

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"

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

July 20, 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 (the "Fund") and the companies listed in **Schedule "A"** attached to this report (together with CII, CII Trust and the 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. The 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. (the “**Purchaser**”) or one or more of its nominees.

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. On July 12, 2012, this Court made an order (the “**Approval and Vesting Order**”), *inter alia*: (i) approving the sale of substantially all of the property and assets used in connection with the business carried on by Cinram in North America contemplated by an asset purchase agreement between CII and the Purchaser dated June 22, 2012 (the “**Asset Purchase Agreement**”); (ii) approving the sale of the shares of Cooperatie Cinram Netherlands UA (“**Cinram Netherlands**”) pursuant to the binding purchase offer dated June 22, 2012 (the “**Share Purchase Offer**”) provided by the Purchaser to CII and 1362806 Ontario Limited (together with CII, the “**Share Sellers**”), on the terms of the form of share purchase agreement appended to the Share Purchase Offer (the “**Share Purchase Agreement**”); (iii) authorizing CII to enter into the Asset Purchase Agreement and the Share Sellers to enter into the Share Purchase Offer; (iv) authorizing CII, CIHV Inc., formerly Cinram Inc., CRSMI LLC, formerly Cinram Retail Services LLC, One K Studios, LLC, CDIST LLC, formerly Cinram Distribution LLC and CMFG LLC, formerly Cinram Manufacturing LLC (collectively, the “**Asset Sellers**”) to complete the transactions contemplated by the Asset Purchase

Agreement (the “**Asset Sale Transaction**”); and (v) authorizing the Share Sellers to complete the transactions contemplated by the Share Purchase Offer (the “**Share Sale Transaction**”).

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. As reported in the Third Report of the Monitor, on August 31, 2012, the Asset Sale Transaction closed and the Monitor delivered its certificate.
9. As reported in the Seventh Report of the Monitor, on February 4, 2013, the Share Purchase Transaction closed and the Monitor delivered the Monitor’s Share Sale Transaction Certificate on February 5, 2013.
10. Capitalized terms not otherwise defined herein have the meaning given to them in the Bell Affidavit, the Asset Purchase Agreement, the Initial Order or previous reports of the Monitor.

PURPOSE OF THIS REPORT

11. The purpose of this Seventeenth Report is to inform this Honourable Court with respect to the following:
 - a) the CCAA Parties' request for an Order approving the sale of real property located in Louisville, Kentucky (the "**Property**"); and
 - b) the Monitor's conclusions and recommendations.

TERMS OF REFERENCE

12. 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.
13. Unless otherwise stated, all monetary amounts contained in this report are expressed in United States dollars.

LOUISVILLE PROPERTY

Overview

14. The Property is comprised of 12.09 acres of land, an industrial building which consists of 136,475 square feet, and all improvements thereon. It is owned and was used by IHC Corporation (the “Vendor”).
15. The Property was an Excluded Asset in the Asset Sale Transaction and is the CCAA Parties’ last remaining Excluded Asset to be sold.

Marketing Process

16. CB Richard Ellis Louisville (“CBRE”) was engaged and has been actively marketing the Property since October 2012. Since being engaged, CBRE actively marketed the property targeting the investor, developer and user communities. In addition to seeking purchasers through its extensive North American network CBRE’s marketing included physical media, online marketing and multiple contacts with local and state development agencies.
17. Since October 2012, a number of parties expressed interest in the Property and engaged in discussions with respect thereto but did not proceed to submission of any binding offers to purchase same.

18. In early 2015 a prospective purchaser, Accuserve Equipment and Supply, L.L.C. (the “**Tenant**”) expressed interest in the Property and conducted a number of site visits supervised by CBRE.

