

COURT FILE NUMBER: 1701-03460

COURT: COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE: CALGARY

APPLICANT: ALBERTA ENERGY REGULATOR

RESPONDENTS: LEXIN RESOURCES LTD., 1051393 B.C. LTD.,
0989 RESOURCE PARTNERSHIP, LR
PROCESSING LTD. and LR PROCESSING
PARTNERSHIP

DOCUMENT: AFFIDAVIT

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF PARTY
FILING THIS DOCUMENT

Billington Barristers
1910 Elveden House
717 - 7th Avenue SW
Calgary, AB T2P 0Z3
Main: (403) 930-4100
Fax: (403) 930-4110
Richard N. Billington, Q.C.
Direct: (403) 930-4101
File: 16001-001

AFFIDAVIT OF RON YOUNG

Sworn on January 24th, 2019

I, **Ron Young**, of the Town of De Winton, in the Province of Alberta, **SWEAR AND SAY THAT:**

1. I am the President of the Applicant Young EnergyServe Inc. ("YES"), and as such I have personal knowledge of the facts and matters hereinafter deposed to, except for matters that are stated to be based on information obtained from others, in which case I verily believe the information to be true.
2. YES is in the business of cleaning and servicing tanks and vessels in refineries and gas processing plants. In the fall of 2015, MFC Processing Partnership (the predecessor to the Respondent LR Processing Partnership) invited YES to bid on

a Turnaround Project at the Mazeppa Gas Processing facility near High River, Alberta. At that time, the Mazeppa Gas Processing Plant was operated by MFC Processing Partnership, but legal title to the quarter section of land where the plant was located was registered in the name of another MFC Bancorp affiliate, MPP Ltd. The Mazeppa Turnaround Project involved shutting down the gas processing plant in order to repair, revamp, maintain, and clean the tanks, pressure vessels, and gas processing equipment at the plant. This work was required so that the plant could pass an inspection by the Alberta Boiler Safety Association and maintain its license to operate with the AER.

3. YES obtained the Turnaround Contract from MFC Processing Partnership. We completed the work in October, November, and early December of 2015. YES left the site on or around December 5, 2015, and issued our final invoice to MFC Processing Partnership on December 6, 2015.
4. The total amount billed by YES on the Turnaround Project was \$1,686,256.89. MFC Processing Partnership only paid the first invoice for the project in the amount of \$7,261.49, leaving an outstanding balance of \$1,678,995.40.
5. Full details regarding the Turnaround Contract, the work performed by YES, change orders, invoicing, and payments received are set out in the affidavit of Guy Young sworn May 6, 2016 and filed May 9, 2016 in Court of Queen's Bench of Alberta File Numbers 25-094659 and 25-094662, (the "Bankruptcy Proceedings"). In the Bankruptcy Proceedings conducted in 2016, YES obtained a Bankruptcy Order against the Respondents LR Processing Partnership and LR Processing Ltd. (which are the successors to MFC Processing Partnership and MPP Ltd., respectively). In this affidavit, I will refer to LR Processing Partnership and LR Processing Ltd. together as "LR Processing".
6. At the time YES completed the Mazeppa Turnaround Project, the predecessors to LR Processing owned and operated a 16.4-megawatt Power Plant that was located within the Mazeppa Gas Plant. The Power Plant had been built in 2014,

and used gas supplied by the Mazeppa Plant to generate electricity that was sold to the Alberta electrical grid.

7. Although YES did not perform any work directly on the Power Plant in the course of the Turnaround Project, completion of the Turnaround Project was needed in order to return the gas plant to operation so that the Power Plant could continue to generate electricity.
8. I have attended at the Mazeppa Gas Processing Plant site on numerous occasions, both before, during, and following the Turnaround Project. As I indicated above, the Mazeppa Power Plant is a 16.4-megawatt Power Plant that was pre-engineered and installed as a turnkey operation in 2014. It utilizes 5 GE Jenbacher model J620 generators, each rated for 3.3 megawatts. It was manufactured and installed by Gruppo AB through its Canadian subsidiary, EPS AB Energy Canada. The Power Plant is installed on a concrete foundation laid into the ground on the Mazeppa site. All of the equipment within and around the plant is attached to the foundation or secured directly to the land.
9. In completing the 2015 Turnaround Project, YES dealt directly with MFC Processing Partnership (now the Respondent LR Processing Partnership). We had no knowledge of the Asset Purchase Agreement dating from August of 2015, under which LR Processing purported to sell its Power Plant assets to MFC Power Limited Partnership through its general partner MFC Power General Partner Ltd. (referred to together in this affidavit as "MFC Power"). No-one from MFC advised us that the Power Plant had been sold, or that MFC Power had entered into a long-term lease for the Power Plant (the "MFC Power Lease").
10. MFC Processing Partnership failed to make payments when they were due under the Turnaround Contract. YES filed a builder's lien on December 23, 2015 for material, equipment, and labour provided at the Mazeppa Gas Plant under the Turnaround Contract. When YES registered its builder's lien against title to the Mazeppa Gas Plant lands on December 23, 2015 we learned that MFC Power had

registered a Caveat (the "Caveat") with respect to the MFC Power Lease two days previously, on December 21, 2015. Other than the usual rights of way that one would expect to see on title to land where a gas processing facility is located, the Caveat was the only encumbrance registered on title prior to the YES lien.

Attached to my affidavit and marked as **Exhibit "A"** is a copy of the YES builder's lien filed December 23, 2015.

Attached to my affidavit and marked as **Exhibit "B"** is a copy of the Caveat filed with respect to the MFC Power Lease on December 21, 2015.

Attached to my affidavit and marked as **Exhibit "C"** is a Certificate of Title for the lands where the Mazeppa Gas Plant, including the building housing the Power Plant, is located.

11. In the fall of 2016, I learned that MFC Processing had applied to subdivide the Mazeppa lands into two parcels. Under the MFC Processing subdivision proposal, title to the portion of the Mazeppa lands where the Power Plant was situated would be separated from the title to the parcel where the Mazeppa Gas Plant and adjoining agricultural lands were situated. MFC Processing Partnership introduced a proposed bylaw that would re-designate a portion of the Mazeppa lands to allow for the future subdivision at a meeting of the Municipal Council on September 14, 2016. Consideration of the proposed bylaw was postponed to allow MFC Processing Partnership to obtain required approvals from the AER and the AUC, and to enter into a development agreement. The Mazeppa lands have not yet been subdivided so far as I know, and are still registered as a single parcel; however, the application to subdivide the lands is pending. Under the Settlement Agreement that the AER entered into with MFC Power and various other MFC related corporations, MFC Power is permitted to proceed with its subdivision application.

Attached to my affidavit and marked as **Exhibit "D"** is a copy of the Minutes of the meeting of the Council of the Municipal District of Foothills No. 31 held September 14, 2016.

12. Following the trial of an issue in the Bankruptcy Proceedings, YES obtained an Order under which LR Processing Partnership and LR Processing Ltd. were adjudged bankrupt, and Bankruptcy Orders were made against them. MNP Limited was appointed trustee of the estate of the two LR Processing entities.
13. Attached to my affidavit and marked as **Exhibit "E"** is a copy of the November 25, 2016 Bankruptcy Order against LR Processing.
14. The LR Processing Bankruptcy Order was subsequently stayed under an August 7, 2018 Order of the Honourable Justice Horner. That Order is attached as **Exhibit "F"** to my affidavit.
15. LR Processing is owned by Lexin Resources Ltd. ("Lexin") and 0989 Resource Partnership, another entity in the MFC Bancorp Group. As the AER put Lexin into Receivership in March of 2017, it seemed more appropriate to deal with the claims that YES had against LR Processing through the Receivership. This would save costs and avoid duplication of proceedings. YES therefore consented to an Order granted June 13, 2017 by Justice Eidsvik, which added LR Processing and other companies to the Lexin receivership.
16. YES has been awaiting the outcome of the Lexin Receivership. As the sales process carried out in the Receivership did not result in any bids on the Mazeppa Gas Plant that would meet the requirements imposed by the AER, it appears that no-one will be in a position to operate the Mazeppa Gas Plant in the future. This means that there will also no longer be any future gas supply for the Power Plant at Mazeppa.

