

**THE QUEEN'S BENCH
Winnipeg Centre
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985,
c. B-3, AS AMENDED**

**AND IN THE MATTER OF THE PROPOSAL OF
5274398 MANITOBA LTD.**

**FIFTH REPORT OF TRUSTEE ON PROPOSAL
MOTION FOR SALE, VESTING & DISTRIBUTION ORDERS
MOTION FOR FOURTH EXTENSION
Dated: December 1, 2017**

**LAZER GRANT INC., Licensed Insolvency Trustee
Suite 300, 309 McDermot Avenue
Winnipeg, Manitoba
R3A 1T3
204-942-0300**

District of: Manitoba
 Division No.: 01
 Court No.: BK 17-01-04509
 Estate No.: 21-2281867

Report of Trustee
 (Section 50.4(9) of the *Bankruptcy and Insolvency Act*)

In the matter of the Proposal of
 5274398 Manitoba Ltd. o/a Cross Country Manufacturing, an Insolvent
 Person
 of the City of Morden, in the Province of Manitoba

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We, Lazer Grant Inc., the Licensed Insolvency Trustee acting in the Proposal of 5274398 Manitoba Ltd. o/a Cross Country Manufacturing, (the “**Debtor**”), hereby report to the Court as follows:

Introduction

1. On August 11, 2017, the Debtor signed a Notice of Intention to Make a Proposal (“**NOI**”) under Subsection 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**Act**”) and Lazer Grant Inc. was named as Licensed Insolvency Trustee (the “**Proposal Trustee**”).
2. For ease of reading and consistency, the Proposal Trustee adopts the terms defined in the Debtor’s Notice of Motion (Sale Approval, Vesting and Distribution Order) filed on or about November 28, 2017, and in

particular, the terms Transaction, Purchased Assets, APA, Fifth Report, Financial Advisor, September 7 Order, BDC and BMO.

3. On September 5, 2017, the Debtor filed a Notice of Motion supported by the Affidavits of Jonathan Doerksen sworn September 5, 2017 and September 6, 2017 (the “**Doerksen Affidavits**”), the Report of the Proposal Trustee dated September 6, 2017 and the Confidential Affidavit of Samantha Dunn sworn September 6, 2017, in which the Debtor sought, among other things, an Order extending the time in which the Proposal Trustee may file a proposal with the Official Receiver, and an Order approving of the Sale Process described in the Doerksen Affidavits. In the September 7 Order, the Honourable Mr. Justice Dewar approved the Sales Process, the appointment of PWC as the Financial Advisor and an extension of time to Friday October 20, 2017. Pursuant to this Order, on September 13, 2017, the Proposal Trustee filed a second report providing an updated statement of projected cash flow.

4. Further extensions of the time in which the Proposal Trustee may file a proposal were sought and granted on October 11, 2017 and November 15, 2017, supported by the Third Report of the Proposal Trustee dated October 10, 2017 and the Fourth Report of the Proposal Trustee dated November 9, 2017, respectively. The most recently granted (third)

extension of time expires at 11:59 p.m. Central Standard Time on Friday December 8, 2017.

5. On November 28, 2017, the Debtor filed a Notice of Motion returnable December 5, 2017 at 10:00 a.m. seeking, *inter alia*, an Order approving the sale of certain land, equipment and other assets of the Debtor associated with and at the Debtor's facility in Blenheim, Ontario, an Order approving of the vesting of assets included in the Transaction in the purchaser thereunder, an Order for distribution of the proceeds of sale (the "**Sale, Vesting and Distribution Motion**"), and an Order further extending the time in which to file a Proposal to 11:59 p.m., Central Standard Time, Friday, January 19, 2018 (the "**Fourth Extension**").

Purpose of this Report

6. The purpose of the Trustee's Fifth Report is to provide the Proposal Trustee's comments and recommendations with respect to the Sale, Vesting and Distribution Motion, to update this Honourable Court on the Debtor's operations, and to provide an updated projected cash flow statement going forward following the closing of the Transaction for the consideration of this Honourable Court in respect of the requested Fourth Extension. In particular, in this report, the Proposal Trustee recommends that this Honourable Court:

- (a) approve and authorize the Transaction;
- (b) grant an Order vesting the Purchased Assets in the Purchaser in accordance with the terms and conditions of the APA;
- (c) authorize the Proposal Trustee to hold back the CRA Source Deduction Estimated Deemed Trust Claim Amount (as defined herein);
- (d) approve the distribution of certain of the proceeds of the Transaction in accordance with a Sale Distribution Schedule appended hereto as **Appendix "1"**;
- (e) approve the distribution of the remaining proceeds of the Transaction in accordance with (i) the agreement of Business Development Bank of Canada ("**BDC**"), Bank of Montreal ("**BMO**") and the Debtor as to the distribution thereof, or (ii) further Order of this Honourable Court;
- (f) discharge the DIP Lenders' Charge; and
- (g) grant the requested further extension of the time in which to file a Proposal.

Restrictions

7. In preparing this report, conducting its analysis and making the comments herein, the Proposal Trustee has obtained and relied upon certain unaudited, draft and/or internal financial information of the Debtor, its books and records, discussions with management and other employees of the Debtor, and information from other sources. The Proposal Trustee has also been provided with and relied upon information provided by Jonathan Doerksen in the **Doerksen Affidavits** and in his additional Affidavit sworn November 29, 2017 (the "**Doerksen Sale Affidavit**"), and has relied upon information provided by the Debtor's counsel, MLT Aikins LLP, the Financial Advisor, PwC, and information otherwise available to the Proposal Trustee and its counsel, Fillmore Riley LLP (collectively, the "**Information**").

8. Except as otherwise described in this report:

- (a) the Proposal Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Canadian Institute of Chartered Professional Accountants Handbook; and

- (b) the Proposal Trustee has not conducted an examination or review of the financial forecast and projections in a manner that would comply with the procedures described in the aforesaid Handbook.

9. Future-oriented financial information referred to in this report is based on estimates and assumptions. Actual results may vary from forecast, even if the assumptions materialize, and such variations may be significant.

10. The Proposal Trustee also bases its report on the Debtor's cash flow projections and underlying assumptions and notes that its review and commentary thereon were performed in accordance with the requirements set out in the Canadian Association of Insolvency and Restructuring Professionals' Standards of Professional Practice No. 99-5 (Trustee's Report on Cash Flow Statement). Certain of the information referred to in this report consists of financial forecasts and/or projections. Readers are cautioned that, since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections, and such variations could be material.

Blenheim Sale Transaction

11. The Transaction is the culmination of the Sales Process as defined and described in detail in paragraphs 56-63 of the Affidavit of Jonathan Doerksen Sworn September 5, 2017, and the Affidavit of Samantha Dunn Sworn September 6, 2017 as updated by the Financial Advisor, PwC, in Appendix "A" to the Third Report of the Proposal Trustee dated October 10, 2017.

12. As described in the First Report of the Proposal Trustee dated September 6, 2017 ("**First Report**"), at the outset of these proceedings the Proposal Trustee was (and continues to be) of the opinion that it is in the best interests of the creditors of the Debtor for the Debtor to complete a sale of its operations in Blenheim, Ontario on a going concern basis so that it could materially reduce its debt owed to secured creditors, restructure its financing arrangements, and thereby maximize its opportunity to be in a position to make a viable proposal to its creditors.

13. As reported in the Third Report of the Proposal Trustee (and in particular, Appendix "A" thereto) ("**Third Report**"), the Financial Advisor provided an offer deadline of September 25, 2017. Shortly thereafter, the Financial Advisor and the Debtor entered into discussions on an exclusive basis with one potential bidder with a view to finalizing the terms of an offer

that would be, if acceptable to the Debtor, presented to this Court for approval.

14. The Proposal Trustee is advised that between September 25, 2017 and November 15, 2017, the Financial Advisor, the Debtor and its counsel worked to finalize the form of an Asset Purchase Agreement with the potential bidder.

15. On November 15, 2017, the APA was entered into between the Debtor and 2598309 Ontario Limited d/b/a Gin-Cor Trailer Holdings (the "**Purchaser**"). A redacted copy of the APA is attached hereto as **Appendix "2"**. The Proposal Trustee is advised by counsel for the Debtor that the Purchaser has confirmed that all conditions precedent have been fulfilled and / or waived, other than in respect of the requirement for the approval of, and vesting by, this Honourable Court.

Purchased Assets

16. As provided in Article 2.1, of the APA, subject to the Approval of this Honourable Court, the Purchaser agreed to buy and accept, and the Debtor agreed to sell, convey, assign, transfer and deliver, the following assets of the Debtor pertaining to the Blenheim business (i.e., the Purchased Assets):

- (a) **Blenheim Real Property**, as defined in Article 1.1 of the APA and Schedule 8 thereto;
- (b) **Assumed Contracts**, as defined in Article 1.1 of the APA and Schedule 1 thereto;
- (c) **Blenheim Inventory** as defined in Article 1.1 of the APA. Notably, this definition:
 - (i) includes **Blenheim Work in Progress**, and **Blenheim Raw Materials**, both as defined in Article 1.1 of the APA, but
 - (ii) excludes “**Blenheim Finished Product**”, being certain trailers complete, produced at the Blenheim Plant, and located at the Blenheim Plant as at the date of closing;
- (d) **Blenheim Fixed Assets**, as defined in Article 1.1 of the APA and Schedule 4 thereto;
- (e) **Blenheim Intellectual Property**, including **Blenheim Product Models**, and **Blenheim Trailer Product Line**, all as defined in Article 1.1 of the APA and Schedule 5 thereto;

- (f) **Books and Records**, as defined in Article 1.1 of the APA;
- (g) all authorizations, licenses and permits owned, held or used by the Debtor relating directly to the Blenheim Business and to the extent transferrable; and
- (h) **Blenheim Goodwill**, as defined in Article 1.1 of the APA and Schedule 7 thereto.

17. As defined in Article 1.1, the Closing Date for the Transaction is the earlier of the first business day after a Vesting Order is made, or December 6, 2017, or such other date as may be mutually determined.

Sale Approval

18. It is the Proposal Trustee's opinion that the Transaction requires the authorization of this Honourable Court, as it is a disposition of assets outside of the ordinary course of business of the debtor, as provided in s. 65.13(1) of the *BIA*.

19. Given the foregoing, it is the Proposal Trustee's opinion that this Honourable Court must consider the factors identified in s. 65.13(4) of the *BIA*, namely,

- (a) whether the process leading to the proposed sale or disposition was reasonable in the circumstances;
- (b) whether the trustee approved the process leading to the proposed sale or disposition;
- (c) whether the trustee filed with the court a report stating that in their opinion the sale or disposition would be more beneficial to the creditors than a sale or disposition under a bankruptcy;
- (d) the extent to which the creditors were consulted;
- (e) the effects of the proposed sale or disposition on the creditors and other interested parties; and
- (f) whether the consideration to be received for the assets is reasonable and fair, taking into account their market value.

Section 65.13(4) Factors

- (a) ***whether the process leading to the proposed sale or disposition was reasonable in the circumstances***

20. As previously reported in the Third Report of the Proposal Trustee, the Proposal Trustee is of the opinion that the Sale Process was designed

to properly market the Blenheim assets, such that the Sale Process would obtain the best possible purchase price for the Blenheim assets and therefore was reasonable in all of the circumstances. In addition to information previously received from the Financial Advisor, the Proposal Trustee has received and reviewed a report from the Financial Advisor dated December 1, 2017, a copy of which is attached as **Appendix “3”**, which updates and summarizes the Sale Process. Based on the report and information otherwise received, the Proposal Trustee is satisfied that the Sale Process accomplished the objective of obtaining the best possible purchase price for the Blenheim assets.

(b) whether the trustee approved the process leading to the proposed sale or disposition;

21. As indicated in paragraph 11(g) of the First Report, the Proposal Trustee approved of the Sale Process.

(c) whether the trustee filed with the court a report stating that in their opinion the sale or disposition would be more beneficial to the creditors than a sale or disposition under a bankruptcy;

22. The Proposal Trustee does not believe that a sale of the Purchased Assets, if conducted through a bankruptcy or receivership process, would be likely to yield a better result than the Transaction.

(d) ***the extent to which the creditors were consulted;***

23. BMO and BDC are the principal financial stakeholders in the within proceedings. It is the understanding of the Proposal Trustee that BMO and BDC were consulted in the formulation of the Sale Process. The Sale Process was approved by this Honourable Court on notice to BMO and BDC (and others on the Service List), and BMO and BDC supported the granting of the Order of this Honourable Court approving the Sale Process. Furthermore as indicated in the Doerksen Sale Affidavit, and as known to the Proposal Trustee, the Debtor's secured creditors, BMO and BDC, have been updated on the status of the Sale Process regularly and have consented to the Transaction.

24. Unsecured creditors of the Debtor included in the Service List have received the Proposal Trustee's Reports, and all court filings have been available at <https://www.lazergrant.ca/insolvency/current-proceedings/>. To the Proposal Trustee's knowledge, the Debtor's unsecured creditors have not otherwise been consulted in respect of the Sale Process.

- (e) ***the effects of the proposed sale or disposition on the creditors and other interested parties; and***

25. The Purchased Assets are subject to security in favour of BMO and BDC. Since the proceeds of sale, less certain distributions as set out in **Appendix "1"**, will be paid to BMO and BDC, thereby significantly reducing their secured debts, the Proposal Trustee is of the view that there is no adverse effect on the creditors as a result of the Transaction. Further, the Proposal Trustee understands that the Purchaser intends to offer employment to all or most of the current Blenheim employees of the Debtor, such that it is anticipated that there will be no material adverse effect on those interested parties from the Transaction. In addition, it can reasonably be expected that there will be ongoing benefits to suppliers to the Blenheim business, trailer dealers and other customers, and the community of Blenheim generally by reason of preserving the trailer manufacturing business in Blenheim on a going concern basis.

- (f) ***whether the consideration to be received for the assets is reasonable and fair, taking into account their market value.***

26. The Purchased Assets were exposed to the market pursuant to the Sale Process and, following negotiation of its offer, the offer of the

Purchaser maximizes the value of the Purchased Assets for the benefit of the Debtor and its stakeholders. Further, the total price fell within a range of outcomes anticipated by and acceptable to the Debtor.

27. Accordingly, the Proposal Trustee is of the view that the consideration received is reasonable and fair.

Vesting Order

28. For the foregoing reasons, the Proposal Trustee supports the Debtor's request for approval of the Transaction, and for an Order vesting the Purchased Assets in the Purchaser.

Distribution of Proceeds of the Transaction

29. The Debtor is seeking an Order that the proceeds of sale be distributed in accordance with the scheme provided in **Appendix "1"** to this Report (the "**Sale Distribution Schedule**"). The Proposal Trustee notes that a more complete version of **Appendix "1"** is attached to the Confidential Report as **Appendix "3"**.

30. The Proposal Trustee notes that s-s. 65.13(7) of the BIA provides that when a court authorizes a sale or disposition of assets free and clear of any security, charge or other restriction, it "shall also" order that the proceeds of

the sale or disposition be subject to a security, charge or other restriction in favour of the creditor whose security, charge or other restriction is to be affected by the order.

31. As described at paragraphs 25-42 of the Doerksen Affidavit sworn September 5, 2017, and in paragraphs 10 and 17 – 22 of the Doerksen Sale Affidavit, certain assets of the Debtor are subject to a variety of security interests and/or charges in favour of a number of creditors, principally but not exclusively, BMO and BDC. Notably, certain of these creditors have, or purport to have, a security interest in and/or a charge against certain of the Purchased Assets to be sold to Gin-Cor.

32. The Proposal Trustee instructed its counsel, Fillmore Riley LLP (“**Fillmore**”) to provide its opinion with respect to the validity and enforceability of the security granted by the Debtor in favour of BMO and BDC. According to a security opinion dated December 1, 2017 (the “**Security Opinion**”), a copy of which is attached as **Appendix “4”**, Fillmore is of the view that, save and except for validly registered Purchase Money Security Interests (“**PMSIs**”) and subject to the usual customary qualifications and assumptions in opinions of this type, the security granted by BMO and BDC is valid and enforceable against the Debtor and other

creditors and establishes a priority in respect of certain of the Purchased Assets as follows:

Property	Priority
Blenheim Property	<ul style="list-style-type: none"> • BDC has a first charge to the extent of the Borrower's indebtedness to it under BDC Loan Agreement #1 and BDC Loan Agreement #3 to a maximum of the principal amount of the mortgage plus applicable interest and costs • BMO has a second charge to the extent of its mortgage amount to a maximum of the principal amount of the mortgage plus applicable interest and costs
Morden Property	<ul style="list-style-type: none"> • BDC has a first charge to the extent of the Borrower's indebtedness to it under BDC Loan Agreement #1 and BDC Loan Agreement #3 to a maximum of the principal amount of the mortgage plus applicable interest and costs • BMO has a second charge to the extent of its mortgage amount to a maximum of the principal amount of the mortgage plus applicable interest and costs
Equipment	<ul style="list-style-type: none"> • BDC has a first charge to the extent of the Borrower's indebtedness to it • BMO has a second charge to the extent of the Borrower's indebtedness to it
Inventory	<ul style="list-style-type: none"> • BMO has a first charge to the extent of the Borrower's indebtedness to it • BDC has a second charge to the extent of the Borrower's indebtedness to it
Accounts Receivable	<ul style="list-style-type: none"> • BMO has a first charge to the extent of the Borrower's indebtedness to it

	<ul style="list-style-type: none"> • BDC has a second charge to the extent of the Borrower's indebtedness to it
All Other Personal Property	<ul style="list-style-type: none"> • BDC has a first charge to the extent of the Borrower's indebtedness to it • BMO has a second charge to the extent of the Borrower's indebtedness to it

33. As at the date hereof, the Proposal Trustee understands that discussions are ongoing as between BDC, BMO and the Debtor with respect to the respective allocation of the proceeds of sale net of priority deductions to BDC and BMO. As the net sale proceeds are not enough to pay out BDC and BMO in full, the Proposal Trustee is of the view that any agreement among BDC, BMO and the Debtor will not affect the interests of the other creditors.

34. With respect to the PMSIs and other registered interests against the Purchased Assets other than those in favour of BMO and BDC, these interests are addressed in paragraphs 10 and 19 – 21 of the Doerksen Sale Affidavit. These registrations either pertain to property of the Debtor which is excluded from the Transaction and / or property which does not actually exist, and therefore, in either case, will not be sold in the Transaction.

