

ADDENDA



THE GOVERNMENT OF ALBERTA
EDMONTON, ALBERTA

MINISTER OF AGRICULTURE

EDMONTON, ALBERTA

FOR THE PURPOSES OF THE ALBERTA
AGRICULTURE ACT, 1940

IN THE MATTER OF

THE ALBERTA AGRICULTURE ACT, 1940

AND IN THE MATTER OF

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IN THE MATTER OF THE ALBERTA
AGRICULTURE ACT, 1940

1. The first of the two main parts of the document is the 'Statement of the Case'. This part is written by the party who is bringing the case to court. It sets out the facts of the case and the law that applies to it. It also states what the party wants the court to do.

2. The second part of the document is the 'Statement of Defence'. This is written by the party who is being sued. It says what the party believes about the facts of the case and the law. It also says what the party wants the court to do.

3. The third part of the document is the 'Statement of Costs'. This is written by the party who is bringing the case to court. It says how much money the party has spent on the case and what the party wants the court to order the other party to pay.

4. The fourth part of the document is the 'Statement of Assets and Liabilities'. This is written by the party who is being sued. It says what the party owns and what the party owes.

5. The fifth part of the document is the 'Statement of the Parties'. This is written by the parties to the case. It says what each party wants the court to do.

6. The sixth part of the document is the 'Statement of the Court'. This is written by the judge who is hearing the case. It says what the judge thinks about the facts of the case and the law. It also says what the judge wants the parties to do.

7. The seventh part of the document is the 'Statement of the Jury'. This is written by the jury who is hearing the case. It says what the jury thinks about the facts of the case and the law. It also says what the jury wants the parties to do.

8. The eighth part of the document is the 'Statement of the Appeal'. This is written by the party who is appealing the decision of the court. It says what the party believes about the facts of the case and the law. It also says what the party wants the court to do.

9. The ninth part of the document is the 'Statement of the Final Decision'. This is written by the court. It says what the court has decided about the facts of the case and the law. It also says what the court wants the parties to do.

10. The tenth part of the document is the 'Statement of the Costs of the Appeal'. This is written by the party who is appealing the decision of the court. It says how much money the party has spent on the appeal and what the party wants the court to order the other party to pay.

11. The eleventh part of the document is the 'Statement of the Costs of the Final Decision'. This is written by the party who is bringing the case to court. It says how much money the party has spent on the case and what the party wants the court to order the other party to pay.



PAGE 1

THE ABOVE PROVISIONS DO NOT FORBID THE ORIGINAL PURCHASER OF AN
 INCLUDING THIS IMMEDIATELY APPEAL IN ANY REPORT, FINDING, APPRAISAL, OR
 OTHER ADVICE PREPARED BY THE ORIGINAL PURCHASER OF THE PROPERTY
 THE OWNER APPLYING PROFESSIONAL, CONSULTING OR TECHNICAL SERVICES FOR
 THE BENEFIT OF CLIENT.

Appraisers Qualifications

JERRY L. ZEZULKA

GENERAL

- Practicing Real Estate Appraiser

DESIGNATION

- DAC (Designated Appraiser - Canadian National Association of Real Estate Appraiser)
- IFAS (Senior Member - National Association of Independent Fee Appraisers) USA.
- Former AACI (Accredited Appraiser Canadian Institute) - resigned in September, 2003

EXPERIENCE

- The valuation of commercial, industrial, income, investment, speculative and agriculture properties for purposes of re-sale, stock issues, mortgage financing, expropriation and litigation. Feasibility studies and rental analysis, assessment and real estate consulting.
- property tax

QUALIFICATIONS

- Qualified as an expert witness by the Federal Tax Court, the Court of Queen's Bench (formerly the Supreme Court of Alberta) (Trial Division), and the Saskatchewan Court
 - Expert witness before the Alberta Assessment Appeal Board, the Land Compensation Board, the Surface Rights Board, Local Authorities Board, and the Tax Review matters regarding Capital Gains Valuation.
 - Acted as arbitrator in rental arbitrations.
- District
- Board in

EMPLOYMENT

CURRENT

- Independent fee appraiser. Consultant to All Property Appraisals of Medicine Hat, and Handley Appraisal Services of Lethbridge
- 1936 - 2008 Manager and Partner of A.R.C. Appraisal Consultants of Medicine Hat, Alberta
- 1989 - 1995 Consultant to Eagleson Property Appraisals Ltd, Calgary, Alberta.
- 1977 - 1986 Fee Appraiser and Vice President - Klaasen Eagleson Associates Ltd, Calgary, Alberta
- 1972 - 1977 Fee Appraiser and head of Appraisal Department - Reliance Agencies, Lethbridge, AB
- 1969 - 1972 Central Mortgage and Housing Corporation, Calgary, Lethbridge and Halifax
- 1966 - 1969 Consulting Firm - assisted in the assessment of property for taxation purposes in up to 10 municipalities. (1966-1967 successfully completed the Certificate Course in Municipal Assessment)

MEMBERSHIPS

- Canadian National Association of Real Estate Appraisers, Appraisal Institute of Canada
- National Association of Independent Fee Appraisers (USA)
- International Real Estate Association
- Alberta Association of Professional Appraisers
- Alberta Expropriation Association

OTHER

- Former editor of Newsletter for Alberta Association of Professional Appraisers
- Past President - Alberta Association of Professional Appraisers
- Past lecturer for Courses I and II, Appraisal Institute of Canada - Calgary Chapter
- Guest lecturer for course III, Appraisal Institute of Canada - Calgary Chapter
- Guest lecturer for Intermediate Course - Alberta Real Estate Association
- Guest speaker on valuation techniques to various clubs and organizations.

APPRAISER'S QUALIFICATIONS - ROGER G. HANDLEY

OCCUPATIONAL HISTORY

Handley Appraisals Ltd.

Company formed October 2002 in order to provide all types of real estate appraisal assignments specializing in commercial & agricultural properties.

Reliance Appraisal Consultants Ltd.

Lethbridge, Alberta

July 1991 – September 2002. Full time fee appraiser. Appraisal assignments included residential, commercial, industrial and farms, with the emphasis on farm operations.

Handley Auction & Real Estate Ltd.

Coaldale, Alberta Joined the family firm in 1968 with the duties of assisting in the auction sale business while attending the Lethbridge Community College, completing a 2 year Business Administration Program. Successful completion of the Alberta Real Estate Exam in 1971 and successful completion of the Alberta Real Estate Agent Exam in 1976, at which time I was appointed as the Agent for the company.

In 1980 the shares of the company were purchased and I became the sole owner of the business. Duties of this 30 year old company included the sales and evaluation of all types of real estate, specializing in agricultural properties, and the evaluation and marketing of all farm machinery and equipment by the auction method.

Canadian National Association of Real Estate Appraisers Appraisal Degree:

Designated Appraiser Commercial (DAC). The DAC designation identifies a member who is qualified to perform appraisal assignments of all types of real property.

Certified Appraisal Reviewer. This designation identifies a member who is qualified in the practice of real property appraisal review.

Relevant Education Courses:

AIC Ecological Gifts Seminar- April 2001
Principles of Rural Appraisals "A-20"-September 1995

Affiliations:

Coaldale Kinsmen Club
Lethbridge Real Estate Board Co-op Ltd.

