

No. S-234961
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

BANK OF MONTREAL

PETITIONER

AND:

UNIFAB INDUSTRIES LTD. AND
SEKWOD ENTERPRISES (2012) LTD.

RESPONDENT

**CONFIDENTIAL SUPPLEMENT TO FIRST REPORT OF RECEIVER WITH
RESPECT TO THE RECEIVERSHIP OF UNIFAB INDUSTRIES LTD. AND SEKWOD
ENTERPRISES (2012) LTD.**

**DATED FOR REFERENCE OCTOBER 20, 2023
("CONFIDENTIAL SUPPLEMENT TO RECEIVER'S FIRST REPORT")**

BACKGROUND AND PURPOSE

1. Pursuant to an Order pronounced by the Honorable Justice Gibb-Carsley of the Supreme Court of British Columbia (the “**Court**”) on July 17, 2023 (the “**Receivership Order**”), MNP Ltd. was appointed as Receiver and Manager (the “**Receiver**”) of all of the assets, undertakings and property (collectively, the “**Property**”) of Unifab Industries Ltd. (“Unifab”) and Sekwod Enterprises (2012) Ltd. (“Sekwod”) (collectively the “**Company**”).
2. The Property consisted of equipment, inventory and real property located at 6050 2nd Street, Grand Forks, BC.
3. On October 18, 2023, the Receiver issued its first report (the “**First Report**”) to the Court summarizing its activities to date and the results of the Sales Process.
4. Unless otherwise defined herein, capitalized terms used in this confidential supplement (the “**Confidential Supplement**”) to the Receiver’s First Report have the meanings given to them in the First Report and in the Receivership Order. All references to currency are in Canadian dollars unless otherwise stated.
5. The purpose of this Confidential Supplement is to provide this Honourable Court, on a confidential basis, with copies of the broker opinion of value in relation to the real property and equipment appraisal, a summary and certain fundamental details of the bids and auction proposals submitted in the Sales Process and the Receiver’s analysis of same and unredacted copies of the APA and Auction Agreement. This Confidential Supplement contains sensitive commercial information on competing bids and their relative merits. In the event that the transactions contemplated herein do not close, the Receiver is of the view that this information would prejudice any subsequent efforts to market and sell the Company’s assets.
6. In August 2023, the Receiver requested and obtained a broker opinion of value (“**BOV**”) from CBRE for the Real Property located at 6050 2nd Street Grand Forks, BC that indicated a forced liquidation value range of \$2,051,235 to \$2,507,065. A copy of the BOV is attached as Appendix 1.
7. In August 2023, the Receiver requested and obtained an appraisal (the “**Appraisal**”) of the Unifab equipment and inventory from Timeline Assets Services Ltd. that indicated a forced liquidation value range of \$1,058,475 to \$1,220,475. A copy of the Appraisal is attached as Appendix 2.
8. As more fully described in paragraph 14 to 18 of the First Report, the Receiver ran a Sales Process that required bids be delivered to the Receiver by September 18, 2023 (the “**Deadline**”).
9. Eight offers or proposals were received from seven parties by the Deadline. A summary of the offers and proposals received is attached as Appendix 3.
10. The Receiver accepted an auction proposal for the Assets from Maynards Industries Canada II Ltd. (“**Maynards**”) with a net minimum guarantee of \$865,000 and an offer from 1444715

B.C. Ltd. (the “**Purchaser**”) for the Real Property in the amount of \$2,100,000, both subject to court approval.

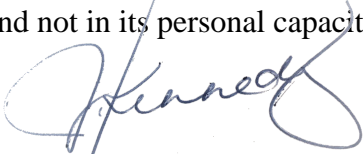
11. The Receiver and the Purchaser executed an APA, a redacted copy was attached to the First Report, an unredacted copy is attached hereto as Appendix 4.
12. The material terms of the proposed transaction with the Purchaser are as follows:
 - a. Purchase Price: \$2,100,000 (plus applicable taxes);
 - b. Conditions Precedent: court approval only; and
 - c. Closing: two business days after the Receiver has delivered written confirmation that the Real Property is vacant and ready for possession, the Receiver has delivered an entered copy of the Vesting Order and the Purchaser has paid the Purchase Price in cash, minus the Deposit.
13. The Receiver and Maynards executed an Auction Agreement, a redacted copy was attached to the First Report, an unredacted copy is attached hereto as Appendix 5.
14. The material terms of the Auction Agreement are as follows:
 - a. Net Minimum Guarantee: \$865,000;
 - b. Next \$75,000 to Maynards;
 - c. Any proceeds over \$940,000 will be split 95% to Receiver and 5% to Maynards; and
 - d. Maynards to complete all sales and remove all assets by December 15, 2023.

DATED at Calgary, Alberta, this 20th day of October, 2023

MNP Ltd.

**In its capacity as Receiver and Manager of
Unifab Industries Ltd. and Sekwod Enterprises (2012) Ltd.**

And not in its personal capacity



Per: Julie Kennedy, CIRP, LIT
Vice President

Appendix “1”

Broker Opinion of Value

6050 2nd Street, Grand Forks, BC



For more information, contact:

Angus Tone

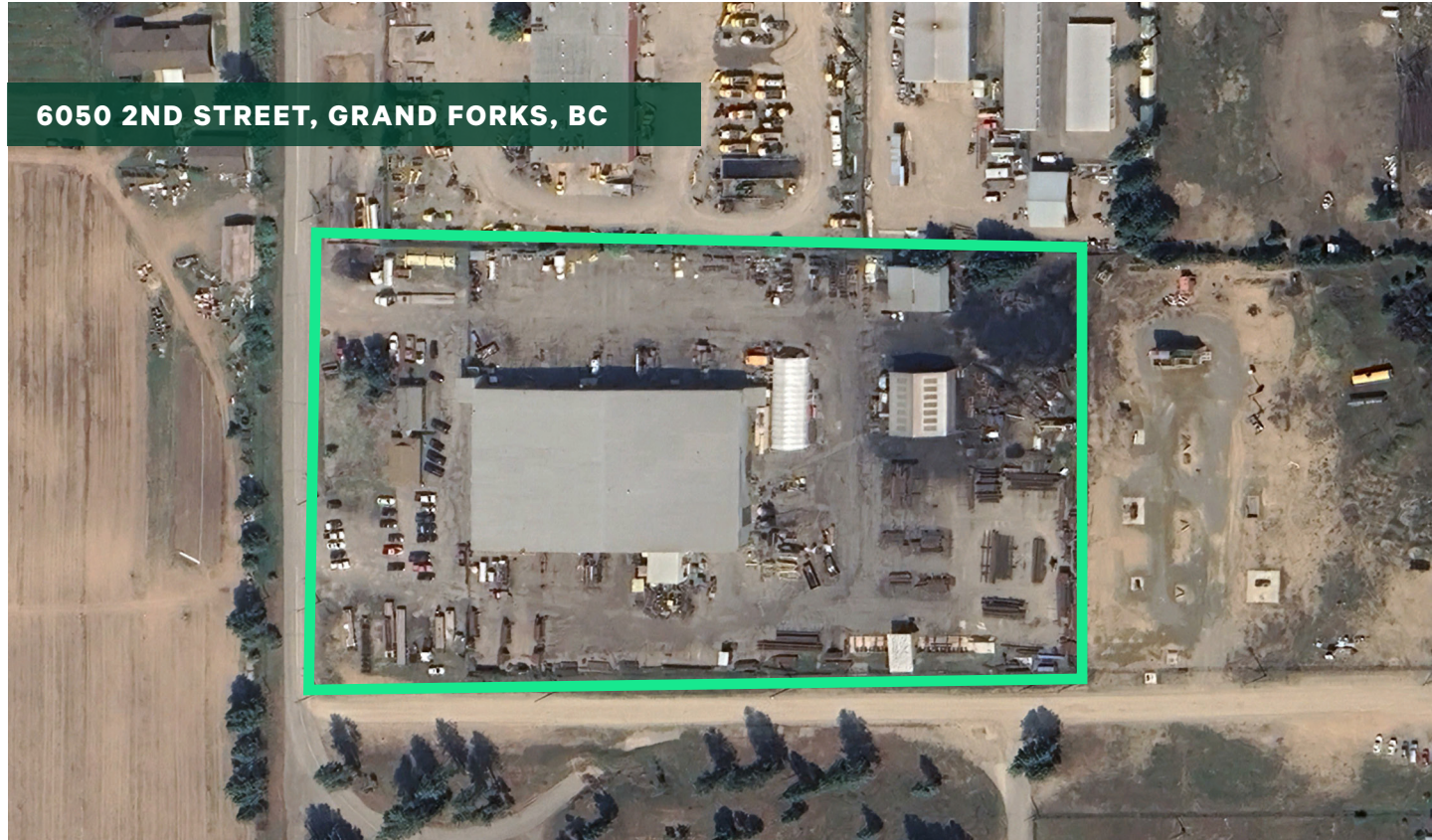
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CBRE

Property Summary



ADDRESS

Civic Address	6050 2nd Street, Grand Forks, BC
Legal Address	LOT 3, PLAN KAP21622, DISTRICT LOT 534, SIMILKA-MEEN DIV OF YALE LAND DISTRICT, AMD LOT (H365) LYING W OF A LINE PARALLEL TO & PERP DIST 715 FT FROM THE W BNDY PL 21622
Parcel Identification Number (PID)	007-377-878

BUILDING DETAILS

Building Size	45,583 sq. ft.
Construction Type	Steel
Year Built	1973
Ceiling Heights	To Be Determined
Loading Capacity	To Be Determined
Cranes	To Be Determined

LAND DETAILS

Land Size	6.56 acres
Zoning	I-1 (Light Industrial)
Site Dimensions (Approx.)	730 ft. x 420 ft.

PROPERTY ASSESSMENT


Land	\$328,000.00
Buildings	\$1,128,000.00
Total	\$1,456,000.00

Property Value

Value Commentary

The most likely purchaser for 6050 2nd Street is an owner/user who can utilize the existing improvements currently on the site for their business operations. The valuation herein relies on the most comparable sale identified which is 1155 Insight Drive in Nelson, BC. This sale was for a building that was approximately 20,000 sq. ft. larger than the subject property at 65,000 sq. ft. and was located on 5.5 acres which is approx. 1 acre smaller than the subject. The building was constructed in 2000 and, based on the photos provided, was in better condition compared to the subject property. Given that this building was in better condition and had more economic life remaining we suggest a downward adjustment to \$45-\$55 per square foot for the subject property.

Property Value Range

	Building Price	\$45	Building Sq. Ft.	45,583	Property Value	\$2,051,235
	Per Sq. Ft.	\$50		45,583	Range	\$2,279,150
		\$55		45,583		\$2,507,065

ESTIMATED MARKETING TIMELINE: 3 - 6 MONTHS

Market Sales & Availabilities

Completed Sales



1155 Insight Drive Nelson, BC

Sale Date	Sept 2022
Net Rentable Area (sq. ft.)	65,000
Land Size (AC)	5.5
Price	\$4,600,000
Price Per Sq. Ft.	\$71

Comments

Purpose built in 2000 for Pacific Insight. Three dock level loading bays and one grade level. 22' clear heights to lighting and 25' to under deck. Located along Highway 3A just outside Nelson BC in the West Kootenay region, approximately 1.5 hours from Grand Forks. A downward adjustment to the per square foot figures is warranted considering the superior condition compared to the subject property.