35. The Proposal Trustee further notes that s-s 65.13(8) of the BIA provides that the Court may grant an authorization to dispose of assets

under s. 65.13 only if satisfied that the insolvent person can and will make the payments that would have been required under s-s 60(1.3)(a) and (1.5)(a) if the court had approved the proposal.

36. As provided in paragraph 33 of the Doerksen Sale Affidavit, all required employee payments will be made.

37. In addition, the Proposal Trustee has been advised by Fillmore that it is appropriate to pay certain amounts from the proceeds of sale in priority to BDC and BMO (which BDC and BMO have agreed to), as follows:

- (a) the Proposal Trustee notes that it is a condition of APA that the purchase price shall be adjusted as at the Closing Date for customary matters including taxes. The Proposal Trustee notes that property tax arrears in respect of the Blenheim Property must therefore be paid from the proceeds, as must that portion of property taxes payable in respect of the current year as of the date of closing. The Proposal Trustee is advised that the approximate sum of \$125,000 is payable to the Municipality of Chatham-Kent in respect of arrears of property tax and property tax payable for that portion of the current year

immediately prior to the date of closing (the "**Property Tax Claim**");

- (b) the Proposal Trustee has been advised by the Debtor that certain sums are owing by it to the Canada Revenue Agency ("**CRA**") on account of unremitted source deductions, and has advised the Debtor that such funds are or potentially are impressed with a deemed trust in favour of Her Majesty pursuant to s. 227(4) and (4.1) of the *Income Tax Act* (the "**CRA Source Deduction Estimated Deemed Trust Claim Amount**"). The Proposal Trustee has repeatedly requested of the CRA that it attend at the Debtor's Morden plant to complete a trust audit to verify the precise CRA Source Deduction Estimated Deemed Trust Claim Amount, but to date, that has not occurred. According to the Debtor's records, the Debtor believes that the CRA Source Deduction Estimated Deemed Trust Claim Amount is approximately \$282,270.00 as at the date of this Report
- (c) As per paragraph 4 and 13 of the September 7 Order, an Administration Charge was authorized by this Court providing the Proposal Trustee, counsel to the Proposal Trustee, counsel

to Cross Country and the Financial Advisor with a priority charge against the assets of the Debtor in the total amount of \$150,000.00 as security for, *inter alia*, the professional fees and disbursements anticipated to be incurred in this Proposal. As set out in subparagraph (e) below, and with the Court's approval, the fees and disbursements of the Financial Advisor will be paid in the sum of \$125,000. Thereafter the Financial Advisor will no longer be providing services in this matter. Accordingly the Proposal Trustee and MLT Aikins agree that the Security for the Administration Charge can be reduced to \$100,000 to be paid out of the sale proceeds.

- (d) As per paragraphs 8, 11 and 13, a DIP Lenders Charge was authorized by this Court providing the DIP Lenders with a priority charge against the assets of the Debtor in the total amount of \$500,000.00 plus accrued and unpaid interest, charges and fees pursuant to the DIP Term Sheets;
- (e) The balance owing to the Financial Advisor in the amount of \$125,000.00; and

- (f) The legal fees of the Debtor in the amount of \$50,000.00 representing the legal fees for the closing of the sale as set out in paragraph 32 of the Doerksen Sale Affidavit.

38. Accordingly, the Proposal Trustee is of the opinion that the proceeds of sale should be distributed in accordance with the scheme provided in the Sale Distribution Schedule.

Redacted APA, Offer Summary and Schedule of Distribution

39. In the event that this Court grants the approval and vesting orders sought but the Transaction does not close, the Proposal Trustee is of the view that efforts to remarket the Purchased Assets may be impaired if certain information pertaining to the Sale Process and the financial terms of the APA are publicly disclosed prior to the closing of the Transaction. In particular:

- (a) the Financial Advisor has prepared a schedule summarizing the offers received as at the offer deadline of September 25, 2017 (the "**Offer Summary**"), which contains particulars of the offers received as a result of the Sale Process;
- (b) the APA contains the financial terms of the Transaction;

- (c) the **Sale Distribution Schedule** contains information sufficient to infer certain of the financial terms of the Transaction.

40. Accordingly, the Proposal Trustee has separately filed:

- (a) the Offer Summary as **Confidential Appendix “1”** to a Confidential Report of the Proposal Trustee (the “**Confidential Report**”), filed concurrently;
- (b) the unredacted APA as **Confidential Appendix “2”** to the Confidential Report;
- (c) the Sale Distribution Schedule as **Confidential Appendix “3”** to the Confidential Report.

41. In the circumstances, the Proposal Trustee believes that it is appropriate for the Confidential Report to be filed with the Court on a confidential basis and sealed until further order of this Court.

Update on Proposal – Further Extension of Time

42. Until the Transaction has been approved and finalized, it is not possible for the Proposal Trustee and the Debtor to conclusively determine whether a viable proposal to the unsecured creditors can be made, or to formulate draft terms of a proposal. In addition to uncertainty around the

actual final deal terms, uncertainty exists around the extent of continued support the Debtor can expect to receive from the Lenders after the sale of Blenheim. Based on initial discussions with the Lenders and with the Debtor, the Proposal Trustee believes that the Lenders' support will depend in part on the proceeds they receive from the sale, and their assessment of the value of the Debtor's remaining assets and operations.

43. Since the APA was finalized, and the third extension order granted, the Debtor has continued to carry on business in the ordinary course and has not exceeded its authorized line of credit.

44. In the Proposal Trustee's view, the Debtor has acted and is continuing to act in good faith.

45. In the Proposal Trustee's view, there is a strong likelihood, if court approval of the APA is granted, the Transaction will close forthwith.

46. In the Proposal Trustee's view, the Transaction is in the best interests of the unsecured creditors as it maximizes the probability that a successful proposal, which will be better for the unsecured creditors than a bankruptcy, can be presented.

47. If the Transaction is approved and closes as presently contemplated, the Proposal Trustee anticipates that the Debtor will be in a position to

present a proposal to its creditors prior to the expiration of the Fourth Extension; however, it remains possible that a further extension may be requested.

48. The Proposal Trustee is not aware of any major creditor or stakeholder having objected, after the fact, to any of the extensions granted thus far.

49. The Proposal Trustee is not aware of any major stakeholder which is opposed to the request for the Fourth Extension.

50. The Proposal Trustee does not believe that the requested extension will materially prejudice any significant creditor of the Debtor.

51. The Proposal Trustee is satisfied that, to date, no creditors have been materially prejudiced by the stay of proceedings currently in effect by the operation of Section 69 of the Act.

Cash-Flow Projections for the Fourth Extension Period

52. The Proposal Trustee and Debtor have projected the cash-flow through to the end of the Fourth Extension. As with all prior projections, this cash-flow projection is predicated upon certain assumptions. The

present cash-flow is predicated upon the following additional extraordinary assumptions that:

- (a) the Transaction closes on or about December 6, 2017;
- (b) certain proceeds of sale are available for distribution to BMO and BDC shortly thereafter;
- (c) BDC agrees to the continuance of interest-only payments on the BDC Loans during the period of the Fourth Extension; and
- (d) BMO agrees to extend the Debtor a \$2.0 Million line of credit throughout the period of the Fourth Extension.

53. As of the date of this Report, the foregoing assumptions have not been confirmed; however they are consistent with assumptions and proposals that the Debtor has made and provided to BDC and BMO.

54. A copy of this updated cash-flow projection is attached hereto as **Appendix "5"**.

55. The Proposal Trustee believes that the projections in **Appendix "5"** are reasonable, subject to the foregoing and to the assumptions, which are specified on the notes to **Appendix "5"**. The Proposal Trustee will update

this Honourable Court forthwith in the event that it becomes clear that the extraordinary assumptions cannot be met.

Recommendations

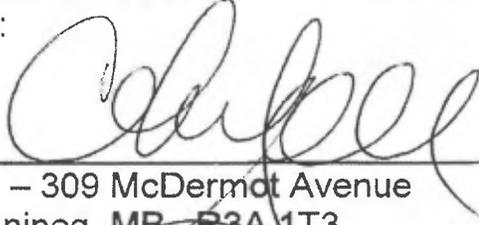
56. To conclude, the Proposal Trustee recommends that this Honourable Court:

- (a) approve the Transaction;
- (b) grant an Order vesting the Purchased Assets in the Purchaser;
- (c) authorize the Proposal Trustee to hold back the CRA Source Deduction Estimated Deemed Trust Claim Amount (as defined herein);
- (d) approve the distribution of the proceeds of the Transaction in accordance with the Sale Distribution Schedule appended hereto as **Appendix "1"** and as more particularly set out in **Appendix "3"** to the Confidential Report;
- (e) discharge the DIP Lenders' Charge; and
- (f) grant the requested further extension of the time in which to file a Proposal.

DATED at the City of Winnipeg, in the Province of Manitoba, this 1st day of December, 2017.

LAZER GRANT INC. – Licensed Insolvency Trustee

Per:



300 – 309 McDermot Avenue
Winnipeg, MB R3A 1T3
Phone: 204-942-0300

Appendix 1 – Sales Distribution Schedule

Property taxes - Blenheim	\$125,000.00	
PWC - balance owing sale fees	\$125,000.00	
Legal fees - closing sale	\$50,000.00	
DIP Financing Repayment BDC	\$250,000.00	
DIP Financing Repayment BMO	\$250,000.00	
Administration charge	\$100,000.00	
CRA Source Deduction - deemed trust claim holdback	\$282,270.00	
Total Priority Disbursements		\$1,182,270.00

The balance of the purchase price will be paid to BDC and BMO as set out in the Confidential Report

Appendix 2 – Redacted Copy of the APA

5274398 MANITOBA LTD.

ASSET PURCHASE AGREEMENT
(the "Agreement")

Handwritten initials

ASSET PURCHASE AGREEMENT

THIS AGREEMENT is made as of the 14th day of November, 2017.

AMONG:

5274398 MANITOBA LTD., a corporation incorporated under the laws of Manitoba
(the "Vendor")

- and -

2598309 ONTARIO LIMITED d/b/a Gin-Cor Trailer Holdings, a corporation incorporated
under the laws of the Province of Ontario,
(the "Purchaser")

IN CONSIDERATION of the premises and the mutual covenants and agreements contained in this Agreement and other good and valuable consideration (the receipt and sufficiency of which are acknowledged by each Party), the Parties agree as follows:

ARTICLE I INTERPRETATION

1.1 Defined Terms.

In this Agreement, unless something in the subject matter or context is inconsistent therewith:

"Accepting Employee" means each of the Retained Employees of the Vendor who has accepted the Purchaser's offer of employment.

"Agreement" means this asset purchase agreement and all schedules and instruments in amendment or confirmation of it; and the expressions "Article" and "Section" followed by a number mean and refer to the specified Article or Section of this Agreement.

"Assignment Order" means an order from the Manitoba Court pursuant to section 84.1 of the *Bankruptcy and Insolvency Act* (Canada) assigning the rights and obligations of the Vendor under one or more of the Critical Assumed Contracts to the Purchaser.

"Assumed Contracts" means contracts of the Vendor which are agreed to be assumed by the Purchaser as described in Schedule "1", including the Critical Assumed Contracts.

"Assumed Employee Liabilities" has the meaning specified in Section 7.4.

"Authorizations" means, with respect to any Person, any orders, permits, approvals, waivers, licenses or similar authorizations of any Governmental Entity having jurisdiction over the Person.

"BDC" means Business Development Bank of Canada.

"BMO" means Bank of Montreal.

"Books and Records" means all information in any form relating directly to the Blenheim Business and the Purchased Assets, including, without limitation, the Vendor's books of account, personnel records,

sales and purchase records, customer and supplier lists, lists of potential customers, referral sources, research and development reports and records, production reports and records, business reports, plans and projections, marketing and advertising materials, corporate seals, equipment logs, operating guides and manuals, business reports, plans and projections and all other documents, files, correspondence, e-mails, and other information (whether in written, printed, electronic or computer printout form, or stored on computer discs or other data and software storage and media devices), but for certainty excludes all such information relating directly to the Excluded Assets.

"Blenheim Business" means the business of manufacturing aggregate trailers, equipment, and truck dump bodies carried on by the Vendor at the Blenheim Real Property and selling such aggregate trailers, equipment and truck dump bodies, but for greater certainty, not including the Excluded Assets.

"Blenheim Finished Product" means certain trailer models which are complete, produced at the Blenheim Plant and located at the Blenheim Plant.

"Blenheim Fixed Assets" means all machinery, equipment, automotive equipment, shop equipment, shop and small tools, forklifts, building improvements and fixtures, computer software and hardware, systems, office equipment and furnishings, telephones and other property in the nature of capital assets of the Vendor relating to the Blenheim Business, including, without limitation, the assets of the Vendor as described in Schedule "4".

"Blenheim Goodwill" means all intangible rights, choses in action and property relating to the Blenheim Business, to the extent not part of Blenheim Intellectual Property, including going concern value, the goodwill of the Blenheim Business and the exclusive right of the Purchaser to use the Blenheim Trade Names and represent itself as carrying on the Blenheim Business in continuation of and in succession to the Vendor, including the websites and telephone numbers described in Schedule "7", but for certainty excluding all right, title and interest of the Vendor relating to the Excluded Trade Names and/or any variation thereof and excluding intangible rights, choses in action and property in relation to the Excluded Assets.

"Blenheim Intellectual Property" means intellectual property of any nature owned or used by the Vendor in connection with the Blenheim Business, including trademarks, proposed trademarks, certification marks, distinguishing guises, industrial designs, copyrights, formulae, processes, research data, technical expertise, know-how, trade secrets, inventions, patent rights, patent registration, patent continuations or patents, whether domestic or foreign and whether registered or unregistered, and all applications for registration in respect thereof, including, without limitation, the intellectual property described in Schedule "5".

"Blenheim Inventory" means all inventories of the Vendor at the Closing Date as they relate to the Blenheim Business, including, without limitation, Blenheim Raw Materials, Blenheim Work In Process, finished parts, shop supplies, and other inventories, but specifically excluding the Blenheim Finished Product.

"Blenheim Plant" means the Vendor's manufacturing facility forming a part of the Blenheim Real Property.

"Blenheim Product Models" means the product models described and listed in Schedule "5".

"Blenheim Raw Materials" means the raw materials of the Vendor used in the Blenheim Business located at the Blenheim Plant.

"Blenheim Real Property" means the lands and premises of the Vendor at 1 Solvay Drive, Blenheim, Ontario as described in Schedule "8".

"Blenheim Trade Names" means the trade names identified on Schedule "7" hereof registered in the jurisdictions identified in such schedule.



"Blenheim Trailer Product Line" has the meaning specified in Schedule "5".

"Blenheim Work In Process" means the work in process of the Vendor related to and arising from the Blenheim Business as described under WIP in Schedule "6" which forms part of the Blenheim Inventory.

"Business Day" means any day other than a Saturday, Sunday or any other day on which banks are generally closed for business in Winnipeg, Manitoba.

"Closing" means the completion on the Closing Date of the purchase and sale transactions contemplated in this Agreement.

"Closing Date" means: (i) the earlier of the first Business Day following the day on which the Vesting Order is made, or December 6, 2017; or (ii) such other date as may be mutually determined by the Vendor and the Purchaser.

"CRA" means Canada Revenue Agency.

"Critical Assumed Contracts" means contracts of the Vendor which are agreed to be assumed by the Purchaser and are identified as "Critical Contracts" in Schedule "1".

"Cure Costs" means the amount of all monetary defaults, if any, existing in respect of any Assumed Contracts that are either: (i) required to be paid in order to obtain the consent necessary to permit the assignment of Assumed Contract to the Purchaser under Section 2.4 or (ii) in relation to Critical Assumed Contracts, ordered to be paid as part of, or as a condition to, any Assignment Order.

"Deferred Equipment Payment Amount" means the sum of \$ [REDACTED]

"Deposit" means the deposit in the amount of [REDACTED] percent of the Purchase Price, being [REDACTED] delivered by the Purchaser to the Proposal Trustee upon execution of this Agreement.

"Employee Plans" means all the employee benefit plans as described in Schedule "2".

"Estimated Inventory Value" has the meaning specified in Schedule "6".

"Excluded Assets" has the meaning specified in Section 2.2.

"Excluded Trade Names" has the meaning specified in Schedule "3".

"Final Blenheim Inventory Purchase Price" has the meaning specified in Section 3.3.

"Final Blenheim Inventory Value" has the meaning specified in Section 3.3.

"Governmental Entity" means any multinational, federal, provincial, state, municipal, local or other governmental or public department, central bank, court, commission, board, bureau, agency or instrumentality, domestic or foreign, any subdivision or authority of any of the foregoing, or any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above.

"Laws" means any and all applicable laws including all statutes, codes, ordinances, decrees, rules, regulations, municipal by-laws, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, ruling or awards and general principles of common and civil law and equity, binding on or affecting any of the Purchased Assets or any of the liabilities assumed pursuant to Articles 3 or 7 or the Person referred to in the context in which the word is used.

"**Lien**" means any pledges, liens, security interests, claims, mortgages, charges, hypothec, reservation of ownership, adverse claim, or any other encumbrances of any nature or kind whatsoever and any agreement, option or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing, including any conditional sale or title retention agreement, or any capital or financing lease.

"**Live Bottom Trailer Product Line**" has the meaning specified in Schedule "5".

"**Losses**" means, in respect of any matter, all claims, demands, proceedings, losses, damages, liabilities, deficiencies, costs and expenses (including, without limitation, all legal and other professional fees and disbursements, interest, penalties and amounts paid in settlement) arising directly or indirectly as a consequence of such matter.

"**Manitoba Court**" means the Manitoba Court of Queen's Bench.

"**Morden Business**" has the meaning specified in Schedule "3".

"**Morden Property**" has the meaning specified in Schedule "3".

"**Non-Competition Agreement**" means the non-competition agreement to be entered into between the Vendor and the Purchaser on Closing wherein the Vendor, and its related or affiliated entities, Jonathan Doerksen, Douglas Doerksen, Rebecca Froese and David Dyck will agree not to, after the Closing Date for a period of three (3) years, produce, replicate or manufacture (or enable any affiliated or related entity, directly or indirectly, to produce, replicate or manufacture), the Blenheim Product Models included in the Purchased Assets and described on Schedule "5" hereof, containing the above-noted terms and otherwise substantially in the form attached hereto as Schedule "10".

"**Offer Percentages**" has the meaning specified in Schedule "11".

"**Offer Prices**" has the meaning specified in Schedule "11".

"**Parties**" means the Vendor and the Purchaser and "**Party**" means either the Vendor or the Purchaser.