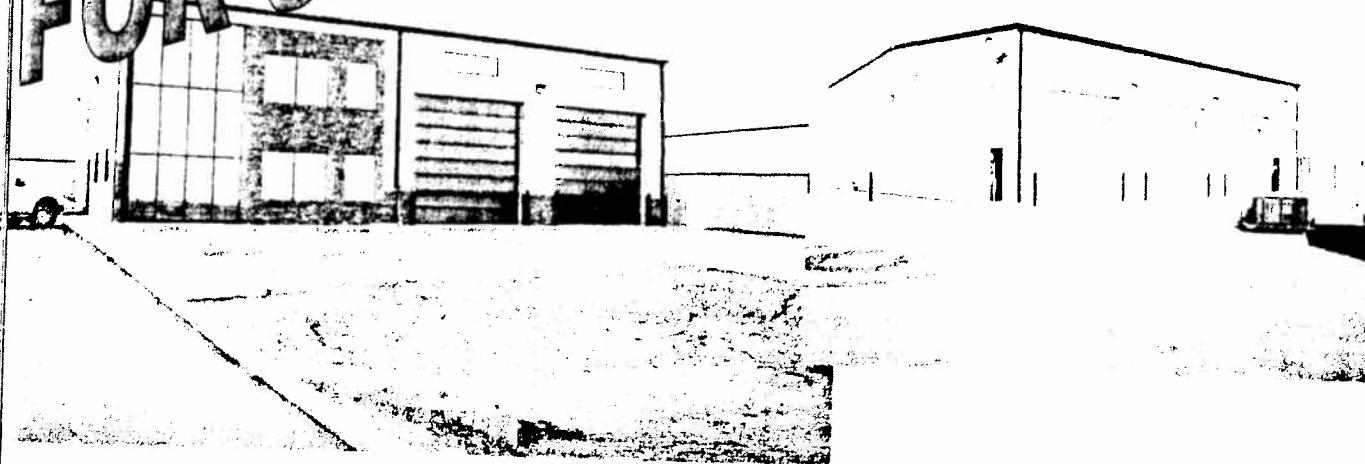
Alberta Auctioneer's Association

Lifetime member
1971-1999-Past Director and Chairman of the Ethics and Arbitration Committee
Member 1968-1998

APPENDIX E

Information Package

FOR SALE

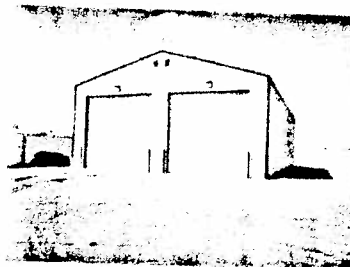


Main Building

Size – Main level office – 1361 sq ft
 Shop – 4,239 sq ft
 Mezzanine – 1,361 sq ft
 Mezzanine is developed with superior offices, board room, 2 pc washroom and staff room with mini bar
 Foundation – Concrete
 Construction - Steel frame
 Roof – Metal clad
 Roof height – 20'
 Heating/HVAC – Forced air, overhead radiant
 Make-up air system
 Cooling – 4 units, side mounted, zoned controlled
 Electrical – 200 amp 600volt, 3 phase, 4 wire
 (2) Drive thru bays with 16' automatic o/h doors

Shop

Size – 3,360 sq ft including 288 sq ft of office space
 Mezzanine – 288 sq ft
 Foundation – Concrete
 Construction – Wood frame
 Roof - Metal clad
 Roof height – 18 ft
 Heating/HVAC – Overhead radiant
 Electrical – 200 amp 600 volt, 3 phase, 4 wire



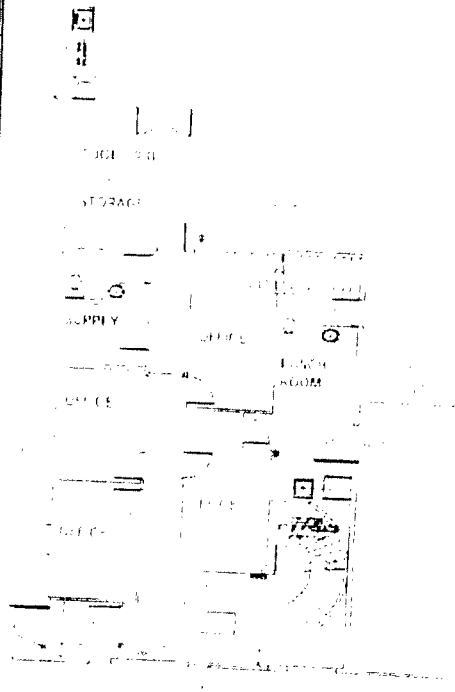
59 East 3rd Ave, Dunmore, AB
 Plan 0512216, Block 1, Lot 10
 Taxes - \$6,940.63 (2009)
 Zoning – HC –Hamlet Commercial
 Lot Size – 1.88 acres
 Price \$1,500,000

For Further Information Contact

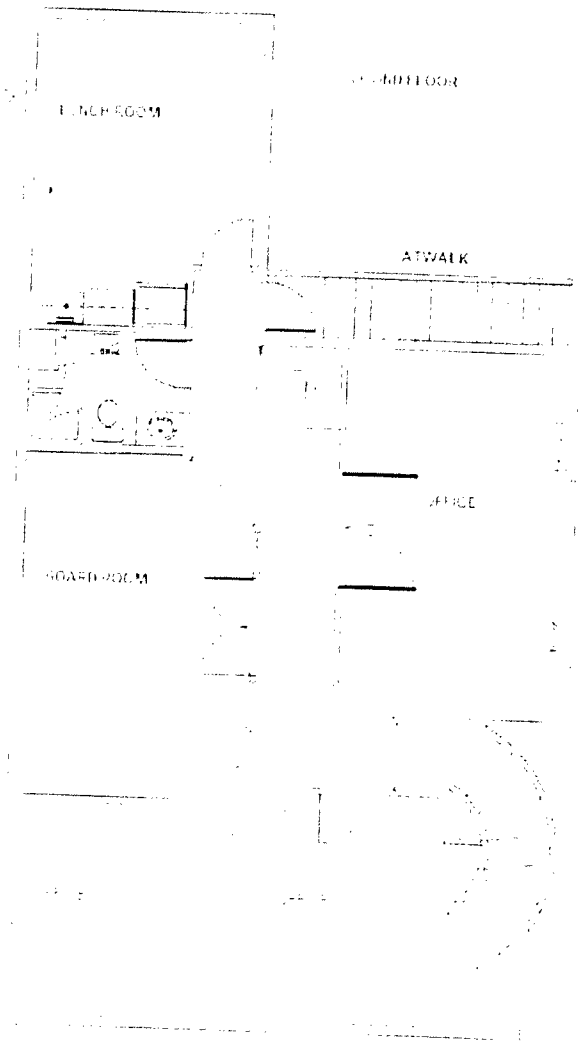
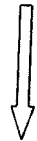
Pete Vanderham 403-502-3200

RE/MAX Medalta Real Estate

APPENDIX E



North



APPENDIX F

Purchase Contract

OFFER TO PURCHASE AND INTERIM AGREEMENT

TO: ERNST & YOUNG INC.
As Receiver-Manager of Ranco Holdings Ltd.
Pursuant to an order of the Court of Queen's Bench of Alberta (the "Court") dated February 12, 2010
 (hereinafter referred to as the "Vendor")

Prepared: June 3, 2010

c/o RE MAX MEDALTA REAL ESTATE
 (Agent for the Vendor)

FROM: 1148750 ALBERTA LTD.
 (hereinafter referred to as the "Purchaser")

c/o CALGARY SMI COMMERCIAL REAL ESTATE LIMITED
 (Agent for the Purchaser)

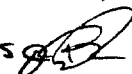
The Purchaser hereby offers to purchase the property situate in Dunmore (Cypress County), Alberta, municipally described as 59 East 3rd Avenue, and legally described as Plan 0512216, Block 1 Lot 10 (herein called "Property") on the terms and conditions herein set forth

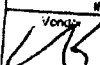
1 INTERESTS PURCHASED

- 1.1 The rights and interests of the Vendor to be purchased herein shall be all legal and beneficial right, and interest of the Vendor in and to the Property and any chattels and improvements thereon. The Property will be purchased as-is, where-is including those items listed on Schedule "A" attached hereto.
- 1.2 The Property shall be conveyed by the Vendor to the Purchaser on the Closing Date free and clear of all liens, charges, encumbrances and registrations except for Registrations 911 114 382 and 051 046 740 subject further to Clause 8.1.1 herein

2 PURCHASE PRICE

- 2.1 The Purchase Price for the Property shall be the sum of One Million One Hundred Fifty Thousand Dollars (\$1,150,000.00) herein called the ("Purchase Price"), to be payable in the following manner:
 - 2.1.1 The sum of One Hundred Fifty Thousand Dollars (\$150,000.00) (herein called the "Deposit") being paid within Two (2) business days after conditional acceptance hereof, and held in trust by ~~Purchaser's~~ Agent, in a non interest bearing trust account. The Deposit shall apply towards the Purchase Price on the Closing Date
 - 2.1.2 The balance of the Purchase Price, subject to adjustment and other provisions contained herein, by certified cheque payable to the Vendor's Solicitor, to be disbursed by the Vendor's Solicitor in accordance with the provisions of this Agreement. This sum is subject to adjustment as contained herein
 - 2.1.3 If the Purchaser does not close after conditions are removed, then the Deposit will be forfeited to the Vendor as a genuine pre estimate of total liquidated damages, and the Vendor shall have no further action against the Purchaser
- 2.2 All taxes, local improvement assessments, rates, levies, deposits, and other outgoings assessed or imposed against the Property shall be adjusted as between the parties on the Closing Date

SELLER'S 

INITIALS	
Vendor	Purchaser
	

3 PURCHASER'S CONDITION

deleted

3.1 VENDOR'S CONDITION

3.1.1 The Vendor's obligation to complete the transaction contemplated by this Offer to Purchase and Interim Agreement shall be conditional until 4:00 p.m., Calgary time, Wednesday, June 30, 2010, (or such other date as the parties may agree in writing), (the Vendor's Condition Date), subject to the Receiver-Manager obtaining Court approval of this transaction on terms and conditions acceptable to the Receiver-Manager.