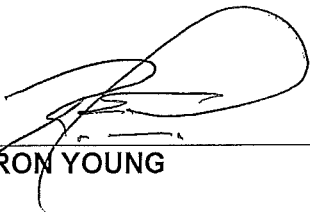
17. From the Receiver's Reports, I understand that there is a process underway to sell the Mazeppa Gas Plant equipment for salvage. I also understand that efforts to market the farm land adjoining the gas plant have not been successful.
18. The gas processing equipment at Mazeppa is old, which limits its potential value in a salvage sale. The Power Plant equipment, by contrast, dates from 2014. As the Power Plant and its equipment is relatively new, it is likely the most valuable asset available to satisfy creditors' claims against LR Processing and the Mazeppa lands.
19. The Power Plant building and the equipment related to the Power Plant are fixtures attached to the land, and are therefore subject to the YES lien, as well as subsequent liens that have been filed against the Mazeppa lands by other creditors. The Asset Purchase Agreement and the MFC Power Lease were entered into, and the Caveat was registered, when LR Processing was insolvent and unable to pay creditors, including YES. YES sought to set those transactions aside in a lien enforcement and debt collection action that YES brought against LR Processing and MFC Power in 2016 (Alberta Court of Queen's Bench Court File Number 1601-01798, referred to herein as the "YES Action"). A copy of the Statement of Claim in the YES Action, filed February 3, 2016, is attached as **Exhibit "G"** to my affidavit. I understand that YES could also apply to lift the stay of the Bankruptcy Order, and try to set aside these transactions in the Bankruptcy Proceedings.
20. On reading the Eleventh Report of the Receiver, I was concerned to learn that the Receiver has concluded that efforts are underway to sell the Power Plant. The Receiver seems to have very little information to report regarding these efforts. It appears the Receiver intends to apply for a discharge with respect to the Mazeppa lands shortly. The Receiver has forgone any claims to the Power Plant, and the right to challenge the Asset Purchase Agreement and the MFC Power Lease and Caveat in the receivership proceedings, by virtue of the Settlement Agreement.

MFC Power will be in a position to remove the Power Plant or its equipment from the Mazeppa lands, and sell them to third parties, as soon as the Receiver obtains a discharge. I believe that the interests of YES and other creditors in the Power Plant assets should be preserved by an appropriate Order from the Court.

SWORN BEFORE ME at the City of
Calgary, in the Province of Alberta, this 24th
day of January, 2019.

A Commissioner for Oaths in and for the
Province of Alberta

RICHARD HAYLES
BARRISTER & SOLICITOR



RON YOUNG

Exhibit A

**ALBERTA GOVERNMENT SERVICES
LAND TITLES OFFICE**

IMAGE OF DOCUMENT REGISTERED AS:

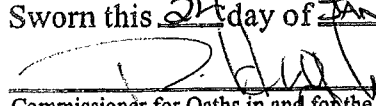
151336847

ORDER NUMBER: 30026997

This is Exhibit "A"

To the Affidavit of RON YOUNG

Sworn this 24 day of JANUARY, 2019.


Commissioner for Oaths in and for the Province of Alberta

RICHARD HAYLES
BARRISTER & SOLICITOR

ADVISORY

This electronic image is a reproduction of the original document registered at the Land Titles Office. Please compare the registration number on this coversheet with that on the attached document to ensure that you have received the correct document. Note that Land Titles Staff are not permitted to interpret the contents of this document.

Please contact the Land Titles Office at (780) 422-7874 if the image of the document is not legible.

Lienholder Young EnergyServe Inc.	
Address 234125 Wrangler Road SE Rocky View, Alberta T1X 0K2	
claims a Lien under the Builders' Lien Act in the fee simple estate OR (specify if some other type of estate or interest applies) of _____	
Name MPP Ltd.	
Address 400, 1035 - 7 Avenue SW Calgary, Alberta T2P 3E9	
In the following land: Meridian 4 Range 28 Township 19 Section 35 Quarter South East Excepting thereout all mines and minerals Area: 64.7 Hectares (160 Acres) more or less	
The Lien is claimed in respect of the following work or materials: Equipment and labour provided for facility turnaround services	
which work or materials were or are to be provided for: Name of Person or Corporation: MFC Resources Partnership and MFC Processing Partnership Address PO Box 5637 (434225 - 160 Street East, 434 Avenue and 160 Street East) High River, Alberta T1V 1M7	
☐	This lien is in respect of an improvement to an oil or gas well, or to an oil or gas well site, for which the lien may be registered in the Land Titles Office not later than 90 days from the last day that the work was completed or the materials were last furnished.
☒	a) The work was completed or the materials were last furnished: on December 6, 2015
- OR -	
☐	b) The work is <u>not</u> yet completed or all the materials have <u>not</u> yet been furnished.
The sum claimed as due or to become due is \$ 1,678,995.40	
The address for service of the Lienholder in the Province of Alberta is 234125 Wrangler Road SE Rocky View, Alberta T1X 0K2	

this 22 day of December, 2015

(Signature of Lienholder or Agent)

at Calgary, Alberta.

I, _____,
of _____, Alberta
named in the above (or annexed) statement make oath and say that the said claim is
true.

Sworn before me at _____, Alberta

on the ____ day of _____, _____
(Signature of Applicant)

(A Commissioner, Etc. (or as the case may
be))

(Print or Stamp Name of Commissioner)

(Expiry Date of Commission
or Office)

- OR -

I, David A. Wright, Vice President,
of Calgary, Alberta
make oath and say:

1. That I am the agent ~~(or assignee)~~ of
Young EnergyService Inc.
named in the above (or annexed) statement and have full knowledge of the facts set forth in
the above (or annexed) statement.

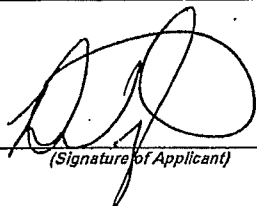
~~- OR -~~

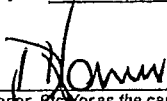
I am informed by _____
and believe that the facts are as set forth in the above (or annexed) statement.

2. That the said claim is true ~~(or when deponent has been informed, that I believe
that the said claim is true).~~

Sworn before me at Calgary, Alberta

on the 22 day of December, 2015


(Signature of Applicant)


(A Commissioner, Etc. (or as the case may
be))

(Print or Stamp Name of Commissioner)

(Expiry Date of Commission
or Office)

This information is being collected for the purposes of land titles records in accordance with the Builders' Lien Act and the Land
Titles Act. Questions about the collection of this information can be directed to the Freedom of Information and Protection of
Privacy Coordinator for Alberta Registries, Research and Program Support, Box 3140, Edmonton, Alberta T5J 2G7, (780) 427-
2742.

REG 3020 (Rev. 2004/04)

DONALD E. HOMER
Lawyer
Commissioner for Oaths
and Notary Public
in and for the Province of Alberta



151336847

151336847 REGISTERED 2015 12 23

BUIL - BUILDER'S LIEN

DOC 1 OF 1 DRR#: C1105D8 ADR/DDOWHANI
LINC/S: 0013570438

Exhibit B

**ALBERTA GOVERNMENT SERVICES
LAND TITLES OFFICE**

IMAGE OF DOCUMENT REGISTERED AS:

151333958

ORDER NUMBER: 30026997

This is Exhibit "B"

To the Affidavit of RON YOUNG

Sworn this 24 day of JANUARY, 2019.


Commissioner for Oaths in and for the Province of Alberta

RICHARD HAYLES
BARRISTER & SOLICITOR

ADVISORY

This electronic image is a reproduction of the original document registered at the Land Titles Office. Please compare the registration number on this coversheet with that on the attached document to ensure that you have received the correct document. Note that Land Titles Staff are not permitted to interpret the contents of this document.

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**LAND TITLES ACT
(Section 130)**

CAVEAT FORBIDDING REGISTRATION

TO: THE REGISTRAR OF THE SOUTH ALBERTA LAND REGISTRATION DISTRICT

TAKE NOTICE that **MFC POWER GENERAL PARTNER LTD.** (the "**Caveator**"), as general partner for and on behalf of **MFC POWER LIMITED PARTNERSHIP**, claims an interest in the following lands:

Meridian 4 Range 28 Township 19
Section 35
Quarter South East
Excepting Thereout All Mines and Minerals
Area: 64.7 Hectares (160 Acres) More or Less

(the "**Lands**")

under and by virtue of all of the provisions of a Lease Agreement dated the 7th day of December, 2015 (the "**Lease**") made between MFC Processing Partnership (the "**Landlord**"), as landlord, MPP Ltd., and the Caveator, (the "**Tenant**") as tenant. Without purporting or attempting to list all of the provisions which create or may create an interest in the Lands, the Lease includes provisions to the following effect:

1. the Landlord leased to the Tenant the Premises for an Initial Term of twenty-six (26) years, commencing on December 7, 2015 and expiring on December 6, 2041;
2. the Tenant has an option to renew the Initial Term for five (5) additional Renewal Terms of five (5) years each;
3. the Landlord granted to the Tenant the following easements and rights of access to enter onto, over and through the Lands for so long as the Tenant may desire and continue to exercise the rights and privileges granted within the Lease:
 - a. a blanket easement and right of access to the Gas Plant located on the Lands and the portions of the Lands on which the Gas Plant is situated and to use the Operator Amenities, Administrative Building and other facilities in connection therewith;
 - b. a blanket easement and right of access to the Gas Plant Premises, the Control Room and the Gas Plant inlet separator building and the storage facility located on the Lands to install, construct, use, operate, maintain, repair and replace the Power Plant equipment contained therein and store a spare generator and other spare parts for the Power Plant Facility;
 - c. a blanket easement and right of access to the Gas Plant Premises to install, construct, use, operate, maintain, repair and replace the antenna tower located outside the Gas Plant Control Room on the Gas Plant Premises and the AltaLink receiving radio antennae;
 - d. a blanket easement and right of access to enter on to those portions of the Lands, including the portion of the Lands between the Power Plant Site and the Future Expansion Site, as more particularly designated in Schedule A of the Lease, as reasonably necessary to allow the Tenant to install, construct, use, operate, maintain, repair and replace communications cabling, the existing Gas Plant's

pipeline, electrical lines, the drainage ditch, phone, cable, internet and other utility lines, and water pipes; and

- e. a blanket easement over any existing or new roadways or other portions of the Lands as are reasonably necessary to access, make use of and enjoy any assets owned by the Tenant and used in the operation of the Power Plant Facility;
4. the Landlord agreed to grant one or more specific registrable easements, at the request of the Tenant;
5. the Tenant is the owner of the buildings, improvements and fixtures situated on the Premises, which at all times shall remain personal property of the Tenant,
6. the Tenant has certain options to purchase any one or more of the following: the Premises; certain portions of the Lands as more particularly described in the Lease; the land upon which the drainage ditch serving the Premises is located; the inlet separator building and the storage facility as well as the land upon which the inlet separator building and storage facility are located; and the Administrative Building and the land upon which it is located; and
7. the Tenant has the right to Mortgage its leasehold interest in the Premises, with the prior written consent of the Landlord;

all as more particularly described in and subject to the terms and conditions set forth in the Lease. Except as defined herein, capitalized terms shall have the meanings ascribed to them in the Lease.

The Lands are standing in the name of **MPP LTD.** and the Caveator forbids the registration of any person as transferee or owner of, or of any instrument affecting the said estate or interest, unless the instrument or Certificate of Title, as the case may be, is expressed to be subject to its claim.

The Caveator designates the following address as the address at which notices and proceedings relating thereto may be served:

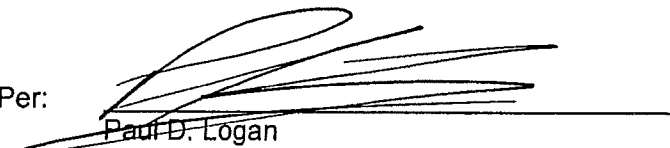
MFC Power Limited Partnership
c/o MFC Power Général Partner Ltd.
Suite 400 -1035 7th Avenue SW
Calgary, Alberta
T2P 3E9

Attention: President of General Partner
Fax: 403-652-1369

DATED this 7th day of December, 2015.

MFC POWER GENERAL PARTNER LTD., by its
solicitors and agents, **BLAKE, CASSELS &
GRAYDON LLP**

Per:


Paul D. Logan

AFFIDAVIT IN SUPPORT OF CAVEAT

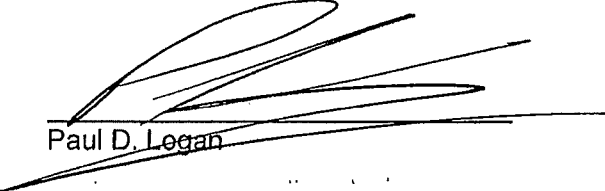
CANADA	)	I, Paul D. Logan, of the City of
PROVINCE OF ALBERTA	)	Calgary, in the Province of
TO WIT:	)	Alberta, Barrister and Solicitor,
		MAKE OATH AND SAY:

1. I am the agent for the above-named Caveator.
2. I believe that the said Caveator has a good and valid claim upon the said land and I say that this Caveat is not being filed for the purpose of delaying or embarrassing any person interested in or proposing to deal therewith.

SWORN BEFORE ME at the City)
of Calgary, in the Province of)
Alberta, this 2 day of December,)
2015.)
)
)


A COMMISSIONER FOR OATHS
in and for Alberta

JAY GEERS
Barrister & Solicitor


Paul D. Logan



151333958

151333958 REGISTERED 2015 12 21

CAVE - CAVEAT

DOC 1 OF 1 DRR#: C10ABA3 ADR/CALTELOT

LINC/S: 0013570438

MFC POWER GENERAL PARTN

CAVEAT

Registrar

A.L.R.D.

BLAKE, CASSELS & GRAYDON LLP
Barristers and Solicitors
3500, 855 – 2nd Street S.W.
Calgary, Alberta
T2P 4J8

File: 83123/12

Exhibit C



LAND TITLE CERTIFICATE

S

LINC

0013 570 438

SHORT LEGAL

4;28;19;35;SE

TITLE NUMBER

031 312 242 +1

LEGAL DESCRIPTION

MERIDIAN 4 RANGE 28 TOWNSHIP 19

SECTION 35

QUARTER SOUTH EAST

EXCEPTING THEREOUT ALL MINES AND MINERALS

AREA: 64.7 HECTARES (160 ACRES) MORE OR LESS

ESTATE: FEE SIMPLE

MUNICIPALITY: MUNICIPAL DISTRICT OF FOOTHILLS NO. 31

REFERENCE NUMBER: 011 097 460 +1

This is Exhibit "C"

To the Affidavit of RON YOUNG

Sworn this 24 day of JANUARY, 2019

Richard Hayles
Commissioner for Oaths in and for the Province of Alberta

RICHARD HAYLES
BARRISTER & SOLICITOR

REGISTRATION	DATE(DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
031 312 242	12/09/2003	TRANSFER OF LAND	\$36,000,000	\$10

OWNERS

MPP LTD.

OF 400, 1035 - 7 AVE SW

CALGARY

ALBERTA T2P 3E9

(DATA UPDATED BY: CHANGE OF ADDRESS 151290823)

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION

NUMBER	DATE (D/M/Y)	PARTICULARS
--------	--------------	-------------

961 307 287	20/12/1996	CAVEAT
-------------	------------	--------

RE : RIGHT OF WAY AGREEMENT , ETC.

CAVEATOR - MPP LTD.

400, 1035 - 7 AVE SW

CALGARY

ALBERTA T2P3E9

(DATA UPDATED BY: TRANSFER OF CAVEAT

001068706)

(DATA UPDATED BY: TRANSFER OF CAVEAT

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

PAGE 2

031 312 242 +1

REGISTRATION

NUMBER DATE (D/M/Y) PARTICULARS

011129217)

(DATA UPDATED BY: TRANSFER OF CAVEAT

031253860)

(DATA UPDATED BY: TRANSFER OF CAVEAT

031253870)

(DATA UPDATED BY: CHANGE OF ADDRESS 151290824)

041 021 147 15/01/2004 UTILITY RIGHT OF WAY

GRANTEE - LEXIN RESOURCES LTD.

PO BOX 6808, STN D

CALGARY

ALBERTA T2P2E7

(DATA UPDATED BY: CHANGE OF NAME 141183728)

(DATA UPDATED BY: CHANGE OF NAME 161088286)

051 008 240 07/01/2005 CAVEAT

RE : PIPELINE RIGHT OF WAY

CAVEATOR - MPP LTD.

400, 1035 - 7 AVE SW

CALGARY

ALBERTA T2P3E9

AGENT - MEGAN SHABACK

(DATA UPDATED BY: CHANGE OF ADDRESS 151290824)

151 333 958 21/12/2015 CAVEAT

RE : LEASE INTEREST , ETC.

CAVEATOR - MFC POWER GENERAL PARTNER LTD.

MFC POWER LIMITED PARTNERSHIP

C/O MFC POWER GENERAL PARTNER LTD

SUITE 400, 1035-7TH AVENUE, SW

CALGARY

ALBERTA T2P3E9

AGENT - PAUL D LOGAN

151 336 847 23/12/2015 BUILDER'S LIEN

LIENOR - YOUNG ENERGYSERVE INC.