527 Industrial D Road Cranbrook, BC

Sale Date	Jan 2021
Net Rentable Area (sq. ft.)	10,390
Land Size (AC)	2.5
Price	\$1,225,000
Price Per Sq. Ft.	\$118

Comments

Thirteen year old industrial property with a large shop area and separate office building. Purchased by a heavy equipment repair shop for their own use. Located in Cranbrook's industrial area. Cranbrook is located in southern BC approximately 4.5 hours east from Grand Forks. A downward adjustment to the per square foot figures is warranted considering the larger buyer pool for this price point/building size and the current building condition.



6544 2nd Street Grand Forks, BC

Sale Date	October 2022
Net Rentable Area (sq. ft.)	5,150
Land Size (AC)	2.015
Price	\$600,000
Price Per Sq. Ft.	\$116

Comments

Significantly smaller compared to the subject property, but it is included on this list as it is an industrial property located in Grand Forks just north of the Unifab Facility. Further, the current improvements include a steel building constructed in 1976. A downward adjustment to the per square foot figures is warranted considering the difference in the price points of these two



10092 93 Avenue Westlock, AB

Sale Date	Listed
Net Rentable Area (sq. ft.)	18,900
Land Size (AC)	2.11
Price	\$1,450,000
Price Per Sq. Ft.	\$77

Comments

Secure, concrete yard and two powered quonsets on 2.11 acres provide functional outdoor space for a variety of uses. Additionally, the shop features heavy power, 3 cranes, and sump pumps throughout. Situated on a corner lot with two access points, trucks can get in and out easily and are just a block away from Highway 18.



4701 44 Avenue Fort Nelson, BC

Sale Date	Listed
Net Rentable Area (sq. ft.)	63,433
Land Size (AC)	21.32
Price	\$4,900,000
Price Per Sq. Ft.	\$77

Comments

Drive-thru grade loading and wash bay. Newer first class vehicle maintenance facility and general warehouse constructed in 2010. Samples testing lab area. Multiple bridge cranes and heavy power. 22' clear to eaves. Infrared tube heating and rooftop HVAC. Located in Fort Nelson, a regional community in Northern BC servicing forestry, oil and gas and other resource extraction industries.



1825 Shuswap Avenue Lumby, BC

Sale Date	Listed
Net Rentable Area (sq. ft.)	32,000
Land Size (AC)	2.7
Price	\$1,798,000
Price Per Sq. Ft.	\$56

Comments

A level 2.7 acre industrial site with a massive 32,000 square foot open sided steel building with a six inch thick concrete floor. Approximately 55 feet clear to the bottom of the trusses. There is a five ton crane with an approximate 130 foot span running the full length of the building. 600 Volt, 400 Amp Three Phase power comes from a 19 by 68 foot I building adjacent. Formerly a site to build log homes. There is a paved access slightly onto the property between the firehall and the fire hydrant

Most Comparable Sale

Appendix “2”

August 17, 2023

via email: greg.ibbott@mnp.ca
Greg Ibbott, Senior Vice President
MNP Ltd.
Suite 1600, MNP Tower
1021 West Hastings Street
Vancouver, BC V6E 0C3

Dear Mr. Ibbott:

RE: Asset Appraisal of Unifab Industries Ltd. (the Company) located at 6050 - 2 Street, Grand Foks, BC

As requested, Timeline Asset Services Ltd. (TAS) has viewed the Company's various assets and inventory and provides the following appraisal report. The purpose of this report is to provide our opinions of Forced Liquidation Value (FLV) to be used for future decision-making purposes.

Background/Inspection

On August 4, 2023, TAS met with Ken (property manager) and Pat (previous shop supervisor) and conducted inspections of the assets and inventory and also reviewed information provided by your office about third party assets. As per the scope of our engagement, we have provided our opinions of FLV on a Low to High basis for all Major Assets. For all Secondary Assets and third party assets, we have stated only an opinion of FLV. For all inventory listed in Secondary Assets we have stated our opinions of FLV on an aggregate basis without benefit of current inventory listings or current costing information.

Attachments are as follows: Appendix A-all Major Assets; Appendix B- Secondary Assets; and Appendix C-Third Party Assets. A 925-image photo gallery taken during our inspection is available upon request.

Assets & Inventory

Major Assets include: Lincoln PythonX burning system; 4 forklifts; 3 vehicles; yard trucks; Genie lift; 3 Atlas Copco air compressors; International highway tractor; 4 flatdeck trailers; plate bending machine; horizontal bandsaw; Kingsland ironworker; Master Drive burn table; AccurPress metal brake; Haco metal shear; Horngmao drill press; 2 Modern LA lathes and Cincinnati milling machine.

Secondary Assets include: steel inventory, parts inventory, jib cranes; pallet racking, cantilever racks and shelving; material handling equipment, carts and work benches; shop tools and shop equipment; office and computer equipment; and office, boardroom and lunchroom equipment and furnishings.

Third Party Assets include: gas cylinders, tanks and cage; pallet of welding wire; Cat wheel loader; Canon copiers; 2010 Mazda CX7; 2018 Dodge Ram pickup; Land Cruiser; 53 ft. trailer; Snorkel scissor lift; paint; dump truck box; Hyundai forklift; coveralls and coffee machine.

Based on our inspection, the assets appear to be in good used condition. As per the scope of our engagement, we did not perform an operational analysis of the assets and assume that all assets are in good working condition unless otherwise noted.

Stated Values

TAS states values as provided in the summary below and detailed in attached Appendices A, B & C:

<u>Description</u>	<u>FLV-LOW</u>	<u>FLV-HIGH</u>
-Major Assets (Appendix A)	514,500	676,500
	<u>FLV</u>	<u>FLV</u>
-Secondary Assets (Appendix B)	543,975	543,975
Company-owned Assets Total	\$1,058,475	\$1,220,475
-Third Party Assets (Appendix C)	<u>\$132,400</u>	

Terms of this Report

FLV-LOW and FLV-HIGH represents an opinion of value of the gross proceeds realized from a sale at a properly advertised onsite auction of all assets and inventory with a time frame of up to 45 - 60 days to allow for proper advertising. Typical liquidator's commission for a file of this nature would be in the 12% to 15% range when blended with a minimum guarantee. These stated opinions of FLV do not consider costs associated with possession of the premises or any related professional fees.

In all values stated above, we take into account the quantity, quality and condition of product and the saleability and marketability of the assets and inventory and provide a gross dollar amount that does not consider cost of liquidation or removal. These values are stated in Canadian funds. Please note that the isolation of any single element as the sole basis of comparison to the whole appraisal may be inaccurate. These values provided above can be strongly affected by fluctuations in market conditions, time available and method of sale.

Exclusions

2 overhead bridge cranes

Limitations

In preparing this report, we have relied on information provided by Pat and your office and believe all information supplied to us to be accurate. We have not verified the ownership of any assets and inventory and have based the stated values on our assessment of the current FLV for these assets and inventory in their current location. Furthermore, we caution that in any potential realization scenario the then-current condition and operating state of the assets could strongly affect sale proceeds.

Restrictions

The contents of this report and any appendices are confidential and intended for use only by the addressee named above and other parties who are duly authorized.

Appraiser's Qualification Statement

Since 1999, Greg Dyck has been employed in the auction and liquidation industry and is an accredited Member in Good Standing of the Canadian Personal Property Appraisers Group (CPPAG).

Through employment with Jarvis Auctions, Able Auctions, Timeline Sales and Timeline Asset Services, he has performed 100's of appraisals across companies of all sizes. He has appraised a wide variety of assets and inventories (finished/unfinished goods and raw materials) across many industries including, but not limited to: metal and wood working; manufacturing and production; restaurant and food services; warehouse and material handling; rolling stock and vehicles; commercial printing and graphic design; logging and lumber; construction; aircraft and aviation; laboratory and research testing; office and computer products and retail outlets.

These appraisals have been prepared for insolvency and restructuring professionals, major accounting firms, banks and lending institutions, lawyers, insurance companies, government institutions, not-for-profits, private companies and individuals across Western Canada. As a commercial auctioneer and appraiser, he constantly tracks market trends in all industries and has substantial research relationships and resources at his disposal; this enables him to prepare detailed, accurate appraisal reports.

Should you have any questions regarding the above, please contact our office.

Yours truly,

Timeline Asset Services Ltd.



Greg Dyck, CPPA

ATTACH: Appendices A, B & C

Appendix A

Major Asset Listings and Appraisal

Unifab Industries Inc.

Location:

- 6050 – 2 Street, Grand Forks, BC

Notes:

This Appendix accompanies an appraisal report prepared for MNP Ltd. The Major Assets were viewed by Greg Dyck, CPPA on August 4, 2023.

This Appendix should be read in conjunction with the appropriate appraisal report that explains specific definitions of values and details the scope of the reporting.

APPENDIX A
Unifab Industries Ltd.
 Company-owned Major Assets

Description	Forced Liquidation Value-LOW	Forced Liquidation Unit Value-HIGH
Major Assets		
- 2008 Ottawa YT-Fifty yard truck with 4,120 hours - not running - needs repairs	12,500	15,000
- 30 ft. gooseneck tridem axle beaver tail trailer	7,500	10,000
- 2006 white Ford F-550 XL Super Duty dually service truck, 186,081 km's, rough idle needs servicing VIN: 1FDAW56Y96ED84204	9,000	12,500
- 2001 Genie Lift Z-45/25J with 3,663 hours	14,000	16,500
- 2019 Lincoln PythonX structural steel burning system Mod#: PYTHONX2, SER#: C1926-393 with HPR400XD plasma cutter and 40 ft. infeed and 25 ft. outfeed conveyors	175,000	225,000
- Taylor TE-300L 30,000 lb. diesel forklift with 9,174 hours, SER#: s-H7-20120 - needs battery	17,000	22,500
- Hyster H250H 23,000 lb. diesel forklift with 3,964 hours, SER#: C007D02473G	15,000	20,000
- 1994 International 9400 highway tractor, with 1,317,531 hours, needs radiator and other repairs VIN#:2HSFHEBR2RC088932	18,000	25,000
- 2007 Cadillac Escalade with 388,512 km's and needing a new motor VIN#:1GYFK63857R119283	3,000	4,000
- 1994 Magnum 28 ft. tandem axle flatdeck trailer	3,000	4,000
- Transcraft 53 ft. tridem axle stepdeck trailer	5,000	6,500
- 2007 Ford F-550 service truck needing turbo and BC inspection VIN#:1FDAW57P37EA50936	8,500	12,500
- 28 ft. Super-B pup tandem axle flatdeck trailer - ready for inspection	5,500	7,500
- 2007 Freightliner Columbia highway tractor with sleeper VIN#:1FUJA6CV27LY47809	14,500	18,000
- 2012 MG NH314C hydraulic plate bending machine with 10 ft. length and 4 rolls	25,000	35,000
- Hyd-Mech S-20 series II horizontal bandsaw with infeed and outfeed conveyors	6,500	8,000
- Hyster H90XMS 8,650 lb. propane dually forklift	9,500	12,000
- Kingsland 125XS ironworker	6,500	8,500
- Hyster H100FT 10,000 lb. propane dually forklift with 12,500 hours and side shift	22,500	27,500
- 2013 Atlas Copco GA45+ FF 60 HP air compressor SER#:API538210	12,500	15,000
- 2010 Atlas Copco GA45+ FF 60 HP air compressor SER#:API525218	11,000	13,500
- All-In-One Master Drive burn table with Lincoln Burny 10LCD Plus controls, HyPerformance Plasma HPR260 power source and 10 ft. x 20 ft. table	27,500	35,000
- 2007 AccurPress 710010 100 ton metal press brake with 10 ft. capacity	14,000	20,000
- 1996 HACO SST-3010 shear with 10 ft. capacity	9,000	15,000
- 2010 Combi-Lift CL80110DA50 11,000 lb. capacity forklift SER#:13166	27,500	35,000

APPENDIX A
Unifab Industries Ltd.
 Company-owned Major Assets

Description	Forced Liquidation Value-LOW	Forced Liquidation Unit Value-HIGH
- Hyster H50CT 5,000 lb. propane forklift with 6,884 hours and side shift	5,500	7,500
- Horngmao RD-F 1600 drill press with drill bits and tooling	6,000	9,000
- Modern LA 560x2000 metal lathe with tooling	12,000	16,000
- Cincinnati No.4 milling machine with tooling	3,500	5,500
- Modern LA 430x1700 metal lathe strapped to pallet against wall - not in use	4,000	7,500
- 2013 Atlas Copco GA15+ FF 9 hp. air compressor on mezzanine SER#:API323250	4,500	7,500
Major Assets Sub total	<u>514,500</u>	<u>676,500</u>

Appendix B

Secondary Asset Listings and Appraisal

Unifab Industries Inc.

