

Court File No. CV-19-00630665-00CL

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**COMMERCIAL LIST**

IN THE MATTER OF SECTION 243 (1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*,  
R.S.C.1985, c.B-3 AS AMENDED;

IN THE MATTER OF SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O.  
1990 c.C-43, AS AMENDED

B E T W E E N:

THE BANK OF NOVA SCOTIA

Applicant

-and-

6396763 CANADA INC.

Respondent

**APPLICATION RECORD**  
(Returnable Tuesday November 12, 2019)

**LIPMAN, ZENER & WAXMAN PC**  
Barristers and Solicitors  
1220 Eglinton Avenue West  
Toronto, Ontario M6C 2E3

**Jason D. Spetter**  
Law Society Registration No. 46105S  
**Ian Klaiman**  
Law Society Registration No. 58955G

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[iklaiman@lzwlaw.com](mailto:iklaiman@lzwlaw.com)

Lawyers for the Applicant

**TO: THIS HONOURABLE COURT**

**AND TO: SERVICE LIST (ATTACHED)**

**SERVICE LIST**  
As of November 7, 2019

<b>TO:</b>	<b>THIS HONOURABLE COURT</b>	
<b>AND TO:</b>	<b>BDO Canada Limited</b> 300 Lakeshore Drive, Suite 202 Barrie, Ontario L4N 0B4  Attention: Stella Millis [ <a href="mailto:SMillis@bdo.ca">SMillis@bdo.ca</a> ]	<i>Proposed Receiver</i>
<b>AND TO:</b>	<b>Chaitons</b> 5000 Yonge Street, 10 <sup>th</sup> Floor Toronto, Ontario M2N 7E9  Attention: Sam Rappos [ <a href="mailto:samr@chaitons.com">samr@chaitons.com</a> ]	<i>Counsel for the Proposed Receiver</i>
<b>AND TO:</b>	<b>Minden Gross</b> 145 King Street West, Suite 2200 Toronto, Ontario M5H 4G2  Attention: Brian Temins [ <a href="mailto:btemins@mindengross.com">btemins@mindengross.com</a> ]	<i>Counsel for Fire Power</i>
<b>AND TO:</b>	<b>Borden Ladner Gervais</b> 1000, rue De La Gauchetiere Ouest, Suite 900 Montreal Quebec H3B 5H4  Attention: Panagiota Kyres [ <a href="mailto:pkyres@blg.com">pkyres@blg.com</a> ] Attention: Francois D. Gagnon [ <a href="mailto:fgagnon@blg.com">fgagnon@blg.com</a> ]	<i>Counsel for Bell Canada</i>
<b>AND TO:</b>	<b>Canada Revenue Agency</b> National Insolvency Office 81 Mulcaster Street Barrie, Ontario L4M 6T7  Attention: Mark Marchan [ <a href="mailto:Mark.Marchan@cra-arc.gc.ca">Mark.Marchan@cra-arc.gc.ca</a> ]	
<b>AND TO:</b>	<b>Enterprise Fleet Management Canada Inc.</b> 709 Miner Avenue Toronto, Ontario M1B 6B6  Attention: David Gray [ <a href="mailto:David.t.gray@efleets.com">David.t.gray@efleets.com</a> ]	
<b>AND TO:</b>	<b>Fred Tayar &amp; Associates Professional Corporation</b> 65 Queen Street W., Suite 1200 Toronto, Ontario M5H 2M5  Attention: Fred Tayar [ <a href="mailto:fred@fredtayar.com">fred@fredtayar.com</a> ]	<i>Counsel for 6756051 Canada Inc., 6396763 Canada Inc. and Robert Lefebvre</i>

**SERVICE LIST**  
As of November 7, 2019

<b>AND TO:</b>	<b>Department of Justice</b> 120 Adelaide Street West, Suite 400 Toronto, Ontario M5H 1T1  Attention: Diane Winters [ <a href="mailto:diane.winters@justice.gc.ca">diane.winters@justice.gc.ca</a> ]	
<b>AND TO:</b>	<b>Her Majesty The Queen In Right Of The Province Of Ontario As Represented By The Minister Of Finance</b> Legal Services Branch 777 Bay Street, 11th Floor Toronto, Ontario M5G 2C8  Attention: Kevin O'Hara [ <a href="mailto:kevin.ohara@ontario.ca">kevin.ohara@ontario.ca</a> ]	

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**COMMERCIAL LIST**

IN THE MATTER OF SECTION 243 (1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*,  
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B E T W E E N:

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-and-

6396763 CANADA INC.

Respondent

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# TAB 1

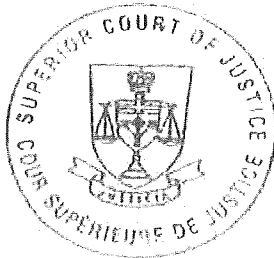
Court File No.  
CV-19-00630665-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

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R.S.C.1985, c.B-3 AS AMENDED;

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BETWEEN:



THE BANK OF NOVA SCOTIA

Applicant

-and-

6396763 CANADA INC.

Respondent

**NOTICE OF APPLICATION**

**TO THE RESPONDENT:**

**A LEGAL PROCEEDING HAS BEEN COMMENCED** by the Applicant. The claim made by the Applicant appears on the following page.

**THIS APPLICATION** will come on for a hearing before a Judge presiding over the Commercial List on **Tuesday, November 12, 2019 at 10:00 a.m.** or as soon after that time as the Application can be heard at 330 University Ave, 7<sup>th</sup> Floor, Toronto, Ontario, M5G 1R7.

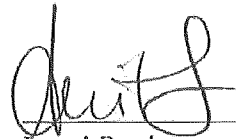
**IF YOU WISH TO OPPOSE THIS APPLICATION**, to receive notice of any step in the application or to be served with any documents in the application you or an Ontario lawyer acting for you must forthwith prepare a Notice of Appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

**IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION**, you or your lawyer must, in addition to serving your Notice of Appearance, serve a copy of the evidence on the Applicant's lawyer or, where the Applicant

does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but not later than 2 p.m. on the day before the hearing.

**IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.**

Date: November 7, 2019 Issued by:



Local Registrar  
Anita Stanojevic  
Registrar, Superior Court of Justice

Address of  
Court Office:

330 University Avenue, 9<sup>th</sup> Floor  
Toronto, Ontario  
M5G 1R7

**TO: Service List (attached)**

**APPLICATION:**

1. The Applicant, The Bank of Nova Scotia (the “**Bank**”), makes application for, *inter alia*:
  - a. If necessary, an Order abridging the time for service and validating service of this Notice of Application and Application Record in the manner effected by the Applicant so that this Application is properly returnable today and dispensing with service thereof on any party other than the parties served;
  - b. an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, appointing BDO Canada Limited (“**BDO**”) as receiver over all of the property, assets and undertakings of the Respondent, 6396763 Canada Inc. (the “**Company**”) in substantially the form of draft order attached to the Application Record as Appendix A;
  - c. an Order substantially in the form attached to the Application Record as Appendix B authorizing and directing the Receiver to enter into and carry out the terms of the Asset Purchase Agreement together with any further amendments thereto deemed necessary by the Receiver in its sole opinion, and vesting title to the Property in the Purchaser (as defined below), or as it may further direct in writing, free and clear of claims and encumbrances, upon closing of the transaction under the APA and the deliver of the Receiver’s certificate; and
  - d. such further and other relief as to this Honourable Court may deem just.

**THE GROUNDS FOR THE APPLICATION ARE:**

**Background:**

1. The Applicant is a Canadian chartered Bank incorporated pursuant to the provisions of the *Bank Act* and carries on business in the Province of Ontario.
2. The Company is a corporation operating as The Installation Group, incorporated on May 25, 2005. The sole officer and Director is Robert Lefebvre. The Debtor is a wholly owned subsidiary of 6756051 Canada Inc. (“**Holdings**”).
3. The Company operates from leased premises, owned by Holdings, located at 10 Bulmer Avenue, Sudbury, Ontario (the “**Bulmer Property**”).

**The Loans and Security:**

4. On or about July 23, 2015, the Bank entered into a credit facility agreement with the Company that provided for an operating line of credit in the amount of \$650,000.00 (the “**Company Credit Facility**”).
5. As security for the Company Credit Facility, the Bank was granted, among other security, a first ranking general security agreement over the personal property of the Company as well as guarantees from Holdings and Robert Lefebvre.
6. On or about August 25, 2015, the Bank entered into a Non-Revolving Demand Term Loan Agreement with Holdings in the amount of \$706,250 (the “**Holdings Term Loan**”).
7. As security for the Holdings Term Loan, the Bank was granted a first mortgage over the Bulmer Property, a first ranking general security agreement over the personal property of Holdings and guarantees by the Company and Robert Lefebvre.

**The Default and Forbearance Agreement:**

8. In or around May 2018 the Company had defaulted in respect of various financial and other covenants with the Bank.

9. As a result of the default and breach of financial covenants, the Bank made demand for repayment of the obligations due under the Company Credit Facility and the Holdings Term Loan.

10. On or about July 5, 2018, the Bank agreed to forbear on a day to day basis while the Company sourced refinancing of the Company Credit Facility and Holdings Term Loan (the “**Forbearance Agreement**”). The terms of the Forbearance Agreement included the consent of the Company and Holdings to appoint a receiver.

**Financial Difficulties and Proposal:**

11. In or about September 2018, a trust examination was completed by Canada Revenue Agency (“**CRA**”) which resulted in \$1,117,000 and \$616,000 owing for payroll source deductions and “**HST**”, respectively.

12. As a result of the above, and lack of both liquid and working capital to address the legacy tax arrears and service current financial obligations, the Company filed a Notice of Intention to file a Proposal (the “**NOI**”) under the Bankruptcy and Insolvency Act (“**BIA**”) on November 29, 2018, with BDO as a proposal trustee (the “**Proposal Trustee**”).

13. As a result of the NOI filing, on December 5, 2018, the Bank provided the Company with formal notice of default under the loan agreements, but were prepared to delay enforcement

proceedings up to March 31, 2019 to allow the Company an opportunity to file a successful proposal under the BIA.

14. On December 28, 2018, the Company filed a proposal under the BIA (the “Proposal”), which was approved by the requisite majority of creditors on April 24, 2019 and subsequently approved by the Court on May 13, 2019.

15. On or about August 20, 2019, as a result of failed funding for the Proposal, the Proposal Trustee advised the Company’s creditors of the material adverse change and called a meeting of creditors to be held on September 3, 2019.

**Offer to Purchase the Company’s Assets:**

16. Prior to the meeting of creditors, a third party advised the Proposal Trustee that they would be interested in purchasing the Company’s assets as a going concern sale.

17. At the meeting of creditors, there was a discussion on the course of action including the proposed sale of the business to the interested party and the restructuring process to be undertaken in order to complete the sale.

18. Accordingly, the meeting of creditors was adjourned so that the parties could continue to negotiate terms and conditions under a letter of intent (the “LOI”) and to seek approval from the key stakeholders affected.

19. At a subsequent meeting of creditors held on September 24, 2019, it was reported that:

- (a) The terms and conditions of the LOI, acceptable to the key stakeholders, have been completed;

(b) CRA provided their approval of the purchase price contained in the LOI and approval for the costs associated with the receivership application;

(c) Legal counsel for Bell advised that a meeting was scheduled on September 26, 2019 with the Company's Management and the prospective purchaser, to approve the purchaser and provide its consent for the assignment of the Bell Service Agreement, which was subsequently confirmed; and

(d) BDO as proposed Receiver was authorized to enter into negotiations with the purchaser to complete the APA.

20. As a result of the above, the Bank terminated the Company Credit Facility under the terms of the Forbearance Agreement and formal demands were issued to the Company and Holdings on October 24, 2019.

21. As of October 24, 2019, there was due and owing \$598,980.87 with respect to the Holdings Term Loan.

**Sealing the Confidential Supplement:**

22. The Confidential Supplement contains commercially sensitive information, the release of which would have a negative impact and detrimentally affect the return to stakeholders should the transaction fail to close for any reasons and should therefore be kept confidential until the closing of the transaction.

**It is Just and Convenient to Appoint a Receiver:**

23. It is just and convenient in the circumstances to appoint a receiver over the property,



assets and undertakings of the Company, with a power to market and sell the property for the benefit of the Bank and the other stakeholders of the Company.

24. BDO has agreed to act as Receiver.

25. The Applicant relies on section 243 of the *Bankruptcy and Insolvency Act*, sections 63, 64 and 65 of the *Personal Property Security Act*, sections 96, 97, 100 and 101 of the *Courts of Justice Act* and Rules 1, 3, 38, 39, 40, 41 and 44 of the *Rules of Civil Procedure*.

26. Such further and other grounds counsel may advise and this Honourable Court may permit.

**THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING FOR THE APPLICATION:**

1. Report to the Court of the Proposed Receiver dated November 6, 2019 and the appendices attached thereto;
2. Confidential Supplemental Report to the Court of the Proposed Receiver dated November 6, 2019 and the appendices attached thereto;
3. the Affidavit of Bronwyn Nelson and exhibits annexed thereto;
4. the Consent of BDO Canada Limited to act as Receiver; and
5. such further and other material as counsel may produce and this Honourable court may accept.

Date of Issue:

November 7, 2019

**LIPMAN, ZENER & WAXMAN PC**  
Barristers and Solicitors  
1220 Eglinton Avenue West  
Toronto, Ontario M6C 2E3

**Jason D. Spetter**  
Law Society Registration No. 46105S  
Tel: (416) 789-0652  
Fax: (416) 789-9015  
Email: [jspetter@lzwlaw.com](mailto:jspetter@lzwlaw.com)

Lawyers for the Applicant

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THE BANK OF NOVA SCOTIA

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Respondent

Court File No. **CY-19-00630665-00CL**

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**COMMERCIAL LIST**

Proceeding commenced at

TORONTO

**NOTICE OF APPLICATION**

**LIPMAN, ZENER & WAXMAN PC**  
Barristers and Solicitors  
1220 Eglinton Avenue West  
Toronto, Ontario  
M6C 2E3

**JASON D. SPETTER**  
Law Society Registration No. 46105S

Tel: (416) 789-0652

Fax: (416) 789-9015

Email: [jspetter@lzwlaw.com](mailto:jspetter@lzwlaw.com)

Lawyers for the Applicant

# TAB 2

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
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B E T W E E N:

THE BANK OF NOVA SCOTIA

Applicant

-and-

6396763 CANADA INC.

Respondent

**AFFIDAVIT OF BRONWYN NELSON**

I, **BRONWYN NELSON**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am a Manager, Special Accounts Management with the Bank of Nova Scotia (sometimes referred to as the “**Bank**”). As such, I have knowledge of the matters to which I hereinafter depose. To the extent that I have relied on the information of others, I verily believe that information to be true.
2. This Affidavit is sworn in support of the application by the Bank for the appointment of BDO Canada Limited (“**BDO**”) as receiver of the property, assets and undertakings of 6396763 Canada Inc. (the “**Company**”) and approving the sale of the Company’s assets.
3. I have reviewed the Report to Court of the Proposed Receiver and Confidential Supplemental Report to Court and do verily believe the information therein to be true.

4. Attached hereto and marked as **Exhibit "A"** are copies of the demand for payment on 6756051 Canada Inc. with Notice of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act* and executed waiver.

5. Attached hereto and marked as **Exhibit "B"** are copies of the demand for payment on the Company as guarantor of the obligations of 6756051 Canada Inc. with Notice of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act* and executed waiver.

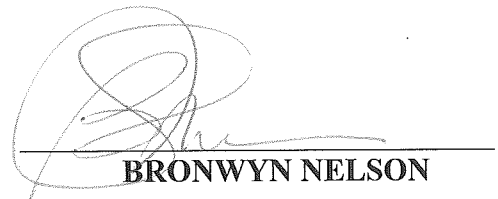
6. Attached hereto and marked as **Exhibit "C"** is a copy of the General Security Agreement granted by the Company to the Bank.

7. Notwithstanding the fact that the Bank will receive no direct benefit from the sale of the Company's assets, the Bank supports the sale.

8. This Affidavit is sworn in support of the within application and for no other or improper purpose.

SWORN before me in the )  
City of Toronto in the )  
Province of Ontario )  
This 6<sup>th</sup> day of November, 2019 )  
\_\_\_\_\_)  
A Commissioner for Taking Affidavits )

Paul S. [Signature]

  
\_\_\_\_\_  
**BRONWYN NELSON**

This is **Exhibit "A"** referred to in the  
Affidavit of BRONWYN NELSON  
sworn before me, this 6<sup>th</sup> day  
of November, 2019.



---

Paul S. Adams



Jason Spetter | B.A., LL.B.

jspetter@lzwlaw.com  
T. 416 789 0652 ext. 367  
F. 416 789 9015

File No. 66553

October 24, 2019

**PERSONAL & CONFIDENTIAL**

**BY REGISTERED MAIL  
AND BY REGULAR MAIL**

6756051 Canada Inc.  
10 Bulmer Avenue  
Sudbury, ON P3C 3J3

Attention: Robert Lefebvre, President

Dear Sirs:

Re: 6756051 Canada Inc. o/a Robert Lefebvre Holdings (the "Company")  
and The Bank of Nova Scotia (the "Bank")

Please be advised that we are solicitors for the Bank. The Company is directly indebted to the Bank pursuant to a Non-Revolving Demand Term Loan as provided by the Bank to the Company as hereinafter indicated:

Loan No. 1: Non-Revolving Demand Term Loan:

Principal amount outstanding as of the close of business October 18, 2019	\$596,875.00
Accrued and unpaid interest for the period up to and including October 18, 2019	\$2,105.87
	<u>\$598,980.87</u>

Interest continuing to accrue based on the current prime rate of interest of 3.95% plus 1.00% per annum at \$ per diem based on the current principal amount outstanding until the date of receipt of payment or judgment.

As you are in default of your payment obligations to enter your covenants with the Bank, as authorized agents of the Bank, we hereby demand repayment in full of the foregoing direct indebtedness due and owing by you to the Bank totalling \$598,980.87.

T:\6396763 Canada Inc\Demand to 6756051 Canada Inc.docx



Please be advised if we are not in receipt of payment of the direct indebtedness due and owing by the Company to the Bank of \$598,980.87 including interest accrued up to and including the date of receipt of payment, on or before the close of business November 7, 2019 (the "Demand Date") we have instructions from the Bank to commence whatever legal proceedings we deem necessary in order to recover the full amount of the direct indebtedness due and owing by the Company to the Bank and to enforce all security held by the Bank for the obligations of the Company to the Bank, as contemplated in the enclosed Notice of Intention to Enforce Security.

Please be advised that we are simultaneously making demand upon the guarantor of the obligations of the Company to the Bank.

If the foregoing amounts fluctuate for any reason whatsoever between the date hereof and the date of payment of the indebtedness of the Company to the Bank, please consider this demand effective with respect to whatever the balance of principal plus accrued and unpaid interest may be at any time between the date hereof and the Demand Date and if not paid on or before the Demand Date, be considered a demand for the balance due and owing as of the Demand Date.

Please find enclosed a Notice of Intention to Enforce Security being served upon you pursuant to the provisions of the *Bankruptcy and Insolvency Act*.

Yours very truly,

**LIPMAN, ZENER & WAXMAN PC**

Per: Jason D. Spetter  
Encls.

c. client  
c. guarantor

FORM 86  
NOTICE OF INTENTION TO ENFORCE SECURITY  
(Subsection 244(1))

TO: 6756051 CANADA INC., an insolvent person

TAKE NOTICE THAT:

1. THE BANK OF NOVA SCOTIA, a secured creditor, intends to enforce its security on the property of the insolvent person described below:

All assets including personal property, accounts receivable, inventory, equipment, goodwill and intangibles of the insolvent person wherever located including those assets located at: 10 Bulmer Avenue, Sudbury, Ontario, P3C 3J3; and

All of your right, title and interest in real property comprised of:

PCL 10901 SEC SES; LT 16-19 PL M136 MCKIM; GREATER SUDBURY;  
PCL 8087 SEC SES; LT 20 PL M136 MCKIM; GREATER SUDBURY; and  
PCL 1091 SEC SES; LT 21-23 PL M136 MCKIM; GREATER SUDBURY;  
being property municipally known as 10 Bulmer Avenue, Sudbury, Ontario, P3C 3J3.

2. The security that is to be enforced is as follows:

a) a Mortgage/Charge executed and delivered by 6756051 Canada Inc. in favour of The Bank of Nova Scotia, registered with the Land Registry Office #53 on August 28, 2015 as Instrument No. SD300781; and

b) a General Security Agreement executed and delivered by the insolvent person in favour of The Bank of Nova Scotia dated July 23, 2015.

3. The total amount of the indebtedness secured by the security is \$598,980.87, including principal and interest as of October 18, 2019, together with interest and costs continuing to accrue.

4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Toronto this 24<sup>th</sup> day of October, 2019.

THE BANK OF NOVA SCOTIA  
by its authorized agent herein  
LIPMAN, ZENER & WAXMAN PC

Per: \_\_\_\_\_

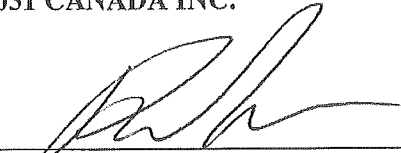
Jason D. Spetter

This Notice is a required document under the *Bankruptcy & Insolvency Act* ("Act"). The use of the word "insolvent" is prescribed by the Act but nothing in it shall be deemed to imply that any person to whom this Notice is delivered is, in fact, insolvent.

THE UNDERSIGNED hereby acknowledges receipt of the foregoing notice and consents pursuant to Section 244(2) of the *Bankruptcy and Insolvency Act* to the immediate enforcement of the security with respect to the notice which was sent by THE BANK OF NOVA SCOTIA as a secured creditor of 6756051 CANADA INC.