"**Permitted Liens**" means any one or more of the following:

- (a) the right reserved to or vested in any Governmental Entity by any statutory provision or by the terms of any lease, license, franchise, grant or permit of the Vendor, to terminate any such lease, license, franchise, grant or permit, or to require annual or other payments as a condition of their continuance; and
- (b) the Liens listed and described in Schedule "9".

"**Person**" means a natural person, partnership, limited liability partnership, corporation, joint stock company, First Nation, trust, unincorporated association, joint venture or other entity or Governmental Entity, and pronouns have a similarly extended meaning.

"**Proposal Trustee**" means Lazer Grant Inc. pursuant to its appointment as proposal trustee for the Vendor under the *Bankruptcy and Insolvency Act* (Canada).

"**Public Statement**" has the meaning specified in Section 11.6.

"**Purchase Price**" has the meaning specified in Section 3.1.

"**Purchase Price Schedule**" has the meaning specified in Section 3.1 and Schedule "11".

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"Purchased Assets" means all of the right, title, benefit and interest of the Vendor in and to all of the Vendor's undertaking, tangible and intangible assets, properties, rights and claims of every kind and description and wheresoever situate (save and except for the Excluded Assets) comprising all or substantially all of the assets necessary for the Purchaser to carry on the Blenheim Business, including, without limitation:

- (a) the Blenheim Real Property;
- (b) the Assumed Contracts;
- (c) the Blenheim Inventory;
- (d) the Blenheim Fixed Assets;
- (e) the Blenheim Intellectual Property;
- (f) the Books and Records;
- (g) the Blenheim Trade Names;
- (h) all Authorizations, licenses and permits owned, held or used by the Vendor relating directly to the Blenheim Business and to the extent transferrable; and
- (i) the Blenheim Goodwill.

"Replacement Plans" has the meaning specified in Section 7.4.

"Retained Employees" has the meaning specified in Section 7.4.

"Tax" means any federal, provincial, state, local, or foreign income, gross receipts, license, excise, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, whether computed on a separate or consolidated, unitary or combined basis or in any other manner, including any interest, penalty, or addition thereto.

"Vesting Order" means an order of the Manitoba Court approving the transaction contemplated by this Agreement and vesting all right, title and interest of the Vendor in the Purchased Assets to the Purchaser and/or any permitted assignee, free and clear of all Liens other than the Permitted Liens and on terms otherwise acceptable to the Purchaser, acting reasonably.

1.2 Gender and Number.

Any reference in this Agreement to gender includes all genders and words importing the singular number only shall include the plural and vice versa.

1.3 Headings, etc.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and are not to affect its interpretation.

1.4 Currency.

All references in this Agreement to dollars, unless otherwise specifically indicated, are expressed in Canadian currency.

1.5 Certain Phrases, etc.

In this Agreement (i) the words "including" and "includes" mean "including (or includes) without limitation", and the phrase "the aggregate of", "the total of", "the sum of", or a phrase of similar meaning means "the aggregate (or total or sum), without duplication, of", and (ii) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

1.6 Incorporation of Schedules.

The following Schedules are incorporated by reference into and form an integral part of this Agreement:

Schedule	Description of Schedule
"1"	Assumed Contracts
"2"	Employee Plans
"3"	Excluded Assets
"4"	Blenheim Fixed Assets
"5"	Blenheim Intellectual Property
"6"	Blenheim Inventory
"7"	Blenheim Goodwill
"8"	Blenheim Real Property
"9"	Permitted Liens
"10"	Non-Competition Agreement
"11"	Purchase Price Schedule
"12"	Transition Services Agreement

1.7 Applicable Law

- (a) This Agreement shall be governed by, and construed, interpreted and enforced in accordance with, the Laws of the Province of Ontario and the Laws of Canada in force in such Province, (excluding any rule or principle of the conflict of laws which might refer such construction, interpretation or enforcement to the laws of another jurisdiction). Each Party irrevocably submits and attorns only to the jurisdiction of the Courts of Ontario and to no other jurisdiction with respect to any matter arising under this Agreement or related to this Agreement.
- (b) Each Party irrevocably waives:
 - (i) any objection which it may have at any time to the laying of venue of any such suit, action or proceeding arising out of or relating to this Agreement brought in any such court;
 - (ii) any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum; and
 - (iii) the right to object, with respect to such suit, action or proceeding brought in any such court, that such court does not have jurisdiction over such Party.

1.8 Tender

Any tender of documents or money hereunder may be made upon the Parties or their respective counsel and money shall be tendered by official bank draft drawn upon a Canadian Schedule 1 bank, by negotiable cheque certified by a Canadian Schedule 1 bank or by confirmed wire transfer of funds to a bank account at a Canadian Schedule 1 bank designated in writing by the Party receiving such funds at least two days prior to the payment of any such amount.

1.9 Performance on Holidays

If any action is required to be taken pursuant to this Agreement on or by a specified date which is not a Business Day, then such action shall be valid if taken on or by the next succeeding Business Day.

1.10 Calculation of Time

In this Agreement, a period of days shall be deemed to begin on the first day after the event which began the period and to end at 5:00 p.m. (Winnipeg time) on the last day of the period. If, however, the last day of the period does not fall on a Business Day, the period shall terminate at 5:00 p.m. (Winnipeg time) on the next Business Day.

1.11 If Closing does not Occur

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

1.12 Statutes, Etc.

Unless otherwise provided, any reference to a statute, or other enactment of Parliament or a Legislature includes all regulations made thereunder, all enactments to or re-enactments of such statute or regulation in force from time to time, and if applicable, any statute or regulation that supplements or supersedes such statute or regulation.

1.13 Non Application of *Contra Proferentem*

The Parties agree that each has been involved in the negotiation and drafting of this Agreement, and accordingly the doctrine of *contra proferentem* shall have no application to the interpretation of this Agreement or any documents contemplated herein or ancillary hereto.

1.14 Third Party Beneficiaries

Nothing in this Agreement or in any Closing document is intended expressly or by implication to, or shall, confer upon any Person other than the Parties and their representatives any rights or remedies of any kind.

**ARTICLE 2
PURCHASED ASSETS AND CLOSING**

2.1 Purchased Assets.

Subject to the terms and conditions of this Agreement, as of and with effect from the opening of business on the Closing Date, the Vendor agrees to sell, convey, assign, transfer and deliver to the Purchaser, and the Purchaser agrees to purchase and accept from the Vendor, the Purchased Assets free and clear of all Liens, other than the Permitted Liens.

2.2 Excluded Assets.

The Purchased Assets shall not include the assets listed in Schedule "3" hereto which are assets of the Vendor not included in the purchase and sale transaction contemplated by this Agreement.

2.3 Vesting Order.

Title to the Purchased Assets shall be vested in the Purchaser and/or any permitted assignee by the Vesting Order, including pursuant to Section 11.13 herein, free and clear of all Liens, other than the Permitted Liens.

2.4 Assignment of Contracts.

Nothing in this Agreement shall be construed as an assignment or an attempt to assign any contract that is not assignable in whole or in part without the consent or approval of the other party or parties thereto, unless such consent or approval has been given. In accordance with the provisions of Section 7.3, the Vendor shall use commercially reasonable efforts to obtain the consents pertaining to the assignment of the Assumed Contracts prior to the Closing Date. With respect to Assumed Contracts for which a consent is legally required in order for such Assumed Contracts to be assigned, the Purchaser may negotiate with the counterparties thereto to obtain consents on such terms and conditions as the parties may agree, provided that if such consents are not obtained, such contracts (other than in respect of Critical Assumed Contracts) will, be deemed not to be assumed for the purposes of this Agreement notwithstanding that such contracts may be listed in Schedule "1". If the Vendor is unable to obtain any consent pursuant to this Section 2.4 in relation to a Critical Assumed Contract, the Vendor will use reasonable commercial efforts to obtain an Assignment Order in respect thereof. If the Vendor seeks an Assignment Order, the Purchaser will provide, at the expense of the Vendor, an affidavit or other evidence, in form and substance acceptable to the Vendor, acting reasonably, to support its ability to perform the obligations under the Critical Assumed Contracts as required by section 84.1 of the *Bankruptcy and Insolvency Act* (Canada). The Purchaser will be responsible for the payment all Cure Costs in respect of any Assumed Contracts.

2.5 Access to Books and Records.

The Purchaser shall maintain the Books and Records for a period of not less than six (6) years from the Closing Date. Following Closing, the Purchaser shall permit the Vendor, the Proposal Trustee and any receiver or bankruptcy trustee appointed in respect of the Vendor, and their representatives, reasonable access to the Books and Records and employees of the Vendor for the purposes of satisfying their respective obligations, making copies thereof and/or enforcing their rights under or pursuant to the Excluded Assets.

ARTICLE 3 PURCHASE PRICE AND ASSUMED LIABILITIES

3.1 Purchase Price.

The total Purchase Price (the "Purchase Price"), subject to adjustments pursuant to Section 3.2, payable by the Purchaser to the Vendor for the Purchased Assets shall be as calculated and described in Schedule "11" hereof (the "Purchase Price Schedule") as adjusted as hereinafter provided.

3.2 Adjustments.

The Purchase Price shall be adjusted on and as at the Closing Date for matters customary in a transaction of this nature, including, without limitation, taxes, insurance, utilities, and in respect of the final price to be paid for the Blenheim Inventory (in the manner described in Section 3.3 below).

3.3 Final Inventory Purchase Price Calculation.

The Estimated Inventory Value is set out in Schedule "6". For the purposes of adjustment to determine the final price (the "Final Blenheim Inventory Purchase Price") to be paid for the Blenheim Inventory, the Blenheim Inventory is to be valued (the "Final Blenheim Inventory Value") on the bases described in Schedule "6" by the Vendor and the Purchaser, acting reasonably, as at close of business on the day prior to the Closing Date. The Final Blenheim Inventory Purchase Price to be paid for the Blenheim Inventory shall then be determined by applying the applicable Offer Percentages described in the Purchase Price Schedule to the applicable components of the Final Blenheim Inventory Value. The Purchaser shall pay the Final Inventory Purchase Price on Closing and the

against the Vendor for any changes in property taxes as a result of a reassessment of the Blenheim Real Property.

3.6 Allocation.

The Vendor and the Purchaser agree to allocate the Purchase Price in accordance with the allocation of the Purchase Price (as may be adjusted) described in Schedule "II" and to execute and file all Tax returns and prepare all financial statements, returns and other instruments on the basis of such allocations; provided that each Party shall be responsible for filing their own Tax returns and paying all Taxes due thereunder of any kind whatsoever.

**ARTICLE 4
PAYMENT, REAL PROPERTY AND TAXES**

4.1 Satisfaction of the Purchase Price.

(a) The Purchase Price, less the Deposit and less the Deferred Equipment Payment Amount, shall be paid by the Purchaser to the Vendor at the Closing by the delivery by the Purchaser of a certified cheque, bank draft or solicitor's trust cheque made payable to the Proposal Trustee, or by wire transfer of immediately payable funds by the Purchaser to the Proposal Trustee.

(b) The Deferred Equipment Payment Amount shall be due and payable ninety (90) days from the Closing Date. Payment shall be made by way of delivery by the Purchaser of a certified cheque, bank draft or solicitor's trust cheque made payable to the Proposal Trustee, or by wire transfer of immediately payable funds by the Purchaser to the Proposal Trustee.

4.2 Treatment of the Deposit.

The Deposit will, together with any actual earnings thereon, be:

- (a) at the election of the Vendor, forfeited to the Vendor within five (5) days after the date on which this Agreement is terminated in accordance with its terms, if the sale and purchase contemplated herein is not completed in accordance with the terms and conditions hereof, unless such non-completion is due to termination of this Agreement pursuant to Section 11.2 hereof, in which case such forfeiture shall be the sole and exclusive remedy of the Vendor; or
- (b) paid to the Purchaser within five (5) days after the date on which this Agreement is terminated, in the event that this Agreement is terminated pursuant to Section 11.1 or 11.3 hereof or in the event that the Vendor elects not to accept forfeiture of the Deposit as provided in Section 4.2(a) hereof.

4.3 Payment of Sales Tax and Registration Charges on Transfer.

- (a) The Purchaser shall be liable for and shall pay all federal, state and provincial sales Taxes and all other Taxes, duties, registration charges or other like charges properly payable by a buyer upon and in connection with the conveyance and transfer of the Purchased Assets by the Vendor to the Purchaser, specifically, but not limited to land transfer tax on the Blenheim Real Property.
- (b) The Purchaser and the Vendor shall elect jointly, if available, under the Subsection 167(1) of the *Excise Tax Act* (Canada), in the form prescribed for the purposes of such provision to elect that taxes payable under such Act not apply in respect of the sale and transfer of the Purchased Assets by the Vendor to the Purchaser.



**ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF THE VENDOR**

5.1 Representations and Warranties.

The Vendor represents and warrants to the Purchaser that:

- (a) it is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada) and acknowledges and confirms that the Purchaser is relying upon the said representation and warranty in connection with the completion of the transactions contemplated herein;
- (b) the Vendor is not subject to any agreement with any labour union or employee association and has not made any commitment to or conducted negotiations with any labour union or employee association with respect to any future agreement and, to the best of the knowledge of Jonathan Doerksen, there is no current attempt to organize, certify or establish any labour union or employee association, in relation to any of the employees of the Blenheim Business;
- (c) there are no existing or, to the best of the knowledge of Jonathan Doerksen, threatened, labour strikes or labour disputes, grievances, controversies or other labour troubles affecting the Blenheim Business (other than reasonable notice and other usual types of claims of previously terminated employees of the Vendor);
- (d) to the best of the knowledge of Jonathan Doerksen: (i) the Vendor has complied with all applicable laws, rules, regulations and orders relating to employment in the Blenheim Business, including those relating to wages, hours, collective bargaining, occupational health and safety, hazardous materials, employment standards, and pay equity; (ii) there are no outstanding charges or complaints against the Vendor relating to unfair labour practices or discrimination or under any legislation relating to employees (other than reasonable notice and other usual types of claims of previously terminated employees); (iii) the workers' compensation claims experience of the Vendor would not permit a penalty reassessment under such legislation;
- (e) complete and correct copies (including all amendments) of all of the Assumed Contracts have been disclosed to the Purchaser in the data room accessed by the Purchaser in the course of the process of the sale of the Blenheim Business;

**ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF THE PURCHASER**

6.1 Representations and Warranties.

The Purchaser represents and warrants as follows to the Vendor and acknowledges and confirms that the Vendor is relying upon the representations and warranties in connection with the sale by the Vendor of the Purchased Assets.

- (a) **Due Incorporation and Corporate Power.** The Purchaser is a corporation existing under the Laws of the Province of Ontario and has the power and authority to enter into and perform its obligations under this Agreement and all other agreements contemplated hereby;
- (b) **Validity of Agreement.** The execution, delivery and performance by the Purchaser of this Agreement and the other agreements contemplated hereby;
 - (i) have been duly authorized by all necessary action, as applicable, on the part of the Purchaser; and
 - (ii) do not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) result in a breach or a violation of, or conflict with, any of the terms or provisions of its constating documents or any material contracts or material



instruments to which it is a party or pursuant to which any of its assets or property may be affected;

- (c) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms subject only to any limitation under applicable Laws relating to (i) bankruptcy, winding-up, insolvency, arrangement and other similar Laws of general application affecting the enforcement of creditors' rights, and (ii) the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction;
- (d) Investment Canada Act. The acquisition of the Purchased Assets is not a reviewable transaction within the meaning of the *Investment Canada Act* (Canada); and
- (e) Excise Tax Act. The Purchaser is a registrant for the purposes of the *Excise Tax Act* (Canada) and its GST number shall be provided not less than five (5) days prior to the Closing Date.

ARTICLE 6 COVENANTS OF THE PARTIES

7.1 Ordinary Course of Business.

From the date of this Agreement until Closing, the Vendor shall: (i) remain in possession of the Purchased Assets; (ii) maintain, preserve and protect the Purchased Assets (including maintaining any policies of insurance presently in effect with respect to the Purchased Assets) and, preserve the Blenheim Business to the best of its ability; (iii) keep the Assumed Contracts in good standing; and (iv) not enter into or amend any contract in respect of the Blenheim Business or the Purchased Assets without the advance written consent of the Purchaser, including contracts relating to compensation of employees, or declare or pay any bonuses, in each case subject to any limitation imposed by being subject to the commercial proposal process under the *Bankruptcy and Insolvency Act* (Canada) and any court order relating thereto. For greater certainty, the Vendor is to remain responsible for payment of all accounts payable and other obligations of the Vendor incurred to the Closing Date in connection with the Blenheim Business and nothing in this Agreement constitutes an assumption by the Purchaser of any of the debts, obligations or liabilities of the Vendor of any kind whatsoever incurred in connection with the Blenheim Business prior to the Closing Date except as are expressly assumed in this Agreement, other the Cure Costs.

7.2 Vesting Order.

The Vendor will, on a timely basis, file with the Manitoba Court a motion seeking the Vesting Order.

7.3 Commercially Reasonable Efforts.

The Vendor and the Purchaser shall use commercially reasonable efforts within their respective power and control, and cooperate to:

- (a) take, or cause to be taken, all actions and make all such other filings and submissions, and obtain all such Authorizations, which are necessary or advisable in order for it to fulfill its obligations under this Agreement, and
- (b) obtain, prior to Closing, the consents of the counterparties to the Assumed Contracts to the assignment of the Assumed Contracts to the Purchaser.

7.4 Employees.

The Vendor shall terminate the employment of its employees, including the Retained Employees and Accepted Employees, effective no later than Closing. The Vendor shall provide its employees with notice of said termination no later than 3:00 pm (Winnipeg time) on the day prior to Closing Date. Except as expressly provided in this Agreement, the Vendor shall be liable and responsible for all Losses arising out of the Vendor's employment of its employees, including the Retained Employees and the Accepting Employees, including, without limitation, the payment of all accrued but unpaid remuneration and benefits as of the date of termination and remuneration or benefits to which an employee, including Retained Employees and Accepting Employees, is entitled as a result of an occurrence or omission that took place before Closing. The Vendor shall also be liable and responsible for all Losses arising out of the Vendor's termination of the employment of all its employees that are not Accepting Employees, including those pertaining to notice of termination, pay in lieu thereof and/or severance pay owing to that employee upon his or her termination of employment with the Vendor.