234125 WRANGLER ROAD S.E.

ROCKY VIEW

ALBERTA T1X0K2

AGENT - DAVID A WRIGHT

AMOUNT: \$1,678,995

161 026 215 26/01/2016 CAVEAT

RE : EASEMENT

161 026 216 26/01/2016 CAVEAT

RE : EASEMENT

161 026 217 26/01/2016 CAVEAT

RE : EASEMENT

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

PAGE 3

031 312 242 +1

REGISTRATION

NUMBER DATE (D/M/Y) PARTICULARS

161 026 218 26/01/2016 CAVEAT
RE : EASEMENT

161 026 219 26/01/2016 CAVEAT
RE : EASEMENT

161 032 610 01/02/2016 BUILDER'S LIEN
LIENOR - TECHMATION ELECTRIC & CONTROLS LTD.
C/O ALTALAW LLP
5233-49 AVE
RED DEER
ALBERTA T4N6G5
AGENT - GLENN RIDEOUT
AMOUNT: \$197,511

161 033 302 02/02/2016 NOTICE OF SECURITY INTEREST
RE : FIXTURES
IN FAVOUR OF - 1049597 B.C. LTD.
SUITE 1860, 400 BURRARD ST
VANCOUVER
BRITISH COLUMBIA V6C3A6
DEBTOR - MFC PROCESSING PARTNERSHIP.
SUITE 400, 1035-7TH AVE SW
CALGARY
ALBERTA T2P3E9
AMOUNT: \$850,000
EXPIRES: 2019/01/19

161 037 819 08/02/2016 CERTIFICATE OF LIS PENDENS
AFFECTS INSTRUMENT: 151336847

161 037 919 08/02/2016 BUILDER'S LIEN
LIENOR - UNIQUE SCAFFOLD INC.
ATTN: GLENN BLACKETT
C/O CARSCALLEN LLP
1500, 407 - 2ND STREET SW
CALGARY
ALBERTA T2P2Y3
AGENT - WILLIAM PROCYK
AMOUNT: \$153,586

161 037 920 08/02/2016 BUILDER'S LIEN
LIENOR - UNIQUE SCAFFOLD INC.
ATTN: GLENN BLACKETT
C/O CARSCALLEN LLP
1500, 407 - 2ND STREET SW
CALGARY
ALBERTA T2P2Y3
AGENT - WILLIAM PROCYK

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

PAGE 4

031 312 242 +1

REGISTRATION

NUMBER DATE (D/M/Y) PARTICULARS

AMOUNT: \$153,586

AS TO LEASEHOLD ESTATE

161 050 738	24/02/2016	BUILDER'S LIEN LIENOR - 721381 ALBERTA LTD. C/O L.M. GORDON LAW OFFICE ATTN: LAURIE M. GORDON 2213 - 20TH STREET NANTON ALBERTA T0L1R0 AGENT - SHANE HAISTE AMOUNT: \$19,367
161 057 261	02/03/2016	BUILDER'S LIEN LIENOR - AUTOPRO AUTOMATION CONSULTANTS LTD. C/O STRINGAM LLP 102, 10126-97 AVENUE GRANDE PRAIRIE ALBERTA T8V7X6 AGENT - ROBERT BEATTIE AMOUNT: \$15,293
161 057 262	02/03/2016	BUILDER'S LIEN LIENOR - AUTOPRO AUTOMATION CONSULTANTS LTD. C/O STRINGAM LLP 102, 10126-97 AVENUE GRANDE PRAIRIE ALBERTA T8V7X6 AGENT - ROBERT BEATTIE AMOUNT: \$15,293
161 092 518	19/04/2016	CERTIFICATE OF LIS PENDENS AFFECTS INSTRUMENT: 161037920
161 092 521	19/04/2016	CERTIFICATE OF LIS PENDENS AFFECTS INSTRUMENT: 161037919
161 123 513	27/05/2016	CERTIFICATE OF LIS PENDENS AFFECTS INSTRUMENT: 161032610
161 179 923	03/08/2016	CERTIFICATE OF LIS PENDENS AFFECTS INSTRUMENT: 161057261 AFFECTS INSTRUMENT: 161057262

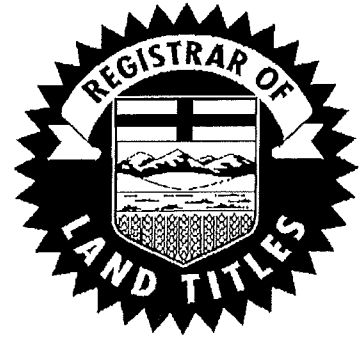
TOTAL INSTRUMENTS: 022

(CONTINUED)

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN
ACCURATE REPRODUCTION OF THE CERTIFICATE OF
TITLE REPRESENTED HEREIN THIS 18 DAY OF
JANUARY, 2017 AT 11:19 A.M.

ORDER NUMBER: 32137659

CUSTOMER FILE NUMBER: 16001001



END OF CERTIFICATE

THIS ELECTRONICALLY TRANSMITTED LAND TITLES PRODUCT IS INTENDED
FOR THE SOLE USE OF THE ORIGINAL PURCHASER, AND NONE OTHER,
SUBJECT TO WHAT IS SET OUT IN THE PARAGRAPH BELOW.

THE ABOVE PROVISIONS DO NOT PROHIBIT THE ORIGINAL PURCHASER FROM
INCLUDING THIS UNMODIFIED PRODUCT IN ANY REPORT, OPINION,
APPRAISAL OR OTHER ADVICE PREPARED BY THE ORIGINAL PURCHASER AS
PART OF THE ORIGINAL PURCHASER APPLYING PROFESSIONAL, CONSULTING
OR TECHNICAL EXPERTISE FOR THE BENEFIT OF CLIENT(S).

Exhibit D

The Council of the Municipal District of Foothills No. 31 met at the Foothills Administration Building, High River, Alberta, for a meeting on September 14, 2016 at 9:00 a.m. Present were Mayor L. Spilak, Deputy Mayor T. Mills, Councillors R. Percifield, D. Miller, R. Chase, S. Oel and J. Parker, Municipal Manager H. Riva Cambrin, Director of Planning H. Hemingway and Recording Secretary S. Barrett. Mayor Spilak called the meeting to order at 9:06 a.m.

The M.D.'s Deputy Director of Operations for Public Works M. Gallant, Supervisor of Infrastructure J. Edgington, Director of Community Services R. Payne and Agricultural Fieldman J. Porter were in attendance for a discussion period with Council.

COUNCIL AGENDA

Moved that Council approve the agenda for the Council meeting of September 14, 2016.

CARRIED

ADDITIONS TO COUNCIL AGENDA

Moved that Council approve the additions to the agenda for the Council meeting of September 14, 2016.

CARRIED

HIGHWAY SIGNAGE – HAWKS LANDING

Moved that Council authorize Administration to proceed with application for a road side development permit in order to allow installation of a sign by the M.D.'s Public Works Department requesting that highway tractors avoid the use of engine retarder brakes along that portion of Highway 22 adjacent to Hawk's Landing.

CARRIED

DUST CONTROL PRODUCT SALES

Moved that Council acknowledge the request for purchase and application of additional dust control product and authorize Administration to review the M.D.'s policy as it relates to dust control application.

CARRIED

IN CAMERA

Moved that Council go 'In Camera' at 9:43 a.m. to discuss land issues.

CARRIED

OUT OF CAMERA

Moved that Council go 'Out of Camera' at 10:00 a.m.

CARRIED

MFC PROCESSING PARTNERSHIP – REDESIGNATION – SE 35-19-28 W4M & NE 26-19-28 W4M

I. Breneman, G. Spagarino and B. Chenery were in attendance for the public hearing in connection to the proposed redesignation of a portion of SE 35-19-28 W4M and NE 26-19-28 W4M from Agricultural District to Federal and Provincial Jurisdiction District to allow for the future subdivision of one 7.91 +/- acre and one 42.75 +/- acre lot, and the Amendment of the Agricultural District land use rules to allow for the future subdivision of one new 112.64 +/- acre lot. The new 7.91 +/- acre lot will accommodate the existing Power Plant operation, while the new 42.75 +/- acre lot will encompass the existing Gas Plant.

Mr. Breneman confirmed that no new development is being proposed on site, but that the application was made for the purpose of providing separate title for each use while isolating the agricultural lands.

The public hearing was closed.

BRUCH – LAND USE BYLAW AMENDMENT – NW 33-19-02 W5M

H. and M. Bruch were in attendance for the public hearing in connection to the proposed amendment to the Country Residential District land use rules to allow the future subdivision of one new 3.5 +/- acre lot. The subject property is located adjacent to Highway 22 and is accessed by way of an existing approach from 434 Avenue West. The new lot will be accessed by way of a panhandle from the existing approach. Public works has recommended that, if approved, a common approach be constructed to provide access to both the proposed lot and existing adjacent lot to the south which is also accessed by way of a panhandle driveway off of 434 Avenue West. The property contains flat grasslands with a slightly low-lying area within the north-west corner, contained within the proposed balance. Improvements include a dwelling and numerous accessory buildings, most of which are located on or near the proposed new property line.

This is Exhibit "D" 35

To the Affidavit of RON YOUNG

Sworn this 24 day of JANUARY 2019.

Commissioner for Oaths in and for the Province of Alberta

RICHARD HAYLES
BARRISTER & SOLICITOR

H. Bruch submitted that the intent is to create a smaller lot, containing the existing dwelling, to make it more affordable for the purpose of sale. The applicants are currently building a new dwelling on the adjacent 5.26 +/- acre lot to the south. The accessory buildings in conflict with the proposed new property line will be demolished or moved.

The public hearing was closed.

Moved that the application for an amendment to the Country Residential District land use rules to allow the future subdivision of one new 3.5 +/- acre lot be refused.

