



**C INTERNATIONAL INC.,
C INTERNATIONAL INCOME
FUND AND THE COMPANIES
LISTED ON SCHEDULE "A"**

**EIGHTEENTH REPORT
OF FTI CONSULTING CANADA INC.,
IN ITS CAPACITY AS MONITOR OF THE
APPLICANTS
August 26, 2015**

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

**IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE
OR ARRANGEMENT OF C INTERNATIONAL INC., CII
TRUST, C INTERNATIONAL INCOME FUND AND THE
COMPANIES LISTED IN SCHEDULE "A"**

**EIGHTEENTH REPORT OF FTI CONSULTING CANADA INC.,
in its capacity as Monitor of the Applicants**

August 26, 2015

INDEX

Document	Tab
Eighteenth Report of the Monitor, dated August 26, 2015	1
Appendix A - Sixteenth Report, dated May 27, 2015	A
Appendix B – Cash Flow Forecast	B

Tab 1

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF C INTERNATIONAL INC., CII TRUST, C
INTERNATIONAL INCOME FUND AND THE COMPANIES
LISTED IN SCHEDULE "A"

EIGHTEENTH REPORT OF FTI CONSULTING CANADA INC.,
in its capacity as Monitor of the Applicants

August 26, 2015

INTRODUCTION

1. By Order of this Court dated June 25, 2012 (the "**Initial Order**"), C International Inc., formerly Cinram International Inc. ("**CII**"), CII Trust, C International Income Fund, formerly Cinram International Income Fund ("**Cinram Fund**") and the companies listed in **Schedule "A"** attached to this report (together with CII, CII Trust and Cinram Fund, the "**Applicants**") obtained protection from their creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended (the "**CCAA**"). The Initial Order also granted relief in respect of C International Limited Partnership, formerly Cinram International Limited Partnership (together with the Applicants, the "**CCAA Parties**") and appointed FTI Consulting Canada Inc. ("**FTI**") as monitor (the "**Monitor**") of the CCAA Parties.

2. Cinram Fund, collectively with its direct and indirect subsidiaries, shall be referred to herein as “**Cinram**” or the “**Cinram Group**”. The proceedings commenced by the Applicants under the CCAA will be referred to herein as the “**CCAA Proceedings**”.
3. Cinram Group was one of the world’s largest producers of pre-recorded multimedia products and related logistics services. Cinram Group was unable to find an out-of-court solution to its financial difficulties and sought protection from its creditors under the CCAA.
4. The Applicants’ stated principal objectives of the CCAA Proceedings were: (i) to ensure the ongoing operations of the Cinram Group; (ii) to ensure the Applicants have the necessary availability of working capital funds to maximize the ongoing business of the Cinram Group for the benefit of its stakeholders; and (iii) to complete the sale and transfer of substantially all of Cinram’s core business to Cinram Group, Inc., formerly known as Cinram Acquisition, Inc. or one or more of its nominees (the “**Purchaser**”).
5. Further background information regarding the CCAA Parties and these proceedings is provided in, *inter alia*, the affidavit of John Bell sworn June 23, 2012 (the “**Bell Affidavit**”) and FTI’s pre-filing report dated June 23, 2012, copies

of which have been posted on the Monitor's website for the CCAA Proceedings at <http://cfcanada.fticonsulting.com/cinram>.

6. Substantially all of Cinram's North American business and European business were sold to the Purchaser through an asset sale transaction and a share sale transaction, respectively, pursuant to an Approval and Vesting Order granted by this Court on July 12, 2012 (the "**Approval and Vesting Order**"). The asset sale transaction was completed on August 31, 2012 and the share sale transaction was completed on February 4, 2013. Cinram's assets in North America (including assets of Cinram Wireless LLC and certain real property) that were excluded from the transaction described above were sold in subsequent transactions.
7. On July 25, 2012, the United States Bankruptcy Court (District of Delaware) (the "**U.S. Court**") approved and entered the Final Recognition Order under Chapter 15 of the Bankruptcy Code, granting recognition of the CCAA Proceedings as the "foreign main proceedings" of the CCAA Parties and recognizing the Initial Order on a final basis. The U.S. Court also granted an Order, *inter alia*, recognizing the Approval and Vesting Order and authorizing the assignment and assumption of certain executory contracts and unexpired leases.
8. Capitalized terms not otherwise defined herein have the meaning given to them in the Bell Affidavit, the Initial Order or previous reports of the Monitor.

PURPOSE OF THIS REPORT

9. The purpose of this Eighteenth Report is to inform and/or provide this Court with an update on the following:
- a) the status of the CCAA Parties' CCAA Proceedings;
 - b) the CCAA Parties' financial performance since May 16, 2015 and a comparison of the actual to forecast results;
 - c) the cash flow forecast to December 4, 2015 (the "**Cash Flow Forecast**");
 - d) the CCAA Parties' request for an Order, *inter alia*, extending the Stay Period to December 4, 2015; and
 - e) the Monitor's conclusions and recommendations.

TERMS OF REFERENCE

10. In preparing this report, FTI has relied upon unaudited financial information of the Applicants, the Applicants' books and records, certain financial information prepared by, and discussions with, former employees of the Applicants now working for the Purchaser.

11. Unless otherwise stated, all monetary amounts contained in this report are expressed in United States dollars.

STATUS OF THE CCAA PROCEEDINGS

12. The Monitor reported on the status of the CCAA Proceedings in its Sixteenth Report dated May 26, 2015 (a copy of which is attached as **Appendix "A"**).

Distributions to the First Lien Lenders

13. On August 13, 2015, the Monitor distributed \$1.4 million to JPMorgan Chase, N.A. in its capacity as the administrative agent (the "**First Lien Administrative Agent**") on behalf of the lenders under an amended and restated credit agreement dated April 11, 2011 (the "**First Lien Lenders**"). The distribution was made in accordance with an Administrative Reserve/Distribution/Transition Order of this Court dated October 19, 2012 (the "**Distribution Order**"), which authorizes the Monitor to, *inter alia*, make distributions from time to time without further Order of the Court to the First Lien Administrative Agent on behalf of the First Lien Lenders.

14. As of the date of this report, the Monitor has distributed a total of approximately \$98.7 million to the First Lien Lenders. Subject to the availability of funds, the Monitor intends to make a Final Distribution to the First Lien Administrative Agent on behalf of the First Lien Lenders following the completion of the various administrative and other pending matters required to complete the CCAA Proceedings.

CINRAM IBERIA S.L.

15. As reported in the Fourteenth Report of the Monitor, on May 9, 2014, Cinram Iberia SL ("**Cinram Spain**"), a non-applicant wholly-owned subsidiary of CII, completed the sale of the real estate property located in Madrid, Spain.
16. The administrator of Cinram Spain has commenced the formal wind up of the Cinram Spain business and, as of December 31, 2014, had completed and submitted accounting, legal and other documentation to Spanish tax and other authorities in respect of the wind up of Cinram Spain. As of January 23, 2015, based on reports from the administrator, Cinram Spain had either settled, or had set aside funds to settle, all of the outstanding liabilities of Cinram Spain. As of the date of this report, the administrator has confirmed that there are no outstanding liabilities of Cinram Spain.

17. According to the administrator, the finalization of the wind up of Cinram Spain is pending confirmation from Spanish tax authorities which is expected to be received within the next month.

Excluded Assets

18. On July 31, 2015, the CCAA Parties obtained an order of the Court approving the sale of the CCAA Parties' last remaining Excluded Asset, the Louisville Property (the "**Louisville Property Approval and Vesting Order**"). On July 31, 2015, the U.S. Court granted an order, *inter alia*, recognizing the Louisville Property Approval and Vesting Order. The sale closed on or about August 5, 2015 and the proceeds therefrom were distributed to the First Lien Administrative Agent (as described above).
19. All of the Excluded Assets have now been realized on.

RECEIPTS AND DISBURSEMENTS TO AUGUST 14, 2015

20. Appendix "C" to the Sixteenth Report of the Monitor dated May 26, 2015 included a cash flow forecast for the CCAA Parties for the period beginning May 16, 2015 and ending on September 4, 2015 (the "**May 2015 Cash Flow Forecast**"). A copy of the Sixteenth Report is attached as Appendix "A" to this Eighteenth Report. The table below presents the actual versus forecast results of the CCAA

Parties' May 2015 Cash Flow Forecast for the period ending August 14, 2015.

Unless otherwise stated, all dollar amounts presented in this section of this Eighteenth Report are expressed in United States dollars.

(US\$ in millions)	May 16, 2015 to August 14, 2015		
	Forecast	Actual	Variance
Cash Flow from Operations			
Receipts	0.1	0.1	-
Disbursements	(0.1)	(0.1)	-
Operating Cash Flows	-	-	-
Restructuring / Non-recurring	(0.2)	(0.1)	0.1
Funding from Proceeds of Asset Sales	-	1.4	1.4
Distributions	-	(1.4)	(1.4)
Non-Operating Cash Flow	(0.2)	(0.1)	0.1
Projected Net Cash Flow	(0.2)	(0.1)	0.1
Beginning Cash Balance	1.2	1.2	-
Ending Cash Balance	1.0	1.1	0.1

21. In line with the May 2015 Cash Flow Forecast, actual receipts from operations were offset by disbursements from operations resulting in Operating Cash Flows of \$0 for the period ending August 14, 2015.

22. Non-Operating Cash Outflows for the period ending August 14, 2015 were \$0.1 million, resulting in a positive variance of \$0.1 million when compared to the May 2015 Cash Flow Forecast. Actual Non-Operating Cash Flow includes professional fees associated with the CCAA Proceedings, which were lower-than-forecast by approximately \$0.1 million. Actual Non-Operating Cash Flow

for the period ending August 14, 2015 includes the proceeds from the sale of the Louisville Property (\$1.4 million) which were distributed to the First Lien Lenders on August 13, 2015. Neither the receipt of the sale proceeds, nor their distribution was contemplated in the May 2015 Cash Flow Forecast due to uncertainty with respect to timing.

