties	Canada	Trademark
K6001234CA	731,181	IST & Swirl Design	Registered	Properties	Canada	Trademark
K6001234US	3,570,837	IST & Swirl Design	Registered	Properties	U.S.A.	Trademark
K6001261CA	529,766	IST	Registered	Properties	Canada	Trademark
K6001261US1	3,207,283	IST	Registered	Properties	U.S.A.	Trademark
K6001262CA	519,989	IST & Design	Registered	Properties	Canada	Trademark
K6001262US	2,427,853	Swirl Design	Registered	Properties	U.S.A.	Trademark 37
K6001263CA	498,915	INNOVATIVE STEAM TECHNOLOGIES	Registered	Properties	Canada	Trademark
K6001263US	2,657,538	INNOVATIVE STEAM TECHNOLOGIES	Registered	Properties	U.S.A.	Trademark [07],[103],[21],[34]
K6001753BR	830945253	SQ90	Registered	Properties	Brazil	Trade Mark 11
K6001753CA	809,970	SQ90	Registered	Properties	Canada	Trademark

K6001753KW	101671	SQ90	Registered	Properties	Kuwait	Trademark 11
K6001753OM	66373	SQ90	Registered	Properties	Oman	Trade Mark
K6001753US	4,218,531	SQ90	Registered	Properties	U.S.A.	Trademark 11
K6001753VE	311691	SQ90	Registered	Properties	Venezuela	Trademark 11

SCHEDULE 1.1(ff)

EQUIPMENT

(attached)

EQUIPMENT

Status	Asset #	Asset Description
AUTOMOBILES		
Active	C2010-023	CHEVROLET W/T 1500 LS SILVERADO
Total		
LEASEHOLD IMPROVEMENTS		
Active	C2016-002	10 TON HVAC UNIT (REPLACEMENT)
COMPUTER HARDWARE		
Active	C2006-009	PRINTER - HP LASER JET 4250N - PO
Active	C2006-010	PRINTER - HP LASER JET 4250N - AP
Active	C2007-002	DELL PRECISION 390
Active	C2007-003	DELL PRECISION 390
Active	C2007-015	DELL PRECISION 390
Active	C2007-024	DELL PRECISION 390
Active	C2008-002	CANON DR-9080C - RECEPTION
Active	C2008-011	SERVER - HP PROLIANT ML350 G5 - LARGO
Active	C2008-014	CANON LC730i - SHIPPING
Active	C2008-020	CANON IR3035 - ENGINEERING
Active	C2008-033	DELL 2007FP 20 INCH MONITORS
Active	C2008-034	DELL 2007FP 20 INCH MONITORS
Active	C2009-009	DELL PRECISION T3400
Active	C2009-013	DELL PRECISION T3400
Active	C2009-037	TELEPHONE- PBX
Active	C2009-038	TELEPHONE- HANDSETS
Active	C2009-039	TELEPHONE- UCB HARDWARE
Active	C2010-008	CANON 5045 COLOUR - MANUFACTURING
Active	C2010-009	CANON 5045 COLOUR - RECEPTION
Active	C2010-010	CANON 5045 COLOUR - ACCOUNTING
Active	C2010-014	DELL LATITUDE E6410
Active	C2010-016	DELL LATITUDE E6410
Active	C2010-024	DELL PRECISION T5500
Active	C2010-025	DELL PRECISION T5500
Active	C2010-026	DELL PRECISION T5500
Active	C2010-028	DELL PRECISION T5500
Active	C2010-029	DELL PRECISION T5500
Active	C2011-019	DELL LATITUDE E6410
Active	C2011-023	SERVER - HP PROLIANT ML 350 G6 - ZAO
Active	C2011-025	PRINTER-OCE PLOTWAVE 300- 1ST FL
Active	C2011-041	POLYCOM VIDEO CX5000 CAMERA
Active	C2011-048	SHARP LC70LE732 - RADTKE ROOM
Active	C2011-049	SHARP LC46LE830 - RECEPTION

Active	C2011-050	SHARP LC60LE632 - CAMBRIDGE ROOM
Active	C2011-051	SHARP LC52LE830 - BULLPEN
Active	C2011-052	SHARP LC52LE830 - VAULT
Active	C2011-060	SERVER - HP PROLIANT ML350 G6 - SPECTRE
Active	C2012-007	SONICWALL NSA2400 FIREWALL
Active	C2012-022	DELL XPS 13 ULTRABOOK
Active	C2012-024	ADT SECURITY CAMERAS
Active	C2012-026	DELL XPS 13 ULTRABOOK
Active	C2012-027	DELL XPS 13 ULTRABOOK
Active	C2012-028	SERVER - HP PROLIANT ML350 G6 - SILVA
Active	C2013-003	DELL XPS 13 ULTRABOOK
Active	C2013-004	DELL XPS 13 ULTRABOOK
Active	C2013-005	DELL XPS 13 ULTRABOOK
Active	C2013-006	DELL XPS 13 ULTRABOOK
Active	C2013-008	DELL VOSTRO 270s
Active	C2013-009	DELL VOSTRO 270s
Active	C2013-010	DELL VOSTRO 270s
Active	C2013-012	SERVER - HP PROLIANT ML350 G6 - XENIA
Active	C2013-027	DELL XPS 14
Active	C2013-028	DELL XPS 14
Active	C2013-043	DELL LATITUDE E7440
Active	C2013-044	DELL LATITUDE E7440
Active	C2013-045	DELL LATITUDE E7440
Active	C2013-046	DELL LATITUDE E7440
Active	C2013-048	DELL XPS 13
Active	C2013-049	DELL XPS 13
Active	C2013-050	DELL XPS 13
Active	C2013-051	DELL XPS 13
Active	C2013-052	DELL XPS 13
Active	C2014-001	HP P2000 G3 iSCSI MSA
Active	C2014-002	HP PROLIANT DL360 G8
Active	C2014-023	DELL LATITUDE E7440
Active	C2014-024	DELL LATITUDE E7440
Active	C2014-025	DELL LATITUDE E7440
Active	C2014-026	DELL LATITUDE E7440
Active	C2014-027	DELL LATITUDE E7440
Active	C2014-028	DELL OPTIPLEX 9020 SF
Active	C2014-029	DELL OPTIPLEX 9020 SF
Active	C2014-033	DELL OPTIPLEX 9020 SF
Active	C2014-034	DELL OPTIPLEX 9020 SF
Active	C2014-035	DELL OPTIPLEX 9020 SF
Active	C2014-036	DELL OPTIPLEX 9020 SF
Active	C2014-037	DELL OPTIPLEX 9020 SF
Active	C2014-038	DELL OPTIPLEX 9020 SF
Active	C2014-039	DELL OPTIPLEX 9020 SF
Active	C2014-040	DELL OPTIPLEX 9020 SF
Active	C2014-041	DELL OPTIPLEX 9020 SF
Active	C2014-042	DELL OPTIPLEX 9020 SF
Active	C2014-043	DELL OPTIPLEX 9020 SF
Active	C2014-044	DELL OPTIPLEX 9020 SF
Active	C2014-045	DELL OPTIPLEX 9020 SF

Active	C2014-046	DELL OPTIPLEX 9020 SF
Active	C2014-047	DELL OPTIPLEX 9020 SF
Active	C2014-059	HART FIELD COMMUNICATOR
Active	C2014-062	DELL LATITUDE E7440
Active	C2014-063	DELL LATITUDE E7440
Active	C2014-064	DELL LATITUDE E7440
Active	C2014-065	DELL LATITUDE E7440
Active	C2014-066	DELL LATITUDE E7440
Active	C2015-002	HP STORAGE MSL2024 TAPE LIBRARY
Active	C2015-004	HP P2000 G3 iSCSI MSA
Active	C2015-005	HP PROLIANT DL360 G9
Active	C2015-006	DELL LATITUDE E7450
Active	C2015-007	DELL LATITUDE E7450
Active	C2015-008	DELL LATITUDE E7450
Active	C2015-009	DELL LATITUDE E7450
Active	C2015-010	DELL LATITUDE E7450
Active	C2016-003	DELL LATITUDE E7370
Active	C2016-004	DELL LATITUDE 37370
Active	C2016-005	DELL LATITUDE E7370
Active	C2016-006	DELL LATITUDE e7470
Active	C2016-007	DELL LATITUDE E7470
Active	C2016-008	DELL LATITUDE E7470
Active	C2016-009	DELL LATITUDE E7470
Active	C2016-010	DELL LATITUDE E7470
Active	C2016-011	DELL LATITUDE E7470
Active	C2016-012	DELL LATITUDE E7470
Active	C2016-013	DELL LATITUDE E7470
Active	C2016-014	DELL LATITUDE E7370
Active	C2016-015	DELL LATITUDE E7370
Active	C2016-016	DELL LATITUDE E7370
Active	C2016-017	DELL LATITUDE E7370
Active	C2016-018	DELL LATITUDE E7370

COMPUTER SOFTWARE

Active	C2013-017	ETO2013- AUTODESK
Active	C2014-021	MATHCAD PRIME 3.0
Active	C2014-022	ADOBE STANDARD XI
Active	C2014-048	MATHCAD PRIME 3.0
Active	C2015-011	MS WINDOWS 7 PRO LICENSES
Active	C2015-012	MS PROJECT LICENSES
Active	C2015-013	MS VISIO LICENSES
Active	C2016-001	SYTELINE 9 IMPLEMENTATION

FURNITURE & FIXTURES

Active	C2000-002	FURNITURE/CUBICLES
Active	C2000-015	PRIDE SIGNS
Active	C2000-018	SIGN ON BUILDING
Active	C2000-021	OFFICE SECTIONAL FURNITURE
Active	C2000-022	COMPUTER ROOM FURNITURE
Active	C2000-027	2 KITCHEN TABLES AND 10 CHAIRS

Active	C2000-028	SECURITY ROOMS/CAGES
Active	C2000-036	WINDOW COVERING
Active	C2001-015	GUELPH SITE SIGNAGE
Active	C2002-018	OFFICE SECTIONAL FURNITURE
Active	C2006-020	COMPUTER STORAGE RACK
Active	C2009-025	CHAIRS- EMPLOYEE- 1ST FLOOR
Active	C2009-026	CHAIRS-EMPLOYEE- 2ND FLOOR
Active	C2009-027	CHAIRS- MEETING ROOMS
Active	C2009-028	CHAIRS- SMT OFFICES
Active	C2009-029	CHAIRS- OFFICE GUEST
Active	C2013-020	CUBICLE EXPANSION - 1ST FLOOR
Active	C2013-021	CUBICLE EXPANSION - 2ND FLOOR
Active	C2014-050	CARPET - 1ST NORTH
Active	C2014-051	CARPET - 1ST SOUTH
Active	C2014-052	CARPET - 2ND NORTH
Active	C2014-053	CARPET - 2ND SOUTH
Active	C2016-019	KI LIGHTLINE - OFFICES (2)
Active	C2016-020	TI WORKSTATION (2) & GLASSBOARD (2)
Active	C93C001	DRAWING FILING EQUIPMENT
Active	C93C013	BOARDROOM AND OFFICE FURNITURE
Active	C94C022	MANAGEMENT OFFICE UNITS
Active	S2000-021	OFFICE SECTIONAL FURNITURE
Active	S92C002	MANAGEMENT OFFICE UNITS

Total**MACHINERY**

Active	C2000-005	OVERHEAD CRANES
Active	C2000-012	COMPRESSOR
Active	C2000-016	PLANT RACKING AND SHELVING REQUIREMENTS
Active	C2000-017	MATERIAL HANDLING
Active	C2000-019	PANAMETRICS FLOWMETER
Active	C2000-025	FINNING EQUIP MATERIAL HANDLING
Active	C2000-026	CRANES-FIN MACHINE
Active	C2000-029	OTTO TOOL TSM 1500
Active	C2000-035	MAGANTIC PARTICLE INSPECTOR
Active	C2000-037	PREP-GUN
Active	C2000-038	ORBITAL WELD HEAD
Active	C2000-048	ORBITAL WELDER (POWER SUPPLY AND HEAD)
Active	C2001-002	'01 FIN MACHINE
Active	C2001-002B	'01 FIN MACHINE
Active	C2001-003	BEAM BEVELER
Active	C2001-004	WELDING EQUIPMENT (GUELPH)
Active	C2001-008	GBC PREP EQUIPMENT
Active	C2001-009	EQUIPMENT-TRI COUNTY
Active	C2001-013	PWE- ORBITAL WELDER
Active	C2001-014	SAFETY LIGHTING INSTALLED BY LINDEMANN
Active	C2001-017	BUNDLING AUTO FEED SAW
Active	C2001-023	PORTABLE AIR FILTRATION SYSTEM
Active	C2001-024	YOKOGAWA PAPERLESS CHART RECORDER
Active	C2001-026	FORK LIFT - HYSTER 110 (1999)
Active	C2001-028	WOLF 5.5 MM X 260 MM BORESCOPE