Location:

- 6050 – 2 Street, Grand Forks, BC

Notes:

This Appendix accompanies an appraisal report prepared for MNP Ltd. The Secondary Assets were viewed by Greg Dyck, CPPA on August 4, 2023.

This Appendix should be read in conjunction with the appropriate appraisal report that explains specific definitions of values and details the scope of the reporting.

Company-owned Secondary Assets

	Location & Description	Qty.	Forced Liquidation Unit Value	Forced Liquidation Value
	Secondary Assets			
	North Yard			
	- drum pump, scrap steel, tires, 2 cantilever racks and assorted steel inventory	1	4,000	4,000
	- yellow expanded steel, drum dolley, heavy duty cart, barrels, material roller and tidy tank	1	1,500	1,500
	- assorted tires, yellow steel ramp, concrete blocks, fire extinguisher, 3-step stairs and ladder	1	450	450
	- diesel fuel tank, fire extinguisher and stand	1	800	800
2	- large tank dolley with crane and forklift lifting	2	400	800
14	- pallets and steel pods of conveyor rollers	14	150	2,100
	- older GM Z71 pickup for parts on a steel stand	1	1,250	1,250
	- John Deere Worksite Pro BR60 broom attachment	1	1,500	1,500
	- Hypertherm Powermax105 SYNC plasma cutter	1	4,500	4,500
	- WIP steel handrails and assorted inventory	1	3,500	3,500
	- Hyster 100 propane forklift for parts	1	750	750
	- steel decking and siding	1	2,000	2,000
	- ubilt 30 ft. heavy duty yard trailer	1	2,100	2,100
	- scrap steel, decking, WIP and assorted steel	1	4,500	4,500
	- ubilt 17 ft. heavy duty yard trailer	1	1,500	1,500
	- ubilt 29 ft. heavy duty yard trailer	1	2,000	2,000
	- 32 ft. lowboy flatdeck yard trailer	1	3,250	3,250
	- 9 ft. 6 in. forklift attachment snowplow	1	2,250	2,250
	- 8 ft. x 10 ft. roller conveyor	1	1,000	1,000
	- sheet metal, ducting and boom attachment	1	800	800
	- 5 ft. x 7 ft. portable building	1	750	750
	- 112 in. excavator bucket attachment	1	4,500	4,500
	North East Yard			
	- blue steel material rack, 5th wheel forklift attachment, lathe and older equipment	1	1,500	1,500
	- insulation, crates, dunnage, older electrical, roll conveyors and heavy duty dolley	1	1,200	1,200
	- steel work platform and welding positioners	1	3,000	3,000
	- 2 worktables, welding wire, cabinet and stand	1	500	500
	- pallet racking, forklift cage, 2 heavy duty shop stands, roller conveyor and file cabinets	1	1,500	1,500
	- steel decking, 2 rolling ladders and steel stands	1	900	900
	- ubilt 30 ft. flatdeck yard trailer and WIP	1	2,000	2,000
	- cantilever rack with cover and assorted steel	1	2,250	2,250
	- 11 ft. x 20 ft. 2-piece Shelter portable building and contents	1	1,800	1,800
2	- MOD-U-BLAST sandblasting system with hopper	2	3,750	7,500
	- steel stands and table	1	1,600	1,600
	East Yard			
	- steel work platform, assorted steel and tires	1	750	750
	- Case Drott 1800CC rough terrain boom crane - needs major repairs and doesn't run	1	2,000	2,000
	- skid steer HVSB72 screening bucket	1	1,850	1,850

Company-owned Secondary Assets

	Location & Description	Qty.	Forced Liquidation Unit Value	Forced Liquidation Value
	- cantilever rack, metal screens, stands and assorted scrap metal	1	2,250	2,250
	- boom attachment for excavator	1	1,500	1,500
	- WIP, rollers, ladder, stands and scrap metal	1	4,500	4,500
	- assorted lengths of steel beams	1	30,000	30,000
	- assorted steel tube, U-channel, rectangle tube, curved, beams and assorted steel cut offs	1	7,500	7,500
	- assorted steel angles, round tube, square tube, beams and cantilever rack	1	20,000	20,000
	- 2 metal stands, assorted steel square tube, round bar, flat bar and rectangle tube	1	8,500	8,500
	- assorted steel on pallets around main building	1	4,500	4,500
	- steel safety grating	1	2,000	2,000
	- cantilever rack with assorted steel	1	1,250	1,250
	- quantity of heavy duty steel stands	1	2,500	2,500
	- 2 forklift boom attachments and spare forks	1	1,250	1,250
	- 30 ft. x 90 ft. x 15 ft. high coverall	1	3,000	3,000
	- assorted tires, parts, bins of metal, stands, fork extensions, wheel barrow and	1	1,200	1,200
	- 40 ft. shipping container	1	1,500	1,500
	- steel railings	1	500	500
	- 20 ft. vented shipping container for flammable liquids with heat and lights	1	2,500	2,500
	- new paint supplies	1	4,500	4,500
	- material stands, cantilever rack and storage pods	1	2,000	2,000
	- custom steel project racks, material dolly, hoses and assorted steel	1	1,900	1,900
	- 2 cantilever racks with dunnage	1	3,500	3,500
	- oxy acetylene dollies, torches and regulators	1	1,200	1,200
	South Yard			
	- steel beams, steel angles and 2 steel stands	1	3,250	3,250
	- dumping hopper and assorted steel	1	1,000	1,000
	- torch set, tank dolly and steel table	1	1,250	1,250
	- steel channel, steel square tube, steel rectangle and large steel deck	1	7,000	7,000
	- assorted lengths of steel beams	1	4,500	4,500
	- cantilever rack with contents of steel beams	1	3,000	3,000
	- assorted lengths of steel beams	1	6,000	6,000
	- skid steer snow plow attachment	1	2,000	2,000
	- steel beams, square tube in assorted lengths	1	5,750	5,750
	- steel channel, square tube and rebar	1	8,500	8,500
	- steel square tube and rectangle tube	1	2,500	2,500
	- cantilever rack with steel square tube	1	7,500	7,500
	- cantilever rack with square and rectangle tube	1	7,200	7,200
	- cantilever rack with steel beams	1	7,900	7,900
	- cantilever rack with steel angle	1	3,500	3,500
	- cantilever rack with steel round and rectangle tube	1	5,500	5,500
	- cantilever rack with steel beams	1	6,000	6,000
	- cantilever rack with steel angle	1	5,200	5,200

Company-owned Secondary Assets

	Location & Description	Qty.	Forced Liquidation Unit Value	Forced Liquidation Value
	- steel covered lunch area with table and chairs	1	1,750	1,750
	- metal rack with cover and steel flat bar	1	4,750	4,750
	- chop saw with roller conveyor and cover	1	750	750
	- steel covered rack with assorted steel	1	5,000	5,000
	- 2 racks with assorted steel and BBQ's	1	1,250	1,250
	- 2 cantilever racks with assorted tube steel	1	4,000	4,000
	- mill scale tumbler with stand and cover	1	1,250	1,250
	- cantilever rack with sheet metal and steel plate	1	4,000	4,000
	- cantilever rack with sheet metal	1	9,000	9,000
	- assorted equipment in Python enclosure	1	1,000	1,000
	Upper and Lower Offices and Washrooms			
	- chairs, table, whiteboards, drafting/layup station, desks, bookcase, filing cabinet, computer, monitor, wall mounted TV and work bench	1	1,300	1,300
	- U-shaped desk, client chairs, task chair, bookcase, wall mounted TV, printer, computer and monitors	1	1,000	1,000
	- U-shaped desk, 2 task chairs, bookcase, wall mounted TV, computer and monitors	1	800	800
	- U-shaped desk, task chair, computer and monitors	1	450	450
	- full door staff lockers	1	550	550
	- bench, vacuum and assorted tools	1	250	250
	- mats, table, reception desk, electric fireplace, client chair, filing cabinet, task chair, bookcase, computer and monitors	1	850	850
	- U-shaped desk, task chair and client chairs	1	250	250
	- L-shaped desk, client chair, task chair, computer, monitors, printer and 2 filing cabinets	1	600	600
	- leather sofa, refrigerator, microwave and shredder	1	400	400
	- L-shaped desk, task chair, monitors and computer	1	350	350
	- L-shaped desk, bookcase, chairs and filing cabinet	1	400	400
	- TV, bookcases, 2 task chairs, filing cabinet and rug	1	325	325
	- L-shaped desk, 2 tables, bookcase and vacuum	1	250	250
	- L-shaped desk, table, task chair, computer, monitors, drafting table and whiteboards	1	500	500
	- Canon imagePROGRAF iPF670 wide-format printer	1	750	750
	- L-shaped desk, task chair, computer and monitor	1	400	400
	- L-shaped desk, 2 task chairs, computer and monitors	1	500	500
	- U-shaped desk, client chair, 2 task chairs, 2 bookcases, oil heater, computer and monitors	1	600	600
	- boat shaped boardroom table, water cooler, 4 task chairs, client chair, monitors, side table and TV	1	800	800
	- folding table, task chair, dresser, printer and computer	1	225	225
	- Polycom phone system with handsets and boardroom conference system	1	750	750
	- server rack with KVM, switch gear, UPS and firewall	1	1,000	1,000
	- servers, networking peripherals and monitors	1	1,000	1,000
	- desk, chair and portable air conditioner	1	300	300
	West Side of Building			