23. As of August 14, 2015, the ending balance in cash was \$1.1 million, or approximately \$0.1 million higher than May 2015 Cash Flow Forecast.

CASH FLOW FORECAST

24. The Monitor has updated the CCAA Parties' Cash Flow Forecast to include the period covered by the requested extension of the Stay of Proceedings. A copy of the Cash Flow Forecast is attached as **Appendix "B"** to this Eighteenth Report.
25. It is anticipated that the CCAA Parties' forecast liquidity requirements during the Cash Flow Forecast period will continue to be met by the CCAA Parties and from funds available in the Administrative and Transitional Costs Reserves.

REQUEST FOR AN EXTENSION OF THE STAY OF PROCEEDINGS

26. Pursuant to the Initial Order, the Stay Period was granted until, and including, July 25, 2012, or such later date as the Court may order. Subsequent Orders of the Court have extended the Stay Period, with the current Stay Period set to expire on September 4, 2015.

27. All of the assets of the CCAA Parties have now been realized on. Additional time is required for the CCAA Parties and the Monitor to complete and wind down the CCAA Proceeding, including completing and filing certain tax returns for some of the CCAA Parties, closing bank accounts, settling outstanding invoices for professional and other fees, among other closing administrative tasks. The continuation of the stay of proceedings to December 4, 2015 is necessary to provide the stability needed during that time. The Applicants and the Monitor expect they will be seeking a termination of the CCAA Proceedings and discharge of the Monitor at that time.

28. It is the Monitor's view based on the CCAA Parties' Cash Flow Forecast that the CCAA Parties will have sufficient available cash resources during the requested Stay Period.

29. Based on the information presently available, the Monitor believes that creditors will not be materially prejudiced by an extension of the Stay Period to December 4, 2015.

30. The Monitor is not aware of any non-compliance by the CCAA Parties with requirements under the CCAA or pursuant to any Order issued by this Court in the CCAA Proceedings. The Monitor also believes that the CCAA Parties have acted, and are continuing to act, in good faith and with due diligence and that circumstances exist that make an extension of the Stay Period appropriate.

31. The Monitor is advised by the CCAA Parties that the First Lien Lenders support the requested extension of the Stay Period.

RECOMMENDATIONS AND CONCLUSIONS

32. For the reasons outlined above, the Monitor respectfully recommends that Stay Period be extended to December 4, 2015.

All of which is respectfully submitted this 26th day of August, 2015.

FTI Consulting Canada Inc.,
in its capacity as the Monitor of C International Inc., formerly Cinram International Inc.,
C International Income Fund, formerly Cinram International Income Fund, CII Trust
and the other Applicants listed in Schedule "A"

Per



Steven Bissell
Managing Director

Schedule "A"

Additional Applicants

C International General Partner Inc., formerly Cinram International General Partner Inc.

CRW International ULC, formerly Cinram International ULC

1362806 Ontario Limited

CUSH Inc., formerly Cinram (U.S.) Holdings' Inc.

CIHV Inc., formerly Cinram, Inc.

IHC Corporation

CMFG LLC, formerly Cinram Manufacturing LLC

CDIST LLC, formerly Cinram Distribution LLC

Cinram Wireless LLC

CRSMI LLC, formerly Cinram Retail Services, LLC

One K Studios, LLC

Tab A

APPENDIX "A"

Sixteenth Report of the Monitor



**C INTERNATIONAL INC.,
C INTERNATIONAL INCOME
FUND AND THE COMPANIES
LISTED ON SCHEDULE "A**

**SIXTEENTH REPORT
OF FTI CONSULTING CANADA INC.,
IN ITS CAPACITY AS MONITOR OF THE
APPLICANTS**

May 26, 2015

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

**IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

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**SIXTEENTH REPORT OF FTI CONSULTING CANADA INC.,
in its capacity as Monitor of the Applicants**

May 26, 2015

INDEX

Document	Tab
Sixteenth Report of the Monitor, dated May 26, 2015	1
Appendix A - Fifteenth Report, dated November 25, 2014	A
Appendix B - Lease and Option to Purchase Agreement	B
Appendix C - Cash Flow Forecast	C

Tab 1

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

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SIXTEENTH REPORT OF FTI CONSULTING CANADA INC.,
in its capacity as Monitor of the Applicants

May 26, 2015

INTRODUCTION

1. By Order of this Court dated June 25, 2012 (the "Initial Order"), C International Inc., formerly Cinram International Inc. ("CII"), CII Trust, C International Income Fund, formerly Cinram International Income Fund ("Cinram Fund") and the companies listed in **Schedule "A"** attached to this report (together with CII, CII Trust and Cinram Fund, the "**Applicants**") obtained protection from their creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended (the "**CCAA**"). The Initial Order also granted relief in respect of C International Limited Partnership, formerly Cinram International Limited Partnership (together with the Applicants, the "**CCAA Parties**") and appointed

FTI Consulting Canada Inc. ("**FTI**") as monitor (the "**Monitor**") of the CCAA Parties.

2. Cinram Fund, collectively with its direct and indirect subsidiaries, shall be referred to herein as "**Cinram**" or the "**Cinram Group**". The proceedings commenced by the Applicants under the CCAA will be referred to herein as the "**CCAA Proceedings**".
3. Cinram Group was one of the world's largest producers of pre-recorded multimedia products and related logistics services. Cinram Group was unable to find an out-of-court solution to its financial difficulties and sought protection from its creditors under the CCAA.
4. The Applicants' stated principal objectives of the CCAA Proceedings were: (i) to ensure the ongoing operations of the Cinram Group; (ii) to ensure the Applicants have the necessary availability of working capital funds to maximize the ongoing business of the Cinram Group for the benefit of its stakeholders; and (iii) to complete the sale and transfer of substantially all of Cinram's core business to Cinram Group, Inc., formerly known as Cinram Acquisition, Inc. or one or more of its nominees (the "**Purchaser**", or "**New Cinram**").
5. Further background information regarding the CCAA Parties and these proceedings is provided in, *inter alia*, the affidavit of John Bell sworn June 23,

2012 (the "**Bell Affidavit**") and FTI's pre-filing report dated June 23, 2012, copies of which have been posted on the Monitor's website for the CCAA Proceedings at <http://cfcanada.fticonsulting.com/cinram>.

6. To date, all or substantially all of Cinram's North American business and European business have been sold to the Purchaser through an asset sale transaction and a share sale transaction, respectively, pursuant to an Approval and Vesting Order granted by this Court on July 12, 2012 (the "**Approval and Vesting Order**"). The asset sale transaction was completed on August 31, 2012 and the share sale transaction was completed on February 4, 2013.
7. On July 25, 2012, the United States Bankruptcy Court (District of Delaware) (the "**U.S. Court**") approved and entered the Final Recognition Order under Chapter 15 of the Bankruptcy Code, granting recognition of the CCAA Proceedings as the "foreign main proceedings" of the CCAA Parties and recognizing the Initial Order on a final basis. The U.S. Court also granted an Order, *inter alia*, recognizing the Approval and Vesting Order and authorizing the assignment and assumption of certain executory contracts and unexpired leases.
8. Capitalized terms not otherwise defined herein have the meaning given to them in the Bell Affidavit, the Initial Order or previous reports of the Monitor.

PURPOSE OF THIS REPORT

9. The purpose of this Sixteenth Report is to inform and/or provide this Court with an update on the following:
- a) the status of the CCAA Parties' CCAA Proceedings;
 - b) the CCAA Parties' financial performance since November 22, 2014 and a comparison of the actual to forecast results;
 - c) cashflow forecast to September 4, 2015 (the "**Cash Flow Forecast**");
 - d) the CCAA Parties' request for an Order, *inter alia*, extending the Stay Period to September 4, 2015; and
 - e) the Monitor's conclusions and recommendations.

TERMS OF REFERENCE

10. In preparing this report, FTI has relied upon unaudited financial information of the Applicants, the Applicants' books and records, certain financial information prepared by, and discussions with, former employees of the Applicants now working for the Purchaser.

11. Unless otherwise stated, all monetary amounts contained in this report are expressed in United States dollars.

STATUS OF THE CCAA PROCEEDINGS

12. The Monitor reported on the status of the CCAA Proceedings in its Fifteenth Report dated November 24, 2014 (a copy of which is attached as **Appendix "A"**).

Distributions to the First Lien Lenders

13. On April 10, 2015, the Monitor distributed \$1.2 million to JPMorgan Chase, N.A. in its capacity as the administrative agent (the "**First Lien Administrative Agent**") on behalf of the lenders under an amended and restated credit agreement dated April 11, 2011 (the "**First Lien Lenders**"). The distribution was made in accordance with an Administrative Reserve/Distribution/Transition Order of this Court dated October 19, 2012 (the "**Distribution Order**"), which authorizes the Monitor to, *inter alia*, make distributions from time to time without further Order of the Court to the First Lien Administrative Agent on behalf of the First Lien Lenders.
14. As of the date of this report, the Monitor has distributed a total of approximately \$97.3 million to the First Lien Lenders. The Monitor plans to make future

distributions to the First Lien Administrative Agent on behalf of the First Lien Lenders as and when additional funds become available.