Active	C2001-030	PWE ORBITAL WELDING EQUIPMENT
Active	C2001-036	SPARE WELD HEADS PRODUCED BY PWE
Active	C2001-037	35 TON PORTABLE PUNCH KIT
Active	C2001-041	5 TON SINGLE BRIDGE CRANE
Active	C2001-042	GRIP TIGHT TEST PLUG FOR 8" SCHED89 PIPE
Active	C2001-046	THREE PCH1 MOBILE FILTER UNIT
Active	C2001-069	OPTICAL PYROMETER
Active	C2002-005	PREP-GUN
Active	C2004-004	FIN MACHINE #1 - SAFETY UPGRADE
Active	C2005-015	OTTO TOOL (FS)
Active	C2005-017	10 TON OVERHEAD BRIDGE CRANE - BAY #4
Active	C2005-018	'93 FINLINE UPGRADE
Active	C2005-019	PNEUMATIC EXPANDER DRIVE
Active	C2006-001	ORBITAL WELDING - POWER SOURCE
Active	C2006-002	ORBITAL WELDING - WELDING HEADS (QTY=3)
Active	C2006-015	PREP GUN
Active	C2007-009	TRI TOOL 206B BEVELMASTER
Active	C2007-010	'93 FINLINE RETROFIT
Active	C2007-012	PLASMA MACHINE UPGRADE
Active	C2007-013	WELDHEAD - POLYSOUDE MUIV 23/115
Active	C2007-014	WELDHEAD-POLYSOUDE MUIV 25/115
Active	C2008-001	QUICKDRILL-GANTRY DRILLING MACHINE
Active	C2008-005	MAGNATECH D-HEAD 420
Active	C2008-006	MAGNATECH PIPE MASTER 515 POWER SUPPLY
Active	C2008-030	REPLACEMENT END PREP MACHINES
Active	C2008-031	POLYSOUDE WELD HEADS
Active	C2008-032	WELDING EQUIPMENT FOR EOR BOILER
Active	C2009-021	POLYSOUDE WELD HEAD- ORBITAL
Active	C2009-022	POLYDOUDE WELD HEAD- ORBITAL
Active	C2009-023	POLYSOUDE WELD HEAD- ORBITAL
Active	C2009-036	PREP TOOL-WACHS SB
Active	C2009-041	PWE ORBITAL WELD'G MACHINE
Active	C2009-042	PWE ORBITAL WELDING MACHINE
Active	C2009-044	WELDING POWER SUPPLY
Active	C2009-045	WELDING POWER SUPPLY
Active	C2009-046	WELDING POWER SUPPLY
Active	C2009-048	1993 FINLINE UPGRADE SERVO DRIVES
Active	C2009-049	1993 FINLINE HEADSTOCK
Active	C2009-051	WIRE FEEDER FOR OPEN WELD HEAD
Active	C2009-052	ANGLED GEARBOX FOR OPEN HEAD WELDERS
Active	C2009-053	ANGLED GEARBOX FOR OPEN HEAD WELDERS
Active	C2010-011	ALLOY ANALYZER
Active	C2010-012	TUBE RACKING SYSTEM
Active	C2010-030	ORBITAL- OPEN HEAD MUIV 38
Active	C2010-031	ORBITAL-OPEN HEAD MUIV 19-104
Active	C2010-032	ORBITAL- OPEN HEAD MUIV 19-104
Active	C2010-033	ORBITAL- OPEN HEAD MUIV 115-275
Active	C2010-034	ORBITAL- OPEN HEAD MUIV 115-275
Active	C2010-035	ORBITAL-POLYFIL 3 SLIDER ADAPTOR
Active	C2010-036	ORBITAL-POLYFIL 3 SLIDER ADAPTOR
Active	C2010-038	INVERTEC HIGH FREQ V205-T PACKAGE

Active	C2010-039	ROBOT-FANUC M-710i C 20L
Active	C2010-040	ULTRAPROBE 9000KT YLTRASONIC DEVICE
Active	C2011-004	SMOKE EXTRACTOR PURCHASE- 1
Active	C2011-005	SMOKE EXTRACTOR PURCHASE- 2
Active	C2011-006	SMOKE EXTRACTOR PURCHASE-3
Active	C2011-007	SMOKE EXTRACTOR PURCHASE- 4
Active	C2011-008	SMOKE EXTRACTOR PURCHASE- 5
Active	C2011-009	SMOKE EXTRACTOR PURCHASE-6
Active	C2011-010	MUIV 19-80 WELD HEAD
Active	C2011-011	POLYFIL WIRE FEEDER
Active	C2011-012	OPEN HEAD WIRE ACCESSORY
Active	C2011-013	OPEN HEAD ANGLE GEAR BOX
Active	C2011-014	MUIV 19-80 WELD HEAD
Active	C2011-015	POLYFIL WIRE FEEDER
Active	C2011-016	OPEN HEAD WIRE ACCESSORY
Active	C2011-017	OPEN HEAD ANGLE GEAR BOX
Active	C2011-024	MW40 V3 CLOSED WELD HEAD
Active	C2011-026	SCAFFOLDING- 001
Active	C2011-027	SCAFFOLDING- 002
Active	C2011-028	SCAFFOLDING- 003
Active	C2011-029	SCAFFOLDING- 004
Active	C2011-030	SCAFFOLDING- 005
Active	C2011-031	SCAFFOLDING- 006
Active	C2011-032	SCAFFOLDING- 007
Active	C2011-033	SCAFFOLDING- 008
Active	C2011-038	TUBE CLAMP INSERTS 1.5"OD MW40
Active	C2011-039	ENVIROFLEX FUME EXTRACTOR-005
Active	C2011-040	ENVIROFLEX FUME EXTRACTOR-006
Active	C2011-042	RDGID #535 THREADER
Active	C2011-043	GULLCO BEVELLER S/N89001-6
Active	C2011-044	WACHS PREP TOOL #1
Active	C2011-045	WACHS PREP TOOL #2
Active	C2011-046	MILLING MACHINE TOS-FNK 25
Active	C2011-053	SKYJACK (2000) 26' SCISSOR LIFT
Active	C2011-054	NELSON 4500 M#101 STUD SYSTEM
Active	C2011-055	MUIV 19-80 UNIT #1
Active	C2011-056	MUIV 19-80 UNIT #2
Active	C2011-057	MUIV 19-80 UNIT #3
Active	C2011-058	MUIV 19-80 UNIT #4
Active	C2011-059	201BA BEVELMASTER (TRI TOOL)
Active	C2011-063	LIBURDI POWER SUPPLY - PTW160#3
Active	C2011-068	TRITOO - 204B#1
Active	C2011-069	TRITOO - 204B#2
Active	C2011-072	WELD HEAD #1
Active	C2011-073	WELD HEAD #2
Active	C2011-075	WELD HEAD #4
Active	C2011-076	WELD HEAD #5
Active	C2011-077	WELD HEAD #6
Active	C2011-078	WELD HEAD #7
Active	C2011-079	WELD HEAD #8
Active	C2011-080	WELD HEAD #9

Active	C2011-081	WELD HEAD #10
Active	C2011-082	MINI K PREP TOOL
Active	C2011-083	PS - 406 #2
Active	C2011-084	PS - 406 #3
Active	C2011-085	PS - 406 #4
Active	C2011-088	MILLER 250DX - UNIT #1
Active	C2011-089	MILLER 250DX - UNIT #2
Active	C2012-005	93 FIN LINE - FIN #1 GEARBOX
Active	C2012-006	93 FIN LINE - FIN #2 GEARBOX
Active	C2012-008	SHIPPING CABITNETS
Active	C2012-009	SHIPPING RACK #1
Active	C2012-010	SHIPPING RACK #2
Active	C2012-011	SHIPPING RACK #3
Active	C2012-012	SHIPPING RACK #4
Active	C2012-013	SHIPPING RACK #5
Active	C2012-014	SHIPPING RACK #6
Active	C2012-015	SHIPPING RACK #7
Active	C2012-016	SHIPPING RACK #8
Active	C2012-017	SHIPPING RACK #9
Active	C2012-018	SHIPPING RACK #10
Active	C2012-019	SHIPPING RACK #11
Active	C2012-020	SHIPPING RACK #12
Active	C2012-021	SHIPPING RACK #13
Active	C2013-001	BORESCOPE - VIDEO (FS)
Active	C2013-013	CRANE HOIST- 10 TON- BAY 3
Active	C2013-014	PALLET WRAPPER
Active	C2013-015	ET- PREPZILLA MILLHOG
Active	C2013-016	MILLING MACHINE
Active	C2013-018	ORBITAL WELD HEAD- WESTOOL/PWE
Active	C2013-019	AIR COMPRESSOR- COMPAIR
Active	C2013-022	MILLER 250DX #3
Active	C2013-023	MILLER 250DX#4
Active	C2013-024	MILLER 250DX #5
Active	C2013-025	MILLER 250DC #6
Active	C2013-026	STAND ALONE DOT PEEN
Active	C2013-030	ROLLING LADDER #1
Active	C2013-033	TANK TURNING ROLLER DRIVE / IDLER SET
Active	C2013-034	TANK ROLLER IDLER #2
Active	C2013-035	TANK ROLLER IDLER #3
Active	C2013-036	TRI TOOL 208B #2
Active	C2013-037	HYDMECH PIVOT SAW S20 #2
Active	C2013-053	AIR COMPRESSOR L75RD (100HP)
Active	C2014-013	LPWE WELD COOLER #8
Active	C2014-014	LPWE WELD COOLER #9
Active	C2014-015	LPWE WELD COOLER #10
Active	C2014-016	LPWE WELD COOLER #11
Active	C2014-017	LPWE WELD COOLER #12
Active	C2014-018	LPWE WELD COOLER #13
Active	C2014-019	MILLER DIAL ARC - ME011181V
Active	C2014-020	MILLER DIAL ARC - ME010999V
Active	C2014-049	FARR - GS 12 DUST COLLECTOR

Active	C2014-055	MICROWEILY 2060 LATHE
Active	C2014-058	1/4" x 10' ERMAK SHEAR
Active	C2014-060	TR-600 TURNING ROLLS #1
Active	C2014-061	TR-600 TURNING ROLLS #2
Active	C2015-001	TUBE PUSHING PLATFORM
Active	C2015-003	ALTAIR 5X MONITOR
Active	C93C009	'93 FIN MACHINE
Active	C93C017	100 TON X 13'6" PRESS BRAKE
Active	C93C022	CUT OFF SAW
Active	C93C038	TENNANT SWEEPER
Active	C93C082	COUNTING WEIGH SCALE
Active	C93C094	TOOLING TUBE BENDER
Active	C93C098	TOOLING FOR PRESS
Active	C93C20	IRON WORKER
Active	C94C009	CUT OFF SAW
Active	C94C034	PASS THROUGH TOOLING
Active	C94C045	1.5" DIA. ORBITAL WELD HEAD
Active	C94C046	SPARE PARTS FOR ORBITAL WELD HEAD
Active	C94C049	ORBITAL WELD END FINISH TOOL
Active	C94C050	MIG WELDERS
Active	C95C004	LAYOUT TABLE
Active	C95C007	AUTOMATIC TORCH INDEX
Active	C95C012	ORBITAL WELDERS
Active	C95C020	PRESS BOULSTER INCREASE
Active	C95C021	ORBITAL WELDER COOLERS
Active	C95C023	LAYOUT TABLE
Active	C95C025	BEND TOOLING
Active	C95C026	HYDRO TEST EQUIPMENT
Active	C96008	OMEGA-RECORDER-MINUTES
Active	C96C005	NEW BEND TOOLING FOR PART 184047-0
Active	C96C010	COMMISSIONING TOOLS
Active	C96C016	INDUCTION COIL
Active	C97C016	ORBITAL WELD HEAD
Active	C98C005	PLASMA TABLE
Active	C98C007	WELDING EQUIPMENT
Active	C98C011	HYDRO TEST PLUGS FOR TCPL
Active	C98C023	PWE-GBC MINI C60 & C40
Active	C98C024	CSA APPROVED WELDERS
Active	C98C027	PWE - 1.25 WELD HEAD
Active	C99C002	WELDED ALUMINUM CASE FOR FIELD WELDING
Active	C99C016	USED 20" SEA CONTAINER
Active	C99C022	GAS MONITOR FOR FIELD SERVICES
Active	S2000-005	CANADIAN CRANE
Active	S92C001	TUBE BENDER (SAN DIEGO)
Active	S99C001	PWE-1.25 WELD HEAD

Total**TRADE FIXTURES AT 549 CONESTOGA BOULEVARD**

Active	All overhead bridge cranes
Active	All column mounted jib cranes
Active	All air compressors

Active
Active

All bulk welding gas storage containers
All security video cameras (interior and exterior)