DATED as of the            day of October, 2019.

**6756051 CANADA INC.**

Per: 

Name: Robert Lefebvre  
Title: President

This is **Exhibit "B"** referred to in the  
Affidavit of BRONWYN NELSON  
sworn before me, this <sup>07</sup> day  
of November, 2019.



---

Paul S. Sullivan

File No. 66553

October 24, 2019

**PERSONAL & CONFIDENTIAL**

**BY REGISTERED MAIL  
AND BY REGULAR MAIL**

6396763 Canada Inc.  
10 Bulmer Avenue  
Sudbury, ON P3C 3J3

Attention: Robert Lefebvre, President

Dear Sir:

Re: 6756051 Canada Inc. (the "Company")  
and The Bank of Nova Scotia (the "Bank")

Please be advised that we are solicitors for the Bank and confirm you have guaranteed the obligations of the Company to the Bank pursuant to an unlimited guarantee dated July 23, 2015.

Please find enclosed a copy of a letter demanding repayment from the Company of its direct indebtedness due and owing to the Bank.

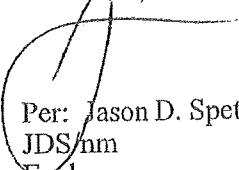
We hereby demand payment from you of \$598,980.87 on account of the total amount of the monies directly due and owing by the Company to the Bank, plus interest accruing thereon, pursuant to the terms of the guarantee, at the Bank's prime rate of interest plus 2.00% per annum, calculated from the date hereof until the date of receipt of payment or judgment.

Please be advised that if we are not in receipt of payment in full of the said indebtedness of the Company to the Bank as demanded from the Company, or payment from you of your obligations pursuant to the said guarantee on or before the close of business November 7, 2019, we have instructions to commence whatever legal proceedings we deem necessary in order to recover the said monies demanded herein, plus interest thereon from the date of demand, from you as a guarantor of the obligations of the Company to the Bank, including enforcing all security provided by you to the Bank.

We take liberty at this time to enclose a copy of the Notice of Intention to Enforce Security which was served upon the Company and a Notice of Intention to Enforce Security which was served upon you pursuant to the provisions of the *Bankruptcy and Insolvency Act*.

Yours very truly,

LIPMAN, ZENER & WAXMAN PC

  
Per: Jason D. Spetter  
JDS/nm  
Encl.

c. client

FORM 86  
NOTICE OF INTENTION TO ENFORCE SECURITY  
(Subsection 244(1))

TO: 6396763 CANADA INC., an insolvent person

TAKE NOTICE THAT:

1. THE BANK OF NOVA SCOTIA, a secured creditor, intends to enforce its security on the property of the insolvent person described below:

All assets including personal property, accounts receivable, inventory, equipment, goodwill and intangibles of the insolvent person wherever located including those assets located at: 10 Bulmer Avenue, Sudbury, Ontario, P3C 3J3.

2. The security that is to be enforced is comprised of a General Security Agreement executed and delivered by the insolvent person in favour of The Bank of Nova Scotia dated July 23, 2015.

3. The total amount of the indebtedness secured by the security is \$598,980.87, including principal and interest as of October 18, 2019, together with interest and costs continuing to accrue.

4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Toronto this 24<sup>th</sup> day of October, 2019.

THE BANK OF NOVA SCOTIA  
by its authorized agent herein  
LIPMAN, ZENER & WAXMAN PC

Per: \_\_\_\_\_

Jason D. Spetter

This Notice is a required document under the *Bankruptcy & Insolvency Act* ("Act"). The use of the word "insolvent" is prescribed by the Act but nothing in it shall be deemed to imply that any person to whom this Notice is delivered is, in fact, insolvent.

THE UNDERSIGNED hereby acknowledges receipt of the foregoing notice and consents pursuant to Section 244(2) of the *Bankruptcy and Insolvency Act* to the immediate enforcement of the security with respect to the notice which was sent by THE BANK OF NOVA SCOTIA as a secured creditor of 6396763 CANADA INC.

DATED as of the            day of October, 2019.

**6396763 CANADA INC.**

Per 

\_\_\_\_\_  
Name: Robert Lefebvre

Title: President



This is Exhibit "C" referred to in the  
Affidavit of BRONWYN NELSON  
sworn before me, this 6<sup>th</sup> day  
of November, 2019.



---

Paul Sullivan

348065-5

# GENERAL SECURITY AGREEMENT

1. 6396763 Canada Inc.

(NAME OF CUSTOMER)

of 10 Bulmer Ave, Sudbury ON, P3C 3J3

(The "Customer")

(ADDRESS OF CUSTOMER)

for valuable consideration grants, assigns, transfers, sets over, mortgages and charges to THE BANK OF NOVA SCOTIA, at its

Branch located at QUEEN ST. W. 4TH FL, TORONTO, ON M5H 3R3

(ADDRESS OF BRANCH)

(the "Bank") as and by way of a fixed and specific mortgage and charge, and grants to the Bank, a security interest in the present and after acquired undertaking and property (other than consumer goods) of the Customer including without limitation all the right title, interest and benefit which the Customer now has or may hereafter have in all property of the kinds hereinafter described (the "Collateral"):

- (a) all goods comprising the inventory of the Customer including but not limited to goods held for sale or lease or that have been leased or consigned to or by the Customer or furnished or to be furnished under a contract of service or that are raw materials, work in process or materials used or consumed in a business or profession or finished goods and timber cut or to be cut, oil, gas, hydrocarbons, and minerals extracted or to be extracted, all livestock and the young and unborn young thereof and all crops;
- (b) all goods which are not inventory or consumer goods, including but not limited to furniture, fixtures, equipment machinery, plant, tools, vehicles and other tangible personal property, whether described in Schedule "A" hereto or not;
- (c) all accounts, including deposit accounts in banks, credit unions, trust companies and similar institutions, debts, demands and choses in action which are now due, owing or accruing due or which may hereafter become due, owing or accruing due to the Customer, and all claims of any kind which the Customer now has or may hereafter have including but not limited to claims against the Crown and claims under insurance policies;
- (d) all chattel paper;
- (e) all money;
- (f) all warehouse receipts, bills of lading and other documents of title, whether negotiable or not;
- (g) all instruments, including but not limited to bills, notes, cheques, letters of credit, and advices of credit;
- (h) all investment property, including but not limited to shares, stock, warrants, bonds, debentures, debenture stock and other securities (whether evidenced by a security certificate or an uncertificated security) and financial assets, security entitlements, securities accounts, futures contracts and futures accounts;
- (i) all intangibles including but not limited to contracts, agreements, options, clearing house options, permits, licences, consents, approvals, authorizations, orders, judgments, certificates, rulings, insurance policies, agricultural and other quotas, subsidies, franchises, immunities, privileges, and benefits and all goodwill, patents, trade marks, trade names, trade secrets, inventions, processes, copyrights and other industrial or intellectual property;
- (j) with respect to the personal property described in subparagraphs (a) to (i) inclusive, all books, accounts, invoices, letters, papers, documents, disks, and other records in any form, electronic or otherwise, evidencing or relating thereto; and all contracts, investment property, securities, instruments and other rights and benefits in respect thereof;
- (k) with respect to the personal property described in subparagraphs (a) to (j) inclusive, all parts, components, renewals, substitutions and replacements thereof and all attachments, accessories and increases, additions and accessions thereto; and
- (l) with respect to the personal property described in subparagraphs (a) to (k) inclusive, all proceeds therefrom (other than consumer goods), including personal property in any form or fixtures derived directly or indirectly from any dealing with such property or proceeds therefrom, and any insurance or other payment as indemnity or compensation for loss of or damage to such property or any right to such payment, and any payment made in total or partial discharge or redemption of an intangible, chattel paper, instrument, security or investment property; and

In this Agreement, the words "goods", "consumer goods", "account", "account debtor", "inventory", "crops", "equipment", "fixtures", "chattel paper", "document of title", "instrument", "money", "security", or "securities", "intangible", "receiver", "proceeds", "accessions", "certificated security", "clearing house option", "control", "financial asset", "futures account", "futures contract", "futures intermediary", "investment property", "securities account", "securities intermediary", "security certificate", "security entitlement", and "uncertificated security" shall have the same meanings as their defined meanings where such words are defined in the Personal Property Security Act of the province or territory in which the Branch of the Bank mentioned in paragraph 1 is located, such Act including any amendments thereto, being referred to in this Agreement as "the PPSA". In this Agreement "Collateral" shall refer to "Collateral or any item thereof".

2. The fixed and specific mortgages and charges and the security interest granted under this Agreement secure payment and performance of all obligations of the Customer to the Bank, including but not limited to all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Customer to the Bank in any currency or remaining unpaid by the Customer to the Bank in any currency, whether arising from dealings between the Bank and the

Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatever a creditor of the Customer and wherever incurred, and whether incurred by the Customer alone or with another or others and whether as principal or surety, including all interest, commissions, legal and other costs, charges and expenses (the "Obligations").

3. The Customer hereby represents and warrants to the Bank that:

- (a) all of the Collateral is, or when the Customer acquires any right, title or interest therein, will be the sole property of the Customer free and clear of all security interests, mortgages, charges, hypothecs, liens or other encumbrances except as disclosed by the Customer to the Bank in writing;
- (b) the Collateral insofar as it consists of goods (other than inventory enroute from suppliers or enroute to customers or on lease or consignment) will be kept at the locations specified in Schedule "B" hereto or at such other locations as the Customer shall specify in writing to the Bank and subject to the provisions of paragraph 4(j) none of the Collateral shall be moved therefrom without the prior written consent of the Bank;
- (c) the Customer's chief executive office is located at the address specified in paragraph 1;
- (d) none of the Collateral consists of consumer goods; and
- (e) this Agreement has been properly authorized and constitutes a legally valid and binding obligation of the Customer in accordance with its terms.

4. The Customer hereby agrees that:

- (a) the Customer shall diligently maintain, use and operate the Collateral and shall carry on and conduct its business in a proper and efficient manner so as to preserve and protect the Collateral and the earnings, incomes, rents, issues and profits thereof;
- (b) the Customer shall cause the Collateral to be insured and kept insured to the full insurable value thereof with reputable insurers against loss or damage by fire and such other risks as the Bank may reasonably require and shall maintain such insurance with loss if any payable to the Bank and shall lodge such policies with the Bank;
- (c) the Customer shall pay all rents, taxes, levies, assessments and government fees or dues lawfully levied, assessed or imposed in respect of the Collateral or any part thereof as and when the same shall become due and payable, and shall exhibit to the Bank, when required, the receipts and vouchers establishing such payment;
- (d) the Customer shall duly observe and conform to all valid requirements of any governmental authority relative to any of the Collateral and all covenants, terms and conditions upon or under which the Collateral is held;
- (e) the Customer shall keep proper books of account in accordance with sound accounting practice, shall furnish to the Bank such financial information and statements and such information and statements relating to the Collateral as the Bank may from time to time require, and the Customer shall permit the Bank or its authorized agents at any time at the expense of the Customer to examine all books of account and other financial records and reports relating to the Collateral and to make copies thereof and take extracts therefrom;
- (f) the Customer shall furnish to the Bank such information with respect to the Collateral and the insurance thereon as the Bank may from time to time require and shall give written notice to the Bank of all litigation before any court, administrative board or other tribunal affecting the Customer or the Collateral;
- (g) the Customer shall defend the title to the Collateral against all persons and shall keep the Collateral free and clear of all security interests, mortgages, charges, liens and other encumbrances except for those disclosed to the Bank in writing prior to the execution of this Agreement or hereafter approved in writing by the Bank prior to their creation or assumption;
- (h) the Customer shall, upon request by the Bank, execute and deliver all such financing statements, certificates, further assignments and documents and do all such further acts and things as may be considered by the Bank to be necessary or desirable to give effect to the intent of this Agreement and the Customer hereby irrevocably constitutes and appoints the Manager or Acting Manager for the time being of the Branch of the Bank mentioned in paragraph 1, the true and lawful attorney of the Customer, with full power of substitution, to do any of the foregoing in the name of the Customer whenever and wherever the Bank may consider it to be necessary or desirable;
- (i) the Customer shall promptly notify the Bank in writing of any event which occurs that would have a material adverse effect upon the Collateral or upon the financial condition of the Customer and immediately upon the Customer's acquisition of rights in any vehicle, mobile home, trailer, boat, outboard-motor for a boat, aircraft or aircraft engine, shall promptly provide the Bank with full particulars, including serial number, of such Collateral; and
- (j) the Customer will not change its name or the location of its chief executive office or place of business or sell, exchange, transfer, assign or lease or otherwise dispose of or change the use of the Collateral or any interest therein or modify, amend or terminate any chattel paper, document of title, instrument, security, investment property or intangible, without the prior written consent of the Bank, except that the Customer may, until an event of default set out in paragraph 9 occurs, sell or lease inventory in the ordinary course of the Customer's business.

5. Until an event of default occurs, the Customer may use the Collateral in any lawful manner not inconsistent with this Agreement or any other agreement to which the Bank and the Customer are parties, but the Bank shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Bank may consider appropriate and the Customer agrees to furnish all assistance and information and to perform all such acts as the Bank may reasonably request in connection therewith, and for such purpose shall permit the Bank or its agents access to all places where Collateral may be located and to all premises occupied by the Customer to examine and inspect the Collateral and related records and documents.

6. Before or after an event of default occurs, the Bank may give notice to any or all account debtors of the Customer and to any or all persons liable to the Customer under an instrument to make all further payments to the Bank and any payments or other proceeds of Collateral received by the Customer from account debtors or from any persons liable to the Customer under an instrument, whether before or after such notice is given by the Bank, shall be held by the Customer in trust for the Bank and paid over to the Bank upon request. The Bank may take charge of all proceeds of Collateral and may apply any money taken as Collateral to the satisfaction of the Obligations secured hereby. The Bank may hold as additional security any increase or profits, except money, received from any Collateral in the Bank's possession, and may apply any money received from such Collateral to reduce the Obligations secured hereby and may hold any balance as additional security for such part of the Obligations as may not yet be due, whether absolute or contingent. The Bank will not be obligated to keep any Collateral separate or identifiable. In the case of any instrument, security, investment property or chattel paper comprising part of the Collateral, the Bank will not be obligated to take any necessary or other steps to preserve rights against other persons.

7. Before or after an event of default occurs, the Bank may have any Collateral comprising Instruments, shares, stock, warrants, bonds, debentures, debenture stock, securities or other investment property, registered in its name or in the name of its nominee and shall be entitled but not bound or required to vote in respect of such Collateral at any meeting at which the holder thereof is entitled to vote and, generally, to exercise any of the rights which the holder of such Collateral may at any time have. The Customer will also take such steps as the Bank requires to enable the Bank to obtain and maintain control of any investment property, including but not limited to arranging for any issuer of uncertificated securities, securities intermediary or futures intermediary to enter into an agreement satisfactory to the Bank to enable the Bank to obtain and maintain control. The Bank shall not be responsible for any loss occasioned by the exercise of any of any rights contemplated in this paragraph or by failure to exercise the same within the time limited for the exercise thereof.

8. Upon the Customer's failure to perform any of its duties hereunder, the Bank may, but shall not be obliged to, perform any or all of such duties, without waiving any rights to enforce this Agreement, and the Customer shall pay to the Bank, forthwith upon written demand therefor, an amount equal to the costs, fees and expenses incurred by the Bank in so doing plus interest thereon from the date such costs, fees and expenses are incurred until paid at the rate of 3% per annum over the Prime Lending Rate of the Bank in effect from time to time. The "Prime Lending Rate of the Bank" means the variable per annum, reference rate of interest as announced and adjusted by the Bank from time to time for loans made by the Bank in Canada in Canadian dollars.

9. The happening of any one or more of the following events shall constitute an event of default under this Agreement:

- (a) If the Customer does not pay when due any of the Obligations;
- (b) If the Customer does not perform any provisions of this Agreement or of any other agreement to which the Customer and the Bank are parties;
- (c) If the Customer ceases or threatens to cease to carry on its business, commits an act of bankruptcy, becomes insolvent makes an assignment or proposal under the Bankruptcy and Insolvency Act, takes advantage of provisions for relief under the Companies' Creditors Arrangement Act or any other legislation for the benefit of insolvent debtors, transfers all or substantially all of its assets, or proposes a compromise or arrangement to its creditors;
- (d) If the Customer enters into any reconstruction, reorganization, amalgamation, merger or other similar arrangement;
- (e) If any proceeding is taken with respect to a compromise or arrangement or to have the Customer declared bankrupt or wound up, or if any proceeding is taken, whether in court or under the terms of any agreement or appointment in writing, to have a receiver appointed of any Collateral or if any encumbrance becomes enforceable against any Collateral;
- (f) If any execution, sequestration or extent or any other process of any court becomes enforceable against the Customer or if any distress or analogous process is levied upon any Collateral;
- (g) If the Bank in good faith believes and has commercially reasonable grounds for believing that the prospect of payment or performance of any Obligation is or is about to be impaired or that any Collateral is or is about to be in danger of being lost, damaged, confiscated or placed in jeopardy.

10. If an event of default occurs, the Bank may withhold any future advances and may declare that the Obligations shall immediately become due and payable in full, and the Bank may proceed to enforce payment of the Obligations and the Customer and the Bank shall have, in addition to any other rights and remedies provided by law, the rights and remedies of a debtor and a secured party respectively under the PPSA and other applicable legislation and those provided by this Agreement. The Bank may take possession of the Collateral, enter upon any premises of the Customer, otherwise enforce this Agreement, enforce its rights under any agreement with any issuer of uncertificated securities, securities intermediary or futures intermediary and enforce any rights of the Customer in respect of the Collateral by any manner permitted by law and may use the Collateral in the manner and to the extent that the Bank may consider appropriate and may hold, insure, repair, process, maintain, protect, preserve, prepare for disposition and dispose of the same and may require the Customer to assemble the Collateral and deliver or make the Collateral available to the Bank at a reasonably convenient place designated by the Bank.

11. Where required to do so by the PPSA, or other relevant legislation, the Bank shall give to the Customer the written notice required by the PPSA or such other relevant legislation of an intended enforcement or disposition of the Collateral by serving such notice personally on the Customer or by mailing such notice by registered mail to the last known post office address of the Customer or by electronic transmission to the last known electronic mailing or transmission address of the Customer or by any other method authorized or permitted by the PPSA or such other relevant legislation.

12. If an event of default occurs, the Bank may take proceedings in any court of competent jurisdiction for the appointment of a receiver (which term shall include a receiver and manager) of the Collateral or may by appointment in writing appoint any person to be a receiver of the Collateral and may remove any receiver so appointed by the Bank and appoint another in his stead; and any such receiver appointed by instrument in writing shall, to the extent permitted by applicable law or to such lesser extent permitted, have all of the rights, benefits and powers of the Bank hereunder or under the PPSA or otherwise and without limitation have power (a) to take possession of the Collateral, (b) to carry on all or any part or parts of the business of the Customer, (c) to borrow money required for the seizure, retaking, repossession, holding, insurance, repairing, processing, maintaining, protecting, preserving, preparing for disposition, disposition of the Collateral and for any other enforcement of this Agreement or for the carrying on of the business of the Customer on the security of the Collateral in priority to the security interest created under this Agreement, and (d) to sell, lease or otherwise dispose of the whole or any part of the Collateral at public auction, by public tender or by private sale, lease or other disposition either for cash or upon credit, at such time and upon such terms and conditions as the receiver may determine provided that if any such disposition involves deferred payment the Bank will not be accountable for and the Customer will not be entitled to be credited with the proceeds of any such disposition until the monies therefor are actually received; and further provided that any such receiver shall be deemed the agent of the Customer and the Bank shall not be in any way responsible for any misconduct or negligence of any such receiver.

13. Any proceeds of any disposition of any Collateral may be applied by the Bank to the payment of expenses incurred or paid in connection with seizing, repossessing, retaking, holding, repairing, processing, insuring, preserving, preparing for disposition and disposing of the Collateral (including reasonable solicitor's fees and legal expenses and any other reasonable expenses), and any balance of such proceeds may be applied by the Bank towards the payment of the Obligations in such order of application as the Bank may from time to time effect. All such expenses and all amounts borrowed on the security of the Collateral under paragraph 12 shall bear interest at the rate of 3% per annum over the Prime Lending Rate of the Bank in effect from time to time, shall be payable by the Customer upon demand and shall be Obligations under this Agreement. If the disposition of the Collateral fails to satisfy the Obligations secured by this Agreement and the expenses incurred by the Bank, the Customer shall be liable to pay any deficiency to the Bank on demand.

