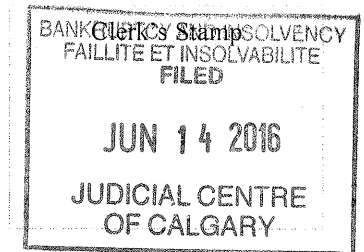


COURT FILE and
BANKRUPTCY NUMBER

094674



COURT

COURT OF QUEEN'S BENCH OF ALBERTA
IN BANKRUPTCY AND INSOLVENCY

BANKRUPTCY MATTER

IN THE MATTER OF THE BANKRUPTCY
OF CHRIS MECHANICAL SERVICES LTD.

APPLICANT

CENTURY SERVICES CORP.

RESPONDENT

CHRIS MECHANICAL SERVICES LTD.

DOCUMENT

AFFIDAVIT OF VERIFICATION

ADDRESS FOR SERVICE

Robyn Gurofsky/Jessica L. Cameron

AND CONTACT

Borden Ladner Gervais LLP

1900, 520 3rd Ave. S.W.

Calgary, AB T2P 0R3

INFORMATION OF PARTY

Telephone: (403) 232-9774/9715

Facsimile: (403) 266-1395

FILING THIS DOCUMENT

Email: rgurofsky@blg.com/jcameron@blg.com

File No. 418656/000208

AFFIDAVIT OF VERIFICATION OF ROD HUDSON

Sworn on June 14th, 2016

I, **ROD HUDSON** of Calgary, Alberta, MAKE OATH AND SWEAR AS FOLLOWS:

1. I am the Chief Financial Officer for the Plaintiff, Century Services Corp., the assignee of all of the assets and liabilities, including loan accounts of Century Services Inc. ("**Century**"). I am presently responsible for the administration of the accounts of Chris Mechanical Services Ltd. ("**CMS**"). As such, I have personal knowledge of the matters and facts hereinafter sworn to, except where stated to be based on information and belief, and where so stated, I verily believe the same to be true.
2. I am authorized by Century to swear this Affidavit.

3. The facts as alleged in the Application are true and within my own knowledge.
4. CMS is a body corporate duly registered pursuant to the laws of the Province of Alberta, with its registered office in the City of Calgary, Alberta. Attached hereto and marked as **Exhibit "A"** is a copy of a Corporate Registries search for CMS dated December 15, 2015.

Loans and Security

5. Century provided a non-revolving term facility to Chris Mechanical Services ("**CMS**") pursuant to a Loan Agreement dated March 2, 2015 (the "**Loan Agreement**").
6. The principal amount of the loan advanced by Century to CMS was \$5,543,500.00 (the "**Loan**").
7. As security for the Loan, CMS executed in favour of Century, a General Security Agreement (the "**GSA**") and a Promissory Note issued by CMS in the amount of the Loan (the "**Promissory Note**"), both dated March 4, 2015 (the "**Century Security**").
8. Century and CMS are each parties to an Intercreditor Agreement dated July 28, 2015 (the "**Intercreditor Agreement**") between Century, CMS, Duffy Holdings Ltd., Duffy Building Corporation ("**Duffy Building**"), James Hickey, and 1784761 Alberta Ltd. ("**178**"), a party who has provided a factoring facility to CMS.
9. Pursuant to paragraph 4.2 of the Intercreditor Agreement, the issuance of a demand by 178 under the factoring facility, or otherwise, constitutes an event of default under the Loan Agreement and the Century Security.
10. On or about September 24, 2015, Century became aware that a judgment had been registered against CMS at the Alberta personal property registry ("**PPR**"), contrary to CMS's warranty under the Loan Agreement to keep all collateral subject to the Century Security free and clear of all liens and encumbrances.
11. On or about November 9, 2015, Century became aware that 178 had issued demand for payment against CMS under the factoring facility, constituting an event of default under the Loan Agreement and Century Security.
12. As a result of the events of default, on November 16, 2015, through its counsel, Century demanded repayment of the Loan from CMS, amongst others, and issued a Notice of Intention to

Enforce Security pursuant to section 244 of the Bankruptcy and Insolvency Act, RSC 1985, c B-3, as amended, to CMS (together the “**Century Demands**”).