Company-owned Secondary Assets

	Location & Description	Qty.	Forced Liquidation Unit Value	Forced Liquidation Value
	- 2007 Freightliner Classic highway tractor - scrap	1	500	500
	- 53 ft. tridem axle flatdeck yard trailer	1	2,000	2,000
	- tridem axle flatdeck yard trailer	1	1,250	1,250
2	- tridem axle step deck - scrap	2	500	1,000
	- 32 ft. super B lead tridem axle - scrap	1	500	500
	- 1999 Ford F-550 flatdeck - needs transmission VIN#:1FDAF57F2XEC46938	1	1,250	1,250
	- 1985 Ford F-350 flatdeck snowplow truck - not road worthy VIN#:2FDKF37G0JCA38605	1	1,000	1,000
	- 1992 GMC Sierra 1500 pickup truck, no keys - past employee signed over to company VIN#:2GTEC19K3N1559156	1	1,000	1,000
	- 43 ft. ubilt yard trailer	1	2,250	2,250
	- outbuilding contents including: washer/dryer, refrigerator, small kitchen appliances, chairs, beds, stove and side tables	1	1,000	1,000
	- second outbuilding contents including: lockers, fans assorted weight room workout equipment, mats, mirrors, dumb bells, stereo and benches	1	3,750	3,750
	Main Shop North West			
	- dolley, workbench, desk, air tank and tools	1	500	500
3	- Miller CP-302 welder with 22 A wire feed	3	800	2,400
	- shop stand, metal shelving unit, assorted supplies welding wires, slings and welding screens	1	2,000	2,000
	- heater and portable welding exhaust system	1	1,250	1,250
	- Victor VCM 200 portable cutting machine with dolley and assorted tracks	1	1,100	1,100
	- shop table, material rotator and 2 work stands	1	400	400
	- Miller Dimension 652 welder	1	800	800
2	- portable scaffolding	2	250	500
	- 1,000 lb. jib crane with hoist	1	1,200	1,200
12	- material stand	12	150	1,800
8	- 2,000 lb. jib crane with hoist	8	1,700	13,600
	- Miller Dimension 652 welder with 22 A wire feed	1	1,100	1,100
	- work table with vise and assorted tools	1	500	500
	- heavy duty steel worktable and assorted tools	1	1,000	1,000
	- torch set, fan, hose reel, ladder and wires	1	350	350
5	- Miller Dimension 452 welder with 22 A wire feed	5	1,100	5,500
	- WIP railings, stand, welding screens and dolley	1	375	375
	- tank dolley, torch set and regulators	1	400	400
	- Miller 70 series wire feed	1	500	500
	- shop tables, stands, tool box and hose reel	1	800	800
	Main Shop South West			
	- overhead crane forks, WIP safety grating, lifting chains, come alongs, magnetic clamps, steel shelf and assorted tools	1	2,750	2,750
	- tool box, utility carts, shop table with vise, material stands and 2 small jib cranes	1	1,250	1,250
	- steps, pedestal grinder and lifting chain	1	300	300

Company-owned Secondary Assets

	Location & Description	Qty.	Forced Liquidation Unit Value	Forced Liquidation Value
	- 30 ft. ubilt flatdeck yard trailer	1	1,200	1,200
	- Miller CP-302 welder with 22 A wire feed	1	800	800
	- steel material stands and WIP	1	1,000	1,000
	- steel worktable with vise, stereo and assorted tools	1	750	750
	- Milwaukee mag drill	1	800	800
	- heavy duty grinder, torch set, magnetic clamp, fan and worktable with vise	1	1,300	1,300
	- lockers, assorted WIP and support tools	1	600	600
	Main Shop North Center Bay			
	- 100 ton shop press	1	1,200	1,200
	- Miller Dimension 452 welder with 22 A wire feed	1	1,000	1,000
	- Miller CP 302 welder with 70 series wire feed with small jib crane	1	1,100	1,100
	- heavy duty shop table	1	1,500	1,500
	- wall racks, clamps, hose reel, chop saw, welding wire, dolley, steel material stands and assorted tools	1	1,000	1,000
	- shop table with vise, stool, cart, pallet jack, assorted tools and torch set	1	450	450
	- Miller CP 320 welder with 22 A wire feed	1	1,100	1,100
2	- heavy duty material stands	2	200	400
3	- 1 ton jib crane with hoist	3	1,200	3,600
	- 2 ton jib crane with hoist	1	1,700	1,700
	- 2 drill presses, cart, hose reel and shop table	1	550	550
	- Hypertherm Powermax65 SYNC plasma cutter	1	2,750	2,750
	- Peddiworker 1050 ironworker with roll conveyor	1	4,500	4,500
	- stand, welding screens and railing	1	500	500
	- metal shelving, drill press and tool chest	1	400	400
	- Miller Dimension 652 with 70 series wire feed	1	1,100	1,100
	- Miller CP 302 welder with 70 series wire feed	1	1,100	1,100
	- Prostar portable welding exhaust system	1	1,250	1,250
	- Miller XMT 304 multi-process welder and cart	1	1,750	1,750
	- portable hydraulic bender, clamp and cart	1	450	450
4	- wood crates of slings	4	375	1,500
9	- custom metal job racks / shelves	9	225	2,025
	- small Hyster propane forklift under repair - no tag	1	750	750
	- drill press and assorted WIP	1	300	300
	- Raymond electric 520-OPC30TT 3,000 lb. order picker	1	4,750	4,750
	- Raymond walkie electric pallet jack with charger	1	2,750	2,750
	- chains, cabinet, ladders, fan, shelf and bander	1	750	750
	- 4 shelving units with assorted parts inventory	1	1,500	1,500
	- 5 bays of pallet racking	1	1,500	1,500
	- 8 welders needing repairs	1	1,000	1,000
	- 3 new motors	1	750	750
	- rolling job box, stool, stand, cart and contents of painters office	1	600	600
	- approximately 17 pallets of assorted materials, supplies and inventory	1	1,500	1,500
	Main Shop South Center Bay			

Company-owned Secondary Assets

	Location & Description	Qty.	Forced Liquidation Unit Value	Forced Liquidation Value
	- cart, ladder, heavy duty cart, assorted tools, 3-suction cup lifter and crate	1	2,000	2,000
	- 3 bays of pallet racking	1	600	600
	- assorted tires, parts inventory and materials in 19 pallet positions in racking	1	1,800	1,800
	- 4 new motors	1	800	800
	- 2004 Cadillac Escalade under repair VIN#:1GYEK63N54R245088	1	1,500	1,500
	- Miller Dimension 400 welder	1	650	650
	- shop table with vise, hose reel and assorted tools	1	500	500
	- fork extensions, steel cart, hoses and electrical	1	500	500
	- pallet jack, load bars, dolley and fire extinguisher	1	300	300
	- Ridgid threading machine	1	850	850
	- cart with sockets and impact guns	1	375	375
	- Proline 500 HF welder	1	400	400
	- SMC IDFB15E air dryer	1	650	650
	- leaf blower, shovels, steel material stands, steps, water hoses, air lines, fan and assorted WIP	1	500	500
	- 2,000 lb. 360 degree rotating custom jib crane with hoist	1	4,000	4,000
	- self dumping hopper	1	450	450
	- steel material stands, job rack, WIP, scrap steel and assorted plate steel	1	1,000	1,000
	- Miller XMT 300 welder with XR Control extended wire feeder and cart	1	3,750	3,750
	- Miller CP 302 welder with 70 series wire feed	1	1,100	1,100
	- shop cabinet, stands, welding screens and assorted scrap metal and WIP	1	500	500
	- Nelson 4900 Mod#:100 stud welding system	1	4,750	4,750
	- steel worktable, tank lifter, shop cabinet, hose reel and assorted tools	1	600	600
	- Miller Deltaweld 452 welder	1	800	800
	- Miller CP 302 welder with 22 A wire feed	1	1,100	1,100
	- Scotchman CPO 350 cold cut off saw with infeed and outfeed conveyors and Tiger stop	1	3,250	3,250
	- work cart, cabinet, material stand and roller	1	400	400
	- Baeleigh Industrial TN-800 tube and pipe notching machine	1	2,750	2,750
	- General 15-005M1 horizontal edge belt sander	1	600	600
	Paint Shop East Bays			
	- assorted paint guns, fans and material stands	1	3,000	3,000
2	- Graco paint sprayer	2	1,250	2,500
	- rolling stairs, material stands and hose reels	1	1,000	1,000
	- heavy duty cart, cabinet and contents	1	400	400
	- ladder, paint supplies, material stands and shelf	1	750	750
	- 2 older paint sprayers, steel shelf, airlines, stands, hooks, cart and toolbox	1	1,000	1,000
	- ladder, shelving units, hose reels, come-alongs, rolling bin, drying hooks and assorted supplies	1	750	750

Company-owned Secondary Assets

	Location & Description	Qty.	Forced Liquidation Unit Value	Forced Liquidation Value
	Machine Shop West			
	- Dean Smith & Grace 17 in. swing lathe	1	2,000	2,000
	- air tank and small jib crane	1	500	500
2	- cantilever rack	2	750	1,500
	- quantity of steel round bar inventory	1	7,000	7,000
	- Hyd-Mech S-20 series 2 horizontal bandsaw with infeed rollers and roller stand	1	3,750	3,750
3	- 1,000 lb. jib crane with hoist	3	1,200	3,600
	- fan, magnetic clamp, shop table with vise, steel cabinet, assorted tools and steel material stands	1	1,000	1,000
	- 2 steel carts, work tables and assorted tools	1	500	500
	- bench grinders, torch sets, worktable and tools	1	550	550
	- PowCon 550 SMP welder with Miller 60 series wire feed and pipe torch	1	1,250	1,250
	- worktable, steel bin, dolley, drum pump, light, arbor press, stand and horizontal bandsaw	1	1,500	1,500
	- hoses, wires, insulation, flooring, 2 shelving units with assorted supplies and parts on mezzanine	1	1,000	1,000
	- older horizontal air compressor on mezzanine	1	750	750
	Supply Shop			
	- metal shelving, cabinets, skates, tooling, pumps, shovels, drill bits and assorted supplies	1	2,250	2,250
	- Motorola two-way radios, castors, shelving units, welding wire, levels, bolt cutters, stamps, clamps and assorted tools	1	2,500	2,500
	- cabinets, radio, bookcase and assorted tools	1	500	500
	- 4 full door staff lockers, filing cabinets, face shields, tools for parts and repairs	1	400	400
12	- 72-compartment parts cabinets with contents	12	350	4,200
3	- double sided parts shelf and contents	3	1,100	3,300
	- single sided parts shelf and contents	1	800	800
24	- bay of steel shelving and contents	24	750	18,000
5	- parts bin shelving and contents	5	1,000	5,000
	- assorted cordless and corded hand tools	1	500	500
	- Slugger and Fein mag drills	1	2,500	2,500
	- quantity of corded hand tools including: skill saws, sawzalls, angle grinders, drills, sanders, portable bandsaw, rotary tools, riveting guns and chop saws	1	5,000	5,000
	- utility cart, tools, filing cabinet, desk, chair, computer, monitors, task chair and storage cabinet	1	1,000	1,000
	Lunchroom			
	- 4 tables and 23 chairs	1	400	400
	- small pool table and sofa	1	300	300
	- notice boards, shelving, fan and counter	1	150	150
	- microwave ovens, toasters and 2 refrigerators	1	400	400
	Secondary Assets Total			543,975

Appendix C

Third Party Asset Listings and Appraisal

Unifab Industries Inc.