The Lease

19. On April 16, 2015, the Vendor entered into a Lease and Option to Purchase Agreement (the “**Lease**”) with the Tenant to lease the Property for a period of eight months commencing on April 14, 2015. A copy of the Lease is attached hereto as **Appendix “A”**.
20. In consideration of the lease, the Vendor granted the Tenant the option to purchase the Property for \$1.5 million subject to obtaining Court approvals. The deadline for the Tenant to exercise the option to purchase was June 14, 2015 and was extended to July 31, 2015 by a First Amendment to Lease and Option to Purchase Agreement dated June 11, 2015 (the “**First Amendment**”, a copy of which is attached hereto as **Appendix “B”**).
21. On July 14, 2015, the Tenant delivered a notice of exercise of option to purchase under the Lease (the “**Notice**” and, collectively with the Lease and the First Amendment, the “**Sale Agreement**”). A copy of the Notice is attached hereto as **Appendix “C”**.

22. The right to purchase the Property was subsequently assigned by the Tenant to Accuprop, L.L.C. (the “**Proposed Purchaser**”) in accordance with the Lease pursuant to an Assignment of Right to Purchase dated July 20, 2015. A copy of that assignment (without exhibits thereto) is attached hereto as **Appendix “D”**.
23. The Monitor is advised that as at the date of this report, all of the conditions to the completion of the proposed sale (the “**Proposed Sale**”), other than the requirement for court approval, have been satisfied and the Proposed Sale is expected to close shortly following court approval, if granted, by this Honourable Court and the U.S. Court.
24. It is the Monitor’s intention to distribute funds received, net of commission and closing adjustments, to the First Lien Lenders following closing of the Proposed Sale.

RECOMMENDATIONS AND CONCLUSIONS

25. The Monitor has considered the process leading to the Proposed Sale and the consideration to be received for the Property in light of the requirements of, *inter alia*, s. 36 of the CCAA. For the reasons outlined below, the Monitor is satisfied that the process was fair and reasonable in the circumstances and the consideration to be received for the Property is fair and reasonable taking into account its market value.

26. Throughout the sales and marketing of the Property the Monitor has consulted extensively with the financial advisor to the First Lien Lenders. The Monitor is advised that the First Lien Lenders are supportive of the sale of the Property to the Proposed Purchaser.

27. The Monitor is advised by CBRE that: (a) a sale of the Property in accordance with the terms and conditions of the Sale Agreement will generate the most definite value for the CCAA Parties and their creditors, and that the Court's approval of the Proposed Sale free and clear of liens except permitted liens is a critical step in achieving that result; (b) the Sale Agreement represents the most certain and best offer for the Property; and (c) \$1.5 million is fair and reasonable consideration for the Property.

28. CBRE ran a lengthy and thorough sale process in good faith prior to identifying the transaction under the Sale Agreement. After extensive marketing of the Property, the CCAA Parties believe that the Sale Agreement represents the best offer for the Property available to maximize the benefits to the CCAA Parties and their creditors.

29. In the business judgment of the CCAA Parties and CBRE, the best means of selling the Property is through a sale to the Proposed Purchaser pursuant to the Sale Agreement because: (a) the Proposed Purchaser's price is fair and reasonable and the best offer available for the Property; and (b) an extensive marketing process has already been conducted and any additional marketing or auction requirement would be costly, time intensive, and is not likely to result in a better offer for the Property.

30. The Monitor is advised by CBRE that after completion of a comprehensive marketing process, CBRE believes the sale of the Property under the Sale Agreement represents the best alternative in the circumstances, taking into account such factors as: (a) the aggregate value to stakeholders; (b) the timeframe within which the transaction would be closed; and (c) the probability of closing. The CCAA Parties and CBRE believe that the Proposed Sale to the Proposed Purchaser is thus warranted under the circumstances.

31. Accordingly, the Monitor is of the view that the CCAA Parties have acted in good faith to maximize value in attempting to divest the Property, made satisfactory efforts to obtain the best price and have not acted improvidently.

32. The Monitor does not believe that the sale of the Property under a bankruptcy would be more beneficial to the creditors of the CCAA Parties. Moreover, the

First Lien Lenders, which are (subject only to Court-ordered charges in the CCAA Proceedings) the senior secured creditors of the CCAA Parties, support the proposed sale.