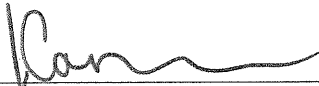
13. Following issuance of the Century Demands, Century, CMS and certain other parties entered into a forbearance agreement dated November 30, 2015 (the “**Forbearance Agreement**”). The Forbearance Agreement provided that CMS would deliver to Century an unconditional executed commitment letter from a reputable lender evidencing a commitment to refinance the outstanding indebtedness owed to Century. In addition, an executed consent receivership order was delivered by CMS, through its counsel, to Century, in the event there was a default under the Forbearance Agreement.
14. Subsequently, on December 15, 2015, 178 filed a Caveat- Re Agreement Charging Lands against certain real property covered by Century’s security under the Loan Agreement. This registration represented an event of default under the Loan Agreement, and therefore Forbearance Agreement.
15. Around this same time, Century learned of a further default under the Loan Agreement, namely that CMS had failed to pay its employee payroll on or about December 11, 2015.
16. As a result of these events of default, Century proceeded to enforce its rights, including seeking the appointment of a Receiver over CMS. On December 18, 2015, FTI Consulting Canada Inc. (“**FTI**”) was appointed as Receiver of all of the assets, undertakings and properties of CMS pursuant to the consent receivership order issued by the Alberta Court of Queen’s Bench (the “**Receivership Order**”). Attached hereto and marked as **Exhibit “B”** is a copy of the Receivership Order.
17. As at May 31, 2016, CMS was indebted to Century in an amount of \$6,113,034.00, plus accrued and accruing interest, fees and other chargeable costs (the “**Indebtedness**”).
18. Attached hereto and marked as **Exhibit “C”** is a copy of the Notice of Statement of the Receiver, which shows that CMS owes further sums to other secured and unsecured creditors, currently totalling approximately \$6,893,000.00.

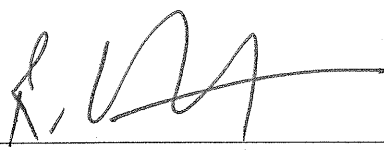
Bankruptcy

19. In the result, I verily believe and it is the position of the Applicants that CMS has failed to meet its obligations as they generally become due, thereby committing an act of bankruptcy.

- 20. Century holds Security in respect of the Indebtedness over the personal property of CMS. Based on information provided by the Receiver regarding the Receiver's estimate of proceeds from CMS's realizable assets and an estimate of professional fees of \$50,000, Century estimates the value of its security against CMS to be between \$1,112,000 to \$1,728,000. In the result, Century has an unsecured claim against CMS between \$4,385,034 and \$5,001,034.
- 21. In addition, Century holds a mortgage over certain real property pledged by Duffy Building, a guarantor, which the Receiver estimates value of between \$3.0 million to \$4.0 million. As a result, even including this additional security pledged by a guarantor, Century would still have an unsecured claim against CMS between \$385,034 to \$2,001,034.
- 22. I am advised by FTI that it consents to this Application. Attached hereto and marked as **Exhibit "D"** is a copy of such correspondence.
- 23. FTI has consented to act as trustee in bankruptcy over CMS's bankrupt estate. FTI will separately file a form of consent to act as trustee in bankruptcy in the within Action.
- 24. I swear this affidavit in support of a bankruptcy order against CMS, including the appointment of FTI as trustee in bankruptcy over CMS's bankrupt estate, and for no other purpose.

SWORN BEFORE ME at Calgary, Alberta,)
 this 1st day of June 2016.)
)
)
)
)
)


 _____)
 Commissioner for Oaths in and for Alberta)
JESSICA L. CAMERON)
 A Commissioner for Oaths)
 in and for Alberta)
 Lawyer, Notary Public)


 _____)
ROD HUDSON)

THIS IS EXHIBIT "A"

referred to in the

AFFIDAVIT OF

ROD HUDSON

Sworn before me this

1st day of June 2016



COMMISSIONER FOR OATHS

IN AND FOR ALBERTA

JESSICA L. CAMERON
A Commissioner for Oaths
in and for Alberta
Lawyer, Notary Public

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

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

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

Corporate Access Number: 2014225516
Legal Entity Name: CHRIS MECHANICAL SERVICES LTD.
Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Method of Registration: Amalgamation
Registration Date: 2008/09/01 YYYY/MM/DD

Registered Office:

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

Records Address:

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

Directors:

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

Province: ALBERTA
Postal Code: T2X 3J2

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

Voting Shareholders:

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

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

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

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

Other Information:**Amalgamation Predecessors:**

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

Last Annual Return Filed:

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

Outstanding Returns:

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

Filing History:

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

Attachments:

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

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





THIS IS EXHIBIT "B"

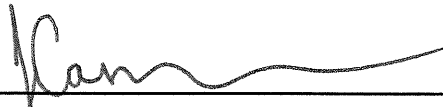
referred to in the

AFFIDAVIT OF

ROD HUDSON

Sworn before me this

1st day of June 2016



COMMISSIONER FOR OATHS

IN AND FOR ALBERTA

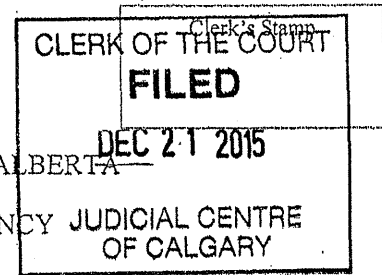
JESSICA L. CAMERON

A Commissioner for Oaths

in and for Alberta

Lawyer, Notary Public

COURT FILE NUMBER 1501- 15223
 BK No.
 COURT COURT OF QUEEN'S BENCH OF ALBERTA
 IN BANKRUPTCY AND INSOLVENCY
 JUDICIAL CENTRE Calgary
 PLAINTIFF CENTURY SERVICES LP by its general partner
 CENTURY SERVICES INC.
 DEFENDANTS CHRIS MECHANICAL SERVICES LTD., DUFFY
 BUILDING CORPORATION and DUFFY
 HOLDINGS LTD.
 DOCUMENT RECEIVERSHIP ORDER



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

DATE ON WHICH ORDER WAS PRONOUNCED: December 18, 2015
 LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta
 NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice C.M. Jones

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

IT IS HEREBY ORDERED AND DECLARED THAT:**SERVICE**

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

APPOINTMENT

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

RECEIVER'S POWERS

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




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

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



- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business;
- (i) without the approval of this Court in respect of any transaction not exceeding \$500,000, provided that the aggregate consideration for all such transactions does not exceed \$1,000,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,
- and in each such case notice under subsection 60(8) of the *Personal Property Security Act*, R.S.A. 2000, c. P-7 shall not be required.
- (m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
 - (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
 - (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
 - (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;
 - (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
 - (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have; and



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

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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



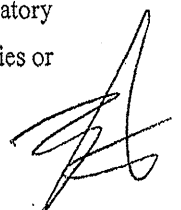
6. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing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

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

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



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

NO EXERCISE OF RIGHTS OF REMEDIES

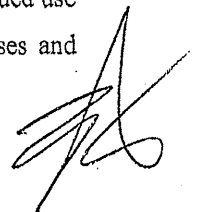
9. All rights and remedies (including, without limitation, set-off rights) against the Debtors, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply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

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

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



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

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

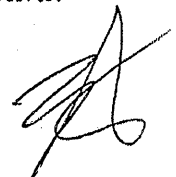
13. Subject to employees' rights to terminate their employment, all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities,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



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

LIMITATION ON ENVIRONMENTAL LIABILITIES

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



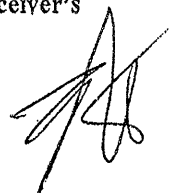
- A. complies with the order, or
 - B. on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;
- (ii) during the period of a stay of the order granted, on application made within the time specified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

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

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



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

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

FUNDING OF THE RECEIVERSHIP

20. The Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$100,000 (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 set out in sections 14.06(7), 81.4(4) and 81.6(2) of the BIA.
21. Neither the Receiver’s Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.



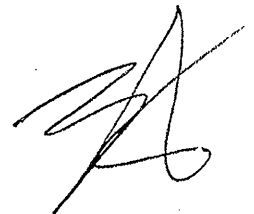
22. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.
23. The monies from time to time borrowed by the Receiver pursuant to this Order or any further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

ALLOCATION

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

GENERAL

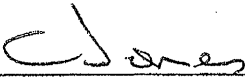
25. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
26. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Receiver will report to the Court from time to time, which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



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

FILING

32. This Order is issued and shall be filed in Court of Queen's Bench Action No. 1501-15223, ^{RS} and ~~Court of Queen's Bench in Bankruptcy Action No. _____~~ ^{RS} which actions are not consolidated. All further proceedings shall be taken in both actions unless otherwise ordered.
33. The Receiver shall establish and maintain a website in respect of these proceedings at ^{RS} www.cfcanada.fticonsulting.com ^{RS} and shall post there as soon as practicable:
chrismechanicalservices
- (a) all materials prescribed by statute or regulation to be made publically available; and
 - (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, or served upon it, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.