3.1.2 It is also understood that unless the parties or respective agent(s) receive written notification waiving this condition within the respective time frame, the Vendor's approval shall be deemed to have been withheld, the Vendor's Conditions deemed declined, the purchase agreement shall become null and void and all deposits shall be refunded to the Purchaser without deduction.

4 CLOSING DATE

The closing of the purchase and sale transaction herein shall take place Fifteen (15) Business days following satisfaction or waiver of the Vendor's condition in Section 3.1.1

5 PURCHASER'S INSPECTION

5.1 The Vendor agrees that it shall, within five (5) days of acceptance hereof, make available to the Purchaser for its inspection and review the following only as may be in Possession of the Receiver-Manager:

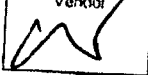
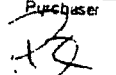
5.1.1 Copies currently in the Vendor's possession of all existing agreements and encumbrances relating to or affecting the Lands or any portion thereof.

5.1.2 Copies of all reports (including but not limited to environmental, structural, mechanical, roof, etc.) in the Vendor's possession, complete with reliance letters in favour of the Purchaser in order to be suitable for financing.

5.1.3 Copies of all plans and surveys of the site in the Vendor's possession.

5.1.4 Copy of any Real Property Report in the Vendor's possession.

5.2 Subject to reasonable prior notice and reasonable viewing times with a representative of the Vendor, the Purchaser shall be entitled to have free and unfettered access to the Property, for the purposes of examining same, surveying same provided it shall not interfere with the current use of the Property and shall make good any damage caused thereby. The Purchaser shall and does hereby indemnify and save the Vendor harmless from and in respect of costs, expenses, losses, claims, damages, and outgoings which may arise in respect of the Purchaser's access and use of the property. This indemnity shall apply to both payments made to third parties pursuant to third party liens and direct out of pocket expenses to the Vendor.

INITIALS	
Vendor	Purchaser
	

5.3 Notwithstanding anything to the contrary contained herein, the Purchaser is relying upon its own inspection of the Property and the title thereto, it being expressly acknowledged and agreed that:

5.3.1 there are no representations made by the Vendor to the Purchaser except as expressly stated in paragraph 7.1 hereof; and

5.3.2 the Purchaser will fully assume all responsibility for the development of the Property inclusive of all fees, assessments, levies, payments, installations, contributions and dedications which may arise in connection with any application or approval in respect thereto.

6 POSSESSION AND RISK

6.1 The Property and all improvements thereon shall remain at the risk of the Vendor until the Closing Date and thereafter shall be at the risk of the Purchaser.

7 VENDOR'S REPRESENTATIONS, WARRANTIES AND CONDITIONS

7.1 As at the date of preparation of this Offer to Purchase, the Vendor hereby represents and warrants to the Purchaser as follows, and acknowledges that the Purchaser is relying upon such representations and warranties in connection with the purchase of the Property:

7.1.1 The Vendor confirms that it has corporate power and authority to execute this Agreement and, subject to obtaining the Order, it has the power and authority to perform all of its obligations and covenants herein.

7.1.2 deleted

7.1.3 deleted

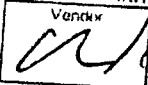
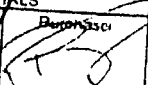
7.1.4 deleted

7.1.5 deleted

7.1.6 The Vendor is not a non-resident of Canada within the meaning of Section 116 of the Income Tax Act (Canada) (balance of this sentence deleted).

7.2 The Vendor and Purchaser agree that all representations and warranties contained herein shall survive the Closing Date and shall not merge upon the closing of the sale herein.

7.3 Other than as specifically set out in this Offer to Purchase and Interim Agreement, the Property is sold "as is, where is", and there are no representations, warranties or collateral agreements or conditions, whether statutory, express or implied, oral or written, legal, ethical, conventional or collateral agreements or otherwise being provided by the Court or by the Receiver-Manager or any agent thereof. Without limiting the generality of the foregoing, there are no representations, warranties or conditions as to title, zoning, boundaries, permitted uses, outstanding costs or charges, description, fitness for purpose, merchantability, condition, quality, value, suitability or durability in relation to any of the Property being given by the Court or the Receiver-Manager, or any agent of either of them. The Buyer is relying entirely on its own due diligence and inquiries regarding the Property and is not relying on any representations, warranties, agreements, information or documents provided by the Receiver-Manager, except as specifically set out in this Offer to Purchase and Interim Agreement.

INITIALS	
Vendor	Purchaser
	

8 REQUIREMENTS FOR CLOSING

8.1 Not later than Three (3) business days prior to the Closing Date, the Vendor shall deliver to the Purchaser's solicitors the following upon condition of trust reasonably necessary to give effect to and be consistent with this Agreement:

8.1.1 A registrable transfer for the Property which upon registration will result in the issuance of certificates of title to the Property free and clear of all encumbrances except those referenced in clause 1.2 and anything registered by or caused to be registered by or through the Purchaser, or at the Vendor's discretion, a certified copy of the order approving sale and vesting order on the terms contained herein and directing the Registrar of the Alberta Land Titles Office to register title to the Property into the name of the Purchaser or its nominee, subject only to the Permitted Encumbrances.

8.1.2 A Statement of Adjustments showing calculation of the adjusted balance of the Purchase Price, and those items outlined in paragraph 2.2 herein, and others as appropriate.

8.1.3 If a new Mortgage is a condition of this contract, the Vendor agrees to allow the Purchaser's solicitor to register the transfer to title to obtain the advance of mortgage funds on the new Mortgage PROVIDED THAT the Purchaser's solicitor complies with the reasonable trust conditions imposed by the Vendor's solicitor until the Vendor has been paid the total purchase price. The Purchaser shall pay the expense of the new Mortgage.

8.1.4 The Purchaser shall provide evidence at closing that it is a G.S.T. Registrant within the meaning of the Excise Tax Act (Canada).

9 GENERAL PROVISIONS

9.1 Notices

All notices, requests or demands to or upon the parties hereto shall be in writing and shall be required to be messenger delivered and faxed, and shall be deemed sufficiently given if delivered at the following respective addresses.

The Vendor c o

Re/Max Medalta Real Estate
#109, 1235 Southview Drive S.E.
Medicine Hat, Alberta, T1B 4K3

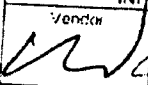
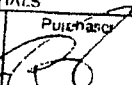
FAX: (403) 529-9660
Attention: Mr. Pete Vanderham
pvanderh@telusplanet.net

The Purchaser:

Calgary SMI Commercial Real Estate Limited
Suite 107, 825 - 8th Avenue S.W.
Calgary, Alberta, T2P 2T3

FAX: (403) 263-2567
Attention: Mr. Mathieu Déry
mdery@smicommercial.com

The parties may change their addresses for notices from time to time on written notice to the other party

INITIALS	
Vendor	Purchaser
	

9.2 Time

Time shall be of the essence of this Agreement. In the event of any extension of time granted by the Vendor for the performance of an obligation of the Purchaser under this Agreement, time shall continue to remain of the essence hereof notwithstanding such extension.

9.3 Entire Agreement

The parties confirm and agree that this Agreement constitutes the entire agreement between the parties hereto and there are no warranties, representations or collateral agreements other than as set forth herein in writing and each party shall be forever estopped from asserting to the contrary. This Agreement may only be amended by a further agreement in writing signed by both parties hereto.

9.4 Payment

All payments required to be made pursuant to this Agreement shall be by way of certified cheque, bank draft or solicitor's trust cheque. All payments to be made by the Purchaser shall be made on or before 2:00 P.M. (MDT) on any business day.