Location	Description	Part Number
Australia	110 cable 100'	ist-pc-0018
Australia	110 cable 100'	ist-pc-0023
Australia	110 cable 100'	ist-pc-8089
Australia	110 cable 100'	ist-pc-4112
Australia	110 cable 100'	ist-az-0116
Australia	110 cable 50'	ist-pc-0010-2
Australia	110 cable 50'	ist-pc-3002
Australia	110 cable 50'	ist-pc-0010
Australia	110 cable 50'	ist-pc-3001
Australia	110 y splitter	ist-pc-8542
Australia	110 y splitter	ist-pc-8543
Australia	110 y splitter	ist-pc-0091
Australia	110 y splitter	ist-pc-0200-2
Australia	240 cable	ist-pc-0002
Australia	240 cable	ist-pc-3004
Australia	240 cable	ist-pc-0063
Australia	240 splitter	ist-pc-0962-2
Australia	4' level	ist-az-0100
Australia	6" grinder	ist-pt-3004
Australia	6" grinder	ist-pt-0045-1
Australia	6" grinder	ist-pt-3002
Australia	600 volt extension	ist-pc-8000-1
Australia	600 volt extension	ist-pc-0061
Australia	adjustable wrench	ist-ht-0079-1
Australia	adjustable wrench	ist-ht-0076-1
Australia	adjustable wrench	ist-ht-0176
Australia	air blower	ist-ht-0344
Australia	air line t-splitter	ist-alf-0010
Australia	air line t-splitter	ist-alf-0006
Australia	air line t-splitter	ist-alf-0317
Australia	air lines	ist-al-2003
Australia	air lines	ist-al-0053
Australia	air lines	ist-al-8084
Australia	air lines	ist-al-0014
Australia	air lines	ist-al-2002
Australia	air lines	ist-al-2001
Australia	air lines	ist-al-0016
Australia	allen keys	ist-ht-5032
Australia	allen keys	ist-ht-0487
Australia	band saw	ist-pt-0030
Australia	bessy clamp	ist-az-0002
Australia	bessy clamp	ist-az-0004
Australia	bleeder plug	ist-ht-2066-01
Australia	bleeder plug	ist-ht-2066-02
Australia	bleeder plug	ist-ht-2066-03
Australia	bleeder plug	ist-ht-2066-04

Australia	bleeder plug	ist-az-0020
Australia	caliper	ist-ht-2065-3
Australia	chalk line	ist-ht-0720-2
Australia	cheisel	ist-ht-0353
Australia	chicago grinder	ist-ht-0604-2
Australia	chicago grinder	ist-pt-0035-1
Australia	chipping hammer	ist-ht-0308-2
Australia	claw wrench	ist-v-0003
Australia	claw wrench	ist-v-0004
Australia	come along	ist-ht-5103
Australia	come along	ist-ht-0588-1
Australia	come along	ist-ht-7608
Australia	come along	ist-ht-7602
Australia	come along	ist-ht-1168
Australia	cooler	ist-w-0147-1
Australia	cooler	ist-w-0138
Australia	cooler	ist-w-0129-1
Australia	crimper set	ist-ht-0649-2
Australia	crow bar	ist-ht-0313-2
Australia	crow bar	ist-ht-0251
Australia	cutting guards	ist-ht-3009
Australia	cutting guards	ist-ht-3007
Australia	cutting guards	ist-ht-0475-1
Australia	cutting guards	ist-ht-0636-2
Australia	electrical torch	ist-pt-0001
Australia	file	ist-ht-0198-1
Australia	foam window	ist-ht-7627
Australia	gas tester	ist-w-0545
Australia	gas tester	ist-te-0192
Australia	grinder wrench	ist-ht-0607
Australia	grinder wrench	ist-ht-0606-1
Australia	grinding head gear	ist-ht-9284-3
Australia	grinding head gear	ist-ht-6216
Australia	hammer	ist-ht-0143
Australia	hammer	ist-ht-0399
Australia	hoisting bucket	ist-h-0013-1
Australia	impact wrench	ist-pt-0044
Australia	insulation cutter	ist-ht-0188-1
Australia	knee mats	ist-ht-0647
Australia	knee mats	ist-az-7981
Australia	knee mats	ist-ht-0647-1
Australia	liburdi pendent	ist-lp-4
Australia	liburdi pendent	ist-lp-5
Australia	liburdi pendent	ist-lp-6
Australia	liburdi power supply	ist-lps-4
Australia	liburdi power supply	ist-lps-5
Australia	liburdi power supply	ist-lps-6
Australia	liburdi weldhead	ist-l-wh-6
Australia	liburdi weldhead	ist-l-wh-7
Australia	liburdi weldhead	ist-l-wh-8
Australia	liburdi weldhead	ist-l-wh-9

Australia	liburdi weldhead	ist-l-wh-10
Australia	lifting lug	ist-ht-7637
Australia	lifting lug	ist-ht-7640
Australia	lifting lug	ist-ht-7641
Australia	lifting lug	ist-ht-7639
Australia	lights	ist-l-5678
Australia	lights	ist-az-0109
Australia	lights	ist-az-0110
Australia	lights	ist-l-0026-1
Australia	lights	ist-l-0003-3
Australia	lights	ist-l-0196-3
Australia	machine gas line	ist-mg-0020
Australia	machine gas line	ist-mg-0919
Australia	machine gas line	ist-mg-0004
Australia	machine gas line	ist-mg-0007
Australia	Manual Welder	IST-W-0151
Australia	measuring tape	ist-ht-9001
Australia	measuring tape	ist-ht-0491-3
Australia	milling feet box	ist-ht-3091-2
Australia	milling machine	ist-pt-9576
Australia	milling machine	ist-pt-9572-1
Australia	milling machine	ist-pt-0065-2
Australia	moisture meter	ist-te-1014-1
Australia	moisture meter	ist-te-5010
Australia	otto tool	ist-pt-0008-1
Australia	pencil grinder	ist-pt-7001-1
Australia	pencil grinder	ist-az-0091
Australia	pencil grinder	ist-pt-0164
Australia	pipe wrench	ist-ht-0383-1
Australia	pipe wrench	ist-ht-0326
Australia	pri bar	ist-az-0106
Australia	pri bar	ist-az-0103
Australia	propane torch	ist-ht-0670-2
Australia	purge line	ist-pl-0014
Australia	purge line	ist-pl-0055
Australia	purge line	ist-pl-0006
Australia	purge line 100'	ist-mg-0006
Australia	purge line 80'	ist-pl-3000
Australia	purge line 80'	ist-pl-0009
Australia	Liburdi Pendent	ist-ip-z333
Australia	Liburdi power supply	ist-ips-z222
Australia	Liburdi weldhead	ist-WH-Z111
Australia	rachette wrench	ist-ht-8080
Australia	regulators	ist-te-0131-1
Australia	regulators	ist-te-0012-2
Australia	regulators	ist-te-0029-2
Australia	regulators	ist-te-0018-1
Australia	regulators	ist-az-0015
Australia	regulators	ist-te-0009
Australia	rope	ist-h-0068
Australia	screwdriver	ist-ht-2018-1

Australia	screwdriver	ist-ht-2010-1
Australia	screwdriver	ist-ht-2016-1
Australia	screwdriver	ist-ht-2007-1
Australia	screwdriver	ist-ht-2002-1
Australia	screwdriver	ist-ht-2008-1
Australia	screwdriver	ist-ht-2014-1
Australia	screwdriver	ist-ht-2006-1
Australia	screwdriver	ist-ht-2015-1
Australia	screwdriver	ist-ht-2017-1
Australia	screwdriver	ist-ht-2009-1
Australia	screwdriver	ist-ht-2001-1
Australia	screwdriver	ist-ht-2019-1
Australia	screwdriver	ist-ht-2013-1
Australia	screwdriver	ist-ht-0155-1
Australia	screwdriver	ist-ht-0128-1
Australia	screwdriver	ist-ht-2000-1
Australia	screwdriver	ist-ht-2011-1
Australia	screwdriver	ist-ht-2005-1
Australia	shackle	ist-ht-8241
Australia	shackle	ist-ht-8242
Australia	shackle	ist-ht-8243
Australia	shackle	ist-ht-8244
Australia	sockette set	ist-ht-0611-3
Australia	square	ist-ht-9289
Australia	square 2'	ist-ht-7020
Australia	stanely cutter	ist-ht-0321
Australia	tap/die	ist-ht-0347
Australia	tapered pin	ist-ht-0292-1
Australia	test hose	ist-mg-0030
Australia	test hose	ist-mg-0028
Australia	test hose	ist-mg-0023
Australia	test hose	ist-pl-0023
Australia	tin snips	ist-ht-0404-1
Australia	tool box	ist-ht-2071-1
Australia	tool box	ist-ht-2070-1
Australia	torpedo level	ist-ht-0166
Australia	transformer	ist-r2d2-0011-1
Australia	tri tool	ist-pt-0025-1
Australia	tube cutter	ist-ht-0325
Australia	tube puller	ist-ht-0301-1
Australia	tube puller	ist-ht-0300
Australia	tweaker 1 1/4"	ist-ht-0602-2
Australia	tweaker 1 1/4"	ist-ht-0603-1
Australia	tweaker 1 1/4"	ist-ht-0248
Australia	tweaker 1"	ist-ht-0242
Australia	tweaker 1"	ist-ht-0473-1
Australia	tweaker 1"	ist-ht-0600
Australia	ultra sonic tester	ist-v-9000
Australia	vise grips	ist-ht-0271-1
Australia	vise grips	ist-ht-0272-1
Australia	vise stand	ist-ht-0178

Australia	wall instalation aid	ist-az-5555
Australia	wall instalation aid	ist-az-5557
Australia	wall instalation aid	ist-az-5556
Australia	wedge	ist-ht-7651
Australia	weld repair kit	ist-v-0055
Australia	wire cutters	ist-ht-0111
Australia	wrench 1 1/4"	ist-ht-0579
Australia	wrench 1 1/4"	ist-v-0003
Australia	wrench 1 1/4"	ist-v-0004
Australia	wrench 1 1/4"	ist-ht-0570-3
Australia	wrench 1 1/4"	ist-ht-0068-1
Australia	wrench 1 1/4"	ist-az-0018
Australia	wrench 1 1/8	ist-ht-0057
Australia	wrench 1 3/16	ist-ht-0053
Australia	wrench 1"	ist-ht-0048
Australia	wrench 1/2"	ist-ht-0003
Australia	wrench 11/16"	ist-ht-0022
Australia	wrench 13/16"	ist-ht-0068-1
Australia	wrench 15/16"	ist-ht-0043-3
Australia	wrench 17mm	ist-ht-0016
Australia	wrench 3/4"	ist-ht-0037
Australia	wrench 5/8"	ist-ht-0009
Australia	wrench 7/8"	ist-ht-0056
Australia	wrench 9/16"	ist-ht-0004
Australia	CAULKING TOOL	ist-ht-xx12
British Columbia	110 cable 100'	ist-pc-d21
British Columbia	110 cable 100'	ist-pc-d22
British Columbia	110 cable 100'	IST-PC-0015
British Columbia	110 cable 100'	IST-BCH-0053
British Columbia	110 cable 100'	IST-BCH-0054
British Columbia	110 cable 50'	IST-BCH-0055
British Columbia	110 cable 50'	IST-BCH-0056
British Columbia	110 cable 50'	IST-BCH-0057
British Columbia	110 cable 50'	ist-pc-d23
British Columbia	110 y splitter	IST-PC-0200-2
British Columbia	110 y splitter	ist-pc-0031-2
British Columbia	110 y splitter	ist-pc-0071
British Columbia	4' level	IST-HT-0169
British Columbia	6" grinder	IST-AZ-0023
British Columbia	6" grinder	IST-AZ-0022
British Columbia	6" grinder	IST-HT-6002
British Columbia	adjustable wrench	IST-HT-1080
British Columbia	adjustable wrench	IST-BCH-0014
British Columbia	adjustable wrench	IST-BCH-0015
British Columbia	air blower	IST-HT-0371
British Columbia	air line t-splitter	IST-BCH-0016
British Columbia	air line t-splitter	IST-TS-0077
British Columbia	air line t-splitter	IST-TS-0078
British Columbia	air lines	IST-BCH-0049
British Columbia	air lines	IST-BCH-0048