14. The Customer and the Bank further agree that:

- (a) the Bank may grant extensions of time and other indulgences, take and give up security, accept compositions, grant releases and discharges and otherwise deal with the Customer, debtors of the Customer, sureties and others and with the Collateral or other security as the Bank may see fit without prejudice to the liability of the Customer and the Bank's rights under this Agreement
- (b) this Agreement shall not be considered as satisfied or discharged by any intermediate payment of all or any part of the Obligations but shall constitute and be a continuing security to the Bank for a current or running account and shall be in addition to and not in substitution for any other security now or hereafter held by the Bank;
- (c) nothing in this Agreement shall obligate the Bank to make any loan or accommodation to the Customer or extend the time for payment or satisfaction of the Obligations;
- (d) any failure by the Bank to exercise any right set out in this Agreement shall not constitute a waiver thereof; nothing in this Agreement or in the Obligations secured by this Agreement shall preclude any other remedy by action or otherwise for the enforcement of this Agreement or the payment in full of the Obligations secured by this Agreement;
- (e) all rights of the Bank under this Agreement shall be assignable and in any action brought by an assignee to enforce such rights, the Customer shall not assert against the assignee any claim or defence which the Customer now has or may hereafter have against the Bank;
- (f) all rights of the Bank under this Agreement shall enure to the benefit of its successors and assigns and all obligations of the Customer under this Agreement shall bind the Customer, his heirs, executors, administrators, successors and assigns;
- (g) if more than one Customer executes this Agreement their obligations under this Agreement shall be joint and several, and the Obligations shall include those of all or any one or more of them;
- (h) if the Customer is a corporation, The Limitation of Civil Rights Act of the province of Saskatchewan shall have no application to this Agreement or to any agreement or instrument renewing or extending or collateral to this Agreement or to the rights, powers or remedies of the Bank under this Agreement;
- (i) this Agreement shall be governed in all respects by the laws of the jurisdiction in which the Branch of the Bank mentioned in paragraph 1 is located;
- (j) the time for attachment of the security interest created hereby has not been postponed and is intended to attach when this Agreement is signed by the Customer and attaches at that time to Collateral in which the Customer then has any right, title or interest and attaches to Collateral in which the Customer subsequently acquires any right title or interest at the time when the Customer first acquires such right, title or interest.

The Customer acknowledges receiving a copy of this Agreement.

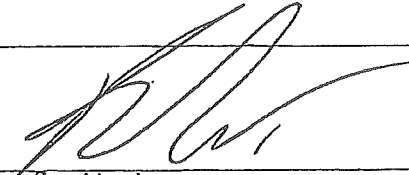
The Customer expressly waives the right to receive a copy of any financing statement or financing change statement which may be registered by the Bank in connection with this Agreement or any verification statement issued with respect thereto where such waiver is not otherwise prohibited by law.

Signed this 23 day of July, 2015.

Customer: 6396763 Canada Inc.

Witness:

  
by: \_\_\_\_\_  
Richard D'Arcy  
CPA Bank Employee

  
by: \_\_\_\_\_  
TITLE President  
by: \_\_\_\_\_  
TITLE \_\_\_\_\_

FULL NAME AND ADDRESS OF THE CUSTOMER (FOR INDIVIDUAL(S), INSERT FIRST GIVEN NAME, INITIAL OF SECOND GIVEN NAME, (FULL SECOND NAME IN ALBERTA, SASKATCHEWAN AND BRITISH COLUMBIA) IF ANY, THEN SURNAME)	IF GIVEN BY INDIVIDUAL(S) RECORD DATE OF BIRTH DAY MONTH YEAR	SEX	
		M	F
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>

**SCHEDULE "A"**

(Description of Collateral)

If space is insufficient attach additional page headed Page 2 of Schedule "A".

**SCHEDULE "B"**

(Location of Collateral)

If space is insufficient attach additional page headed Page 2 of Schedule "B".

10 Bulmer Avenue, Sudbury Ontario, P3C 3J3

DATE RECEIVED <u>07.27.15</u>
RECORDED <u>[Signature]</u>
APPROVED <u>[Signature]</u>
E.O. AUDITOR .....

# TAB 3

Court File No. CV-19-00630665-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**BETWEEN :**

**THE BANK OF NOVA SCOTIA**

**Applicant**

- and -

**6396763 CANADA INC.**

**Respondent**

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND  
INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS AMENDED AND SECTION 101 OF THE  
*COURTS OF JUSTICE ACT*, R.S.O. 1990, C. C.43, AS AMENDED

**REPORT TO THE COURT SUBMITTED BY  
BDO CANADA LIMITED,  
IN ITS CAPACITY AS PROPOSED RECEIVER  
OF 6396763 CANADA INC.**

November 7, 2019



## APPENDICES

<b>Appendix A</b>	NOI dated November 29, 2018
<b>Appendix B</b>	Proposal dated December 28, 2018
<b>Appendix C</b>	Redacted APA
<b>Appendix D</b>	TIG PPSA Certificate
<b>Appendix E</b>	TWA PPSA Certificate
<b>Confidential Appendix 1</b>	Confidential Supplemental Report

## INTRODUCTION

1. By motion within these court proceedings returnable on November 12, 2019 (the "**Appointment Motion**") in the Ontario Superior Court of Justice (Commercial List) (the "**Court**"), the Bank of Nova Scotia ("**BNS**") is seeking, *inter alia*, an Order of this Honourable Court (the "**Appointment Order**") appointing BDO Canada Limited ("**BDO**") as receiver ("**Receiver**") of all of the assets, undertakings and property of 6396763 Canada Inc. (the "**Company**" or "**TIG**"), and an order approving a sale of substantially all of the Company's assets to the Purchaser (as defined below) and vesting such assets in the Purchaser free and clear of all claims and encumbrances.
2. This report is submitted by BDO in its capacity as proposed Receiver of the Company (the "**Proposed Receiver**").
3. In preparing this report the Proposed Receiver has reviewed the affidavit of Bronwyn Nelson of BNS sworn in support of BNS' application.
4. In the event BDO is appointed by the Court as Receiver, it will not be operating TIG's business. It is the intention of the parties that BDO is appointed by the Court as Receiver to complete the sale of substantially all of TIG's assets to the Purchaser in accordance with the terms of the APA (as defined below), as described below, with a subsequent motion seeking approval of the distribution of the net sale proceeds and the discharge of BDO as Receiver.

## PURPOSE OF THIS REPORT

5. The purpose of this report to the Court (the "**Report**") is to:

- a) Summarize the details of the proposed sale of substantially all of the Company's assets to the Purchaser and the Proposed Receiver's recommendation with respect thereto;
- b) Provide information related to the Company's secured creditors;
- c) Provide support for BNS' request for an Order:
  - (i) authorizing the Receiver to enter into the Asset Purchase Agreement dated November 7, 2019 (the "APA") between BDO as Proposed Receiver and 2722703 Ontario Inc. (the "Purchaser");
  - (ii) approving the APA and directing the Receiver to complete the sale transaction contemplated by the APA (the "Transaction").
  - (iii) vesting in the Purchaser all of TIG's right, title and interest in and to the TIG Purchased Assets (as defined in the APA) free and clear of any and all claims and encumbrances; and
  - (iv) sealing the Confidential Supplement to this Report until completion of the Transaction or until further Order of this Court.

#### **SCOPE AND TERMS OF REFERENCE**

- 6. The Report of BDO in its capacity as the Proposed Receiver has been prepared for the use of the Court in the proceedings and for the information and use of the stakeholders, as general information relating to the Company and to assist the Court in making a determination on whether to grant the relief sought herein.
- 7. In preparing this Report, the Proposed Receiver has relied upon certain unaudited, draft and/or internal financial information, the Company's books and records,

discussions with management, and information obtained from other third-party sources.

8. Accordingly, the Proposed Receiver expresses no opinion or other form of assurance with respect to such information except as expressly stated herein.
9. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

## **BACKGROUND**

10. The Company operating as The Installation Group was incorporated on May 25, 2005. The sole officer and Director is Robert Lefebvre. The Company is a wholly owned subsidiary of 6756051 Canada Inc. ("**Holdings**").
11. At all material times, TIG was engaged in the installation of telecommunications systems across Northern Ontario, Northern Quebec, Manitoba and Saskatchewan.
12. The Company operates from leased premises, owned by Holdings, located at 10 Bulmer Avenue, Sudbury, Ontario (the "**Bulmer Property**"). TIG is a partner of Bell Canada ("**Bell**") since 2009, Robert Lefebvre has been a vendor of Bell since 1991. The contract between the Company and Bell provides exclusive installation services (the "**Bell Service Agreement**") in the specific regions noted above.
13. The Company currently employs 86 full time employees plus an additional 20 independent contractors who are engaged to service geographic gaps in the service territory.
14. On or about July 23, 2015, BNS entered into a credit facility agreement with TIG that provided for an operating line of credit in the amount of \$650,000 (the "**TIG Credit Facility**").

15. As security for the TIG Credit Facility, BNS was granted, among other security, a first ranking general security agreement over the personal property of TIG as well as guarantees from Holdings and Robert Lefebvre.
16. On or about August 28, 2015, BNS entered into a Non-Revolving Demand Term Loan Agreement with Holdings in the amount of \$706,250 (the "**Holdings Term Loan**").
17. As security for the Holdings Term Loan, BNS was granted, a first mortgage over the Bulmer Property, a first ranking general security agreement over the personal property of Holdings and guarantees by TIG and Robert Lefebvre.
18. On or around 2016, TIG expanded its operations to include services and installations in new service line sectors. The expansion focused on installation of satellite/internet services with new partners in rural areas.
19. In June 2017, the Company acquired two new businesses in order to address the growth and service the contracts.
20. The expansion did not prove successful due to several factors including increased carrying costs associated with delays in launching the new service line, increased scope and diminished profit margins.
21. By early 2018, the Company had exhausted all of its financial resources used for the acquisition and start-up costs associated with the expansion including funding ongoing operating losses.
22. In or around May 2018, Management discovered that (i) proper financial records for each company and their respective expenses were not being maintained by the internal accountant; (ii) filings for payroll source deductions and harmonized sales tax ("**HST**") had not been remitted since March 2017; and (iii) the Company had defaulted

in respect of various financial and other covenants with BNS, its primary secured lender.

23. As a result of the default and breach of financial covenants, BNS made demand for repayment of the obligations due under the TIG Credit Facility and Holdings Term Loan.
24. On or about July 5, 2018, BNS agreed to forbear on a day to day basis while the Company sourced refinancing for both the TIG Credit Facility and the Holdings Term Loan (the "**Forbearance Agreement**"). The terms of the Forbearance Agreement included the consent of TIG and Holdings to the appointment of a receiver.
25. Management determined that the revenue required to support the non-core TIG operations was not sufficient to maintain ongoing financial obligations and to address the legacy tax issues. As a result, it was determined that the best course of action would be to wind down the operations from the new business ventures that were straining TIG's cash flow.
26. In or about September 2018, a trust examination was completed by Canada Revenue Agency ("**CRA**") which resulted in \$1,117,000 and \$616,000 owing for payroll source deductions ("**Payroll**") and HST, respectively.
27. As a result of the foregoing, the Company hired a CFO to assist with the restructuring process and to assist with a marketing process. Over several months following, a Confidential Information Memorandum ("**CIM**") was prepared and distributed to 23 potential investors and interested parties with a view of raising capital to address the legacy tax issue and reposition the Company for growth. Only one of those parties showed an interest, however a successful transaction was not completed.

28. As a result of the above, and lack of both liquid and working capital to address the legacy tax arrears and service current financial obligations, the Company filed a Notice of Intention to file a Proposal (the "NOI") under the Bankruptcy and Insolvency Act ("BIA") on November 29, 2018 with BDO as proposal trustee (the "Proposal Trustee"). A copy of the NOI is attached hereto as **Appendix A**.
29. As a result of the NOI filing, on December 5, 2018, BNS provided TIG with formal notice of default under the loan agreements. BNS was prepared to delay enforcement proceedings up to March 31, 2019, subject to additional provisions in the Forbearance Agreement, which included, among other things reduction of the TIG Credit Facility, to allow the Company an opportunity to file a successful proposal under the BIA.
30. On December 28, 2018, TIG filed a proposal under the BIA (the "Proposal"), which was approved by the requisite majority of creditors on April 24, 2019 and subsequently approved by the Court on May 13, 2019. A copy of the Proposal is attached hereto as **Appendix B**.
31. The key terms of the Proposal provided for payout to BNS for the TIG Credit Facility and the Holdings Term Loan, payment of CRA's deemed trust claim within 6 months and approximately 20 cents on the dollar for unsecured creditors claims.
32. On or about August 20, 2019, the Proposal Trustee was advised by the Company that the financing and third-party equity injection required to fund the Proposal was not sufficient to satisfy the terms of the Proposal.
33. In consultation with the Company and the key stakeholders, it was determined that continuing the operations of TIG and allowing the Company additional time to source

alternative options was in the best interest of all parties as it would: (i) maintain employment for over 100 people in Northern Ontario, (ii) retain a tenant for the Bulmer Property, (iii) reduce the impact to Bell in transitioning the installation service area to an alternative vendor, and (iv) maximize realization for affected stakeholders.

34. Accordingly, the Proposal Trustee began discussions with third party lenders to source financing required to fund the terms of the Proposal. Over the course of several weeks, these parties conducted a due diligence review process, which did not result in the required financing needed to complete the terms of the Proposal.
35. In addition, Management engaged several interested parties and private lenders with a view to obtaining additional financing and/or equity injection into the Company, which efforts were unsuccessful.
36. On or about August 20, 2019, as a result of the failed funding for the Proposal, the Proposal Trustee advised the Company's creditors of the material adverse change and called a meeting of creditors to be held on September 3, 2019.
37. Prior to the meeting of creditors, one of the parties who was approached for financing advised the Proposal Trustee that, in the alternative, they would be interested in purchasing the Company's assets as a going concern sale.
38. At the meeting of creditors, there was a discussion on alternative courses of actions for the Company, which included a proposed sale of the business to the interested party and the restructuring process to be undertaken in order to complete the sale. The conditions that would be required to complete the Transaction, among other things, is (i) BNS and CRA's approval of BNS' proposed application as they were the key stakeholders with an economic benefit resulting from the Transaction, (ii)



approval of the purchase price and other conditions, and (iii) approval from Bell would be required for the assignment of the Bell Service Agreement.

39. Accordingly, it was agreed that the meeting be adjourned so that the parties could continue to negotiate terms and conditions under a letter of intent (the "LOI") and to seek approval from the key stakeholders affected by the Transaction.

40. At the subsequent meeting of creditors held on September 24, 2019, the following information was reported:

(i) Terms and conditions of the LOI, acceptable to the key stakeholders, have been completed;

(ii) CRA provided their approval of the purchase price contained in the LOI and approval for the costs associated with the receivership application as described herein;

(iii) Legal counsel for Bell advised that a meeting was scheduled on September 26, 2019 with the Company's Management and the prospective Purchaser, to approve the Purchaser and provide its consent for the assignment of the Bell Service Agreement, which was subsequently confirmed; and

(iv) BDO as proposed Receiver was authorized to enter into negotiations with the Purchaser to complete the APA.

41. As a result of the above, BNS terminated the TIG Credit Facility under the terms of the Forbearance Agreement. Formal demands were issued to TIG and Holdings on October 24, 2019.

42. The cancellation of the TIG Credit Facility and lack of working capital has put an extreme strain on the Company's cash flow and its ability to meeting ongoing obligations.

#### **PROPOSED RECEIVER'S ACTIVITIES**

43. BNS seeks the appointment of BDO as Receiver and Court approval for the Receiver to enter into and complete the Transaction as part of its anticipated mandate to facilitate the sale of substantially all of the Company's assets to the Purchaser and payment of the net proceeds to the Company's secured and priority creditors.
44. The Receiver and the Purchaser entered into the APA on November 7, 2019. A redacted copy of the APA is attached hereto as **Appendix "C"**. An unredacted copy of the APA will be attached to the Confidential Supplement to this Report.
45. TIG and a related company 6622828 Canada Inc. ("**TWA**"), are also parties in the APA, as it contemplates the purchase of TWA's intellectual property and software (the "**TWA Assets**") vital to the operations of TIG.
46. The APA was entered into by the Proposed Receiver in order to facilitate the Transaction and sale to the Purchaser without further delay due to the Company's cash flow constraints. TIG is concerned with its ability to meet ongoing financial obligations, including its payroll obligations to in excess of 100 employees and contractors employed by the Company.

#### **SECURED CREDITORS AND PRIORITY CLAIMS**

47. Copies of search results under the *Personal Property Security Act* ("**PPSA**") as against the TIG and TWA are respectively attached hereto as **Appendices "D"** and

“E”. All parties that have registered a financing statement against TIG and TWA have been served with the BNS’ application.

48. As at October 24, 2019, the amount outstanding to BNS was in the amount of \$598,980.87 based on the Bronwyn Affidavit in support of the within application.
49. CRA has conducted audits of TIG’s Payroll and HST accounts. A claim by CRA has been submitted for the Payroll and HST accounts in the amount of \$1,140,917 and \$986,872, respectively.
50. The search under the PPSA for TWA reveals a registration in favour of Caisse Populaire Alliance Limitee (“Caisse”). As noted above, the APA contemplates the sale of TWA Assets to the Purchaser, which amount shall be paid directly to Caisse in exchange for a discharge of the financing statement.
51. Should the Court approve the proposed Transaction contemplated in the APA, the net sale proceeds from the TIG Assets will be paid to CRA in priority to BNS.

#### **RECEIVER’S SALE OF ASSETS**

52. As noted above, TIG filed a Proposal under the BIA. The Company was not successful in obtaining the required financing and equity injection required to fund the terms of the Proposal.
53. In an effort to satisfy its indebtedness to BNS and its legacy tax issues, TIG and the Proposal Trustee canvassed the market for potential investors and alternative lenders for refinancing of TIG’s debt. No offer or combination of offers that was received was acceptable.

54. As outlined above, the Proposed Receiver negotiated the sale of substantially all of the Company's assets to the Purchaser, the terms of which have been incorporated into the APA. The Proposed Receiver's analysis of the Transaction is contained in the Confidential Supplement.
55. It is the Proposed Receiver's view that the Transaction is appropriate in the circumstances, represents fair market value for the Company's assets, and should be approved by the Court as:
- a) the market was extensively canvassed for alternative sources of financing and investors solicited by the Company;
  - b) the Transaction provides for the ongoing employment of in excess of 100 employees and contractors employed by the Company;
  - c) the purchaser has provided a \$50,000 non-refundable deposit;
  - d) the Transaction provides for a quick closing, one business day following Court approval of the appointment of the Receiver and the issuance of an approval and vesting order;
  - e) the sale to the Purchaser is the only offer received on terms acceptable to the Company, and the purchaser has been approved by Bell; who has the ability to revoke the Bell Service Agreement with TIG;
  - f) it is unlikely that a further marketing process will generate a better offer and TIG does not have funds available to conduct such a process; and
  - g) BNS, being the Company's primary secured lender, and CRA, who is the party with the economic interest in the Company's assets, support the Proposed Receiver entering into and completing the Transaction; and

- h) Information regarding the proposed Transaction with the Purchaser was available and presented to the Company's unsecured creditors at meetings held in the proposal proceeding.
56. The Proposed Receiver is of the view that the Transaction is commercially reasonable in all respects and is in the best interests of the creditors and other stakeholders of the Company.
57. Consistent with other transactions where court approval is being sought, the Proposed Receiver requests that this Court seal the Confidential Supplement pending the earlier of the completion of the Transaction or further Order of the Court. The Confidential Supplement contains commercially sensitive information, the release of which would have a negative impact and detrimentally affect the return to stakeholders should the Transaction fail to close for any reason.

#### **RECOMMENDATIONS**

58. For the reasons set out above and in the Confidential Supplement, the Proposed Receiver recommends that this Court approves the completion of the Transaction and issue the orders requested by BNS.

All of which is Respectfully Submitted this 7<sup>th</sup> day of November, 2019.

**BDO CANADA LIMITED in its capacity as  
Proposed Court Appointed Receiver of 6396763 Canada Inc.  
and not in its personal or corporate capacity**

Per:



---

Stella Millis, CIRP, LIT  
Vice President

## Appendix "A"

### Report of the Proposed Court Appointed Receiver



Tel: 705 797 3980  
Fax: 705 792 3302  
Toll-free: 1 800 863 6082  
www.bdo.ca

BDO Canada Limited  
300 Lakeshore Drive  
Suite 202  
Barrie, ON L4N 0B4  
Canada

November 30, 2018

## TO THE CREDITORS

**Re: 6396763 Canada Inc.  
Notice of Intention to File a Proposal  
pursuant to the Bankruptcy and Insolvency Act**

Please be advised that 6396763 Canada Inc. (the "Debtor") filed a Notice of Intention to File a Proposal (the "Notice") to the creditors on November 29<sup>th</sup>, 2018 pursuant to the provisions of the *Bankruptcy and Insolvency Act*. BDO Canada Limited (the "Trustee") has agreed to act as Trustee under the Proposal. Please find herewith a copy of:

1. The Notice;
2. A list of known creditors and the amounts owing to them.

### The Notice Process

This is the first step in the restructuring of the affairs of the Debtor. The law provides:

- A general stay of all proceedings against the Debtor;
- That the Trustee mail a copy of the Notice to the known creditors;
- That the Debtor is required to file a proposal within 30 days of the filing of the Notice, unless the time to file is extended by the Court;
- The Court, upon application by the Debtor, may grant an extension of time of up to 45 days to file the proposal;
- The Debtor may apply to the Court for up to three extensions;
- If the Debtor fails to file a proposal prior to expiry of the time provided, the Debtor is automatically deemed to be bankrupt;
- Upon filing the Notice, the Debtor cannot withdraw from the proposal process except by filing an assignment into bankruptcy;
- The Trustee is not required to notify the creditors of extensions granted by the court and generally does not do so to avoid additional costs to the administration of the proposal;
- Upon the filing of the proposal, or alternatively the event of bankruptcy, the Trustee is required to notify the creditors and provide the appropriate documentation;
- In either event, a first meeting of creditors will be scheduled approximately 21 days after the event.

The Debtor is required to file his Proposal within 30 days or seek an extension from the court. We do not expect the Debtor to seek an extension. Receipt of this correspondence and attached documents is evidence that you are recorded as a creditor of the Debtor and

further notices will be sent at the appropriate time. It is not necessary for you to advise the Trustee at this time if you do not agree with the amount recorded as owing to you. It is sufficient to advise us by filing at the appropriate time the proof of claim form in the proposal process (see below).