Location:

- 6050 – 2 Street, Grand Forks, BC

Notes:

This Appendix accompanies an appraisal report prepared for MNP Ltd. The Third Party Assets were viewed by Greg Dyck, CPPA on August 4, 2023.

This Appendix should be read in conjunction with the appropriate appraisal report that explains specific definitions of values and details the scope of the reporting.

APPENDIX C
Unifab Industries Ltd.

Third Party Assets

Third Party	Description	Forced Liquidation Value
Cangas	- above ground propane storage tank	5,500
Air Liquide	- gas cylinder cage and tanks	1,500
Air Liquide	- pallet of welding wire	3,000
Air Liquide	- gas cylinders on property and aluminum frame	500
Ritchie Bros. Financing	- Cat 950G wheel loader Ser#:CAT0950GH2JS01774 - needs engine rebuild and other repairs	30,000
Innov8	- 2 Canon copiers	2,800
Kevin's	- 2010 Mazda CX7 - needs motor VIN:JM3ER4W33A0337534	750
Kevin's	- 2018 Dodge Ram VIN#:3C63R3EL3JG312194	47,000
Randy Kirkpatrick	- Old Land Cruiser	1,000
Stewart Brothers	- 53' step deck tridem axle trailer	17,500
Valiant Financial	- Snorkel S3219E electric 19 ft. scissor lift	7,500
Cloverdale	- Pallet of paint	500
Allied Thread	- Open boxes	50
Unknown	- Tenco dump truck box	1,500
Unknown	- Hyundai 30L-7A forklift	12,000
Unknown	- coveralls in lunchroom	1,000
Kootenay Coffee	- Curtis Coffee machine and carafes	300
	Third Party Assets Total	132,400

Appendix “3”

**Unifab Industries Ltd. and Sekwod Enterprises (2012) Ltd.
Summary of Offers to Purchase**

Auctioneer	Nature of Assets	Proposal	Time to sell	Commission/Fees	Notes
Maynards Group of Companies	Lot 2- Equipment and Inventory	•NMG of \$865,000	1 day Timed Online Auction	\$75,000 All sales above \$940,000 will be charged a 5% commission.	•18% Buyer's Premium. •Maynards will be onsite for 2-3 weeks to oversee removal of machinery and equipment. •Offer valid until Friday September 22.
GD Auctions	Assets and Inventory	•Option A - Straight Commission, \$60,860 to GD for expenses. •Option B - NMG of \$605,995.	1 day viewing period, and then Timed Online Auction.	Option A - \$60, 860 Option B - \$134,995 to GD Auctions. All sales over \$740,950 will be charge 20% commission.	•The online auction will be held in October 2023 or any other agreed date. •GDAA wishes to have free use of the Unifab premises until November 30, 2023. •GDAA reserves the right to charge a 15% buyer's premium.
McDougall	Assets and Inventory	•Offer 1 - \$810,022 •Offer 2 - NMG of \$791,417 •Offer 3 - Act as Receiver agent to sell	Unreserved online timed auction on November 23rd 2023, or other agreed date	Offer 2 - \$64,636 + 2% of all proceeds over \$856,063. Offer 3 - 6% commission of gross proceeds to sell assets on behalf of Receiver	•GDAA will provide full report of sale with 21 days of sale. •If Offer 1 is accepted, McDougall will unconditionally provide the remainder of the cash with three (3) business days, or other agreed upon date. •If Offer 2 is accepted, McDougall will unconditionally provide the remainder of the NMG at least 2 says prior to the auction close date or any other agreed upon date. •If Offer 3 is accepted, McDougall will pay the Receiver the auction proceeds within thirty (30) days of the auction close date. McDougall will provide sale report to Receiver within thirty (30) days of sale close or other agreed upon date.
Joiner Sales Corp	Assets	•Buy Option - \$955,000 •NMG - \$915,000 •Straight Commission	Online web cast auction sale	NMG- \$85,000 = 15% of proceeds over \$1,000,000. Straight Commission - 7.5% Commission + \$35,000 marketing fee to be deducted from Gross Sale Proceeds	•JSC will post \$150,000 on file upon MNP accepting and signing offer. • JSC will occupy Unifab premises for a minimum of 60 days •Full settlement will be made with twenty (20) banking days of the final auction.
Century Auctions	Assets	•Proposal A - NMG of \$425,000 •Proposal B - Straight Commission Proposal	Timed online public auction on Nov	Proposal A - 10% of proceeds exceeding \$665,000 (sharing threshold) Any amount exceeding NMG, up to sharing threshold, will belong to Century (in this case \$665,000 - \$425,000 = \$240,000) Proposal B - 13% Commission + \$80,975	•Century auctions needs 15 days commencing on the date of acceptance to inspect the assets. •Century auctions reserves the right to charge 12% buyers premium. •If Century's proposal is not acceptable, MNP must return deposit by September 22, 2023. • Where Century is unable to sell all assets. it shall become storage operator and charge storage and handling fees.

Buyers	Nature of Assets	Amount Offered
1108747BC Ltd./1444715 BC Ltd.	Lot 3- Real estate, equipment	\$ 2,500,000.00
1108747 BC Ltd./1444715 BC Ltd.	Lot 1 - Real estate only	\$ 2,100,000.00
Impact Ironworks Ltd.	Lot 3- Real estate, equipment	\$ 2,100,000.00

Appendix “4”

ASSET PURCHASE AGREEMENT

Made the 17th day of October, 2023.

BETWEEN:

MNP Ltd. in its capacity as receiver of Unifab Industries Ltd. and Sekwod Enterprises (2012) Ltd. (together, the “**Companies**”), and not in its personal capacity
(the, “**Vendor**”)

AND:

1444715 B.C. LTD.
a corporation incorporated pursuant to the laws of Canada, and
having an office at 1432 Trail Bay Avenue, Trail BC, V1R 4B
(the “**Purchaser**”)

- A. On July 17, 2023, the Supreme Court of British Columbia (the “**Court**”) made an order (the “**Receivership Order**”) appointing MNP Ltd. (the “**Receiver**”) as receiver of the assets, undertakings and properties of the Companies (the “**Property**”) and authorised the Receiver to, among other things, sell the Property.
- B. The Property includes, among other things, real property located in Grand Forks, BC;
- C. The Purchaser has agreed to purchase, and the Receiver has agreed to sell the Purchased Assets (as defined below), on the terms and conditions set out below (the “**Transaction**”);

NOW THEREFORE, Parties agree as follows:

Definitions

- 1. In this agreement:
 - (a) “**Assumed Liabilities**” means any environmental liabilities associated with the Purchased Assets, whether arising before or after Closing;
 - (b) “**Business Day**” means any day, other than a Saturday, Sunday or statutory holiday in British Columbia;
 - (c) “**Claim**” means any actual, potential or threatened claim, demand, suit, action, cause of action, claims and demands, suits, liabilities, obligations, damages debts, duties, sums of money whatsoever or wheresoever, whether at law or in equity;
 - (d) “**Closing**” means the successful completion of the Transaction;
 - (e) “**Closing Date**” means the day that is two (2) Business Days after the conditions in paragraphs 12, 13, and 14 are met or waived;

- (f) **“Deposit”** means the sum of \$262,500 paid by the Purchaser to the Vendor prior to execution of this Agreement;
- (g) **“Encumbrance”** means 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 been attached or perfected, registered or filed and whether secured, unsecured or otherwise, including, without limiting the generality of the foregoing: (i) any charges created by the Receivership Order; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (British Columbia) or any other personal property registry system; (iii) any legal notation, charge, lien, interest or other encumbrance or title defect of whatever kind or nature, regardless of form; or (iv) any agreement, lease, license, option or claim, easement, right of way, restriction, execution or other encumbrance (including any notice or other registration in respect of the foregoing) affecting title to or ownership of the Purchased Assets or any part thereof or interest therein, including those set out in Schedule “A”;
- (h) **“Government Entity”** means (i) any domestic or foreign government, whether national, federal, provincial, state, territorial, municipal or local (whether administrative, legislative, executive or otherwise), (ii) any agency, authority, ministry, department, regulatory body, court, central bank, bureau, board or other instrumentality having legislative, judicial, taxing, regulatory, prosecutorial or administrative powers or functions of, or pertaining to, government, (iii) any court, tribunal, commission, individual, arbitrator, arbitration panel or other body having adjudicative, regulatory, judicial, quasi-judicial, administrative or similar functions, and (iv) any other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange or professional association;
- (i) **“Permitted Encumbrances”** means the encumbrances set out in Schedule “B”;
- (j) **“Purchased Assets”** means the real property located at 6050 2nd Street, Grand Forks, BC, with the following legal description:

Parcel identifier: 007-377-878

THAT PART OF AMENDED LOT 3 (H365) DISTRICT LOT 534 SIMILKAMEEN DIVISION YALE DISTRICT PLAN 21622 MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT A POINT BEING THE SOUTH WEST CORNER OF AMENDED LOT 3 (H365) THENCE HEADING EASTERLY ON THE SOUTHERLY BOUNDARY OF SAID AMENDED LOT 3 FOR A DISTANCE OF 715 FEET THENCE NORTHERLY FOR A DISTANCE OF 404.35 FEET TO A POINT ON THE NORTHERLY BOUNDARY OF SAID AMENDED LOT 3 FOR A DISTANCE OF 715 FEET TO A POINT BEING THE

NORTH WESTERLY MOST CORNER OF SAID AMENDED LOT 3
THENCE SOUTHERLY ON THE WESTERLY BOUNDARY OF SAID
AMENDED LOT 3 FOR A DISTANCE OF 404.35 FEET TO A POINT
BEING THE POINT OF COMMENCEMENT

For clarity, the Purchased Assets include the two five-thousand-pound cranes affixed to the real property.

- (k) **“Purchase Price”** means CA \$2,100,000, plus applicable Tax;
- (l) **“Tax”** means any domestic or foreign federal, provincial or municipal taxes or other impositions by any Government Entity, including Transfer Taxes, goods and services taxes, excise taxes, property taxes and other charges of a similar nature; and
- (m) **“Transfer Tax”** means all goods and services, sales, excise, use, transfer, gross receipts, documentary, filing, recordation, value-added, stamp, stamp duty reserve and all similar taxes, duties or other like charges, however denominated (including property transfer taxes and provincial or harmonized sales taxes), in each case including interest, penalties or additions attributable thereto whether or not disputed, arising out of or in connection with the Transaction, regardless of whether the Government Entity seeks to collect the Transfer Tax from the Receiver or the Purchaser.

Purchase and Sale

2. Subject to the terms and conditions of this Agreement, the Vendor agrees to sell and the Purchaser agrees to purchase the Purchased Assets for the Purchase Price on the Closing Date, free and clear of all Encumbrances (including, but not limited to those listed in Schedule “A”), except for the Permitted Encumbrances set out Schedule “B”. The Purchaser acknowledges and agrees that on Closing, it will become responsible for all Assumed Liabilities.
3. The Purchaser acknowledges that it is acquiring the Purchased Assets on an “as-is, where-is” basis. Without limiting the generality of the foregoing, there are no collateral agreements, conditions, representations or warranties made by the Vendor, express or implied, arising at law, by statute or in equity or otherwise with respect to the Purchased Assets. The Purchaser further acknowledges that it has relied entirely on its own judgment and investigation with respect to the purchase of the Purchased Assets and is satisfied in all respects with the due diligence and investigations it has conducted.
4. In consideration of the sale of the Purchased Assets pursuant to the terms of this Agreement, the Purchaser will pay to the Receiver an amount equal to \$1,837,500, plus applicable taxes, which the Purchaser will pay and deliver at Closing in accordance with the deliverables in paragraph 16.
5. The Parties acknowledge and agree that the Purchaser has paid the Deposit to be applied on account of the Purchase Price at the Closing.