Justice of the Court of Queen's Bench of Alberta

CONSENTED TO THIS ____ DAY OF _____, 2015

CARSCALLEN LLP



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

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

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

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

DATED the _____ day of _____, 20__.

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

Per: _____
Name:
Title:

THIS IS EXHIBIT "C"

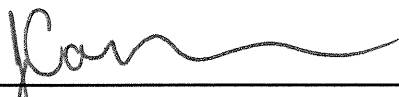
referred to in the

AFFIDAVIT OF

ROD HUDSON

Sworn before me this

1st day of June 2016



COMMISSIONER FOR OATHS

IN AND FOR ALBERTA

JESSICA L. CAMERON
A Commissioner for Oaths
in and for Alberta
Lawyer, Notary Public



December 22, 2015

To: All Known Creditors of Chris Mechanical Services Ltd.

Chris Mechanical Services Ltd., Duffy Building Corporation and Duffy Holdings Ltd. –
In Receivership (collectively, “Chris Mechanical” or the “Debtors”)

On December 18, 2015, FTI Consulting Canada Inc. was appointed as receiver and manager (the “Receiver”) of all the assets, undertakings and properties of the Debtor pursuant to the Order of the Court of Queen’s Bench of Alberta (the “Receivership Order”). A copy of the Receivership Order and other public materials in respect of the receivership proceedings are available at the Receiver’s website:

<http://cfcanada.fticonsulting.com/chrismechanicalservices/>

Periodic updates on the progress of the receivership will be posted on the Receiver’s website. The Receiver may be contacted by email at robert.kleebaum@fticonsulting.com or by phone at (403) 454-6035.

Enclosed is a copy of the Receiver’s Notice and Statement provided in accordance with Subsection 245(1) and 246(1) of the *Bankruptcy and Insolvency Act*.

Yours truly,

A handwritten signature in black ink, appearing to read 'R. Kleebaum', written over a large, faint circular watermark or stamp.

FTI Consulting Canada Inc.,
in its capacity as receiver of
Chris Mechanical Services Ltd., Duffy Building Corporation, and
Duffy Holdings Ltd. and not in its personal capacity

FORM 87

NOTICE AND STATEMENT OF THE RECEIVER

(Subsection 245(1) and 246(1) of the *Bankruptcy and Insolvency Act*)

IN THE MATTER OF THE RECEIVERSHIP OF

Chris Mechanical Services Ltd.

The Receiver gives notice and declares that:

1. On the 18th day of December, 2015, we, FTI Consulting Canada Inc. became the receiver in respect of the property of the Chris Mechanical Services Ltd., which is described below (in thousands of Canadian dollars).

<u>Assets</u>	<u>\$000's</u>
Inventory	7,026
Fixed assets	453
Other assets	473
Accounts receivable	1,150
Related party receivable	<u>3,096</u>
Total	<u>12,198</u>

Note: the foregoing are the assets and book value as stated in the unaudited financial statements of the Debtor as at November 30, 2015. The Receiver has not audited, reviewed, or otherwise attempted to verify the accuracy of the foregoing. The Receiver provides no comment on the realizable value of the assets.

2. We became a receiver by having taken possession and control of the property described above pursuant to the Order of the Court of Queen's Bench of Alberta granted December 18, 2015.
3. The undersigned took possession or control of the property described above on the 18th day of December, 2015.
4. The following information relates to the receivership.

a) Address of the insolvent person: 10403 50th St SE
Calgary, AB
T2C 3E3

b) Principal line of business: Manufacturing

- c) Location of business: Calgary
- d) The list of secured and unsecured creditors is summarized below.