In their consideration of the criteria noted in Residential Policies 3, 8, 9 and 14 of the MDP2010, Council is of the opinion that the proposal would not align with the Residential Policies of the MDP2010 nor to the density policy 13.1.6.2 of the Land Use Bylaw.

CARRIED

MFC PROCESSING PARTNERSHIP – REDESIGNATION – SE 35-19-28 W4M & NE 26-19-28 W4M
BYLAW 56/2016

Bylaw 56/2016 was introduced into the meeting to authorize the redesignation of a portion of SE 35-19-28 W4M and NE 26-19-28 W4M from Agricultural District to Federal and Provincial Jurisdiction District to allow for the future subdivision of one 7.91 +/- acre and one 42.75 +/- acre lot, and the amendment to the Agricultural District land use rules to allow for the future subdivision of one new 112.64 +/- acre Agricultural District lot from SE 35-19-28 W4M.

The new 112.54 +/- acre lot and the balance parcel will be designated as Agricultural District 'A' to ensure that the recommendations and restrictions as outlined in the Environmental Site Assessment and the Overland Drainage Easement and the Easement restrictive building locations all completed to the satisfaction of the Public Works and Engineering Department, to be complied with as part of the development permit process. A completion certificate by a Professional Engineer verifying that all aspects of the noted reports have been met and a \$5,000 deposit as a pre-release condition to ensure compliance of all conditions of the development permit will be required.

In their consideration of the criteria noted in Agricultural Policies 4.3 of the MDP2010, Council is of the opinion that the proposal would not be detrimental to the agricultural use of the parcel and the surrounding lands.

Prior to further consideration of the Bylaw, the applicant will be required to submit the following:

The applicant will be required to provide written confirmation from the AER and the AUC that the proposed land use and subdivision are consistent with the license, permit, approval or other authorization as granted by the AER and AUC in accordance with 619(1) of the MGA;

Applicant to fully execute and comply with all requirements as outlined within a Development Agreement for the purposes of payment of the community sustainability fee and any other necessary municipal and on-site improvements as required by Council and the Public Works department;

Subject Parcels to be maintained in accordance with the Alberta Public Health Act, Nuisance and General Sanitation Regulation 243/2003;

Overland Drainage Easement Agreement to be executed with the MD as a party to the agreement to the satisfaction of the Public Works on drainage areas intended to be designated as FPJ District. Registration of the Drainage easement will be required concurrently with the Plan of Subdivision as a condition of subdivision;

Environmental Site Assessment (Phase 1) for the entire subject parcel (both quarter-sections), to the satisfaction of the Public Works department;;

Execution of a Road Dedication Agreement for required road widening along 160 Street East to the satisfaction of the Public Works Department. The required road widening will be required by plan of survey concurrently with the registration of the subdivision;

Final redesignation lot fees to be submitted;

Submission of an executed subdivision application and the necessary fees;

The applicant will be required to attend a public hearing on the land use redesignation prior to Council considering further readings to the Bylaw;

Moved first reading

THE BYLAW WAS PASSED FOR ONE READING

RECESS

Moved that Council recess to sit as the Subdivision Approving Authority.

CARRIED

785263 ALBERTA INC. & JACKSON – BOUNDARY ADJUSTMENT – NW & SW 05-21-03 W5M

Moved that the Boundary Adjustment whereby 51.9 +/- acres from NW 05-21-03 W5M be consolidated into SW 05-21-03 W5M and 11.9 +/- acres from SW 05-21-03 W5M be consolidated into NW 05-21-03 W5M, and whereby 3.9 +/- acres containing Three Point Creek be surveyed out of SW 05-21-03 W5M, and whereby 13.03 +/- acres containing Fisher Creek and Three Point Creek be surveyed out of NW 05-21-03 W5M, resulting in one 54.10 +/- acre lot (NW 05-21-03 W5M) and one 186.10 +/- acre lot (SW 05-21-03 W5M) has been evaluated in terms of Section 654 of the Municipal Government Act and Section 7 of the Subdivision and Development Regulation and therefore it is recommended that the application be approved as per the tentative plan for the following reasons: The application is consistent with Section 7 of the Subdivision and Development Regulations;

The subject land has the appropriate land use designation.

Further, in accordance with Sections 654 and 655 of the Municipal Government Act, the application be approved subject to the following conditions:

Boundary adjustment and consolidation to be effected by Plan of Survey, pursuant to Section 657 of the Municipal Government Act, or such other means satisfactory to the Registrar of the South Alberta Land Titles District;

It is the applicant's responsibility to provide a Real Property Report or an 'as built' drawing signed and sealed by an Alberta Land Surveyor, certifying the location of the adjacent municipal road(s) within the boundaries of the adjusted parcels and that the site plan is surveyed according to municipal setback requirements;

All accesses to be located and culverts and approaches to be installed to the satisfaction of the municipality's public works department;

Landowners are to provide all utility easements and agreements to the satisfaction of the MD and the utility companies;

Landowners are to pay all arrears of taxes on the existing parcel prior to finalization of the subdivision;

Landowners are to pay final subdivision lot fees.

CARRIED

M.D. OF FOOTHILLS NO. 31 & LAKE AT HERITAGE POINTE OWNERS ASSOCIATION – SUBDIVISION – E 01-22-01 W5M, W 01-22-01 W5M & NE 01-22-01 W5M

Moved that the subdivision of one 0.32 +/- acre lot, one 3.29 +/- acre lot, one 3.65 +/- acre lot and one 6.73 +/- acre lot from E 01-22-01 W5M, W 01-22-01 W5M & NE 01-22-01 W5M has been evaluated in terms of Section 654 of the Municipal Government Act and Section 7 of the Subdivision and Development Regulation and therefore it is recommended that the application be approved as per the tentative plan for the following reasons:

The application is consistent with Section 7 of the Subdivision and Development Regulations;

The subject land has the appropriate land use designation.

Further, in accordance with Sections 654 and 655 of the Municipal Government Act, the application be approved subject to the following conditions:

Subdivision to be effected by Plan of Survey, pursuant to Section 657 of the Municipal Government Act, or such other means satisfactory to the Registrar of the South Alberta Land Titles District;

It is the applicant's responsibility to provide a Real Property Report or an 'as built' drawing signed and sealed by an Alberta Land Surveyor, certifying the location of the adjacent municipal road(s) and that the site plan is surveyed according to municipal setback requirements;

Landowners are to provide all utility easements and agreements to the satisfaction of the Municipality and the utility companies;

Landowners are to pay all arrears of taxes on the existing parcels prior to finalization of the subdivision.

CARRIED

ADJOURN

Moved that the meeting of the Subdivision Approving Authority adjourn and that Council continue with its regular agenda.

CARRIED

M.D. OF FOOTHILLS NO. 31 – NE 22-22-03-W5M – PUBLIC PARKING LOT ON MUNICIPAL RESERVE

Moved that Council support initiation of public consultation and an open house regarding construction of a proposed parking lot on the Municipal Reserve parcel, identified as Plan 0214370, Block 2, Lot 12MR; Ptn. NE 22-22-03 W5M.

CARRIED

ROTHNEY ASTROPHYSICAL OBSERVATORY – OPEN HOUSE

Moved that Council revise the support approved under Resolution #785 during the Council meeting of September 7, 2016, and approve support in the amount of \$600.00 to the Rothney Astrophysical Observatory Open House scheduled for September 22, 2016. Administration will make application for this funding through FCSS.

CARRIED

FOOTHILLS COUNTRY HOSPICE WRANGLERS AND RHINESTONES 2016 GALA

Moved that Council provide support to the Foothills Country Hospice Wranglers and Rhinestones 2016 Gala event scheduled for October 22, 2016 for a total amount of \$5,000.00.

CARRIED

CANCEL COUNCIL MEETING OF OCTOBER 12, 2016

Moved that the Council meeting scheduled for October 12, 2016 be cancelled to allow Council's attendance at the Okotoks Annexation hearing before the Municipal Government Board.

CARRIED

FOOTHILLS SHUFFLEBOARD ASSOCIATION

Moved that Council acknowledge the information presented by the Foothills Shuffle Board Association regarding their proposed bid to host the 2018 International Shuffleboard Tournament in High River, Alberta from July 15 - 20, 2018. Council authorizes Administration to issue a letter of support to the event on behalf of the M.D. of Foothills to be included within the bid application package.

CARRIED

REQUEST FOR SUPPORT - TEAM ALBERTA U16 FOOTBALL

Moved that while Council does not provide financial support to individual endeavors, they would like to wish the selected Team Alberta U16 Players the best of luck during the 2017 International Bowl in Dallas, TX.

CARRIED

LUNCH

Moved that Council adjourn for Lunch.