Thus you can expect that our next communication will not be until the proposal has been filed or the Debtor fails to file within the required time resulting in bankruptcy. At that time we will provide you further information. If the proposal is filed you may expect to receive:

1. A copy of the Proposal;
2. A notice of the time and the place of the meeting of creditors.
3. A proof of claim form;
4. A form of proxy;
5. A voting letter each in the prescribed form;
6. The Trustee's report on the debtor's business and financial affairs;
7. A further letter of instruction with respect to the proposal procedure.

The Trustee will monitor the affairs of the Debtor during the period the Notice and the Proposal are in effect.

### **The Proposal Process**

A creditor does not have to attend or be represented at the meeting of creditors, and can vote on the Proposal by voting letter. Creditors will vote by classes. A majority of number and two thirds in value of each class of creditors present, personally or by proxy, at the meeting and voting on the Proposal, must be in favour of the Proposal in order to have it accepted.

If the Proposal is accepted by the creditors, the Trustee within 5 days must apply to the Court for an appointment for the hearing of the application for approval of the Proposal. If the creditors do not accept the Proposal or the Court refuses to approve the Proposal, the debtor will be deemed to have made an assignment into bankruptcy.

All creditor claims are dealt with only through the proof of claim form provided with the Proposal. To have their claims recognized, creditors must properly complete the proof of claim form and deliver it to the Trustee. Delivery can be made personally, by mail, courier or by fax. To be entitled to vote, the proof of claim form must be delivered to the Trustee prior to the time scheduled for the meeting of creditors. To be properly complete, all proofs of claim must be accompanied by a Schedule "A" supporting the value of the claim. Typically Schedule "A" can consist of copies of statements or invoices supporting the claim. Disagreements with respect to the amount of any claim will be dealt with through the process prescribed in the Act. Filing your claim with the Trustee is adequate notice of such disagreements.



The proposal determines the payment to be made to the creditors. At this time the terms of the proposal have not been determined. It is expected, however, that the net funds will be greater and in a more orderly procedure under a proposal than is likely in the event of bankruptcy. More funds are therefore expected to be available for distribution to all of the creditors. The creditors will be paid in the order of their priority in law and as will be described in the Proposal.

We trust that the foregoing will adequately explain the current and ongoing circumstances of this Proposal. If any questions or concerns arise, please contact Matt Moran at (705) 797-3980 or the undersigned.

Yours very truly,

**BDO CANADA LIMITED,**  
as Trustee under the Proposal of  
6396763 Canada Inc.

Per:

A handwritten signature in black ink, appearing to read 'Stella Millis', with a horizontal line underneath.

Stella Millis, CIRP, LIT  
Vice President

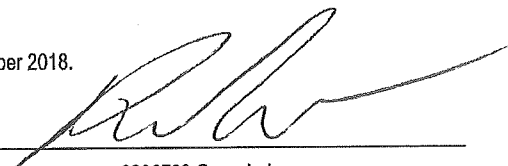
District of: Ontario  
Division No. 02 - Sudbury  
Court No.  
Estate No.

- FORM 33 -  
Notice of Intention To Make a Proposal  
(Subsection 50.4(1) of the Act)

Take notice that:

1. I, 6396763 Canada Inc., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. BDO Canada Limited / BDO Canada Limitée of Suite 202, 300 Lakeshore Drive, Barrie, ON, L4N 0B4, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the City of Barrie in the Province of Ontario, this 29th day of November 2018.

  
\_\_\_\_\_  
6396763 Canada Inc.  
Insolvent Person

To be completed by Official Receiver:

\_\_\_\_\_  
Filing Date

\_\_\_\_\_  
Official Receiver

District of: Ontario  
 Division No. 02 - Sudbury  
 Court No.  
 Estate No.

- FORM 33 -  
 Notice of Intention To Make a Proposal  
 (Subsection 50.4(1) of the Act)

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
407 ETR Express Toll Route Marion Richardson/Collections	6300 Steeles Ave W Woodbridge ON L4H 1J1	841003221	862.00
Absorb Software Inc	275, 1101-9th Avenue SE Calgary AB 82G 0S7		8,108.00
Advantage 83	8E Avenue East La Sarre QC J3Z 1N5		2,425.00
Blue Ant Media Jarrod	c/o Canadian Credit Corporation 902-1200 Eglinton Ave East North York ON M3C 1H9		17,000.00
Business Development Bank of Canada Special Accounts	100-700 Silver Seven Road Kanata ON K2V 1C3		150,000.00
Calstone Search Group Inc.	151 Pine Street Sudbury ON P3C 1X2		19,775.00
Cisco Webex c/o 912501	PO Box 4090 Stn A Toronto ON M5W 1A8		1,945.00
Cliff Hudson Ms. Samara Belitzky	c/o Samfiru Tumarkin LLP 300 - 116 Albert Street Ottawa ON K1P 5G3		250.00
CRA - non-tax Programs London Tax Services Office Processing Systems Section - Bankruptcy	PO Box 2517, 451 Talbot St. 11th Fl London ON N6A 4G9	Payroll Deductions	1,000,000.00
CRA - non-tax Programs London Tax Services Office Processing Systems Section - Bankruptcy	PO Box 2517, 451 Talbot St. 11th Fl London ON N6A 4G9	HST	650,000.00
DiBrina Sure Benefits Consulting	302-62 Froot Road Sudbury ON P3C 4Z3		9,042.00
Enterprise Fleet Management Canada Inc.	709 Milner Avenue Scarborough ON M1B 6B6		250.00

District of: Ontario  
 Division No. 02 - Sudbury  
 Court No.  
 Estate No.

- FORM 33 -  
 Notice of Intention To Make a Proposal  
 (Subsection 50.4(1) of the Act)

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Esso/Imperial Oil - C460; 463; 464; 465; 466 Bankruptcies c/o FCT Default Solutions, Insolvency Department	PO Box 2514 Station B London ON N6A 4G9		2,619.00
Gerry and Leah Curruthers Jesse J Cond	c/o O'Neill, DeLorenzi, Mendes, Nanne Lawyers 116 Spring Street Sault Ste. Marie ON P6A 3A1		1,881.90
Hawkigg Inc.	68 Lawson Cres RR#1 Rosseau ON P0C 1J0		411.00
Hyland Carpet One	250 Lorne Street Sudbury ON P3C 4P7		2,533.00
Ian Switall Carlo Caradonna	c/o Ministry of Labour 70 Foster Drive, Suite 410 Sault Ste. Marie ON P6A 6V4		250.00
Janix Corp	2335 Lasalle Blvd Sudbury ON P3A 2A9		283.00
Jeremy Sametz Sabina Haasova	Samfiru Tumarkin LLP 350 Bay Street, 10th Floor Toronto ON M5H 2S6		250.00
LBEL Inc.	PO Box 4094 Station A Toronto ON P5W 3T1		378.00
Manitoba Finance - Taxation Division Collection	101 - 401 York Avenue Winnipeg MB R3C 0P8		2,638.00
Michael Wood	c/o Ministry of Labour 70 Foster Drive, Suite 410 Sault Ste. Marie ON P6A 6V4		250.00
Ministry of Finance - ON PST, EHT & Other Taxes Mrs. Asta Alberry	Ministry of Revenue 33 King Street West 6th Floor Oshawa ON L1H 8H5		200,000.00
Ministry of Finance - Saskatchewan Collection Enforcement Department	PO Box 200 Regina SK S4P 2Z6	2596039	2,328.00

District of: Ontario  
 Division No. 02 - Sudbury  
 Court No.  
 Estate No.

- FORM 33 -  
 Notice of Intention To Make a Proposal  
 (Subsection 50.4(1) of the Act)

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Ministry of Finance - Saskatchewan Collection Enforcement Department	PO Box 200 Regina SK S4P 2Z6	2596039	2,328.00
MNP LLP - Sudbury	1970 Paris Street Sudbury ON P3E 3C8		10,699.00
North Wind Installation Inc.	8382 Wellington Road 109 Arthur ON N0G 1A0		7,012.00
Sean Senecal	c/o Ministry of Labour 70 Foster Drive, Suite 410 Sault Ste. Marie ON P6A 6V4		250.00
Signeffects	8-1275 Kelly Lake Road Sudbury ON P3E 5P5		11,297.00
Sujay D'Souza	206-2900 Gibford Drive Ottawa ON K1V 2R4		5,500.00
The Bank of Nova Scotia Neel Chopra	40 King Street West, 26th Floor Toronto ON M5H 3Y2		150,000.00
The Bank of Nova Scotia Neel Chopra	40 King Street West, 26th Floor Toronto ON M5H 3Y2		635,000.00
William Day Construction Ltd	Box 700 2500 Elm Street Copper Cliff ON P0M 1N0		3,082.00
Workforce Inc.	151 Pine Street Sudbury ON P3C 1X2		15,464.00
Xplornet Communications Inc. Collections	300 Lockhart Mill Rd, PO Box 9060 Woodstock NB E7M 6B5		12,124.00
<b>Total</b>			<b>2,926,234.90</b>

  
 \_\_\_\_\_  
 6396763 Canada Inc.  
 Insolvent Person



Industry Canada  
Office of the Superintendent  
of Bankruptcy Canada

Industrie Canada  
Bureau du surintendant  
des faillites Canada

District of           Ontario  
Division No.       02 - Sudbury  
Court No.           31-2449670  
Estate No.         31-2449670

In the Matter of the Notice of Intention to make a  
proposal of:

**6396763 Canada Inc.**  
Insolvent Person

**BDO CANADA LIMITED / BDO CANADA LIMITÉE**  
Licensed Insolvency Trustee

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Date of the Notice of Intention:                                  November 29, 2018

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CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL  
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: November 30, 2018, 08:14

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

**Canada**<sup>133</sup>

## Appendix “B”

### Report of the Proposed Court Appointed Receiver

District of Ontario  
Division No. 02 - Sudbury  
Court #: 31-2449670  
Estate #: 31-2449670

**IN THE MATTER OF THE PROPOSAL OF  
6396763 CANADA INC.  
OF THE CITY OF GREATER SUDBURY,  
IN THE PROVINCE OF ONTARIO**

**PROPOSAL  
DECEMBER 28, 2018**

6396763 Canada Inc. (“TIG” or the “Company”), hereby submits the following Proposal under Part III, Division I of the Bankruptcy and Insolvency Act.

**ARTICLE 1  
DEFINITIONS**

1.1 In this Proposal, the following words and phrases shall have the following respective meanings:

“6756051 Canada Inc.” (“6051” or “Holdco”) means 6756051 Canada Inc., a company wholly-owned by Robert Lefebvre, a related party;

“Act” means the Bankruptcy and Insolvency Act, R.S.C., 1985, c.B-3 as amended from time to time;

“Administrative Fees and Expenses” means the proper fees and expenses of the Proposal Trustee, as well as the legal fees and disbursements of TIG and the Proposal Trustee on or incidental to the NOI and this Proposal, the negotiations in connection with the preparation of this Proposal and any subsequent Proposals, and the proceedings arising out of this Proposal and any subsequent Proposals including advice to TIG;

“Affected Claims” means the claims of the Crown, Preferred Creditors and Unsecured Creditors;



**“Affected Creditors”** means those creditors holding Affected Claims;

**“BDC”** means the Business Development Bank of Canada;

**“BNS”** means the Bank of Nova Scotia;

**“Claim”** means any right or claim of any person against TIG, in connection with or relating to any indebtedness, liability, action, cause of action, suit, debt due, trust obligations, account, bond, covenant, contract, counterclaim, demand, claim, right and obligation of any nature whatsoever, whether liquidated un-liquidated, fixed, contingent, mature, legal, equitable secured, present, future, known or unknown, and whether by guarantee, surety or otherwise in any way, and whether in whole or in part, incurred or arising or relating to the period prior to or existing on the NOI Date with respect to any matter, action, cause or chose in action whether existing at present or commenced in the future based in whole or in part on facts events or matters which existed or occurred on or before the NOI Date, including, without limitation any and all claims in respect of the costs of remedying any environmental condition or damage affecting real property, and Severance Claims.

**“Crown Claims”** means claims of Her Majesty in Right of Canada or any Province of Canada as defined in s. 60(1.1) of the Act, for which the Crown has priority or preference to the claims of Unsecured Creditors;

**“Court”** means Superior Court of Justice, in Bankruptcy;

**“Court Approval Date”** means the date on which the Court makes the Approval Order;

**“CRA”** means Canada Revenue Agency;

**“Creditors’ Meeting”** means the meeting of Creditors called for the purpose of considering and voting upon the Proposal;

**“Deficiency Claims”** means the Claim of a Secured Creditor net of its Secured Claim;

**“Director Claims”** means claims against directors of the Company that arose before the NOI Date and that relate to the obligations of the Company for which the directors are by law liable in their capacity as directors for the payment of such obligations. Director Claims do not include claims that (a) relate to contractual rights of one or more creditors arising from contracts with one or more directors; or (b) are based on allegations of misrepresentation made by directors to creditors or of wrongful or oppressive conduct by directors;

**“Employee Claims”** means claims of employees or former employees for amounts equal to the amounts that they would be qualified to receive under section 136(1)(d) of the Act if TIG became bankrupt on the NOI Date, as well as wages, salaries, commissions or compensation for services rendered after that date and before Court approval of this Proposal, together with, in the case of travelling salesmen, disbursements properly incurred by those salesmen in and about the bankrupt’s business during the same period. For greater certainty, Employee Claims do not include any amounts claimed by employees or former employees on account of Severance Claims;

**“Effective Date”** shall mean the date on which the Proposal is approved by the Court and is final and non-appealable;

**“Event of Default”** has the meaning given to it in Article 7 of this Proposal;

**“Intercompany Loan”** means the aggregate intercompany payable owing from various Related Party Persons to TIG in the approximate amount of \$1,700,000;

**“Holdco Secured Creditors”** means BNS pursuant to a first ranking general security agreement and collateral mortgage;

**“Holdco Unsecured Creditors”** means BDC Unsecured Claim by TIG guaranteed by Holdco and the Intercompany Loan owing to TIG;

**“NOI”** means the Notice of Intention to Make a Proposal filed by TIG on November 29, 2018;

**“NOI Date”** means November 29, 2018;

**“Person”** means any individual, partnership, joint venture, trust, corporation, unincorporated organization, government or any agency or instrumentality thereof, or any other entity howsoever designated or constituted;

**“Performance of the Proposal”** means the payment to the Creditors of the monies referred to in Article 4 and 5;

**“Post Filing Goods and Services”** means in respect of the Proposal the goods supplied, services rendered and other consideration given to the Company subsequent to the NOI Date;

**“Preferred Creditors”** means persons entitled to a claim under section 136(1) of the Act;

**“Priority Amounts”** means payment in full of the Holdco Secured Creditor and then payment on a pro rata basis to the Holdco Unsecured Creditors;

**“Proposal”** means this Proposal, as the same may be amended or altered in accordance with the terms hereof;

**“Proposal Approval Order”** means the order of the Court approving this Proposal pursuant to the provisions of the Act;

**“Proposal Date”** means the date this Proposal is filed with the Official Receiver;

**“Proposal Funds”** means the sum of the Proposal Implementation Fund, Surplus Real Estate Funds and Top-Up Funds which shall be paid by TIG to the Proposal Trustee in accordance with Article 4 of this Proposal

**“Proposal Implementation Fund”** means a fund established pursuant to this Proposal in the amount of \$750,000 which shall be maintained as a segregated escrow account by

the Proposal Trustee, and distributed by the Proposal Trustee to pay the amounts contemplated under and in accordance with Articles 3 and 4 this Proposal;

**"Proposal Trustee"** means BDO Canada Limited;

**"Proven Claim"** means the amount of the Claim of such Creditor determined in accordance with the provisions of the BIA;

**"Real Estate Transactions"** means the Holdco Real Estate properties, as more particularly described in Article 3.2 (c) of this Proposal;

**"Related Party"** means persons or corporations, who or which, as regards to the Company, meet the definition of "related person" pursuant to Section 4 of the Act;

**"Secured Claims"** means Claims in respect of which a Creditor holds Security that is validly attached and perfected as of the NOI Date, provided however such Claims shall be Secured Claims only to the extent of the realizable value of the assets secured by the Security, as such realizable value is determined (a) by agreement between the Creditor holding such Security and TIG or (b) by a court of competent jurisdiction;

**"Secured Creditor"** means a creditor holding a Secured Claim, solely in respect of its Secured Claim;

**"Severance Claims"** means any and all claims to which the Company is or will be subject for damages, severance entitlements or termination entitlements arising from or under (a) the Ontario Employment Standards Act or any other applicable statute, (b) common law, and/or (c) any express or implied agreement which claims are as a result of the termination by TIG, on or before the Proposal Date, of any person's employment;

**"Surplus Real Estate Funds"** means the net sale proceeds from the Real Estate Transactions remaining following the payment of the Priority Amounts;

**"Top-up Funds"** means the additional amount payable to the Affected Creditors, to the bring the total Proposal Fund to \$1,100,000;

**"Unsecured Creditors"** means those Persons with claims that are provable pursuant to the Act in respect of debts and liabilities present or future, including contingent claims, to which TIG is subject as of the NOI Date, or to which it may become subject before its discharge by reason of any obligations incurred or any obligation based in whole or in part on facts, events or matters which existed or occurred on or before the NOI Date including without limitation Severance Claims, Director Claims, and Deficiency Claims;

**"Unaffected Claim"** has the meaning ascribed to in paragraph 2.5; and

**"Unaffected Creditor"** means the holder of an Unaffected Claim.

## **ARTICLE II GENERAL INTENT**

2.1 The Company filed a NOI on November 29, 2018. The NOI was filed by TIG in order to obtain a stay of proceedings against its creditors while it completed its strategic review process and formulated its Proposal.

### 2.2 **Purpose of Proposal**

- a) The purpose of the proposal is to allow TIG to effect a compromise of the Claims of the Creditors of the Company, including statutory claims against Directors, in accordance with subsections 50(13) to 50(15) of the Act, in the expectation that Creditors will derive a greater benefit from the restructuring than they would otherwise receive from a forced liquidation of TIG.
- b) The Proposal of TIG will allow the Company to continue its operations thus providing ongoing employment to approximately 90 employees and an opportunity for suppliers and customers to continue their business relationship with the Company.

### **2.3 Effect of Proposal**

This Proposal restructures the affairs of the Company and amends the terms of any and all agreements between the Debtor and the Creditors existing as at the NOI Date and provides the essential terms on which all Claims will be fully and finally resolved and settled.

### **2.4 Persons Affected**

This proposal will be as of the Effective Date, be binding on the Company and on all Creditors, including the Crown, to whom this Proposal is made.

### **2.5 Persons Not Affected**

This Proposal does not affect Unaffected Creditors. Unaffected Claims shall be comprised of the Related Party Claims and certain Secured Creditors. For greater certainty, Unaffected Claims shall not be compromised, settled, satisfied, released or discharged by the Proposal, and Unaffected Creditors are ineligible to vote on this Proposal and shall not be entitled to a distribution pursuant to this Proposal.

## **ARTICLE III TREATMENT AND COMPROMISE OF VARIOUS CLAIMS**

### **3.1 Classes of Creditors**

For the purposes of considering and voting upon this Proposal there shall be one class of creditors, being the Unsecured Creditors Class. All Unsecured Creditors of the Company shall vote in one class.

### **3.2 Secured Claims**

The Claims of the Secured Creditors of the Company with Proven Claims, shall be dealt with as follows:

- a) The Master Equity Lease Agreement which exists between the Company and Enterprise Fleet Management (“Enterprise”) shall be paid and satisfied by the Company in accordance with the applicable agreement or as otherwise agreed to between the Company and Enterprise.
- b) Enterprise may have either a liquidated or anticipated deficiency after realization of their security and will be entitled to file as an Unsecured Creditor under Article 5.1 (d) for such deficiency.
- c) The Security Agreement which exists between TIG and BNS in connection with the operating line of credit, secured by a first ranking charge on all of the Assets of TIG and Holdco, shall be paid and satisfied in full from the sale proceeds of the properties located at 10 Bulmer Avenue and 278 Lorne Street, in Sudbury, Ontario, subject to the Proposal Trustee obtaining an acceptable opinion from legal counsel as to the validity and enforceability thereof.
- d) The rights of BNS to enforce their security shall be postponed in order to facilitate the sale of the properties, owned by Holdco, which are expected to generate a surplus following payment of the BNS Secured Claim. BNS in exchange for a release of their security against the assets sold, will be paid the principal owed to them plus all interest accruing before and after the NOI Date as agreed to between BNS and TIG from time to time.
- e) Sale proceeds realized from the Real Estate Transactions shall be paid in the following manner: (i) payment in full of the Holdco Secured Claim (ii) payment of the balance, if any, to the Holdco Unsecured Claims on a pro rata basis (iii) the payment to TIG representing the Surplus Real Estate Funds is to be distributed to the Affected Creditors.

### 3.3 **Administrative Fees and Expenses**

Payment of the Administrative Fees and Expenses for this Proposal shall be paid in full from the Proposal Funds in priority to all other claims.

### 3.4 **Crown Claims**

The Crown Claims shall be paid within six (6) months of the date of the Approval Order unless otherwise agreed to by both parties.

At the NOI Date, TIG owes approximately \$775,000 to CRA for employee source deductions withheld but not remitted plus related penalties and interest.

During the term of this Proposal, TIG will remit all required employee source deductions and other applicable tax remittances to CRA when due.

### 3.5 **Preferred Claims**

The Proven Claims of the Preferred Creditors are to be paid in full in priority to the Proven Claims of the Unsecured Creditors in accordance with the Act and this Proposal.

### 3.6 **Unsecured Claims**

The Proven claims of the Unsecured Creditors, will be satisfied or paid as provided by Article 5.1(d)

### 3.7 **Related Party Claims**

Persons related to the Debtor, including its shareholders, will not be entitled to receive distributions under the Proposal. The claims of related parties will be subordinated to the payments of the Secured, Preferred and Unsecured Creditors.