9.5 Conveyancing

The Purchaser shall be responsible for the cost of registering all conveyances necessary to convey the Property to the Purchaser. The Vendor shall be responsible for all costs relating to the registrations of discharges or all encumbrances not accepted by the Purchaser.

9.6 Enurement

This Offer to Purchase shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

9.7 Laws

This Agreement shall be governed by the Laws of the Province of Alberta.

10 **ELECTRONIC TRANSMISSION**

Communication of documentation including signatures will be acceptable by telephone facsimile and email.

11 **VENDOR'S EXISTING CONTRACTUAL OBLIGATION**

The Vendor shall until the Closing Date, continue to pay, as and when due, any payments due to any federal, provincial or municipal authority and any payment, as and when due, under any contractual agreements affecting the Property, and shall not be in breach of any law, contract or agreement involving the Property on the Closing Date.

12 **EXISTING LEASES AND MANAGEMENT**

The Vendor shall not from the date of acceptance of this Offer, vary the terms and conditions of any lease, nor enter into any new tenancies in respect of the Property further encumber the Property in any way without the prior written consent of the Purchaser. The Vendor or his Agent will operate and manage the Property until the Closing Date in the same manner as would a prudent owner of a comparable property.

INITIALS	
Vendor	Purchaser
<i>[Signature]</i>	<i>[Signature]</i>

13 **BROKERAGE & COMMISSION**

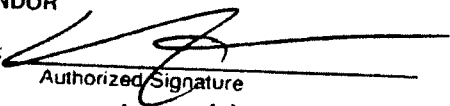
The Purchaser has appointed the Purchaser's Agent to represent their interest in this transaction and it is understood and agreed that the Purchaser's Agent shall, upon closing of the sale transaction contemplated herein, be entitled to receive from the Vendor, payable through the Vendor's Agent, a commission in the amount of Two Percent (2%) of the sale price agreed to herein.

14 **ACCEPTANCE**

This Offer to Purchase shall be irrevocable and shall be open for acceptance until 4:00 p.m. Calgary time. Two (2) business days after the last date following hereto, after which time this Offer, if not accepted, shall be deemed null and void.

ACCEPTED AND DATED in the City of Calgary, in the Province of Alberta, this 3 day of June, 2010.

Witness

VENDORPer: 

Authorized Signature

Name (Print): NEIL NALFASONTitle: PARTNER

Per: _____

Authorized Signature

Name (Print): _____

Title: _____

Witness

ACCEPTED AND DATED in the City of Calgary, in the Province of Alberta, this 3rd day of June, 2010.

Witness

PURCHASERPer: 

Authorized Signature

Name (Print): Barry R. WilliamsTitle: PRESIDENT

Per: _____

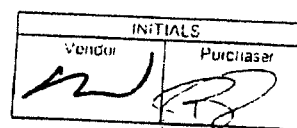
Authorized Signature

Name (Print): _____

Title: _____

Witness

and seller's 1148750 AB Ltd. - Dunmore OTP June 2, 10.doc

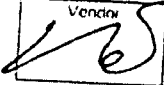
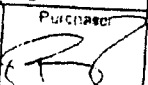


Schedule "A"

Chattels & Equipment

The following chattels are included in the property:

- 1 1 Digital Video Recorder
 - 2 1 Power Panel re: Video Cameras
 - 3 5 Indoor Dome Security Cameras
 - 4 11 Indoor/outdoor Security Cameras
 - 5 Key Box
 - 6 Televisions/Home Theatres
 - 7 2 Fridges, 2 Dishwashers, 2 Microwaves, Washer and Dryer
 - 8 All office furnishings including equipment in the computer server room
 - 9 Vehicle Wash System
 - 10 Wash bay taps
 - 11 Towel dispensers
 - 12 Tile for cabinet
 - 13 Security System, if available
 - 14 Shop hardware
 - 15 Bay pressure wash system (Cat model 610 Pump w/5 hp 3 phase motor)
 - 16 Shelves, Racking, Safety supplies
 - 17 exterior storage sea container (only if still existing at site as of date of this Offer otherwise not included)
- all as currently located on the Property

INITIALS	
Vendor	Purchaser
	

APPENDIX G

MRN security documents

**Ranco Holdings Ltd.
MRN Disputed Assets
May 28, 2010**

APPENDIX G

DESCRIPTION OF ASSETS	Forced Liquidation Value
Main Office Reception	
NEC Electra Elite 1PK Security System	\$
Digital Video Recorder, 11 Indoor/Outdoor cameras, 5 Indoor Cameras	1,500
	3,500
Upstairs Recreation Room	
Samsung Large screen TV w/ HDTV, Blu Ray, Amp, mixer	
Panasonic Microwave	3,000
Built in Dishwasher	150
	250
Boardroom	
4 Sony XBR KDL-46XBR6 Televisions @ 2,000	
4 Bell Satellite receivers	8,000
Onko Amp-mixer Sound system	400
	1,500
Main Upstairs Office	
Sony KDL-52W4100 Television	
Satellite receiver	2,400
Blu Ray player	100
Onkyo Amp Mixer	300
	350
Shop	
Large Shop Bench-cupboard w/ vise, grinder	
Bolt Bin w/ high grade bolts	1,400
2 large Shop tarps @ 300.00	400
TOTAL	1,200
	<u>24,450</u>

Reclamation of Property Claim

(All notices or correspondence regarding this claim are to be forwarded to the following address: 407, 16145-1195T NW)

Edmonton, AB T5K1Z2
 I, William K. Kraemer, of the City
 of Edmonton in Province of Alberta

DO HEREBY CERTIFY:

1. That I am the claimant, (or That I am) Credit Manager

(State Position or Title)

of MRN Investments
 (Name of claimant)

2. That I have knowledge of all the circumstances connected with the claim referred to below.
3. That on the 16th day of February 2018 a receivership order was made against the debtor.
4. That, on that date, the property enumerated in the document(s) attached and marked "A" (and "B") was in the possession of the receiver, and still remains in the possession of the receiver.

W K

5. That the claimant hereby claims that property, or interest or right in it, by virtue of the document(s) attached and marked "A" (and "B"), namely:

(Set out the particulars of all documents serving as proof of claim, giving

(I) The grounds on which the claim is based, and

(II) Sufficient particulars to enable the property to be identified; if the particulars do not appear on the face of the documents, attach an additional statement marked "B" setting them forth.)

6. That the claimant is entitled to demand from the receiver the return of the property enumerated in these document(s).

7. That I hereby demand that the receiver return to me (or to the claimant whom I represent) the property enumerated in the document(s) within the 15 days after the filing of this form..

SWORN (or SOLEMNLY DECLARED)
before me at Edmonton (city, town or village)
in the Province of Alberta
on this 17 day of April, 2016

R D Gillespie
Commissioner of Oaths
for the province of Alberta

[Signature]
Signature of Claimant

ROBERT D. GILLESPIE
Barrister and Solicitor
300, 10209 - 97 Street
Edmonton, Alberta
T5J 0L6

NOTE: Subsection 201(1) of the Act prescribes severe penalties for making any false claim, declaration or statement of account.

R D R

ADDENDUM "A" TO RECLAMATION OF PROPERTY CLAIM

- 1 Digital Video Recorder Model QSC26416 s/n A10559841
- 1 Power Panel re Video Cameras

- 5 Indoor Dome Security Cameras

- 11 Indoor/Outdoor Security Cameras

Televisions and Home Theatre Systems: s/n AM400002976/4337/4336/3665/AM4010044545

0855DD4911020529D/20515D/20344D; AN0094-01581; MG83300150; 8421055153792

Variety of shop tools/tool crib/sofa/fridge/dishwasher/stove/microwave/office table

Desks/chairs/towel dispenser/cabinet/wall vault and key cabinet/time zone clock

RW
R

MRN Investments (Partnership)

February 16, 2010

#407 – 10145 – 119 St NW

Edmonton, AB T5K 1Z2

STATEMENT OF ACCOUNT OWED BY RANCO HOLDINGS LTD., under the terms of Lease # Ran 002
Dated April 15, 2009 made between Ranco Holdings Ltd. And MRN Investments, as at February 16, 2010
is as shown here: \$98,452.68.