Excluded Assets

15. The Monitor, in consultation with the financial advisor to the First Lien Lenders, has been overseeing the marketing and sale process of the Excluded Asset real estate properties. The only Excluded Asset remaining to be sold is the real estate property located in Louisville, Kentucky (the "**Louisville Property**").
16. CB Richard Ellis Louisville ("**CBRE**") was engaged and has been actively marketing the Louisville Property since October 2012.
17. To date, a number of parties have expressed interest in the real property located in Louisville, Kentucky, and engaged in discussions with respect thereto; however, no sale of the property has been agreed.
18. On April 14, 2015, IHC Corporation entered into a Lease and Option to Purchase Agreement (the "**Lease**") with Accuserve Equipment and Supply, L.L.C. (the "**Tenant**") to lease the Louisville Property for a period of eight months commencing on April 14, 2015. In consideration of the lease, IHC Corporation also granted the Tenant the option to purchase the Louisville Property for \$1.5 million subject to obtaining Court approvals. The deadline for the Tenant to

exercise the option to purchase is June 14, 2015. As of the date hereof, the Tenant has not exercised its option to purchase under the Lease. A copy of the Lease is attached hereto as **Appendix "B"**.

19. The Monitor will be returning to Court and providing further information and its recommendations with respect to the Lease and the terms of the proposed purchase and sale of the Louisville Property if the Tenant exercises the option to purchase.

Cinram Iberia S.L.

20. As reported in the Fourteenth Report of the Monitor, on May 9, 2014, Cinram Iberia SL ("**Cinram Spain**"), a non-applicant wholly-owned subsidiary of CII, completed the sale of the real estate property located in Madrid, Spain.
21. The administrator of Cinram Spain has commenced the formal wind up of the Cinram Spain business and, as of December 31, 2014, had completed and submitted accounting, legal and other documentation to Spanish tax and other authorities in respect of the wind up of Cinram Spain. As of January 23, 2015, based on reports from the administrator, Cinram Spain had either settled, or had set aside funds to settle, all of the outstanding liabilities of Cinram Spain. As of the date of this report, the administrator has confirmed that there are no outstanding liabilities of Cinram Spain.

22. According to the administrator, the finalization of the wind up of Cinram Spain is pending confirmation from Spanish tax authorities which is expected to be received within the next two to three months.
23. On February 6, 2015, Cinram Spain made a distribution of funds to the Monitor totaling approximately \$1.2 million in respect of CII's equity interest in Cinram Spain. No further distributions are expected from Cinram Spain.
24. All of the distribution from Cinram Spain was included in the distribution to the First Lien Lenders on April 10, 2015.

RECEIPTS AND DISBURSEMENTS TO MAY 15, 2015

25. Appendix "D" to the Fifteenth Report of the Monitor dated November 25, 2014 included a cash flow forecast for the CCAA Parties for the period beginning November 22, 2014 and ending on June 5, 2014 (the "**November 2014 Cash Flow Forecast**"). The table below presents the actual versus forecast results of the CCAA Parties' November 2014 Cash Flow Forecast for the period ending May 15, 2015. Unless otherwise stated, all dollar amounts presented in this section of this Sixteenth Report are expressed in United States dollars.

(US\$ in millions)	November 22, 2014 to May 15, 2015		
	Forecast	Actual	Variance
Cash Flow from Operations			
Receipts	-	0.0	0.0
Disbursements	(0.2)	(0.2)	(0.0)
Operating Cash Flows	(0.2)	(0.2)	0.0
Restructuring / Non-recurring	(0.4)	(0.1)	0.3
Funding from Proceeds of Asset Sales	1.2	1.2	(0.0)
Distributions	-	(1.2)	(1.2)
Non-Operating Cash Flow	0.8	(0.1)	(0.9)
Projected Net Cash Flow	0.6	(0.3)	(0.9)
Beginning Cash Balance	1.5	1.5	1.5
Ending Cash Balance	2.1	1.2	0.6

26. Actual Operating Cash Out Flows for the period ending May 15, 2015 totaled \$0.2 million and were in line with the November 2014 Cash Flow Forecast which assumed a cash outflow of approximately \$0.2 million over the same period.
27. Non-Operating Cash Flows were \$0.9 million less-than-forecast due to a combination of lower-than-forecast professional fees (\$0.3 million), offset by a distribution to the First Lien Lenders totaling \$1.2 million which was not contemplated in the November 2014 Cash Flow Forecast due to uncertainty with respect to timing.
28. For the period ending May 15, 2015, and as a result of the variances described above, the ending cash balance was \$0.9 million less than forecast.

CASH FLOW FORECAST

29. The Monitor has updated the Cash Flow Forecast. A copy of the Cash Flow Forecast is attached as **Appendix "C"** to this Sixteenth Report.
30. It is anticipated that the CCAA Parties' forecast liquidity requirements during the Cash Flow Forecast period will continue to be met by the CCAA Parties and from funds available in the Administrative and Transitional Costs Reserves.

REQUEST FOR AN EXTENSION OF THE STAY OF PROCEEDINGS

31. Pursuant to the Initial Order, the Stay Period was granted until, and including, July 25, 2012, or such later date as the Court may order. Subsequent Orders of the Court have extended the Stay Period, with the current Stay Period set to expire on June 5, 2015.
32. Additional time is required for the CCAA Parties to pursue their restructuring efforts, including the sale of the assets not sold pursuant to the Asset Sale Transaction and completion of certain tax returns of some of the Applicants. The continuation of the stay of proceedings to September 4, 2015 is necessary to provide the stability needed during that time.

33. It is the Monitor's view based on the CCAA Parties' Cash Flow Forecast that the CCAA Parties will have sufficient available cash resources during the requested Stay Period.
34. Based on the information presently available, the Monitor believes that creditors will not be materially prejudiced by an extension of the Stay Period to September 4, 2015.
35. The Monitor is not aware of any non-compliance by the CCAA Parties with requirements under the CCAA or pursuant to any Order issued by this Court in the CCAA Proceedings. The Monitor also believes that the CCAA Parties have acted, and are continuing to act, in good faith and with due diligence and that circumstances exist that make an extension of the Stay Period appropriate.
36. The Monitor is advised by the CCAA Parties that the First Lien Lenders support the requested extension of the Stay Period.

RECOMMENDATIONS AND CONCLUSIONS

37. For the reasons outlined above, the Monitor respectfully recommends that Stay Period be extended to September 4, 2015.

All of which is respectfully submitted this 26th day of May, 2015.

FTI Consulting Canada Inc.,
in its capacity as the Monitor of C International Inc., formerly Cinram International Inc.,
C International Income Fund, formerly Cinram International Income Fund, CII Trust
and the other Applicants listed in Schedule "A"

Per

A handwritten signature in cursive script, appearing to read "Steven Bissell".

Steven Bissell
Managing Director

Schedule "A"

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Tab A

APPENDIX "A"

Fifteenth Report of the Monitor

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

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FIFTEENTH REPORT OF FTI CONSULTING CANADA INC.,
in its capacity as Monitor of the Applicants

November 25, 2014

INTRODUCTION

1. By Order of this Court dated June 25, 2012 (the "Initial Order"), C International Inc., formerly Cinram International Inc. ("CII"), CII Trust, C International Income Fund, formerly Cinram International Income Fund ("Cinram Fund") and the companies listed in Schedule "A" attached to this report (together with CII, CII Trust and Cinram Fund, the "Applicants") obtained protection from their creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended (the "CCAA"). The Initial Order also granted relief in respect of C International Limited Partnership, formerly Cinram International Limited Partnership (together with the Applicants, the "CCAA Parties") and appointed

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4. The Applicants' stated principal objectives of the CCAA Proceedings were: (i) to ensure the ongoing operations of the Cinram Group; (ii) to ensure the Applicants have the necessary availability of working capital funds to maximize the ongoing business of the Cinram Group for the benefit of its stakeholders; and (iii) to complete the sale and transfer of substantially all of Cinram's core business to Cinram Group, Inc., formerly known as Cinram Acquisition, Inc. or one or more of its nominees (the "**Purchaser**", or "**New Cinram**").
5. Further background information regarding the CCAA Parties and these proceedings is provided in, *inter alia*, the affidavit of John Bell sworn June 23,

2012 (the “**Bell Affidavit**”) and FTI’s pre-filing report dated June 23, 2012, copies of which have been posted on the Monitor’s website for the CCAA Proceedings at <http://cfcanada.fticonsulting.com/cinram>.

6. To date, all or substantially all of Cinram’s North American business and European business have been sold to the Purchaser through an asset sale transaction and a share sale transaction, respectively, pursuant to an Approval and Vesting Order granted by this Court on July 12, 2012 (the “**Approval and Vesting Order**”). The asset sale transaction was completed on August 31, 2012 and the share sale transaction was completed on February 4, 2013.
7. On July 25, 2012, the United States Bankruptcy Court (District of Delaware) (the “**U.S. Court**”) approved and entered the Final Recognition Order under Chapter 15 of the Bankruptcy Code, granting recognition of the CCAA Proceedings as the “foreign main proceedings” of the CCAA Parties and recognizing the Initial Order on a final basis. The U.S. Court also granted an Order, *inter alia*, recognizing the Approval and Vesting Order and authorizing the assignment and assumption of certain executory contracts and unexpired leases.
8. Capitalized terms not otherwise defined herein have the meaning given to them in the Bell Affidavit, the Initial Order or previous reports of the Monitor.

PURPOSE OF THIS REPORT

9. The purpose of this Fifteenth Report is to inform and/or provide this Court with an update on the following:
 - a) the status of the CCAA Parties' CCAA Proceedings;
 - b) the CCAA Parties' financial performance since May 17, 2014 and a comparison of the actual to forecast results;
 - c) cashflow forecast to June 5, 2015 (the "**Cash Flow Forecast**");
 - d) the CCAA Parties' request for an Order, *inter alia*, extending the Stay Period to June 5, 2015; and
 - e) the Monitor's conclusions and recommendations.

TERMS OF REFERENCE

10. In preparing this report, FTI has relied upon unaudited financial information of the Applicants, the Applicants' books and records, certain financial information prepared by, and discussions with, former employees of the Applicants now working for the Purchaser.

11. Unless otherwise stated, all monetary amounts contained in this report are expressed in United States dollars.

STATUS OF THE CCAA PROCEEDINGS

12. The Monitor reported on the status of the CCAA Proceedings in its Fourteenth Report dated October 8, 2014 (a copy of which is attached, without appendices, as **Appendix "A"**).