CARRIED

MACMILLAN – SITE SPECIFIC AMENDMENT – MAJOR HOME OCCUPATION – NW 21-20-28 W4M

M. and A. MacMillan were in attendance for the public hearing in connection to the proposed Site Specific Amendment to the Country Residential District land use rules to allow for a major home occupation which would include operation of a professional landscaping company identified as Excelsior Enterprises Ltd., which is currently operating from Plan 9211875, Block C, NW 21-20-28 W4M without benefit of required approvals. The operation consists of full service landscaping and snow removal for both commercial and residential clients. The application also contemplates the existence of a Sea-Can on the property and a proposed 2,400 sq. ft. accessory building which will require a 49% relaxation of setbacks if approved. The subject parcel is accessed by way of an existing approach off of 112 Street East. An estimated four or five employees in the summer and three employees in the winter will attend the property. Vehicle trips may occur primarily during the week from 8:00 a.m. to 5:00 p.m. and 10:00 a.m. to 2:00 p.m. on Saturdays, however, occasional after hours trips may occur if necessary. Screening is proposed to provide both shelter from winds as well as visual screening of the operation.

A. MacMillan stated that the majority of their business is done within the City of Calgary, however, on site storage of equipment would be preferred for the purpose of providing security to those items.

The public hearing was closed.

BYLAW 57/2016

Bylaw 57/2016 was introduced into the meeting to authorize the redesignation of Plan 9211875, Block C, NW 21-20-28 W4M from Country Residential District to Direct Control District #27 to allow for a major home occupation which would include operation of a professional landscaping company identified as Excelsior Enterprises Ltd.

Council is of the opinion that redesignation of the parcel to Direct Control District #27 to allow the use will not interfere with agricultural use in the vicinity of the subject lands.

Prior to further consideration of the Bylaw, the Applicants will be required to submit the following:

The Applicant will be required to attend a public hearing on the land use redesignation prior to Council considering further readings to the Bylaw;

Applicant to pay final application fees;

Applicant to submit Development Permit and applicable fees.

Moved first reading

THE BYLAW WAS PASSED FOR ONE READING.

BILLS AND ACCOUNTS – SEPTEMBER 14, 2016

Moved that the following EFTs 3993; 3995-3996; 3999-4001; 4003-4006; 4008-4015; 4017-4031; 4034-4039; 4042-4045; 4050-4052; 4055; totaling \$49,570.35 be approved for payment:

EFT003994	A.A.M.D. & C.	\$44,324.79
EFT003997	Ambertec Ltd.	\$285,517.21
EFT003998	Ant Construction Ltd.	\$433,020.00
EFT004002	Breeze Landscaping Inc.	\$5,279.03
EFT004007	Contain-A-Way Services	\$8,459.14
EFT004016	Gregg Distributors Ltd	\$8,120.07
EFT004032	Peppertech Services Inc.	\$25,206.65
EFT004033	Petra Products Ltd.	\$47,572.06
EFT004040	Somerset Tree Service Ltd.	\$7,565.25
EFT004041	Sterling Western Star Trucks	\$5,694.23
EFT004046	Town of Black Diamond	\$7,836.47
EFT004047	Town of High River	\$5,272.68
EFT004048	Town of Okotoks	\$5,688.04
EFT004049	Town of Turner Valley	\$6,000.00
EFT004053	Volker Stevin Contracting Ltd.	\$77,526.13
EFT004054	Wapiti Gravel Suppliers	\$977,812.23

CARRIED

SAFETY POLICY MANUAL

D. Fraser entered Council chambers for a discussion period with Council to review the revisions made to the M.D. of Foothills Health and Safety Manual.

Moved that Council adopt the revised Health and Safety Manual as presented and authorize signing of the M.D.'s Safety Policy.

CARRIED

MINUTES – SEPTEMBER 7, 2016

Moved that Council adopt the minutes, as circulated, of its September 7, 2016 Council meeting.

CARRIED

MUNICIPAL MANAGER VACATION REQUEST

Moved that Council approve the Municipal Manager's vacation days as requested.

CARRIED

ADJOURN

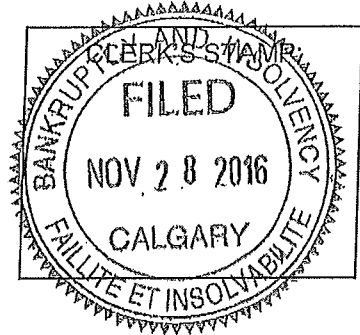
Moved that Council adjourn at 3:16 p.m.

CARRIED

Exhibit E

I hereby certify this to be a true copy of the
original Order
of which it purports to be a copy.

Dated this 28 day of Nov., 2016
Registrar at Calgary
Bankruptcy Division of the
Court of Queen's Bench at Alberta



COURT FILE NUMBER: 25-094659
25-094662

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

JUDICIAL CENTRE: CALGARY

PROCEEDING: IN THE MATTER OF THE BANKRUPTCY OF
LR PROCESSING PARTNERSHIP AND LR
PROCESSING LTD.

DOCUMENT: BANKRUPTCY ORDER

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT
Billington Barristers
1910 Elveden House
717 - 7th Avenue SW
Calgary, AB T2P 0Z3
Main: (403) 930-4100
Fax: (403) 930-4110
Richard N. Billington, Q.C.
Direct: (403) 930-4101
File: 16001-001

This is Exhibit "E"

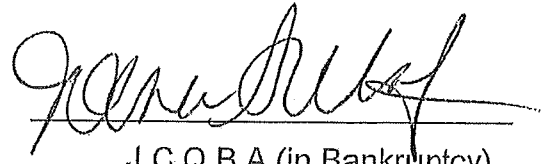
DATE ON WHICH THIS ORDER
WAS PRONOUNCED: November 25, 2016 To the Affidavit of RON YOUNG
Sworn this 24 day of JANUARY, 2019.
LOCATION OF HEARING: Calgary, Alberta
NAME OF JUSTICE WHO MADE
THIS ORDER: Honourable Justice J. Streck
Commissioner for Oaths in and for the Province of Alberta
RICHARD HAYLES
BARRISTER & SOLICITOR

UPON THE APPLICATION FOR A BANKRUPTCY ORDER (Application) filed on
May 9, 2016 by Young EnergyServe Inc., a creditor of LR Processing Partnership

(formerly known as MFC Processing Partnership) and LR Processing Ltd. (formerly known as MPP Ltd); AND UPON reading the Amended Application and the Affidavits and evidence provided by the parties, as listed in Schedule "A" to this Order; AND UPON READING the Affidavits of Service for the Application material; AND UPON READING the Consent of MNP Ltd. to act as Trustee; AND UPON HEARING counsel for the Applicant and for the Respondents at hearings held June 13, 2016, July 12, 2016, and July 15, 2016, and at the trial of an issue held November 22 and 23, 2016 as to the ability of the respondents to pay their debts; AND UPON IT APPEARING THAT MFC Processing Partnership changed its name to LR Processing Partnership on July 15, 2016 and that MPP Ltd. changed its name to LR Processing Ltd. on July 15, 2016; AND UPON IT APPEARING that LR Processing Partnership and LR Processing Ltd. committed acts of bankruptcy by ceasing to meet their liabilities generally as they become due; AND UPON IT APPEARING that the respondents LR Processing Partnership and LR Processing Ltd. are not able to pay their debts; IT IS HEREBY ORDERED THAT: .

1. The Superintendent of Bankruptcy is hereby directed to amend its records in estate numbers 25-094659 and 25-094662 to reflect the name change from MFC Processing Partnership to LR Processing Partnership and from MPP Ltd to LR Processing Ltd., and to amend all records as appropriate, *and the style of cause in these actions is amended accordingly.*
2. LR Processing Partnership, a limited partnership carrying on business in the City of Calgary and in the City of High River, in the Province of Alberta, be and is hereby adjudged bankrupt and a Bankruptcy Order is hereby made against LR Processing Partnership.
3. LR Processing Ltd., a corporation carrying on business in the City of Calgary, in the Province of Alberta, be and is hereby adjudged bankrupt and a Bankruptcy Order is hereby made against LR Processing Ltd.
4. MNP Ltd. is hereby appointed Trustee of the estate of LR Processing Partnership and the estate of LR Processing Ltd. (the Trustee).