W .R. Kraemer

Credit Manager

MRN Investments
#407, 10145 - 119 ST NW
Edmonton, AB T5K 1Z2

LEASE AGREEMENT

Notice: This is a Non-Cancelable, Binding Contract.
It contains important Legal and Financial Terms and Conditions. Please read all
pages carefully. Feel free to ask questions before signing.

APPENDIX G	
Lease #	Ran002
Customer #	

LESSEE	Ranco Holdings Ltd.							
ADDRESS	Street	59 East 3 rd Ave.,	City	Dunmore	Prov.	AB	Postal Code	T0J 1A0
Contact	Name	Ina Meyer	Tel	(403) 526-4600	Fax			

EQUIPMENT INFORMATION							
Location	Street	As above					
(If Different)	City		Province		Postal Code		
Quantity	Make, Model, Serial Number, Description						
1	Digital Video Recorder Model QSC26416 s/n A10559841						
1	Power Panel re video cameras						
5	Indoor Dome Security Cameras:						
11	Indoor/outdoor Security Cameras: Televisions and Home theatre Systems: s n AM400002976/4337/4336/3665/AM401004545: 0855DD4911020529D/20515D/20344D; AN0094-01581; MG83300150; 842105153792 Variety of shop tools/tool crib/sofa/fridge/dishwasher/stove/microwave/office table/desks/chairs/towel dispenser/cabinet/wall vault and key cabinet/time zone clock.						
VENDOR	Name					Rep.	
	Address					Tel	

RENTAL DETAILS							
TERM # OF MOS.	NUMBER OF PAYMENTS	PAYMENT FREQUENCY	PAYMENT METHOD	RENT (AMOUNT)	GST \$	PST \$	TOTAL RENT (AMOUNT)
48	2	First and last payment	cheque	\$7,862.18			\$7,862.18
	46	Monthly	Post dated cheques	\$3,931.09			\$3,931.09
		Buyout after 48 payments will be \$10.00					

PRE-AUTHORIZED PAYMENT PLAN (PAP) (Please attach an unsigned sample cheque)		
Lessor is hereby authorized to draw payments under its PAP, from the bank account as specified on the attached sample cheque, to cover the "Total Period Payment" or other amounts due under the terms of this agreement. If the account is transferred to another branch or the account is closed and an account is opened at another Bank, this authorization shall have the same force and effect as if it had been originally directed to that branch or Bank as the case may be. Upon any form of default, Lessor is hereby authorized and requested to periodically draw payment when due including all charges and fees from Lessee's credit card.		
Visa or MC or AMEX:	Name on Credit Card:	Credit Card #:
Per: X	Signature	Expiry Date:
Authorized Cheque Signing Officer	Title	Authorized Cheque Signing Officer

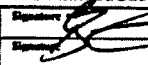
Lessee and Co-Lessee(s) acknowledge having read the entire multi-page Lease Agreement and Accept the Terms and Conditions attached.
Lessee and Co-Lessee(s) accept that where they have signed this contract under their own names, they have signed in their personal capacity.

Signature:	The Undersigned Affirms That He/She Is Duly Authorized To Execute This Agreement		Date: April 15, 2009
Ranco Holdings Ltd	Signature		Signature:
	Signature		Signature
Executed and Accepted as LESSOR:		Authorized Signature	

DELIVERY AND ACCEPTANCE CERTIFICATE (Covers All Equipment Schedules Referenced By This Lease)

The undersigned Lessee acknowledges delivery and/or installation of the leased Equipment, as per the Equipment information above. Any variances, inclusions, or exclusions must be documented. Lessee confirms that this Equipment is intended solely for business or commercial purposes is for Lessee's own use, has been inspected, is operating satisfactorily, is in all respects as represented, and is fit for its intended purpose. Lessee hereby approves the Supplier's invoice for payment and instructs Lessor to pay this invoice and commence the Lease. Lessee authorizes Lessee's landlord to provide access to Lessor to the premises to enforce Lessor's security interest should Lessee be in default of the Lease Agreement.

Lessee also acknowledges that Lessee has read the Lease Agreement, in its entirety (and in particular the following clauses: NON-CANCELABLE CONTRACT; REPRESENTATIONS AND WARRANTIES with specific reference to "... If the Equipment ... fails to function... Lessee shall ... unconditionally pay Lessor all Rent..."; INSURANCE; and MAINTENANCE, REPAIR AND REPLACEMENT), is aware of and understands the Payment Term thereof, and is aware of and understands that the subject Equipment is and remains at all times the property of Lessor.

Signatures:		The Undersigned Affirms That He/She Is Duly Authorized To Execute This Agreement		Date: April 15, 2009	
Ranco Holdings Ltd.					
					

Version July 15, 2002

LESSEE	Ranco Holdings Ltd	Lease #	Ran002
Signatures:		The Undersigned Affirms That He/She Is Duly Authorized To Execute This Agreement	
Ranco Holdings Ltd.		Date: April 15, 2009	
			
			

TERMS AND CONDITIONS

Lessor hereby rents to Lessee the personal property listed and described hereof ("Equipment") under the terms and conditions set forth herein. This Contract ("Agreement") shall not become binding on Lessor until accepted in writing by Lessor as evidenced by the dated signature of a duly authorized representative of Lessor.

1. NON-CANCELABLE CONTRACT. Once funded, this Agreement cannot be terminated during the term set forth ("Term"), except as expressly provided herein. Upon execution of the Lease documents by Lessee, Lessor may reserve funds for the Lease and deem it "funded." Lessor reserves the right to terminate the Lease and seek a cancellation fee under this clause in the event that a) Lessee's initial payment is not honored and/or b) Lessee repudiates this Lease prior to delivery of the Equipment, and/or c) Lessee or any of the co-Lessees or Guarantors of the Lease misrepresents or incompletely discloses information. The cancellation fee is the greater of a) \$500.00, or b) 10% of the Principle Value, defined as the total Equipment cost.

2. RENTAL. Lessee shall pay to Lessor the Total Rent ("Rent") (set forth on the first page of the Lease Agreement) on the first day of each payment period of the Term commencing in the period following the delivery of the Equipment.

3. LOCATION AND USE. The Equipment shall be located and used at the place designated on the first page of the Lease Agreement and shall not be moved therefrom without the prior written consent of Lessor. Lessee warrants that the Equipment will be used for business or commercial purposes only. Lessee shall cause the Equipment to be operated carefully by competent and duly qualified personnel only and in compliance with manufacturer's recommendations, applicable laws and regulations.

4. REPRESENTATIONS AND WARRANTIES. Lessee acknowledges that the vendor and/or manufacturer of the Equipment and the Equipment itself have been selected by Lessee for the purpose of the rental under this Agreement. Except as hereafter set forth, no representation or warranty, express or implied, legal, statutory, customary or otherwise is given or made in respect to the Equipment, including but without limitation, the merchantability, condition, design, operation or fitness for a particular purpose or its freedom from liens and encumbrances. If the Equipment is not properly installed, does not operate as intended by Lessee or as represented by the manufacturer or vendor, totally fails to function or perform so as to give rise to a fundamental breach of this Agreement, or is unacceptable for any other reason whatsoever, including, without limitation, any claim for patent, trademarks, design or copyright infringement, Lessee shall claim only against such vendor or manufacturer under such warranties made available to Lessee and shall nevertheless unconditionally pay Lessor all Rent and other amounts payable hereunder. In no event shall Lessor be liable to Lessee for damages, whether direct, indirect, special, consequential or otherwise, resulting from or in any way connected with the use or performance of the Equipment. Lessee hereby indemnifies and saves Lessor harmless against any such damages. Lessor hereby assigns to Lessee and Lessee hereby accepts for and during the applicable Term, the warranties, if any and if assignable, of the manufacturer with respect to the Equipment. If required, Lessee shall obtain vendor's or manufacturer's consent to any such assignment. The indemnities contained in this clause shall continue in full force and effect notwithstanding the expiration or other termination of this Lease and shall be payable on demand.

5. SOFTWARE LICENSE. Lessor hereby grants to Lessee and Lessee accepts a non-transferable, non-exclusive license ("License") to use on the Equipment any "software" provided with the Equipment hereunder. Lessee may not alter or modify Software and will not copy, or otherwise make available any such Software without the prior written approval of Lessor. If Lessee is in default as defined in any clause of this Agreement, Lessor reserves the right to terminate this License. Lessee accepts that Lessor's remedies will include the right to make any Software used on the Equipment inoperative through manual or electronic means.