Purchaser's Representations and Warranties

6. The Purchaser represents and warrants to the Vendor that:
 - (a) It is duly organized and validly existing under the laws of the Province of British Columbia;
 - (b) It has the requisite corporate power and authority to enter into, deliver and perform its obligations under this Agreement, or any necessary documents to effect this Transaction;
 - (c) Neither the Purchaser entering into this Agreement, nor performance of its terms, will result in the breach of or constitute a default under any term or provision of any indenture, mortgage, deed of trust or other agreement to which the Purchaser is bound or subject; and
 - (d) It has sufficient funds available to pay the Purchase Price and that its obligations under this Agreement are not subject to any conditions regarding its ability to obtaining financing for the Purchase Price.

Covenants and Other Agreements

7. The Purchaser acknowledges and agrees that the Transaction and this Agreement are subject to approval of the Court.
8. The Receiver will use commercially reasonable efforts to obtain an order of the Court approving this Agreement and authorizing and directing the Receiver to perform its obligations under this Agreement, including authorising and directing the Receiver to execute such instruments of sale and transfers as the Receiver may deem necessary or desirable to transfer the Purchased Assets to the Purchaser, free and clear of all Encumbrances, other than the Permitted Encumbrances (the "**Vesting Order**"). The Vesting Order will be substantially in the form attached as Schedule "C".
9. The Receiver, on reasonable notice, will allow the Purchaser and its agents and contractors with reasonable access to the Purchased Assets prior to the Closing Date. The Purchaser acknowledges and agrees that the Receiver may require a representative to attend at such access, and that reasonable notice will include the Receiver making those arrangements for its representative to attend.

Tax Matters

10. The Purchaser will be responsible for all Transfer Taxes, fees and expenses in connection with the registration of the Vesting Order or transfer of the Purchased Assets that are payable to a Government Entity or other taxing authority. The Purchaser will promptly pay directly to the appropriate Government Entity or taxing authority all applicable Transfer Taxes, including property transfer tax, GST or other amounts that are properly payable by the Purchaser, and on request of the Receiver will furnish proof of direct payment of such amounts. The Purchaser will indemnify and hold the Vendor and its directors, officers, employees, advisors and agents harmless from any liability related to

the Vendor's failure to account for, or report and remit such taxes and such indemnity will survive the completion of the transactions contemplated herein.

11. Notwithstanding the above, the Vendor will cooperate with the Purchaser to execute any election available under applicable law that may reduce or defer the amount or due date of any GST, PST, or other tax payable by the Purchaser provided such election will not result in any increased cost or tax liability for the Vendor.

Conditions to Closing

12. The Parties obligation to effect the Closing and carry out the Transaction are subject to the satisfaction (or express written waiver by the Parties) of the following conditions:
 - (a) There will be no law or order preventing consummation of the transactions contemplated by this Agreement that has not been withdrawn or terminated;
 - (b) The Vesting Order will have been granted by the Court, in a form satisfactory to the Parties, each acting reasonably (the "**Court Approval Condition**"); and
 - (c) No action or proceeding (including the appeal, motion to vary, stay or vacate or motion for leave to appeal the Vesting Order) will be outstanding, pending or threatened that may challenge the Vesting Order, the Receivership Order or otherwise enjoin, restrict or prohibit the purchase and sale of the Purchased Assets.
13. The Receiver's obligation to effect the closing and carry out the Transaction are subject to satisfaction (or express written waiver by the Receiver) of the following additional conditions:
 - (a) the representations and warranties of the Purchaser under this Agreement will be true and correct;
 - (b) the covenants, obligations and agreements in this Agreement will be complied with the Purchaser on or before Closing; and
 - (c) each of the deliveries required under this Agreement have been delivered.
14. The Purchaser's obligation to effect the closing and carry out the Transaction are subject to satisfaction (or express written waiver by the Purchaser) of the following additional conditions:
 - (a) the covenants, obligations and agreements in this Agreement will be complied with the Receiver on or before Closing; and
 - (b) each of the deliveries required under this Agreement have been delivered.

Closing

15. The Closing will take place at 10:00am (Vancouver time) on the Closing Date. Legal title and equitable title to the Purchased Assets will transfer to the Purchaser and the Assumed Liabilities will transfer to the Purchaser at the Closing.

16. The Closing will take place two (2) business days after delivery of the following:
 - (a) The Receiver has delivered to the Purchaser written confirmation that the Purchased Assets are vacant and ready for possession;
 - (b) The Receiver will deliver to the Purchaser an entered copy of the Vesting Order; and
 - (c) The Purchaser will pay the Purchase Price in cash, minus the Deposit, by wire transfer of immediately available funds to an account or accounts designated by the Receiver.

Termination

17. This Agreement may be terminated prior to Closing: (a) by mutual written consent of the Receiver and the Purchaser; or (b) if an order is made prohibiting or otherwise precluding concluding the Transaction.

General

18. This Agreement shall be governed by and construed in accordance with the laws of British Columbia and the federal laws of Canada applicable therein. The Purchaser and Vendor irrevocably attorn to the jurisdiction of the courts of British Columbia.
19. The Agreement shall enure to and be binding upon the Purchaser and Vendor and their respective successors, trustees and assigns, as the case may be.
20. This Agreement constitutes the entire agreement between the parties and, except as stated, contains all of the covenants, representations and warranties of the parties. There are no verbal statements, covenants, representations, warranties, undertakings or agreements between the parties. This Agreement may not be amended or modified in any respect, except by written instrument executed by the parties.
21. The parties shall execute and deliver such further documents and instruments and do all such acts and things as may be reasonably necessary or required to carry out the full intent and meaning of this Agreement and to effect the transactions contemplated by this Agreement.
22. The Agreement may be executed in any number of counterparts, when all taken together, shall constitute a fully executed agreement that shall be binding upon all parties, with the same force and effect as if all parties had signed the same document. Any party to this agreement may effect delivery of its respective execution by counterpart *via* telecopy or other electronic transmission to any other party to this agreement and, in such case, shall provide an originally executed version of its execution upon request of any other party to this agreement.

[Signature page to follow]

IN WITNESS WHEREOF the Purchaser and Vendor have executed this Asset Purchase Agreement by the properly authorized representatives on the date first above written.

MNP Ltd. in its capacity as
Receiver of Unifab Industries Ltd. and
Sekwod Enterprises (2012) Ltd.
And not in its personal capacity



Per: Julie Kennedy, CIRP, LIT
Vice President

1444715 B.C. LTD.

DocuSigned by:
David Evdokimoff

Per: David Evdokimoff
Title: Director

DocuSigned by:
Natalie Evdokimoff

Per: Natalie Evdokimoff
Title: Director

Schedule "A"

Encumbrances to be Discharged

1. Mortgage, Registration No. CA7946272, registered December 20, 2019 in favour of Bank of Montreal.
2. Assignment of Rents, Registration No. CA7946273, registered December 20, 2019 in favour of Bank of Montreal.

Schedule "B"

Permitted Encumbrances

1. Statutory Right of Way, Registration No. CA8583425, registered November 20, 2020 in favour of FortisBC Inc.
2. Statutory Right of Way, Registration No. CA8583426, registered November 20, 2020 in favour of FortisBC Inc.

Schedule "C"

Draft Vesting Order

[Attached below]

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

BANK OF MONTREAL

PETITIONER

AND:

UNIFAB INDUSTRIES LTD. AND SEKWOD ENTERPRISES (2012) LTD.

RESPONDENTS

ORDER MADE AFTER APPLICATION

**APPROVAL AND VESTING ORDER
(PROPERTY)**

BEFORE THE HONOURABLE

)
)
)

OCTOBER ____, 2023

THE APPLICATION of MNP Ltd., in its capacity as Court-appointed Receiver and Manager (the “**Receiver**”) of the assets, undertakings and properties of Unifab Industries Ltd. and Sekwod Enterprises (2012) Ltd. (collectively, the “**Debtor**”) coming on for hearing at Vancouver, British Columbia, on the 1st day of November, 2023; AND ON HEARING [●], counsel for the Receiver, and those other counsel listed on Schedule “A” hereto, and no one else appearing although duly served; AND UPON READING the material filed, including the First Report of the Receiver dated October [●], 2023 (the “**First Report**”);

THIS COURT ORDERS AND DECLARES THAT:

Service and Definitions

1. The time for service of the Notice of Application for this order and the supporting materials is hereby abridged and this application is properly returnable today and hereby dispenses with further service thereof.
2. Capitalized terms used but not otherwise defined in this Order have the meaning given to them in the Asset Purchase Agreement dated October 17, 2023 (the “**Sale Agreement**”) between the Receiver and 1444715 B.C. Ltd. (the “**Purchaser**”), a copy of which is attached as Schedule “B” hereto.
3. In this Order, the following terms shall bear the meanings given to them below:
 - (a) “**Claims**” means 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;
 - (b) “**Closing Date**” has the meaning given to it in the Sale Agreement;
 - (c) “**Encumbrances**” means the Claims, and any encumbrances or charges created by the Order of this Court dated July 17, 2023; all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system; and those Claims listed on Schedule “C” hereto, and for certainty, excludes the Permitted Encumbrances;
 - (d) “**Permitted Encumbrances**” means the encumbrances, easements and restrictive covenants listed on Schedule “D” hereto;

- (e) **“Property”** means the real property located at 6050 2nd Street, Grand Forks, BC with a legal description as set out on Schedule “E” hereto;

Approval of Sale Agreement

4. The sale transaction (the **“Transaction”**) contemplated by the Sale Agreement is hereby approved, and the Sale Agreement is commercially reasonable. The execution of the Sale Agreement by the Receiver is hereby authorized and approved, and 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 to the Purchaser of the Property.

Vesting of Assets and Liabilities

5. Upon delivery by the Receiver to the Purchaser of a certificate substantially in the form attached as Schedule “F” hereto (the **“Receiver’s Certificate”**), all of the Debtor’s right, title and interest in and to the Property shall vest absolutely in the Purchaser in fee simple, free and clear of and from the Encumbrances, and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Property are hereby expunged and discharged as against the Property.
6. Upon presentation for registration in the Land Title Office for the Land Title District of Kamloops of a certified copy of this Order, together with a letter from Fasken Martineau DuMoulin LLP, solicitors for the Receiver, authorizing registration of this Order, the British Columbia Registrar of Land Titles is hereby directed to:
- (a) enter the Purchaser as the owner of the Property, as identified on Schedule “E” hereto, together with all buildings and other structures, facilities and improvements located thereon and fixtures, systems, interests, licenses, rights, covenants, restrictive covenants, commons, ways, profits, privileges, rights, easements and appurtenances to the said hereditaments belonging, or with the same or any part thereof, held or enjoyed or appurtenant thereto, in fee simple in

respect of the Property, and this Court declares that it has been proved to the satisfaction of the Court on investigation that the title of the Purchaser in and to the Property is a good, safe holding and marketable title and directs the BC Registrar to register indefeasible title in favour of the Purchaser as aforesaid; and

- (b) having considered the interest of third parties, to discharge, release, delete and expunge from title to the Property all of the registered Encumbrances except for those listed on Schedule "D".
7. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Property shall stand in the place and stead of the Property, and from and after the delivery of the Receiver's Certificate all Claims shall attach to the net proceeds from the sale of the Property with the same priority as they had with respect to the Property immediately prior to the sale, as if the Property had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale.