### **3.8 Post Filing Goods and Services**

All Post Filing Goods and Services of the Company incurred after the NOI Date shall be paid for in full, in the ordinary course and on terms agreed to between the TIG and its respective creditors. The company agrees that the Proposal Trustee shall not in any case be responsible for ensuring that payment is duly made to persons supplying Post Filing Goods and Services.

### **3.9 Rights of Set-off**

Creditors dealing with the Company following the NOI Date shall have no right for set-off.

## **ARTICLE IV FUNDING OF PROPOSAL**

4.1 Subject to the satisfaction of all Conditions Precedent pursuant to Article 6 of this Proposal, the Proposal Funds shall be paid by the Company to the Proposal Trustee in the amount of \$1,100,000 as outlined below.

### **4.2 Proposal Implementation Fund**

On or before the Effective Date the debtor shall pay, or make arrangements satisfactory to the Proposal Trustee in the amount of \$750,000. Such funds shall be held by the Proposal Trustee for distribution to Crown Claims, and to all other Affected Creditors pending satisfaction of all other Conditions Precedent.

### **4.3 Surplus Real Estate Funds**

The Company has commenced a process to seek offers to purchase and or refinance the Holdco Real Estate properties. If such a transaction or transaction are concluded, payment to the Proposal Trustee shall be made immediately on receipt of the net sale proceeds subject to payment of the priority as contemplated in Article 3.2 (e) of the Proposal.

#### 4.4 Top-up Funds

Additional funds will be obtained by the Company, its Directors and or other related parties for the purposes of bringing the total Proposal Fund upto \$1,100,000.

### ARTICLE V DISTRIBUTION OF THE PROPOSAL FUNDS

- 5.1 The Proposal Funds shall be distributed by the Proposal Trustee in the following order of priority:
- (a) first, to pay the Administrative Fees and Expenses in full, to the extent not otherwise paid by the Company;
  - (b) second, to proven claims of the Crown in accordance with Article 3.4 of this Proposal;
  - (c) third, to each Preferred Creditor in respect of its proven claim in the priority established by the Act; and
  - (d) fourth, the remaining Proposal Funds after the making of the distributions contemplated above will be paid to each Unsecured Creditor on a *pro rata* basis.

### ARTICLE VI CONDITIONS PRECEDENT

- 6.1 The Proposal Trustee shall call a Creditors' Meeting of the Affected Creditors to seek creditor approval for this Proposal in the requisite majority in number and in value of the Unsecured Creditors as set out in the Act.
- 6.2 If the Affected Creditors do not approve the Proposal, the Proposal shall be deemed refused, TIG shall be deemed to be a bankrupt, and the Proposal Trustee shall report as required under section 57 of the Act.

- 6.3 After obtaining creditor approval, the Proposal is subject to the following conditions being satisfied in the sole opinion of TIG or the waiver of any such conditions by TIG:
- a) this Proposal has been approved by the Court and the Court granting the requisite Approval Order;
  - b) sale of the Real Estate Transactions have been completed; and
  - c) all other actions, documents and agreements necessary to implement the proposal as required herein shall have been effected and executed.
- 6.4 If any of the conditions subsequent to creditor approval is not met the Proposal will be null and void regardless of whether the Affected Creditors approve the Proposal and the Proposal Trustee shall notify creditors of the failure of the Proposal and report to the Court.

#### **ARTICLE VII EVENTS OF DEFAULT**

- 7.1 The non-fulfillment or satisfaction of any Conditions Precedent in Article 6 shall constitute a default under this Proposal for the purposes of section 62.1 of the Act and otherwise under this Proposal.
- 7.2 Where default is made in the performance of any provision of this Proposal and the default is not remedied by the Company or waived by the inspectors, or in the absence of inspectors, by a majority of the Creditors as defined in dollar value of proven claims, within thirty (30) days immediately following the default, the Proposal Trustee shall so inform all of the Creditors and the Official Receiver in the manner prescribed pursuant to the Act.

**ARTICLE VIII  
PROPOSAL TRUSTEE**

- 8.1 BDO Canada Limited, acting in its capacity as Proposal Trustee under this Proposal and not in its personal capacity, shall not incur any liabilities or obligations in connection with this Proposal or in respect of the business or obligations of TIG whether existing as at the NOI Date or incurred subsequent thereto, except to the extent that the liability or obligation is paid from the Proposal.
- 8.2 The Proposal Trustee shall be the Trustee under this Proposal and all monies payable under this Proposal, unless otherwise provided herein, shall be paid to the Proposal Trustee who shall make the payment of all dividends in accordance with the terms of this Proposal.
- 8.3 The Proposal Trustee is acting in its capacity as Proposal Trustee and not in its personal capacity and no officer, director, employee or agent of the Proposal Trustee shall incur any obligations or liabilities in connection with this Proposal or in connection with the business or liabilities of the Debtor.
- 8.4 Any payments made by the Proposal Trustee to Creditors hereunder shall be made by the Proposal Trustee net of any levies payable or due under the Act.

**ARTICLE IX  
COMPLETION OF THE PROPOSAL**

- 9.1 Upon the Proposal Trustee's confirmation that all conditions under Articles 6 have been met, the Proposal shall be deemed to be fully performed and the Proposal Trustee shall provide the Company and the Official Receiver with a Certificate of Full Performance.

**ARTICLE X  
AMENDMENT OF PROPOSAL**

- 10.1 The Company may at the Creditors' Meeting and at any time and from time to time, vary, amend, modify or supplement this Proposal with the consent of the Proposal Trustee;
- 10.2 Any amendment, modification or supplement to this Proposal may be proposed by the Company with the consent of the Proposal Trustee at any time prior to or at the Creditors' Meeting, with or without any prior notice or communication, and if so proposed and affected at the Creditors' Meeting, shall become part of this Proposal for all purposes.
- 10.3 The Company reserves the right to amend, restate, modify and/or supplement this Proposal following the Creditors' Meeting, provided that any such amendment, restatement, modification or supplement must be contained in a written document that is (i) filed and approved by the Court, and (ii) approved by the Proposal Trustee, and communicated to the Creditors in the manner required by the Court (if so required).
- 10.4 Any amendment the right to amend, restate, modify and/or supplement this Proposal following the Creditors' Meeting, provided that any such amendment, restatement, modification or supplement must be contained in a written document that is (i) filed and approved by the Court, and (ii) approved by the Proposal Trustee, and communicated to the Creditors in the manner required by the Court (if so required).
- 10.5 Any amendment, modification or supplement to this Proposal may be made following the Creditors' Meeting by the Company, with the consent of the Proposal Trustee, without requiring filing with, or approval of, the Court, provided that it concerns a matter which is of an administrative nature and is required to better give effect to the implementation of this Proposal and is not adverse to the financial interests of any Creditors

**ARTICLE XI  
GENERAL**

- 11.1 On the Proposal Implementation Date, all Affected Creditors shall be deemed to have consented and agreed to all the provisions of this Proposal in its entirety. Each Affected Creditor will be deemed to have waived any default by the Company in any provision, expressed or implied or in any agreement existing between the Affected Creditors and TIG that occurred on or prior to the NOI Date. Each Affected Creditor will be deemed to have agreed that , to the extent there is any conflict between the provisions of any such agreement and the provisions of this Proposal, the provisions of the Proposal take precedence and the provisions of any such agreement are amended accordingly.
- 11.2 On the Proposal Implementation Date, all Affected Creditors shall be deemed to have consented and agreed to all the provisions of this Proposal in its entirety. Each Affected Creditor will be deemed to have waived any default by the Company in any provision, expressed or implied or in any agreement existing between the Affected Creditors and TIG that occurred on or prior to the NOI Date. Each Affected Creditor will be deemed to have agreed that , to the extent there is any conflict between the provisions of any such agreement and the provisions of this Proposal, the provisions of the Proposal take precedence and the provisions of any such agreement are amended accordingly.
- 11.3 Inspectors may appointed at the Creditors' Meeting held to vote on this Proposal and will be entitled to appoint one or more, but not exceeding five inspectors in total. In the event the Creditors elect not to appoint Inspectors, the power of the Inspectors as provided for in the Act shall devolve to the Proposal Trustee. Any decision, direction or act of the Inspectors may be referred to the Court by the Proposal Trustee and the Court may confirm, reverse or modify the decision, direction or act and make such order as it considers just. The authority and term of office of the Inspectors shall terminate upon the discharge of the Proposal Trustee.
- 11.4 Sections 95 – 101 of the Act shall not apply to any dealings by TIG at any time pror to the NOI Date. The releases contemplated under Article 12.1 of this Proposal includes a release in favour of the Released Parties and TIG of all claims, actions or remedies available to creditors or others pursuant to Section 95 – 101 of the Act.


**ARTICLE XII  
RELEASES**


- 12.1 Any Director Claims of the Company that arose before the NOI Date regardless of the date of crystallization of such claim and that relate to the obligations of the Company arising during the period before that date where the directors are by law liable in their capacity as directors for payment of such obligations, shall be deemed to be fully satisfied by the terms of this proposal and shall not be enforceable against those directors in law or in equity. Claims that relate to contractual rights of one or more creditors arising from contracts with one or more directors or based on allegations of misrepresentation made by directors to creditors or for wrongful or oppressive conduct by directors are not released.
- 12.2 The payments of amounts under this Proposal on account of provable Claims of Affected Creditors shall constitute payment in full and final satisfaction of their Claims provable against TIG to the NOI Date, which claims shall be deemed to be forever settled and discharged and no such affected Creditor shall have any further Claim against TIG in respect of all or any portion of such debt.
- 12.3 Any release contemplated in Article 12.1 shall not be obtained or be valid in case of any uncured default in the performance of this Proposal.

Dated at Sudbury, Ontario this 28<sup>th</sup> day of December, 2018.

**6396763 Canada Inc.**

Per:

  
Name: Robert Lefebvre  
Title: President and CEO

  
WITNESS

## Appendix "C"

### Report of the Proposed Court Appointed Receiver



**AGREEMENT OF PURCHASE AND SALE**

**THIS AGREEMENT** made this 7th day of November, 2019.

**BETWEEN:**

**BDO CANADA LIMITED (“BDO”),**  
in its capacity as the court-appointed receiver and manager  
of all the assets, undertakings and properties of  
6396763 Canada Inc. and not in its personal capacity

(in such capacity, the “**Receiver**”)

- and -

**2722703 ONTARIO INC .,**  
a corporation incorporated under the laws  
of the Province of Ontario

(the “**Purchaser**”)

- and -

**6396763 CANADA INC.,**  
a corporation incorporated under the laws  
of Canada

(“**TIG**”)

- and -

**6622828 CANADA INC.,**  
a corporation incorporated under the laws  
of Canada

(“**TWA**”)

**WHEREAS** it is anticipated that BDO will be appointed as Receiver of all of the property, assets and undertakings of TIG pursuant to and in accordance with the terms of an order issued by the Ontario Superior Court of Justice (Commercial List) (the “**Court**”);

**AND WHEREAS** the Purchaser wishes to purchase and the Receiver wishes to sell the TIG Purchased Assets (as defined herein) upon the terms and subject to the conditions set out herein;

**AND WHEREAS** the Purchaser wishes to purchase and TWA wishes to sell the TWA Purchased Assets (as defined herein) upon the terms and subject to the conditions set out herein;

**NOW THEREFORE**, in consideration of the promises, mutual covenants and agreements contained in this Agreement (as defined herein), and for other good and valuable consideration, the receipt and sufficiency of which are each hereby acknowledged by the Parties (as defined herein), the Parties agree as follows:

**Article 1  
DEFINED TERMS**

**1.01 Definitions.**

In this Agreement:

- (a) **“Agreement”** means this asset purchase agreement, including all schedules and all amendments or restatements, as permitted, and references to “article”, “section” or “schedule” mean the specified article, section of, or schedule to this Agreement and the expressions “hereof”, “herein”, “hereto”, “hereunder”, “hereby” and similar expressions refer to this Agreement and not to any particular section or other portion of this Agreement;
- (b) **“Applicable Law”** means, with respect to any Person, property, transaction, event or other matter, all applicable laws, statutes, regulations, rules, by-laws, ordinances, protocols, regulatory policies, codes, guidelines, official directives, orders, rulings, judgments and decrees of any Governmental Authority;
- (c) **“Appointment Order”** means the order made by the Court appointing BDO as Receiver of the property, assets and undertakings of TIG;
- (d) **“Approval and Vesting Order”** means an order made by the Court approving the Transaction and vesting in the Purchaser all of the right, title and interest of TIG and TWA in the Purchased Assets, as applicable, free and clear of all Claims and Encumbrances. For greater certainty, the Approval and Vesting Order shall be substantially in the form attached as **Schedule “A”** hereto;
- (e) **“Assigned Contracts”** means those Contracts set out in **Schedule “C”**;
- (f) **“Assignment and Assumption Agreement”** means an agreement pursuant to which the Receiver will assign the Assigned Contracts to the Purchaser and the Purchaser will assume the Assumed Liabilities arising after the Time of Closing, in the form attached to this Agreement as **Schedule “F”**;
- (g) **“Assumed Liabilities”** has the meaning set out in Section 3.05(a);
- (h) **“Business”** means the business carried on by TIG prior to the Time of Closing which primarily involved the installation of telecommunications systems;

- (i) “**Business Day**” means a day on which banks are open for business in the City of Toronto but does not include a Saturday, Sunday or statutory holiday in the Province of Ontario;
- (j) “**Claims**” has the meaning given in the Approval and Vesting Order;
- (k) “**Closing**” means the successful completion of the Transaction;
- (l) “**Closing Date**” has the meaning given in section 7.03(h) herein;
- (m) “**Closing Time**” means 2:00 p.m. (Toronto time) on the Closing Date;
- (n) “**Contracts**” means all the contracts, licences, leases, agreements, obligations, promises, undertakings, understandings, arrangements, documents, commitments, entitlements and engagements to which TIG is a party and relate to the Business;
- (o) “**Court**” has the meaning set out in the recitals hereof;
- (p) “**Employees**” means all persons employed by TIG in connection with the Business as at the Time of Closing;
- (q) “**Encumbrances**” has the meaning given in the Approval and Vesting Order;
- (r) “**ETA**” means the *Excise Tax Act*, R.S.C. 1985, c. E-15, as amended;
- (s) “**Governmental Authority**” means governments, regulatory authorities, governmental departments, agencies, commissions, bureaus, officials, ministers, Crown corporations, courts, bodies, boards, tribunals or dispute settlement panels or other law or regulation-making organizations or entities: (a) having or purporting to have jurisdiction on behalf of any nation, province, republic, territory, state or other geographic or political subdivision thereof; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power, and “**Governmental Authority**” means any one of them;
- (t) “**HST**” means harmonized sales tax imposed under Part IX of the ETA;
- (u) “**Intellectual Property**” means intellectual property of any nature and kind including all domestic and foreign trade-marks, business names, trade names, domain names, email addresses, trading styles, patents, trade secrets, confidential information, customer lists, sales processes, Software, industrial designs and copyrights, whether registered or unregistered, and all applications for registration thereof, and inventions, models, formulae, recipes, technical know-how, product formulations and chemistries, processes and processing methods, source code, object code technology and techniques and know-how;
- (v) “**ITA**” means the *Income Tax Act*, R.S.C. 1985, c.1, as amended;

- (w) “**Liabilities**” means all costs, expenses, charges, debts, liabilities, commitments and obligations of any nature or kind, whether accrued or fixed, actual, absolute, contingent, latent or otherwise, matured or unmatured or determined or undeterminable, including those arising under any Applicable Law or Claim and those arising under any Contract or undertaking or otherwise, including any tax liability or tort liability of TIG;
- (x) “**Non-Assignable Rights**” has the meaning set out in subsection 3.01(b);
- (y) “**Notice**” has the meaning set out in section 17.03 herein;
- (z) “**Parties**” means the Receiver, the Purchaser, TIG and TWA;
- (aa) “**Person**” means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority or other entity however designated or constituted;
- (bb) “**Premises**” means the address municipally known as 10 Bulmer Ave, Sudbury, ON P3C 3J3 with PINs 73588-0353, 73588-0736, and 73588-0823;
- (cc) “**Purchased Assets**” means collectively the TIG Purchased Assets and the TWA Purchased Assets;
- (dd) “**Purchaser**” has the meaning set out in the recitals hereof;
- (ee) “**Receiver**” has the meaning set out in the recitals hereof;
- (ff) “**Removal**” has the meaning set out in section 15.01 herein;
- (gg) “**Removal Date**” means ten (10) Business Days after the Closing Date;
- (hh) “**Software**” means all owned or licensed software including all versions thereof, and all related documentation, manuals, source code and object code, program files, data files, computer related data, field and data definitions and relationships, data definition specifications, data models, program and system logic, interfaces, program modules, routines, sub-routines, algorithms, program architecture, design concepts, system designs, program structure, sequence and organization, screen displays and report layouts, and all other material related to such software.

- (ii) “**Taxes**” means all taxes, HST, charges, fees, levies, imposts and other assessments, including all income, sales, use, goods and services, harmonized, value added, capital, capital gains, alternative, net worth, transfer, profits, withholding, payroll, employer health, excise, franchise, real property and personal property taxes, and any other taxes, customs duties, fees, assessments or similar charges in the nature of a tax, including Canada Pension Plan and provincial pension plan contributions, employment insurance payments and workers compensation premiums, together with any instalments with respect thereto, and any interest, fines and penalties, imposed by any Governmental Authority, and whether disputed or not;
- (jj) “**TIG**” has the meaning set out in the recitals hereof;
- (kk) “**TIG Accounts Receivable**” means all of TIG’s accounts receivable, bills receivable, trade accounts, book debts, HST refunds and insurance claims related to the Business, together with any unpaid interest accrued on such items and any security or collateral for such items, including recoverable deposits, attributable to the period prior to Closing;
- (ll) “**TIG Books and Records**” means all books, records, files and papers of TIG or related to the Business or the TIG Purchased Assets including drawings, engineering information, computer programs (including source code and object code), software programs, manuals and data, sales and advertising materials, sales and purchases correspondence, trade association files, research and development records, lists of present and former customers and suppliers, personnel, employment and other records, and all copies and recordings of the foregoing;
- (mm) “**TIG Deposit**” has the meaning given in section 4.02(a) herein;
- (nn) “**TIG Equipment**” means all machinery and equipment, furniture, furnishings, vehicles, vehicle leases, computer hardware and peripheral equipment, supplies and accessories owned by TIG or used in the Business and that are located at the Premises;
- (oo) “**TIG Excluded Assets**” has the meaning given in section 3.02 herein;
- (pp) “**TIG Intellectual Property**” means Intellectual Property owned by TIG;
- (qq) “**TIG Inventory**” means all the items that form part of TIG’s personal property, that are located at the Premises and that were held by TIG for sale, license, rental, lease or other distribution in the ordinary course of Business, or were being produced for sale in the ordinary course of Business, or were to be consumed, directly or indirectly, in the production of goods or services to be available for sale in the ordinary course of Business, of every kind and nature, including, without limitation, inventories of raw materials, spare parts, work-in-progress, finished goods and by-products, operating supplies and packaging materials;
- (rr) “**TIG Purchase Price**” has the meaning set out in section 4.01 herein;

- (ss) “**TIG Purchased Assets**” means all TIG Equipment, the Assigned Contracts, the TIG Books and Records, TIG Intellectual Property, TIG Software, the goodwill of the Business, and the TIG Inventory, including the property listed on the schedule attached as **Schedule “B”** hereto, other than the TIG Excluded Assets and Non-Assignable Rights;
- (tt) “**TIG Software**” means all Software owned or licensed by TIG.
- (uu) “**Time of Closing**” means effective 12:01 A.M. on the Closing Date;
- (vv) “**Transaction**” means the transaction of purchase and sale contemplated by and in accordance with this Agreement;
- (ww) “**Transferred Employees**” shall have the meaning in Section 11.03(b).
- (xx) “**TWA**” has the meaning set out in the recitals hereof;
- (yy) “**TWA Intellectual Property**” means Intellectual Property owned by TWA;
- (zz) “**TWA IP Assignment Agreement**” means an agreement pursuant to which TWA will assign TWA’s right, title and interest in and to the TWA Purchased Assets to the Purchaser, in the form attached to this Agreement as **Schedule “G”**;
- (aaa) “**TWA Purchase Price**” has the meaning set out in section 4.06 herein;
- (bbb) “**TWA Purchased Assets**” means the TWA Intellectual Property and the TWA Software;
- (ccc) “**TWA Software**” means all Software owned or licensed by TWA.

## Article 2 SCHEDULES

### 2.01 Schedules.

The following schedule is incorporated in and forms part of this Agreement:

<u>Schedule</u>	<u>Description</u>
Schedule A	Approval and Vesting Order
Schedule B	TIG Purchased Assets
Schedule C	Assigned Contracts
Schedule D	List of Employees being assumed
Schedule E	Consent of Bell Canada
Schedule F	Form of Assignment Agreement
Schedule G	Form of TWA IP Assignment Agreement
Schedule H	TWA Intellectual Property and TWA Software

**Article 3**  
**AGREEMENT TO PURCHASE**

**3.01 Purchase and Sale of TIG Purchased Assets.**

- (a) Effective as of the Closing, subject to the terms and conditions of this Agreement, the Receiver hereby agrees to sell, assign, convey and transfer to the Purchaser, and the Purchaser hereby agrees to purchase, all right, title, benefit and interest of TIG in and to the TIG Purchased Assets free and clear of all Claims and Encumbrances.
- (b) This Agreement or any document delivered in connection with this Agreement shall not constitute an assignment of any rights, benefits or remedies that are not assignable by the Receiver to the Purchaser without the required consent of one or more third party (collectively, the “**Non-Assignable Rights**”).