The Purchaser shall extend offers of employment to certain employees of the Vendor whom the Purchaser chooses in its sole discretion (the "Retained Employees"). The Purchaser will provide a list of the Retained Employees to the Vendor on the Business Day prior to the hearing date for the motion seeking the Vesting Order, signed by the Purchaser, to PricewaterhouseCoopers LLP. The offer of employment the Purchaser shall make to each Retained Employee shall be made no later than two days' prior to Closing, shall be effective as at and conditional upon Closing, shall remain open for acceptance until one day before the Closing Date or later and shall be on such terms that are substantially similar and no less favourable, in the aggregate, to the terms that such Retained Employees enjoy with the Vendor at the time of the offer, including, but not limited to, terms pertaining to remuneration, benefits, participation in Employee Plans and recognition of prior years of service with the Vendor for all purposes. To facilitate the Purchaser's identification of the Retained Employees and the Purchaser's extension of offers of employment which comply with its obligations under this Section, the Vendor will promptly disclose to the Purchaser such employee records the Purchaser requires to understand the complete and accurate terms and conditions upon which each employee of the Vendor is currently employed, including but not limited to employment agreements, applicable policies, and other written agreements or documents which outline material terms of employment including, hours and conditions of work, duties and responsibilities, entitlement or potential entitlement to remuneration and benefits, notice of termination, pay in lieu thereof or severance pay, change of control benefits and restrictive covenants to which the employee is subject, as well as those records which are required for the Purchaser to understand each employee's length of service with the Vendor, age and employment status, subject to applicable privacy Laws. In the event employee records containing such information do not exist with respect to a particular employee, the Vendor will create a record of such information and provide it to the Purchaser.

The Purchaser shall be liable and responsible for all Losses arising out of the Purchaser's employment of the Accepting Employees after Closing or the termination thereof, including the payment of all remuneration and benefits the Purchaser offered to the Accepting Employees and the notice of termination, pay in lieu thereof and/or severance pay owing to an Accepting Employee upon his or her termination of employment with the Purchaser on the basis that the Purchaser recognized the Accepted Employee's length of service with the Vendor for all purposes, whether contractual, statutory or at common law (collectively, the "Assumed Employee Liabilities"). The Purchaser shall not be responsible for any Losses occurring as a result of the Vendor's employment of any of its employees, including the Retained Employees and Accepting Employees, or the Vendor's termination of any of its employees that is not an Accepting Employee on or before Closing, including termination resulting from the Vendor's satisfaction of its obligations under this Agreement. The Assumed Employee Liabilities shall not include such Losses and such Losses shall remain the responsibility of the Vendor.

At Closing, the Purchaser shall establish replacement plans for the Employee Plans (the "Replacement Plans") such Replacement Plans to be substantially similar to the Employee Plans and no less advantageous to Accepted Employees than the Employee Plans, for the benefit of the Accepting Employees in respect of the Accepting Employees' employment by the Purchaser from and after Closing. For the purpose of determining the eligibility of each Accepting Employee for membership or benefits under the Replacement Plans:

- (a) such Accepting Employee's period of employment shall include employment with the Vendor, and the Purchaser and shall be deemed not to have been interrupted by Closing; and
- (b) such Accepting Employee's period of membership shall include membership both in the Employee Plans and the Replacement Plans and shall be deemed not to have been interrupted by Closing provided that no Accepting Employee shall be entitled to benefits under any disability plan sponsored by the Purchaser in respect of any condition existing at or any event occurring prior to the Closing Date.

7.5 "As Is, Where Is".

Except as otherwise expressly set out in this Agreement, the Purchased Assets shall be purchased on a strictly "as is, where is" basis and there are no collateral agreements, conditions, representations or warranties of any nature whatsoever made by the Vendor, express or implied, arising at law, by statute or in equity or otherwise, with respect to the Purchased Assets or the Blenheim Business and in particular, without limiting the generality of the foregoing, there are no collateral agreements, conditions, representations or warranties made by the Vendor, express or implied, arising at law, by statute or in equity or otherwise, as to description, fitness, suitability for any particular purpose, merchantability, operating condition, the value of the Purchased Assets or the Blenheim Business or the future cash flows from the Purchased Assets or the Blenheim Business. Except as otherwise expressly set out in this Agreement, the Purchaser acknowledges that it is relying entirely on its own judgment and investigation with respect to the purchase of the Purchased Assets contemplated herein.

7.6 Use and Disclosure of Personal Information.

The Purchaser agrees that it will only use or disclose the personal information it receives in connection with the transaction contemplated hereunder for purposes directly related to the purchase and sale of the Blenheim Business and the Purchased Assets (including the Assumed Contracts). Except as may be required by Laws, the Purchaser further agrees that if Closing is not achieved, the Purchaser shall destroy or return to the Vendor any and all such personal information.

7.7 Risk.

The Purchased Assets shall be and remain at the risk of the Vendor until Closing, and at the risk of the Purchaser from and after Closing.

7.8 Survival of Representations and Warranties

The representations and warranties contained in this Agreement shall survive the Closing for a period of two (2) years, notwithstanding the Closing nor any investigation made by or on behalf of the Party entitled to the benefit thereof or any knowledge of such Party.

7.9 Transition Assistance The parties agree to enter into a Transitional Services Agreement substantially in the form of the draft Transition Services Agreement attached hereto as Schedule "12".

**ARTICLE 8
CONDITIONS OF CLOSING**

8.1 Conditions for the Benefit of the Purchaser.

The purchase and sale of the Purchased Assets is subject to the following conditions to be fulfilled or performed at or prior to the Closing, which conditions are for the exclusive benefit of the Purchaser and may be waived, in whole or in part, by the Purchaser in its sole discretion:

- (a) Truth of Representations and Warranties. The representations and warranties of the Vendor contained in Section 5.1 of this Agreement shall be true and correct as of the Closing Date;

- (b) Performance of Covenants. The Vendor shall have fulfilled and complied with all covenants contained in this Agreement to be fulfilled or complied with by it at or prior to the Closing;
- (c) Deliveries. The Purchaser shall have received the following in form and substance satisfactory to the Purchaser, acting reasonably:
 - (i) a joint election, if available, under Subsection 167(1) of the *Excise Tax Act* (Canada) (Form GST44);
 - (ii) a joint election, if available, under Section 22 of the *Income Tax Act* (Canada) (Form T2022);
 - (iii) the Non-Competition Agreement;
 - (iv) the transfer of the Blenheim Product Models and assignment from the Vendor of the Vendor's copyright in the Blenheim Product Models; and
 - (v) necessary deeds, bills of sale, conveyances, certificates of title, assurances, transfers and assignments and any other instruments necessary or reasonably required to transfer the Purchased Assets to the Purchaser;
- (d) Damage, Destruction, etc. The Purchased Assets shall not have been damaged or destroyed, in whole or in material part, by fire, theft or any other hazard. For the purposes of this subparagraph, "material" shall mean damages in excess of One Hundred Thousand Dollars (\$100,000.00);
- (e) Critical Assumed Contracts. The Purchaser shall have obtained all consents required by law and/or by way of contract stipulations in order for each Critical Assumed Contract to be assigned, or the Vendor shall have obtained an Assignment Order in respect of each Critical Assumed Contract;
- (f) Consent. BMO and BDC shall have consented to the sale of the Purchased Assets by the Vendor to the Purchaser in accordance with the terms set forth in this Agreement;

8.2 Conditions for the Benefit of the Vendor.

The purchase and sale of the Purchased Assets is subject to the following conditions to be fulfilled or performed at or prior to the Closing, which conditions are for the exclusive benefit of the Vendor and may be waived, in whole or in part, by the Vendor in its sole discretion:

- (a) Truth of Representations and Warranties. The representations and warranties of the Purchaser contained in Section 6.1 of this Agreement shall be true and correct as of the Closing Date;
- (b) Performance of Covenants. The Purchaser shall have fulfilled and complied with all covenants contained in this Agreement to be fulfilled or complied with by it at or prior to Closing; and
- (c) Deliveries. The Vendor or the Proposal Trustee, as the case may be, shall have received the Purchase Price together with applicable Taxes, charges and joint elections in accordance with Article 4 of this Agreement.

8.3 Conditions for the Mutual Benefit of the Parties.

The purchase and sale of the Purchased Assets is subject to the following terms and conditions for the benefit of both the Vendor and the Purchaser:

- (a) The Vesting Order shall have been granted and entered in a form acceptable to the Vendor, Purchaser, BMO and BDC, with each acting reasonably;

- (b) There will be in effect no order, injunction, decree or judgment of any court prohibiting or preventing the consummation of the transactions contemplated hereby, and no legal or regulatory action or proceeding shall be pending or threatened by any Governmental Entity to enjoin, restrict or prohibit the transactions set out herein.

ARTICLE 9 CLOSING MATTERS

9.1 Closing Procedures.

When each Party has advised the others that it is satisfied with the documents delivered to it at or prior to the Closing, the Purchaser and Vendor will each deliver to the Proposal Trustee written confirmation that the conditions set forth in Sections 8.1, 8.2 and 8.3, as applicable, have been satisfied or waived following which the Proposal Trustee will deliver an executed copy of a Proposal Trustee's certificate to the Purchaser's counsel in escrow upon the sole condition of receipt by the Proposal Trustee of the amount payable on Closing in accordance with Article 4 of this Agreement, upon receipt of which the Proposal Trustee's certificate will be released from escrow and the Closing will be deemed to have occurred.

ARTICLE 10 POST-CLOSING COVENANTS

10.1 Further Assurances.

From time to time before or after the Closing Date but prior to any bankruptcy of the Vendor, each Party shall, with reasonable diligence and at the request of any other Party, execute and deliver such additional conveyances, transfers and other assurances, and to take such steps and do such things, as may be reasonably required to effectively complete and give effect to the transactions set out herein (including the transfer of the Purchased Assets to the Purchaser free and clear of all Liens, other than Permitted Liens and to carry out the intent of this Agreement.

10.2 Post Closing Receipts.

- (a) If at any time following the Closing, the Vendor receives, or comes into possession of, any of the Purchased Assets or any receipts, proceeds, cheques, securities or other property of any kind comprising, arising out of or derived from the Purchased Assets (including, without limitation, any cheques, notes or cash in payment of any Blenheim Account Receivable or other intangible constituting part of the Purchased Assets), the Vendor shall immediately deliver the same to the Purchaser, with such endorsements, transfers or assignments as may be necessary or desirable to ensure that the Purchaser receives the immediate and full benefit thereof.
- (b) If at any time following the Closing, the Purchaser receives, or comes into possession of, any of the Excluded Assets or any receipts, proceeds, cheques, securities or other property of any kind comprising, arising out of or derived from the Excluded Assets (including, without limitation, any cheques, notes or cash in payment of any account receivable or other intangible constituting part of the Excluded Assets), the Purchaser shall immediately deliver the same to the Vendor, with such endorsements, transfers or assignments as may be necessary or desirable to ensure that the Vendor receives the immediate and full benefit thereof.
- (c) On or immediately following the Closing, the Vendor shall provide such authorizations, approvals and/or consents as may be necessary or desirable to permit the Purchaser to deposit into the Purchaser's bank account all cheques or other instruments made payable to the Vendor received by the Vendor or the Purchaser following the Closing in payment of any Blenheim Account Receivable or other intangible comprising a part of the Purchased Assets.
- (d) On or immediately following the Closing, the Purchaser shall provide such authorizations, approvals and/or consents as may be necessary or desirable to permit the Vendor to deposit into the Vendor's bank account all cheques or other instruments made payable to the Purchaser

received by the Purchaser or the Vendor following the Closing in payment of any account receivable or other intangible comprising a part of the Excluded Assets.

10.3 Change of Name.

On Closing, the Purchaser shall, not later than the date which is three (3) years from the Closing Date, remove all Excluded Trade Names references from the Blenheim Business and Purchased Assets and change any Excluded Trade Names to another name that does not refer to and does not comprise (in whole or in part) any reference to the Excluded Trade Names and is not a derivation thereof or confusingly similar, and thereafter shall do all such things as are necessary or desirable (as determined by the Vendor) to permit the Vendor to continue to use all the Excluded Trade Names. On Closing, the Purchaser shall deliver to the Vendor consents undertakings with respect to the Excluded Trade Names, which will permit the Vendor to register such names in the jurisdictions in which the Vendor conducts the business related to the Excluded Assets. From and after Closing, the Purchaser shall not, and will cause each of its affiliates not to, use the Excluded Trade Names or any derivation thereof for any purpose whatsoever. The Purchaser undertakes to remove all Excluded Trade Name references prior to marketing or selling the Inventory.

10.4 Income Tax Elections.

- (a) In accordance with the requirements of the *Income Tax Act* (Canada), the regulations thereunder, the administrative practice and policy of the CRA and any applicable equivalent or corresponding provincial or territorial legislative, regulatory and administrative requirements, the Purchaser and the Vendor shall make and file in a timely manner:
 - (i) a joint election(s), if available, to have the rules in Subsection 20(24) of the *Income Tax Act* (Canada), and any equivalent or corresponding provision under applicable provincial or territorial Tax legislation, apply to the obligations of the Vendor in respect of undertakings which arise from the operation of the Blenheim Business and to which paragraph 12(1)(a) of the *Income Tax Act* (Canada) applies; and
 - (ii) the joint elections referred to in Section 8.1.
- (b) The Purchaser and the Vendor shall prepare and file their respective Tax returns in a manner consistent with such elections. If a Party fails to file its Tax returns in such manner, it shall indemnify and save harmless the other Party in respect of any resulting Taxes, legal and/or accounting expenses paid or incurred by the other Party.

10.5 Access.

From and after the date hereof until Closing, the Purchaser shall have access to (i) all of the Purchased Assets, including the Books and Records, and (ii) with the cooperation of the Vendor, to employees of the Blenheim Business, customers of the Blenheim Business and suppliers of the Blenheim Business as the Purchaser considers in its sole discretion to be necessary or desirable. After the Closing, upon reasonable notice, each of the Vendor and the Purchaser will give, or cause to be given, to the representatives, employees, counsel and accountants of the other, access, during normal business hours, to the Books and Records which relate to the Blenheim Business and which relate to periods prior to the Closing, and will permit such Persons to examine and copy such Books and Records to the extent reasonably requested by the other Party in connection with the preparation of tax and financial reporting matters, audits, legal proceedings, governmental investigations and other business purposes. However, no Party shall be obligated to take any action pursuant to this Section that would unreasonably disrupt the normal course of its business, violate the terms of any contract to which it is a party or to which it or any of its assets is subject or grant access to any of its proprietary, confidential or classified information. The Vendor and the Purchaser will cooperate with each other in the conduct of any tax audit or similar proceedings involving or otherwise relating to any of the Purchased Assets or the Blenheim Business (or the income therefrom or assets thereof) and each will execute and deliver such powers of attorney and other documents as are necessary to carry out the intent of this Section.

**ARTICLE 11
MISCELLANEOUS**

11.1 Termination by Purchaser.

If any of the conditions set forth in Section 8.1 have not been fulfilled in all respects or waived at or prior to Closing or any obligation or covenant of the Vendor to be performed at or prior to Closing has not been observed or performed in all respects by such time, the Purchaser may terminate this Agreement by notice in writing to the Vendor, and in such event the Purchaser shall be released from all obligations hereunder save and except for its obligations under this Article 11, which shall survive. The Vendor shall only be released from its obligations if the condition or conditions for the non-performance of which the Purchaser has terminated this Agreement are not reasonably capable of being performed or caused to be performed by the Vendor. If the Purchaser waives compliance with any of the conditions, obligations or covenants contained in this Agreement, the waiver will be without prejudice to any of its rights of termination in the event of non-fulfillment, non-observance or non-performance of any other condition, obligation or covenant in whole or in part.

11.2 Termination by Vendor.

If any of the conditions set forth in Section 8.2 have not been fulfilled in all respects or waived at or prior to Closing or any obligation or covenant of the Purchaser to be performed in all respects at or prior to Closing has not been observed or performed by such time, the Vendor may terminate this Agreement by notice in writing to the Purchaser, and in such event the Vendor shall be released from all obligations hereunder save and except for its obligations under this Article 11, which shall survive. The Purchaser shall only be released from its obligations if the condition or conditions for the non-performance of which the Vendor has terminated this Agreement are not reasonably capable of being performed or caused to be performed by the Purchaser. If the Vendor waives compliance with any of the conditions, obligations or covenants contained in this Agreement, the waiver will be without prejudice to any of its rights of termination in the event of non-fulfillment, non-observance or non-performance of any other condition, obligation or covenant in whole or in part.

11.3 Termination in Relation to Mutual Conditions.

If any of the conditions set forth in Section 8.3 have not been fulfilled in all respects or waived at or prior to Closing by both the Vendor and the Purchaser, then either the Vendor or the Purchaser may terminate this Agreement by notice in writing to the other, and in such event the Vendor and the Purchaser shall be released from their respective obligations hereunder save and except for their respective obligations under this Article 11, which shall survive.

11.4 Notices.

Any notice, direction or other communication given under this Agreement shall be in writing and given by delivering it or sending it by facsimile or other similar form of recorded communication addressed:

(a) to the Vendor at:

5274398 MANITOBA LTD. d/b/a Cross Country Manufacturing
418 South Railway Street
Morden, Manitoba
R6M 2G2

Attention: Jonathan Doerksen
Facsimile number: (204) 822-9514

With a copy to:

MLT Aikins LLP
30th Floor, 360 Main Street
Winnipeg, Manitoba

R3C 4G1

Attention: G. Bruce Taylor/Maria C. Reimer
Facsimile number: (204) 957-4218 / (204) 957-4242

(b) to the Purchaser at:

2598309 ONTARIO LIMITED d/b/a Gin-Cor Trailer Holdings

47 Lakeview Drive,
North Bay, Ontario
PIC 1C7

Attention: Renzo Silveri and Luc Stang
Facsimile number: (705) 474-9334 / (888) 772-3444

With a copy to:

C. John D'Agostino Law Professional Corporation
255c Fisher Street
North Bay, Ontario
PIB 2C8

Attention: C. John D'Agostino
Facsimile number: (705) 474-9334 / (888) 772-3444

Any such communications shall be deemed to have been validly and effectively given (i) if personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Winnipeg time) and otherwise on the next Business Day, or (ii) if transmitted by facsimile or similar means of recorded communication on the Business Day following the date of transmission. Any Party may change its address for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to such Party at its changed address.

11.5 Time of the Essence.

Time shall be of the essence of this Agreement.