Distributions to the First Lien Lenders

13. On November 13, 2014, the Monitor distributed \$1.3 million to JPMorgan Chase, N.A. in its capacity as the administrative agent (the "**First Lien Administrative Agent**"), on behalf of the lenders under an amended and restated credit agreement dated April 11, 2011 (the "**First Lien Lenders**"). The distribution was made in accordance with an Administrative Reserve/Distribution/Transition Order of this Court dated October 19, 2012 (the "**Distribution Order**"), which authorizes the Monitor to, *inter alia*, make distributions from time to time without further Order of the Court to the First Lien Administrative Agent on behalf of the First Lien Lenders.
14. As of the date of this report, the Monitor has distributed a total of approximately \$96.1 million to the First Lien Lenders. The Monitor plans to make future

distributions to the First Lien Administrative Agent on behalf of the First Lien Lenders as and when additional funds become available.

Excluded Assets

15. The Monitor, in consultation with the financial advisor to the First Lien Lenders, has been overseeing the marketing and sale process of the Excluded Asset real estate properties. The only real estate property forming part of the Excluded Assets remaining to be sold is located in Louisville, Kentucky (the “**Louisville Property**”). Additional background information regarding the Louisville Property is contained in the Fourteenth Report.

16. As of the date of this report, there have been no offers to purchase the property. The Monitor, in consultation with the financial advisor to the First Lien Lenders, is considering alternative sales processes in an attempt to elicit a purchaser of the Louisville Property in the short term.

Cinram Iberia S.L.

17. As reported in the Fourteenth Report of the Monitor, on May 9, 2014, Cinram Iberia SL (“**Cinram Spain**”), a non-applicant wholly-owned subsidiary of CII, completed the sale of the real estate property located in Madrid, Spain, the proceeds of which remain in Cinram Spain’s accounts.

18. The administrator of Cinram Spain has commenced the formal wind up of the Cinram Spain business, which is expected to be completed in the first quarter of 2015. It is contemplated that any cash available at Cinram Spain following its wind up will be distributed to CII, the sole shareholder of Cinram Spain.

Receivership of the CII Bank Account

19. By Order dated October 19, 2012, FTI was appointed as Receiver without security of the bank account of CII located in Canada used in relation to a business carried on by CII in order to allow former employees of CII access to payments under the *Wage Earner Protection Program Act* (Canada).
20. By order dated October 15, 2014, the Court granted an order approving the fees and activities of the Receiver and granting the discharge of same pending the filing of a certificate with this Court confirming all duties have been completed (the "**Receiver's Completion Certificate**").
21. The Receiver's Completion Certificate was filed with the court on October 28, 2014. A copy of the Receiver's Completion Certificate is attached hereto as **Appendix "B"**.

Release of Funds Order

22. By order dated October 27, 2014 (the “**Release of Funds Order**”), the Court ordered the remittance of funds forming the Settlement Amount (as defined in the 14th Report of the Monitor) to counsel to Cinram Fund in trust. The funds were subsequently transferred to the Monitor on November 14, 2014 pursuant to the Release of Funds Order.

RECEIPTS AND DISBURSEMENTS TO NOVEMBER 14, 2014

23. Appendix “C” to the Thirteenth Report of the Monitor dated May 23, 2014 included a cash flow forecast for the CCAA Parties for the period beginning May 17, 2014 and ending on December 5, 2014 (the “**May 2014 Cash Flow Forecast**”). A copy of the Thirteenth Report is attached as **Appendix “C”** to this Fifteenth Report. The table below presents the actual versus forecast results of the CCAA Parties’ May 2014 Cash Flow Forecast for the period ending November 21 2014. Unless otherwise stated, all dollar amounts presented in this section of this Fifteenth Report are expressed in United States dollars.

	Forecast \$000's	Actual \$000's	Variance \$000's
Cash Flow from Operations			
Receipts	-	0.0	0.0
Operating Disbursements	(0.7)	(0.2)	0.5
Operating Cash Flows	(0.7)	(0.2)	0.5
Restructuring / Non-recurring Distributions	(0.3)	0.3	0.7
	-	(1.3)	(1.3)
Non-Operating Cash Flow	(0.3)	(1.0)	(0.6)
Projected Net Cash Flow	(1.0)	(1.2)	(0.1)
Beginning Cash Balance	2.7	2.7	(0.0)
Ending Cash Balance	1.7	1.5	(0.1)

24. Actual Operating Cash Flows for the period ending November 21, 2014 exceeded the May 2014 Cash Flow Forecast by \$0.5 million primarily due to lower-than-forecast tax-related disbursements, lower-than-forecast costs to maintain the Excluded Asset real properties, and lower-than-forecast post-employment health care related disbursements.
25. Non-Operating Cash Flows were \$0.6 million lower-than-forecast due to:
- i. A distribution to First Lien Lenders totaling \$1.3 million which was not contemplated in the May 2014 Cash Flow Forecast; offset by
 - ii. a positive variance of \$0.7 million in Other Restructuring/Non-recurring disbursements resulting from lower-than-forecast professional fees combined with payments from a former customer of Cinram Wireless in

respect of certain IT services provided through August 2014 not contemplated in the May 2014 Cash Flow Forecast, the receipt of funds associated with the Release of Funds Order (described above), and certain payments from Cinram Spain in respect of intercompany payables.

26. For the period ending November 21, 2014, and as a result of the variances described above, the ending cash balance was \$0.1 million less than forecast.

CASH FLOW FORECAST

27. The Monitor has updated the Cash Flow Forecast. A copy of the Cash Flow Forecast is attached as **Appendix "D"** to this Fifteenth Report.
28. It is anticipated that the CCAA Parties' forecast liquidity requirements during the Cash Flow Forecast period will continue to be met by the CCAA Parties and from funds available in the Administrative and Transitional Costs Reserves. Distributions from Cinram Spain to CII following the wind down of Cinram Spain are also expected to provide liquidity to the CCAA Parties' during the forecast period.

REQUEST FOR AN EXTENSION OF THE STAY OF PROCEEDINGS

29. Pursuant to the Initial Order, the Stay Period was granted until, and including, July 25, 2012, or such later date as the Court may order. Subsequent Orders of the Court have extended the Stay Period, with the current Stay Period set to expire on December 5, 2014.
30. Additional time is required for the CCAA Parties to pursue their restructuring efforts, including the sale of the assets not sold pursuant to the Asset Sale Transaction and completion of certain tax returns of some of the Applicants. The continuation of the stay of proceedings to June 5, 2015 is necessary to provide the stability needed during that time.
31. It is the Monitor's view based on the CCAA Parties' Cash Flow Forecast that the CCAA Parties will have sufficient available cash resources during the requested Stay Period.
32. Based on the information presently available, the Monitor believes that creditors will not be materially prejudiced by an extension of the Stay Period to June 5, 2015.
33. The Monitor is not aware of any non-compliance by the CCAA Parties with requirements under the CCAA or pursuant to any Order issued by this Court in

the CCAA Proceedings. The Monitor also believes that the CCAA Parties have acted, and are continuing to act, in good faith and with due diligence and that circumstances exist that make an extension of the Stay Period appropriate.

34. The Monitor is advised by the CCAA Parties that the First Lien Lenders support the requested extension of the Stay Period.

RECOMMENDATIONS AND CONCLUSIONS

35. For the reasons outlined above, the Monitor respectfully recommends that Stay Period be extended to June 5, 2015.

All of which is respectfully submitted this 25th day of November, 2014.

FTI Consulting Canada Inc.,
in its capacity as the Monitor of C International Inc., formerly Cinram International Inc.,
C International Income Fund, formerly Cinram International Income Fund, CII Trust
and the other Applicants listed in Schedule "A"

Per



Steven Bissell
Managing Director

Schedule "A"

Additional Applicants

C International General Partner Inc., formerly Cinram International General Partner Inc.

CRW International ULC, formerly Cinram International ULC

1362806 Ontario Limited

CUSH Inc., formerly Cinram (U.S.) Holdings' Inc.

CIHV Inc., formerly Cinram, Inc.

IHC Corporation

CMFG LLC, formerly Cinram Manufacturing LLC

CDIST LLC, formerly Cinram Distribution LLC

Cinram Wireless LLC

CRSMI LLC, formerly Cinram Retail Services, LLC

One K Studios, LLC

APPENDIX "A"

Fourteenth Report of the Monitor

APPENDIX "B"

Receiver's Completion Certificate

APPENDIX "C"

Thirteenth Report of the Monitor

APPENDIX "D"

Cash Flow Forecast

CCAA Applicants

CCAA Cash Flow Forecast

(US\$ in millions)

Period Beginning	November 22, 2014
Period Ending	June 5, 2015
Cash Flow from Operations	
Receipts	-
Disbursements	(0.2)
Operating Cash Flows	(0.2)
Restructuring / Non-recurring	(0.5)
Funding from Proceeds of Asset Sales	1.2
Distributions	-
Non-Operating Cash Flow	0.7
Projected Net Cash Flow	0.5
Beginning Cash Balance	1.5
Ending Cash Balance	2.0

Notes:

- [1] The purpose of this cash flow forecast is to determine the liquidity requirements of the CCAA Parties during the forecast period.
- [2] Operating Disbursements include estimated carrying costs of the Excluded Asset real properties consisting primarily of property taxes, utilities, insurance and brokerage fees.
- [3] Restructuring / Non-recurring disbursements include professional fees associated with the CCAA Parties' restructuring.
- [4] Funding from Proceeds of Asset Sales includes amounts in respect of the wind up of Cinram Spain and the distribution of proceeds, including certain proceeds from the sale of real property, to CII, the sole shareholder.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF C INTERNATIONAL INC., CII TRUST, C
INTERNATIONAL INCOME FUND AND THE COMPANIES LISTED
IN SCHEDULE "A"

Court File No. CV12-9767-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE COMMERCIAL
LIST
Proceeding commenced at Toronto

FIFTEENTH REPORT OF FTI CONSULTING
CANADA INC., IN ITS CAPACITY AS MONITOR

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Lawyers for the Monitor

Tab B

APPENDIX "B"

Lease

LEASE AND OPTION TO PURCHASE AGREEMENT

THIS LEASE AND OPTION TO PURCHASE AGREEMENT ("Lease") is made and entered into as of the ___ day of April, 2015, by and between: (i) IHC CORPORATION, a Delaware corporation ("Landlord"), and (ii) ACCUSERVE EQUIPMENT AND SUPPLY, L.L.C., a Kentucky limited liability company ("Tenant").