5. The costs of the Applications are adjourned to be determined at a later date.



J.C.Q.B.A (in Bankruptcy)

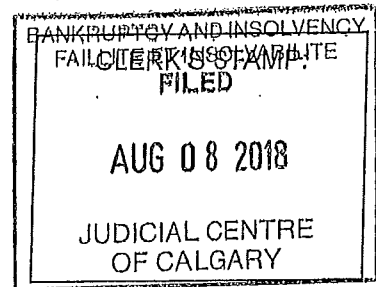
SCHEDULE "A"

Affidavits and Evidence

1. Affidavit of Guy Young, sworn May 6, 2016 and filed May 9, 2016;
2. Affidavit of Annette Starrett, sworn May 4, 2016, filed May 10, 2016;
3. Affidavit of Brad Keeley, sworn May 4, 2016, filed May 10, 2016;
4. Affidavit of Derek Polsfut, sworn May 4, 2016, filed May 10, 2016;
5. Affidavit of Jared Jamison, sworn May 4, 2016, filed May 10, 2016;
6. Affidavit of Ken Kielly, sworn May 4, 2016, filed May 10, 2016;
7. Affidavit of Martin Sorensen, sworn May 4, 2016, filed May 10, 2016;
8. Affidavit of Robert Welke, sworn May 4, 2016, filed May 10, 2016;
9. Affidavit of Scott Howe, sworn May 4, 2016, filed May 10, 2016;
10. Affidavit of Scott Mamchur, sworn May 4, 2016, filed May 10, 2016;
11. Affidavit of Steve Briggs, sworn May 4, 2016, filed May 10, 2016;
12. Affidavit of Paul Neunherz, sworn May 5, 2016, filed May 10, 2016;
13. Affidavit of Stacy Richter, sworn May 5, 2016, filed May 10, 2016;
14. Affidavit of Michael Young, sworn and filed May 17, 2016;
15. Affidavit of Tatsiana Okun, sworn and filed May 17, 2016;
16. Affidavit of Darryl Thom, sworn May 26, 2016, filed June 2, 2016;
17. Affidavit of Chad Varcoe, sworn June 1, 2016, filed June 2, 2016;
18. Affidavit of Jon Telehanic, sworn June 1, 2016, filed June 2, 2016;
19. Affidavit of Kathleen Marie Andrews, sworn June 1, 2016, filed June 2, 2016;
20. Affidavit of Mark Drossos, sworn June 1, 2016, filed June 2, 2016;
21. Affidavit of Kirk Hennel, sworn June 3, 2016, filed June 3, 2016;
22. Affidavit of Michael Smith, sworn and filed June 8, 2016;

23. Affidavit of Guy Young, sworn and filed June 9, 2016;
24. Affidavit of Kevin Richard, sworn June 10, 2016, filed June 13, 2016;
25. Affidavit of David Allan Wright, sworn and filed July 11, 2016;
26. Applicant's Estimate of Value of Security, signed July 13, 2016, filed July 17, 2016;
27. Affidavit of David Allan Wright, sworn July 13, 2016, filed July 14, 2016;
28. Affidavit of Michael Smith, sworn July 15, 2016, unfiled;
29. Affidavit of Michael Smith, sworn September 29, 2016, filed October 3, 2016;
30. Affidavit of Ron Young, sworn September 29, 2016, filed September 30, 2016;
31. Affidavit of Michael Devonshire, sworn and filed October 17, 2016;
32. Transcript of the oral questioning of Michael John Smith, taken November 8, 2016, filed November 9, 2016;
33. Affidavit of Michael Smith, sworn and filed November 21, 2016.

Exhibit F



COURT FILE NUMBER:

25-094659
25-094662

COURT:

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

JUDICIAL CENTRE:

CALGARY

PROCEEDING:

IN THE MATTER OF THE BANKRUPTCY OF
LR PROCESSING PARTNERSHIP AND LR
PROCESSING LTD.

DOCUMENT:

ORDER

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY FILING THIS DOCUMENT

Billington Barristers
1910 Elveden House
717 - 7th Avenue SW
Calgary, AB T2P 0Z3
Main: (403) 930-4100
Fax: (403) 930-4110
Richard Hayles
Direct: (403) 930-4106
File: 16001-001

DATE ON WHICH THIS ORDER WAS PRONOUNCED:

August 7, 2018

NAME OF JUSTICE WHO MADE THIS ORDER:

Honourable Justice Horner

This is Exhibit "F"
To the Affidavit of Ron Young
Sworn this 24th day of August, 2018.
Commissioner for Oaths in and for the Province of Alberta
RICHARD HAYLES
BARRISTER & SOLICITOR

WHEREAS on the application of the creditor Young EnergyServe Inc., LR Processing Partnership ("LR Partnership") and LR Processing Ltd. ("LR Ltd.") were adjudged bankrupt, and a Bankruptcy Order was made against them on November 25, 2016 by the Honourable Madam Justice Strekaf (the "Bankruptcy Order");

AND WHEREAS the Bankruptcy Order appointed MNP Ltd. as Trustee of the estate of LR Partnership and LR Ltd.;

AND WHEREAS LR Partnership and LR Ltd. appealed to the Court of Appeal from the Bankruptcy Order (the "Appeal");

AND WHEREAS Grant Thornton Limited was appointed Receiver of Lexin Resources Ltd. ("Lexin"), a company affiliated with LR Partnership and LR Ltd., under the March 20, 2017 Order of the Honourable Mr. Justice Jeffrey (the "Lexin Receivership");

AND WHEREAS Grant Thornton Limited, in its capacity as court appointed Receiver of Lexin, was appointed Receiver of LR Partnership and LR Ltd. under a June 13, 2017 Order of the Honourable Justice Eidsvik;

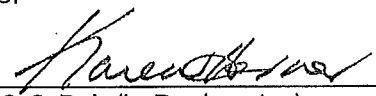
AND WHEREAS a sales process for the assets of the Lexin Receivership, including the assets of LR Partnership and LR Ltd., was approved by a July 14, 2017 Order of the Honourable Justice Horner issued in the Lexin Receivership proceedings;

AND WHEREAS Grant Thornton Limited, in its capacity as Receiver of the assets and undertaking of LR Partnership and LR Ltd., does not intend to pursue the appeal from the Bankruptcy Order;

ON THE CONSENT OF the Applicant Young EnergyServe Inc. and MNP Ltd., through their respective legal counsel, and on being advised that no other interested party opposes the application;

IT IS HEREBY ORDERED THAT:

1. A stay of proceedings is ordered with respect to the Bankruptcy Order, which stay shall remain in effect until further order of this Court. For further clarity, MNP Ltd. is specifically relieved of its duties as Trustee under sections 16-29 of the *Bankruptcy and Insolvency Act*.
2. Any interested party shall be at liberty to apply to the Court for an Order lifting the stay of the Bankruptcy Order, upon 7 days' notice.


J.C.Q.B.A (in Bankruptcy)

Approved as to form
and content by:

DLA Piper

Per:

Karen Fellowes
Counsel for the Trustee
MNP Ltd.

Billington Barristers

Per:

Richard Hayles
Counsel for the Applicant
Young EnergyServe Inc.

Exhibit G

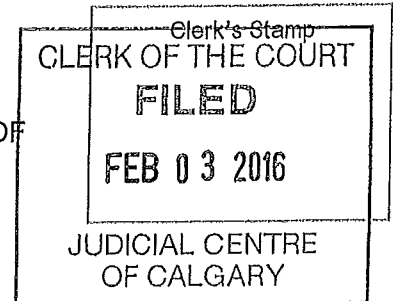
COURT FILE NUMBER 1601- 01798

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF(S) YOUNG ENERGYSERVE INC.

DEFENDANT(S) MPP LTD., MFC PROCESSING PARTNERSHIP, MFC POWER LIMITED PARTNERSHIP, and MFC POWER GENERAL PARTNER LTD.



DOCUMENT STATEMENT OF CLAIM

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

BILLINGTON BARRISTERS
1910 Elveden House
717 - 7th Avenue SW
Calgary, AB T2P 0Z3

Main: (403) 930-4100
Fax: (403) 930-4110

Richard N. Billington, Q.C.
Direct: (403) 930-4101
File: 16001-001

This is Exhibit "A"

To the Affidavit of RON YOUNG

Sworn this 21 day of JANUARY, 2012

Commissioner for Oaths in and for the Province of Alberta

RICHARD HAYLES
BARRISTER & SOLICITOR

NOTICE TO DEFENDANT(S)

You are being sued. You are a defendant.

Go to the end of this document to see what you can do and when you must do it.

Note: State below only facts and not evidence (Rule 13.6)

The Parties

1. The Plaintiff Young EnergyServe Inc. ("YES") is a company incorporated in the Province of Alberta, with offices in the City of Calgary. YES specializes in the

provision of tank and vessel cleaning, turnaround services, and confined space entry services for the oilfield industry.