General

8. The Receiver is to file with the Court a copy of the Receiver's Certificate forthwith after delivery thereof.
9. Subject to the terms of the Sale Agreement, vacant possession of the Property shall be delivered by the Receiver to the Purchaser at 12:00 noon on the Closing Date, subject to the Permitted Encumbrances.
10. The Receiver, with the consent of the Purchaser, shall be at liberty to extend the Closing Date to such later date as those parties may agree without the necessity of a further Order of this Court.

11. Notwithstanding:

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

the vesting of the Property 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 or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* 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.

12. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body, wherever located, 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.

13. The Receiver or any other party have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order.

14. Endorsement of this Order by counsel appearing on this application other than counsel for the Receiver is hereby dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of [●]
Lawyer for the Receiver, MNP Ltd.

BY THE COURT

REGISTRAR

Schedule A – Appearance List

Counsel	Party

Schedule B – Sale Agreement

[Intentionally omitted]

Schedule C – Claims to be deleted/expunged from title to the Property

1. Mortgage, Registration No. CA7946272, registered December 20, 2019 in favour of Bank of Montreal.
2. Assignment of Rents, Registration No. CA7946273, registered December 20, 2019 in favour of Bank of Montreal.

**Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Property**

1. The reservations, limitations, provisos and conditions expressed in the original grant thereof from the Crown.
2. Statutory Right of Way, Registration No. CA8583425, registered November 20, 2020 in favour of FortisBC Inc.
3. Statutory Right of Way, Registration No. CA8583426, registered November 20, 2020 in favour of FortisBC Inc.

Schedule E – Property

PARCEL IDENTIFIER: 007-377-878

THAT PART OF AMENDED LOT 3 (H365) DISTRICT LOT 534 SIMILKAMEEN DIVISION YALE DISTRICT PLAN 21622 MORE PARTICULARLY DESCRIBED AS FOLLOWS:
COMMENCING AT A POINT BEING THE SOUTH WEST CORNER OF AMENDED LOT 3 (H365) THENCE HEADING EASTERLY ON THE SOUTHERLY BOUNDARY OF SAID AMENDED LOT 3 FOR A DISTANCE OF 715 FEET THENCE NORTHERLY FOR A DISTANCE OF 404.35 FEET TO A POINT ON THE NORTHERLY BOUNDARY OF SAID AMENDED LOT 3 FOR A DISTANCE OF 715 FEET TO A POINT BEING THE NORTH WESTERLY MOST CORNER OF SAID AMENDED LOT 3 THENCE SOUTHERLY ON THE WESTERLY BOUNDARY OF SAID AMENDED LOT 3 FOR A DISTANCE OF 404.35 FEET TO A POINT BEING THE POINT OF COMMENCEMENT

Schedule F – Receiver’s Certificate

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

BANK OF MONTREAL

PETITIONER

AND:

UNIFAB INDUSTRIES LTD. AND SEKWOD ENTERPRISES (2012) LTD.

RESPONDENTS

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Supreme Court of British Columbia (the “**Court**”) dated July 17, 2023, MNP Ltd. was appointed the receiver and manager (in such capacity, the “**Receiver**”) of the undertaking, property and assets of each of Unifab Industries Ltd. and Sekwod Enterprises (2012) Ltd.

B. Pursuant to an Order of the Court dated October 27, 2023, the Court approved the agreement of purchase and sale made as of October 17, 2023 (the “**Sale Agreement**”) between the Receiver and 1444715 B.C. Ltd. (the “**Purchaser**”) and provided for the vesting in the Purchaser of all right, title and interest in and to the Property, which vesting is to be effective with respect to the Property upon the delivery by the Receiver to the Purchaser of a certificate confirming (a) the payment by the Purchaser of the Purchase Price for the Property in accordance with the Sale Agreement; (b) that the conditions to Closing as set out in paragraphs 12 to 14 of the Sale Agreement have been satisfied or waived by the Receiver and/or the Purchaser, as applicable; and (c) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, capitalized terms have the meanings given to them in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Property payable on the Closing Date in accordance with the Sale Agreement;
2. The conditions to Closing as set out in paragraphs 12 to 14 of the Sale Agreement have been satisfied or waived by the Receiver and/or the Purchaser, as applicable; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ [Time] on _____, 2023.

MNP Ltd., in its capacity as receiver and manager of the undertakings, property and assets of Unifab Industries Ltd. and Sekwod Enterprises (2012) Ltd., and not in any other capacity

Per: _____

Name: Julie Kennedy, CIRP, LIT

Title: Vice President

No. S-234961
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

BANK OF MONTREAL

PETITIONER

AND:

UNIFAB INDUSTRIES LTD. AND SEKWOOD
ENTERPRISES (2012) LTD.

RESPONDENTS

APPROVAL AND VESTING ORDER

FASKEN MARTINEAU DuMOULIN LLP

Barristers and Solicitors
550 Burrard Street, Suite 2900
Vancouver, BC, V6C 0A3
+1 604 631 3131

Counsel: Lisa Hiebert
E-mail: lhiebert@fasken.com
Matter No: 278733.00019

Appendix “5”

THIS Auction and Liquidation Services Agreement dated for reference the 3rd day of October, 2023,

MADE BETWEEN:

**MNP LTD acting in its Capacity as Receiver of
UNIFAB INDUSTRIES LTD. AND SEKWOD
ENTERPRISES (2012) LTD. and not in its personal
capacity**

OF THE FIRST PART

(hereinafter referred to as the “MNP” or the ”Receiver”)

AND:

MAYNARDS INDUSTRIES CANADA II LTD.

(hereinafter referred to as the “Maynards or the Auctioneer”)

OF THE SECOND PART

WHEREAS:

- A. MNP was appointed Receiver of Unifab Industries Ltd and Sekwod Enterprises (2012) Ltd. on July 17, 2023 and is selling its machinery and related equipment located at its Grand Forks, B.C. location;
- B. The Auctioneer submitted a proposal to MNP dated September 12, 2023 to liquidate the assets listed in **Schedule “A”** hereto (the “Assets”); and
- C. MNP wishes to retain the Auctioneer, subject to the Receiver obtaining court approval on or before November 1, 2023, to sell the Assets, subject to the terms and conditions hereof.

NOW THEREFORE THIS AGREEMENT WITNESSETH that MNP and the Auctioneer agree as follows:

1. RETENTION OF THE AUCTIONEER

- 1.1 MNP hereby retains the Auctioneer to carry out, and the Auctioneer hereby agrees to carry out, a sales program and run a liquidation and auction (the “**Auction**”) with respect to the Assets on the terms and conditions as set forth in this agreement.
- 1.2 MNP and the Auctioneer covenant and agree with each other to carry out their respective obligations under this Agreement, including without limitation the obligations as set forth in **Schedule “B”** to this Agreement.
- 1.3 The Auctioneer will not, and has no authority to, incur any liability or obligation on behalf of MNP, unless otherwise specifically authorized and approved by MNP.

2. THE AUCTION/LIQUIDATION

- 2.1 Subject to the terms and conditions contained in this Agreement, the Auctioneer has guaranteed and does hereby guarantee a net minimum payment to MNP of \$865,000, in respect of the sale of the Assets (the “**NMG**”) regardless of the amount of proceeds received from sale of the Assets pursuant to this Agreement.
- 2.2 The Auctioneer shall have the right to charge the Buyers of the Assets an 18% buyer’s premium with respect to the sale of the Assets (the “**Buyer’s Premium**”).
- 2.3 Following conclusion of the Auction, the proceeds of sale of the Assets, excluding the Buyer’s Premium, and net of applicable taxes and any merchant banking charges (together, the “**Gross Sale Proceeds**”), shall be paid and distributed by the Auctioneer as follows:
- (a) firstly, the Auctioneer shall pay MNP an amount equal to the NMG. If the Gross Sale Proceeds are insufficient to make this payment in full, the Auctioneer shall itself pay the deficiency to MNP by no later than 10 business days following the Auction unless otherwise mutually agreed-upon by the Parties;
 - (b) secondly, any remaining Gross Sale Proceeds in excess of the NMG up to \$75,000 shall be to the account of the Auctioneer (the “**Gross Sale Proceeds Threshold**”); and
 - (c) thirdly, any remaining Gross Sale Proceeds in excess of the Gross Sale Proceeds Threshold (the “**Remaining Gross Sale Proceeds**”) shall be split between the Auctioneer and MNP with 95% of the Remaining Gross Sale Proceeds payable to the Receiver and 5% of the Remaining Gross Sale Proceeds payable to the Auctioneer.
- 2.4 In addition to the foregoing, if any Asset is either (a) removed from the Sales Process at the election of MNP; (b) not situated at the Premises (as defined below); (c) where access to any Asset/Premises is not provided to Auctioneer upon the Approval Order being granted for the Auction; or (d) where the Approval Order does not enable the Auctioneer to transfer title to any Asset free and clear of all right, title, and interests of the Debtors and all persons claiming by or through the Debtors, and such other parties as may be specifically designated by the Auctioneer, then the NMG shall be adjusted, as mutually agreed-upon by the Parties (each Party acting reasonably), and failing agreement, as determined by the Court. If there is a dispute respecting the ownership of any of the Assets sold by the Auctioneer or any claims relating thereto, the Auctioneer may pay the proceeds in respect of such Assets to MNP to be held pending a determination by the Court

as to who is entitled to the proceeds. In so paying the Auctioneer shall have satisfied its obligations to MNP under this Agreement.

3. REPRESENTATIONS, WARRANTIES, AND COVENANTS WITH RESPECT TO THE ASSETS

- 3.1 MNP shall deliver to the Auctioneer a copy of all pertinent documents that are in the possession of MNP, if any, relating to the Assets, including, without limitation, all documents of title, operating manuals, warranties, and all documents respecting registrations.
- 3.2 MNP shall provide, or make commercially reasonable efforts to provide, to the Auctioneer and its agents, employees and representatives, access to the Assets located at 6050 2nd Street Grand Forks, BC for the purpose of this Auction (the “**Premises**”) until December 15, 2023 or a later date as agreed by the parties hereto (the “**General Deadline**”), for the purposes of showing the Assets to prospective purchasers, preparing for and conducting the auctions, completing all sales, and removing the Assets upon their sale. MNP agrees to pay, until the General Deadline at its sole cost, all applicable rent and shall be responsible for the continued supply of all utilities to the Premises including, without limitation, gas, water, heat and hydro, and for the maintenance of insurance coverage on the Premises and Assets (the “**Occupancy Costs**”). MNP shall provide, and upon reasonable request by the Auctioneer, do, execute and deliver all further assurances, acts and documents for the purpose of conveying right, title, and interest of the Assets to any purchaser contemplated herein.
- 3.3 The Auctioneer shall sell the Assets on an “as is, where is” basis and neither MNP, nor the Auctioneer shall make, vis-à-vis, any third-party purchasers, any representations, conditions or warranties, and there are no representations, conditions or warranties. The Parties agree there are no terms or conditions whatsoever, whether expressed, implied, statutory or otherwise with respect to the Assets or any of them or any other matters whatsoever in any way related to the subject matter of this Agreement.
- 3.4 The Auctioneer has conducted its own due diligence, independent inspection, and investigation respecting the Assets and is satisfied with the Assets in all respects.
- 3.5 Upon completion of the Auction contemplated hereby, the Auctioneer shall oversee the removal or preparation of the removal of the Assets from the Premises. The Auctioneer shall otherwise have the right to abandon any remaining or unsold Assets. Any third- party costs or expenses incurred in connection with the clean-up of the Premises to leave in a broom swept condition or storage of the Assets on the Premises shall not be the responsibility of Maynards. Maynards will work with MNP with regards to any unsold assets if any.