WHEREAS, Landlord owns the Leased Premises (as hereinafter defined);

WHEREAS, Landlord desires to lease and Tenant desires to rent the Leased Premises, in each case, subject to the terms and conditions set forth in this Lease;

WHEREAS, in consideration of this Lease, Landlord desires to grant Tenant the Option (as hereinafter defined) to purchase the Leased Premises for the Purchase Price (as hereinafter defined);

WHEREAS, upon the execution of this Lease by Tenant, Tenant shall deliver to Landlord the Deposit (as hereinafter defined);

WHEREAS, consummation of a sale of the Leased Premises in connection with the Option contemplated under this Lease will require the issuance of approval orders (the "Orders") in (a) the *Companies' Creditors Arrangement Act* (Canada) proceedings (the "CCAA Proceedings") commenced by order of the Ontario Superior Court of Justice (the "Canadian Court") on June 25, 2012 by Landlord and certain of its affiliates and (b) the proceedings (the "Chapter 15 Proceedings") under Chapter 15 of the United States Bankruptcy Code (the "Bankruptcy Code") commenced by Cinram International ULC, the ultimate parent of Landlord, on behalf of, among other entities, Landlord, in the United States Bankruptcy Court for the District of Delaware (the "US Court", and together with the Canadian Court, the "Courts");

NOW, THEREFORE, in consideration of the mutual covenants and provisions herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby covenant and agree as follows:

1. **PREMISES.** Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, for the term, at the rental and upon all of the conditions set forth herein, certain real property located in Jefferson County, Kentucky, as more particularly described on Exhibit A attached hereto and made a part hereof, together with all buildings and improvements thereon and all appurtenances thereunto belonging and all right, title and interest Landlord may have, if any, in and to any and all easements appurtenant to such real property and all right, title and interest Landlord may have, if any, in and to any and all roads, streets, lanes and highways adjacent to or adjoining such real property (collectively, the "Leased Premises").

2. **USE OF PREMISES.** Tenant may use the Leased Premises for any lawful purpose. Tenant will not use or permit the use of the Leased Premises for any use or purpose in violation of any laws, ordinances or regulations, and Tenant will in all respects and at all times fully comply with all applicable health, fire, and police regulations, and shall not permit the Leased Premises to be used in such a manner to constitute a nuisance.

3. **TERM.** The term of this Lease shall be for a period of eight (8) months, commencing on April 14, 2015, and ending on December 14, 2015 (the "Term"); provided, however, that in the event Tenant exercises its option to purchase the Leased Premises as described in Section 12, this Lease shall terminate as of the date of the "Closing" (as hereinafter defined). Should Tenant not purchase the Leased Premises and hold over in possession of the Premises after the termination of the Term, Tenant shall be liable to Landlord for rent at a rate equal to twice the monthly Fixed Rent set forth below and for the cost and expense incurred by Landlord in removing Tenant from possession, including attorney's fees and for any consequential damages resulting to Landlord from such holding over.

4. **RENTAL AND DEPOSIT.** During the Term, Tenant shall pay rental (the "Fixed Rent") in the sum of Twenty-eight Thousand Four Hundred Thirty-two Dollars (\$28,432.00) per month payable in advance, on the first (1st) day of each and every calendar month, commencing on May 1, 2015 together with any and all other charges and additional rent payable by Tenant to Landlord (the "Additional Rent" and together with the Fixed Rent, "Rent"), to Landlord at the address herein or to such other persons or at such other places as Landlord may designate in writing. Rental for partial months shall be prorated and, in the case of the initial partial month, paid upon execution of the Lease. Upon the execution of this Lease by Tenant, Tenant has delivered to CBRE as escrow agent a deposit in the sum of One Hundred Fifty Thousand Dollars (\$150,000.00) (the "Deposit"), which shall serve as an earnest money deposit in connection with the Option (as hereinafter defined) and as a security and damage deposit if the Option is not exercised. If the Option is exercised and Tenant purchases the Leased Premises, the Deposit shall be applied to the Purchase Price (as hereinafter defined). If Tenant defaults in its obligation to purchase the Leased Premises, the Deposit shall be released to Landlord in full satisfaction of all Landlord's claims. If Landlord defaults in its obligations in connection with the purchase of the Leased Premises by Tenant and the Closing (as hereinafter defined) does not occur when scheduled, Landlord shall return the Deposit to Tenant and Tenant may exercise all remedies available at law or in equity, provided the failure of Landlord to obtain court approval of the sale of the Leased Premises upon exercise of the Option hereunder shall not entitle Tenant to receive a return of the Deposit or to the other remedies provided for in this sentence. If the Option is not exercised or if the sale of the Leased Premises following exercise does not receive court approval through no fault of Tenant, the Deposit shall promptly be returned to Tenant at the end of the Term subject to reasonable reduction to compensate Landlord for any material breaches of Tenant's obligations under this Lease. Landlord agrees that it shall be reasonable and shall at all times act in good faith with respect to the return of the Deposit.

5. **IMPROVEMENT OF THE LEASED PREMISES.** Tenant shall have the right to make such non-structural repairs to the Leased Premises as it desires. Tenant shall make no structural repairs or changes to the Leased Premises. Tenant agrees to hold Landlord harmless from claims for mechanics, materialmen or other liens arising in connection with any alterations, additions or improvements made to the Leased Premises, and Tenant will, if required by Landlord, furnish waivers in connection with the making of alterations, additions or improvements to the Leased Premises. Tenant shall have the obligation to remove, have released or bond over any such lien filed against the Leased Premises within ten (10) days after Tenant's receipt of notice of any such lien. Tenant shall not commit waste, or allow or permit waste to be committed on the Leased Premises. Tenant shall surrender the Leased Premises at the termination of this Lease in good condition, reasonable wear and tear excepted. Upon such surrender of the Leased Premises

by Tenant, Tenant, at Landlord's option, shall restore the Leased Premises to their original condition, if Landlord, acting in its reasonable business judgment, shall determine that the modifications made by Tenant to the Leased Premises limit the marketability of the Leased Premises by Landlord. Any action taken by Tenant in accordance with this Section 5 shall not be used as a basis for a claim that Landlord has breached one or more of the covenants set out in Section 13 of this Lease.

6. INSURANCE.

6.1 Fire and Hazard Insurance. Tenant shall, at its expense, obtain and keep in force at all times during the Term of this Lease a policy or policies of insurance covering loss or damage to the Leased Premises and the building thereon in the amount of the full replacement value thereof, but not more than \$2,500,00.00, providing protection against all perils included within the classifications of fire, extended coverage, vandalism, malicious mischief and special extended perils (all risks), and hazard insurance under a standard fire and extended coverage endorsement, which insurance shall name Landlord as an additional insured, as its interest may appear.

6.2 Liability Insurance. Tenant shall, at its expense, obtain and keep in force at all times during the Term of this Lease, an insurance policy or policies of comprehensive public liability insurance insuring Landlord and Tenant against all liability arising out of the use or occupancy of the Leased Premises and the building located thereon, in the amount of at least \$2,000,000.

6.3 Personal Property Insurance. All personal property placed in or on the Leased Premises by Tenant shall be at the risk of Tenant. Tenant shall, at its expense, obtain and keep in force at all time during the Term of this Lease a policy or policies of insurance covering loss or damage to Tenant's personal property and fixtures located in or on the Leased Premises, providing protection against all perils included within the classifications of fire, extended coverage, vandalism, malicious mischief and special extended perils (all risks).

6.4 Waiver of Subrogation. Landlord and Tenant each hereby waives any and all rights of recovery against the other, or against the directors, officers, shareholders, employees, agents and representatives of the other, for loss or damage to such waiving party or its property or the property of others under its control, to the extent such damage or destruction is insured against under any insurance policies in force at the time of such loss or damage. Landlord and Tenant agree to cause their insurance policies with respect to the Leased Premises and property contained therein to be endorsed to permit the foregoing waiver of subrogation.

7. UTILITY CHARGES. Tenant shall pay all utility charges which may be levied, accessed or imposed upon or against the Leased Premises, including, but not limited to, all charges for heating, electricity, air conditioning, telephone, water, sewer and trash removal services.

8. PROPERTY TAXES. Landlord shall pay all ad valorem real property taxes and assessments applicable to the Leased Premises, and Tenant shall reimburse Landlord for the same (including any penalties that result from any act or omission of Tenant affecting prompt

payment thereof) within fifteen (15) days of written demand therefor from Landlord. Tenant shall be responsible for the payment of all taxes assessed and levied upon its business operations conducted at the Leased Premises, and upon all trade fixtures, furnishings, equipment and other personal property of Tenant contained in or on the Leased Premises.

9. MAINTENANCE OF LEASED PREMISES. Tenant shall, at its expense, keep and maintain the Leased Premises, exclusive of the structural components thereof, in safe condition, good order and repair, and perform all maintenance, repairs and replacements required thereto. Prior to the Closing, (as hereinafter defined) Landlord shall have and retain the right of access to the Leased Premises in order to perform necessary or appropriate work on the Leased Premises, and, if the Option is not exercised within the period provided in Section 12 or sale of the Leased Premises pursuant to such exercise does not receive court approval, to show the Leased Premises to prospective other purchasers or lessees.