**3.02 TIG Excluded Assets**

Notwithstanding section 3.01 or any other provision in this Agreement to the contrary, TIG will retain its right, title, benefit and interest in and to, and the Purchaser will have no rights with respect to the right, title, benefit and interest of TIG in and to the following property and assets (the “**TIG Excluded Assets**”):

- (a) the TIG Accounts Receivable;
- (b) TIG bank accounts;
- (c) all pre-paid expenses and deposits relating to the Business including all pre-paid taxes, local improvement rates and charges, water rates and other operating costs, all pre-paid purchases of gas, oil and hydro, and all pre-paid lease payments;
- (d) the TIG Contracts, which are not Assigned Contracts;
- (e) the minute books of TIG; and
- (f) any assets that the Purchaser notifies the Receiver, at any time prior to Closing, that the Purchaser wishes to exclude from the TIG Purchased Assets.

**3.03 Purchase and Sale of TWA Purchased Assets.**

- (a) Effective as of the Closing, TWA hereby agrees to sell, assign, convey and transfer to the Purchaser, and the Purchaser hereby agrees to purchase, all right, title, benefit and interest of TWA in and to the TWA Purchased Assets free and clear of all Claims and Encumbrances.

### 3.04 Elections

- (a) The Parties will on or before the Time of Closing jointly execute an election, in the prescribed form and containing the prescribed information, to have subsection 167(1.1) of the ETA apply to the sale and purchase of the TIG Purchased Assets and/or the TWA Purchased Assets hereunder so that no Tax is payable in respect of such sale and purchase under Part IX of the ETA. The Purchaser will file such elections with the Minister of National Revenue within the time prescribed by the ETA.

### 3.05 Assumed Liabilities

- (a) At the Time of Closing, the Purchaser will assume and thereafter fulfil, perform and discharge when due the following Liabilities of TIG outstanding as at the Closing Date (collectively, the “**Assumed Liabilities**”)
- (i) all Liabilities relating to Employees as set out in section 11.03(b) and (c) in respect of the period arising after Closing; provided that such Liabilities will not include any damages, claims, complaints or any other proceeding by an Employee not offered employment with the Purchaser or by a Transferred Employee that the offer of employment by the Purchaser changed his or her terms of employment resulting in damages;
  - (ii) all Liabilities arising from or in connection with the Assigned Contracts in respect of the period arising after the Closing.

For greater certainty, the Purchaser shall not assume and shall have no obligation to discharge, perform or fulfil any Liabilities of TIG other than the Assumed Liabilities.

### 3.06 Assigned Contracts

- (a) Subject to section 3.06(c), the Purchaser, with TIG’s consent, will request any consents necessary to permit the assignment to the Purchaser of the Assigned Contracts. TIG will provide its reasonable cooperation to assist the Purchaser to obtain such consents, including providing financial and other information of TIG requested by the Purchaser or party to such Assigned Contract.



- (b) Notwithstanding anything in this Agreement to the contrary, this Agreement shall not constitute an assignment or transfer of the TIG Purchased Assets or any right thereunder if an attempted assignment or transfer, without the consent of a third Person, would constitute a breach or in any way adversely affect the rights of the Purchaser hereunder. To the extent that any of the TIG Purchased Assets to be transferred to the Purchaser on the Closing, or any claim, right or benefit arising under or resulting from such TIG Purchased Assets (collectively, the "**Rights**" and each a "**Right**") is not capable of being transferred without the approval, consent or waiver of any third Person, or if the transfer of a Right would constitute a breach of any obligation under, or a violation of, any Applicable Law unless the approval, consent or waiver of such third Person is obtained, then, except as otherwise expressly provided in this Agreement, and without limiting the rights and remedies of the Purchaser contained elsewhere in this Agreement, this Agreement shall not constitute an assignment or transfer of such Rights unless and until such approval, consent or waiver has been obtained. After the Closing and until all such Rights are transferred to the Purchaser, TIG shall:
- (i) hold the Rights as bare trustee for the Purchaser;
  - (ii) cooperate with the Purchaser in any reasonable and lawful arrangements designed to provide the benefits of such Rights to the Purchaser; and
  - (iii) enforce, at the reasonable request of and at the expense of the Purchaser, any rights of TIG arising from such Rights against any third Person, including the right to elect to terminate any such Rights in accordance with the terms of such Rights upon the written direction of the Purchaser.
- (c) So that the full value of the Rights may be realized for the benefit of the Purchaser, the Receiver shall, at the request and expense of the Purchaser, in the name of TIG or as the Purchaser may direct, take all such action and do or cause to be done all such things as are reasonably necessary or proper in order for the value of the Rights, and any moneys due and payable thereunder, are received by and enure to the benefit of the Purchaser. TIG or the Receiver shall hold as bare trustee and promptly pay to the Purchaser all moneys collected by or paid to TIG or the Receiver in respect of every such Right. To the extent that such approval, consent, or waiver has not been obtained by the 120<sup>th</sup> day following the Closing, such Right shall deemed to be a TIG Excluded Asset and the Receiver may terminate any agreement pertaining to such Right.

#### Article 4

#### PURCHASE PRICE AND SATISFACTION OF PURCHASE PRICE

##### 4.01 TIG Purchase Price.

The purchase price for the TIG Purchased Assets (not including all applicable Taxes, for which the Purchaser shall also be liable in accordance with section 5.01 herein) shall be equal to [REDACTED] plus HST as applicable (the "**TIG Purchase Price**").

**4.02 TIG Deposit.**

- (a) Upon execution of this Agreement, the Purchaser shall pay a cash deposit to the Receiver of fifty thousand dollars (\$50,000.00) (the “**TIG Deposit**”), which TIG Deposit shall be applied against the TIG Purchase Price due on completion of the Transaction on the Closing Date.
- (b) The Receiver agrees to cause the TIG Deposit to be placed in a non-interest bearing account, which shall be credited to the Purchaser on the Closing Date.
- (c) If, due to a default on the part of the Receiver, the Transaction is terminated or the Closing otherwise fails to occur, only \$30,000 of the TIG Deposit shall be returned to the Purchaser without set off or deduction.
- (d) If, due to any reason other than a default on the part of the Receiver, the Transaction is terminated or the Closing fails to occur, the TIG Deposit shall be retained by the Receiver on account of liquidated damages and the retention of the TIG Deposit shall not be deemed in any way to limit the Receiver in its ability to pursue all available rights and remedies against the Purchaser.

**4.03 Satisfaction of TIG Purchase Price.**

The Purchaser shall indefeasibly pay and satisfy the TIG Purchase Price as follows:

- (a) the TIG Deposit shall be applied against the TIG Purchase Price; and
- (b) [REDACTED] plus applicable HST on the TIG Purchase Price shall be paid by the Purchaser to the Receiver on the Closing Date, being the net amount owing after deducting the TIG Deposit from the TIG Purchase Price.

**4.04 Allocation of TIG Purchase Price.**

The TIG Purchase Price shall be allocated amongst the TIG Purchased Assets in a manner to be agreed upon by the Receiver and the Purchaser prior to the Closing Time, acting reasonably.

**4.05 Post-Closing Adjustments re TIG Purchased Assets.**

Post-Closing adjustments with respect to the sale of the TIG Purchased Assets by the Receiver to the Purchaser shall be dealt with following the Closing in a manner to be agreed upon by the Receiver and the Purchaser, acting reasonably.

**4.06 TWA Purchase Price.**

The purchase price for the TWA Purchased Assets (not including all applicable Taxes, for which the Purchaser shall also be liable in accordance with section 5.01 herein) shall be an amount equal to the indebtedness of TWA to Caisse Populaire Alliance Limitee as of the Closing Date to a maximum of \$ [REDACTED] plus HST as applicable (the “**TWA Purchase Price**”).

**4.07 Satisfaction of TWA Purchase Price.**

The Purchaser shall indefeasibly pay and satisfy the TWA Purchase Price by paying the amount directly to Caisse Populaire Alliance Limitee in exchange for a discharge of the financing statement registered against TWA under the *Personal Property Security Act* (Ontario) bearing registration number 20131002 1618 5078 5669 (file number 690774885).

**Article 5  
TAXES****5.01 Taxes.**

- (a) The Purchaser is completely and solely liable and responsible for the full payment of all Taxes in respect to the purchase and sale of the Purchased Assets and shall provide the Receiver and TWA with proof of payment of such Taxes or, if applicable, provide the Receiver and TWA with appropriate tax exemption certificates.
- (b) The Purchaser hereby agrees to indemnify and hold the Receiver and TWA harmless from and against any and all costs, expenses, liabilities and damages incurred or suffered by the Receiver and TWA as a result of the failure of the Purchaser to pay any of the Taxes exigible in connection with the Transaction.

**Article 6  
CLOSING ARRANGEMENTS****6.01 Closing.**

Closing shall take place at the Closing Time on the Closing Date at the offices of the Receiver's lawyers, or on such other time and at such other place as the Parties may agree upon in writing.

**6.02 Tender.**

Any tender of documents or money under this Agreement may be made upon the Parties or their respective lawyers, and money may be tendered by official bank draft drawn upon a Canadian chartered bank, by negotiable cheque payable in Canadian currency and certified by a Canadian chartered bank or trust company, or by wire transfer of immediately available funds to the account specified by the receiving Party.

**6.03 Receiver's Closing Deliverables.**

The Receiver covenants to execute, where applicable, and deliver the following to the Purchaser at Closing or on such other date as expressly provided herein:

- (a) a copy of the issued and entered Appointment Order;
- (b) a copy of the issued and entered Approval and Vesting Order;

- (c) a certificate executed by the Receiver confirming that the representations and warranties of the Receiver in this Agreement are true and correct in all respects as of the Time of Closing;
- (d) an Assignment and Assumption Agreement duly executed by the Receiver, effecting the assignment to and assumption by the Purchaser of the TIG Purchased Assets and the Assumed Liabilities.
- (e) a certificate from the Receiver, dated as of the Closing Date, certifying that the Transaction has closed to the satisfaction of the Receiver; and
- (f) such further documentation relating to the completion of the Transaction as shall be otherwise referred to herein or required by Applicable Law or any Government Authority.

#### **6.04 Purchaser's Closing Deliverables.**

The Purchaser covenants to execute, where applicable, and deliver the following to the Receiver and TWA, as applicable, at Closing or on such other date as expressly provided herein:

- (a) the indefeasible payment and satisfaction in full of the TIG Purchase Price according to section 4.03 hereof;
- (b) the indefeasible payment and satisfaction in full of the TWA Purchase Price according to section 4.07 hereof;
- (c) a certificate executed by the Purchaser confirming that the representations and warranties of the Purchaser in this Agreement are true and correct in all respects as of the Time of Closing;
- (d) an acknowledgement, dated as of the Closing Date, that each of the conditions in section 7.03 hereof has been fulfilled, performed or waived as of the Closing Time;
- (e) payment or evidence of payment of all applicable Taxes or, if applicable, appropriate tax exemption certificates in accordance with article 5 hereof; and
- (f) such further documentation relating to the completion of the Transaction as shall be otherwise referred to herein or required by Applicable Law or any Government Authority.

#### **6.05 TWA's Closing Deliverables.**

TWA covenants to execute, where applicable, and deliver the following to the Purchaser, at Closing or such other date as expressly provided for herein:

- (a) the TWA IP Assignment Agreement duly executed by TWA, transferring all of TWA's right, title and interest in the TWA Intellectual Property and TWA Software to the Purchaser; and

- (b) a certificate executed by TWA confirming that the representations and warranties of TWA in this Agreement are true and correct in all respects as of the Time of Closing.

**Article 7**  
**CONDITIONS PRECEDENT TO CLOSING**

**7.01 Conditions In Favour of the Receiver.**

The obligation of the Receiver to complete the Transaction is subject and conditional to the satisfaction of the following conditions on or before the Closing Date:

- (a) the issuance of the Appointment Order and the Approval and Vesting Order;
- (b) all the representations and warranties of the Purchaser contained in this Agreement shall be true and correct on the Closing Date;
- (c) all the covenants of the Purchaser contained in this Agreement to be performed on or before the Closing Date shall have been duly performed by the Purchaser;
- (d) the Purchaser shall have complied with all terms and conditions contained in this Agreement applicable to it prior to the Closing Date; and
- (e) there shall be no Claim, litigation or proceedings pending or threatened or order issued by a Governmental Authority against any of the Parties, or involving any of the TIG Purchased Assets, for the purpose of enjoining, preventing or restraining the completion of the Transaction or otherwise claiming that such completion is improper.

**7.02 Conditions in Favour of Receiver Not Fulfilled.**

If any of the conditions contained in section 7.01 hereof is not fulfilled on or prior to the Closing Date, then the Receiver may, at its sole discretion and without limiting any rights or remedies available to it at law or in equity:

- (a) terminate this Agreement by notice to the Purchaser, and the Receiver shall retain the TIG Deposit pursuant to section 4.02 hereof, in which event the Receiver shall be released from its obligations under this Agreement to complete the Transaction; or
- (b) waive compliance with any such condition without prejudice to the right of termination in respect of the non-fulfillment of any other condition.

**7.03 Conditions In Favour of the Purchaser.**

The obligation of the Purchaser to complete the Transaction is subject and conditional to the satisfaction of the following conditions on or before the Closing Date:

- (a) all the representations and warranties of the Receiver and TWA contained in this Agreement shall be true and correct on the Closing Date;

- (b) all the covenants of the Receiver and TWA under this Agreement to be performed on or before the Closing Date shall have been duly performed by the Receiver;
- (c) the Receiver and TWA shall have complied with all terms and conditions contained in this Agreement applicable to it prior to the Closing Date;
- (d) the Court shall have issued the Appointment Order and the Approval and Vesting Order;
- (e) the Purchaser shall sign a lease agreement (one year initial term, with two 2-year renewal periods) for the Premises located at 10 Bulmer Avenue, on standard industry terms, at market related rates and on terms acceptable to all parties for the square footage within the property required by TIG to operate, each acting reasonably;
- (f) the Purchaser shall obtain, from Bell Canada the required consent and approval for the Transaction contemplated herein, attached at **Schedule "E"**;
- (g) the Receiver shall use its best efforts, where required, to obtain consents of all requisite parties to the assignment of contracts forming part of the TIG Purchased Assets;
- (h) the Agreement shall provide that the closing of the Transaction shall be one (1) business day following the Approval and Vesting Order being granted or such other date as agreed to in writing by the Parties (the "**Closing Date**");
- (i) there has been no material change in the business of TIG or material difference in any information received by the Purchaser of TIG, and TIG shall (1) operate the Business in the ordinary course, (2) maintain and keep the TIG Purchased Assets in their present state, and (3) not make any material changes in the terms of employment of the employees of TIG.

#### **7.04 Conditions in Favour of Purchaser Not Fulfilled.**

If any of the conditions contained in section 7.03 hereof is not fulfilled on or prior to the Closing Date, then the Purchaser may, in its sole discretion and without limiting its rights or remedies available at law or in equity:

- (a) terminate this Agreement by notice to the Receiver, and the Receiver shall return the TIG Deposit without interest pursuant to section 4.02 hereof, in which event the Purchaser and the Receiver shall be released from their obligations under this Agreement to complete the Transaction; or
- (b) waive compliance with any such condition without prejudice to the right of termination in respect of the non-fulfillment of any other condition.

### **Article 8 REPRESENTATIONS & WARRANTIES OF THE RECEIVER**

#### **8.01 Representations & Warranties of the Receiver.**

The Receiver represents and warrants to the Purchaser as follows with the knowledge and expectation that the Purchaser is placing complete reliance thereon and, but for such representations and warranties, the Purchaser would not have entered into this Agreement:

- (a) subject to the issuance of the Appointment Order, the Receiver has been duly appointed as the receiver of the TIG Purchased Assets;
- (b) subject to the issuance of the Approval and Vesting Order and any other orders required by the Court in connection with the transactions contemplated herein, the Receiver has the power, authority and right to enter into and deliver this Agreement and to carry out its obligations hereunder;
- (c) subject to the issuance of the Approval and Vesting Order and any other orders required by the Court in connection with the transactions contemplated herein, this Agreement constitutes a valid and legally binding obligation of the Receiver, enforceable against the Receiver in accordance with its terms; and
- (d) the Receiver is not a non-resident of Canada for the purposes of the ITA.

## **Article 9 REPRESENTATIONS & WARRANTIES OF THE PURCHASER**

### **9.01 Representations & Warranties of the Purchaser.**

The Purchaser represents and warrants to the Receiver as follows with the knowledge and expectation that the Receiver is placing complete reliance thereon and, but for such representations and warranties, the Receiver would not have entered into this Agreement:

- (a) the Purchaser has all necessary corporate power and authority to enter into this Agreement and to carry out its obligations hereunder. Neither the execution of this Agreement nor the performance by the Purchaser of the Transaction will violate the Purchaser's constating documents, any agreement to which the Purchaser is bound, any judgment or order of a court of competent jurisdiction or any Government Authority, or any Applicable Law. The execution and delivery of this Agreement and the consummation of the Transaction have been duly authorized by all necessary corporate action on the part of the Purchaser. This Agreement is a valid and binding obligation of the Purchaser enforceable in accordance with its terms;
- (b) the Purchaser is or will be a registrant under Part IX of the ETA on the Closing Date; and
- (c) the Purchaser has not committed an act of bankruptcy, is not insolvent, has not proposed a compromise or arrangement to its creditors generally, has not had any application for a bankruptcy order filed against it, has not taken any proceeding and no proceeding has been taken to have a receiver appointed over any of its assets, has not had an encumbrancer take possession of any of its property and has not had any execution or distress become enforceable or levied against any of its property.

**Article 10**  
**REPRESENTATIONS & WARRANTIES OF TWA**

**10.01 Representations & Warranties of TWA**

TWA represents and warrants to the Purchaser as follows with the knowledge and expectation that the Purchaser is placing complete reliance thereon and, but for such representations and warranties, the Purchaser would not have entered into this Agreement:

- (a) TWA has all necessary corporate power and authority to enter into this Agreement and to carry out its obligations hereunder. Neither the execution of this Agreement nor the performance by TWA of the Transaction will violate TWA's constating documents, any agreement to which TWA is bound, any judgment or order of a court of competent jurisdiction or any Government Authority, or any Applicable Law. The execution and delivery of this Agreement and the consummation of the Transaction have been duly authorized by all necessary corporate action on the part of TWA. This Agreement is a valid and binding obligation of the TWA enforceable in accordance with its terms;
- (b) **Schedule "H"** lists all TWA Intellectual Property and TWA Software included in the TWA Purchased Assets. TWA is the sole owner of all right, title and interest in and to the TWA Intellectual Property and TWA Software, and has the valid right to use all other Intellectual Property used in or necessary for the conduct of the TWA's business as currently conducted, in each case, free and clear of Encumbrances other than as set out in section 4.07 of this Agreement. TWA is not bound by any outstanding judgment, injunction, order or decree restricting the use of the TWA Intellectual Property or TWA Software, or restricting the licensing thereof to any person or entity.
- (c) With respect to registered TWA Intellectual Property listed in **Schedule "H"**: (i) all such TWA Intellectual Property is valid, subsisting and in full force and effect; and (ii) TWA has paid all maintenance fees and made all filings required to maintain TWA's ownership thereof. For all such registered TWA Intellectual Property, Schedule "H" lists (A) the jurisdiction where the application or registration is located; (B) the application or registration number; and (C) the application or registration date.
- (d) TWA's prior and current use of the TWA Intellectual Property and TWA Software has not and does not infringe, violate, dilute or misappropriate the Intellectual Property of any person or entity and there are no Claims (including any oppositions, interferences or re-examinations) settled, pending or threatened (including in the form of offers to obtain a licence): (i) alleging any infringement, misappropriation, dilution or violation of the TWA Intellectual Property of any person by TWA in connection with the TWA's business; (ii) challenging the validity, enforceability, registrability or ownership of any TWA Purchased Assets or TWA's rights with respect to any TWA Purchased Assets; or (iii) by TWA or any other person alleging any infringement, misappropriation, dilution or violation by any person of any TWA Purchased Assets. TWA is not subject to any outstanding or prospective governmental order (including any application or petition therefor) that does or would restrict or impair the use of any TWA Purchased Assets.



## Article 11 COVENANTS

### 11.01 Purchaser Covenants.

The Purchaser hereby covenants and agrees that, except as expressly contemplated in this Agreement, from the date hereof until the Closing Date, it shall take all such actions as are necessary to provide to the Receiver all necessary information in respect of the Purchaser reasonably required to complete the applicable tax elections in accordance with article 5 hereof and to execute all necessary forms related thereto.

The Purchaser shall preserve and keep the TIG Books and Records acquired by it pursuant to this Agreement for a period of six (6) years after Closing, or for any longer periods as may be required by any Applicable Laws applicable to such Books and Records. The Purchaser shall make such Books and Records, as well as electronic copies of such Books and Records (to the extent reasonably feasible), available to the Receiver, its successors, and any trustee in bankruptcy of TIG or any other party entitled to such Books and Records, and shall, at such party's expense, permit any of the foregoing persons to take copies of such Books and Records as they may require.

### 11.02 Receiver Covenants

The Receiver will ensure that the representations and warranties of the Receiver set out in section 8 are true and correct in all respects at the Time of Closing and use reasonable commercial efforts to ensure that the conditions of closing for the benefit of the Purchaser set out in section 7.03 over which it has reasonable control have been performed or complied with in all respects by the Time of Closing.