6. PRE-AUTHORIZED PAYMENT PLAN. If Lessee has completed the pre-authorized payment section, Lessee warrants that the signatures appearing are those of the persons authorized to sign on the account with the Bank. Lessee authorizes and requests the Bank to pay and debit the bank account specified ("Specified Account"), whether it continues to be maintained at the location set forth or is maintained at another branch of the Bank, all payments purporting to be drawn on the Bank by or on behalf of Lessee payable to Lessor or its Assignee and presented to the Bank for payment and to pay and debit to the Specified Account all amounts specified on any document that is or purports to be a direction on behalf of Lessee to credit an amount to the payee and to debit such amount to the Specified Account. Lessee acknowledges that provision and delivery of this authorization to Lessor constitutes delivery by Lessee to the Bank of the same.

7. RENEWAL. Provided Lessee is not in default hereunder, this Agreement will be automatically renewed on a month-to-month basis ("Renewal Period") upon the expiration of the Term upon and subject to the terms and conditions set forth herein, including the Rent, unless either Lessor or Lessee has notified the other in writing within thirty (30) days prior to the expiration of the Term of a desire to terminate. During the Renewal Period, either party may terminate this Agreement by providing thirty (30) days' written notice to the other party.

8. RETURN OF EQUIPMENT UPON TERMINATION. At the end of the Term or Renewal Period or upon termination of this Lease for any reason, Lessee shall at Lessee's expense deliver the Equipment to Lessor at a location specified by Lessor. If Lessee fails to do so within ten (10) days, Lessor shall have the right to enter upon the premises where the Equipment may be and take possession of and remove it at Lessee's expense, with or without legal process, without liability to Lessor. Lessee hereby waives any claims for damages which it might otherwise have by reason of any such entry, taking or removal, including claims for trespass. If the Equipment, when returned to or recovered by Lessor, is not in good condition and repair, Lessor may, at Lessee's expense payable on demand as additional Rent, make all repairs and replacements necessary to place such Equipment in as good condition as it was at the date of commencement of the original term hereof, reasonable wear and tear excepted. In the event that Lessee fails to return the Equipment to Lessor upon the expiration of the Term, then Lessee shall be deemed to be "overholding" and Rents shall continue to accrue.

9. JOINT AND SEVERAL LIABILITY. Lessee and Co-Lessee(s), unconditionally and absolutely guarantee to Lessor, including its successors and assigns, as Principal obligor as well as surety, the full and prompt performance of all present and future obligations under the Agreement, including all schedules, addenda and amendments which may be added or made from time to time. Lessee and Co-Lessee(s) agree that their liability for such obligations is joint and several, and any beneficiary of this guaranty may enforce it without exhausting any of its rights or remedies.

10. LAWS AND TAXES. Lessee shall comply with all governmental laws, regulations and orders applicable to the Equipment and its use and agrees to pay when due all license fees, assessments and all taxes, including but not limited to sales taxes, goods and services taxes, property taxes, excise and other taxes ever imposed by any federal, provincial, municipal or other taxing authority relating to this Agreement and/or the Equipment (excluding income and capital taxes of Lessor). Any fees, taxes or other lawful charges paid by Lessor upon failure of Lessee to make such payments shall at Lessor's option be payable immediately from Lessee to Lessor.

11. INSURANCE. Lessee shall obtain and maintain for the entire term of this Lease, at its own expense, property damage and legal liability insurance and insurance for all risks of physical loss or damage to the Equipment and to persons associated with the Equipment, including without limitation, theft, collision, personal injury or death and damage to property of others and such other risks of loss as are customarily covered by insurance on the types of Equipment leased hereunder and by prudent operators of businesses similar to that in which Lessee is engaged, in such amounts, in such form and with such insurers as shall be satisfactory to Lessor. The amount of insurance covering damage to or loss of Equipment shall not be less than the greater of the full replacement value of the Equipment or the installments of rent then remaining unpaid hereunder. Each insurance policy will name Lessee and Lessor as co-insureds in respect of the Equipment, will designate Lessor as sole and exclusive loss payee in respect of the Equipment, and will specify that the proceeds of insurance generated in the event of any damage to or loss of the Equipment ("Proceeds") shall be allocable exclusively to the Equipment, segregated from proceeds generated by any damage to or loss of other property and/or persons insured under the policy, and payable to Lessor. Each such policy shall also contain a clause

requiring the insurer to give at least 30 days prior written notice of any alteration in terms of such policy or the cancellation thereof. Lessee shall furnish to Lessor a copy of the insurance policy prior to the commencement of the term of this Lease and 30 days prior to the expiry date of each such insurance policy; provided, however that Lessor shall be under no duty either to ascertain the existence of or to examine such insurance policy or to advise Lessee in the event such insurance shall not comply with the requirements hereof and/or Lessee's needs. Lessee further agrees to give Lessor prompt notice of any damage or loss of the Equipment or any part thereof. Lessee will at its own expense make all proofs of loss and take all other steps necessary to recover insurance benefits, unless advised in writing by Lessor that Lessor desires to do so at Lessee's expense. In which event Lessee hereby appoints Lessor as Lessee's power of attorney to make claim for, receive payment of, and execute and endorse all documents, checks or drafts for loss or damage under such insurance policy. Proceeds of insurance will be disbursed by Lessor against satisfactory invoices for repair or replacement of Equipment, provided this Lease is not then in default. Performance by Lessee under this paragraph will not affect or release Lessee's obligations and liabilities, including the requirements to make all payments. In the absence of proof of insurance, Lessor reserves the right to charge Lessee an additional 3% of the rental installments during the period that the above insurance is absent. This charge is not to be construed as a replacement of Lessee's insurance or as an insurance premium but as an administrative charge.

12. ASSIGNMENT BY LESSEE/LESSOR. Lessee agrees not to sell, assign, sublet, pledge, hypothecate or otherwise encumber or suffer a lien upon or against an interest in this Agreement or the Equipment without the prior written consent of Lessor. Lessor may at any time without notice to or the consent of Lessee assign all or part of its interest in this Agreement or the Equipment. In the event of any such assignment, the assignee ("Assignee") shall be entitled to enforce the rights so assigned and to provide any notice, correspondence or demand provided hereunder in its own name in place of Lessor. The assignment of the Agreement may include all Rent and other amounts payable hereunder, including any insurance proceeds.

13. COMPLETION OF LEASE. Lessor is authorized by Lessee to complete or correct this Lease, even though previously signed by Lessee, by the insertion or correction of serial numbers, make/model numbers or designation and/or other identifying references to the Equipment and by adjustments and/or corrections deemed by Lessor to be clerical in nature. Lessee acknowledges and agrees that clerical errors shall not affect the validity of this Agreement, and that Lessor shall be entitled to unilaterally correct same.

14. TITLE. Lessee shall have no right, title, interest in the Equipment other than the right to maintain its possession and its use for the full Term and any Renewal Period, conditional upon Lessee's fulfillment of all the terms and conditions of this Agreement. Lessor may require plates or markings to be affixed to or placed on the Equipment indicating Lessor is the owner. Lessor and Lessee hereby confirm their intent that the Equipment shall always remain and be deemed personal or moveable property, even though said Equipment may hereinafter become attached or affixed to real property.

15. MAINTENANCE, REPAIR AND REPLACEMENT. Lessee at its own expense will maintain the Equipment in good working order and condition, furnish all parts, components, accessories, maintenance, repair and other services necessary for such purpose. Lessor shall at all reasonable times have access to the Equipment for the purpose of inspecting it. All replacement Equipment, items, parts, components and accessories shall immediately upon acquisition by Lessee become the property of Lessor for all purposes. Lessee may from time to time add parts, components or accessories not leased hereunder to an item of Equipment only if such addition does not impair the present or future value or utility of such item or affect any warranty relating thereto, and any parts, components or accessories so added to such item thereupon become the property of Lessor.

16. INDEMNIFICATION OF LESSOR BY LESSEE. Lessee hereby assumes liability for, and does hereby agree to indemnify and save harmless Lessor, its agents and servants, officers and directors from and against any and all actions, claims, costs, disbursements, expenses (including legal expenses), liabilities or taxes (other than corporate or income taxes of Lessor) whatsoever in any way relating to the Equipment, (including, without limitation, any claim relating to any types of defects whatsoever whether or not discoverable by Lessee, any claim in tort for strict liability or negligence or any claim for patent, trademarks, design or copyright infringement). Lessee agrees to give Lessor prompt notice of any claim or liability hereby indemnified against. This clause shall be effective and in full force and effect from the date of the execution of this Lease even though the rental term of any Equipment under this Lease has not yet commenced. The indemnities contained in this clause shall continue in full force and effect notwithstanding the expiration or other termination of this Agreement and shall be payable on demand.