British Columbia	air lines	IST-BCH-0050
British Columbia	air lines	IST-BCH-0051
British Columbia	air lines	IST-BCH-0052
British Columbia	air lines	IST-PL-3003
British Columbia	air lines	IST-AL-2007
British Columbia	allen keys	IST-HT-0042
British Columbia	allen keys	IST-HT-0043
British Columbia	band saw	IST-BCH-4049-2
British Columbia	bleeder plug	IST-HZ-0020
British Columbia	bleeder plug	IST-PP-4567
British Columbia	bleeder plug	IST-HT-000N
British Columbia	bleeder plug	IST-AZ-0064
British Columbia	bleeder plug	IST-HT-2065
British Columbia	caliper	IST-BCH-0029
British Columbia	chalk line	IST-FS-0014
British Columbia	cheisel	IST-FS-0302
British Columbia	chicago grinder	IST-BCH-0034
British Columbia	chicago grinder	IST-BCH-0035
British Columbia	chipping hammer	IST-HT-5002
British Columbia	come along	IST-HT-1769
British Columbia	come along	ist-ht-1100
British Columbia	come along	ist-ht-68
British Columbia	come along	ist-fs-000b
British Columbia	crimper set	ist-iomc-001
British Columbia	crow bar	IST-FS-187-2
British Columbia	crow bar	IST-AZ-0013
British Columbia	cutting guards	IST-HT-6175
British Columbia	cutting guards	IST-HT-0560-1
British Columbia	cutting guards	IST-HT-0476-1
British Columbia	cutting guards	IST-HT-5011
British Columbia	file	IST-HT-0196-2
British Columbia	gas tester	ist-te-0004
British Columbia	gas tester	ist-te-a83
British Columbia	grinder wrench	IST-HT-3006-2
British Columbia	grinder wrench	IST-HT-0482-2
British Columbia	grinding head gear	IST-HG-0001
British Columbia	grinding head gear	IST-HT-6213
British Columbia	grinding head gear	IST-HT-9783-1
British Columbia	hammer	IST-HT-0397-2
British Columbia	hammer	IST-BCH-0019
British Columbia	impact wrench	IST-AZ-4414
British Columbia	insulation cutter	IST-FS-0013
British Columbia	knee mats	IST-BCH-0021
British Columbia	knee mats	IST-BCH-0022
British Columbia	knee mats	IST-BCH-0023
British Columbia	lifting lug	IST-FS-000F
British Columbia	lifting lug	IST-FS-000G
British Columbia	lifting lug	IST-FS-000H
British Columbia	lifting lug	IST-FS-000E
British Columbia	lights	ist-ioml-004
British Columbia	lights	ist 1-2660

British Columbia	lights	ist-ioml-003
British Columbia	lights	ist-ioml-002
British Columbia	lights	ist-ioml-001
British Columbia	lights	ist-az-0107
British Columbia	machine gas line	IST-BCH-0044
British Columbia	machine gas line	IST-BCH-0045
British Columbia	machine gas line	IST-BCH-0046
British Columbia	machine gas line	IST-BCH-0047
British Columbia	measuring tape	IST-HT-0411
British Columbia	measuring tape	IST-HT-0177
British Columbia	milling machine	ist-bch-0024
British Columbia	milling machine	ist-bch-0025
British Columbia	milling machine	ist-pt-0623
British Columbia	moisture meter	ist-fs-1000
British Columbia	moisture meter	ist-te-1014-1
British Columbia	otto tool	ist-bch-0018
British Columbia	pencil grinder	ist-bch-0026
British Columbia	pencil grinder	ist-bch-0028
British Columbia	pencil grinder	ist-bch-0027
British Columbia	pig tail	ist-bc-8029
British Columbia	pipe wrench	ist-bch-0017
British Columbia	pipe wrench	ist-ht-0388-2
British Columbia	pri bar	ist-ht-0303
British Columbia	pri bar	ist-ht-0304-1
British Columbia	propane torch	ist-ev-1007
British Columbia	purge line	ist-bch-0043
British Columbia	purge line	ist-bch-0038
British Columbia	purge line	ist-bch-0039
British Columbia	purge line 100'	ist-bch-0040
British Columbia	purge line 80'	ist-bch-0041
British Columbia	purge line 80'	ist-bch-0042
British Columbia	regulators	ist-bch-0001
British Columbia	regulators	ist-bch-0002
British Columbia	regulators	ist-bch-0003
British Columbia	regulators	ist-bch-0004
British Columbia	regulators	ist-bch-0005
British Columbia	regulators	ist-bch-0006
British Columbia	screwdriver	ist-ht-2028-3
British Columbia	screwdriver	ist-ht-2032-3
British Columbia	screwdriver	ist-ht-2053-2
British Columbia	screwdriver	ist-ht-2060-2
British Columbia	screwdriver	ist-ht-2026-3
British Columbia	screwdriver	ist-ht-2012-1
British Columbia	screwdriver	ist-ht-3038-3
British Columbia	screwdriver	ist-ht-2037-3
British Columbia	screwdriver	ist-ht-2036-3
British Columbia	screwdriver	ist-ht-2034-3
British Columbia	screwdriver	ist-ht-2039-3
British Columbia	screwdriver	ist-ht-2031-3
British Columbia	screwdriver	ist-ht-2022-3
British Columbia	screwdriver	ist-ht-2023-3

British Columbia	screwdriver	ist-ht-2021-3
British Columbia	screwdriver	ist-ht-2035-3
British Columbia	screwdriver	ist-ht-2024-3
British Columbia	screwdriver	ist-ht-2055-2
British Columbia	shackle	ist-fs-0004
British Columbia	shackle	ist-fs-0001-1
British Columbia	shackle	ist-fs-0005-1
British Columbia	shackle	ist-fs-0006-1
British Columbia	sockette set	ist-bch-0037
British Columbia	square	ist-ht-0173-2
British Columbia	square 2'	ist-ht-2020-3
British Columbia	stanely cutter	ist-ht-0324
British Columbia	tap/die	ist-bch-0020
British Columbia	tapered pin	ist-ht-0291
British Columbia	test hose	ist-mg-0023
British Columbia	test hose	ist-89
British Columbia	test hose	ist-87
British Columbia	test hose	ist-88
British Columbia	tin snips	ist-ht-0428
British Columbia	tin snips	ist-ht-0580
British Columbia	torpedo level	ist-ht-0166
British Columbia	tri tool	ist-bch-0036
British Columbia	tube puller	ist-bch-0032
British Columbia	tube cutter	ist-bch-0030
British Columbia	tube puller	ist-bch-0031
British Columbia	tube puller	ist-bch-0033
British Columbia	tweaker 1 1/4"	ist-bch-0007
British Columbia	tweaker 1 1/4"	ist-bch-0008
British Columbia	tweaker 1 1/4"	ist-bch-0009
British Columbia	tweaker 1"	ist-bch-0010
British Columbia	tweaker 1"	ist-bch-0011
British Columbia	tweaker 1"	ist-ht-0600
British Columbia	vise grips	ist-bch-0012
British Columbia	vise grips	ist-bch-0013
British Columbia	wedge	ist-ht-000m
British Columbia	weld repair kit	ist-te-k1114
British Columbia	wire cutters	ist-ht-0109
British Columbia	wrench 1 1/4"	ist-az-0005
British Columbia	wrench 1 1/4"	ist-v-0004
British Columbia	wrench 1 1/4"	ist-az-6011
British Columbia	wrench 1 1/4"	ist-ht-0059-1
British Columbia	wrench 1 1/8	ist-ht-0055-1
British Columbia	wrench 1 1/16	ist-ht-0042
British Columbia	wrench 1"	ist-fs-0021
British Columbia	240 cable	IST-PC-3001-4
British Columbia	240 cable	IST-PC-3002-4
British Columbia	240 cable	IST-PC-0062
British Columbia	240 splitter	IST-PC-0027
British Columbia	600 volt extension	IST-PC-0075
British Columbia	cooler	IST-BC-0102

British Columbia	cooler	IST-BC-0103
British Columbia	cooler	IST-BC-0104
British Columbia	foam window	IST-HT-6771
British Columbia	hoisting bucket	IST-H-0008-2
British Columbia	liburdi pendent	IST-BCH-0062
British Columbia	liburdi pendent	IST-BCH-0065
British Columbia	liburdi pendent	IST-BCH-0063
British Columbia	liburdi pendent	IST-BCH-0064
British Columbia	liburdi power supply	IST-BCH-0059
British Columbia	liburdi power supply	IST-BCH-0058
British Columbia	liburdi power supply	IST-BCH-0060
British Columbia	liburdi power supply	IST-BCH-0061
British Columbia	liburdi weldhead	IST-BCH-0066
British Columbia	liburdi weldhead	IST-BCH-0067
British Columbia	liburdi weldhead	IST-BCH-0068
British Columbia	liburdi weldhead	IST-BCH-0069
British Columbia	liburdi weldhead	IST-BCH-0071
British Columbia	liburdi weldhead	IST-BCH-0070
British Columbia	rope	ist-ht-9000
British Columbia	transformer	ist-r2d2-0003
Israel	Liburdi Pendant	IST-LP-0672
Israel	Liburdi Pendant	IST-LP-2112
Israel	Liburdi Pendant	IST-LP-3269
Israel	Liburdi Pendant	IST-LP-4217
Israel	Liburdi Weldhead	IST-WH-6978
Israel	Liburdi Weldhead	IST-WH-2971
Israel	Liburdi Weldhead	IST-WH-4761
Israel	Liburdi Weldhead	IST-WH-2981
Israel	Liburdi Weldhead	IST-WH-9881
Israel	Liburdi Weldhead	IST-WH-6291
Israel	Liburdi Power Supply	IST-PS-1022
Israel	Liburdi Power Supply	IST-PS-1622
Israel	Liburdi Power Supply	IST-PS-1487
Israel	Liburdi Power Supply	IST-PS-1776
Israel	Borescope	IST-BS-4172
Israel	Liburdi Weldhead	IST-WH-Z000
Israel	110 cable 100'	IST-X-0004
Israel	110 cable 100'	IST-PC-8824
Israel	110 cable 100'	IST-PC-4112-5
Israel	110 cable 100'	IST-X-003
Israel	110 cable 100'	IST-AZ-0114
Israel	110 cable 50'	IST-X-0003
Israel	110 cable 50'	IST-PC-0016
Israel	110 cable 50'	IST-PC-3005
Israel	110 cable 50'	IST-X-0069
Israel	110 y splitter	IST-PC-0201-2
Israel	110 y splitter	IST-X-0001
Israel	110 y splitter	IST-X-0002
Israel	110 y splitter	IST-PC-0034-2

Israel	240 cable	IST-X-0006
Israel	240 cable	IST-PC-0012
Israel	240 cable	IST-PC-0081
Israel	240 splitter	IST-PC-0028-1
Israel	4' level	IST-HT-0170
Israel	6" grinder	IST-PT-0051-1
Israel	6" grinder	IST-AZ-0024
Israel	6" grinder	IST-PT-0061
Israel	600 volt extension	IST-PC-0038-2
Israel	600 volt extension	IST-V-0105
Israel	adjustable wrench	IST-HT-4819-3
Israel	adjustable wrench	IST-HT-5071
Israel	adjustable wrench	IST-AZ-0012
Israel	air blower	IST-HT-0339
Israel	air line t-splitter	IST-ALF-0008
Israel	air line t-splitter	IST-ALF-0018-3
Israel	air line t-splitter	IST-AZ-0009
Israel	air lines	IST-AL-0013
Israel	air lines	IST-AL-8176
Israel	air lines	IST-AL-0007
Israel	air lines	IST-AL-2007
Israel	air lines	IST-AL-0051
Israel	air lines	IST-AL-0004
Israel	air lines	IST-AL-2000
Israel	allen keys	IST-HT-0481
Israel	allen keys	IST-HT-5073
Israel	band saw	IST-V-0102
Israel	bessy clamp	IST-AZ-0001
Israel	bessy clamp	IST-AZ-0003
Israel	bleeder plug	IST-HT-5555
Israel	bleeder plug	IST-AZ-0064
Israel	bleeder plug	IST-AZ-0063
Israel	bleeder plug	IST-FS-9012
Israel	bleeder plug	IST-PQ-0001
Israel	caliper	IST-HT-2063-2
Israel	chalk line	IST-FS-0204
Israel	cheisel	IST-FS-0304
Israel	chicago grinder	IST-PT-0062
Israel	chicago grinder	IST-HT-0046-2
Israel	chipping hammer	IST-HT-302
Israel	claw wrench	IST-V-0001
Israel	claw wrench	IST-V-0002
Israel	come along	IST-HT-8708
Israel	come along	IST-V-0070
Israel	come along	IST-HT-0262-2
Israel	come along	IST-HT-0590
Israel	come along	IST-HT-0888-1
Israel	cooler	IST-W-0138-4
Israel	cooler	IST-W-0147-11
Israel	cooler	IST-AZ-6550
Israel	crimper set	IST-HT-0605-1