11.6 Brokers.

The Vendor shall indemnify and save harmless the Purchaser from and against any and all claims, Losses and costs whatsoever for any commission or other remuneration payable or alleged to be payable to any broker, agent or other intermediary who purports to act or have acted for the Vendor. The Purchaser shall indemnify and save harmless the Vendor from and against any and all claims, Losses and costs whatsoever for any commission or other remuneration payable or alleged to be payable to any broker, agent or other intermediary who purports to act or have acted for the Purchaser.

11.7 Announcements.

Any press release or public statement or announcement (a "Public Statement") with respect to the transaction contemplated in this Agreement shall be made only with the prior written consent and joint approval of the Vendor and the Purchaser unless such Public Statement is required by Law, in which case the Party required to make the Public Statement shall use commercially reasonable efforts to obtain the approval of the other Party as to the form, nature and extent of the disclosure.

11.8 Third Party Beneficiaries.

The Vendor and the Purchaser intend that this Agreement shall not benefit or create any right or cause of action in, or on behalf of, any Person, other than the Parties and no Person, other than the Parties, shall be entitled to rely on the provisions of this Agreement, subject to Section 11.13 herein.

11.9 Expenses.

Except as otherwise expressly provided in this Agreement, all costs and expenses (including the fees and disbursements of legal counsel and accountants) incurred in connection with this Agreement and the transactions contemplated herein shall be paid by the Party incurring such expenses.

11.10 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by the Vendor and the Purchaser.

11.11 Waiver.

- (a) No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar), nor shall such waiver be binding unless executed in writing by the Party to be bound by the waiver.
- (b) No failure on the part of the Vendor or the Purchaser to exercise, and no delay in exercising any right under this Agreement shall operate as a waiver of such right, nor shall any single or partial exercise of any such right preclude any other or further exercise of such right or the exercise of any other right.

11.12 Non-Merger.

Except as otherwise expressly provided in this Agreement, the covenants, representations and warranties shall not merge on and shall survive the Closing and, notwithstanding such Closing and any investigation made by or on behalf of any Party, shall continue in full force and effect. Closing shall not prejudice any right of one Party against any other Party in respect of anything done or omitted under this Agreement or in respect of any right to damages or other remedies.

11.13 Entire Agreement.

This Agreement and the Schedules contained herein constitutes the entire agreement between the Parties with respect to the transactions contemplated in this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties. There are no representations, warranties, covenants, conditions or other agreements, express or implied, collateral, or otherwise, between the Parties in connection with the subject matter of this Agreement, except as specifically set forth herein and the Vendor and the Purchaser have not relied and are not relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Agreement.

11.14 Successors and Assigns.

This Agreement shall become effective when executed by the Vendor and the Purchaser and after that time shall be binding upon and enure to the benefit of the Vendor the Purchaser and their respective successors and permitted assigns. Neither this Agreement nor any of the rights or obligations under this Agreement shall be assignable or transferable by any Party without the prior written consent of the other Party; provided, however, that the Purchaser may assign its rights and obligations under this Agreement to an affiliate of the Purchaser without the consent of the Vendor, and if such assignment is completed prior to Closing, the Purchaser for the purpose of this Agreement shall be such affiliate, and all documents to be executed and delivered on Closing by the Purchaser shall be executed in



the name of, and delivered by, such affiliate, and all amounts to be tendered hereunder shall be tendered by such affiliate, and the Vesting Order shall vest the Purchased Assets in such affiliate.

11.15 Severability.

If any provision of this Agreement shall be determined by an arbitrator or any court of competent jurisdiction to be illegal, invalid or unenforceable, that provision will be severed from this Agreement and the remaining provisions shall remain in full force and effect.

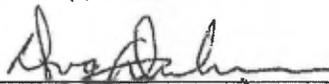
11.16 Counterparts.

This Agreement may be executed in counterparts and such counterparts together shall constitute a single instrument. Delivery of an executed counterpart of this Agreement by electronic means, including, without limitation, by facsimile transmission or by electronic delivery in portable document format (".pdf") or tagged image file format (".tif"), shall be equally effective as delivery of a manually executed counterpart hereof.

IN WITNESS WHEREOF the Parties hereto have executed this Agreement.

5274398 MANITOBA LTD.

by: 
Name: JONATHAN DOERKSEN
Title: PRESIDENT

by: 
Name: Douglas Doerksen
Title: TREASURER

**2598309 ONTARIO LIMITED
d/b/a Gin-Cor Trailer Holdings**

by: _____
Name: Renzo Silveri
Title: Director

by: _____
Name: Luc Stang
Title: Director

the name of, and delivered by, such affiliate, and all amounts to be tendered hereunder shall be tendered by such affiliate, and the Vesting Order shall vest the Purchased Assets in such affiliate.

11.15 Severability.

If any provision of this Agreement shall be determined by an arbitrator or any court of competent jurisdiction to be illegal, invalid or unenforceable, that provision will be severed from this Agreement and the remaining provisions shall remain in full force and effect.

11.16 Counterparts.

This Agreement may be executed in counterparts and such counterparts together shall constitute a single instrument. Delivery of an executed counterpart of this Agreement by electronic means, including, without limitation, by facsimile transmission or by electronic delivery in portable document format (".pdf") or tagged image file format (".tif"), shall be equally effective as delivery of a manually executed counterpart hereof.

IN WITNESS WHEREOF the Parties hereto have executed this Agreement.

5274398 MANITOBA LTD.

by: _____
Name:
Title:

by: _____
Name:
Title:

2598309 ONTARIO LIMITED
d/b/a Gin-Cor Trailer Holdings

by: _____
Name: Renzo Silveri
Title: Director

by: _____
Name: Luc Stang
Title: Director

SCHEDULE 1 – ASSUMED CONTRACTS

[Reference to Defined Term: "Assumed Contracts" means contracts of the Vendor which are agreed to be assumed by the Purchaser as described in Schedule "1", including the Critical Assumed Contracts.]

- ExpressTech International, LLC (Fishbowl Inventory Program)
- SigmaTek Systems LLC

Critical Assumed Contracts

none



SCHEDULE 2 – EMPLOYEE PLANS

[Reference to defined term: "Employee Plans" means all the employee benefit plans described in Schedule "2"]

All employee benefit plans of the Vendor including but not limited to the following Great West Life Group Benefits Plans:

- Employee Life Insurance (\$10,000, reducing by 50% at age 65);
- Employee Accidental Death, Dismemberment and Specific Loss (an amount equal to your Life Insurance);
- Extended health care (including Vision Care Expense);
- Dental care; and
- uniform benefits pursuant to a certain Canadian Linen Uniform Supplier Agreement.



SCHEDULE 3 EXCLUDED ASSETS

[Reference to defined term: "Excluded Assets" has the meaning specified in Section 2.2.]

Section 2.2. "The Purchased Assets shall not include the assets listed in Schedule "3" hereto which are assets of the Vendor not included in the purchase transaction contemplated by this Agreement"

1. All cash, bank balances, moneys in possession of banks and other depositories, term deposits and similar cash property of, owned or held by or for the account of the Vendor at the Closing Date.
2. All rights of the Vendor to any pre-paid expenses and deposits with third parties relating to the Blenheim Business made by the Vendor prior to the Closing Date, and all rebates, refunds or similar payments owing by third parties to the Vendor relating to the Blenheim Business which relate to any period prior to the Closing Date;
3. All non-transferable licenses, permits and approvals issued by any Governmental Entity that relate to the Blenheim Business, including but not limited to:
 - Transport Canada N61
 - USA Certification (to export to USA)
4. All Tax credits receivable by or refundable to the Vendor, income Tax instalments paid by the Vendor and the right to receive any refund of Taxes paid by the Vendor.
5. All contracts of the Vendor other than Assumed Contracts for which consent to assignment to the Purchaser of the counterparty thereto has been given as may be required by such Assumed Contract or in respect of which an Assignment Order has been obtained, as the case may be, other than Accounts Receivable thereunder), including, but not limited to:
 - All contracts for the Morden Business
 - Vehicle Lease Agreement for a 2016 Yukon Denali, Serial No. 1GKS2CKJ6GR394771;
 - Vehicle Lease Agreement for a 2015 GMC Sierra 2500HD Crew Cab - Black, Serial No. 1GT12ZE82FF138906
 - Solidworks Basic Licence (1 Licence No. 9000-0131-8642-5925-5GPJ-88KG)
 - Intuit Software QuickBooks
 - Blue Chip Leasing (for main computer server)
 - ESET Anti-Virus Software
6. All Employee Plans
7. The following vehicles and equipment used in connection with the Blenheim Business:
 - 2016 Yukon Denali, Serial No. 1GKS2CKJ6GR394771
 - 2015 GMC Sierra 2500HD Crew Cab, Black, Serial No. 1GT12ZE82FF138906
 - 2013 36' PJ Gooseneck Trailer, Serial No. 4P5FD3621D3001001
 - 2-piece mobile office
8. For greater certainty, all property, assets and undertaking of the Vendor relating to or used in connection with the business of product manufacturing carried on by the Vendor at the lands and premises of the



Vendor in Morden, Manitoba (the "Morden Business"), and the sale of such manufactured products, including, but not limited to;

- (a) the real property (the "Morden Plant") owned by the Vendor in Morden, Manitoba;
- (b) all accounts and amounts receivable, holdbacks and other retained amounts payable or to become payable to the Vendor, notes receivable, rights to payment or claim payment, claims and other debts due or accruing due in relation to and arising from the Morden Business, and any proceeds in relation thereto;
- (c) all inventories of the Vendor (including but not limited to shop supplies, raw materials, and other inventories and all work in process) (i) relating to the Morden Business and all trailer models which are complete and located at the Morden Plant, and (ii) any remaining inventory manufactured in the Blenheim Plant relating to the Morden Business, being the 8' U-panels for the dump pup trailers;
- (d) all Morden produced trailers bearing Morden vehicle identification numbers which are located offsite;
- (e) all machinery, equipment, automotive equipment, shop equipment, shop and small tools, forklifts, production lines, building improvements and fixtures, computer software and hardware, systems, office equipment and furnishings, tools, parts, telephones, computer and surveillance systems and other property in the nature of capital assets of the Vendor used in connection with or relating to the Morden Business;
- (f) intellectual property of any nature owned or used by the Vendor that is not Blenheim Intellectual Property, including, but not limited to all product models and product drawings for trailers manufactured at the Morden Plant;
- (g) all books, records and information in any form relating directly to the Morden Business and the Excluded Assets;
- (h) all trade names of the Vendor that are not Blenheim Trade Names, including but not limited to "Cross Country Trailers" and "Cross Country Manufacturing" (the "Excluded Trade Names");
- (i) the websites of the Vendor at www.crosscountrytrailer.com and www.crosscountrymanufacturing.com;
- (j) the Facebook account of the Vendor at www.facebook.com/Cross-Country-Manufacturing-560570560644611;
- (k) the Twitter handle of the Vendor "@crosscountrymfg";
- (l) The domain names of the Vendor ending with: "@ccmfg.ca", including but not limited to "info@ccmfg.ca", "warranty@ccmfg.ca" and careers@ccmfg.ca;
- (m) telephone and fax numbers of the Vendor including:
1-888-895-0833
- (n) Blenheim Finished Product



1-204-822-9509
1-519-350-3487
1-226-927-8506
1-519-325-8097
1-519-568-9020
1-204-384-9526
1-204-822-9514 (fax)

- (n) all Authorizations, licenses and permits owned, held or used by the Vendor relating directly to the Morden Business;
- (o) all rights of the Vendor to any pre-paid expenses and deposits with third parties relating to the Morden Business as well as all rebates, refunds or similar owing by third parties to the Vendor relating to the Morden Business;
- (p) all work in process of the Vendor related to and arising from the Morden Business; and
- (q) means all intangible rights, choses in action and property relating to the Morden Business

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SCHEDULE 4 – BLENHEIM FIXED ASSETS

[Reference to defined term: "Blenheim Fixed Assets" means all machinery, equipment, automotive equipment, shop equipment, shop and small tools, forklifts, building improvements and fixtures, computer software and hardware, systems, office equipment and furnishings, telephones and other property of the Vendor as it relates to the Business in the nature of capital assets, including, without limitation, the assets of the Vendor as described in Schedule "4".]

Item No.	Qty.	Description
1	1	2013 Messer "Titan 12" CNC Plasma Cutting Table S/N Titan 12-13-5868 w/ 60' x 12' Downdraft Table, Torit Canister Type Dust Collector, Hypertherm "HPR260XD" Plasma Source
2	1	Wysong "RT4-175 x 168" Brake Press S/N RT4-103-S w/ Cybelecc Control s/n 0089
3	1	1998 Accurshear "850012" Hydraulic Shear S/N 3141 w/ 1/2" x 12'
4	1	2016 Ingersoll Rand "IRN40H-CC" 30 Hp. Rotary Screw Air Compressor S/N CBV346619 w/ Ingersoll Rand "D265NC-A16-10X" Air Dryer s/n 556810, Receiving Tank
5	1	Sullair "425JD" 30 Hp. Towable Diesel Air Compressor Vin - 4W0AS21256M210016 w/ 1854 hrs
6	7	Miller "Deltaweld 452" Mig Welders S/N LJ101911C, KH363709, ME080024C, KH450489, ME080016C, ME080019C, ME080020C w/ Wire Feeders, Booms, Welder Stands
7	12	Miller "Deltaweld 302" Mig Welders S/N LH011131C, ME010517C, ME020079C, LE273527, LJ101762C, ME010516C, LC505751, ME010520C, LE233848, ME020080C, MC250008C, LE077473 w/ Wire Feeders, Booms, Welder Stands
8	1	Lincoln Electric "DC-400" Mig Welder S/N U1000110976 w/ Wire Feeder, Boom
9	3	ESAB "Mig C420 Pro" Mig Welders S/N 627-717-1393, 627-717-1399, 627-717-1402
10	1	Miller "CP-302" Mig Welder S/N KJ001759 w/ Wire Feeder

- 11 1 **Hyster "H90XMS" LPG Forklift**
S/N K005V01838Y
w/ 7350 lb. cap., 2 Stage Mast, Cab
- 12 1 **Toyota "52-6FGU45" LPG Forklift**
S/N 61031
w/ 9000 lb. cap., Sideshift, 3 Stage Mast
- 13 1 **Graco Triton Paint System - Consisting of: Paint Booth 68' x 18' x 16', Dual HVLP Air Pro
Paint Guns, Paint Room 8' x 10'H, Side Draft, Barn Doors and Rollup Door**
- 14 1 **Custom Hydraulic Compression Frame Rail Fixture**
w/ 55 Independent Electric Over Hydraulic Clamps, 25 Hp. Hydraulic Power Supply, 2 Lincoln
Electric "Flextec 450" Welding Power Sources s/n U111108770 & U1111002283 w/ 2 Lincoln
"LF 74" Wire Feeders s/n U1111001303 & U1110907840, Bugo Beam Welder - 2 Torch Track
Set Up, H-Frame Hydraulic Press
- 15 1 **2 Wheel Hand Cart**
- 16 5 **Rolling Tables / Carts**
- 17 1 **Demag 2000 kg. Floor Mounted Jib Boom**
S/N 4628
- 18 3 **Suspension Setup Fixtures**
- 19 27 **Metal Work Benches**
- 20 8 **Single Sided Cantilever Material Storage Racks**
- 21 1 **Universal Bandsaw**
- 22 16 **Assorted Sections of Pallet Racking**
- 23 2 **Large Roller Conveyors**
- 24 1 **Small Roller Conveyor**
- 25 1 **Dewalt Abrasive Cutoff Saw**
- 26 1 **Unknown Pedestal Drill Press**
- 27 1 **Hyd-Mech "S-20" Horizontal Bandsaw**
S/N 20487831
w/ Mitreing
- 28 4 **Heavy Duty Single Side Cantilever Racks**
- 29 2 **Canadian Crane 5 Ton Single Girder Bridge Cranes**
S/N 19845, 17651
w/ Radio Controls, Tandem Pairing

30	6	Metal Sheet Storage Racks
31	1	Forklift Dump Bin
32	1	Caterpillar "GC40K" LPG Forklift S/N AT8702265 w/ 4600 lb.cap., 183" 3 Stage Mast, Side Shift
33	1	Ingersoll Rand 7.5 Hp. Piston Type Air Compressor S/N 7644414
34	3	Pallet Trucks
35	1	12,000 lb. cap., Spreader Bar
36	1	2,500 lb. cap., Spreader Bar
37	1	8,000 lb. cap., Spreader Bar
38	2	Forklift Part Handling Bins
39	1	Snap-on Upright Air Compressor S/N V11203 001092
40	1	Magnum "4000" Hot Water Pressure Washer w/ Gas Engine
41	1	Unknown 5 Ton Double Girder Bridge Crane w/ Pendant Control
42	1	Live Bottom Trailer Rail Setup Fixture w/ Manuel Clamping
43	1	Live Bottom Trailer Lower Assembly Fixture w/ Pneumatic Clamping
44	1	Live Bottom Trailer Hopper Fixture w/ Pneumatic Clamping
45	1	Side Rail Alignment Fixture w/ Pneumatic Clamping
46	1	Flatbed Trailer Rail and Bed Alignment Fixture w/ Pneumatic Clamping
47	1	Hobart "Cyberweld 302" Mig Welder S/N LB016385
48	1	Modular Crane 3 Ton Single Girder Bridge Crane w/ P&H Hoist, Pendant Control
49	3	Miller "Invision" Welders S/N KK178338, KK239152, KK086794 w/ Wire Feeders
50	2	Adjustable Track Guided Trailer Lifts

51	1	Lincoln Electric "R3S-400" Arc Welder S/N AC529442 w/ Boom, Wire Feeder
52	1	Live Bottom Trailer Drive Axle Fixture
53	2	Modular Crane 5 Ton Single Girder Bridge Cranes w/ Pendant Controls
54	1	Coffing 2 Ton Electric Hoist
55	3	Dollie Wheels For Shuttling Trailers
56	1	Miller "Millermatic 252" Mig Welder S/N MC281413N
57	1	10 Step Rolling Ladder
58	1	Unknown Bridge Crane w/ Rails and Hoist
59	5	Conveyor and Belt Assembly Fixtures
60	1	Box Table Layout Fixture
61	2	Lincoln Electric "Powerwave 355M" Tig Welders w/ Feeders
62	1	ESAB "Tig 220i" Tig Welder
63	8	Axle Assembly Fixtures
64	1	Live Bottom Drive Assembly Transport Fixture
65	1	King 17" Pedestal Drill Press
66	1	Rigid Compound Mitre Saw w/ In & Out Feed Roller Conveyor
67	1	2003 JLG "2646ES" Electric Scissor Lift S/N 0200125052
68	1	Sand Blast System - Consisting of: Helmets, Fresh Air Pump, Reclamation System, Receiving Tank, Mod-U-Blast Sand Blast Pot
69	1	Taylor Dunn Electric Warehouse Personnel Carrier
70	1	JLG "E450AJ" Boom Lift S/N 300083135
71	1	Cummins Stand-By Diesel Generator S/N 25194623 w/ 600 kw, 750 Kva