10. DAMAGE OR DESTRUCTION. If the Leased Premises or any part thereof shall be damaged by fire or other casualty, Tenant shall restore the Leased Premises, and this Lease shall continue in full force and effect. There shall be an abatement of Rent due hereunder during the period of such restoration.

11. CONDEMNATION. If the whole or any substantial part of the Leased Premises or access thereto should be taken for any public or quasi-public use under governmental law, ordinance, or regulation, or by right of eminent domain, this Lease shall terminate and the Rent and other sums due hereunder shall be abated during the unexpired portion of this Lease, effective when the physical taking of the Leased Premises shall occur.

If less than a substantial part of the Leased Premises or access thereto shall be taken for any public or quasi-public use under governmental law, ordinance or regulation, or by right of eminent domain, this Lease shall not terminate, but the Rent and others sums due hereunder during the unexpired Term of this Lease shall be reduced to such extent as may be fair and equitable under all of the circumstances.

12. TENANT'S OPTION TO PURCHASE LEASED PREMISES. In consideration of this Lease, Tenant shall have the option (the "Option") to purchase the Leased Premises for the total purchase price of One Million Five Hundred Thousand Dollars (\$1,500,000.00) (the "Purchase Price"), provided that the sale of the Leased Premises pursuant to this Lease and the Option shall be subject to the granting of an Order of the Canadian Court in the CCAA Proceedings and an Order of the Bankruptcy Court in the Chapter 15 Proceedings approving the sale of the Leased Premises pursuant to this Lease and the Option. The Purchase Price shall be adjusted by the proration of ad valorem property taxes, as hereinafter described and, if the Rent for the month of Closing has been paid by Tenant, the Rent for such month shall be prorated and shall be a credit to the Purchase Price. The Purchase Price shall be paid by Tenant to Landlord at the Closing by certified or cashier's check, or by wire transfer to a bank designated by Landlord. The Option shall be exercisable by Tenant's giving Landlord written notice of its exercise of such Option on or before the sixtieth (60th) day of the Term. The closing (the "Closing") of the sale of the

Leased Premises shall occur on the date and time specified in such notice, which date shall be no sooner than twenty-one (21) days after the date upon which the Option has been exercised.

At the Closing, Tenant shall deliver the Purchase Price (less the amount of payment in full of all indebtedness secured by mortgages, except mortgages or other encumbrances given or created by Tenant on the Leased Premises, together with any prepayment penalties and release fees in connection therewith, which amounts shall be disbursed directly to the holders of such mortgages by the closing attorney) to Landlord, and shall pay all recording fees and Tenant's title insurance charges. Landlord shall pay its attorneys' fees, all real estate transfer fees, and all charges for the survey referred to in Section 13.

At the Closing, Landlord shall execute and deliver to Tenant a Special Warranty Deed conveying good and marketable fee simple title to the Leased Premises, which title shall be insurable as such to Tenant at regular rates by a nationally recognized title insurance company, subject only to the lien of ad valorem property taxes assessed, not yet due and payable, or to be assessed in the calendar year of the Closing, and all easements, restrictions and stipulations of record affecting the Leased Premises (collectively, the "Permitted Exceptions").

At the Closing, Landlord shall deliver complete and unconditional releases of any and all mortgages, except mortgages or other encumbrances given or created by Tenant, creating or constituting liens on the Leased Premises to Tenant.

At the Closing, Landlord shall deliver an Order of the Canadian Court in the CCAA Proceedings and an Order of the Bankruptcy Court in the Chapter 15 Proceedings approving the sale of the Leased Premises pursuant to this Lease and the Option.

At the Closing, Landlord shall deliver to Tenant an Affidavit executed by Landlord under penalty of perjury to the effect that Landlord is not a "foreign person" within the meaning of Section 1445 of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, and setting forth Landlord's federal taxpayer identification number and address.

At the Closing, Landlord shall deliver possession of the Leased Premises to Tenant, free of possession of all parties other than Tenant, and Landlord shall assign all of its right, title and interest in and to any and all outstanding warranties relating to the Leased Premises to Tenant, to the extent such warranties are assignable.

At the Closing, all ad valorem property taxes assessed or to be assessed for the year in which the Closing occurs shall be prorated, on a daily basis, as of the date of the Closing, in accordance with the customary practice followed in Jefferson County, Kentucky, and shall be paid by Tenant to Landlord in addition to the Purchase Price, or shall be credited against the Purchase Price, as the case may be.

13. REPRESENTATIONS, WARRANTIES.

13.1 Representations and Warranties of Landlord. Landlord hereby represents, warrants and agrees to and with Tenant as follows, which representations, warranties and agreements shall be automatically deemed to be restated as of the Closing:

(a) **Title.** Landlord has good, fee simple, marketable title to the Leased Premises.

(b) **Condemnation.** Landlord has not received notice of any condemnation or similar proceeding against the Leased Premises or any part thereof or of any governmental plans to appropriate or purchase the Leased Premises or any part thereof.

(c) **Possession.** No person or entity is or shall be at the time of the Closing in possession or entitled to be in possession of the Leased Premises or any part thereof, except Tenant.

(e) **Authority.** Subject to the CCAA Proceedings and the Chapter 15 Proceedings, Landlord has all requisite power and authority to execute, deliver and perform this Lease and all documents and instruments referred to herein to be executed, delivered and performed by Landlord, and all necessary or appropriate authorizations or approvals required in connection with the execution, delivery and performance by Landlord of this Lease and the other documents and instruments referred to herein have been duly obtained by Landlord.

13.2 Representations and Warranties of Landlord as of the Closing. Landlord represents, warrants and agrees to and with Tenant as follows as of the Closing:

(a) **Title.** Landlord at the Closing will have, good, fee simple, marketable title to the Leased Premises, free and clear of all covenants, conditions, restrictions, easements, liens, charges, mortgages and encumbrances of every nature, kind or character whatsoever, except this Lease and the Permitted Exceptions, subject to the granting of the Orders in the CCAA Proceedings and the Chapter 15 Proceedings.

(b) **No Violation.** Subject to the CCAA Proceedings and the Chapter 15 Proceedings, the conveyance of the Leased Premises to Tenant pursuant hereto will not violate any applicable statute, ordinance, governmental restriction or regulation, or any private restriction or agreement binding upon or otherwise applicable to Landlord or the Leased Premises.

(c) **Assessments.** Landlord has not received any written notification from any governmental agency, authority or instrumentality of any pending or threatened assessments on or against the Leased Premises to secure the cost of public improvements to be made with respect to the Leased Premises or any part thereof.

(d) **No Reassessment.** Landlord knows of no contemplated or actual reassessment of the value of the Leased Premises for ad valorem real estate tax purposes, other than any such reassessment which may occur by virtue of the sale of the Leased Premises to Tenant and recordation of the Special Warranty Deed to the Leased Premises, and the Leased Premises is separately assessed for ad valorem real estate tax assessment purposes and is not combined with any other real property for such tax assessment purposes.

(e) **No Other Commitments.** Landlord has not granted or entered into any commitments or other agreements, including, without limitation, any right of first refusal or option to purchase, with or in favor of any third party, which would or could prevent Landlord

from consummating the sale of the Leased Premises to Tenant pursuant to this Lease or which would bind Tenant subsequent to the consummation of the purchase of the Leased Premises by Tenant.

13.3 Non-Survival of Landlord's Representations and Warranties. None of the representations and warranties of Landlord set forth in this Lease or any instrument delivered pursuant to this Lease or in connection with the Option shall survive the Closing.

13.4 Representations and Warranties of Tenant. Tenant hereby represents, warrants and agrees to and with Landlord as follows, which representations, warranties and agreements shall be automatically deemed to be restated as of the Closing:

(a) Authority. Tenant has all requisite power and authority to execute, deliver and perform this Lease and all documents and instruments referred to herein to be executed, delivered and performed by Tenant, and all necessary or appropriate authorizations or approvals required in connection with the execution, delivery and performance by Tenant of this Lease and the other documents and instruments referred to herein have been duly obtained by Tenant.

(b) Pending Actions. There is no action, suit or arbitration pending, or unsatisfied order or judgment, against Tenant, which could prohibit the transactions contemplated by this Lease or in connection with the Option.

14. DISCLAIMERS, WAIVERS, RELEASES AND INDEMNITY.

14.1 NO RELIANCE ON DOCUMENTS. EXCEPT AS EXPRESSLY STATED HEREIN, LANDLORD MAKES NO REPRESENTATION OR WARRANTY AS TO THE TRUTH, ACCURACY OR COMPLETENESS OF ANY MATERIALS, DATA OR INFORMATION DELIVERED BY LANDLORD OR ITS BROKERS OR AGENTS TO TENANT IN CONNECTION WITH THE TRANSACTION CONTEMPLATED HEREBY. LANDLORD ACKNOWLEDGES AND AGREES THAT ALL MATERIALS, DATA AND INFORMATION DELIVERED BY LANDLORD TO TENANT IN CONNECTION WITH THE TRANSACTION CONTEMPLATED HEREBY ARE PROVIDED TO TENANT AS A CONVENIENCE ONLY AND THAT ANY RELIANCE ON OR USE OF SUCH MATERIALS, DATA OR INFORMATION BY TENANT SHALL BE AT THE SOLE RISK OF TENANT, EXCEPT AS OTHERWISE EXPRESSLY STATED HEREIN. ABSENT INTENTIONAL MISCONDUCT OR GROSS NEGLIGENCE, NONE OF LANDLORD OR ANY OF ITS AFFILIATES SHALL HAVE ANY LIABILITY TO TENANT FOR ANY INACCURACY IN OR OMISSION FROM ANY REPORT OR REPORTS DELIVERED BY LANDLORD TO TENANT.