Israel	crow bar	IST-AZ-0105
Israel	crow bar	IST-AZ-0104
Israel	cutting guards	IST-HT-0475
Israel	cutting guards	IST-HT-0477
Israel	cutting guards	IST-HT-3004-2
Israel	cutting guards	IST-HT-0476
Israel	electrical torch	IST-PT-0005
Israel	file	IST-HT-0195
Israel	foam window	IST-RE-0001
Israel	gas tester	IST-TE-0192
Israel	gas tester	IST-MSA-2
Israel	grinder wrench	IST-HT-6063-2
Israel	grinder wrench	IST-FS-0011
Israel	grinding head gear	IST-V-0106
Israel	grinding head gear	IST-HT-6214
Israel	hammer	IST-HT-0398
Israel	hammer	IST-HT-7487
Israel	hoisting bucket	IST-H-0001
Israel	impact wrench	IST-AZ-5981-2
Israel	insulation cutter	IST-HT-3011
Israel	knee mats	IST-HT-9092
Israel	knee mats	IST-HT-9093
Israel	knee mats	IST-HT-9094
Israel	liburdi pendent	LP-5
Israel	liburdi pendent	LP-2
Israel	liburdi pendent	LP-3
Israel	liburdi power supply	LPS-1
Israel	liburdi power supply	LPS-3
Israel	liburdi power supply	LPS-2
Israel	liburdi weldhead	L16
Israel	liburdi weldhead	L21
Israel	liburdi weldhead	L9
Israel	liburdi weldhead	L20
Israel	liburdi weldhead	L12
Israel	lifting lug	IST-HT-7636
Israel	lifting lug	IST-AZ-0006
Israel	lifting lug	IST-AZ-0008
Israel	lifting lug	IST-AZ-0007
Israel	lights	IST-L-2575
Israel	lights	IST-L-2552
Israel	lights	IST-L-1018-1
Israel	lights	IST-L-2684
Israel	lights	IST-L-2660
Israel	lights	IST-L-2661
Israel	machine gas line	IST-PL-0054
Israel	machine gas line	IST-MG-0021
Israel	machine gas line	IST-MG-0008
Israel	machine gas line	IST-MG-0003
Israel	measuring tape	IST-AZ-0101
Israel	measuring tape	IST-AZ-0113
Israel	milling feet box	IST-HT-3091-1

Israel	milling machine	IST-PT-0444-1
Israel	milling machine	IST-PT-0022-2
Israel	milling machine	IST-PT-0041
Israel	milling machine	IST-PT-4577
Israel	moisture meter	IST-TE-0038
Israel	moisture meter	IST-TE-0207
Israel	otto tool	IST-PT-8008-1
Israel	pencil grinder	IST-HT-2002
Israel	pencil grinder	IST-FS-0101
Israel	pencil grinder	IST-PT-0048
Israel	pipe wrench	IST-HT-0324
Israel	pipe wrench	IST-HT-2502
Israel	pri bar	IST-FS-0312
Israel	pri bar	IST-FS-0313
Israel	propane torch	IST-HT-2287-3
Israel	purge line	IST-PL-0002
Israel	purge line	IST-PL-7771-1
Israel	purge line	IST-PL-0056
Israel	purge line 100'	IST-PL-3004
Israel	purge line 80'	IST-PL-3002
Israel	purge line 80'	IST-PL-0011
Israel	pwe pendent	IST-PWE-P5
Israel	pwe power supply	IST-W-0150-2
Israel	pwe weldhead	IST-PWE-WH-1
Israel	regulators	IST-TE-0313-1
Israel	regulators	IST-TE-0133
Israel	regulators	IST-TE-0015-1
Israel	regulators	IST-TE-0101
Israel	regulators	IST-TE-0017
Israel	regulators	IST-TE-0185
Israel	rope	IST-H-0007
Israel	screwdriver	IST-HT-0147-2
Israel	screwdriver	IST-HT-2057-2
Israel	screwdriver	IST-HT-2052-2
Israel	screwdriver	IST-HT-2058-2
Israel	screwdriver	IST-HT-2056-2
Israel	screwdriver	IST-HT-2047-2
Israel	screwdriver	IST-HT-2044-2
Israel	screwdriver	IST-HT-2042-2
Israel	screwdriver	IST-HT-2048-2
Israel	screwdriver	IST-HT-2051-2
Israel	screwdriver	IST-HT-2043-2
Israel	screwdriver	IST-HT-2050-2
Israel	screwdriver	IST-HT-2046-2
Israel	screwdriver	IST-HT-2029-3
Israel	screwdriver	IST-HT-2054-2
Israel	screwdriver	IST-HT-0158
Israel	screwdriver	IST-HT-0130-2
Israel	screwdriver	IST-HT-0142-2
Israel	shackle	IST-HT-7698
Israel	shackle	IST-HT-7661

Israel	shackle	IST-HT-7658
Israel	shackle	IST-HT-7691
Israel	sockette set	IST-HT-2072-1
Israel	square	IST-HT-1811
Israel	square 2'	IST-HT-7020-3
Israel	stanely cutter	IST-HT-0318-2
Israel	tap/die	IST-HT-0350
Israel	tapered pin	IST-HT-0293-2
Israel	test hose	IST-MG-0021
Israel	test hose	IST-MG-0031
Israel	test hose	IST-MG-0022
Israel	test hose	IST-PL-0200-2
Israel	tin snips	IST-HT-0424
Israel	tool box	IST-HT-3000-2
Israel	tool box	IST-HT-3001-2
Israel	torpedo level	IST-0167-2
Israel	transformer	R2D2-12
Israel	tri tool	IST-PT-0027-2
Israel	tube cutter	IST-HT-0353-1
Israel	tube puller	IST-HT-0299-1
Israel	tube puller	IST-HT-0562
Israel	tweaker 1 1/4"	IST-HT-0249-1
Israel	tweaker 1 1/4"	IST-HT-0244
Israel	tweaker 1 1/4"	IST-HT-0601-1
Israel	tweaker 1"	IST-WT-2505
Israel	tweaker 1"	IST-WT-7418
Israel	tweaker 1"	IST-WT-7419
Israel	ultra sonic tester	IST-TE-0181-2
Israel	vise grips	IST-FS-0149-2
Israel	vise grips	IST-HT-0272-11
Israel	vise stand	IST-AZ-0052
Israel	wall instalation aid	IST-AZ-5551
Israel	wall instalation aid	IST-AZ-5552
Israel	wall instalation aid	IST-AZ-5550
Israel	wedge	IST-HT-9287-1
Israel	weld repair kit	IST-W-5667
Israel	wire cutters	IST-HT-4824-1
Israel	wrench 1 1/4"	IST-FS-0019
Israel	wrench 1 1/4"	IST-AZ-2016
Israel	wrench 1 1/4"	IST-HT-0064-1
Israel	wrench 1 1/4"	IST-FS-0016
Israel	wrench 1 1/8	IST-HT-0575
Israel	wrench 1 3/16	IST-HT-0573
Israel	wrench 1"	IST-FS-0022
Israel	wrench 1/2"	IST-FS-0029
Israel	wrench 11/16"	IST-FS-0026
Israel	wrench 13/16"	IST-HT-0626-1
Israel	wrench 15/16"	IST-FS-0023
Israel	wrench 17mm	IST-AZ-4111
Israel	wrench 3/4"	IST-PS-0025
Israel	wrench 5/8"	IST-FS-0027

Israel	wrench 7/8"	IST-AZ-2417
Israel	wrench 9/16"	IST-FS-0028

SCHEDULE 1.1(gg)**EXCLUDED ASSETS**

All of the following assets of the Debtor:

1. Excluded Contracts:

Contract No.	Counterparty	Description
CF13049A	PETROFAC	EOR - LOWER FARMS
C15073A	SIEMENS	OTSG - NEAR SHORE STUDY
C12121A	SHELL	OTSG - APPOMATTOX
C13123A	IHI CORPORATION	OSTG - SOUTH HEDLAND
F97020L	ATLANTIC POWER	FS - TUBE FAILURE REPAIR
F01049AC*	MANX UTILITIES	FS - OTSG REPAIR - LABOUR
F02032AA	SIEMENS ISRAEL	FS - INLET HEADERS - LABOUR
F07032AL	SHERRITT	FS - VALVES
F09003Y	BC HYDRO	FS - OTSG REPAIR
F09079E	YORK ENERGY	FS - YORK BAFFLE INSPECTION
F12121L	SHELL	FS - SPARE PARTS
F12121M	SHELL	FS - SPARE PARTS
FF12023A	BAYTEX	FS - MURPHY OIL REDEPLOYMENT
FF11011B	SUNCOR	FS - SPARE PARTS

2. Equity and debt securities legally or beneficially owned by the Debtor.
3. Cash, cash equivalents, deposits and bank accounts of the Debtor.
4. Permits that are not transferrable to the Purchaser under Applicable Law.
5. Policies of insurance or assurance (including directors and officers insurance and claims against insurance and insurance settlements) (except for the right to receive the proceeds of insurance in respect of Purchased Assets and all books and records related thereto which shall not constitute Excluded Assets);

6. Rights to receive a refund of, and/or credit in respect of, Taxes paid by or on behalf of the Debtor.
7. Tax returns of the Debtor.
8. Tax installments paid by or on behalf of any Debtor.
9. The general ledger, financial statements, accounting and Tax records, minute books, corporate seal, taxpayer and other identification numbers and other corporate records of the Debtor relating to the organization, maintenance and existence of the Debtor.
10. Any Books and Records that the Debtor is required by Applicable Law to retain in its possession, provided however, the Purchaser shall be provided with copies of all such Books and Records that pertain to the Business.
11. All properties, assets and rights of the Debtor not related to the Business.

SCHEDULE 1.1(ii)**EXCLUDED LIABILITIES**

1. All obligations and liabilities of every nature or kind whatsoever of the Debtor (whether under statute, contract, common law or otherwise) relating to: (i) the employment by the Debtor of all employees and former employees of the Debtor that are not Transferred Employees; and (ii) the engagement by the Debtor of all contractors and former contractors of the Debtor.
2. All obligations and liabilities of every nature or kind whatsoever of the Debtor (whether under statute, contract, common law or otherwise) relating to the employment by the Debtor of all Transferred Employees due, arising or accruing prior to the Effective Time, including all obligations and liabilities relating to salary, wages, commissions, fees, bonuses, incentive payments, reimbursement, overtime pay, benefits, disability pay, sick leave pay, vacation pay, holiday pay, insurance, and workers' compensation premiums.
3. All employment-related claims, human rights and employment standards complaints and all other complaints, grievances, arbitration awards, penalties and assessments of every nature or kind whatsoever (whether under statute, contract, common law or otherwise) in respect of all Transferred Employees arising out of matters occurring prior to the Effective Time.
4. All Losses and Liabilities related to the Excluded Assets.
5. All indebtedness, obligations and liabilities of every nature or kind whatsoever of the Debtor to any lenders or creditors of the Debtor (other than to the beneficiaries of the Assumed Liabilities).
6. All Tax-related Losses and Liabilities of the Debtor (other than as set forth in Article 5 of the Agreement).

SCHEDULE 1.1(kk)

FORM OF GENERAL CONVEYANCE, ASSIGNMENT AND ASSUMPTION AGREEMENT

(attached)

GENERAL CONVEYANCE, ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS AGREEMENT (this "**Agreement**") is made the ___ day of _____, 2018.

BETWEEN:

DELOITTE RESTRUCTURING INC., a corporation incorporated under the federal laws of Canada, in its capacity as the court-appointed receiver and manager of the assets, properties and undertakings of Innovative Steam Technologies Inc. (the "**Debtor**") and IST Boiler Components Inc., and not in its personal or corporate capacity (the "**Vendor**")

- and -

PROPAK SYSTEMS LTD., a corporation incorporated under the laws of the Province of Alberta (the "**Purchaser**", and together with the Vendor, the "**Parties**")

WHEREAS:

- A. Pursuant to an asset purchase agreement dated June 14, 2018 (the "**Purchase Agreement**") between the Vendor and the Purchaser: (i) the Vendor agreed to sell and the Purchaser agreed to purchase and accept from the Vendor the Purchased Assets; and (ii) the Purchaser agreed to assume the Assumed Liabilities on the terms and conditions set out in the Purchase Agreement (the "**Transaction**");
- B. Pursuant to the Order of the Ontario Superior Court of Justice (the "**Court**") dated [June ●, 2018] (the "**Approval and Vesting Order**"), the Court, among other things, approved the Transaction and vested all of the Debtor's right, title and interest in and to the Purchased Assets, in and to the Purchaser; and
- C. By entering this Agreement, the Parties wish to: (i) further evidence the sale, assignment, transfer and conveyance all of the Debtor's right, title and interest in, to and under the Purchased Assets to the Purchaser pursuant to the Approval and Vesting Order; and (ii) give effect to the assumption by the Purchaser of the Assumed Liabilities.

NOW THEREFORE in consideration of the covenants and agreements set forth herein and in the Purchase Agreement, and other good and valuable consideration, the adequacy and receipt of which are hereby acknowledged, the Parties agree as follows:

1. Capitalized Terms

Capitalized terms used but not specifically defined in this Agreement shall have the meanings ascribed thereto in the Purchase Agreement and the Approval and Vesting Order, as applicable.

2. General Conveyance and Assignment

As of the Effective Time, the Vendor hereby sells, assigns, transfers and conveys to the Purchaser all of the Vendor's right, title and interest in, to and under the Purchased Assets, but only to the extent not otherwise

expressly transferred or assigned to the Purchaser by separate instrument or agreement or the Approval and Vesting Order, and all rights, benefits and advantages accruing to the Vendor thereunder to have and to hold the same unto the Purchaser absolutely.