72	1	Portable Trailer
73	Qty	Equipment In The Yard - Consisting of: Steel, Fixtures, Assembly Jigs, 2 Elevated Platforms, Duals For Tractor, Pumps, Worthington Air Compressor, Do-all Horizontal Bandsaw, etc.
74	1	Snow Blade
75	1	Case 2470 Farm Tractor
76	6	Rolling Tracked Fixtures
77	1	Case "2690" 4WD Farm tractor S/N 08863633 w/ Air System, Fifth Wheel, Pintle Hitch, Quick Attach, Hydraulic Hook Ups
78	Qty	Wire Baskets
79	1	Strongarm 5 Ton Vehicle Floor Jack
80	1	11 Step Rolling Ladder
81	1	Hydraulic Power Supply w/ 15 Hp. Electric Motor
82	1	Toolex "SW-1414E" Vertical Bandsaw S/N 181924
83	1	Wood Router Table
84	1	King 15" Wood Planer S/N TK15540 w/ Dust Collector
85	1	Mastercraft Compound Mitre Saw
86	1	General "50-200R-M11" Table Saw S/N 53957714
87	1	Strapping Cart
88	1	Esab "Powercut 1125" Plasma Cutter
89	1	Nelson "Series 5000, Model 100" Stud Welder S/N 77888C
90	1	Voest Engine Lathe w/ Bausch & Lomb Acu-Rite Digital Read Out
91	1	Horng Mao "RD-F800" Radial Arm Drill S/N 470 w/ Box Table

- 92 1 **Hobart "TR-250 AC/DC Power Source**
- 93 1 **Snapon Portable Compressor**
- 94 1 **Mezzanine Bolt Together Construction
Est. 30' x 30'**
- 95 2 **1000 Lb. Lifting Fixtures**
- 96 1 **Abrasive Cutoff Saw**
- 97 1 **Parker Hydraulic Hose Crimper**
- 98 1 **Culsar Hydraulic Hose Crimper**
- 99 **[Intentionally deleted]**
- 100 **[Intentionally deleted]**
- 101 **[Intentionally deleted]**
- 102 **[Intentionally deleted]**
- 103 **[Intentionally deleted]**
- 104 Lot **Office Furniture & Computers - Consisting of:**
Desks, Chairs, File Cabinets, Work Tables, 15 Laptops, 4 Desk Tops, 10 Monitors, 8 Printers,
TV's, Dell R710 Server, Meridian Phone System, Bar Code Scanner, Walkie Talkies and other
miscellaneous items of office furniture
- 105 Lot **Miscellaneous Equipment - Consisting of:**
Hand Tools, Oxy-Acetylene Torches, Wall Mount Fans, Pedestal Fans, Lifting Chains, Hose
Reels, Wire Bins, Plate Clamps, Shelving, Saw Horses, Ladders, Welding Screens, Bench
Grinders,
- 106 Lot **Miscellaneous Technology - Consisting of:**
Rear Impact Guard Program. Computer MS Office Software, Fishbowl Inventory Program
Software, SigmaTek Nesting Software, Surveillance System, Time Clock System. For clarity,
the inclusion of this Lot in this Schedule is not intended to expressly or impliedly include
assignment of contracts corresponding to the items described in this Lot, and

together with copies of all electronic data relating to the Blenheim Business as contained in the
Vendor's Solid Works, Sigma Tech. QuickBooks and Fishbowl programs to provided prior to
Closing.

SCHEDULE 5 – BLENHEIM INTELLECTUAL PROPERTY

[Reference to defined term: "Blenheim Intellectual Property" means intellectual property of any nature owned or used by the Vendor in connection with the Blenheim Business, including trademarks, proposed trademarks, certification marks, distinguishing guises, industrial designs, copyrights, formulae, processes, research data, technical expertise, know-how, trade secrets, inventions, patent rights, patent registration, patent continuations or patents, whether domestic or foreign and whether registered or unregistered, and all applications for registration in respect thereof, including, without limitation, the intellectual property described in Schedule "5".]

1. The following product models/production ready trailer designs and drawings for truck boxes, pony pups, end dumps, combo decks, flat decks, b-train decks, and step decks, that are manufactured only at the Blenheim Plant including related product drawings (which are electronic, three dimensional drawings), listed as follows:

Model Category	Model Number	Model Description	Axle Layout	
Truck Boxes (steel)	TB100SS	10' steel smooth side truck box	N/A	
	TB160SS	16' steel smooth side truck box	N/A	
	TB180SS	18' steel smooth side truck box	N/A	
	TB205SS	20' steel smooth side truck box	N/A	
	TB210SS	21' steel smooth side truck box	N/A	
	TB150WS	15' steel ribbed wall truck box	N/A	
Truck Boxes (aluminum)	TB205SA	20' aluminum smooth side truck box	N/A	
	TB210SA	21' aluminum smooth side truck box	N/A	
	TB180WA	18' aluminum ribbed wall truck box	N/A	
	TB150WA	15' aluminum ribbed wall truck box	N/A	
Pony Pups	170SSP	17' 3 axle aluminum smooth side pony pup	SP1F #27 (100-72)	
End Dumps (aluminum)	284SA	28' 4 axle aluminum smoothside end dump	50" axle spacing	
	370SA	37' 3 axle aluminum smoothside end dump	72" axle spacing	
Combo Decks (alum/steel)	482FD-C- M102ER07E	48' 2 axle flat deck combo, front axle slide	60" / 72" / 121" axle spacing	
	482FD-C- M102ER08E	48' 2 axle flat deck combo, rear axle slide	60" / 72" / 121" axle spacing	
	482FD-C- M102ER04E	48' 2 axle flat deck combo	121" axle spacing	
	532FD- LC102ER05E	53' 2 axle flat deck combo, rear axle slide	60" / 72" / 121" (California legal)	
	532FD- LC102ER06E	53' 2 axle flat deck combo, tandem slider	49" axle spacing	
	532FD- LC102ER07E	53' 2 axle flat deck combo, tandem slider	60" axle spacing	
	532FD- LC102ER08E	53' 2 axle flat deck combo, tandem slider	72" axle spacing	
	533FD- LC102ER09E	53' 3 axle flat deck combo, tridem slider	60" axle spacing	
	533FD- LC102ER10E	53' 3 axle flat deck combo, tridem slider	72" axle spacing	
	534FD-C- X102ER03A	53' 4 axle flat deck combo	SP1F #3 (101-72-72)	
	Flat Decks (steel)	342FD- HG102CR...	34' 2 axle flat deck (galvanized)	60" axle spacing
		383FD-	38' 3 axle flat deck	72" axle spacing

LS102C...		
422FD-LS102CR01A	42' 2 axle flat deck	49" axle spacing
482FD-LS102CR0...	48' 2 axle flat deck	49" axle spacing
483FD-LS102CR01E	48' 3 axle flat deck (with rear moffet kit)	SPIF #2 (110-72)
484FD-G-1102CR03A	48' 4 axle flat deck (galvanized)	SPIF #3 (101-72-72)
484FD-HS102CR02A	48' 4 axle flat deck	SPIF #3 (101-72-72)
484FD-HS102CR05A	48' 4 axle flat deck	SPIF #3 (52-52-109)
485FD-G-1102CR03A	48' 5 axle flat deck (galvanized)	SPIF #4 (119-60-60-84)
485FD-HS102CR03B-NF	48' 5 axle flat deck (narrow frame with duals on steers)	SPIF #4 (119-60-60-84)
485FD-S-1102CR03A	48' 5 axle flat deck	SPIF #4 (119-60-60-84)
485FD-S-1102CR03B	48' 5 axle flat deck	SPIF #4 (119-60-60-84)
505FDC-HS102CR01A	50' 5 axle flat deck (prepped for rolling crane system)	SPIF #4 (119-60-60-109)
505FD-HS102CR01A	50' 5 axle flat deck	SPIF #4 (119-60-60-109)
505FD-HS102CR02A	50' 5 axle flat deck	SPIF #5 (109-109-60-60)
505FD-HS102CR03A	50' 5 axle flat deck (prepped for Poyntz tarp enclosure)	SPIF #4 (119-60-60-109)
506FD-HS102CR02A	50' 6 axle flat deck	SPIF #4 (157-60-60-109) / Michigan (109-48-60-60-109)
532FD-S-M102CR11A	53' 2 axle flat deck	60" axle spacing
533FD-LS102CR01A	53' 3 axle flat deck	72" axle spacing
534FD-G-1102CR03B	53' 4 axle flat deck (galvanized)	SPIF #3 (101-72-72)
534FD-HS102CR03A	53' 4 axle flat deck	SPIF #3 (101-72-72)
535FDC-HS102CR04A	53' 5 axle flat deck (prepped for rolling crane system)	SPIF #4 (119-60-60-109)
535FD-HS102CR04A	53' 5 axle flat deck	SPIF #4 (119-60-60-109)
535FD-S-1102CR04B	53' 5 axle flat deck	SPIF #4 (119-60-60-109)
CL533FD-S	53' 3 axle flat deck	60" axle spacing
323FDL-LS102CR01A	32' 3 axle flat deck lead (with channel side rail)	60" axle spacing
282FDP-LS102CR01A	28' 2 axle flat deck pup (with channel side rail)	49" axle spacing
333FDL-S-T102T01E	33' 3 axle flat deck lead (with tube side rail)	60" axle spacing
292FDP-S-	29' 2 axle flat deck pup (with tube side rail)	49" axle spacing

B-Train Decks
(steel)

	T102T01E		
	T282FDP	28' 2 axle flat deck pup (with tube side rail)	49" axle spacing
	T323FDL	32' 3 axle flat deck lead (with tube side rail)	60" axle spacing
	CL323FDL-S	32' 3 axle flat deck lead (with tube side rail)	60" axle spacing
	CL282FDP-S	28' 2 axle flat deck pup (with tube side rail)	49" axle spacing
Step Decks (steel)	422DDB-	42' 2 axle beavertail step deck, small brake	60" axle spacing
	34LS102CR05A		
	452DDB-41	45' 2 axle beavertail step deck, big brake	49" axle spacing
	452DDS-41	45' 2 axle highway step deck, big brake	60" axle spacing
	453DDS-S-	45' 3 axle highway step deck, big brake	49" axle spacing
	41T102CR01D		
	482DDB-	48' 2 axle beavertail step deck, big brake	49" axle spacing
	41LS102CR04A		
	482DDS-	48' 2 axle highway step deck, big brake	121" axle spacing
	41LS102CR03A		
	493DDB-	49' 3 axle highway step deck, small brake	60" axle spacing
	34LS102CR03A		
	493DDB-	49' 3 axle beavertail step deck, big brake	60" axle spacing
	41LS102C01A		
	532DDB-	53' 2 axle beavertail step deck, big brake	60" axle spacing
	41LS102CR11A		
	532DDS-S-	53' 2 axle beavertail step deck, small brake	60" axle spacing
	35N102CR11A		
	533DDB-	53' 3 axle beavertail step deck, small brake	60" axle spacing
	34LS102CR09A		
	533DDB-	53' 3 axle beavertail step deck, small brake	72" axle spacing
	34LS102CR10A		
	533DDB-	53' 3 axle beavertail step deck, big brake	60" axle spacing
	41LS102CR02A		
	533DDB-	53' 3 axle beavertail step deck, big brake	72" axle spacing
	41LS102CR07A		
	533DDS-	53' 3 axle highway step deck, small brake	72" axle spacing
	34LS102CR01A		
	533DDS-	53' 3 axle highway step deck, big brake	72" axle spacing
	41LS102CR01A		
	533DDS-	53' 3 axle highway step deck, big brake	60" axle spacing
	41LS102CR06A		
	533DDBA	53' 3 axle beavertail step deck (9'6" Wide)	60" axle spacing
	T493DDB-S	49' 3 axle beavertail step deck, big brake	60" axle spacing
	T533DDB-	53' 3 axle beavertail step deck, big brake	60" axle spacing
	41LS102CR02A		
	CL493DDB-	49' 3 axle beavertail step deck, big brake	60" axle spacing
	41LS102C01A		
	CL493DDB-S-	49' 3 axle beavertail step deck (9'-6" Wide)	60" axle spacing
	41T114C03A		
	CL533DD	53' 3 axle beavertail step deck, big brake	60" axle spacing
	CL533DDB-	53' 3 axle beavertail step deck, big brake	60" axle spacing
	41LS102CR01A		
	CL533DDBA	53' 3 axle beavertail step deck (9'-6" Wide)	60" axle spacing
	CL533DDBA-	53' 3 axle beavertail step deck (9'-6" Wide)	60" axle spacing
	disk brake		
	CL533DDS-	53' 3 axle highway step deck, big brake	60" axle spacing
	41LS102CR06A		

Tags (steel)	D330	30ton 3 axle tag beavertail, no ramps	49" axle spacing
	D300AA	30ton 3 axle tag. Air tilt, air ramps	49" axle spacing
	D300AA-54	30ton 3 axle tag. Air tilt, air ramps	54" axle spacing
	D300AA-60	30ton 3 axle tag. Air tilt, air ramps	60" axle spacing
	D300AA 10'	30ton 3 axle tag. Air tilt, air ramps 10' wide	49" axle spacing
	D300A	30ton 3 axle tag. Air tilt, no ramps	49" axle spacing
	D200AA	20ton 2 axle tag. Air tilt, air ramps	49" axle spacing
	D200	20ton 2 axle tag	49" axle spacing
	363DB-	30ton 3 axle tag beavertail with spring ramps	60" axle spacing
	35LS102C02C		
	383DB-	30ton 3 axle tag beavertail with spring ramps	60" axle spacing
	35LS102C02C		
	383DB-	30ton 3 axle tag beavertail with spring ramps	49" axle spacing
	37LS102CR01C		
	TD300-SDS	30ton 3 axle tag	49" axle spacing
	CLD340AA	30ton 3 axle tag. Air tilt, air ramps	49" axle spacing

(collectively, the "Blenheim Trailer Product Line")

2. The following product models/production ready trailer designs and drawings for live bottom trailers that are manufactured only at the Blenheim Plant including related product drawings (which are electronic, three dimensional drawings), listed as follows:

Model Category	Model Number	Model Description	Axle Layout
Live Bottoms	210LBTM-S	21' live bottom truck mount	N/A
	230LBTM-S	23' live bottom truck mount	N/A
	485LBC-S-531102DI02A-48	48' 5 axle live bottom	SPIF #5 (60-100-60-60)
	484LBC-S-53Z102DI01A-48	48' 4 axle live bottom	SPIF #3 (100-72-72)
	458LBC-S	45' 8 axle live bottom	44" axle spacing
	412LBC-S-28M102S101A-48	41' 2 axle live bottom	49" axle spacing
	394LBC-S	39' 4 axle live bottom	52" axle spacing
	393LBC-S-42W102D101A-48	39' 3 axle live bottom	SPIF #2 (100-72)
	393LBC-S-42V102DI02A-48	39' 3 axle live bottom	72" axle spacing
	393LBC-S-42V102DI03A-48	39' 3 axle live bottom	60" axle spacing
	393TLBC-S-42V102DI03A-58	39' 3 axle live bottom	60" axle spacing
	304LBC-S	30' 4 axle live bottom	48" axle spacing w/ 2x 13k lifts

302LBC-S- 33R102S101A- 48	30' 2 axle live bottom	49" axle spacing
393LBC-A	39' 3 axle aluminum live bottom	SPIF #2 (100-72)

(collectively, the "Live Bottom Trailer Product Line", and together with the Trailer Product Line, the "Blenheim Product Models")

SCHEDULE 6 - BLENHEIM INVENTORY

[Reference to defined term: "Blenheim Inventory" means all inventories of the Vendor at the Closing Date, as they relate to the Blenheim Business including, without limitation, Blenheim Raw Materials, Blenheim Work In Process, finished parts, shop supplies, and other inventories but excluding obsolete inventory as per Section 3.3 of this Agreement.]

Estimated Inventory Value

The following is a breakdown of the Estimated Blenheim Inventory Value, which is included as the basis for the Purchaser to calculate the Offer Price for the Blenheim Inventory on Schedule "11". The Offer Price for the Blenheim Inventory will be subject to adjustment in accordance with Sections 3.3 and 3.4 of this Agreement prior to Closing, to determine the Final Blenheim Inventory Purchase Price:

Blenheim Raw Material		[REDACTED]
Blenheim Work-In Process	\$	[REDACTED]
Finished parts, shop supplies and other inventory	\$	[REDACTED]
TOTAL	\$	[REDACTED]

Bases to Determine Final Blenheim Inventory Value:

1. Blenheim Raw Material = [REDACTED]
2. Blenheim Work-In Process = [REDACTED]
3. Finished parts, shop supplies and other inventory = [REDACTED]

[Handwritten signature]

SCHEDULE 7 – BLENHEIM GOODWILL

[Reference to defined term: "Goodwill" means all intangible rights, choses in action and property relating to the Blenheim Business, to the extent not part of Blenheim Intellectual Property, including going concern value, the goodwill of the Blenheim Business and the exclusive right of the Purchaser to use the Blenheim Trade Names and represent itself as carrying on the Blenheim Business in continuation of and in succession to the Vendor, including the websites and telephone numbers described in Schedule "7", but for certainty excluding all right, title and interest of the Vendor relating to the Excluded Trade Names and/or any variation thereof and excluding intangible rights, choses in action and property in relation to the Excluded Assets.]

1. Website Addresses

www.northcountrytrailer.com

www.tecumsehtrailer.ca

2. Telephone Numbers and Fax Numbers for the Business

519-676-7900

519-676-9918

3. Blenheim Trade Names

[Reference to defined term: "Blenheim Trade Names" means the trade names identified on Schedule "7" hereof registered in the jurisdictions identified in such schedule.]

Trade Name	Jurisdictions
North Country Manufacturing	Manitoba
Tecumseh Trailer	Ontario Saskatchewan
Pit Boss by Cross Country	(not registered)

4. Outstanding purchase orders not yet produced.

SCHEDULE 8 – BLENHEIM REAL PROPERTY

[Reference to defined term: "Blenheim Real Property" means the lands and premises of the Vendor at 1 Solvay Drive, Blenheim, Ontario as described in Schedule "8".]