14.2 AS-IS SALE; DISCLAIMERS. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT OR IN ANY OTHER DOCUMENT EXECUTED BY LANDLORD AND DELIVERED TO TENANT AT THE CLOSING, IT IS UNDERSTOOD AND AGREED THAT LANDLORD IS NOT MAKING AND HAS NOT AT ANY TIME MADE ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT TO THE LEASED PREMISES, INCLUDING

ANY REPRESENTATIONS OR WARRANTIES AS TO A PARTICULAR PURPOSE OR THE PHYSICAL OR ENVIRONMENTAL CONDITION OF THE LEASED PREMISES. TENANT ACKNOWLEDGES AND AGREES THAT UPON THE CLOSING LANDLORD SHALL SELL AND CONVEY TO TENANT AND TENANT SHALL ACCEPT THE LEASED PREMISES "AS IS, WHERE IS, WITH ALL FAULTS", AND SHALL ASSUME RESPONSIBILITY FOR THE PHYSICAL AND ENVIRONMENTAL CONDITION OF THE LEASED PREMISES EXCEPT TO THE EXTENT EXPRESSLY PROVIDED OTHERWISE IN THIS AGREEMENT OR IN ANY OTHER DOCUMENT EXECUTED BY LANDLORD AND DELIVERED TO TENANT AT THE CLOSING. TENANT HAS NOT RELIED AND WILL NOT RELY ON, AND LANDLORD IS NOT LIABLE FOR OR BOUND BY, ANY EXPRESS OR IMPLIED WARRANTIES, GUARANTIES, STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE LEASED PREMISES OR RELATING THERETO (INCLUDING SPECIFICALLY, WITHOUT LIMITATION, OFFERING PACKAGES DISTRIBUTED WITH RESPECT TO THE LEASED PREMISES) MADE OR FURNISHED BY LANDLORD, THE MANAGERS OF THE LEASED PREMISES, OR ANY REAL ESTATE BROKER OR AGENT REPRESENTING OR PURPORTING TO REPRESENT LANDLORD, TO WHOMEVER MADE OR GIVEN, DIRECTLY OR INDIRECTLY, ORALLY OR IN WRITING, UNLESS SPECIFICALLY SET FORTH IN THIS AGREEMENT OR IN ANY OTHER DOCUMENT EXECUTED BY LANDLORD AND DELIVERED TO TENANT AT THE CLOSING. TENANT ALSO ACKNOWLEDGES THAT THE PURCHASE PRICE REFLECTS AND TAKES INTO ACCOUNT THAT THE LEASED PREMISES IS BEING SOLD "AS-IS."

TENANT REPRESENTS TO LANDLORD THAT TENANT HAS CONDUCTED, OR WILL CONDUCT, SUCH INVESTIGATIONS OF THE LEASED PREMISES, INCLUDING THE PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, AS TENANT DEEMS NECESSARY OR DESIRABLE TO SATISFY ITSELF AS TO THE CONDITION OF THE LEASED PREMISES AND THE EXISTENCE OR NONEXISTENCE OR CURATIVE ACTION TO BE TAKEN WITH RESPECT TO ANY REGULATED, HAZARDOUS OR TOXIC SUBSTANCES ON OR DISCHARGED FROM THE LEASED PREMISES, AND WILL RELY SOLELY UPON SAME AND NOT UPON ANY INFORMATION PROVIDED BY OR ON BEHALF OF LANDLORD OR ITS AGENTS OR EMPLOYEES WITH RESPECT THERETO, OTHER THAN SUCH REPRESENTATIONS, WARRANTIES AND COVENANTS OF LANDLORD AS ARE EXPRESSLY SET FORTH IN THIS AGREEMENT. UPON THE CLOSING, TENANT SHALL ASSUME THE RISK THAT ADVERSE MATTERS, INCLUDING CONSTRUCTION DEFECTS AND ADVERSE PHYSICAL AND ENVIRONMENTAL CONDITIONS, MAY NOT HAVE BEEN REVEALED BY TENANT'S INVESTIGATIONS, AND EXCEPT WITH RESPECT TO MATTERS WHICH BY THE EXPRESS TERMS OF THIS AGREEMENT SURVIVE THE CLOSING, TENANT, UPON THE CLOSING, SHALL BE DEEMED TO HAVE WAIVED, RELINQUISHED AND RELEASED LANDLORD (AND LANDLORD'S MEMBERS, SHAREHOLDERS, OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS) FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION (INCLUDING CAUSES OF ACTION IN TORT), LOSSES, DAMAGES, LIABILITIES, COSTS AND EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES) OF ANY AND EVERY KIND OR CHARACTER, KNOWN OR UNKNOWN, WHICH TENANT MIGHT HAVE ASSERTED OR ALLEGED AGAINST LANDLORD (AND THE LANDLORD'S MEMBERS,

SHAREHOLDERS, OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS) AT ANY TIME BY REASON OF OR ARISING OUT OF ANY LATENT OR PATENT CONSTRUCTION DEFECTS OR PHYSICAL CONDITIONS, ENVIRONMENTAL CONDITIONS, VIOLATIONS OF ANY APPLICABLE LAWS AND ANY AND ALL OTHER FACTS, OMISSIONS, EVENTS CIRCUMSTANCES OR MATTERS REGARDING THE LEASED PREMISES. TENANT SHALL NOT DISCLOSE TO ANY THIRD PARTY ANY KNOWN OR SUSPECTED ENVIRONMENTAL CONDITION AFFECTING THE LEASED PREMISES ABSENT AN AFFIRMATIVE LEGAL REQUIREMENT TO DO SO.

14.3 Indemnity. Tenant shall indemnify, defend and hold harmless Landlord, and its shareholders, officers, directors, employees and agents from and against any claims, liabilities, demands, obligations or expenses arising after the Closing with respect to (a) the physical condition of the Leased Premises; (b) the presence, discovery or removal of any hazardous materials in, at, about or under the Leased Premises, or (c) any tort claims made or brought with respect to the Leased Premises or the use or operation thereof.

14.4 Monitor. Tenant acknowledges and agrees that in no event shall the FTI Consulting Canada Inc., in its capacity as Court-appointed Monitor of Landlord in the CCAA Proceedings (the "Monitor"), have any liability under or in respect of this Lease and hereby agrees that any and all indemnities provided to Landlord hereunder shall apply in all respects to the Monitor, its shareholders, partners, officers, directors, employees and agents.

14.5 SURVIVAL OF DISCLAIMERS. THE PROVISIONS OF THIS SECTION 14 SHALL SURVIVE THE CLOSING OR ANY TERMINATION OF THIS LEASE.

15. ASSIGNMENT AND SUBLETTING. Tenant shall be permitted to transfer or assign its option rights and right to purchase under this Lease to Accuprop, LLC, a Kentucky limited liability company, but shall not be permitted to otherwise assign its rights under this Lease or sublet the Leased Premises in whole or in part, without the prior written consent of Landlord. Landlord agrees that a portion of the Leased Premises may be sublet to Restaurant Supply Chain Solutions.

16. DEFAULT. In the event that a "Default" (as hereinafter defined) shall occur, then Landlord shall have the right immediately to terminate this Lease and shall have the immediate right of re-entry and repossession of the Leased Premises without any obligation to compensate Tenant in any manner therefor. "Default" is defined as (i) the failure by Tenant to make any payment of Rent or other payments required hereunder within five (5) business days following Tenant's receipt of written notice thereof from Landlord; (ii) the failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by Tenant, after the expiration of thirty (30) days after receipt by Tenant of written notice thereof from Landlord; or (iii) in the event Tenant shall be adjudicated bankrupt or insolvent according to law, or shall make an assignment for the benefit of creditors, or in the event of an involuntary assignment or attachment of or levy on Tenant's interest herein.

17. MISCELLANEOUS.

(a) Notices. All notices, requests, consents, demands and other communications required or permitted to be given or made under this Lease shall be in writing and shall be deemed to have been duly given (a) on the date of personal delivery or (b) on the date of deposit in the United States Mail, postage prepaid, by registered mail, return receipt requested, or (c) on the date of transmission by telegram, cable, telex or telephonic facsimile transmission, or (d) on the date of delivery to an nationally recognized overnight courier service, in each case, addressed as follows or to such other person or address as either party shall designate by notice to the other parties in accordance herewith:

If to Landlord: **IHC CORPORATION**
c/o **FTI CONSULTING CANADA INC.**
79 Wellington Street West
Suite 2010
Toronto, Ontario
M5K 1G8
Attn: Paul Bishop
Senior Managing Director
416 649 8053 (W)
416 305 8589 (C)

With copy to: **W. P. Wiseman**
Bingham Greenebaum Doll LLP
Suite 3500
101 South Fifth Street
Louisville, KY 40202

If to the Tenant: **ACCUSERVE EQUIPMENT AND SUPPLY, L.L.C.**
Attn: Scott Terry
CFO
3865 Produce Road
Louisville, KY 40218
502-961-0096 (W)
502-314-5127 (C)

With copy to: **Sheldon G. Gilman and Scott A. Weinberg**
Lynch, Cox, Gilman & Goodman PSC
500 West Jefferson Street
Suite 2100
Louisville, KY 40202

(b) Entire Agreement. This Lease constitutes the entire agreement of the parties hereto pertaining to its subject matter, and supersedes all prior or contemporaneous agreements, undertakings and understandings of the parties in connection with the subject matter hereof.

(c) *Binding Effect.* This Lease shall run to the benefit of, and be binding upon, Landlord and Tenant and their respective successors and assigns.

(d) *Headings.* Descriptive headings herein are for convenience only and shall not control or affect the meaning or construction of any provision of this Lease.

(e) *Time of Essence.* Time shall be of the essence with respect to the performance of all obligations of Landlord and Tenant hereunder.