2. The Defendant MPP Ltd. ("MPP") is a company incorporated in the Province of Alberta, with offices in the City of Calgary. MPP is the owner in fee simple of certain lands in the Municipal District of Foothills No. 31, described as follows:

Meridian 4 Range 28 Township 19

Section 35

Quarter South East

Excepting thereout all mines and minerals

Area: 64.7 Hectares (160 Acres) more or less

(the "Lands")

3. The Defendant MFC Processing Partnership ("MFC Partnership") is a limited partnership registered in Alberta. MFC Partnership operates a gas processing plant on the Lands, under the name "Mazeppa Gas Plant". MPP is the general partner in MFC Partnership.
4. The Defendant MFC Power Limited Partnership ("MFC Power Partnership") is a limited partnership constituted in the Province of British Columbia, which registered in Alberta on October 23, 2015. MFC Power Partnership is the tenant under a lease pertaining to the Lands, as more particularly described below.
5. The Defendant MFC Power General Partner Ltd. ("MFC Power Ltd.") is a company incorporated in the Province of British Columbia, with offices in the City of Vancouver. MFC Power Ltd. is the general partner in MFC Power Partnership.
6. The Defendants MPP, MFC Partnership, MFC Power Partnership, and MFC Power Ltd. are related entities, with common ownership, shareholdings, partnership arrangements, directors, and management. The Defendants are subject to common control and do not deal at arms-length with one another.

7. The Defendants have an estate or interest in the Lands, and are "owners" of the Lands pursuant to the provisions of the *Builders' Lien Act*, R.S.A. 2000, c. B-7.

The Turnaround Contract

8. On October 26, 2015, YES submitted estimate #GCY-1518 R2 to MFC Partnership for a turnaround project at the Mazeppa Gas Plant. The estimate was to cover all necessary personnel, equipment, tools, pressure wash, and vacuum truck services to clean vessels at the Mazeppa facility in preparation for an API inspection. The equipment and services required for the turnaround project were to be provided at rates set out in the estimate, and the total estimated charge for labour, equipment, consumables, mobilization, and demobilization was \$1,212,109.00 plus applicable taxes. The work was to be performed on the basis of terms and conditions set out in the estimate, including the provision that payment of invoices is due within 30 days of the invoice date.
9. MFC Partnership signed a confirmation form accepting the terms of the estimate on November 4, 2015. YES states that on acceptance, estimate #GCY-1518 R2 constitutes binding contract governing the turnaround project at the Mazeppa facility (the "Turnaround Contract").

Purchase Orders

10. MFC Partnership issued the following purchase orders pursuant to the Turnaround Contract:
 - (1) Purchase Order #YSV-114 dated September 30, 2015 for planning and scheduling work in the amount of \$101,850.00;
 - (2) Purchase Order #YSV-115 dated October 1, 2015 for turnaround work in the amount of \$1,206,106.65;
 - (3) Purchase Order #YSV-150068181 dated December 2, 2015 for sulphur pit steam coil installation in the amount of \$25,102.30.

Change Orders

11. In a Change Order dated November 30, 2015, MFC Partnership authorized a number of changes in the scope of the work to be performed by YES pursuant to the Turnaround Contract. The changes were confirmed by YES in Change of Work Orders issued as follows:

- (1) Change of Work Order GCY-002 dated October 13, 2015, for short notice turnaround date changes;
- (2) Change of Work Order GCY-001 dated October 23, 2015, for turnaround date changes, resulting in a purchase order increase of \$29,486.43 plus taxes;
- (3) Change of Work Order GCY-003 dated November 30, 2015, for additional work added by MFC Partnership, and justifiable work scope change due to unforeseen findings, resulting in a purchase order increase of \$326,604.90 plus taxes;
- (4) Change of Work Order GCY-004 dated November 30, 2015, for sulphur pit work, resulting in a purchase order increase of \$34,396.54 including taxes;

Completion of the Work

12. YES completed the turnaround project, including all the additional work required under the Change Orders, in November and December of 2015. The work was performed in an exemplary manner, exceeding contract requirements in terms of quality and completion date. The last day of work was December 6, 2015.
13. In the course of completing the turnaround project, YES performed work and provided materials resulting in an improvement to the Lands. All of the work was performed and the materials provided at the request of the Defendants and on their credit, on their behalf, with their privity and consent, and for their direct benefit.

14. YES issued the following invoices to MFC Partnership pursuant to the Turnaround Contract:

<u>Invoice No.</u>	<u>Invoice Date</u>	<u>Amount Due</u>
2861	October 20, 2015	\$ 95,557.30
2873	October 30, 2015	7,261.49
2880	November 20, 2015	1,412,049.68
2888	December 2, 2015	136,991.88
2893	December 6, 2015	<u>\$ 34,396.54</u>
Total:		<u>\$ 1,686,256.89</u>

15. MFC Partnership paid invoice no. 2873 in the amount of \$7,261.49, but has made no further payments, leaving a balance outstanding of \$1,678,995.40.

The Lien

16. On December 23, 2015 YES filed a builder's lien for material, equipment, and labour provided under the Turnaround Contract in the amount of \$1,678,995.40. The Lien was recorded by the Registrar of Titles against the estate of MPP in the Lands as Registration Number 151 336 847 (the "Lien").
17. MPP claims an interest in the Lands pursuant to the Lien and the provisions of the *Builders' Lien Act*, R.S.A 2000, c. B-7, as amended.
18. If the Defendants, or any of them, have maintained a major lien fund or a minor lien fund under the provisions of the *Builders' Lien Act*, the Lien constitutes a charge against the major lien fund and the minor lien fund.

The Lease

19. Under a Lease Agreement dated December 7, 2015 (the "Lease") between MFC Partnership as Landlord, MPP, and MFC Power Partnership and MFC Power Ltd. as Tenants, MFC Partnership and MPP granted MFC Power Partnership and MFC Power Ltd. an interest in the Lands. The Defendants registered a Caveat with

respect to the Lease on December 21, 2015 as Registration Number 151 333 958 (the "Caveat"), two days prior the registration date of the YES Lien.

20. YES states that at the time the Lease was executed and the Caveat registered, the Defendants were insolvent, unable to pay their debts in full, or knew that they were on the eve of insolvency, and that:
- (1) the Lease was entered into and the Caveat was registered with the intent to defeat, hinder, delay or prejudice creditors, including YES;
 - (2) the Lease was entered into and the Caveat was registered with the intent to give a preference to a creditor or creditors over the interests of other creditors, including YES; and
 - (3) the effect of the Lease and the Caveat is to give a creditor or creditors a preference over other creditors, including YES.
21. YES pleads and relies upon the *Fraudulent Preferences Act*, R.S.A. 2000, c. F-24, and states that the Lease and the Caveat are void as against YES.
22. YES states that the Lease constitutes a conveyance of real property that was entered into without any or adequate consideration and with the intent to hinder, delay, or defraud creditors. The Lease and the Caveat have had the effect of defrauding, hindering, or delaying creditors, including YES, and constitute a fraudulent conveyance that is void under the *Statute of Elizabeth*, 1571 (UK), 13 Eliz. I, c. 5.
23. YES relies upon the following statutes, as amended:
- (1) the *Builders' Lien Act*, R.S.A. 2000, c. B-7;
 - (2) the *Partnership Act*, R.S.A. 2000, c. P-3;
 - (3) the *Land Titles Act*, R.S.A. 2000, c. L-3;
 - (4) the *Fraudulent Preferences Act*, R.S.A. 2000, c. F-24;

- (5) the *Statute of Elizabeth*, 1571 (UK), 13 Eliz. I, c. 5;
- (6) the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, ss. 95 and 96;
and
- (7) the *Judicature Act*, R.S.A. 2000, c. J-2.

Remedy sought:

20. The Plaintiff YES claims the following relief:

- a. A declaration that the Plaintiff has a valid and enforceable Lien interest in the Lands in the Municipal District of Foothills No. 31 legally described as:

Meridian 4 Range 28 Township 19
Section 35
Quarter South East
Excepting thereout all mines and minerals
Area: 64.7 Hectares (160 Acres) more or less;
- b. An order appointing a receiver of the rents and profits from the Lands for the benefit of YES and any other lienholders;
- c. An order appointing a trustee with power to manage, sell, mortgage, or lease the Lands for the benefit of YES and any other lienholders;
- d. A declaration that the Lease and the Caveat constitute fraudulent conveyances or preferences and are therefore void as against YES;
- e. An order setting aside the Lease and directing the Registrar of Titles to remove the Caveat from the Certificate of Title for the Lands;
- f. Judgment in the amount of \$1,678,995.40;
- g. Interest pursuant to the *Judgment Interest Act*, R.S.A. 2000, c. J-1;

- h. Costs on a solicitor and his own client full indemnity basis, or on such other scale as this Honourable Court deems appropriate; and
- i. Such further and other relief as this Honourable Court deems just.

NOTICE TO THE DEFENDANTS

You only have a short time to do something to defend yourself against this claim:

20 days if you are served in Alberta

1 month if you are served outside Alberta but in Canada

2 months if you are served outside Canada.

You can respond by filing a statement of defence or a demand for notice in the office of the clerk of the Court of Queen's Bench at Calgary, Alberta, AND serving your statement of defence or a demand for notice on the plaintiff's address for service.

WARNING

If you do not file and serve a statement of defence or a demand for notice within your time period, you risk losing the law suit automatically. If you do not file, or do not serve, or are late in doing either of these things, a court may give a judgment to the plaintiff against you.