17. SECURITY DEPOSIT. Lessor, in its sole discretion, may require a Security Deposit before and/or during the Term. Lessor may apply the Security Deposit as it wishes, at any time, to any amounts due under this Lease if not paid by Lessee when due or to any non-sufficient funds ("NSF") charges, late interest charges, collection charges or other similar charges incurred by Lessee during the Term of the Agreement. Lessee will not earn any interest on the Security Deposit. If a Purchase Option is available and exercised, the balance available under the Security Deposit will be applied against any amount payable under that option. At the termination date of this Lease, the Security Deposit, net of any arrears or payments due, will be refunded to Lessee.

18. EVENTS OF DEFAULT. The occurrence or happening of any one or more of the following shall constitute an Event of Default: (i) Lessee fails to pay any Rent or other amounts payable hereunder within five (5) days of the due date; (ii) Lessee fails to perform or observe any covenant, condition or agreement to be performed or observed hereunder; (iii) any representation or warranty made by Lessee herein or in any document or certificate furnished to Lessor in connection herewith proves to be incorrect at any time in any material respect; (iv) Lessee becomes insolvent or bankrupt or makes an assignment for the benefit of creditors or consents to the appointment of a trustee or receiver, or a trustee or receiver is appointed for Lessee or for a substantial part of its property with or without its consent; (v) bankruptcy, reorganization or insolvency proceedings are instituted by or against Lessee; (vi) a writ, judgment, execution, attachment or process is issued or levied against the Equipment. Upon the happening of any Event of Default, Lessor in its absolute discretion may: (a) enter upon the premises where such Equipment is located and take immediate possession thereof, whether it is affixed to real property or not, and remove the same without liability to Lessor by reason of such entry or taking of possession, whether for damage to property or otherwise; (b) in the name of and as the irrevocably appointed agent and power of attorney for Lessee and without terminating or being deemed to have terminated this Agreement, take possession of the Equipment and proceed to rent the Equipment to any other person, firm or corporation on such terms and conditions, for such rent and for such period of time as Lessor may deem fit. Lessor may apply such rent to any amounts payable hereunder; (c) terminate this Agreement and by written notice to Lessee specifying a payment date not earlier than seven (7) days from the date of such notice, require Lessee to pay to Lessor as its financial obligation ("Financial Obligation") on the date specified in such notice the sum of (i) any Rent and other amounts due and unpaid, and (ii) as a genuine pre-estimate of actual damages for loss of a bargain and not as a penalty, an amount equal to the present value of the aggregate of all Rent payable to the expiration of the Term calculated by discounting such amounts at six percent (6%) per annum, and (iii) the amount of any residual interest which Lessor may have in the Equipment and which was used in the calculation of the Rent and Term; (d) as a late charge, require the payment of interest at the rate of twenty-four percent (24%) per annum calculated monthly on any overdue payment until paid and (e) as compensation for the additional administrative and clerical work resulting from said default an additional amount equal to fifteen percent (15%) of the total amount payable hereunder. Upon payment by Lessee of its Financial Obligation to Lessor, Lessor shall refund to Lessee the net amount received by Lessor on any sale, lease or disposition of the Equipment after deducting all costs and expenses incurred by reason of the occurrence of the Event of Default or the exercise of Lessor's remedies in respect thereof, including selling commissions and expenses and legal fees and disbursements on a solicitor/client basis. Except as provided above, no remedy referred to in this section is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to above or otherwise available to Lessor at law or in equity. Lessee hereby authorizes Lessee's landlord to provide Lessor with access to the Location to remove the Equipment in case of Lessee default as described above.

19. NOTICES AND STATEMENTS. Any notices and demands required to be given herein shall be given to the parties in writing at the addresses herein, or to such other address as the parties may hereafter substitute by written notice. Lessor and Lessee hereby agree that all documents, including this Agreement, sent by facsimile or other electronic transmission to the other party shall be considered to be original documents. Each party hereto agrees that such notices or demands shall be deemed to have been received by the other party on the day when such notices or demands were sent. Within ninety (90) days of the end of each financial year of Lessee, Lessee shall deliver to Lessor a copy of Lessee's audited (if available) or unaudited year-end statements.

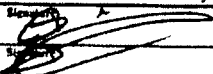
20. COLLECTION CHARGES. Should Lessee fail to pay when due any part of the Rent, or renewal Rent herein reserved or any sum required to be paid to Lessor hereunder, Lessee shall pay to Lessor, in addition to any other payments, interest on any and all delinquent payments and amounts in default from the date thereof until paid in full at the rate of 24% per annum calculated monthly. Lessee further agrees to pay to Lessor for a returned cheque or a Pre-Authorized Payment debt that is returned for any reason whatsoever a charge in an amount the greater of \$25.00 or the actual bank charge to Lessor plus a reimbursement for Lessor's incurred time and expense.

21. CREDIT INVESTIGATION. Lessee hereby authorizes Lessor to conduct financial and credit investigations of Lessee for the purposes of approval, maintenance and enforcement of this Lease, and to obtain any information required from any source to which it may apply, and each source is hereby authorized to provide such information to Lessor.

22. ADD-ON EQUIPMENT. Lessee and Lessor agree that additional Equipment ("Add-on Equipment") may be rented pursuant to this Agreement, provided Lessee and Lessor agree in writing to the specific terms and conditions of such rental. Any such writing for such Add-on Equipment, shall provide (1) reference to this Agreement; (2) a description of the Add-on Equipment; (3) the Term of such rental; (4) the payment frequency or number of payments; and (5) the Rent payable for the Add-on Equipment or the new Total Rent.

23. WAIVER. The parties hereto agree that this document be written in the English language. (Les parties en présentes conviennent à ce que ce document soit rédigé en anglais.)

24. MISCELLANEOUS. (a) This Agreement shall be governed by the laws of the Province of Alberta; (b) Time is of the essence with respect to this Agreement; (c) No waiver by Lessor of any term of this Agreement shall constitute a waiver of any other term or a waiver of any of Lessor's rights; (d) Should Lessee fail to perform any obligation hereunder, Lessor may cause such obligation to be performed and the cost thereof together with interest at 24% per annum shall be considered as additional rent to be paid by Lessee; (e) This Agreement contains the whole of the agreement between the parties and there are no collateral agreements or conditions not specifically set forth herein, and no modifications, amendments, additions or variations shall be binding unless agreed to in writing and properly executed by the parties; (f) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their permitted successors and assigns; (g) Any provision of this Agreement which is unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction; (h) Lessee acknowledges that statements under the various Provincial Personal Property Security Acts and the Civil Code of Quebec may be registered with respect to the Agreement and the Equipment, and Lessee hereby waives receipt of, and the right to receive a copy of, any such registered statement or verification statement. To the extent not prohibited by law applicable to and governing this Agreement, Lessee hereby waives the benefit of all provisions of any law, statute or regulation which would in any manner affect Lessor's rights and remedies hereunder, including provisions of the Limitations of Civil Rights Act of Saskatchewan and Sections 47, 49 and 50 of the Law of Property Act of Alberta as amended. For purposes of the Civil Code of Quebec, Lessee acknowledges that this Agreement shall be considered a Contract of Leasing; (i) Lessee hereby acknowledges receipt of a copy of this Agreement.

LESSEE	Ranco Holdings Ltd.	APPENDIX 002
Signatures: The Undersigned Affirms That He/She Is Duly Authorized To Execute This Agreement		Date: April 15, 2009
		Signature
		Signature

Version July 15, 2002

EXECUTED AND ACCEPTED
AS LESSOR
SCHEDULE A

MRN Investments
#407, 10145 - 119 St NW
Edmonton, AB T5K 1Z2

It contains important Legal and Financial Terms and Conditions Please read
all pages carefully. Feel free to ask questions before signing.