Civic Address: 1 Solvay Drive, Blenheim, Ontario

Pin No. 00928-0617 (LT)

Legal Description:

PART OF LOT 12, CONCESSION 1, EAST COMMUNICATION ROAD, GEOGRAPHIC TOWNSHIP OF HARWICH, DESIGNATED AS PART 1, 24R3292, EXCEPT PART 1, 24R9801; SUBJECT TO INTEREST, IF ANY, IN 513921; TOGETHER WITH AN EASEMENT OVER PART LOT 12, CON. 1, ECR, HARWICH DESIGNATED AS PART 2, 24R3292 AS IN 492487; MUNICIPALITY OF CHATHAM-KENT



SCHEDULE 9 – PERMITTED LIENS

[Reference to defined term:

"Permitted Liens" means any one or more of the following:

(a) the right reserved to or vested in any Governmental Entity by any statutory provision or by the terms of any lease, license, franchise, grant or permit of the Vendor, to terminate any such lease, license, franchise, grant or permit, or to require annual or other payments as a condition of their continuance; and

(b) the Liens listed and described in Schedule "9";

1. Registrations against the Blenheim Real Property:

- Instrument No. 24R3292 registered on May 8, 1984 as a Plan Reference
- Instrument No. 403300 registered on June 1, 1984 as an Order
- Instrument No. 403910 registered on June 20, 1984 as an Order
- Instrument No. 408784 registered on November 2, 1984 as a By-Law
- Instrument No. LT1360 registered on January 4, 1994 as a Notice Agreement registered by The Corporation of the Town of Blenheim regarding plan
- Instrument No. LT4724 registered on December 2, 1994 as a Notice registered by Solvay Automotive Canada, Inc. in favour of The Corporation of the Town of Blenheim

Schedule 10 is
deleted in its entirety

Schedule 11 is deleted in
its entirety

Schedule 12 is deleted in
its entirety

Appendix 3 – Final Advisor Report



Strictly Private & Confidential

December 1, 2017

Mr. Jonathan Doerksen
5274398 Manitoba Ltd. d/b/a Cross Country Manufacturing
418 South Railway St.
Morden MB R6M 2G2

Mr. Collin LeGall
Lazer Grant Inc.
300 – 309 McDermot Ave.
Winnipeg MB R3A 1T3

Dear Mr. Doerksen and Mr. LeGall:

**Subject: Cross Country Manufacturing – Sale of Blenheim Business – Sale Process
Summary and Outcomes**

Further to our sale process update report as appended to the “Confidential Affidavit of Samantha Dunn Sworn September 6, 2017” and shared with the Court, and our follow-up sale process update as appended to the “Third Report of Trustee on Proposal October 10, 2017”, please find below a report on our activities and the key outcomes of the sale process related to Cross Country Manufacturing’s Blenheim business.

1. PricewaterhouseCoopers LLP was engaged by 5274398 Manitoba Ltd. (o/a Cross Country Manufacturing) (“**Cross Country**”) as financial advisor (the “**Financial Advisor**”) pursuant to an August 3, 2017 engagement letter (the “**Engagement Letter**”) to provide services (the “**Services**”) in relation to the contemplated divestiture of the business, assets, and facilities of Cross Country’s operation located in Blenheim, Ontario (the “**Blenheim Business**”);
2. The services related to facilitating a structured sale process (the “**Sale Process**”), the form of which (the “**Sale Process Document**”) was shared with the Court previously. The scope and results of the Sale Process are commented on below;
3. Based on discussions with potential bidders, and the company and its legal counsel, an agreement has been reached between a potential bidder and the company that has resulted in a fully executed agreement. Court approval to finalize the transaction is being requested. Further details on the Sale Process and the key outcomes are described below;

*PricewaterhouseCoopers LLP
Richardson Building, One Lombard Place, Suite 2300, Winnipeg, Manitoba, Canada R3B 0X6
T: +1 204 926 2400, F: +1 204 944 1020, www.pwc.com/ca*

“PwC” refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership, which is a member firm of PricewaterhouseCoopers International Limited, each member firm of which is a separate legal entity.

December 1, 2017

5274398 Manitoba Ltd. d/b/a Cross Country Manufacturing
Lazer Grant Inc.

Sale Process Summary and Outcomes

4. Upon its engagement, the Financial Advisor undertook a number of activities to progress the formal Sale Process;
5. The Financial Advisor conducted research regarding potential bidders for the Blenheim Business in the form of other businesses operating in the trailer manufacturing sector in Canada as well as the United States. The Financial Advisor also considered potential bidders as identified by 5274398 Manitoba Ltd. This research and input led to the development of a potential bidders list of approximately 55 parties;
6. In parallel with the research and input on potential bidders, the Financial Advisor assisted in compiling various sale-related documents and information and also provided controlled access to the Blenheim facility and key management, in order to provide relevant information to interested parties on a timely basis and facilitate an efficient and accelerated Sale Process, including:
 - a. a Teaser document ("**Teaser**"), which provided a high-level summary of the opportunity, current situation, and next steps in the Sale Process;
 - b. a Confidentiality Agreement ("**Confidentiality Agreement**"), which was required by potential bidders to execute in order to receive additional information on the opportunity following their review of the Teaser and Sale Process Document;
 - c. a Confidential Information Memorandum ("**CIM**"), which provided more detailed financial and operational information on the Blenheim Business in the form of an information document;
 - d. an electronic Data Room ("**Data Room**"), which included more detailed information on the Blenheim Business, including manufacturing process details, organizational information, and financial data;
 - e. providing potential bidders with an opportunity to participate in an individual tour of the Blenheim facility ("**Facility Tour**") as an opportunity view the Blenheim operations in-person;
 - f. providing potential bidders with an opportunity to have an individual meeting between them and the Blenheim management including the Financial Advisor ("**Management Meeting**") as an opportunity to have a direct, in-person question & answer dialogue around the Blenheim opportunity, and generally managing communications with, and information requests from, Prospective Buyers and coordinating aspects of the Sale Process as contemplated by the Sale Process;
 - g. a Form of Asset Purchase Agreement ("**Form of APA**") compiled by 5274398 Manitoba Ltd.'s legal counsel in order to provide parties interested in submitting a bid with a template to submit their offer.
7. Preliminary information on the opportunity, namely the Teaser and the Sale Process Document, was shared with approximately 55 potential bidders, with instructions to contact the Financial Advisor to obtain the Confidentiality Agreement ("**Confidentiality Agreement**"), for execution, if they wished to obtain further information on the Blenheim Business;

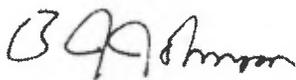
December 1, 2017

5274398 Manitoba Ltd. d/b/a Cross Country Manufacturing
Lazer Grant Inc.

8. Following their review, 12 potential bidders executed the Confidentiality Agreement to obtain further information;
9. The CIM was released to potential bidders on August 23, 2017, at which time the Sale Process timelines were extended to move the deadline for submitting offers (the "**Offer Deadline**") from September 11, 2017 to September 18, 2017. On September 11, 2017, due to the Form of APA being released later than anticipated and to ensure that all potential bidders had sufficient time to receive and review relevant information related to the Sale Process and matters impacting submission of a qualified offer to purchase, the Offer Deadline was extended to September 25, 2017 (in consultation with the company, its senior lenders and the Proposal Trustee). In the result, we believe that Prospective Bidders were provided with a reasonable opportunity for due diligence, in recognition of the Company's circumstances;
10. Access to the Data Room was provided to potential bidders beginning on August 29, 2017;
11. A number of potential bidders individually participated in a Facility Tour and Management Meeting;
12. At the Offer Deadline of September 25, 2017, based on review and discussions with the Company and its legal counsel, it was agreed to continue discussions with one potential bidder on an exclusive basis in order to work towards finalizing terms of a qualified offer;
13. Ongoing negotiations and discussions between the parties have resulted in a finalized Offer to Purchase, which we are recommending be presented to the Court for approval.
14. We consider that the objectives of the Court-approved Sale Process have been achieved.

Yours very truly

PricewaterhouseCoopers LLP



B. Jeffrey Johnson, CPA, CA, CIRP, LIT
Deals

Appendix 4 – Security Opinion, dated December 1, 2017

J. MICHAEL J. DOW
Direct Tel (204) 957-8319
Direct Fax (204) 954-0319
mdow@fillmoreriley.com

December 1, 2017

LEGAL ASSISTANT
Kathleen Marchinko
Tel (204) 956-2970 ext. 219
kmarchinko@fillmoreriley.com
Our File Number: 409676-2
FRDOCS_7543254.13

Lazer Grant Inc.
309 McDermot Avenue - Suite 400
Winnipeg, Manitoba R3A 1T3

Attention: Collin LeGall

Dear Sirs:

**Re: 5274398 Manitoba Ltd. (o/a Cross Country Manufacturing) (the "Borrower")
Business Development Bank of Canada ("BDC")
Bank of Montreal ("BMO")**

Further to your instructions, we have been retained to provide our opinion in respect to the enforceability of certain documents held by BMO and BDC.

SECURITY DOCUMENTS

For that purpose, we have examined an electronic copy of each of the documents described below, which have been provided to us by counsel for BMO and BDC, which we understand comprise the relevant security documents in respect to this matter. We provide an opinion based upon the investigations hereinafter referred to and, in addition to any qualifications, assumptions and limitations stated herein, subject to the standard qualifications, assumptions and limitations incorporated by reference herein.

BDC Loan Agreements

The following BDC loan agreements were provided to us for review:

1. Credit Letter dated August 20, 2012 (Loan Account No. 040347-09);
2. Credit Letter dated August 20, 2012 (Loan Account No. 040347-11);
3. Credit Letter dated December 19, 2012 (Loan Account No. 040347-12);
4. Credit Letter dated March 21, 2014 (Loan Account No. 040347-13);
5. Credit Letter dated June 23, 2016 (Loan Account No. 040347-15); and

6. Credit Letter dated August 29, 2016 (Loan Account No. 040347-14).

1. BDC Loan Agreement #1

This Loan Agreement dated August 20, 2012 was accepted by the Borrower on August 21, 2012. The Loan Agreement confirms the following facility:

Borrower:	5274398 Manitoba Ltd.
Amount:	\$962,125.00
Interest Rate:	Floating Base Rate plus a variance of 0.750% per year

We are of the opinion that BDC Loan Agreement #1 constitutes legal, valid and binding obligations in accordance with its terms, and is enforceable against the Borrower.

2. BDC Loan Agreement #2

This Loan Agreement dated August 20, 2012 was accepted by the Borrower on August 21, 2012. The Loan Agreement confirms the following facility:

Borrower:	5274398 Manitoba Ltd.
Amount:	\$1,000,000.00
Interest Rate:	Floating Base Rate plus a variance of 1.500% per year

We are of the opinion that BDC Loan Agreement #2 constitutes legal, valid and binding obligations in accordance with the terms thereof.

3. BDC Loan Agreement #3

This Loan Agreement dated December 19, 2012 was accepted by the Borrower on December 20, 2012. The Loan Agreement confirms the following facility:

Borrower:	5274398 Manitoba Ltd.
Amount:	\$1,500,000.00
Interest Rate:	Floating Base Rate plus a variance of 1.000% per year

We are of the opinion that BDC Loan Agreement #3 constitutes legal, valid and binding obligations in accordance with the terms thereof.

4. BDC Loan Agreement #4

This Loan Agreement dated March 21, 2014 was accepted by the Borrower on March 25, 2014. The Loan Agreement confirms the following facility:

Borrower:	5274398 Manitoba Ltd.
Amount:	\$1,000,000.00

Interest Rate:	Floating Base Rate plus a variance of 1.500% per year
----------------	---

We are of the opinion that BDC Loan Agreement #4 constitutes legal, valid and binding obligations in accordance with the terms thereof.

5. BDC Loan Agreement #5

This Loan Agreement dated June 23, 2016 was accepted by the Borrower on June 24, 2016. The Loan Agreement confirms the following facility:

Borrower:	5274398 Manitoba Ltd.
Amount:	\$1,000,000.00
Interest Rate:	Floating Base Rate plus a variance of 0.50% per year

We are of the opinion that BDC Loan Agreement #5 constitutes legal, valid and binding obligations in accordance with the terms thereof.

6. BDC Loan Agreement #6

This Loan Agreement dated August 29, 2016 was accepted by the Borrower on August 29, 2016. The Loan Agreement confirms the following facility:

Borrower:	5274398 Manitoba Ltd.
Amount:	\$750,000.00
Interest Rate:	Floating Base Rate plus a variance of 2.590% per year

We are of the opinion that BDC Loan Agreement #6 constitutes legal, valid and binding obligations in accordance with the terms thereof.

BDC Security Documents

1. General Security Agreement, executed September of 2006 (specific date not provided)

This is a General Security Agreement, executed September of 2006 by the Borrower in favour of BDC (the "GSA"). The GSA grants BDC a security interest in all of the Borrower's personal property and a floating charge over all of the Borrower's real property.

The GSA sets out the proper name of, and is duly executed by the Borrower.

We are of the opinion that the GSA constitutes legal, valid and binding obligations of the Borrower enforceable in accordance with its terms.

2. **General Security Agreement, executed January 15, 2013**

This is a General Security Agreement, executed January 15, 2013 by the Borrower in favour of BDC (the "**2013 GSA**"). The 2013 GSA grants BDC a security interest in all of the Borrower's personal property and a floating charge over all of the Borrower's real property.

The 2013 GSA sets out the proper name of, and is duly executed by the Borrower.

We are of the opinion that the 2013 GSA constitutes legal, valid and binding obligations of the Borrower enforceable in accordance with its terms.

3. **Mortgage, registered October 10, 2008**

This is a mortgage granted by the Borrower to BDC with respect to 418 South Railway Street, Morden, Manitoba in the principal amount of \$450,000.00 (the "**BDC Morden Mortgage**"), which has been amended by an Amending Agreement registered May 21, 2009 and further amended by an Amending Agreement registered January 21, 2013. Pursuant to the Amending Agreements, the principal amount of the mortgage is now \$1,500,000.00.

The BDC Morden Mortgage secures all present and future debts, liabilities and obligations then or thereafter owing by the Borrower to BDC limited to the principal amount of the mortgage together with interest accruing on the principal sum and all expenses incurred by BDC in respect thereto.

Notwithstanding that the BDC Morden Mortgage purports to secure all present and future indebtedness of the Borrower to BDC, only BDC Loan Agreement #1 and BDC Loan Agreement #3 specifically provide for the BDC Morden Mortgage as security. As such, we are of the opinion that the amount secured by the BDC Morden Mortgage is limited to the indebtedness of the Borrower to BDC under BDC Loan Agreement #1 and BDC Loan Agreement #3.

The BDC Morden Mortgage sets out the proper name of, and is duly executed by the Borrower.

We are of the opinion that the BDC Morden Mortgage constitutes legal, valid and binding obligations of the Borrower, and per a title search of the subject property, is a first ranking mortgage.

4. **Mortgage, registered January 18, 2013**

This is a mortgage granted by the Borrower to BDC with respect to 1 Solvay Drive, Blenheim, Ontario in the principal amount of \$1,600,000.00. (the "**BDC Blenheim Mortgage**").

The BDC Blenheim Mortgage secures all present and future debts, liabilities and obligations then or thereafter owing by the Borrower to BDC limited to the principal amount of the mortgage together with interest accruing on the principal sum and all expenses incurred by BDC in respect thereto.

Notwithstanding that the BDC Blenheim Mortgage purports to secure all present and future indebtedness of the Borrower to BDC, only BDC Loan Agreement #1 and BDC Loan Agreement #3 specifically provide for the BDC Blenheim Mortgage as security. As such, we are of the opinion that the amount secured by the BDC Blenheim Mortgage is limited to the indebtedness of the Borrower to BDC under BDC Loan Agreement #1 and BDC Loan Agreement #3.

The BDC Blenheim Mortgage sets out the proper name of the Borrower and is duly executed by the Borrower.

We are of the opinion that the BDC Blenheim Mortgage constitutes legal, valid and binding obligations of the Borrower, and per a title search of the subject property, is a first ranking mortgage.

5. Personal Property Security Notice, registered October 10, 2008

This is a Personal Property Security Notice registered by BDC against title to 418 South Railway Street, Morden, Manitoba with respect to Registration No. 200618709700 in the Manitoba PPR (the "PPSN").

The PPSN is properly registered against title by BDC, and provides BDC with a further interest in the Morden property.

6. Priority Agreement, executed January 15, 2013

This is a Priority Agreement between BDC, the Borrower and BMO dated January 15, 2013 (the "Priority Agreement")

Pursuant to the Priority Agreement, BMO's security against the Borrower has priority with respect to inventory, accounts receivable and specific equipment listed on Schedule "A" to the Priority Agreement, and BDC's security against the Borrower has priority with respect to all other personal property of the Borrower. There is no equipment listed in Schedule "A" to the Priority Agreement.

We are of the opinion that the Priority Agreement constitutes legal, valid and binding obligations of BDC and of BMO.

BMO Loan Agreements

The following BMO loan agreements were provided to us for review:

1. Operating Loan Agreement dated September 3, 2015.

1. BMO Loan Agreement #1

This Loan Agreement dated September 3, 2015 was accepted by the Borrower on September 3, 2015, and amends and restates a Loan Agreement between BMO and the Borrower dated March 20, 2012, and was further amended by Amending Agreements dated April 1, 2016 and August 8, 2017. The Loan Agreement confirms the following facility:

Borrower:	5274398 Manitoba Ltd.
Amount:	\$3,500,000.00
Interest Rate:	Prime Rate plus 2.00% per annum

We are of the opinion that BMO Loan Agreement #1 constitutes legal, valid and binding obligations in accordance with its terms, and is enforceable against the Borrower.

Security Documents

1. Security Agreement, executed November 8, 2006

This is a Security Agreement, executed November 8, 2006 by the Borrower in favour of BMO (the "**Security Agreement**"). The Security Agreement grants BMO a security interest in all of the Borrower's personal property and a floating charge over all of the Borrower's real property.

The Security Agreement sets out the proper name of, and is duly executed by the Borrower.

We are of the opinion that the Security Agreement constitutes legal, valid and binding obligations of the Borrower enforceable in accordance with its terms.

2. Ontario Personal Property Security Act Security Agreement, executed November 16, 2012

This is a Security Agreement, executed November 16, 2012 by the Borrower in favour of BMO (the "**Ontario Security Agreement**"). The Ontario Security Agreement grants BMO a security interest in all of the Borrower's personal property and a floating charge over all of the Borrower's real property.