4. DUTIES OF AUCTIONEER

- 4.1 Except as otherwise provided for in this Agreement, the Auctioneer shall at its own cost and expense:
 - (a) provide commercially reasonable best efforts to conduct the Auction in accordance with its terms and the terms of this Agreement;
 - (b) provide sufficient licensed auctioneers and other personnel as is generally required for the holding of the Auction;

- (c) supervise the inspection of the Assets by potential purchasers prior to the Auction;
- (d) prepare for, arrange, conduct and conclude the Auction including, but not limited to, advertising, auction-related set-up, administrative services, collection of proceeds, banking, security/check out personnel, etc.;
- (e) organize, inventory, tag and lot the Assets for the Auction;
- (f) provide administrative services relating to the transfer of ownership of Assets to purchasers such that title to the Assets can be conveyed to the purchasers;
- (g) provide the accounting described in Section 2 of Schedule "B" hereto.

5. ADDITIONAL REPRESENTATIONS, WARRANTIES AND CONDITIONS

5.1 MNP represents and warrants to the Auctioneer that it has good and sufficient power and authority to enter into this Agreement and to complete the transactions contemplated by this Agreement and is subject to obtaining court approval on or before November 1, 2023.

5.2 The Auctioneer represents, warrants and acknowledges to MNP that:

- (a) the Auctioneer is a corporation duly incorporated, organized and subsisting under the laws of British Columbia;
- (b) the Auctioneer has good and sufficient power and authority to enter into this Agreement and to complete the transactions contemplated by this Agreement;
- (c) this Agreement constitutes a valid and legally binding obligation of the Auctioneer, enforceable against the Auctioneer in accordance with its terms;
- (d) the Auctioneer will, prior to conducting any sales pursuant to this agreement, be registered under Part IX of the *Excise Tax Act* (Canada) and shall have all necessary registrations and authority to collect, report and remit any applicable taxes on or with respect to any sale of any Assets by the Auctioneer pursuant to this agreement, in all applicable jurisdictions; and
- (e) the Auctioneer has not jointly elected with MNP pursuant to section 177(1.3) of the *Excise Tax Act* (Canada) and
- (h) the Auctioneer holds all required permits and licenses required to perform its obligations under this Agreement.

5.3 The representations, warranties and covenants of the Auctioneer set forth in this agreement will survive completion of the transactions contemplated by this Agreement.

6. MISCELLANEOUS

6.1 All references to currency in this Agreement and in the schedules hereto are to lawful currency of Canada.

- 6.2 If the doing of any act pursuant to this Agreement falls on a day on a bank holiday or weekend, then the time for the doing of such act shall be deemed to be the next day that is not a bank holiday or weekend.
- 6.3 Any notice, request, instruction or other communication to be given hereunder by any party to the other shall be in writing and effective when delivered by facsimile or by electronic mail to the addresses and/or email addresses set forth as follows:

Julie Kennedy, CIRP, LIT
MNP Ltd.
Email: julie.kennedy@mnp.ca

With a copy to:

The Auctioneer:
Maynard's Industries Canada II Ltd.
Suite 130, 49 Dunlevy Ave
Vancouver, BC V6A 3A3
Attention: Aaron Stewardson
Email: astewardson@maynards.com

A party may from time to time change its address for service or its facsimile number for service by giving written notice of such change to the other party.

- 6.4 No waiver by either party of any of the conditions contained in this Agreement or of any breach of any of the covenants contained in this Agreement shall have effect or be binding upon that party unless expressed in writing and any waiver so given shall extend only to the particular condition or breach so waived and shall not limit or affect any rights with respect to any other condition or breach or any future breach.
- 6.5 This Agreement and the attached schedules constitute the entire agreement between the parties relating to the subject matter hereof and supersedes all prior proposals, communications and agreements, whether written or oral.
- 6.6 This Agreement may be amended or modified only by an instrument in writing executed and delivered by the parties hereto subsequent to the date hereof.
- 6.7 The parties covenant to execute such further documents and do such further acts as may be required to implement the terms of this Agreement.
- 6.8 All stipulations in this Agreement as to time are strictly of the essence.
- 6.9 This Agreement shall be governed by the laws in effect in the Province of British Columbia and the parties hereby attorn to the jurisdiction of the Courts of that Province.
- 6.10 This Agreement may be executed in counterparts by the parties hereto and executed counterparts may be delivered by electronic mail and such execution and delivery shall be valid for all intents and purposes and the executed counterparts shall together form one document.

6.11 This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

EXECUTED at Vancouver, BC, this 18th day of October, 2023.

MAYNARDS INDUSTRIES CANADA II LTD.

Per: _____

Name: Aaron Stewardson
Title: COO

**MNP Ltd. in its capacity as Receiver of Unifab
Industries Ltd. and Sekwod Enterprises (2012)
Ltd. and not in its personal capacity**

Per: _____

Name: Julie Kennedy, CIRP, LIT
Title: Vice President

SCHEDULE "A"
THE ASSETS

[Attached below]

SCHEDULE "B"
MNP AND AUCTIONEER'S RESPONSIBILITIES

The following sets out MNP and Auctioneer's respective responsibilities with respect to the disposition of the Assets. The parties acknowledge and agree that:

General

1. The Auctioneer is acting only in its capacity as an independent contractor dealing with MNP and is otherwise not MNP employee or assign, nor is it assuming the legal responsibilities, duties or obligations of MNP or of a "Secured Party".
2. The Auctioneer will carry out the Auction in an orderly and professional manner, in accordance with industry practices. The Auctioneer shall, promptly following the Auction, provide MNP with a detailed written accounting in respect of the sales and the Gross Sale Proceeds in a form satisfactory to MNP acting reasonably.
3. The Auctioneer will determine the best way of selling the Assets, whether by private or public sale of by auction or otherwise. Any offers presented or received prior to the auction will be discussed with the company.
4. The Auctioneer will not be responsible for the following costs, claims, or liabilities, even if such are payable:
 - (a) lease payments to third parties under any leases of the Assets;
 - (b) any pre-existing environmental costs;
 - (c) any legal costs associated with dealing with liens against the Assets; and,
 - (d) any product warranties, conditions, or liabilities, including without limitation those set forth in the *International Sale of Goods Contracts Convention Act* (Canada).

Taxes

5. The Auctioneer shall collect, and promptly pay to the applicable authority and confirm such payment to MNP, all social services tax, provincial sales tax (if applicable), goods and services tax and any other tax resulting from any sale transaction entered into by the Auctioneer with respect to any of the Assets.
6. The Auctioneer shall indemnify and hold MNP harmless from any and all demands, liabilities or claims, including, but not limited to, fines, penalties, losses, costs and expenses, which MNP may sustain, incur or be subject to, arising out of, or by reason of, any failure by the Auctioneer to collect, pay or remit any applicable taxes under, or in accordance with, the provisions of the *Excise Tax Act* (Canada) in relation to the sale of the Assets in accordance with the Auction (including without limiting the generality of the foregoing in respect of the buyer's premium described in Section 2.2 of this Agreement).

Insurance

7. The Auctioneer will maintain insurance, and will provide to MNP proof of insurance, with respect to any public liability which could flow from the Auctioneer's activities, naming MNP as beneficiary of such insurance, providing for coverage of not less than \$5,000,000 per occurrence and otherwise in a form satisfactory to MNP acting reasonably.
8. Proceeds received on any insurance claim in respect of any insured Assets that otherwise would have been sold during the Auction shall be considered Gross Sale Proceeds.

Event of Force Majeure

9. If the Auctioneer is materially delayed, interrupted or precluded from completing the Auction in accordance with this Agreement by reason of *force majeure* which includes, without limitation, any event or circumstance of any nature whatsoever that is beyond the reasonable control of the Auctioneer, including earthquake, flood or other act of God, fire, explosion or accident, howsoever caused, any act or omission or delay by any governmental authority, strike, lockout, inability to obtain or delay in obtaining labour, supplies, materials or equipment, delay or failure by carriers or contractors, breakage or other casualty, or seasonal or climactic conditions, the Auctioneer shall be held harmless from any and all liability if such disaster shall affect the conduct or timing of any actions contemplated by this Agreement. The Auctioneer shall give immediate written notice of any circumstance which may constitute an indemnifiable event to MNP. The Auctioneer shall be entitled to be paid so much of the amounts payable to it pursuant to this Agreement to which it has become entitled as at the date of the event of *force majeure*. In the event that, acting reasonably, the parties hereto are unable to negotiate a settlement, the matter will be determined in accordance with directions from the Supreme Court of British Columbia.

Environmental Indemnity

10. For the purposes of this Schedule "B", "Contaminants" means any substance or thing or mixture of them which alone, or in combination, or in concentrations, are flammable, corrosive, reactive or toxic or which might cause adverse effects or be deemed detrimental to living things or to the environment, including, but not limited to, any pollutant, contaminant, toxic or hazardous substance, such as, by way of example, urea formaldehyde, asbestos, polychlorinated biphenyl, pesticides, or any other substance with which the removal, manufacture, preparation, generation, use, maintenance, storage, transfer, handling or ownership is subject to any laws, rules or regulations.
11. The Receiver will defend, indemnify and save harmless the Auctioneer and its directors, officers, employees, agents, successors and assigns, from any and all liabilities, actions, damages, claims, losses, costs and expenses whatsoever (including without limitation, the full amount of all legal (on a solicitor and his own client basis) and other professional costs and the costs of removal, abatement, treatment, storage or disposal of Contaminants and remediation of the Premises and any other property affected) which may be paid by,

incurred by or asserted against the Auctioneer or its directors, officers, employees, agents, successors or assigns for, with respect to, or as a direct or indirect result of, the presence of any Contaminants, known or unknown, on, in or under, or the escape, seepage, leakage, spillage, discharge, emission or other release of any Contaminants, known or unknown, on, under or from any part of the Premises existing or having occurred as of the date of this Agreement, including but not limited to the removal, relocation, disassembly, modification, or inspection of the Assets pursuant to this Agreement, to the extent caused by the Receiver. For the avoidance of doubt, such indemnity shall not extend to any costs associated with Contaminants brought on to or created on the Premises by the Auctioneer subsequent to the date of this Agreement or the remediation of any contamination resulting therefrom. This indemnity will survive any expiration or termination of this Agreement.