(f) *Governing Law and Waiver.* **THIS LEASE IS BEING DELIVERED IN THE COMMONWEALTH OF KENTUCKY AND SHALL BE CONSTRUED, INTERPRETED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF SUCH STATE. EACH OF THE PARTIES HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION (A) ARISING UNDER THIS LEASE OR (B) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES IN RESPECT OF THIS LEASE OR ANY OF THE TRANSACTIONS RELATED HERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY, OR OTHERWISE. EACH OF THE PARTIES HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT THE PARTIES MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS LEASE WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.**

(g) *Specific Performance.* Landlord and Tenant acknowledge and agree that the Leased Premises is unique in nature, that upon exercise of the Option by Tenant, a failure by either party to perform the terms of the Option will materially and irreparably injure, and result in the suffering of a material loss by, the party willing and able to perform, and that such injury and loss cannot be fully or adequately compensated by the payment of money or by an award of damages, and each party therefore acknowledges and agrees that, if either party should fail to perform the terms of the Option, the other party shall be entitled to the specific performance of this Lease in addition to all other remedies that may be available to it. Landlord and Tenant agree that if either of them is the non-performing party, it will not object to and will not hinder or delay the entry of a decree of specific performance in any action brought under or in respect to this Lease.

18. **ATTORNEY FEES.** If Landlord and Tenant shall default with respect to any of their respective obligations hereunder and there is litigation with respect to any such default, the non-prevailing party shall pay the court costs and a reasonable attorney's fee of the prevailing party.

19. **RECORDING.** Either party shall, upon request of the other, execute, acknowledge and deliver to the other a "short form" memorandum of this Lease for recording purposes.

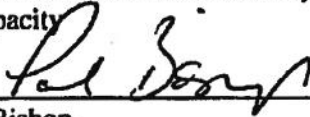
20. SIGNS. Landlord, upon request, agrees to fully cooperate, at the sole expense of Tenant, in any proceeding and to execute any necessary consents or applications in respect thereto which may be required by law to permit the erection of Tenant's signs on the Leased Premises.

[Signatures Appear on the Following Page]

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date first written above.

IHC CORPORATION

By: FTI Consulting Canada Inc.
Solely in its capacity as Court
Appointed Monitor of IHC Corporation
And not in its Personal or corporate
Capacity

By: 
Paul Bishop,
Senior Managing Director

("Landlord")

**ACCUSERVE EQUIPMENT AND SUPPLY,
L.L.C.**

By: _____
Member

("Tenant")

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date first written above.

IHC CORPORATION

By: FTI Consulting Canada Inc.
Solely in its capacity as Court
Appointed Monitor of IHC Corporation
And not in its Personal or corporate
Capacity

By: _____
Paul Bishop,
Senior Managing Director
("Landlord")

**ACCUSERVE EQUIPMENT AND SUPPLY,
L.L.C.**


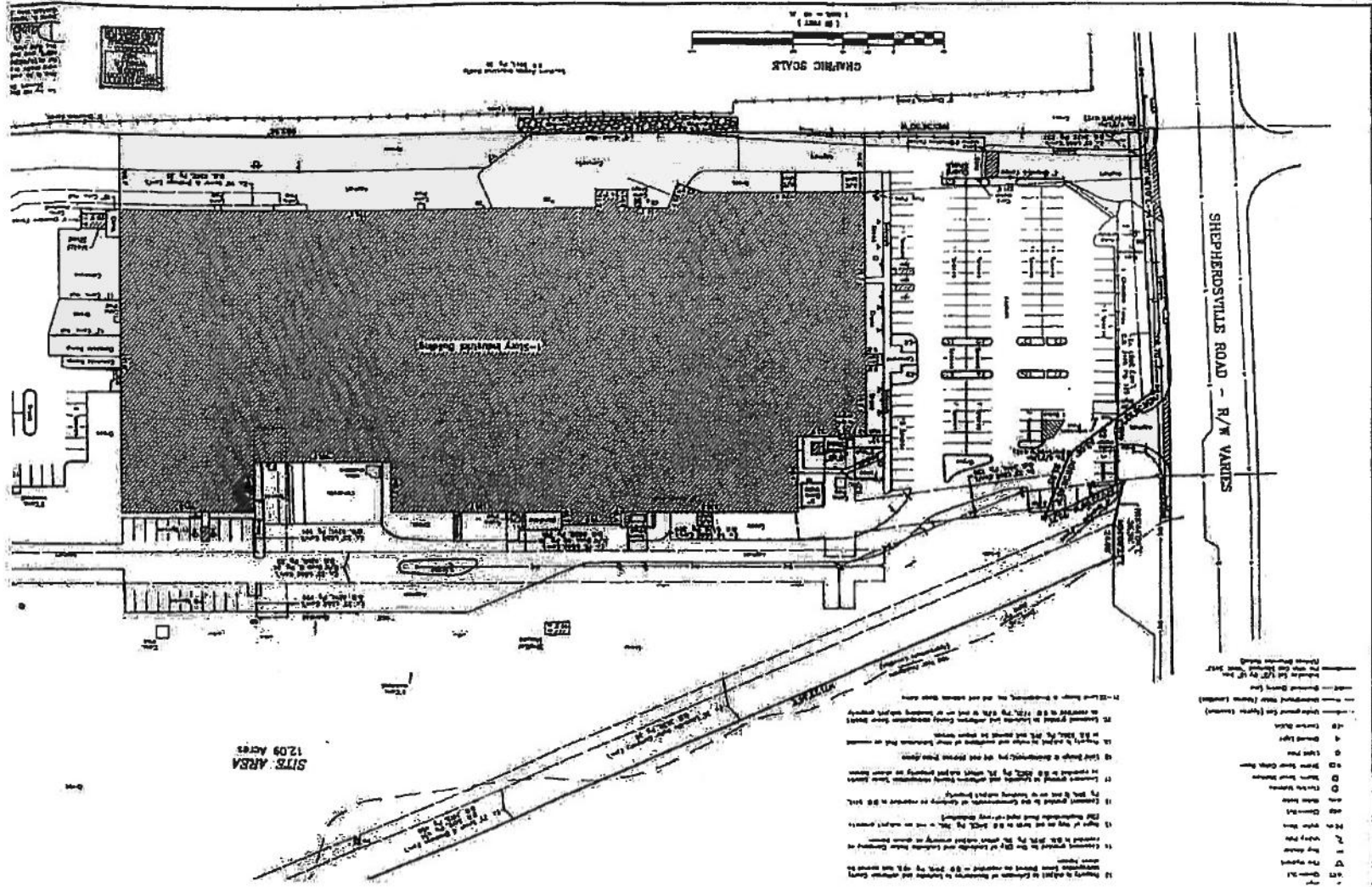
By: 
Member John P. Francis
("Tenant")

EXHIBIT A
PROPERTY DESCRIPTION

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SITE AREA
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Tab C

APPENDIX "C"

Cash Flow Forecast

CCAA Applicants

CCAA Cash Flow Forecast

(US\$ in millions)

Period Beginning

May 16, 2015

Period Ending

September 4, 2015

Cash Flow from Operations

Receipts	0.1
Disbursements	(0.1)
Operating Cash Flows	-
Restructuring / Non-recurring	(0.2)
Funding from Proceeds of Asset Sales	-
Distributions	-
Non-Operating Cash Flow	(0.2)
Projected Net Cash Flow	(0.2)
Beginning Cash Balance	1.2
Ending Cash Balance	1.0

Notes:

[1] The purpose of this cash flow forecast is to determine the liquidity requirements of the CCAA Parties during the forecast period.

[2] Operating Receipts consist of monthly lease payments in respect of the Louisville Property.

[3] Operating Disbursements include estimated carrying costs of the Excluded Asset real properties consisting primarily of property taxes and insurance.

[4] Restructuring /Non-recurring disbursements include professional fees associated with the CCAA Parties' restructuring.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF C INTERNATIONAL INC., CII TRUST, C
INTERNATIONAL INCOME FUND AND THE COMPANIES LISTED
IN SCHEDULE "A"

Court File No. CV12-9767-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

SIXTEENTH REPORT OF FTI CONSULTING
CANADA INC., IN ITS CAPACITY AS MONITOR

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

David R. Byers LSUC #: 22992W
Tel: (416) 869-5697
Maria Konyukhova LSUC#: 52880V
Tel: (416) 869-6820
Fax: (416) 861-0445

Lawyers for the Monitor

Tab B

APPENDIX "B"

Cash Flow Forecast

CCAA Applicants

CCAA Cash Flow Forecast

(US\$ in millions)

Period Beginning

August 15, 2015

Period Ending

December 4, 2015

Cash Flow from Operations

Receipts	-
Disbursements	(0.2)
Operating Cash Flows	(0.2)
Restructuring / Non-recurring	(0.2)
Funding from Proceeds of Asset Sales	-
Distributions	-
Non-Operating Cash Flow	(0.2)
Projected Net Cash Flow	(0.4)
Beginning Cash Balance	1.1
Ending Cash Balance	0.7

Notes:

[1] The purpose of this cash flow forecast is to determine the liquidity requirements of the CCAA Parties during the forecast period.

[2] Operating Disbursements include estimated costs to complete the administration of the CCAA Applicants' estates including the filing of final tax returns and other closing matters.

[3] Restructuring /Non-recurring disbursements include professional fees associated with the CCAA Parties' restructuring.

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF C INTERNATIONAL INC., CII TRUST, C
INTERNATIONAL INCOME FUND AND THE COMPANIES LISTED
IN SCHEDULE "A"

Court File No. CV12-9767-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

EIGHTEENTH REPORT OF FTI CONSULTING
CANADA INC., IN ITS CAPACITY AS MONITOR

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

David R. Byers LSUC #: 22992W

Tel: (416) 869-5697

Maria Konyukhova LSUC#: 52880V

Tel: (416) 869-6820

Fax: (416) 861-0445

Lawyers for the Monitor