### 11.03 Employee Matters

- (a) TIG will pay all wages and salaries owing to Employees up to the day before the Closing Date.
- (b) The Purchaser may, but shall not be obligated, effective the opening of business on the Closing Date, offer to employ on and after the Closing Date, such Employees as the Purchaser wishes in its sole and absolute discretion on substantially the same terms and conditions of employment. For purposes of this Agreement, only those employees who accept a written offer of employment from the Purchaser shall be deemed to be employees of the Purchaser and shall herein be referred to as "**Transferred Employees**".
- (c) The Purchaser will, effective the opening of business on the Closing Date, assume responsibility, statutory and otherwise, for the rights, obligations and Liabilities relating to or arising out of the employment of the Transferred Employees in respect of the period arising after Closing and will recognize all past service of the Transferred Employees with TIG for all purposes

### 11.04 TWA Covenants

TWA will ensure that the representations and warranties of TWA set out in section 10 are true and correct in all respects at the Time of Closing and use reasonable commercial efforts to ensure that the conditions of closing for the benefit of the Purchaser set out in section 7.03 over which it has reasonable control have been performed or complied with in all respects by the Time of Closing.

## **Article 12**

### **POSSESSION AND ACCESS PRIOR TO CLOSING**

#### **12.01 Possession of Purchased Assets.**

TIG and TWA, as applicable, shall remain in possession of the Purchased Assets until the Closing Time, at which time the Purchaser shall take possession of the Purchased Assets. The Purchaser acknowledges that the Receiver has no obligation to deliver physical possession of the TIG Purchased Assets to the Purchaser. In no event shall the Purchased Assets be sold, assigned, conveyed and transferred to the Purchaser until the conditions set out in the Approval and Vesting Order have been satisfied or waived and the Purchaser has satisfied or the Receiver has waived all delivery requirements outlined in section 7.01 hereof.

#### **12.02 Risk.**

The Purchased Assets shall be and remain at the risk of TIG and/or TWA, as applicable, until Closing and at the risk of the Purchaser from and after Closing. If, prior to Closing, the Purchased Assets are substantially damaged or destroyed by fire, casualty or otherwise, then, at its option, the Purchaser may decline to complete the Transaction. Such option shall be exercised within 15 calendar days after notification to the Purchaser by the Receiver of the occurrence of such damage or destruction (or prior to the Closing Date if such occurrence takes place within 15 calendar days of the Closing Date), in which event this Agreement shall be terminated automatically. If the Purchaser does not exercise such option, it shall complete the Transaction and shall be entitled to an assignment of any proceeds of insurance referable to such damage or destruction. Where any damage or destruction is not substantial, the Purchaser shall complete the Transaction and shall be entitled to an assignment of any proceeds of insurance referable to such damage or destruction. For the purposes of this section, substantial damage or destruction shall be deemed to have occurred if the loss or damage to the Purchased Assets exceeds 15% of the total Purchase Price (including the Deposit).

## **Article 13**

### **AS IS, WHERE IS**

#### **13.01 Condition of the TIG Purchased Assets.**

The Purchaser acknowledges that the Receiver is selling and the Purchaser is purchasing the TIG Purchased Assets on an "*as is, where is*" and "*without recourse*" basis as the TIG Purchased Assets shall exist on the Closing Date, including, without limitation, whatever defects, conditions, impediments, hazardous materials or deficiencies exist on the Closing Date, whether patent or latent. The Purchaser further acknowledges and agrees that it has entered into this Agreement on the basis that neither the Receiver nor TIG has guaranteed or will guarantee title to or marketability, use or quality of the TIG Purchased Assets, that the Purchaser has conducted

such inspections of the condition and title to the TIG Purchased Assets as it deems appropriate and has satisfied itself with regard to these matters. No representation, warranty or condition is expressed or can be implied as to title, encumbrance, description, fitness for purpose, environmental compliance, merchantability, condition or quality, or in respect of any other matter or thing whatsoever concerning the TIG Purchased Assets, or the right of the Receiver to sell, assign, convey or transfer same, save and except as expressly provided for in this Agreement. Without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act*, R.S.O. 1990, c. S.1, do not apply hereto and/or have been waived by the Purchaser. The description of the TIG Purchased Assets contained in this Agreement is for the purpose of identification only and no representation, warranty or condition has or will be given by the Receiver concerning the accuracy of such description.

#### **Article 14 TERMINATION**

##### **14.01 Termination of this Agreement.**

This Agreement may be terminated validly:

- (a) upon the mutual written agreement of the Parties;
- (b) pursuant to section 7.02 hereof by the Receiver;
- (c) pursuant to section 7.04 hereof by the Purchaser; or
- (d) pursuant to section 12.02 hereof.

##### **14.02 Effect of Termination**

Each Party's right of termination under section 14.0 is in addition to any other rights it may have under this Agreement or otherwise and the exercise of a right of termination will not be an election of remedies. If this Agreement is terminated pursuant to section 14.01, all further obligations under this Agreement will terminate; provided, however, that if this Agreement is terminated by a Party because of a breach of a representation or warranty, covenant, obligation or other provision of this Agreement by the other Party or because one or more of the conditions to the terminating Party's obligations under this Agreement is not satisfied as a result of the other Party's failure to comply with its obligations under this Agreement, the terminating Party's right to pursue all legal remedies with respect to such breach will survive such termination unimpaired.

#### **Article 15 TERMINATION OF CONTRACTS AND REMOVAL OF ASSETS**

##### **15.01 Removal of Assets.**

Provided that this Agreement is not terminated and the Closing occurs, and unless the Purchaser has entered into a lease for the Premises, effective as of the Removal Date, the Purchaser shall be responsible for removing the Purchased Assets from the Premises by no later than the

Removal Date (the “**Removal**”). The Purchaser shall leave the Premises in an orderly and broom-swept condition following the Removal, including removal of any debris arising from or caused by the Removal. The Receiver shall be entitled to be present during the Removal, which shall be done in a workmanlike manner and consistent with good industrial practice.

#### **15.02 Complete Removal Required.**

Any of the Purchased Assets which requires disassembly and moving shall be done at the expense of the Purchaser. Should the Purchaser be required to proceed with the Removal as stipulated by section 15.01 hereof and the Purchaser abandon, fail to remove or fail to cause any Purchased Assets to be removed, the Purchaser shall reimburse the Receiver for the costs incurred by the Receiver with the preparation, removal, shipping and disposal of such Purchased Assets.

#### **15.03 Cleaning Resulting from Removal.**

The Purchaser shall, at its own cost, clean any spills or oil, lubricants, grease or any other liquid, product or substance remaining after the Removal of the Purchased Assets, as a result of any spill that occurs during the Removal of the Purchased Assets, which is caused by the Purchaser or its agents, employees, invitees or guests.

#### **15.04 Complete Remedy and Repair Required.**

The Purchaser shall remedy or repair, as applicable, any condition resulting from the Removal of the Purchased Assets or any one of them, including, without limitation, removing or capping all electrical wires and air/water/other lines to the buss bar/nearest wall and all bolts “blown off”, placing safety barriers around any pits.

#### **15.05 Indemnity.**

The Purchaser agrees to indemnify and save the Receiver harmless from and against all claims, demands, losses, damages, actions and costs incurred or arising from or in any way directly related to the Removal, the Purchaser’s failure to proceed with or complete the Removal despite being required to do so pursuant to section 15.01 hereof and the attendance of the Purchaser, its employees, contractors or agents at the Premises.

### **Article 16 INDEMNIFICATION**

TWA hereby covenants and agrees to hereby indemnify and save the Purchaser, its affiliates and their respective shareholders, directors, officers and employees from and against all claims, judgments, damages, liabilities, settlements, losses, costs and expenses, including legal fees, disbursements and charges (each a “**Loss**”), arising from or relating to any of the following:

- (a) any inaccuracy in or breach of any of the representations or warranties of TWA contained in this Agreement or in any document to be delivered hereunder; or
- (b) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by TWA under this Agreement or any document to be delivered hereunder.

**Article 17**  
**GENERAL CONTRACT PROVISIONS**

**17.01 Further Assurances.**

From time to time after Closing, each of the Parties shall execute and deliver such further documents and instruments and do such further acts and things as may be required or useful to carry out the intent and purpose of this Agreement and which are not inconsistent with the terms hereof.

**17.02 Survival Following Completion.**

Notwithstanding any other provision of this Agreement, section 4.05 article 8 and article 9 shall survive the termination of this Agreement and the completion of the Transaction, provided, however, that upon the discharge of BDO Canada Limited as the Receiver, the Parties' respective obligations by reason of this Agreement shall end completely and they shall have no further or continuing obligations by reason thereof.

**17.03 Notice.**

All notices, requests, demands, waivers, consents, agreements, approvals, communications or other writings required or permitted to be given hereunder or for the purposes hereof (each, a "Notice") will be in writing and be sufficiently given if personally delivered, sent by prepaid registered mail or transmitted by email, addressed to the Party to whom it is given, as follows:

(a) to the Receiver:

BDO Canada Limited  
300 Lakeshore Drive Suite 202  
Barrie, ON L4N 0B4

Attention: Stella Millis  
Email: smilli@bdo.ca

and a copy to the Receiver's counsel to:

Chaitons LLP  
5000 Yonge Street Norther  
North York, ON M2N 7E9

Attention: Sam Rappos  
Email: samr@chaitons.com

(b) to the Purchaser:

FirePower Capital  
47 Front St East, Suite 200  
Toronto, ON M5R 0A4

Attention: Jared Kalish or Anthony Lipschitz  
Email: [jkalish@firepowercapital.com](mailto:jkalish@firepowercapital.com)

and a copy to the Purchaser's counsel to:

Minden Gross LLP  
145 King Street West, Suite 2200  
Toronto, ON M5H 4G2

Attention: Brian Temins  
Email: [btemins@mindengross.com](mailto:btemins@mindengross.com)

(c) to TIG and TWA:

229 B Bourchard Road  
Alban, ON P0M 1A0

Attention: Robert Lefebvre  
Email: [robertlefebvre@installationgroup.com](mailto:robertlefebvre@installationgroup.com)

and a copy to the TIG and TWA's counsel to:

Fred Tayar & Associates Professional Corporation  
65 Queen Street W., Suite 1200  
Toronto, ON M5H 2M5

Attention: Fred Tayar  
Email: [fred@fredtayar.com](mailto:fred@fredtayar.com)

or such other address of which Notice has been given. Any Notice mailed as aforesaid will be deemed to have been given and received on the third business day following the date of its mailing. Any Notice personally delivered will be deemed to have been given and received on the day it is personally delivered, provided that if such day is not a Business Day, the Notice will be deemed to have been given and received on the Business Day next following such day. Any Notice transmitted by email or PDF will be deemed given and received on the first Business Day after its transmission.

If a Notice is mailed and regular mail service is interrupted by strike or other irregularity on or before the fourth Business Day after the mailing thereof, such Notice will be deemed to have not been received unless otherwise personally delivered or transmitted by email or PDF.

**17.04 Waiver.**

No Party will be deemed or taken to have waived any provision of this Agreement unless such waiver is in writing and such waiver will be limited to the circumstance set forth in such written waiver.

**17.05 Consent.**

Whenever a provision of this Agreement requires an approval or consent and such approval or consent is not delivered within the applicable time limit or the requirement for such consent is not required pursuant to the terms of the Approval and Vesting Order, then, unless otherwise specified, the Party whose consent or approval is required shall be conclusively deemed to have withheld its approval or consent.

**17.06 Governing Law.**

This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The Parties irrevocably attorn to the jurisdiction of the courts of the Province of Ontario sitting in Toronto. The Parties consent to the jurisdiction and venue of the Court for the resolution of any disputes among them, regardless of whether or not such disputes arose under this Agreement.

**17.07 Entire Agreement.**

This Agreement constitutes the entire agreement between the Parties and supersedes all prior agreements and understandings between the Parties. There are not and will not be any verbal statements, representations, warranties, undertakings or agreements between the Parties. This Agreement may not be amended or modified in any respect except by written instrument signed by the Parties. The recitals herein are true and accurate, both in substance and in fact.

**17.08 Time of the Essence.**

Time will be of the essence, provided that if the Parties establish a new time for the performance of an obligation, time will again be of the essence of the new time established.

**17.09 Time Periods.**

Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of the period is not a Business Day.

**17.10 Assignment.**

This Agreement will enure to the benefit of and be binding on the Parties and their respective heirs, executors, legal and personal administrators, successors and permitted assigns. The Purchaser shall not assign this Agreement without the Receiver's prior written approval, which approval shall not be unreasonably withheld.

**17.11 Expenses.**

Except as otherwise set out in this Agreement, all costs and expenses (including, without limitation, the fees and disbursements of legal counsel) incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such costs and expenses.

**17.12 Severability.**

If any portion of this Agreement is prohibited in whole or in part in any jurisdiction, such portion shall, as to such jurisdiction, be ineffective to the extent of such prohibition without invalidating the remaining portions of this Agreement and shall, as to such jurisdiction, be deemed to be severed from this Agreement to the extent of such prohibition.

**17.13 No Strict Construction.**

The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

**17.14 Cumulative Remedies.**

No remedy conferred upon or reserved to one or both of the Parties is intended to be exclusive of any other remedy, but each remedy shall be cumulative and in addition to every other remedy conferred upon or reserved hereunder, whether such remedy shall be existing or hereafter existing, and whether such remedy shall become available under common law, equity or statute.

**17.15 Currency.**

All references to dollar amounts contained in this Agreement shall be deemed to refer to lawful currency of Canada.

**17.16 Receiver's Capacity.**

It is acknowledged by the Purchaser that the Receiver is entering into this Agreement solely in its capacity as Court-appointed receiver of the Property and that the Receiver shall have absolutely no personal or corporate liability under or as a result of this Agreement in any respect.

**17.17 No Third Party Beneficiaries.**

This Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns. Nothing in this Agreement shall be construed to create any rights or obligations except between the Parties, and no person or entity shall be regarded as a third party beneficiary of this Agreement.

**17.18 Number and Gender.**

Unless the context requires otherwise, words importing the singular include the plural and vice versa and words importing gender include all genders. Where the word "including" or "includes" is used in this Agreement, it means "including (or includes) without limitation".



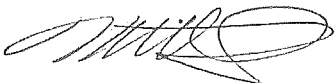
**17.19 Counterparts.**

This Agreement may be executed in counterparts and by facsimile or PDF, each of which when so executed will be deemed to be an original and such counterparts together will constitute one and the same instrument.

***[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]***

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement as of the date first above written.

**BDO CANADA LIMITED**, solely in its capacity as the court-appointed receiver and manager of all the assets, undertakings and properties of 6396763 Canada Inc., and not in its personal capacity

Per:   
Name: *STELLA MILLIS*  
Title: *VICE PRESIDENT*

**2722703 ONTARIO INC.**

Per: \_\_\_\_\_  
Name:  
Authorized signing officer.

**6396763 CANADA INC.**

Per: \_\_\_\_\_  
Name:  
Authorized signing officer.

**6622828 CANADA INC.**

Per: \_\_\_\_\_  
Name:  
Authorized signing officer.

**IN WITNESS WHEREOF** the parties hereto have duly executed this Agreement as of the date first above written.

**BDO CANADA LIMITED**, solely in its capacity as the court-appointed receiver and manager of all the assets, undertakings and properties of 6396763 Canada Inc., and not in its personal capacity

Per: \_\_\_\_\_  
Name:  
Title:

**2722703 ONTARIO INC.**

Per: DocuSigned by:  
*Jared Kalish*  
0685677E96B04B4... \_\_\_\_\_  
Name:  
Authorized signing officer.

**6396763 CANADA INC.**

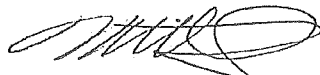
Per: \_\_\_\_\_  
Name:  
Authorized signing officer.

**6622828 CANADA INC.**

Per: \_\_\_\_\_  
Name:  
Authorized signing officer.

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement as of the date first above written.

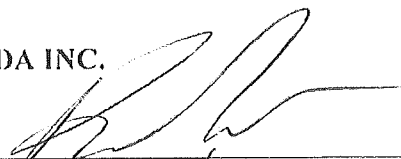
**BDO CANADA LIMITED**, solely in its capacity as the court-appointed receiver and manager of all the assets, undertakings and properties of 6396763 Canada Inc., and not in its personal capacity

Per:   
Name: *STELLA MILLIS*  
Title: *VICE PRESIDENT*

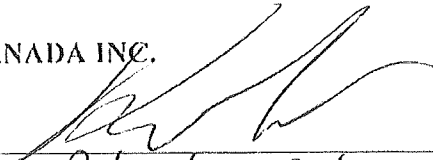
**2722703 ONTARIO INC.**

Per: \_\_\_\_\_  
Name:  
Authorized signing officer.

**6396763 CANADA INC.**

Per:   
Name: *Robert Lefebvre*  
Authorized signing officer.

**6622828 CANADA INC.**

Per:   
Name: *Robert Lefebvre*  
Authorized signing officer.

**SCHEDULE "A"**  
**APPROVAL AND VESTING ORDER**

Court File No.

***ONTARIO***  
**SUPERIOR COURT OF JUSTICE**  
**COMMERCIAL LIST**

THE HONOURABLE                                 )             <\*>, THE <\*> DAY  
   )  
JUSTICE   )             OF <\*>, 2019

**THE BANK OF NOVA SCOTIA**

Applicant

- and -

**6396763 CANADA INC.**

Respondent

**APPROVAL AND VESTING ORDER**

**THIS MOTION**, made by The Bank of Nova Scotia ("**BNS**"), for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale between BDO Canada Limited ("**BDO**"), in its capacity as the Court-appointed receiver and manager (in such capacity, the "**Receiver**"), without security, of all the assets, undertakings and properties of 6396763 Canada Inc. (the "**Debtor**"), the Debtor, 6622828 Canada Inc. ("**TWA**"), and 2722703 Ontario Inc. (the "**Purchaser**"), as purchaser, dated November , 2019 (the "**Sale Agreement**"), and appended to the First Report of the Receiver dated November <\*>, 2019 (the "**First Report**"),

and vesting in the Purchaser all the Debtor's and TWA's right, title and interest, as applicable, in and to the property described as the "Purchased Assets" in the Sale Agreement (the "**Purchased Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of ● sworn November ●, 2019 and the exhibits thereto, First Report and appendices thereto, and on hearing the submissions of counsel for BNS, the Receiver and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of <\*> sworn <\*>, 2019, filed.

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the TIG Purchased Assets (as defined in the Sale Agreement) to the Purchaser.

2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as **Schedule "A"** hereto (the "**Receiver's Certificate**"), all the Debtor's and TWA's right, title, benefit and interest in and to the Purchased Assets described in the Sale Agreement, as applicable, shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, pledges, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**"), including, without limiting the generality of

the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice ● dated November ●, 2019; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system (all of which are collectively referred to as the "**Encumbrances**"), and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

4. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

5. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Debtor's records pertaining to the Debtor's past and current employees, including personal information of those employees listed on Schedule "D" to the Sale Agreement. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal

information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

6. **THIS COURT ORDERS** that, notwithstanding:

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

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

7. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as



may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

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Schedule "A" – Form of Receiver's Certificate

Court File No.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

BETWEEN:

**THE BANK OF NOVA SCOTIA**

Applicant

- and -

**6396763 CANADA INC**

Respondent

**RECEIVER'S CERTIFICATE**

**RECITALS**

1. Pursuant to an Order of the Honourable <\*> of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated November <\*>, 2019, BDO Canada Limited was appointed as the receiver and manager (in such capacity, the "Receiver"), without security, of all the assets, undertakings and properties of 6396763 Canada Inc. (the "Debtor").

2. Pursuant to an Order of the Court dated November <\*>, 2019, the Court approved the agreement of purchase and sale between the Receiver, as vendor, and 2722703 Ontario Inc. (the "Purchaser"), as purchaser, dated November <\*>, 2019 (the "Sale Agreement"), and provided for the vesting in the Purchaser of all the Debtor's and TWA's right, title, benefit and interest in and to the Purchased Assets (as defined in the Sale Agreement), as applicable, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser

of a certificate confirming: (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

**THE RECEIVER CERTIFIES** the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the closing date pursuant to the Sale Agreement;
2. The conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser;
3. The Transaction has been completed to the satisfaction of the Receiver; and
4. this Certificate was delivered by the Receiver at \_\_\_\_\_ [TIME] on \_\_\_\_\_ [DATE].

**BDO CANADA LIMITED**, solely in its capacity as the Court-appointed receiver and manager of all the assets, undertakings and properties of 6396763 Canada Inc.

Per: \_\_\_\_\_  
Name:  
Title:

**SCHEDULE "B"**  
**TIG PURCHASED ASSETS**

Attached.