3. Assumption

As of the Effective Time, the Purchaser hereby accepts the assignments, transfers and conveyances in Section 2 and the Approval and Vesting Order and hereby assumes and undertakes to pay, satisfy, discharge, perform, fulfil and otherwise be responsible for all Assumed Liabilities.

4. No Assignment or Transfer of Unassignable Contracts and Non-Transferrable Assets

Nothing in this Agreement shall be construed as an attempt to: (i) assign to the Purchaser any Assumed Contract which, as a matter of law or by its terms, is not assignable in whole or in part without the consent of the other party or parties thereto and in respect of which no such consent has been received; or (ii) transfer to the Purchaser any other Purchased Asset which, as a matter of law or otherwise, is not transferrable in whole or in part to the Purchaser. The Vendor acknowledges that Section 2.4 of the Purchase Agreement will continue to apply in respect of all such unassignable or non-transferrable Purchased Assets.

5. No Assumption of Liabilities except as in the Purchase Agreement

Nothing herein contained will be deemed or construed as an assumption by the Purchaser of, and the Purchaser does not hereby assume, any obligations, commitments or liabilities of the Vendor arising under or relating to any property, asset or right described herein and hereby sold, assigned, transferred and conveyed by the Vendor to the Purchaser, except in accordance with and only to the extent provided for in the Purchase Agreement and this Agreement.

6. Subordinate Document

This Agreement is executed and delivered by the Parties pursuant and subject to the provisions of the Purchase Agreement. In the event of a conflict between the provisions of the Purchase Agreement and this Agreement, the provisions of the Purchase Agreement shall govern. This Agreement is not intended to supersede the Purchase Agreement or to vary, affect or effect a merger of any of the terms thereof but is entered into for the purpose only of effecting a conveyance, assignment and assumption and is ancillary and subordinate to the Purchase Agreement.

7. Successors and Assigns

This Agreement shall be binding upon and enure to the benefit of the Parties and their respective successors and permitted assigns

8. Assignment

Neither Party may assign in whole or in part its rights or obligations under this Agreement without the prior written consent of the other Party.

9. Governing Law

This Agreement shall be governed by and construed and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein (without reference to conflicts of law principles).

10. Further Assurances

Each of the Parties hereby covenants and agrees that at any time and from time to time after the date hereof until the Vendor's discharge it will, at its expense and upon the request of the other, do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all such further acts, documents and things in connection with this Agreement that the other party hereto may reasonably require for the purpose of giving effect to this Agreement.

11. Counterparts

This Agreement may be executed and delivered by the Parties in separate counterparts and by facsimile, PDF or other electronic means, each of which when so executed and delivered shall be deemed an original, and all of which, when taken together, shall constitute one and the same agreement.

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

IN WITNESS WHEREOF this Assignment and Assumption Agreement has been properly executed by the Parties as of the date first above written.

DELOITTE RESTRUCTURING INC.
IN ITS CAPACITY AS COURT-APPOINTED
RECEIVER AND MANAGER OF THE ASSETS,
PROPERTIES AND UNDERTAKINGS OF
INNOVATIVE STEAM TECHNOLOGIES INC. AND
IST BOILER COMPONENTS INC., AND NOT IN ITS
PERSONAL OR CORPORATE CAPACITY

Per: _____
Name:
Title:

PROPAK SYSTEMS LTD.

Per: _____
Name:
Title:

SCHEDULE 1.1(pp)

INVENTORY

All of the Inventory listed in the attached spreadsheet that remains the property of the Debtor as of the Closing Date.

INVENTORY

Category	Item Number	Quantity
Fabricated Parts - Code	11303-1900	2
Fabricated Parts - Code	11303-1901	2
Fabricated Parts - Code	11303-1902	2
Fabricated Parts - Code	11303-1903	2
Fabricated Parts - Code	11303-1904	2
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Purchased Parts - General	/300487	11
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Purchased Parts - General	700071	17.33
Purchased Parts - General	700072	24

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Purchased Parts - General	800004	7340
Purchased Parts - General	800012	204.3485
Purchased Parts - General	800014	15.33
Purchased Parts - General	800019-3	0.307
Purchased Parts - General	800020	8.75
Purchased Parts - General	800023	25.4169
Purchased Parts - General	800029	17.25
Purchased Parts - General	800030	27.58
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Purchased Parts - General	/800043-9	0.56
Purchased Parts - General	800044-13	1.979
Purchased Parts - General	800053	23
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Purchased Parts - General	800117-120	0.977
Purchased Parts - General	800118	135
Purchased Parts - General	/800124	19.5
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Purchased Parts - General	800138	17.58
Purchased Parts - General	800141-1	1.6015
Purchased Parts - General	800149-2	1.66
Purchased Parts - General	/800152	0.15
Purchased Parts - General	800152-1	5.335
Purchased Parts - General	/800152-2	2.828

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Purchased Parts - General	900263	58.38
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Purchased Parts - General	900276	4
Purchased Parts - General	900282	2
Purchased Parts - General	900284	74
Purchased Parts - General	900285	105
Purchased Parts - General	900286	4
Purchased Parts - General	900287	15
Purchased Parts - General	900288	54
Purchased Parts - General	900290	349
Purchased Parts - General	900291	54.21
Purchased Parts - General	900292	29.19
Purchased Parts - General	900303	2
Purchased Parts - General	900312	6
Purchased Parts - General	900320	35
Purchased Parts - General	900322	39
Purchased Parts - General	900336	4
Purchased Parts - General	900337	4
Purchased Parts - General	900359	4
Purchased Parts - General	900360	4
Purchased Parts - General	900363	11
Purchased Parts - General	900364	3
Purchased Parts - General	900371	55
Purchased Parts - General	900375	1
Purchased Parts - General	900376	20.85
Purchased Parts - General	900379	1095
Purchased Parts - General	900383	4.17
Purchased Parts - General	900385	16.68
Purchased Parts - General	900386	7
Purchased Parts - General	MRO-01-171	17
Purchased Parts - General	MRO-07-028	1
Purchased Parts - General	STD-00117	1
Purchased Parts - General	STD-00158	3
Purchased Parts - General	STD-00159	3
Purchased Parts - General	STD-00209	4
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PS	MRO-01-043	12
PS	MRO-01-062	20
PS	MRO-01-101	7
PS	MRO-01-111	5
PS	MRO-01-124	25
PS	MRO-01-125	13
PS	MRO-01-127	10
PS	MRO-01-128	6
PS	MRO-01-130	45
PS	MRO-01-135	13
PS	MRO-01-137	7

PS	MRO-01-99	70
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PS	MRO-02-063	3
PS	MRO-02-126	5240
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PS	MRO-02-217	2
PS	MRO-03-002	1
PS	MRO-03-015	2
PS	MRO-03-016	3
PS	MRO-03-028	3
PS	MRO-04-001	46
PS	MRO-04-002	26
PS	MRO-04-003	2
PS	MRO-04-005	8
PS	MRO-04-006	4
PS	MRO-04-012	1
PS	MRO-04-015	3
PS	MRO-04-030	2
PS	MRO-04-038	1
PS	MRO-04-039	2
PS	MRO-04-043	7
PS	MRO-04-056	2
PS	MRO-04-058	7
PS	MRO-04-059	13
PS	MRO-04-060	6
PS	MRO-04-061	16
PS	MRO-04-062	5
PS	MRO-04-063	3
PS	MRO-05-020	17
PS	MRO-05-022	2
PS	MRO-05-025	2
PS	MRO-05-026	2
PS	MRO-05-030	7
PS	MRO-05-031	4
PS	MRO-06-002	132
PS	MRO-06-016	143.1848
PS	MRO-06-017	121.3696
PS	MRO-06-018	88
PS	MRO-06-047	3
PS	MRO-06-048	1
PS	MRO-06-049	6
PS	MRO-06-050	5
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PS	MRO-06-052	11
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PS	MRO-06-073	13
PS	MRO-06-075	9
PS	MRO-06-110	1
PS	MRO-06-113	100

PS	MRO-06-117	165
PS	MRO-06-128	84
PS	MRO-06-131	56
PS	MRO-06-137	28
PS	MRO-06-138	18
PS	MRO-06-151	200.0188
PS	MRO-06-172	5
PS	MRO-06-173	5
PS	MRO-06-177	20
PS	MRO-06-190	2
PS	MRO-06-192	15
PS	MRO-06-202	10
PS	MRO-06-213	56
PS	MRO-06-214	2
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PS	MRO-06-226	9
PS	MRO-06-236	13
PS	MRO-06-238	11
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PS	MRO-06-248	52
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PS	MRO-06-250	44
PS	MRO-07-001	12
PS	MRO-07-003	3
PS	MRO-07-008	12
PS	mro-07-011	12
PS	MRO-07-022	18
PS	MRO-07-024	8
PS	MRO-07-026	1
PS	MRO-08-002	9
PS	MRO-08-009	47
PS	MRO-08-010	20
PS	MRO-08-011	40
PS	MRO-08-018	29
PS	MRO-08-019	39
PS	MRO-08-022	47
PS	MRO-08-024	13
PS	MRO-08-029	7
PS	MRO-08-032	39
PS	mro-08-037	2
PS	MRO-08-039	1
PS	MRO-08-058	50
PS	MRO-08-059	4
PS	MRO-08-060	2
PS	MRO-08-071	32
PS	MRO-08-072	36
PS	MRO-08-073	48
PS	MRO-08-075	36

Pipe-Tube - Code	/600050-12350	2
Pipe/Tube - General	500262	50
Pipe/Tube - General	600002	6.5
Pipe/Tube - General	/600007	10.32
Pipe/Tube - General	/600009	19
Pipe/Tube - General	/600010	33.5
Pipe/Tube - General	600024	7
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Pipe/Tube - General	600027-13156	106
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Pipe/Tube - General	600029	34
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Pipe/Tube - General	/600045	14.42
Pipe/Tube - General	/600060	74
Pipe/Tube - General	600066	82.84
Pipe/Tube - General	/600072	55.916
Pipe/Tube - General	/600078	29
Pipe/Tube - General	/600079	6.8
Pipe/Tube - General	600084	20
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Pipe/Tube - General	/600099	4.42
Pipe/Tube - General	600100	14.5
Pipe/Tube - General	/600102	38.666
Pipe/Tube - General	/600103	32.5
Pipe/Tube - General	/600191	11.5
Pipe/Tube - General	/600195	34.4
Pipe/Tube - General	/600197	41.7
Pipe/Tube - General	600199FT	11.83
Pipe/Tube - General	600200	15.4
Pipe/Tube - General	/600203	35.4
Pipe/Tube - General	600209	4.75
Pipe/Tube - General	600209-12600	58
Pipe/Tube - General	/600214	13.75
Pipe/Tube - General	/600220	24.58
Pipe/Tube - General	/600224	18
Pipe/Tube - General	600225	37.645
Pipe/Tube - General	600225-38000	3
Pipe/Tube - General	600226	71.246
Pipe/Tube - General	600228	8
Pipe/Tube - General	600229	21.42
Pipe/Tube - General	/600232	39.1
Pipe/Tube - General	600235	20
Pipe/Tube - General	/600239	4.3
Pipe/Tube - General	600241	43.5
Pipe/Tube - General	600243-13156	2
Pipe/Tube - General	/600255	31.24
Pipe/Tube - General	/600257	15.3
Pipe/Tube - General	600262	200

Pipe/Tube - General	/600266	52.33
Pipe/Tube - General	/600267	22
Pipe/Tube - General	600269	33.5
Pipe/Tube - General	600271	35
Pipe/Tube - General	/600283	22
Pipe/Tube - General	600285	19
Pipe/Tube - General	/600295	27
Pipe/Tube - General	/600297	14.58
Pipe/Tube - General	600306	4.72
Pipe/Tube - General	600308	20.25
Pipe/Tube - General	/600310-14275	12
Pipe/Tube - General	/600310-14525	4
Pipe/Tube - General	600310FT	31.5
Pipe/Tube - General	/600316	8.08
Pipe/Tube - General	/600317	11.58
Pipe/Tube - General	600320	75
Pipe/Tube - General	600323	18.25
Pipe/Tube - General	/600325	9.58
Pipe/Tube - General	600326	2.5
Pipe/Tube - General	/600327	5.42
Pipe/Tube - General	600330	21
Pipe/Tube - General	/600335	21.58
Pipe/Tube - General	600358	9.7
Pipe/Tube - General	/600359	11.84
Pipe/Tube - General	600360	35.93
Pipe/Tube - General	/600364	7.9
Pipe/Tube - General	/600365	12.9
Pipe/Tube - General	600393	105
Pipe/Tube - General	600395	262
Pipe/Tube - General	/600396	7
Pipe/Tube - General	/600397	18
Pipe/Tube - General	/600399	21.66
Pipe/Tube - General	600402	63
Pipe/Tube - General	600406	13.5
Pipe/Tube - General	/600412	4.9
Pipe/Tube - General	600414	308
Pipe/Tube - General	600421	29.34
Pipe/Tube - General	600422	295
Pipe/Tube - General	600423	646.101
Pipe/Tube - General	600427	68.2438
Pipe/Tube - General	600427-18150	1
Pipe/Tube - General	600428	9.5
Pipe/Tube - General	600429	18.2
Pipe/Tube - General	600430	14.83
Pipe/Tube - General	600432	12.616
Pipe/Tube - General	600503	13.16
Pipe/Tube - General	/600507	41
Pipe/Tube - General	600507-54475	7
Pipe/Tube - General	600507-58600	1

Pipe/Tube - General	600508	32.25
Pipe/Tube - General	600509	12
Pipe/Tube - General	600518	66.33
Pipe/Tube - General	600519	34.32
Pipe/Tube - General	600520	60.92
Pipe/Tube - General	/600530	15
Pipe/Tube - General	/600531	17.2
Pipe/Tube - General	600533	23
Pipe/Tube - General	600542	54.88
Pipe/Tube - General	600543	29.61
Pipe/Tube - General	700066	12.58
Pipe/Tube - General	700074	11.3
Pipe/Tube - General	700089	947.8
Pipe/Tube - General	700105	448.68
Structural Steel	800018	14.88
Structural Steel	800082	7.33
Structural Steel	800496	102
Structural Steel	800535	12.33
Structural Steel	800901	10
Structural Steel	800902	47
Sub Assembly - General	/140590-100	20
Sub Assembly - General	/181908-200	32
Sub Assembly - General	182621-1600	12

SCHEDULE 1.1(qq)
LEASED EQUIPMENT

Nil.