33. The Monitor is advised by the CCAA Parties that all creditors with registered security interests against the Vendor or the Property will be served with notice of this motion.
34. The Monitor is advised by the CCAA Parties and the Proposed Purchaser that the Vendor and the Proposed Purchaser are not related persons within the meaning of the CCAA.
35. The Monitor is also advised by the CCAA Parties that all payments required under sections 6(5)(a) or 6(6)(a) of the CCAA have been made. Therefore, the proposed sale is in compliance with section 36(7) of the CCAA, if this section is applicable to the proposed sale.
36. Accordingly, the Monitor recommends approval of the Sale Agreement and the sale of the Property contemplated thereunder by this Honourable Court.

37. On completion of the Proposed Sale, the Monitor will proceed to finalize a number of administrative tasks related to these CCAA proceedings and intends to return before this Honourable Court in the near future to seek further relief terminating these CCAA Proceedings and its discharge as Monitor.

All of which is respectfully submitted this 20th day of July, 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 black ink that reads "Paul Bishop". The signature is written in a cursive, flowing style.

Paul Bishop
Senior 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”

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.

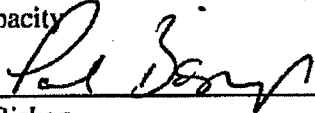
20. SIGNS. Landlord, upon request, agrees to fully cooperate, at the sole expense of Tenant, in any proceeding and to execute any necessary consents or applications in respect thereto which may be required by law to permit the erection of Tenant's signs on the Leased Premises.

[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")