<u>Liabilities</u>	<u>\$000's</u>
Secured creditors:	
Century Services Inc.	5,633
1784761 Alberta Ltd. (o/a ARP Factoring)	<u>818</u>
	6,451
Unsecured creditors	<u>6,075</u> - see schedule A
Total	<u>12,526</u>

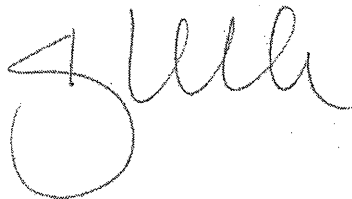
- e) The intended plan of action of the Receiver during the receivership is to evaluate and execute on the appropriate steps to realize on the assets with a view to maximizing recoveries for all creditors.
- f) Contact person for the Receiver:

Rob Kleebaum
 FTI Consulting Canada Inc.
 Suite 720, 440 - 2nd Avenue SW
 Calgary, AB
 T2P 5E9

Telephone: (403) 454-6035
 Email: robert.kleebaum@fticonsulting.com

Dated at the city of Calgary in the province of Alberta, this 22nd day of December, 2015.

FTI Consulting Canada Inc. - Receiver



Deryck Helkaa, CA, CIRP
 Senior Managing Director

Schedule A

Chris Mechanical Services Ltd.
Unsecured Listing

Unsecured	
Abacal Fleet Finishing	\$44,297.40
Accolade Reaction	\$677.60
Advanced Bending Technologies Inc	\$553.35
Air Liquide	\$4,435.54
American Tool and Die	\$200,613.00
Apoyo Tecnico Operativo Aniqpac S.A.	unknown
ARW Truck Equipment Ltd. - Calgary	\$5,290.25
Bridean Developments Ltd.	\$20,366.00
Calgary Fasteners	\$2,848.01
Calgary Valve & Fitting	\$853.01
Canadian Freightways	\$5,098.56
Canwest Propane	\$193.60
Canyon Rigging Inc.	\$1,241.61
Canada West Industrial Coatings	\$1,990.60
Carscallen LLP	\$7,870.28
Catalyst	\$40,897.50
Cervus Equipment	\$9,047.44
Cinch Networks Inc	\$4,457.27
The City of Calgary (Property Tax)	\$61,206.81
Coffin Law Office	\$2,762.55
Control Innovations Inc.	\$341.26
Daemar Inc	\$48.01
Direct Energy - Atco Gas	\$23.05
De Lage Landen Financial Services Canada Inc	\$3,302.59
DMH Machine Tools	\$625.16
Doragon Mechanical Services	\$483.00
Dean Downey	\$1,515.11
Edge Production Calgary	\$3,079.47
Encore Metals	\$3,396.34
Enmax Chris Mechanical	\$2,450.80
Enmax Natural Gas&Electricity	\$846.65
Exact Software (US\$\$)	\$8,365.74
Fastenal Canada Co	\$69.56
Fidelity Machine & Mould Solutions Inc.	\$364.14
Five Star Courier Ltd	\$1,768.19
Fleet Brake	\$1,128.75
Flowlift Inc	\$24,387.07
Fluid Seal AB Inc.	\$393.20
Garrett Greg J	\$100.00
G & B Rubber Products (1998) Ltd.	\$3,179.10
G. Chopick & Associates Ltd	\$593.25
GE Canada Equipment Finance GP	\$636.24
Golden Canada Ltd.	\$2,900,000.00
Gunnebo Canada	\$824.04
Jim Hickey	\$12,274.96
High Performance Coatings	\$620.68
Hi-Tech Seals Inc	\$2,968.62
HI-Way 9 Express Ltd	\$876.42
H-Trio Incorporated	\$2,887.50
Hudson Energy -15989	-\$47.52
HydraPak Seals Inc. (US\$\$)	\$280.56
Imaginit Technologies	\$8,632.05
IR Canada Sales & Service ULC	\$1,032.99
Isla del Campo S.C. (US\$\$)	\$2,954.80
JAS Industrial Service &Repair	\$483.00
Katten Muchin Rosenman LLP (US\$\$)	\$1,909.50
Keller Industries Limited	\$313.49