SCHEDULE 1.1(bbb)

FORM OF PATENT ASSIGNMENT

(attached)

PATENT ASSIGNMENT

TO: PROPAK SYSTEMS LTD., a corporation incorporated under the laws of the Province of Alberta with an address at 440 East Lake Road NE, Airdrie, Alberta, T4A 2J8 (the "**Purchaser**")

Further to the Asset Purchase Agreement dated June 14, 2018 between the undersigned and the Purchaser (the "**Agreement**"), and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the undersigned, the undersigned hereby agrees and confirms that:

- A. the undersigned, a corporation formed under the laws under the federal laws of Canada having a principal place of business at 8 Adelaide Street West, Suite 200, Toronto, ON M5H 0A9, has, pursuant to the Agreement and the Approval and Vesting Order (as defined in the Agreement), assigned, conveyed, and otherwise transferred, and, to the extent not thereby assigned, conveyed and otherwise transferred, hereby assigns, conveys, and otherwise transfers, to the Purchaser all rights, title and interest whatsoever in and to: (i) the inventions described in the patents and patent applications listed in Schedule A attached hereto; and (ii) any and all patents and patent applications for said inventions in any and all countries, including all divisions, reissues, continuations and extensions thereof, and all rights of priority resulting from the filing of the patents and patent applications (collectively, the "**Patents**");
- B. the undersigned agrees to authorize and request any official whose duty it is to issue patents, to issue any patent on the inventions to the Purchaser or its successors or assigns;
- C. the undersigned further agrees that on the Purchaser's reasonable request and without further consideration, but at the expense of the Purchaser, to communicate to the Purchaser or its representatives or nominees any facts known to the undersigned respecting the inventions and testify in any legal proceeding, sign all lawful papers, execute all divisional, continuing and reissue applications, make all rightful oaths and generally do everything possible to aid the Purchaser, its successors, assigns, and nominees to obtain and enforce the Patents in all countries;
- D. the undersigned has not entered into or authorized any assignment, sale, agreement or encumbrance that would conflict with this Patent Assignment or the matters contemplated hereby; and
- E. the undersigned hereby grants BENNETT JONES LLP, 4500 Bankers Hall East, 855 - 2nd Street S.W., Calgary, Alberta, Canada, T2P 4K7, power to insert on this Patent Assignment any further identification of the Patents which may be necessary or desirable in order to comply with the rules of any patent office, including the Canadian Intellectual Property Office and the United States Patent and Trademark Office, for recordation of this Patent Assignment.

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

IN WITNESS WHEREOF the undersigned has executed this Patent Assignment as of the [●] day of June, 2018.

DELOITTE RESTRUCTURING INC.
IN ITS CAPACITY AS COURT-APPOINTED
RECEIVER AND MANAGER OF THE
ASSETS, PROPERTIES AND
UNDERTAKINGS OF
INNOVATIVE STEAM TECHNOLOGIES
INC. AND IST BOILER COMPONENTS INC.,
AND NOT IN ITS PERSONAL OR
CORPORATE CAPACITY

Per: _____
Name:
Title:

SCHEDULE A

Title	Number	Status	Country
System and Method for Enhanced Oil Recovery with a Once-Through Steam Generator	2,711,628	Issued	Canada
System and Method for Enhanced Oil Recovery with a Once-Through Steam Generator	2010/16390	Pending	GCC
System and Method for Enhanced Oil Recovery with a Once-Through Steam Generator	8,631,871	Issued	United States

DECLARATION

I, _____, of the City of _____, in the Province of Ontario, MAKE OATH AND SAY that I was personally present and did see, _____, who is personally known to me to be an officer of **DELOITTE RESTRUCTURING INC.**, duly sign and execute the attached Patent Assignment on the _____ day of June, 2018.

SWORN BEFORE ME at the City of _____)
_____, in the _____ of _____)
_____, this _____ day of _____)
June, 2018.)
)
)
_____)
A Notary Public in and for the)
Province of Ontario)

Signature of Witness

SCHEDULE 1.1(ccc)

PERMITTED ENCUMBRANCES

Nil.

SCHEDULE 1.1(ddd)

PERMITS

(attached)

PERMITS

Organization	Certificate Number	Date	Expiry
The National Board of Boiler & Pressure Vessel Inspectors		7-Nov-14	N/A
ABSA	11251	25-Apr-16	6-Apr-19
ASME	27,560	28-Jun-17	29-Dec-20
ASME	48,027	28-Jun-17	2-Sep-20
ASME	27,561	28-Jun-17	29-Dec-20
ASME	27,562	28-Jun-17	29-Dec-20
The National Board of Boiler & Pressure Vessel Inspectors	3858	13-Jul-17	29-Dec-20
TSSA	QA 05039	23-Feb-18	29-Dec-20
TSSA	QA 05281	23-Feb-18	29-Dec-20
TSSA	QA 02219	23-Feb-18	29-Dec-20
TSSA	QA 02217	23-Feb-18	29-Dec-20
TSSA	QA 02218	23-Feb-18	29-Dec-20
TSSA	QA 217	23-Feb-18	29-Dec-20
CWB	INNSTI	20-Sep-17	19-Oct-18
SGS	CA98/1228	2-Dec-15	2-Dec-18
SGS	215232/H/01	10-Feb-16	10-Feb-19
Technical Safety Authority of Saskatchewan	0099 - 0001	27-Oct-15	27-Oct-18

SCHEDULE 1.1(ggg)

PREPAID EXPENSES

(attached)

PREPAID EXPENSES**RENT (April 30, 2018)**

NATURA - PREPAID RENT FOR THE LAST MONTH (09/2018)	37,921.50
NATURA - PREPAID RENT FOR NEXT MONTH (05/2018)	37,921.50
IST - PREPAID RENT FOR NEXT MONTH	-
IST - PREPAID RENT FOR LAST MONTH (07/2025)	48,247.50
TOTAL:	<u><u>124,090.50</u></u>

OTHER PREPAIDS (April 30, 2018)

Synergis - Adept (02/17-02/18)	-
Autodesk - Maintenance (09/15 - 08/18)	8,444.71
ERP & CRM (07/17-06/18)	5,538.41
ERP & CRM (07/18-06/19)	69,559.28
Microsoft Office (05/17-04/18)	1,387.50
ECI Telephone Maintenance (07/17-06/18)	686.42
Nautalex Renewal (02/18-02/19)	3,902.00
Nautalex Office (10/17-11/18)	2,500.00
Ubiq (04/17-03/18)	(316.80)
TOTAL:	<u><u>91,701.52</u></u>

SCHEDULE 1.1(uuu)
FORM OF TRADEMARK ASSIGNMENT

(attached)

TRADEMARK ASSIGNMENT

TO: PROPAK SYSTEMS LTD., a corporation incorporated under the laws of the Province of Alberta with an address at 440 East Lake Road NE, Airdrie, Alberta, T4A 2J8 (the "**Purchaser**")

Further to the Asset Purchase Agreement dated June 14, 2018 between the undersigned and the Purchaser (the "**Agreement**"), and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the undersigned, the undersigned hereby agrees and confirms that:

- A. the undersigned, a corporation formed under the laws under the federal laws of Canada having a principal place of business at 8 Adelaide Street West, Suite 200, Toronto, ON M5H 0A9, has, pursuant to the Agreement and the Approval and Vesting Order (as defined in the Agreement), assigned, conveyed, and otherwise transferred, and, to the extent not thereby assigned, conveyed and otherwise transferred, hereby assigns, conveys, and otherwise transfers, to the Purchaser all of the rights, title and interest whatsoever in and to the trademarks listed in Schedule A attached hereto, including without limitation, all goodwill in said trademarks, the registration thereto, all rights of registration, maintenance, renewal and protection thereof, and all rights of recovery and of legal action for past infringements and of opposition and/or cancellation proceedings for protection of the said trademark (collectively, the "**Trademarks**");
- B. the undersigned further agrees that on the Purchaser's reasonable request and without further consideration, but at the expense of the Purchaser, to sign all lawful papers, make all rightful oaths and generally do everything possible to aid the Purchaser, its successors, assigns, and nominees to obtain and enforce the Trademarks; and
- C. the undersigned has not entered into or authorized any assignment, sale, agreement or encumbrance that would conflict with this Trademark Assignment or the matters contemplated hereby.

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

IN WITNESS WHEREOF the undersigned has executed this Trademark Assignment as of the [●] day of June, 2018.

DELOITTE RESTRUCTURING INC.
IN ITS CAPACITY AS COURT-APPOINTED
RECEIVER AND MANAGER OF THE
ASSETS, PROPERTIES AND
UNDERTAKINGS OF
INNOVATIVE STEAM TECHNOLOGIES
INC. AND IST BOILER COMPONENTS INC.,
AND NOT IN ITS PERSONAL OR
CORPORATE CAPACITY

Per: _____
Name:
Title:

SCHEDULE A

Registration Number	Trademark	Status	Jurisdiction
943175	FOUND ENERGY	Registered	Canada
731,181	IST & Swirl Design	Registered	Canada
3,570,837	IST & Swirl Design	Registered	U.S.A.
529,766	IST	Registered	Canada
3,207,283	IST	Registered	U.S.A.
519,989	IST & Design	Registered	Canada
2,427,853	Swirl Design	Registered	U.S.A.
498,915	INNOVATIVE STEAM TECHNOLOGIES	Registered	Canada
2,657,538	INNOVATIVE STEAM TECHNOLOGIES	Registered	U.S.A.
830945253	SQ90	Registered	Brazil
809,970	SQ90	Registered	Canada
101671	SQ90	Registered	Kuwait
66373	SQ90	Registered	Oman
4,218,531	SQ90	Registered	U.S.A.
311691	SQ90	Registered	Venezuela

SCHEDULE 11.2(a)

FORM OF BRING-DOWN CERTIFICATE

TO: [Name of Vendor/Purchaser] [(the "Vendor")] [(the "Purchaser")]

RE: Asset Purchase Agreement dated June 14, 2018 between the Vendor and the Purchaser (the "Agreement")

Unless otherwise defined herein, the definitions provided for in the Agreement are adopted in this certificate (the "Certificate").

I, [Name], [Position] of [Name of Vendor/Purchaser] [(the "Vendor")] [(the "Purchaser")] hereby certify that as of the date of this Certificate:

1. The undersigned is personally familiar, in [his][her] capacity as an officer of [Vendor][Purchaser], with the matters hereinafter mentioned.
2. Each of the representations and warranties of the [Vendor][Purchaser] contained in Section [6.1 / 6.2] of the Agreement were true and correct in all material respects when made and are true and correct in all material respects as of the Closing Date.
3. All obligations of [Vendor][Purchaser] contained in the Agreement to be performed prior to or at Closing have been timely performed in all material respects.
4. This Certificate is made for and on behalf of the [Vendor][Purchaser] and is binding upon it, and I am not incurring, and will not incur, any personal liability whatsoever with respect to it.
5. This Certificate is made with full knowledge that the [Vendor][Purchaser] is relying on the same for the Closing of the Transaction.

IN WITNESS WHEREOF I have executed this Certificate this _____ day of _____, 2018.