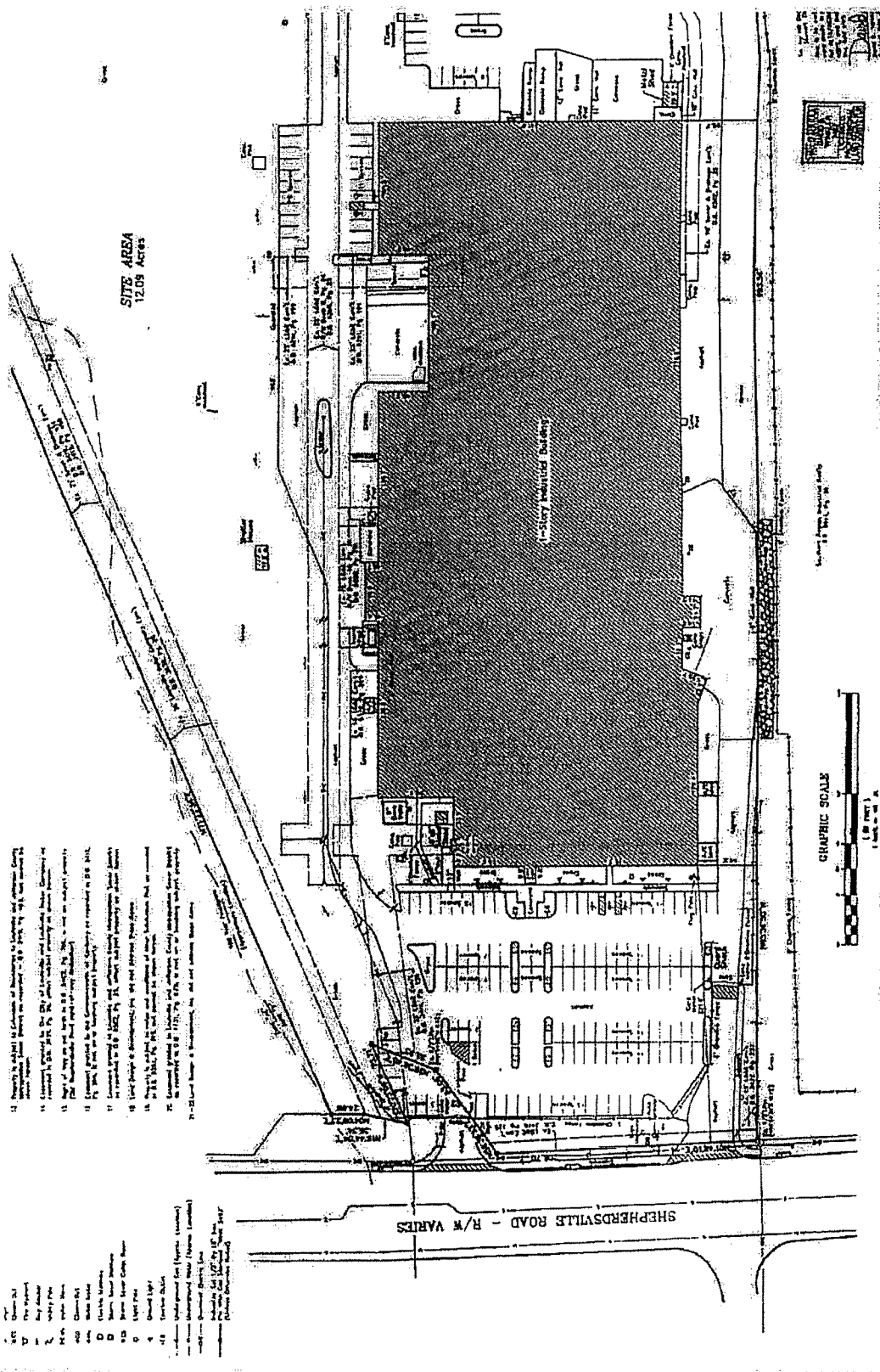
EXHIBIT A
PROPERTY DESCRIPTION

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- 1.00 - 1" = 100'
- 1.01 - 1" = 200'
- 1.02 - 1" = 300'
- 1.03 - 1" = 400'
- 1.04 - 1" = 500'
- 1.05 - 1" = 600'
- 1.06 - 1" = 700'
- 1.07 - 1" = 800'
- 1.08 - 1" = 900'
- 1.09 - 1" = 1000'
- 1.10 - 1" = 1100'
- 1.11 - 1" = 1200'
- 1.12 - 1" = 1300'
- 1.13 - 1" = 1400'
- 1.14 - 1" = 1500'
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- 1.96 - 1" = 9700'
- 1.97 - 1" = 9800'
- 1.98 - 1" = 9900'
- 1.99 - 1" = 10000'

SITE AREA
12.09 ACRES



SITE AREA
12.09 ACRES

INDUSTRIAL BUILDING

SHEPHERDSTOWN ROAD - R/W VARIES

GRAPHIC SCALE
100 Feet

SITING AREA

Appendix “B”

FIRST AMENDMENT TO LEASE AND OPTION TO PURCHASE AGREEMENT

THIS FIRST AMENDMENT TO LEASE AND OPTION TO PURCHASE AGREEMENT ("Amendment") is made and entered into this 11th day of June, 2015, by and between:

IHC CORPORATION, ("Landlord")
a Delaware corporation
and

ACCUSERVE EQUIPMENT AND SUPPLY, L.L.C., ("Tenant")
a Kentucky limited liability company

A. Landlord and Tenant are parties to a Lease and Option to Purchase Agreement dated as of April 16, 2015 (the "Lease") which provides for the lease by Tenant of certain property (the "Property") located at Old Shepardsville Road, Jefferson County, Kentucky and more fully described in the Lease and for an option to purchase the Property following a period of due diligence. Terms used in this Amendment as defined terms and not defined in this Amendment shall have the meaning(s) ascribed to them in the Lease.

B. The Lease provides for the exercise of the Tenant's Option to purchase the Property through the 60th day of the Term.

C. Landlord and Tenant have determined to extend the period during which the Option may be exercised by Tenant through and including July 31, 2015.

1. **Extension of the Option Period.** Landlord and Tenant agree that the period during which the Option shall be exercisable by Tenant is hereby extended through and including July 31, 2015.

2. **Closing Date.** The parties agree that the closing date for the sale of the Property shall continue to be determined as provided in Section 12 of the Lease.

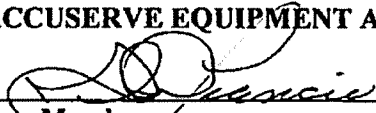
3. **Binding Effect.** This Amendment shall binding upon and inure to the benefit of the parties and their respective heirs, personal representatives, successors and/or assigns. Except as specifically provided herein, the Lease remains unchanged, unamended and of full force and effect.

4. **Construction/Governing Law.** This Amendment shall be construed in accordance with the laws of the Commonwealth of Kentucky.