Lease #	Ran002
Customer #	

LESSEE NAME	Ranco Holdings Ltd
------------------------	---------------------------

(If Different Than Lease)	Street	#47 East 3rd Ave				
	City	Dunmore	Province	AB	Postal codeTOL IAO	(403) 526-4600

LESSOR INFORMATION	
NAME	MRN INVESTMENTS
ADDRESS	c/o #407, 10145 - 119 St NW, Edmonton AB T5K 1Z2
Date: April 15, 2009	Authorized Signature 

APPENDIX H

Silcan Caveat

**ALBERTA GOVERNMENT SERVICES
LAND TITLES OFFICE**

IMAGE OF DOCUMENT REGISTERED AS:

101042704

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.

CAVEAT

TO THE REGISTRAR OF THE SOUTH ALBERTA LAND REGISTRATION DISTRICT.

Take Notice that **Silcan Contracting (MH) Ltd.** of Box 1184, Medicine Hat, Alberta T1A 7H3,

claims:

an interest pursuant to a Promissory Note dated February 4, 2010 made between **Silcan Contracting (MH) Ltd.** and **Ranco Holdings Ltd.** in the sum of \$200,000.00 which Promissory Note charges and declares an interest in:

Plan 0512216

Block 1

Lot 10

Excepting Thereout All Mines and Minerals

Area: 0.761 Hectares (1.88 Acres) More or Less

being lands described in Certificate of Title #051 219 697 +1 standing in the register in the name of **Ranco Holdings Ltd.** and I forbid 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 this claim.

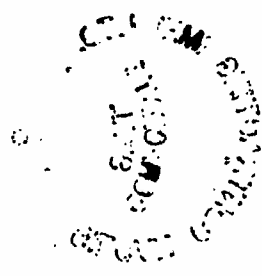
I appoint Box 1184, Medicine Hat, Alberta T1A 7H3 as the place at which notices and proceedings related hereto may be served.

Dated this 5 day of February, A.D. 2010.

Silcan Contracting (MH) Ltd.

Per:





/ 2

**CANADA
PROVINCE OF ALBERTA
TO WIT:**

I, Willi Silcher,
of the City of Medicine Hat,
in the Province of Alberta

make oath and say:

1. That I am the agent of the above named Caveator.
2. That I believe that I have a good and valid claim upon the said lands 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
Medicine Hat, in the Province of Alberta,
this 5 day of February, A.D. 2010


A Commissioner for Oaths in and for the
Province of Alberta



PATRICK M. BISHOP
A Commissioner For Oaths And
A Notary Public In And For
The Province Of Alberta
Being A Solicitor



101042704 REGISTERED 2010 02 10
CAVE - CAVEAT
DOC 1 OF 1 DR#: D00E8C4 ADR/CMADRIA6
LINC/S: 0031120504

Bolton Bishop
Lawyers

Reginald D. Bolton
Patrick M. Bishop
Jonathan P. Tieman

10, 3092 Dunmore Road SE
Medicine Hat, AB T1B 2X2
Phone: (403) 528-3323
Fax: (403) 527-7830

email: pbishop@boltonbishop.ab.ca

Your File
Our File: 29026 PMB/dlm

March 3, 2010

Ernst & Young Inc.
1000 Ernst & Young Tower
440 - 2 Avenue SW
Calgary AB T2P 5E9

Attention: Mr. Dustin Oliver, CA

Dear Sir:

Re: Ranco Holdings Ltd. in Receivership

We represent Silcan Contracting (MH) Ltd.

Our client is listed among the unsecured creditors in your Notice and Statement of Receiver.

Our client is a secured creditor to the extent of \$200,000.00.

We enclose a copy of the Promissory Note (with charging clause) made in favour of our client, as well as a copy of title showing registration of our client's interest in the subject property.

Would you please amend your Statement accordingly and address all future notices and correspondence to our office for the attention of the undersigned.

Yours truly,

Bolton Bishop



Patrick M. Bishop

PMB/dlm
Ends.

Cc: Silcan Contracting (MH) Ltd.

PROMISSORY NOTE

Date: Feb 4th, 2010

Principal Amount: **\$200,000.00**

RANCO HOLDINGS LTD. promises to pay to the order of **SILCAN CONTRACTING (MH) LTD.**, On Demand, the principal sum of **\$200,000.00** in Canadian money (Without Interest).

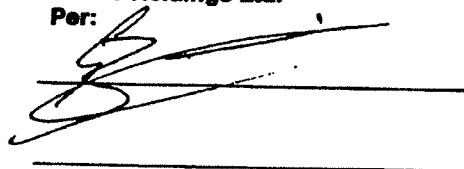
THE PAYOR hereby agrees that this Promissory Note shall constitute a charge against the lands legally described as:

PLAN 0512216
BLOCK 1
LOT 10
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 0.761 HECTARES (1.88 ACRES) MORE OR LESS

and the Payee is entitled to register a Caveat against the title to the lands to protect his interest.

Ranco Holdings Ltd.

Per:



A handwritten signature is written over a horizontal line. Below this line is another horizontal line, and below that is a third horizontal line, all spanning the width of the signature area.

Certificate of Title

TITLE NUMBER: 051 219 697 +1

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN ACCURATE REPRODUCTION OF THE CERTIFICATE OF TITLE
REPRESENTED HEREIN THIS 10 DAY OF FEBRUARY ,2010



SUPPLEMENTARY INFORMATION

MUNICIPALITY: CYPRESS COUNTY

REFERENCE NUMBER:

051 167 028

AREA:

0.761 HECTARES (1.88 ACRES) MORE OR LESS

ATS REFERENCE:

4;5;12;1;NW

TOTAL INSTRUMENTS: 004



CERTIFIED COPY OF
Certificate of Title

APPENDIX H

S

LINC
0031 120 504

SHORT LEGAL
0512216;1;10

TITLE NUMBER: 051 219 697 +1
SUBDIVISION PLAN
DATE: 21/06/2005

AT THE TIME OF THIS CERTIFICATION

RANCO HOLDINGS LTD..
OF BOX 22007
MEDICINE HAT
ALBERTA T1A 8M5

IS THE OWNER OF AN ESTATE IN FEE SIMPLE
OF AND IN

PLAN 0512216
BLOCK 1
LOT 10
EXCEPTING THEREOUT ALL MINES AND MINERALS

SUBJECT TO THE ENCUMBRANCES, LIENS AND INTERESTS NOTIFIED BY MEMORANDUM UNDER-
WRITTEN OR ENDORSED HEREON, OR WHICH MAY HEREAFTER BE MADE IN THE REGISTER.

ENCUMBRANCES, LIENS & INTERESTS	
REGISTRATION NUMBER	DATE (D/M/Y) PARTICULARS
911 114 382	31/05/1991 UTILITY RIGHT OF WAY GRANTEE - ALTAGAS UTILITIES INC.. 5509-45TH ST LEDUC ALBERTA T9E6T6 (DATA UPDATED BY: CHANGE OF NAME 051062918)
051 046 740	04/02/2005 CAVEAT RE : DEVELOPMENT AGREEMENT PURSUANT TO MUNICIPAL GOVERNMENT ACT CAVEATOR - CYPRESS COUNTY. BOX 108 DUNMORE ALBERTA T0J1A0
081 329 341	03/09/2008 MORTGAGE MORTGAGEE - ROYAL BANK OF CANADA. 180 WELLINGTON STREET WEST, 3RD FL TORONTO ONTARIO M5J1J1 ORIGINAL PRINCIPAL AMOUNT: \$1,500,000
101 042 704	10/02/2010 CAVEAT RE : AGREEMENT CHARGING LAND CAVEATOR - SILCAN CONTRACTING (MH) LTD.. BOX 1184 MEDICINE HAT ALBERTA T1A7H3

(CONTINUED)

Action No. 1003 02172

**IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF EDMONTON**

BETWEEN:

ROYAL BANK OF CANADA

Plaintiff

- and -

**ADVANTAGE OILFIELD GROUP LTD.,
NORTH PAW ENERGY SERVICES LTD.,
RANCO HOLDINGS LTD., 1208362 ALBERTA LTD.
and CHRISTOPHER BRUINS**

Defendants

**FIRST REPORT OF THE RECEIVER
ERNST & YOUNG INC.**

JUNE 21, 2010

FRASER MILNER CASGRAIN LLP
2900, 10180 - 101 Street
Manulife Place
Edmonton, Alberta
T5J 3V5

Solicitor: Ray C. Rutman
Telephone: (780) 423-7246
Facsimile: (780) 423-7276

File: 125665-8158/RCR