[Name of Vendor/Purchaser]

Per: _____

Name:

Title:

TAB F

**In the Matter of the Receivership of
Innovative Steam Technologies Inc. and IST Boiler Components Inc.
Interim Statement of Receipts and Disbursements
For the period from May 1, 2018 to June 12, 2018**

<u>Description</u>	<u>Amount</u>	<u>Notes</u>
Receipts		
Cash on hand - CAD\$	\$ 867,126	
Cash on hand - USD\$	156,946	1
Accounts receivable - CAD\$	522,864	
Accounts receivable - USD\$	127,401	1
Sale of Inventory	665,019	2
Other - CAD\$	27,543	
Other - USD\$	216	
Total actual receipts	<u>2,367,116</u>	
Disbursements		
Contract employees	34,488	3
Occupation rent	142,973	
Insurance	39,002	
HST paid post-receivership	13,976	
Miscellaneous disbursements - CAD\$	4,943	
Miscellaneous disbursements - USD\$	12	1
Total actual disbursements	<u>235,392</u>	
Excess of Receipts over Disbursements	<u><u>\$ 2,131,724</u></u>	4

Notes:

- 1 Balances translated at CAD/USD exchange rate of 1.30.
- 2 Sale of inventory represents orders that were completed post-receivership.
- 3 The Receiver contracted certain former employees to assist with records of employment, sale of inventory, computer systems backup and other receivership administration.
- 4 Net receipts recorded on cash basis; exclude certain expenses that are accruing but not paid (e.g. Receiver fees, contractors)

Tab 3

Court File No. CV-18-596878-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE MR.	)	WEDNESDAY, THE 27th
)	
JUSTICE HAINEY	)	DAY OF JUNE, 2018

B E T W E E N:

HSBC BANK CANADA

Applicant

- and -

**INNOVATIVE STEAM TECHNOLOGIES INC. and
IST BOILER COMPONENTS INC.**

Respondents

APPROVAL AND VESTING ORDER

THIS MOTION, made by Deloitte Restructuring Inc. in its capacity as the Court-appointed receiver (the "**Receiver**") of the undertaking, property and assets of Innovative Steam Technologies (the "**Debtor**") and IST Boiler Components Inc. for an order approving the transaction (the "**Transaction**") contemplated by the Asset Purchase Agreement (the "**Sale Agreement**") between the Receiver and Propak Systems Ltd. (the "**Purchaser**") dated June 14, 2018 and appended to the Second Report of the Receiver dated June 15, 2018 (the "**Second Report**"), and vesting in the Purchaser the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Second Report and on hearing the submissions of counsel for the Receiver, HSBC Bank Canada, no one appearing for any other person on the service list, although properly served as appears from the affidavit of [NAME] sworn [DATE] filed:

1. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

2. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Receiver's Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Wilton-Siegel in this Action dated May 1, 2018; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule B hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule C) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets

with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

4. THIS COURT ORDERS AND DIRECTS the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

5. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

6. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

7. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

8. THIS COURT ORDERS that any person, creditor or party who has or may make a Claim or has or may make or register an Encumbrance as against or with respect to the Purchased Assets (an “**IST/Purchased Assets Claim**”), is hereby enjoined and prohibited from registering any Encumbrance with respect to such IST/Purchased Assets Claim and from advancing such IST/Purchased Assets Claim, whether against the the Purchaser or any third-party customer or purchaser of part or all of the Purchased Assets from the Purchaser (a “**Customer**”) or against the property, estate or assets of the Purchaser or a Customer. This Court orders that any such Encumbrances filed or registered with respect to an IST/Purchased Assets Claim are hereby expunged and discharged as against the property, estate or assets of the Purchaser or a Customer.

9. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order, including assistance in enforcing the injunction ordered in paragraph 8 of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

Schedule A – Form of Receiver’s Certificate

Court File No. CV-18-596878-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE	)	_____	, THE _____
)		
JUSTICE	)		DAY OF _____, 2018

B E T W E E N:

HSBC BANK CANADA

Applicant

- and -

**INNOVATIVE STEAM TECHNOLOGIES INC. and
IST BOILER COMPONENTS INC.**

Respondents

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Mr. Justice H. J. Wilton-Siegel of the Ontario Superior Court of Justice (the "**Court**") dated May 1, 2018, Deloitte Restructuring Inc. was appointed as the receiver (the "**Receiver**") of the undertaking, property and assets of Innovative Steam Technologies Inc. (the "**Debtor**").

B. Pursuant to an Order of the Court dated June 27, 2018, the Court approved the Asset Purchase Agreement (the "**Sale Agreement**") between the Receiver and Propak Systems Ltd. (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming

(i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section 11 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in section 11 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

DELOITTE RESTRUCTURING INC., in its capacity as Receiver of the undertaking, property and assets of INNOVATIVE STEAM TECHNOLOGIES and IST BOILER COMPONENTS INC., and not in its personal capacity

Per: _____
Name:
Title:

Schedule B – Claims

None

None

HSBC BANK CANADA
Applicant

-and-

INNOVATIVE STEAM TECHNOLOGIES INC. et al.
Respondents

Court File No. CV-18-596878-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

PROCEEDING COMMENCED AT TORONTO

APPROVAL AND VESTING ORDER

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Barristers and Solicitors
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Lawyers for the Receiver, Deloitte Restructuring Inc.

Revised: January 21, 2014

Court File No. — CV-18-596878-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE — MR.) ~~WEEKDAY~~ WEDNESDAY, THE # 27th
 JUSTICE — HAINES)
) DAY OF ~~MONTH~~ JUNE, ~~20YR~~ 2018

B E T W E E N:

HSBC BANK CANADA

~~PLAINTIFF~~ Applicant

~~Plaintiff~~

- and -

**INNOVATIVE STEAM TECHNOLOGIES INC. and
IST BOILER COMPONENTS INC.**

~~DEFENDANT~~ Respondents

~~Defendant~~

APPROVAL AND VESTING ORDER

THIS MOTION, made by ~~{RECEIVER'S NAME}~~ Deloitte Restructuring Inc. in its capacity as the Court-appointed receiver (the "**Receiver**") of the undertaking, property and assets of ~~{DEBTOR}~~ Innovative Steam Technologies (the "**Debtor**") and IST Boiler Components Inc. for an order approving the ~~sale~~-transaction (the "**Transaction**") contemplated by ~~an agreement of purchase and sale~~ the Asset Purchase Agreement (the "**Sale Agreement**") between the Receiver and ~~{NAME OF PURCHASER}~~ Propak Systems Ltd. (the "**Purchaser**") dated ~~{DATE}~~ June 14, 2018 and appended to the Second Report of the Receiver dated ~~{DATE}~~ June 15, 2018 (the "**Second Report**"), and vesting in the Purchaser the Debtor's right, title and interest in and to the

assets described in the Sale Agreement (the "Purchased Assets"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Second Report and on hearing the submissions of counsel for the Receiver, ~~[NAMES OF OTHER PARTIES APPEARING]~~ HSBC Bank Canada, no one appearing for any other person on the service list, although properly served as appears from the affidavit of [NAME] sworn [DATE] filed¹:

1. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved,² and the execution of the Sale Agreement by the Receiver³ is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

2. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Receiver's Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement ~~[and listed on Schedule B hereto]~~⁴ shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured,

¹~~This model order assumes that the time for service does not need to be abridged. The motion seeking a vesting order should be served on all persons having an economic interest in the Purchased Assets, unless circumstances warrant a different approach. Counsel should consider attaching the affidavit of service to this Order.~~

²~~In some cases, notably where this Order may be relied upon for proceedings in the United States, a finding that the Transaction is commercially reasonable and in the best interests of the Debtor and its stakeholders may be necessary. Evidence should be filed to support such a finding, which finding may then be included in the Court's endorsement.~~

³~~In some cases, the Debtor will be the vendor under the Sale Agreement, or otherwise actively involved in the Transaction. In those cases, care should be taken to ensure that this Order authorizes either or both of the Debtor and the Receiver to execute and deliver documents, and take other steps.~~

⁴~~To allow this Order to be free standing (and not require reference to the Court record and/or the Sale Agreement), it may be preferable that the Purchased Assets be specifically described in a Schedule.~~

unsecured or otherwise (collectively, the "**Claims**"⁵) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice ~~[NAME]~~Wilton-Siegel in this Action dated ~~[DATE]~~May 1, 2018; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule ~~EB~~ hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule ~~DC~~) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

~~3. THIS COURT ORDERS that upon the registration in the Land Registry Office for the [Registry Division of {LOCATION}] of a Transfer/Deed of Land in the form prescribed by the Land Registration Reform Act duly executed by the Receiver][Land Titles Division of {LOCATION}] of an Application for Vesting Order in the form prescribed by the Land Titles Act and/or the Land Registration Reform Act]⁶, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the "Real Property") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.~~

~~3.~~ 4. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds ⁷from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior

~~⁵The "Claims" being vested out may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims would, in that case, still continue as against the net proceeds from the sale of the claimed asset. Similarly, other rights, titles or interests could also be vested out, if the Court is advised what rights are being affected, and the appropriate persons are served. It is the Subcommittee's view that a non specific vesting out of "rights, titles and interests" is vague and therefore undesirable.~~

~~⁶Elect the language appropriate to the land registry system (Registry vs. Land Titles).~~

~~⁷The Report should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at "net proceeds".~~

to the sale⁸, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

4. ~~5.~~ THIS COURT ORDERS AND DIRECTS the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

5. ~~6.~~ THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees, ~~including personal information of those employees listed on Schedule "A" to the Sale Agreement~~. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

6. ~~7.~~ THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or

~~⁸ This provision crystallizes the date as of which the Claims will be determined. If a sale occurs early in the insolvency process, or potentially secured claimants may not have had the time or the ability to register or perfect proper claims prior to the sale, this provision may not be appropriate, and should be amended to remove this crystallization concept.~~

provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

7. ~~8.~~ THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

8. THIS COURT ORDERS that any person, creditor or party who has or may make a Claim or has or may make or register an Encumbrance as against or with respect to the Purchased Assets (an "IST/Purchased Assets Claim"), is hereby enjoined and prohibited from registering any Encumbrance with respect to such IST/Purchased Assets Claim and from advancing such IST/Purchased Assets Claim, whether against the the Purchaser or any third-party customer or purchaser of part or all of the Purchased Assets from the Purchaser (a "Customer") or against the property, estate or assets of the Purchaser or a Customer. This Court orders that any such Encumbrances filed or registered with respect to an IST/Purchased Assets Claim are hereby expunged and discharged as against the property, estate or assets of the Purchaser or a Customer.

9. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order, including assistance in enforcing the injunction ordered in paragraph 8 of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

B. Pursuant to an Order of the Court dated ~~[DATE]~~June 27, 2018, the Court approved the ~~agreement of purchase and sale made as of [DATE OF AGREEMENT]~~Asset Purchase Agreement (the "**Sale Agreement**") between the Receiver ~~[Debtor] and [NAME OF PURCHASER]~~and Propak Systems Ltd. (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section ~~11~~11 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the ~~Sale~~-Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in section ~~11~~11 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

~~[NAME OF RECEIVER]~~DELOITTE RESTRUCTURING INC., in its capacity as Receiver of the undertaking, property and assets of ~~[DEBTOR]~~INNOVATIVE STEAM TECHNOLOGIES and IST BOILER COMPONENTS INC., and not in its personal capacity

Per: _____

Name:

Title:

Schedule B – ~~Purchased Assets~~Claims

None

None

HSBC BANK CANADA
Applicant

-and-

INNOVATIVE STEAM TECHNOLOGIES INC. et al.
Respondents

**Schedule D — Permitted Eneumbrances, Easements and Restrictive Covenants
related to the Real Property
(unaffected by the Vesting Order)**

Court File No. CV-18-596878-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

PROCEEDING COMMENCED AT TORONTO

APPROVAL AND VESTING ORDER

BAKER & MCKENZIE LLP

Barristers and Solicitors

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Lawyers for the Receiver, Deloitte Restructuring Inc.

Summary report:	
Litéra® Change-Pro TDC 10.0.0.27 Document comparison done on 6/15/2018 3:16:03 PM	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original filename: Model Vesting Order-2865803-v1-TORDMS.DOC	
Modified filename: Propak Approval and Vesting Order-2865600-v1-TORDMS.DOC	
Changes:	
<u>Add</u>	67
Delete	81
Move From	0
<u>Move To</u>	0
<u>Table Insert</u>	3
Table Delete	0
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	151

HSBC BANK CANADA
Applicant

-and-

INNOVATIVE STEAM TECHNOLOGIES INC. et al.
Respondents

Court File No. CV-18-596878-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

PROCEEDING COMMENCED AT TORONTO

**MOTION RECORD OF DELOITTE
RESTRUCTURING INC.
(Returnable June 27, 2018)**

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Barristers and Solicitors
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Lawyers for the Receiver, Deloitte Restructuring Inc.