5. **Execution and Counterparts.** The Amendment may be executed in counterparts, and such counterparts when taken together shall constitute a complete and fully executed Lease binding upon the parties hereto. Signatures transmitted by facsimile machine or electronically shall be deemed to be original signatures.

TENANT:

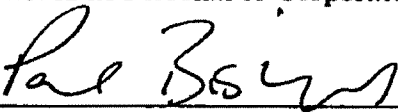
ACCUSERVE EQUIPMENT AND SUPPLY, L.L.C.


By: Member

LANDLORD:

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

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Appendix “C”

NOTICE OF EXERCISE OF OPTION TO PURCHASE

TO: IHC Corporation
c/o FTI Consulting Canada Inc.
Attn: Paul Bishop

CC: W. P. Wiseman
Kevin Grove

FROM: Accuserve Equipment and Supply, L.L.C.

DATE: July 14, 2015

Please be advised that pursuant to Paragraph 12 of that certain Lease and Option to Purchase Agreement dated April 16, 2015, as amended by that certain First Amendment to Lease and Option to Purchase Agreement dated as of June 11, 2015 (as amended, the "Lease and Option") by and between IHC Corporation ("Landlord") and Accuserve Equipment and Supply, L.L.C. ("Tenant"), notice is hereby provided to Landlord that Tenant exercises its Option to Purchase the Leased Premises upon the terms and conditions as set forth in the Lease and Option, and that the Closing of the sale and purchase of the Leased Premises shall be August 5, 2015.

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

By: 

Member

Appendix “D”

ASSIGNMENT OF RIGHT TO PURCHASE

This Assignment of Right to Purchase (the "Assignment") is entered into by and between ACCUSERVE EQUIPMENT AND SUPPLY, L.L.C, a Kentucky limited liability company, (the "Assignor") and ACCUPROP, L.L.C, Kentucky limited liability company (the "Assignee").

WITNESSETH:

WHEREAS, Assignor entered into a Lease and Option to Purchase Agreement on or about April 16, 2015, which was amended by that certain First Amendment to Lease and Option to Purchase Agreement dated on June 11, 2015 (as amended, the "Lease and Option"). A copy of the Lease and Option is attached hereto as Exhibit A and made a part hereof; and

WHEREAS, Assignor exercised its option to purchase the Leased Premises (as defined in the Lease and Option) pursuant to that certain Notice of Exercise of Option to Purchase dated July 14, 2015 (the "Notice"). A copy of the Notice is attached hereto as Exhibit B and made a part hereof; and

WHEREAS, pursuant to Paragraph 15 of the Lease and Option, Assignor desires to assign its right to purchase the Leased Premises to Assignee; and

WHEREAS, Assignee desires to accept the right to purchase the Leased Premises from Assignor.


NOW THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, agree as follows:

1. Assignor hereby assigns and transfers its right to purchase the Leased Premises to Assignee.
2. Assignee hereby accepts the assignment of the right to purchase the Leased Premises.
3. Assignee hereby assumes, as of the date hereof, the responsibilities of Assignor with respect to purchase of the Leased Premises and agrees to perform and observe the obligations, covenants, and provisions to be performed and observed as "Tenant" under the Lease and Option with respect to the right to purchase the Leased Premises.
4. Each party, for itself and its successors and assigns, has covenanted and by this Agreement does covenant with the other party, its successors and assigns, that it will do, execute and deliver or will cause to be done, executed and delivered all such further acts and will take such further action, in order better to assure, convey and confirm unto the other party, its successors and assigns, the assignment and assumption hereby affected as the other party and its successors or assigns shall reasonably request.
5. This Assignment shall inure to the benefit of, and be binding upon, the parties hereto and their respective successors and assigns.

Dated: July 20, 2015


ASSIGNOR:

ACCUSERV EQUIPMENT AND SUPPLY, L.L.C.

By: 
Name: JOHN P. FRANCIS
Title: MEMBER

ASSIGNEE:

ACCUPROP, L.L.C.

By: 
Name: JOHN P. FRANCIS
Title: MEMBER

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

SEVENTEENTH 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) 869-5230
Fax: (416) 861-0445

Lawyers for the Monitor