11:45 AM  
2019-10-29

**Accrual Basis**

The Installation Group  
Furniture and Equipment Listing  
AS of October 29, 2019

**Memo**

---

Various Ladders  
Ladder 28ft  
32ft Ladder  
Chairs  
6 x Mid Back Bonded Manager's Chairs  
2 x Bestar Embassy L-Desks  
Various Desks  
Photo ID Card maker - Polaroid P5500S Dual-sided  
5 Dell Computers  
Costco - Dell Laptop  
Harddrive  
RL Paid with Personal Visa - 5 used computers from Automatic Steel  
Dry Erase, Display, Samsung  
CCC Cente Video cards for 2nd monitor  
Label Printer for Trenton  
Label Printer for Trenton  
Purchased 1 used Laptop & 2 Desktop computers  
Asus M32 PC  
Asus computer & 2 Monitors  
31.97 + US Exchange  
Label Printer for Trenton  
4 x ACER 19" Screen  
HP Pavilion G7-2000 Series Cooling Heatsink and Fan  
2 x Star Tech Metal Oxide Thermal CPU Paste Compound Tube  
4 x (\$47.99) Mushkin Enhanced 4GB Ram  
7 @ \$89.98 / Acer 19.5" Monitor  
5 x Graphic Cards  
Cable Adapter  
2 x Barcoder Scanner - USB Kit  
10 x 22" Flat Panel Monitors  
7 x GX980 - Dell Optiplex PC's  
14 x Video Cards  
2 x Ready Video  
Wireless Laser Trackball  
10 x Keyboard & Mouse  
7 x Headsets  
2 x Label Tape  
Computer Cable  
1 x Dell Optiplex 9020

11:45 AM  
2019-10-29

**Accrual Basis**

7 x 22" Flat Panel Monitors  
1 x Microsoft Windows Server Standard 2012 R2 2CPU/2VM  
1 x Processor / Intel Core i7-6700K 8M Skylake Quad-Core 4.0 GHz LGA 1151 91W  
3 x Samsung 850 Solid State Drive  
2 x 2TB NAS Hard Disk Drive  
1 x Power Supply  
6 x Keyboard & Mouse  
1 x CPU Cooler  
6 x EHF Peripherals-Keyboard  
2 x EHF Peripherals-HD(ON)  
1 x Motherboard LGA Intel  
1 x Mega RAID  
1 x Server Case  
1 x HDD Hot Swap Mobile Rack  
2 x SDRAM  
5 x Used CISCO 3570 Network Switches in working order  
2 x Dell Optiplex 3010  
Video Cards  
2 x Dell Optiplex 3010  
2 x Dell Optiplex 9010  
Dell Optiplex 390 Tower  
Lenovo 22" Screens  
Dell Optiplex 390 Tower  
Lenovo 22" Screens  
Samsung Hard Drive  
Logitech - Webcam  
Portable External Hard Drive  
4 Dell Laptops  
Licences for labtops  
5 20ARS1L000 Len 440s ThinkPad / w Win 10 Pro, T440s dock with AC and Shipping Charge  
Back Up Server ~ Drives for Back Server

The Installation Group  
 Listing of Leased Vehicles  
 As at Oct. 23, 2019

	VIN	Year	Make	Model	Series
1	2C4JRGAG9FR515446	2015	RAM	Cargo	Base Van
2	2C4JRGAG5FR503343	2015	RAM	Cargo	Base Van
3	2C4JRGAG2FR515448	2015	RAM	Cargo	Base Van
4	2C4JRGAG1FR503338	2015	RAM	Cargo	Base Van
5	2C4JRGAG9ER201875	2014	RAM	Cargo	Base Van
6	2C4JRGAG0ER201876	2014	RAM	Cargo	Base Van
7	2C4JRGAG2ER201877	2014	RAM	Cargo	Base Van
8	2C4JRGAG7FR541737	2015	RAM	Cargo	Base Van
9	2C4JRGAG8FR541732	2015	RAM	Cargo	Base Van
10	2C4JRGAG1FR541734	2015	RAM	Cargo	Base Van
11	2C4JRGAG9FR541741	2015	RAM	Cargo	Base Van
12	ZFBERFCT0G6B25985	2016	RAM	ProMaster City	ST Cargo Van
13	ZFBERFCTXG6B28389	2016	RAM	ProMaster City	ST Cargo Van
14	ZFBERFCT9G6B24253	2016	RAM	ProMaster City	ST Cargo Van
15	2C4JRGAG6ER425153	2014	RAM	Cargo	Base Van
16	2C4JRGAGXER425155	2014	RAM	Cargo	Base Van
17	2C4JRGAG9FR642374	2015	RAM	Cargo	Base Van
18	2C4JRGAG4FR669563	2015	RAM	Cargo	Base Van
19	2C4JRGAG0FR669561	2015	RAM	Cargo	Base Van
20	2C4JRGAGXFR636373	2015	RAM	Cargo	Base Van
21	2C4JRGAG0FR669558	2015	RAM	Cargo	Base Van
22	2C4JRGAG2FR669562	2015	RAM	Cargo	Base Van
23	2C4JRGAG6FR636371	2015	RAM	Cargo	Base Van
24	2C4JRGAG7FR669301	2015	RAM	Cargo	Base Van
25	2C4JRGAG1FR636374	2015	RAM	Cargo	Base Van
26	2C4JRGAG1FR642529	2015	RAM	Cargo	Base Van
27	ZFBERFCT9F6959698	2015	RAM	ProMaster City	ST Cargo Van
28	ZFBERFCT6F6964566	2015	RAM	ProMaster City	ST Cargo Van
29	ZFBERFCTXF6966286	2015	RAM	ProMaster City	ST Cargo Van
30	ZFBERFCT1F6952597	2015	RAM	ProMaster City	ST Cargo Van
31	ZFBERFCTXF6953120	2015	RAM	ProMaster City	ST Cargo Van
32	ZFBERFCT0F6951988	2015	RAM	ProMaster City	ST Cargo Van
33	ZFBERFCT1F6956598	2015	RAM	ProMaster City	ST Cargo Van
34	2C4JRGAG1FR642532	2015	RAM	Cargo	Base Van
35	2C4JRGAG7FR642373	2015	RAM	Cargo	Base Van
36	2C4JRGAG0FR636253	2015	RAM	Cargo	Base Van
37	2C4JRGAG3FR636375	2015	RAM	Cargo	Base Van
38	ZFBERFCT2G6B21730	2016	RAM	ProMaster City	ST Cargo Van
39	ZFBERFCT3G6B21395	2016	RAM	ProMaster City	ST Cargo Van
40	ZFBERFCT4G6B22250	2016	RAM	ProMaster City	ST Cargo Van
41	ZFBERFCT2G6B26409	2016	RAM	ProMaster City	ST Cargo Van
42	ZFBERFCT7G6B23750	2016	RAM	ProMaster City	ST Cargo Van
43	ZFBERFCT8G6B28360	2016	RAM	ProMaster City	ST Cargo Van
44	ZFBERFCT3G6B26192	2016	RAM	ProMaster City	ST Cargo Van
45	ZFBERFCT0G6B28322	2016	RAM	ProMaster City	ST Cargo Van

46	ZFBERFCT9G6B22258	2016 RAM	ProMaster City ST Cargo Van
47	ZFBERFCT6G6B22136	2016 RAM	ProMaster City ST Cargo Van
48	ZFBERFCTXG6B20325	2016 RAM	ProMaster City ST Cargo Van
49	ZFBERFCT7G6B28169	2016 RAM	ProMaster City ST Cargo Van
50	ZFBERFCT2G6B21856	2016 RAM	ProMaster City ST Cargo Van
51	ZFBERFCT6G6B23724	2016 RAM	ProMaster City ST Cargo Van
52	ZFBERFCT2G6B28130	2016 RAM	ProMaster City ST Cargo Van
53	ZFBERFCT2G6B24045	2016 RAM	ProMaster City ST Cargo Van
54	ZFBERFCT1G6B20553	2016 RAM	ProMaster City ST Cargo Van
55	ZFBERFCT0G6B23900	2016 RAM	ProMaster City ST Cargo Van
56	ZFBERFCT3G6B28105	2016 RAM	ProMaster City ST Cargo Van
57	ZFBERFCT4G6B26055	2016 RAM	ProMaster City ST Cargo Van
58	ZFBERFCT0G6B28191	2016 RAM	ProMaster City ST Cargo Van
59	ZFBERFCT6G6B22024	2016 RAM	ProMaster City ST Cargo Van



## **SCHEDULE "C"**

### **ASSIGNED CONTRACTS**

Installation Services Agreement (Agreement No. CW9382) dated as of January 1<sup>st</sup>, 2009, between 6396763 Canada Inc. and Bell ExpressVu Limited Partnership, as amended from time to time.

Services Agreement for Public Access (Agreement No. CW140089) dated as at January 1<sup>st</sup>, 2019 between 6396763 Canada Inc. and Bell Canada.

Master Equity Vehicle Lease Agreement dated June 25, 2015 between Enterprise Fleet Management Canada, Inc. and 6396763 Canada Inc.

**SCHEDULE "D"**

**LIST OF EMPLOYEES BEING ASSUMED**

Attached.

First Name	Last Name	Position
Amanda	Boudreau	Field Services Rep
Deneige	Beausoleil	Payroll Clerk
Doug	Bakker	Commerical Manager
Guna V.	Vanteddu	Scheduling Assistant
Judy	Kirkwood	Staff Accountant
Matthew	Fraser	IT ~Senior Developer
Myron	Pauls	Public Access
Nowella	Brown	Field Services Manager
Pierre	Sivret	IT ~ System Administrator/Developer
Shawn	Belshaw	Warehouse associate
Todd	Raymond	Field Services Rep
Tracy	McLaren	Field Operations Manager
Yogeshwaran	Purushothaman	Fleet/Inventory Data analyst
Alex	Sutherland	Bell Technicians
Andrew	Dollin	Bell Technicians
Andrew	Dressyman	Bell Technicians
Andrew	Roy	Bell Technicians
Andrew	Stewart	Bell Technicians
Brad	O'Rourke	Bell Technicians
Brian	Collins	Bell Technicians
Bruce	Taylor	Bell Technicians
Bryan	Dyck	Bell Technicians
Chris	Livingstone	Bell Technicians
Cosmo	Valente	Bell Technicians
Dallas	Fish	Bell Technicians
Damian	Pinnock	Bell Technicians
Dan	Haskell	Bell Technicians
Eric	Plouffe	Bell Technicians
Garnet	Abel	Bell Technicians
Geoff	Gardiner	Bell Technicians
Gord	Fry	Bell Technicians
Hamid	Chorfi	Bell Technicians
Jason	Stratton	Bell Technicians
Jay	Martin	Bell Technicians
Jayson	Wall	Bell Technicians
Jigar	Shah	Bell Technicians
Jim	Holmes	Bell Technicians
Jim	Vail	Bell Technicians
John	Campbell	Bell Technicians
John	Moore	Bell Technicians
Jordan	Walker	Bell Technicians
Josh	Daub	Bell Technicians
Justin	Duguay	Bell Technicians

Karl	Lebreux	Bell Technicians
Kelly	Prefasi	Bell Technicians
Kent	Miller	Bell Technicians
Kerselin	Fumier	Bell Technicians
Kirk	Reed	Bell Technicians
Mark	Schmidt	Bell Technicians
Matt	Beard	Bell Technicians
Matthew	Pegg	Bell Technicians
Matthew	Sturino	Bell Technicians
Mike	Patterson	Bell Technicians
Mike	Stratton	Bell Technicians
Mike	Thompson	Bell Technicians
Nathan	Dobransky	Bell Technicians
Olalekan	Oyefuga	Bell Technicians
Phil	Dollin	Bell Technicians
Richard	Harris	Bell Technicians
Rick	Wieland	Bell Technicians
Rob	Haats	Bell Technicians
Robert	Borchers	Bell Technicians
Robert	Goulet	Bell Technicians
Russ	Dwyer	Bell Technicians
Scott	Chalupsky	Bell Technicians
Severo	Salgado	Bell Technicians
Shane	Benton	Bell Technicians
Sisson	Tylor	Bell Technicians
Steve	Baker	Bell Technicians
Steve	Reid	Bell Technicians
Thomas	Szopa	Bell Technicians
Tony	Karn	Bell Technicians
Trevor	Riopel	Bell Technicians
Tyler	Boers	Bell Technicians
West	Charland	Bell Technicians

**SCHEDULE "E"**  
**CONSENT OF BELL CANADA**

Attached.

**ASSIGNMENT, ASSUMPTION AND CONSENT AGREEMENT**

DATED November , 2019.

**BETWEEN:**

**6396763 Canada Inc. (The Installation Group)**, duly incorporated under the laws of Canada  
(the "**Assignor**")

**OF THE FIRST PART**

- AND -

**2722703 Ontario Inc.**, duly incorporated under the laws of the Province of Ontario  
(the "**Assignee**")

**OF THE SECOND PART**

- AND -

**BELL CANADA**, duly incorporated under the laws of Canada  
(**"Bell"**)

- AND -

**OF THE THIRD PART**

**BELL EXPRESSVU LIMITED PARTNERSHIP**, a limited partnership registered under the laws of Ontario, herein represented by its general partner, Bell ExpressVu Inc., a corporation duly incorporated under the Canada Business Corporations Act  
(**"Bell ExpressVu"**)

**OF THE FOURTH PART**

**WHEREAS** the Assignor and Bell ExpressVu entered into an Installation Services Agreement (Agreement No. CW9382) dated as of January 1<sup>st</sup>, 2009, as amended from time to time, and the Assignor and Bell entered into a Services Agreement for Public Access (Agreement No. CW140089) dated as at January 1<sup>st</sup>, 2019, copies of which are attached hereto as Schedule "A" and Schedule "B" respectively (the "**Agreements**");

**AND WHEREAS** the Assignor filed a Notice of Intention to Make a Proposal pursuant to the *Bankruptcy and Insolvency Act* on November 28, 2018;

**AND WHEREAS** the Assignor filed a Proposal pursuant to the *Bankruptcy and Insolvency Act* on December 28, 2018 (the "**Proposal**");

**AND WHEREAS** the Assignor was unable to complete the terms of the Proposal;

**AND WHEREAS** an application has been brought by The Bank of Nova Scotia ("**BNS**") for the appointment of BDO Canada Limited ("**BDO**") as Court-appointed receiver ("**Receiver**") of the property, assets and undertakings of the Assignor;

**AND WHEREAS** in the event BDO is appointed as Receiver by the Court, BNS will also seek an order (the "**Approval and Vesting Order**") approving a sale of certain of the Assignor's assets by the Receiver to the Assignee pursuant to an asset purchase agreement between the Receiver and the Assignee dated \_\_\_\_\_, 2019 (the "**APA**"), which includes the rights and obligations of the Assignor under the Agreements, and the Assignee desires to assume same;

**AND WHEREAS** the sale of the assets of the Assignor to the Assignee pursuant to the APA is conditional upon Court approval of the transaction, and shall close only if and when such approval is granted;

**AND WHEREAS** the Agreements contain a covenant on the part of the Assignor not to assign the Agreements without the respective consent of Bell and Bell ExpressVu;

**AND WHEREAS** pursuant to the APA, effective on the date of the closing of the transaction contemplated in the APA (the "**Closing**") the Assignor has agreed to assign its interest in the Agreements to the Assignee and the Assignee has agreed to assume same, subject to obtaining the written consent of Bell and Bell ExpressVu to such assignment;

**AND WHEREAS** Bell and Bell ExpressVu have agreed to grant their consents to this assignment effective on the date of the Closing, namely November \_\_\_\_\_, 2019 (the "**Effective Date**"), subject to the terms and conditions herein set out;

**NOW, THEREFORE**, in consideration of the mutual covenants and promises set forth below, the receipt and sufficiency of which is hereby acknowledged, the parties (individually a "**Party**" and collectively the "**Parties**") agree as follows:

1. **Acknowledgement of Recitals**

The Parties hereby acknowledge, confirm and agree that the foregoing recitals are true in substance and fact.

2. **Assumption**

The Assignee agrees to assume, and shall observe and perform all obligations and liabilities of the Assignor under the Agreements both prior to and following the Effective Date, including without limiting the generality of the foregoing, responsibility for all services and for all Bell equipment and Bell ExpressVu equipment located at the premises of the Assignor.

3. **Assignment**

Subject to the occurrence of the Closing, the Assignor hereby transfers and assigns to the Assignee as and from the Effective Date, all of its rights, title, benefits and interests under the Agreements. For clarity, the Assignee shall not receive title to the Bell equipment and Bell ExpressVu equipment located at the Assignor's premises.

#### 4. **Representations and Warranties**

The Assignor represents and warrants as follows:

- (a) It has not otherwise assigned the Agreements.
- (b) Subject to the granting of the Approval and Vesting Order, the court has approved the sale of assets of the Assignor pursuant to the APA, including the Agreements, to the Assignee.

#### 5. **Consent**

Subject to the occurrence of the Closing, Bell and Bell ExpressVu hereby consent to the assumption and assignment of the Agreements.

#### 6. **General**

- (a) This Assignment Agreement and all rights and obligations arising from same shall extend to, be binding upon and inure to the benefit of the Parties and their respective heirs, legal personal representatives, successors and assigns.
- (b) This Assignment Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
- (c) The recitals and any Schedules to this Assignment Agreement form an integral part hereof.
- (d) This Assignment Agreement may be executed and delivered (including by facsimile transmission or portable document format (".pdf") in one or more counterparts, and by the different Parties hereto in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement.

**[The Remainder of This Page is Intentionally Left Blank. Signatures Follow.]**



IN WITNESS WHEREOF, the Parties have signed as of the date first hereinabove mentioned.

**6396763 Canada Inc. (The Installation Group)**

Per: \_\_\_\_\_

Name: Robert Lefebvre

Title:

"I have the authority to bind the corporation."

**2722703 Ontario Inc.**

Per: \_\_\_\_\_

Name:

Title:

"I have the authority to bind the corporation."

**BELL CANADA**

Per: \_\_\_\_\_

Name:

Title:

"I have the authority to bind the corporation."

**BELL EXPRESSVU LIMITED PARTNERSHIP,  
by its general partner Bell ExpressVu Inc.**

Per: \_\_\_\_\_

Name:

Title:

"I have the authority to bind the limited partnership."

**Schedule "A"**  
***Copy of the Installation Services Agreement (Agreement No. CW9382)***

**SCHEDULE "G"**  
**FORM OF TWA IP ASSIGNMENT AGREEMENT**

Attached.

## INTELLECTUAL PROPERTY ASSIGNMENT AGREEMENT

THIS AGREEMENT is made as of the \_\_\_\_ day of \_\_\_\_\_, 2019

### BETWEEN:

6622828 CANADA INC., a corporation incorporated under the laws of Canada

(the "Assignor")

-and-

2722703 ONTARIO INC., a corporation incorporated under the laws of the Province of Ontario

(the "Assignee")

### RECITALS:

- A. The Assignee, the Assignor, BDO Canada Limited, and 6396763 Canada Inc. entered into an Asset Purchase Agreement dated \_\_\_\_\_, 2019 (the "APA") for the purchase, among other things, of the TWA Purchased Assets;
- B. Unless otherwise specifically defined in this Agreement or the context otherwise requires, any capitalized terms used in this Agreement shall have the meanings given to them in the APA;
- C. Pursuant to the APA, the Assignee agreed to purchase from the Assignor all of the Assignor's right, title and interest in and to the TWA Purchased Assets, including all of the TWA Intellectual Property; and
- D. The terms and provisions of the APA have been approved by the Court pursuant to the Approval and Vesting Order.

**NOW THIS AGREEMENT WITNESSETH** that, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt of which are hereby acknowledged, the parties hereto covenant and agree as follows:

- 1. The Assignor hereby absolutely and irrevocably sells, assigns, transfers and conveys to the Assignee all right, title and interest in and to the TWA Intellectual Property and all applications or registrations thereof, if applicable, and all proceeds derived from the TWA Intellectual Property including without limitation, royalties, license fees, and all rights and claims of action that may exist by reason of the infringement of the TWA Intellectual Property, together with all goodwill symbolized by the TWA Intellectual Property.
- 2. The Assignor shall, at the Assignee's expense, do all things and execute and deliver all documents (including all assignments, affidavits, and other instruments) as may be reasonably requested by the Assignee from time to time and at any time, in order to give full effect to this Assignment or to perfect or record the interest of the Assignee in the TWA Intellectual Property or to maintain the registration or recording of the TWA Intellectual Property.

3. In order to better effectuate this Assignment, the Assignor hereby irrevocably appoints the Assignee or its respective agent, with full power of substitution, to be the attorneys of the Assignor for and in the name of the Assignor, to do, make, sign, endorse or execute under seal or otherwise all deeds, documents, transfers, instruments, demands, assignments, assurances, consents, acts, matters or things required to give full effect to this Assignment or to perfect or record the interest of the Assignee in the TWA Intellectual Property or to maintain the registration or recording of the TWA Intellectual Property.
4. The Assignor covenants and agrees with the Assignee that it will from time to time and at all times hereafter, upon reasonable request and expense of the Assignee, make, do and execute or cause or procure to be made, done and all such further acts, deeds or assurances as may be reasonably required by the Assignee whether for more effectually and completely vesting in the Assignee the TWA Intellectual Property hereby sold, assigned, transferred or conveyed in accordance with the terms hereof or for the purpose of registration or otherwise.
5. To the extent that there is a conflict between the terms and provisions of this Agreement and the terms and the provisions of the APA, the terms and provisions of the APA shall govern. In the event of any conflict between the terms of this Agreement or the terms of the APA and the terms of the Approval and Vesting Order, the terms of the Approval and Vesting Order will govern.
6. This Agreement may be executed in counterparts, and acceptance of this Agreement may be delivered by facsimile transmission or email transmission in PDF format and, on such execution and transmission, this Agreement shall be binding on the parties with the same force and effect as if originally executed.
7. This Agreement shall be binding upon the parties hereto and their respective successors and assigns.
8. This Agreement shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

[Signature Page to Follow]

**IN WITNESS OF WHICH** the parties have duly executed this Agreement.

**6622828 CANADA INC.**

Per: \_\_\_\_\_

Name:

Title: Authorized signing officer

**2722703 ONTARIO INC.**

Per: \_\_\_\_\_

Name:

Title: Authorized signing officer

## SCHEDULE "H"

### TWA INTELLECTUAL PROPERTY AND TWA SOFTWARE

Technicians Interface (TI)	Website Portal
Technicians Interface API	API Interface
Technicians Interface API INV	API Interface
Technicians Interface Console	Server Software
Technicians Interface Connector	Server Software
Business Manager	Website Portal
Batch Processor	Server Software
Crewstorm	Website Portal
BM Mobile	Mobile App
Inventory	Mobile App