The Ontario Security Agreement sets out the proper name of, and is duly executed by the Borrower.

We are of the opinion that the Ontario Security Agreement constitutes legal, valid and binding obligations of the Borrower enforceable in accordance with its terms.

3. General Assignment of Debts, executed November 8, 2006

This is a General Assignment of Debts, executed November 8, 2006 by the Borrower in favour of BMO (the "**General Assignment**"). The General Assignment grants BMO a security interest in all the receivables of the Borrower.

The General Assignment sets out the proper name of, and is duly executed by the Borrower.

We are of the opinion that the General Assignment constitutes legal, valid and binding obligations of the Borrower enforceable in accordance with its terms.

4. Mortgage, registered August 3, 2017

This is a mortgage granted by the Borrower to BMO with respect to 418 South Railway Street, Morden, Manitoba in the principal amount of \$4,000,000.00 (the "**BMO Morden Mortgage**").

The BMO Morden Mortgage sets out the proper name of, and is duly executed by the Borrower.

The BMO Morden Mortgage secures all present and future debts, liabilities and obligations then or thereafter owing by the Borrower to BMO limited to the principal amount of the mortgage together with interest accruing on the principal sum and all expenses incurred by BDC in respect thereto.

We are of the opinion that the BMO Morden Mortgage constitutes legal, valid and binding obligations of the Borrower, and per a title search of the subject property, is a second ranking mortgage behind the BDC Morden Mortgage.

5. **Mortgage, registered August 4, 2017**

This is a mortgage granted by the Borrower to BMO with respect to 1 Solvay Drive, Blenheim, Ontario in the principal amount of \$4,000,000.00. (the "**BMO Blenheim Mortgage**").

The BMO Blenheim Mortgage secures all present and future debts, liabilities and obligations then or thereafter owing by the Borrower to BMO limited to the principal amount of the mortgage together with interest accruing on the principal sum and all expenses incurred by BDC in respect thereto.

We are of the opinion that the BMO Blenheim Mortgage constitutes legal, valid and binding obligations of the Borrower, and per a title search of the subject property, is a second ranking mortgage behind the BDC Blenheim Mortgage.

6. **Security Under Section 427(1) of the *Bank Act*, executed January 6, 2011**

This agreement provides BMO with security under Section 427(1) of the *Bank Act*, which was executed by the Borrower on January 6, 2011 (the "**Bank Act Agreement**"). BMO's security under the *Bank Act* is taken in all products of the Borrower including raw materials, work in progress, finished goods and supplies used the Borrower's operation, as well as all other goods, wares and merchandise.

The Bank Act Agreement sets out the proper name of, and is duly executed by the Borrower.

We are of the opinion that the Bank Act Agreement constitutes legal, valid and binding obligations of the Borrower in accordance with its terms.

7. **Priority Agreement, executed January 15, 2013**

As set out previously, under the Priority Agreement BMO's security against the Borrower has priority with respect to inventory, accounts receivable and specific equipment listed on Schedule "A" to the Priority Agreement, and BDC's security against the Borrower has priority with respect to all other personal property of the Borrower. There is no equipment listed in Schedule "A" to the Priority Agreement.

INVESTIGATIONS

We have made inquiries and conducted the following searches at the offices on the dates set out below concerning the assets of the Borrower:

1. **Bankruptcy Search**

*Bankruptcy – Superintendent of Bankruptcy – October 27, 2017 – the public record reveals that the Borrower has a *Bankruptcy and Insolvency Act* Estate Number of 21-2281867, and filed a Notice of Intention on August 11, 2017.*

2. Personal Property Search

PPSA – A search of the Manitoba PPR dated October 27, 2017, reveals the following registrations against the Borrower (“PMSI” means Purchase Money Security Interest as that term is defined by *The Personal Property Security Act* of either Manitoba or Ontario as the case may be):

Registration No.	Date	Secured Party	Security
200618380903	Oct. 6, 2006	Bank of Montreal	All debts and securities now due or to become due to the debtor and all rights of insurance on real property
200618381004	Oct. 6, 2006	Bank of Montreal	All present and future equipment, inventory, receivables, intangibles and any proceeds thereof
200618709700	Oct. 13, 2006	Business Development Bank of Canada	All present and after-acquired personal property, all benefit and advantage from any existing or future leases, and specific serial numbered goods (6 vehicles, 4 forklifts, 1 case loader, 1 tractor, 3 trailers)
201004916501	April 1, 2010	Continental Tire Canada Inc.	PMSI - All products and inventory supplied by the secured party to the debtor
201203040402	Feb. 24, 2012	Cooper Tire & Rubber Company	PMSI - All inventory of the secured party held by the debtor and the proceeds and accounts receivable related thereto
201300355604	Jan. 7, 2013	RBC Royal Bank of Canada	PMSI - Specific serial numbered goods <ul style="list-style-type: none"> • 2011 GMC Sierra 1500 Serial No. 3GTP2VE31BG148164
201411566701	June 24, 2014	RBC Royal Bank of Canada	PMSI - Specific serial numbered goods <ul style="list-style-type: none"> • 2015 GMC Sierra 2500HD Serial No. 1GT12ZE82FF138906
201603545007	Feb. 26, 2016	Blue Chip Leasing Corporation	PMSI - Specific equipment <ul style="list-style-type: none"> • Dell Poweredge R530 server • Dell PER530 • All server and computer equipment described in Lease number 43406 (59486)
201715086102	Aug. 18, 2017	Hayworth Equipment Sales Inc.	PMSI - Specific serial numbered goods <ul style="list-style-type: none"> • 2018 Centerline Tridem 53' Step Deck Serial No. 2C9TSX3T7JB183160 • 2018 Centreline Tridem Tilt Air Ramp Serial No. 2C9ASS3M5JB183029 • 2018 Centrelien Tridem 48' Step Deck Serial No. 2C9TSW3T9JB183442 <p>(Note: spelling inconsistencies are as shown on PPR search)</p>

A search of the Manitoba PPR dated October 27, 2017 of Cross Country Manufacturing reveals Registration Nos. 200618709700, 201004916501, 201603545007, 201715086102 above, which are registered jointly against Cross Country Manufacturing and the Borrower.

PPSA – A search of the Ontario PPR dated October 29, 2017, reveals the following registrations against the Borrower:

Registration No.	Date	Secured Party	Security
20120507 1450 1530 9225	May 7, 2012	Bank of Montreal	All present and future equipment, inventory, intangibles, undertaking and all other property and assets
20130108 1500 1769 1075	Jan. 8, 2013	Business Development Bank of Canada	Inventory, equipment, accounts, other and motor vehicles
20160226 1703 1902 4934	Feb. 26, 2016	Blue Chip Leasing Corporation	PMSI - Equipment
20160802 1941 1531 9700	Aug. 2, 2016	Royal Bank of Canada	PMSI - Consumer goods, other, specific serial numbered goods <ul style="list-style-type: none"> 2016 GMC Yukon Serial No. 1GKS2CKJ6GR394771
20170818 1521 1793 9717	Aug. 18, 2017	Hayworth Equipment Sales Inc.	PMSI - Equipment, specific serial numbered goods <ul style="list-style-type: none"> 2018 Centerline Tridem 53' Step Deck Serial No. 2CPTSX3T7JB183160 2018 Centreline Tridem 48' Tilt Air Serial No. 2C9ASS3M5JB183029 2018 Centreline Tridem 48' Step Deck Serial No. 2C9TSW3T9JB183442 <p>(Note: spelling inconsistencies are as shown on PPR search)</p>

A search of the Ontario PPR dated October 29, 2017 of Cross Country Manufacturing reveals Registration Nos. 20160226 1703 1902 4934 and 20170818 1521 1793 9717 above, which are registered jointly against Cross Country Manufacturing and the Borrower, and also reveals the following general security registrations:

Registration No.	Date	Secured Party	Security
20170405 1250 1901 2064	April 5, 2017	K.G. Industries Ltd.	PMSI - Inventory and/or specific equipment <ul style="list-style-type: none"> KG1 New P/N 320-0025, OLD KGI P/N KB787A, CC P/N 13744 SSA, 77.5 Track, N Spindle, Shocks, 16.5x7 Drum, Price Fob Blenheim \$4,057 New KGI P/N 320-0042, Old KGI P/N KB1048, CC P/N 13188, SSA, 77.5 Track, N Spindle, ABDS, 16.5x7 Drum, Price Fob Blenheim \$4,285 New KGI P/N 320-0003, Old KGI P/N KB 1165, CC P/N 13478, SSA 89 Inch Track, N Spindle, ABDS, 16.5x7 Drum, Price Fob Blenheim \$4,340 New KGI P/N 320-0014, Old KGI P/N KB 1166, CC P/N 13624, SSA 83 Inch Track, N Spindle, ABDS, 16.5x7 Drum, Price Fob Blenheim \$4,265 New KGI P/N 320-0018, Old KGI P/N KB 13733, CC P/N 13478, SSA 83 Inch Track, N Spindle, ABDS, Disc Brake, Price Fob Blenheim \$6,800

			<ul style="list-style-type: none"> • New KGI P/N 520-0011, CC P/N 13508, STD Axle, 77.5 Track, N Spindle, 12.25 Inch Brakes, Price Fob Blenheim \$1,089 • KGI P/N 520-0010, CC P/N 13732, STD Axle, 83 Inch Track, N Spindle, 16.5x7 Brakes, Price Fob Blenheim \$1,012 • New KGI P/N 520-0007, CC P/N 13435, STD Axle, 89 Inch Track, N Spindle, 16.5x7 Brakes, Price Fob Blenheim \$1,026 • KGI P/N 520-0002, STD Axle, 77.5 Inch Track, N Spindle, 16.5x7 Brakes, Price Fob Blenheim \$948
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3. Bank Act Security

Our Bank Act search revealed security registered under the *Bank Act* against the Borrower by BMO under registration number 01259915, which registration expires on December 31, 2021.

4. Real Property Searches

A search of 418 South Railway Street, Morden, Manitoba in the Manitoba Land Titles system reveals the following encumbrances registered against title thereto:

Registration No.	Date	Secured Party	Encumbrance
1088419/4	June 22, 2005	Rogers Wireless Inc.	Caveat
1129348/4	Oct. 10, 2008	Business Development Bank of Canada	Mortgage
1129349/4	Oct. 10, 2008	Business Development Bank of Canada	Personal Property Security Notice
1136548/4	May 21, 2009	Business Development Bank of Canada	Amending Agreement (amends principal amount of Mortgage to \$650,000)
1178300/4	Jan. 21, 2013	Business Development Bank of Canada	Amending Agreement (amends principal amount of Mortgage to \$1,500,000)
1225001/4	June 8, 2017	The Workers Compensation Board	Certificate of Judgment (\$51,150.77)
1226678/4	Aug. 3, 2017	Bank of Montreal	Mortgage

A search of 1 Solvay Drive, Blenheim, Ontario in the Ontario Land Titles system reveals the following encumbrances registered against title thereto:

Registration No.	Date	Secured Party	Encumbrance
24R3292	May 8, 1984	N/A	Plan Reference
403300	June 1, 1984	N/A	Order
403910	June 20, 1984	N/A	Order
408784	Nov. 2, 1984	N/A	By-Law
LT1360	Jan. 4, 1994	N/A	Notice Agreement
LT4724	Dec. 2, 1994	The Corporation of the Town of Blenheim	Notice
CK80203	Jan. 18, 2013	N/A	Transfer to 5274398 Manitoba Ltd.
CK80204	Jan. 18, 2013	Business Development Bank of Canada	Charge (Mortgage for \$1,600,000)
CK101893	Dec. 4, 2014	Solar Power Network 001	Notice of Lease

		Inc. and SPN LP 2	
CK134716	Aug. 4, 2017	Bank of Montreal	Charge (Mortgage for \$4,000,000)

The priority of BDC and BMO to the property of the Borrower is summarized as follows:

Property	Priority
Blenheim Property	<ul style="list-style-type: none"> • BDC has a first charge to the extent of the Borrower's indebtedness to it under BDC Loan Agreement #1 and BDC Loan Agreement #3 to a maximum of the principal amount of the mortgage plus applicable interest and costs • BMO has a second charge to the extent of its mortgage amount to a maximum of the principal amount of the mortgage plus applicable interest and costs
Morden Property	<ul style="list-style-type: none"> • BDC has a first charge to the extent of the Borrower's indebtedness to it under BDC Loan Agreement #1 and BDC Loan Agreement #3 to a maximum of the principal amount of the mortgage plus applicable interest and costs • • BMO has a second charge to the extent of its mortgage amount to a maximum of the principal amount of the mortgage plus applicable interest and costs •
Equipment	<ul style="list-style-type: none"> • BDC has a first charge to the extent of the Borrower's indebtedness to it • BMO has a second charge to the extent of the Borrower's indebtedness to it
Inventory	<ul style="list-style-type: none"> • BMO has a first charge to the extent of the Borrower's indebtedness to it • BDC has a second charge to the extent of the Borrower's indebtedness to it
Accounts Receivable	<ul style="list-style-type: none"> • BMO has a first charge to the extent of the Borrower's indebtedness to it • BDC has a second charge to the extent of the Borrower's indebtedness to it
All Other Personal Property	<ul style="list-style-type: none"> • BDC has a first charge to the extent of the Borrower's indebtedness to it • BMO has a second charge to the extent of the Borrower's indebtedness to it

Qualifications

The opinions expressed in this opinion letter are subject to the following qualifications:

1. An assignment of debts or accounts will not be binding on account debtors in respect of debts or accounts paid or otherwise discharged before notice of the assignment is, in fact, given to such third party together with a direction to pay the Secured Party. Any

such assignment will be subject to the equities that exist at the time of assignment between the Corporation and the third party debtors;

2. Notwithstanding that registration under the PPSA may perfect a security interest in all forms of collateral to which the PPSA applies, perfection by control (within the meaning of *The Securities Transfer Act* (Manitoba) and/or the PPSA) or by possession of certain types of collateral, may provide additional rights and/or priorities to a secured party;
3. No opinion is expressed regarding the perfection of any security interest with respect to collateral of the Borrower which is serial numbered goods (as defined in the PPSA or the regulations pursuant thereto);
4. The Manitoba and Ontario PPR searches set out several PMSIs registered by Continental Tire Canada Inc., Cooper Tire & Rubber Company, Royal Bank of Canada, Hayworth Equipment Sales Inc., K.G. Industries Ltd. and Blue Chip Leasing Corporation. If properly registered these PMSIs will have priority over the general security of both BDC and BMO with respect to the specific assets secured by such PMSIs. We have not reviewed any of the PMSI agreements and therefore express no opinion as to whether some or all of the PMSIs have priority to the BDC or BMO security; and
5. There are certain statutory trusts, liens, encumbrances and other charges that may have priority to the general security in favour of BDC and BMO including, but not limited to, deemed trusts for unpaid source deductions, goods and services tax, retail sales tax etc; and
6. There are certain court ordered charges that will have priority to the BDC and BMO security including but not limited to any and all loans made under the DIP financing and the Administration Charge.

Yours truly,

FILLMORE RILEY LLP

Fillmore Riley LLP

Appendix 5 – Cash Flow Projection

5274398 MANITOBA LTD. O/A
 CROSS COUNTRY MANUFACTURING
 Statement of Projected Cash-flow for
 the period of October 30, 2017 - January 19, 2018

Notes	ACTUAL					PROJECTED						
	Oct 30-Nov 3	Nov 6 - 10	Nov 13 - 17	Nov 20 - 24	Nov 27-Dec 1	Dec 4-8	Dec 11-15	Dec 18-22	Dec 25-29	Jan 1-5	Jan 8-12	Jan 15-19
1	3,279,625	3,409,817	3,347,549	3,391,921	3,396,841	3,466,012	3,472,046	1,718,682	1,648,941	1,809,774	1,789,774	1,791,331
	482,867	674,607	434,902	301,685	350,000	400,000	400,000	400,000	200,000	400,000	400,000	400,000
	473		3,427	5,002		10,000					5,000	
2	483,340	674,607	438,329	306,687	350,000	410,000	2,200,000	400,000	200,000	400,000	405,000	400,000
	23,949			22,737					18,333			
3	800						23,000					13,808
	33,629	44,547	40,059	53,714	40,000	50,000	40,000	50,000	40,000	50,000	40,000	50,000
4	27,416	43,756	21,115	46,273	30,000	25,000	40,000					
	17,663	7,484	10,054	6,865	19,000		19,000		19,000		19,000	
4	8,078	9,979	4,902	5,175		9,000		6,500				8,500
			5,992					5,259				
4	68,323		64,599					68,000				114,000
5	34,331	4,848	9,463	5,409	17,500	17,500	17,500	17,500	17,500	20,000	20,000	20,000
5	325,886	423,142	300,172	166,167	252,000	245,000	280,000	140,000	224,000	300,000	300,000	300,000
						1,317	2,136					2,225
4				2,446		22,660			2,000			10,165
				2,142	2,500							2,000
4		20,384			8,500			18,000				18,000
	7,287				10,000				14,000			14,000
4					14,000				15,000			
4	13,326					20,000					17,000	1,000
				678					1,000			
	557					557					557	
					671							
	52,286	58,199	26,345		25,000	25,000	25,000	25,000	10,000	10,000	10,000	10,000
	613,531	612,339	482,701	311,606	419,171	416,034	446,636	330,259	360,833	380,000	406,557	563,698
1	3,409,817	3,347,549	3,391,921	3,396,841	3,466,012	3,472,046	1,718,682	1,648,941	1,809,774	1,789,774	1,791,331	1,955,029

Notes to the Statement of Projected Cash-flow

- 1 The Bank of Montreal ("BMO") line of credit limit is \$3,500,000. The Debtor has managed its cash-flow below the line of credit throughout the NOI period. The line of credit operates within the projected revised BMO operating credit terms.
- 2 During the week of December 11-15, 2017, the Proposal Trustee is expected to receive the Blenheim sale proceeds as approved by the Court. The funds will be distributed to creditors in accordance with the Court approval order and a projected arrangement between BDC and BMO.
- 3 It is projected that BDC will receive interest only payments on its loans to January 19, 2017. Interest expense has been adjusted to reflect the reduced debt obligations to BDC and BMO.
- 4 The cash-flow has been adjusted to reflect the reduction in operating expenditures for the sale of the Blenheim operations: payroll costs & final vacation pay, utilities, insurance, etc...
- 5 All supplier purchases & freight continue to be made on a COD basis including any purchases from related parties.