Klaus Global Inc.	\$1,676.33
Linda Liu Group - Linda Liu & Partners (US\$\$)	\$6,491.43
Manus Abrasive Systems Inc.	\$538.81
MSI (Canada) Ltd.	\$2,866.39
Martinson Sign Service Ltd	\$165.90
McLennan Ross LLP	\$11,724.07
McMaster-Carr - USD	\$2,205.84
Moore's Industrial Service Ltd	\$1,837.50
Motion Canada	\$19,687.11
Norcan Fluid Power Ltd	\$3,902.48
Noshok Incorporated	\$15,426.00
Parveen Industries Pvt.Ltd., (US\$\$)	\$3,675.00
Pitney Bowes	\$74.03
Progressive Waste Solutions Canada Inc.	\$492.09
PSI Fluid Power Ltd	\$1,437.64
Purolator Courier Ltd	\$41.04
Red Associates Engineering Ltd	\$1,568.70
Red Deer Iron Inc	\$7,582.05
Reliance Industrial Products	\$4,350.63
Ricoh Canada Inc. (V)	\$702.28
Robust Gear and Industries Inc	\$3,072.20
Sean W Goodwin Professional Corporation	\$24,723.71
Squire Law Firm	\$2,646.00
Staples Canada	\$137.19
Swabwells Del Sreste SA DE CV	unknown
Taylor Tool Works	\$2,362.21
Team Tube Ltd	\$884.79
TELUS	\$0.40
TELUS	\$1,154.62
Thomas Skinner	\$2,617.92
Titan Supply	\$83.92
ULine Canada Corporation	\$222.40
Unified Alloys	\$530.04
UniFirst Canada Ltd	\$4,798.68
Unified Valve Ltd. - ex WGILTD	\$171.18
Workers' Compensation Board AB	\$4,756.54
Westeam Solutions Inc. (US\$\$)	\$14,218.10
Western Gauge & Instruments Ltd - see UNIVAL	\$1,228.12
Winter Heating	\$1,784.54
Windowpane Management Inc.	\$15,618.75
Zee Medical Inc.	\$386.19
Zimco Gauge & Valves Ltd	\$4,575.50
CIBC VISA	\$46,004.00
Other Unspecified	\$105,680.00
Due to Hickey Family Trust	\$18,549.00
Due to Directors	\$2,325,408.00
Total	\$6,075,867.47

THIS IS EXHIBIT "D"

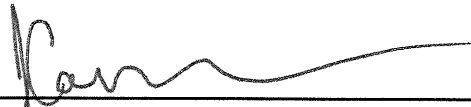
referred to in the

AFFIDAVIT OF

ROD HUDSON

Sworn before me this

1st day of June 2016



COMMISSIONER FOR OATHS

IN AND FOR ALBERTA

JESSICA L. CAMERON
A Commissioner for Oaths
in and for Alberta
Lawyer, Notary Public

Gordon, Debbie

From: Travis Lysak <tlysak@fasken.com>
Sent: May-31-16 1:09 PM
To: Cameron, Jessica
Cc: Gurofsky, Robyn
Subject: Re: Chris Mechanical Services: Bankruptcy Application

Receiver consents.

Travis Lysak
T:403 261 5501 C : 403 830 5822 F : 403 261 5350
Email : tlysak@fasken.com
Fasken Martineau DuMoulin LLP
3400 350 7th Ave SW Calgary AB
T2P 3N9

From: Cameron, Jessica
Sent: Tuesday, May 31, 2016 1:06 PM
To: Travis Lysak
Cc: Gurofsky, Robyn
Subject: Chris Mechanical Services: Bankruptcy Application

Hi Travis,

As we've previously indicated, Century Services Corp. intends to bring an application for a bankruptcy order against Chris Mechanical Services Ltd. ("CMS"), who is presently in receivership with your client, FTI Consulting Canada Inc., having been appointed the receiver of CMS (the "Receiver"). Please advise whether the Receiver consents to Century bringing such Application for a bankruptcy Order against CMS and in particular, whether the Receiver consents to the lifting of the stay in the receivership proceedings for the purposes of such Application.

Happy to discuss further should you have any questions or concerns.

Best,

Jessica L. Cameron
Associate I Commercial Litigation
T 403.232.9715 | F 403.266.1395 | jcameron@blg.com
Centennial Place, East Tower, 1900, 520 – 3rd Ave S W, Calgary, AB, Canada T2P 0R3

Borden Ladner Gervais LLP | It begins with service
Calgary | Montréal | Ottawa | Toronto | Vancouver
blg.com

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blg.com/mypreferences/

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